

BUTTE COUNTY GRAND JURY

2006 – 2007

FINAL REPORT

June 26, 2007



In Memory of
Mary Anne Houx
August 16, 1933- November 17, 2006

Mary Anne Houx
“Supervisor Extraordinaire”

Mary Anne Houx was a good friend to Butte County and champion of open government. She understood the role and the place of the grand jury in local government, supporting both citizen participation in the public process and our reporting function.

As I interacted with her during my two years on the jury, I came to understand her reputation as “tough as nails”; she had little tolerance for an interview about issues for which we were not completely informed and even less tolerance for questions she thought were formed by interviewing “the wrong people.” Her typical response was to invite me down to her office where she would have a pile of documents for me to borrow; she would invite the jury to call her back when we had reviewed the records and come to an acceptable conclusion.

We didn’t always come to the same conclusions, but she was a teacher and our reports were stronger because of her records and willingness to take the time to help us understand the intricacies of issues. Within hours after our report going public in 2006, I received a scathing voice mail from Mary Anne about a recommendation in our report. I went into her office the following Monday to face the music in person; she invited me to sit down. She asked me pointedly how the jury could recommend the abolition of an elected position and a consolidation of power under county employees that don’t answer to the voters. When I reminded her that our recommendation had been that there should be a public meeting to bring the issues and options before Butte County’s citizens for input, she was silent.

Ivor M. Thomas
2005-06 Butte County Grand Jury Foreman

In July of 2005 when I was selected to serve on the Grand Jury, I met Mary Anne Houx. Later in the year, I attended a public meeting about flood issues in the north Chico area. It had been recommended that as grand jury members, we would be more effective if we kept a low profile, so I took a seat toward back of the room. The meeting broke for a discussion period and Mary Anne headed straight for me. She leveled her steady gaze on me and said, “I know you. You’re on the Grand Jury.” We chatted a bit and I explained my interest in the issues and voiced my concerns about speaking up since I was on the Grand Jury. Again she gave me her steady gaze and said, “But, first you were a Butte County citizen.” Mary Anne clearly understood the responsibility of a citizen and carried with confidence.

I was a “holdover” to the 2006-07 Grand Jury. I looked forward to the interview we had planned with Mary Anne. I looked forward to her open honest dialogue with the members. Her straight forward “no-nonsense” style redefined the term “politician.” If she felt you were really off-base, she didn’t mine telling you.

I regret that our interview did not take place. But, I regret more that future Grand Juries will not experience Butte County through the eyes of Mary Anne Houx.

Boy! What a view!

Barbara Meade
2006-07 Butte County Grand Jury Foreperson

June 20, 2007

Superior Court of California
County of Butte
One Court Street
Oroville, CA 95965

**2006-07
Butte County Grand Jury
Final Report**

The Grand Jury Final Report has been filed on this date pursuant to California Penal Code Section 933. A copy of the report is enclosed. Your attention is invited to the following code section regarding the time requirements for comment on the report.

Penal Code Section 933

933. Report of findings and recommendations; Comment by governing board of agency and by mayor.

(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.

Penal Code Section 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) Section 933, as to each grand jury finding, 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 therefore.

(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.

FOREPERSON'S LETTER TO THE PRESIDING JUDGE

JUNE 26, 2007

The Honorable Steven Howell
Presiding Judge, Butte County Superior Court

Dear Judge Howell,

I am pleased to present, the 2006-07 Butte County Grand Jury Final Report for your review and consideration. The eighteen reports that follow, including the findings and recommendations, were reviewed, and approved by the 2006-07 Butte County Grand Jury. It is my hope that the report will be of public benefit.

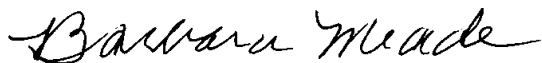
We were privileged to interview many people and some several times. There were some persons interviewed that will not be included in our report. When many of our reviews and visits were completed, the Grand Jury was satisfied that many of the governmental processes under review were sound.

We appreciate your support throughout our investigations. You were always willing to help with subpoenas to secure the individuals and the information necessary for completing the report and to adjust your busy schedule to educate our members in the integral process of court functions.

The Grand Jury's nineteen members come from all areas of the county and from diverse backgrounds. We have worked with and learned from each other. We have worked long hours and shared meals, frustrations and satisfaction. We worked hard, resolved issues and developed a mutual admiration and respect for each other. We have learned a tremendous amount about the workings of government, and produced a report to which we are satisfied. Each member of this jury contributed significantly to this report; we believe the report will be beneficial to the citizens of Butte County for the years to come.

The 2006-07 Butte County Grand Jury wishes to express our gratitude to all court staff that supported us, especially to Judge Steven Howell, Sandy Jones, Andrea Nelson, Scott Miller, Kelly Sells, and Richard Holst. We would also like to thank Butte County Counsel, the Butte County District Attorney, and Butte County Administration for their exceptional helpfulness. Additionally, we would like to extend our appreciation to the "Court House Gatekeepers" (Butte County Sheriff Deputies and the Butte County Court Attendants) for their friendliness and understanding of Grand Jury schedules.

Sincerely,



Barbara Meade
Foreperson, 2006-07 Butte County Grand Jury

BUTTE COUNTY GRAND JURY MEMBERS

BARBARA MEADE
ROSALIND REED
CONNIE PICOTTE
JUDY DRAGON
RON BOTTINI

FOREPERSON
FOREPERSON PRO TEMPORE
RECORDING SECRETARY
CORRESPONDING SECRETARY
SERGEANT-AT-ARMS

CHICO
CHICO
BERRY CREEK
BERRY CREEK
PARADISE

CHRIS CALLOWAY
MARY COOLEY
PATSY CRISAN
JOHN FIELDING
JIM GRAFF
SHARI MAXSON HOPPER
SANDY MCIVER
JEFF PLOTNICK
MICHAEL ROWE
BETTY STAUFFER
GEORGIE SZENDREY
EMILY TIETZ
PATTI WALKER
LOLA WARREN

CHICO
CHICO
CHICO
DURHAM
BIGGS
PARADISE
PARADISE
CHICO
CHICO
BANGOR
CHICO
CHICO
OROVILLE
BANGOR

Final Resolution

Whereas, the 2006-07 Butte County Grand Jury has conducted the business of its term and has reached certain conclusions, and

Whereas, the 2006-07 Butte County Grand Jury desires to disclose the substance of those conclusions for the benefit of local government, its agencies and the citizens of Butte County.

Be it resolved that the attached papers, commendations, findings and recommendations are adopted as the Grand Jury Final Report and submitted to the Presiding Judge of the Superior Court of California, County of Butte, to be entered as a public document pursuant to California Law.

The above resolution **passed and adopted** by the 2006-07 Butte County Grand Jury at the Butte County Superior Court in Oroville on the 21st day of June 2007.

GRAND JURY STATEMENT

THE 2006-2007 BUTTE COUNTY GRAND JURY, impaneled on June 30, 2006 pledged itself to conduct its business in an ethical manner, to be responsive to citizen complaints, to visit and review offices and agencies, to accomplish the goals it set for itself and, at the end of its term, to render a comprehensive final report to the citizens and agencies of butte county,

FURTHER, THE 2006-2007 BUTTE COUNTY GRAND JURY pledged itself to uphold the following values throughout its term:

TO RECOGNIZE ITS PURPOSE AND DUTIES in accordance with the laws of the State of California;

TO MAINTAIN the confidentiality and integrity of all grand jury proceedings;

TO RECOGNIZE THE IMPORTANCE of applying to all individuals the same objective standards of conduct and responsibility;

TO RESPECT every individual's right to privacy;

TO RECOGNIZE THAT THE GRAND JURY functions lawfully as a legal entity and that no single grand juror, when acting alone, has any power or authority to represent the grand Jury;

TO REMAIN VIGILANT to detect and avoid any personal conflicts of interest that may arise during the course of performing the business of the grand jury;

TO RECOGNIZE THE IMPORTANCE of relying on the opinions and expertise of others more skilled in particular matters regarding the business of public office and government;

TO RESPECT the discretionary policy-making or operational powers of public officials;
and

TO RECOGNIZE THE IMPORTANCE of maintaining accuracy and integrity in our activities and to keep our reports confined to matters within the scope and power or our authority

ACKNOWLEDGMENTS

THE 2006-2007 BUTTE COUNTY GRAND JURY SINCERELY APPRECIATES, ACKNOWLEDGES AND THANKS THE FOLLOWING PEOPLE AND ORGANIZATIONS FOR THEIR SUPPORT, GUIDANCE AND, PROFESSIONAL ASSISTANCE AND ORIENTATION, AND FOR HELPING TO MAKE THIS FINAL REPORT POSSIBLE:

THE HONORABLE STEVEN HOWELL, JUDGE OF THE SUPERIOR COURT OF CALIFORNIA, BUTTE COUNTY, WHO PRESIDED OVER THE 2006-2007 GRAND JURY;

COUNTY COUNSEL BRUCE ALPERT, ASSISTANT COUNTY COUNSEL DAVID McLAIN AND CHIEF DEPUTY ELIZABETH MCGIE;

DISTRICT ATTORNEY MICHAEL RAMSEY AND HIS STAFF.

THE STAFF OF THE SUPERIOR COURT OF CALIFORNIA, COUNTY OF BUTTE, INCLUDING SHAROL STRICKLAND, COURT EXECUTIVE OFFICER, ANDREA NELSON, DEPUTY COURT EXECUTIVE OFFICER AND SANDY JONES, DEPUTY COURT EXECUTIVE OFFICER;

BUTTE COUNTY SUPERIOR COURT BAILIFFS;

BUTTE COUNTY BOARD OF SUPERVISORS: JANE DOLAN, MAUREEN KIRK, WILLIAM CONNELLY, KIM YAMAGUCHI, CURT JOSIASSEN, AND MARY ANNE HOUX (DECEASED);

BUTTE COUNTY CLERK-RECORDER/REGISTRAR OF VOTERS CANDACE GRUBBS AND STAFF

THE BUTTE COUNTY DEPARTMENT HEADS, THE COUNTY AND DISTRICT SUPERINTENDENTS OF SCHOOLS AND THEIR STAFFS;

OFFICERS WHO GUIDED MEMBERS OF THE GRAND JURY THROUGH THE BUTTE COUNTY JAIL AND THE JUVENILE HALL;

THE OFFICERS AND STAFF OF THE CHICO POLICE DEPARTMENT, OROVILLE POLICE DEPARTMENT, AND PARADISE POLICE DEPARTMENT;

ALL THOSE WHO AGREED TO BE INTERVIEWED DURING INVESTIGATIONS AND VISITS;

CALIFORNIA GRAND JURY ASSOCIATION FOR THE TRAINING SEMINARS: AND

OUR ENDLESSLY PATIENT AND UNDERSTANDING FAMILIES AND EMPLOYERS, WHO SUPPORTED US WHILE WE PERFORMED THIS CHALLENGING PUBLIC SERVICE.

A BRIEF HISTORY AND OVERVIEW OF THE GRAND JURY

What is a Grand Jury?

The Name of “Grand Jury” derives from the fact that: The body usually has a greater number of Jurors than a trial (petit) Jury. The concept of the grand Jury traces its roots to Classical Greece. Ancient Athenians employed an “accusatory body” much as the Saxons of early Britain did. In fact, from 978 until 1016 one of the Saxon Domes (laws) required an accusatory body of 12 for every 100 men. The accusing body was exhorted, “not to accuse an innocent man or spare a guilty one.”

The modern European Jury System began to evolve during the Eleventh and Twelfth Centuries. As early as 1066, during the Norman conquest of England, courts summoned bodies of sworn citizens, to investigate crimes that had come to their attention. Initially, these early juries both accused and tried suspect, and since the members of the accusing bodies were selected from small jurisdictions, they naturally presented accusations based on their personal knowledge.

During the reign of Henry II (1154-1189), juries were divided into two types - civil and criminal - with the development of each influencing the other. The oath taken by these jurors provided that they would faithfully carry out their duties, that they would aggrieve on one through enmity nor give deference to anyone through love, and that they would conceal those things that they had heard. By the year 1290, civil juries were given authority to inquire about the conditions of bridges and highways and review the practices and conditions in the jails.

The Massachusetts Bay Colony impaneled the first American Grand Jury in 1635 to consider cases of murder, robbery and wife beating. By the end of the colonial period the institution of the Grand Jury was firmly fixed in America’s new and ever-evolving system of government. Although the Constitution does not specifically mention Grand Juries, the Fifth Amendment provides the guarantee that, “no person shall be held to answer to a capital, or otherwise infamous crime, unless on the presentment of indictment of a grand jury ...” grand juries were used in our early history to protest governmental abuses, to propose new laws and very often to determine who should face trial. today, forty two states have some form of Grand Jury, and California is one of the states that still allows prosecution to be initiated by either criminal Grand Jury indictment or by judicial preliminary hearing.

GRAND JURY SYSTEM TODAY

The California State Constitution calls specifically for the use of Grand Juries in the governance of the state, and in 1849 the California Legislature authorized Grand Juries in each county. The legislature passed laws in 1880 that required grand Juries to review and investigate the activities of county government, and in Grand Juries. Certain larger jurisdictions-such as the cities and counties of San Francisco and Los Angeles - impanel separate criminal (indictment) and civil (watchdog) Grand juries each year. Some counties impanel a separate Criminal Grand Jury only when needed. The Butte County Grand Jury serves in both capacities. As Constituted today, the Grand Jury is a part of the Judicial Branch of Government and in as arm of the court. The Grand Jury does not have the functions of either the legislative or administrative branches and it is not a police agency or political group. it is an investigative body having as its objective the detection and correction of flaws in government.

The primary civil function of the grand jury, and the most important reason for its existence, is the examination of all aspects of county and city government, including special districts and joint powers agencies. seeing that the public's monies are handled judiciously and that all accounts are properly audited - General, assuring honest, efficient government in the Best interest of the people.

THE GRAND JURY HAS THREE WAYS TO EXERCISE ITS POWERS:

- BY REPORTS AND RECOMMENDATIONS REGARDING COUNTY GOVERNMENT, CITIES, SPECIAL DISTRICTS AND JOINT POWERS AGENCIES.
- BY INDICTMENT, BRINGING CHARGES AGAINST AN INDIVIDUAL FOR CRIMINAL OFFENSE.
- BY CIVIL ACCUSATION OF AN OFFICIAL OR EMPLOYEE WHERE THE RESULT, ON CONVICTION, WOULD BE REMOVAL FROM OFFICE.

A large portion of the public wrongly believes that an individual particularly a public official, appearing before the Grand Jury particularly a public official, appearing before the Grand Jury suggest guilt of malfeasance, misfeasance, or nonfeasance. it is the Constitutional responsibility of the Grand Jury to review the conduct of government each year. This entails having public officials appear before the jury for the purpose of providing information relative to their departments or offices. While it is a part of the Judicial system, a Grand Jury is an entirely independent body. The Presiding Judge of the Superior Court, the District Attorney, the County Counsel, and the state attorney General Act as its advisors, but cannot prevent the actions of the jury except on issues of legality. The Grand Jury is not accountable to elected officials or governmental employees.

Due to the confidential nature of a Grand Jury's work, most, if not all, must be conducted in closed sessions. Members of a Grand Jury are sworn to secrecy, thus assuring all that appear before it that their testimony will be handled in strict confidence. No one May be present during the sessions of a grand Jury except

those specified by law, and the minutes of its meetings may not be inspected by anyone, nor can its records be subpoenaed.

The Grand Jury serves as an ombudsman for citizens of the county. The Grand Jury may receive and investigate complaints by individuals regarding the actions and performances of county or other public officials. Additionally, the California Penal code specifies that the Grand Jury shall inquire into the conditions and management of the public prisons, jails and juvenile detentions facilities within the county.

The members of the Grand Jury are collectively granted special powers and privileges to aid them in carrying out their duties. The Grand Jury in its official capacity is permitted, with limited exceptions, access to and the right to inspect government facilities, and to review official books and records to which other citizens are denied access. The Grand Jury may issue subpoenas as necessary. The Grand Jury findings and recommendations are to be unbiased and impartial.

How Is The Jury Selected?

Each Fiscal year the Butte County Superior court summons a large number of qualified citizens who have resided in the county for over a year and are at least 18 years of age. The court makes it clear that service on the Grand Jury is Voluntary. Potential Jurors should be reasonably intelligent, of good character, and must possess a working command of the English language. From the pool of willing candidates, the court makes a good faith effort to select qualified men and women who are diverse in age and socio-economic, ethnic and educational backgrounds, and who represent the varied geographic areas of the county.

Superior Court Judges and staff interview the body of qualified and willing candidates and choose 30 potential jurors. Nineteen members make up a full jury. At the discretion of the Presiding Judge, as many as 10 members from the previous year's jury may "Holdover" or serve a second term. In order to constitute the full panel of 19, names are drawn at random, and a term of twelve months beginning in July. Over the course of the year as necessary, alternates are called in sequential order from the pool of remaining potential jurors.

How Does It Work?

The Presiding Judge appoints a Foreperson to preside at meetings the Grand Jury organizes itself into officers and committees and determines which of the various departments and functions of County, City and Joint Powers Government it will review. It also reviews compliance with the recommendations of previous Butte County Grand Juries.

Inquires on the part of Jury, letters and complaints from citizens and dictates of the state penal code collectively determine the Jury's work. The Grand Jury Aims to identify policies in government that may need improvement. All actions of the Jury-including any communication from the public and all deliberations and votes

are completely confidential. The Jury does publish a report of its significant findings and recommendations.

The Jury's Final Report, however, typically reflects only a small part of the Jury's actual endeavors over the course of its term. State law requires specific and detailed responses from departments upon which the jury renders findings and recommendations in its reports elected officials have 60 days to respond, public agencies have 90 days. The work of a Grand Jury is demanding. Most members can expect to invest approximately 500 hours of time gratifying and personally rewarding service of a jury leads one to a much improved understanding of the organization and business of local government, and to the personal satisfaction of having contributed to its improvement. The Grand Jury experience provides a unique and valuable opportunity for community service.

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Auditor-Controller's Office

Reasons For The Investigation

The 2005-06 Grand Jury investigated and reported on the Auditor-Controller's Office. Findings were numerous and resulted in a significant number of recommendations for change. The 2006-07 Grand Jury decided to follow up last year's report by investigating what changes have taken place as a result of last year's findings and recommendations (2005-06 Grand Jury Report, pp. E-2 through E-21; pp. E-24 through E-59).

Background

The Butte County Auditor-Controller and respective staff are responsible for monitoring each county department's annual budget and yearly revenues. Funds expended from approved budgets for all offices are recorded. Other responsibilities of the Auditor's Office include bi-annual billing of property tax statements, payroll services for county employees, and setting taxation rates according to law. The Auditor-Controller is an elected position. The incumbent, David Houser, has held this position since 1991 and was elected to a new term in June of 2006.

Last year, the Auditor-Controller's Office was the subject of three separate reports, resulting in findings and recommendations on various topics. This year's report has focused on the environment and management of the Auditor-Controller's Office; the functioning of the Audit Committee; to a lesser extent, auditing practices and technology infrastructure; and, trainings provided by the Department of Human Resources.

According to the organizational chart dated March 5, 2007, the Auditor-Controller's Office is budgeted for thirty-four positions, three of which are vacant **(Exhibit A)**. The five divisions are General Accounting, Staff Support and Special Projects, Accounts Payable and General Ledger, Payroll Services, and Property Tax Division. Six "independent" positions are located outside of any specific division: Auditor-Controller, Assistant Auditor-Controller, two Internal Auditors, Finance Officer, and an Administrative Assistant.

The Grand Jury interviewed twenty-two individuals, some more than once; attended an Audit Committee meeting; attended a Board of Supervisor's meeting containing an agenda item which focused on the Auditor-Controller's Office; and, reviewed numerous reports.

Investigation

Management Style and Office Environment

The 2005-06 Grand Jury Report revealed problems in the management style of the Auditor-Controller including complaints about the Auditor's time in the office, disrespectful interactions with employees, retaliatory behaviors, inconsistent treatment of employees, gender bias, and lack of office manuals and operating procedures. Reports from interviewees were still varied on all issues, although the answers on certain issues were heavily polarized.

Auditor's Presence in the Office With respect to the Auditor-Controller's time in the office, most of the staff stated that he is in the office significantly more than in previous years; some stated that he was there "all the time."

Personal Interactions Reports from the staff interviewed by the Grand Jury on personal interactions on the part of the Auditor-Controller remained critical of his condescending, belittling style. Most reported that they had heard no "yelling" in the past year and that they had observed that the Auditor-Controller was making an attempt to be friendlier. Many employees still felt unappreciated and did not know how to interpret many of his comments. Some of the staff are afraid to confront him with any information which counters his perspective, choosing to complain to others rather than to him directly. There were a few employees who stated that they had not observed any disrespectful behavior on the part of the Auditor-Controller. He also was described as a person who has high expectations, demonstrating little patience with those who do not meet his expectations.

Gender Bias Observations by staff of bias based on gender were varied. Some employees felt that gender bias against females was highly evident. Several interviewers stated that the men, many of whom are in higher positions, tended to exclude the women in interactions, referring to them as girls rather than women. Another example given was that the Auditor-Controller would introduce the men at an outside meeting but fail to introduce the women present. Women are often excluded from meetings outside the Auditor/Controller's department despite the fact that they are most knowledgeable concerning respective agenda items. Some men take credit for work produced by the women. Other employees said they did not think gender bias existed at all; rather, the Auditor-Controller tended to interact with everyone about the same.

Retaliation Reports of retaliation on the part of the Auditor-Controller were also quite varied. A few staff members said they were not aware of any retaliatory behavior, and others stated that they definitely had observed such behavior. For example, some stated that they either observed or experienced changes in job responsibilities as a result of the 2005-06 Grand Jury report. These changes

were viewed by some as retaliatory, not as a process of restructuring; others said they are afraid to speak because they fear retaliation.

Office Morale

Office morale appears to be improving. Almost all people interviewed stated that the 2005-06 Grand Jury Report was very upsetting. Some felt that it was unnecessarily hurtful to a number of people, but others welcomed the criticism. However, many employees did state that the report made them take a good look at the department and implement changes. One such change was the formation of a "sunshine committee" to plan activities designed to boost positive intra-departmental interaction. Another change was the daily early morning meetings for supervisors. In the beginning the meetings were run by the Auditor-Controller and the Assistant Auditor-Controller. Later, individual supervisors were given responsibility for the meeting agenda, being free to bring up problems, changes, and issues from their perspectives. The Assistant Auditor-Controller regularly attends; however, the Auditor-Controller rarely attends the morning meetings. Most employees believe these meetings are significantly helpful to the working environment.

Employees described other issues affecting morale. One issue centered on several employees who constantly complain but offer nothing constructive. Another issue was a couple of employees who do not pull their fair share of the work responsibilities, causing overload and frustration for others. Interaction among the office divisions remains minimal. People do not know what other people are doing and how it relates to the total workload of the Auditor-Controller's office. But many of the staff said that communication was improving since the start of the morning meetings. The responsibility now lies with the supervisors to keep their subordinates informed.

Other morale issues described by those interviewed involved decision making. Some decisions have to be made by staff in their interactions with other county departments. When these departments do not like the decision, they sometimes complain to upper management. In many cases, management did not support the original staff decision. Another issue centered on management decisions not being made in a timely manner. Lack of timeliness and support significantly lowers morale.

In-Service Trainings

Last year's report recommended more in-service trainings for employees, and, as a result, most of the staff reported that they had been to more in-county workshops than in the previous year. All of the employees in the office went to customer service educational trainings. However, fewer of the staff attended out-of-county conferences or workshops. Supervisors attend more trainings than do subordinate staff. The supervisors are responsible for budgeting for in-service

education in their sections. Many interviewees indicated that more cross-training needs to be done within their respective division. Other employees stated that they would like to see Human Resources implement more in-service programs for supervisors and other people in upper management positions. Workshops could focus on communication skills and eliminating gender bias for managers, and grievance procedures for all employees.

Procedure Manual

Lack of a current procedure manual in the office was cited as a concern in last year's Grand Jury Report. At present, there is one under development, the process being supervised by an internal auditor. In addition, employees have been charged with drafting their respective desk manuals to describe exactly what they do at their workstations. Many of the employees said that due to their heavy workloads, they really did not have time to work on them. This is a low priority. There appears to be no time-line for completion of these desk manuals, though many employees feel pressured to do so.

Slow Response to Requests

The Auditor-Controller's office was also criticized in last year's report for being slow to respond to requests for approvals from outside departments. This issue is somewhat complex. Some employees were confused about this criticism. Other employees thought it probably stemmed from the fact that many outside departments do not know the requirements for submitting, for example, county contracts. Required paper work coming from outside departments is often inaccurate or incomplete and must be returned for adjustments. Other times purchasing policies are violated and requests must be adjusted. The office has implemented two programs to deal with the problem. First, it has begun to offer workshops for other county departments on completing paperwork correctly for certain requests; and second, the office is trying to streamline some tasks, such as contracting.

Organizational and Personnel Changes

Since last year's report, several organizational and personnel changes have occurred within the Auditor-Controller's Office. An incumbent employee was formally assigned to the position of Property Tax Division Manager, a job she had been doing for the past two years. Kronos, the county's time-keeping payroll system, was moved to Information Systems, another department in the county government. This move was made in order to offer better security and standardization for the entire county. One employee was transferred from the Auditor-Controller's Office to manage the system. The Pentamation system, which is the county's business and financial management program, was also moved to Information Systems from the Auditor-Controller's Office. Another employee from the Auditor-Controller's Office was transferred to Information

Systems to monitor Pentamation. These transfers initiated by the county were applauded as an effective administrative decision by all people interviewed, although many employees said they miss interacting with those people who were transferred. Other people have left or transferred to outside departments for personal reasons.

The General Accounting Supervisor received an uncomplimentary review in last year's Grand Jury report. In the interviews done this year, most of the staff described the General Accounting Supervisor as highly competent, a person who follows all accounting rules and standards very closely. A number of staff said last year's report was unfair to her. Employees did describe her as an intense, strong-willed person who becomes frustrated easily. However, most employees said that she was working hard on her patience level and making progress. Other comments focused on the desire for the General Accounting Supervisor to be more open to considering changes in procedures.

A new Supervisor of Accounts Payable and General Ledger was hired from outside the county in the last year. Almost all of the interviewees shared that he has been a positive influence in the office. He has brought in new ideas and works hard to implement them. Some employees, directly affected by his proposed changes, wish that he would spend more time listening to why tasks are done the way they are before suggesting changes. All agreed that change is always a very difficult process.

The Assistant Auditor-Controller, who was new on the job last year, was criticized on several issues by last year's Grand Jury. Almost all interviewees believe the report to be too harsh. Staff felt that last year the Assistant Auditor-Controller was beginning to learn a new job in government accounting, having come from private business accounting. The Auditor-Controller was often not available for information or other assistance, and therefore the Assistant was left "holding the bag." Most employees described him as working hard to learn his position. He was described as a very nice, pleasant person with whom to work. There were still a number of staff people who felt he was indecisive and "rode the fence" more than they would like. However, they did wonder if he felt that he was not empowered by the Auditor-Controller to make some decisions.

Physical Environment

The physical space of the Auditor-Controller's office is being changed. Comments from last year's report centered on clutter and other disorganization in the office facilities. Currently, the office is being remodeled with new carpet, paint, cubicles, and furniture. Although staff will be inconvenienced for a time, this remodel should facilitate organization, add storage, and improve safety.

The Audit Committee

In 2003 the outside auditing firm contracted by Butte County recommended that the county form an "Audit Committee." The purpose of the Audit Committee is to help facilitate communication between management, the auditors, and the Board of Supervisors. "A properly formed audit committee helps to enhance the financial statement auditor's real and perceived independence by providing a direct link between the auditors and the governing board." **(Exhibit B)** As mentioned in last year's Grand Jury Report, the Audit Committee has been organized as suggested. The committee is chaired by a representative from the Board of Supervisors, and includes the Chief Administrative Officer **(CAO)** of the county, the Auditor-Controller, the Treasurer, and the CAO's budget director.

The 2005-06 report goes on to indicate that the charge to the committee would be "to coordinate the production of written record and new policy that would enhance the sophistication of Butte County's fiscal policy." (E-30) However, the 2005-06 Grand Jury found that the Audit Committee "had only met three times and had produced no work product, policies, or minutes." (E-30) The Grand Jury now reports that by-laws of the Audit Committee have been written **(Exhibit C)**, and minutes of meetings are now available.

As part of the Grand Jury's charge to monitor the county's budget procedures, this year's Grand Jury suggested that representatives from the Grand Jury attend all Audit Committee meetings. During an interview, the CAO stated that he had no problem with including members of the Grand Jury in that all meetings are open to the public.

One of the primary functions of the Audit Committee is to recommend to the Board of Supervisors an outside auditing firm for the county's annual audit. This year the firm of Bartig, Basler, & Ray, CPAs Inc. was selected. In response to reported concerns by the 2005-06 Grand Jury, the Board of Supervisors requested additional audit services in addition to the usual audit. Only some of the issues raised last year were selected for audit; other issues considered important by last year's Grand Jury were not included. The results of the additional audit indicate that the audit firm did not find evidence of those issues that they were contracted to investigate from last year's report. This year's Grand Jury noted the fact that the audit used data samples from 2005-06, while last year's Grand Jury drew their conclusions from older data. The audit also included a thorough review of procedures within every section of the Auditor's Office, with the exception of General Accounting. The auditing firm presented their findings to the Audit Committee and directly to the Board of Supervisors. **(Exhibit D)**

Public Hearing by the Board of Supervisors

Last year's 2005-06 Grand Jury Report recommended that the Board of Supervisors hold a public hearing to discuss possible options for reorganizing the Auditor-Controller's Office and respective responsibilities contained therein (p. E-15).

On March 27, 2007, the Board of Supervisors held the public hearing. Agenda item number 4.07 dealt with "public discussion on the Auditor-Controller and restructuring options..." The CAO presented to the Board the following four options: **(Exhibit E)**

1. Maintain status Quo – no change.
2. Increase Board of Supervisors involvement by transferring specific responsibilities from the Auditor-Controller.
3. Create a finance department, but maintain an elected auditor. This requires a Charter amendment.
4. Entirely eliminate the office of the Auditor-Controller and replace it with a county finance department headed by a Chief Financial Officer. This requires a Charter amendment.

The Board of Supervisors authorized a study committee and instructed the committee to report back to the Board. (See minutes of Board of Supervisors Meeting, 3/27/07.)

Commendations

1. The Auditor-Controller's Office has implemented in a timely manner several successful programs to help improve office morale and communication. These programs include more in-county in-service trainings, the formation of a "Sunshine Club," and the implementation of morning meetings for supervisors.
2. The office has responded quickly to addressing time-response problems.
3. The Property Tax Division within the Auditor-Controller's Office continues to be managed well and functions very effectively. The County made a good decision in formally appointing the employee who has been primarily responsible for this department to the permanent position of manager.
4. The Board of Supervisors moved forward in a timely manner to hold a public hearing on the Auditor-Controller's office as recommended by last year's Grand Jury.

Findings

1. The Auditor-Controller has adjusted his behavior to spend more time in the office.

2. The Auditor-Controller appears to be making some effort to improve his interaction style; however, he is still viewed as intimidating as a result of his condescending and critical style. While this style of management may have been common in previous decades, more recent styles include much more positive, supportive guidance interaction.
3. Although reports from interviewees were varied, a certain amount of gender bias may be present in the office environment. The behavior may be inadvertent as result of cultural conditioning.
4. Some staff members still report the fear of retaliation; some report actions that they believe are retaliatory in nature.
5. Morale in the Auditor-Controller's Office appears to be improving based on reports from a majority of the interviewees. Several changes in the office, previously described, have contributed to the increase in morale.
6. Issues affecting morale still need attention. Personnel issues, minimal communication between departments and among employees, little appreciation from higher administration, and lack of appropriate in-service trainings appear to be contributing to the problem.
7. A minimal amount of cross-training is being done.
8. Employees interviewed report that they have had more opportunity and support to attend in-service training programs, but would like to see Human Resources offer even more trainings helpful to management and other staff.
9. The process of developing an office manual and worksite responsibilities has been implemented. However, the manual does not appear to have a high priority. Many of the staff said they do not have time to work on it, and administration has not set any timelines.
10. The office has done a good job at responding to problems which may be affecting response time by planning workshops for outside departments to better understand processes that must be followed for the Auditor-Controller's Office to do its job.
11. The Assistant Auditor-Controller has worked hard at learning a new job in a challenging environment.
12. The General Accounting Supervisor is viewed as a hard worker and a highly competent professional dealing with difficult issues and tasks.
13. The County has transferred Kronos and Pentamotion Systems from the Auditor-Controller's Office to the Information Systems Department, thereby addressing time-management and budget issues.
14. The County has moved quickly to implement desired changes in the physical environment of the Auditor-Controller's Office.

15. The Audit Committee has developed by-laws and has minutes of meetings available.
16. Even though the Grand Jury is charged by the Penal Code with the responsibility to review the budgetary issues of the county, notice of Audit Committee meetings were not routinely sent until requested by the Grand Jury.

Recommendations

1. The Auditor-Controller should attend management communication workshops which focus on more effective styles for supervising employees in today's working environments.
2. The Auditor-Controller should continue the recently implemented programs designed to improve interaction and be open to suggestions for effective change.
3. The Auditor-Controller should implement methods to improve the upward, downward, and lateral flow of communication.
4. The Auditor-Controller should implement cross-training in those sections that are not currently doing so.
5. Human Resources should plan and implement management communication skill workshops for supervisors at all levels, in all departments.
6. Human Resources should plan and implement workshops which include educating all staff on behaviors that are gender biased in nature but often not recognized as such as a result of cultural conditioning.
7. Human Resources should better educate employees about the grievance procedures to be followed in case of a retaliatory action.
8. The Auditor-Controller should place a higher priority on the development of the office procedural manual and respective desk manuals. Staff should be held accountable to a timeline. A mechanism should be in place to encourage employee input.
9. The Auditor-Controller's Office should continue offering educational programs to help outside departments in their responsibilities for completing paper work more effectively.
10. The CAO should inform the Grand Jury of all meetings of the Audit Committee.

Responses Required (Penal Code §933 and 933.05)

Butte County Auditor-Controller

Butte County CAO

Butte County Human Resources

Auditor-Controller's Office

Index of Exhibits

Exhibit A: Organizational Chart for the Auditor-Controller's Office

Exhibit B: June 30, 2003, Management Letter presented to the Butte County Auditor-Controller by the auditing firm of Gilbert & Associates, page 3

Exhibit C: *By-laws of the Butte County Audit Committee*; undated. A draft was referenced in the minutes of the November 2, 2006 meeting of the Audit Committee as being reviewed. It was suggested that a final draft be presented to the Board of Supervisors for its approval. We have no indication whether this is the final draft and whether it has been approved.

Exhibit D: Documents pertinent to additional audit services performed by the audit firm of Bartig, Basler & Ray as requested by the Butte County Board of Supervisors in response to reported concerns by the 2005-06 Grand Jury

1. Cover page of the Butte County Board of Supervisors Agenda Transmittal – prepared by the Administration Department, dated Sept. 12, 2006.
2. Letter from Bartig, Basler & Ray to Butte County Administration dated August 9, 2006, and presented to the Board of Supervisors as Attachment A of the transmittal document labeled as D1
3. Letter from Bartig, Basler & Ray to Butte County Administration dated September 1, 2006
4. Letter from Bartig, Basler & Ray to Butte County dated December 11, 2006
5. Letter from Bartig, Basler & Ray to Butte County dated January 22, 2007
6. Letter from Bartig, Tasler & Ray to Butte County dated April 4, 2007

Exhibit E: *Auditor/Controller Restructuring Options*; drafted by the Administration Office for use by the Board of Supervisors in the March 27, 2007

Exhibit A

AUDITOR - CONTROLLER'S OFFICE

cc: Office Practices / Organizational Chart
Revised - 3/5/2007

ORGANIZATIONAL CHART

DEPARTMENT 050

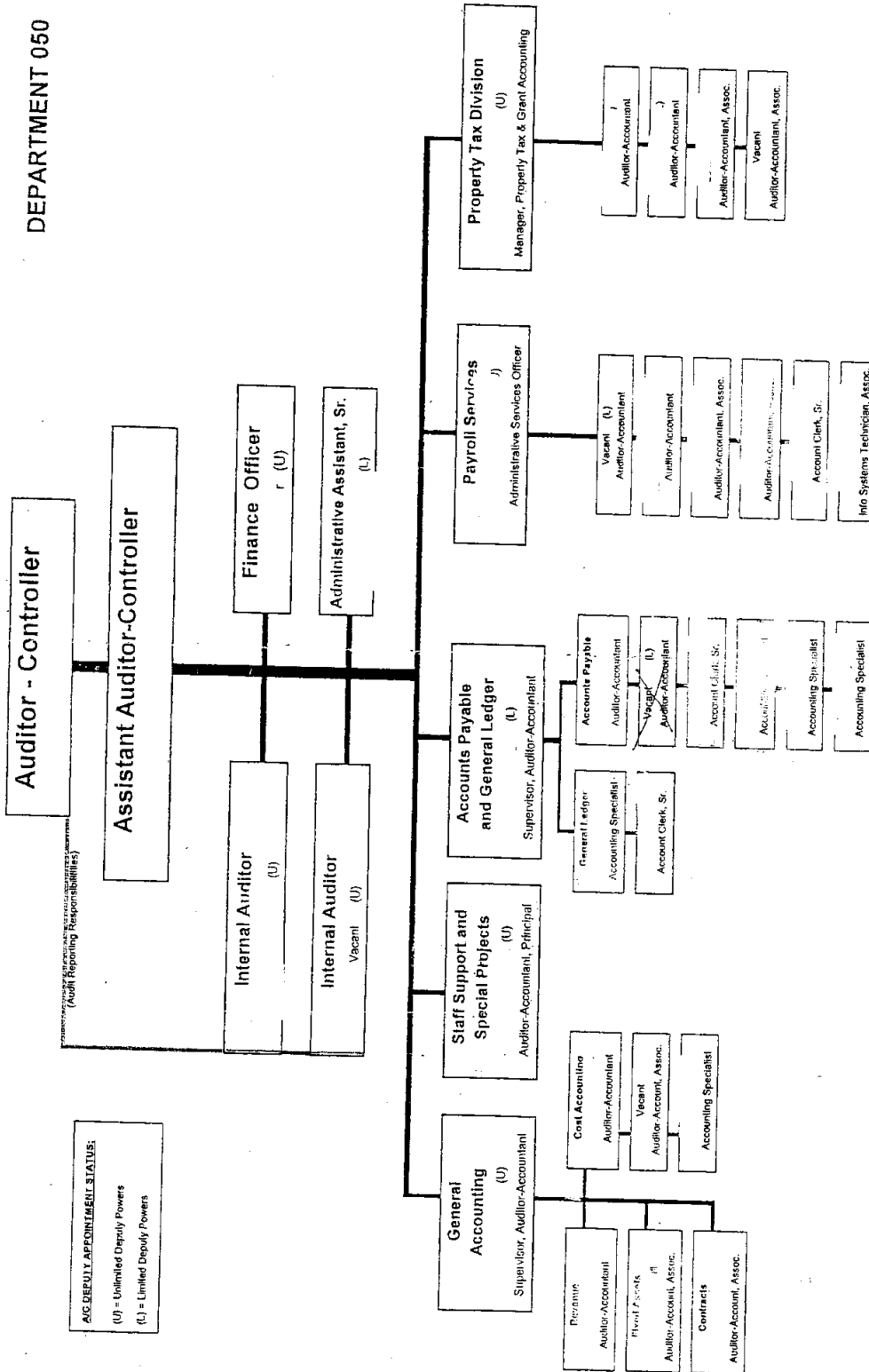


Exhibit B

COUNTY OF BUTTE MANAGEMENT COMMENTS AND RECOMMENDATIONS JUNE 30, 2003

ESTABLISHMENT OF AUDIT COMMITTEE

Finding:

While performing our audit procedures it was noted that the County Board of Supervisors has not established an audit committee. In recent years, the importance of audit committees has come to be recognized in both the public and private sectors. This importance is reflected in the requirements set by generally accepted auditing standards and the Sarbanes-Oxley Act of 2002. Both generally accepted auditing standards and Sarbanes-Oxley requires that an audit committee be informed of various matters of importance related to the audit when a formal audit committee exists. In addition, the Government Finance Officers Association (GFOA) has recommended to state and local governments that the establishment of an audit committee enhances sound financial management practices.

Recommendation:

The auditor of a local government's financial statements must be independent, both in fact and in appearance. A properly formed audit committee helps to enhance the financial statement auditor's real and perceived independence by providing a direct link between the auditor and the governing board. In addition, an audit committee helps facilitate communication between management, the auditors, and the governing board. An audit committee also provides documentation, through minutes and procedures, of the Board's process for managing the financial statement audit. It is our recommendation that the County Board of Supervisors consider the establishment of an audit committee based on the advantages noted above. This audit committee will play an advisory role to the Board and assist in its communication with management and the auditors.

Exhibit C

Bylaws of the Butte County Audit Committee

ARTICLE I. PURPOSE:

The primary function of the audit committee (the "Committee") is to assist the Board of Supervisors in its oversight of (a) the integrity of the financial statements of the County, (b) the systems of internal controls, (c) the qualifications and independence of the County's external auditor (the "Independent Accountants"), and (d) the performance of the County's internal audit function and the Independent Accountants.

ARTICLE II. AUDIT COMMITTEE ADMINISTRATION:

SECTION 1: Membership

The Committee shall consist of a Member of the Board of Supervisors appointed by the Board of Supervisors and the following ex-officio members: the Chief Administrative Officer, the County Auditor, the County Treasurer, and the Chief Administrative Officer's Budget Director.

SECTION 2: Duties of Membership

Each member of the Committee shall perform their duties in good faith, in a manner they reasonably believe to be in the best interests of the Committee and the County, and with such care as an ordinary prudent person in a similar position would use under similar circumstances.

SECTION 3: Meetings

The Committee shall meet at least quarterly. Additional meetings may be called by the Committee Chairperson as needed. A quorum shall exist when a majority of the members are present. The Committee may set meeting dates to accommodate special circumstances. No business, other than that on the agenda may be conducted at a Committee meeting.

SECTION 4: Notification of Meetings

Members shall be given the agenda and related materials/documents pertaining to the items before the Committee one week prior to the meeting date.

SECTION 5: Voting

Each member of the Committee shall have one vote. Members must be present at the time of the vote. The act of the majority of the members present at a meeting, at which a quorum is present, is the act of the Committee.

SECTION 6: Protocol

To the extent not contrary to these bylaws, Roberts Rules of Order shall govern all meetings of the Committee.

SECTION 7: Books and Records

- a. Records Required - The Committee shall keep correct and complete minutes of the proceedings of all meetings, which shall be circulated to all Committee members.
- b. Form - The Committee's records and minutes may be written or kept in any form capable of being converted into writing within a reasonable time.
- c. Inspection - The records of the Committee shall constitute public records.
- d. Open Meetings - The meetings held by the Committee shall be open to the public in accordance with the Brown Act. Requests to address the Committee on any agenda item or new business, shall be delivered or communicated to the Chairperson before the start of the Committee meeting. The request shall include the name of the requesting party and the topic or agenda item on which the party wishes to speak. Each person addressing the Committee shall have three minutes to speak, although such time may be extended at the direction of the Chairperson.

ARTICLE III. COMMITTEE OFFICERS:

The officers of the Committee shall consist of a Chairperson, who shall be a member of the Board of Supervisors, and a Vice-Chairperson/Secretary, who shall be the Chief Administrative Officer.

SECTION 1: Chairperson

The Chairperson shall exercise general supervision and control over the affairs of the Committee.

SECTION 2: Vice Chairperson/Secretary

The Vice-Chairperson/Secretary shall have the powers and shall perform the duties that the Chairperson prescribes. If the Chairperson is absent or unable to fulfill his or her duties, the Vice-Chairperson/Secretary shall perform all duties and exercise all the powers of the Chairperson.

ARTICLE IV. GENERAL RESPONSIBILITIES:

1. The Committee will provide open avenues of communication among the internal auditors, the independent accountants and the Board of Supervisors.

2. The Committee must report Committee actions to the Board of Supervisors and may make appropriate recommendations.
3. The Committee has the power to conduct or authorize investigations into matters within the Committee's scope of responsibilities. The Committee is authorized to retain independent counsel, accountants or others it needs to assist in an investigation.
4. The Committee may direct county employees or others to attend a meeting and is authorized to receive all pertinent information from any County employee.
5. The Committee will do whatever else the laws, the County's charter, these bylaws or the Board of Supervisors require.

ARTICLE V. SPECIFIC RESPONSIBILITIES:

1. The Committee will select the independent accountants for County audits. The Committee's selection is subject to approval by the Board of Supervisors. The Committee also will review and set any fees paid to the independent accountants and review and approve dismissal of the independent accountants.
2. The Committee will evaluate the independent accountants, oversee their work, and pre-approve all audit services.
3. The Committee will consider, in consultation with the independent accountants and the County Auditor, the audit scope and procedural plans made by the County's internal auditors and the independent accountants. The Committee will address the coordination of audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
4. The Committee will consider requests of Administration, the County Auditor, or the primary independent accountants if either thinks there might be a need to engage additional auditors. The Committee will decide whether to engage an additional firm and, if so, which one.
5. The Committee will consider requests of Administration or the County Auditor, to employ audit firms other than the principal independent accountants for services that the County or the independent accountants determine would not be appropriate for the principal independent accountants to perform.
6. The Committee will ask Administration, the County Auditor and the independent accountants about significant risks and exposures and will assess the County's steps to minimize them.
7. The Committee will review the following with the independent accountants and the County Auditor:
 - a. The adequacy of the County's internal controls, including computerized information system controls and security.

- b. Any significant findings and recommendations made by the independent accountants or internal auditing, together with the County's responses to them.
- 8. Shortly after the annual examination is completed, the Committee will review the following with Administration and the independent accountants:
 - a. The County's annual financial statements and related footnotes.
 - b. The independent accountants' audit of and report on the financial statements.
 - c. The auditor's qualitative judgments about the appropriateness, not just the acceptability, of accounting principles and financial disclosures.
 - d. Any serious difficulties or disputes with County officials or employees encountered during the course of the audit.
 - e. Critical accounting policies and practices used by the County
 - f. All alternative treatments of financial information within generally accepted accounting principles that have been discussed with Administration or the County Auditor, the ramifications of each alternative, and the treatment preferred by the County.
 - g. All significant written communications between the independent accountants and any County official or employee, such as any management letter or schedule of unadjusted differences.
 - h. Any significant changes required in the independent accountants' audit plan.
 - i. Anything else about the audit procedures or findings that Government Auditing Standards requires the auditors to discuss with the Committee.
- 9. The Committee will consider and review with Administration and the County Auditor:
 - a. Any significant findings during the year and the County's responses to them.
 - b. Any difficulties the internal auditor encountered while conducting audits, including any restrictions on the scope of their work or access to required information.
- 10. The Committee will resolve disagreements with respect to and oversee compliance with accounting policies and principles.
- 11. The Committee will review with Administration and the County Auditor the policies and procedures with respect to the County's use of expense accounts, public monies, and public property, including, for example, the use of County vehicles.

12. The Committee will review and approve the internal audit reports from the internal audit staff and the County Auditor, including, but not limited to, such reports as the Committee shall require, and procedures for implementing accepted recommendations.
13. The Committee will review the adequacy and effectiveness of the County's internal system of audit and financial controls and the results of internal audits.
14. The Committee will review the procedures for the receipt, retention, investigation, treatment and/or referral to the Board of Supervisors, or, as it deems appropriate, the County District Attorney, County Auditor, or County Counsel, of complaints on accounting, internal accounting controls or audit matters, as well as for confidential, anonymous submissions by County employees of concerns regarding questionable accounting or audit matters.
15. The Committee will review any complaints regarding accounting controls, auditing matters, or suspected fraud that might have been received, current status, and resolution if one has been reached.

**ARTICLE VI. AUTHORITY AND POWERS DELEGATED TO THE
COMMITTEE AS AGENT OF THE COUNTY:**

The Committee shall have the authority to retain such outside counsel, experts and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have the sole authority to approve related fees and retention terms, subject to a maximum annual commitment of \$100,000. Board of Supervisors approval is required for fees to an outside counsel, expert or other advisor if fees are expected to exceed this amount.

In discharging its oversight role the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the County.

ARTICLE VII. AMENDMENT:

These bylaws may be repealed or amended, and additional bylaws may be adopted, by a majority vote of the Committee.

Signature: _____
Committee Chairperson

Signature: Paul McIntosh
Committee Vice-Chairperson

Exhibit D1

BUTTE COUNTY BOARD OF SUPERVISORS ENDA TRANSMITTAL

CLERK OF THE BOARD USE ONLY

MEETING DATE:

AGENDA ITEM:

AGENDA TITLE: Agreement for Additional Audit Services – Bartig, Basler & Ray

DEPARTMENT: Administration

DATE: Sept 12, 2006

MEETING DATE REQUESTED: Sep 12, 2006

CONTACT: Greg Iturria

PHONE: 538-7631

REGULAR _____ CONSENT X

SUMMARY OF REQUEST:

The Board of Supervisors is requested to approve an amendment to the agreement for annual audit services between the County of Butte and the accounting firm Bartig, Basler & Ray, CPAs, Inc. The original agreement provides for three years of audit services for fiscal years ending June 30, 2006, 2007 and 2008. The original maximum payable, by fiscal year, is \$75,000 in fiscal year 2006-2007, \$77,000 in fiscal year 2007-2008 and \$79,000 in fiscal year 2008-2009. The Audit Committee recommends the attached amendment to increase compensation by \$86,500 and to increase audit services.

On August 14, 2006 the Audit Committee met with Bartig, Basler & Ray, CPAs, Inc. to discuss the need for additional audit services in response to reported concerns by the 2005-2006 Grand Jury. The recommended additional services are described in the attached contract and include aggressive audit sampling, examination of the County's long-term financial obligations, review of policies and procedures, development of uniform accounting policies, review of posting practices, an opinion regarding the accuracy of recent financial statements. The Audit Committee consists of a Member of the Board of Supervisors, the Chief Administrative Officer, the Auditor-Controller, the Treasurer-Tax Collector, and the Budget Director.

An additional appropriation of \$86,500 is needed if the contract amendment is approved.

ACTION REQUESTED:

Approve attached amendment to the contract with Bartig, Basler & Ray, CPAs, Inc. for additional audit services and authorize the Chair of the Board of Supervisors to sign. Transfer \$86,500 appropriation from the General Fund Contingency to the Administration account for professional services.

AGENDA ITEM SUBMITTALS REQUIRE THE ORIGINAL AND TWELVE (12) COPIES
ATTACH EXPLANATORY MEMORANDUM AND OTHER BACKGROUND INFORMATION AS NECESSARY

Budgetary Impact: Yes X No _____
If yes, complete Budgetary Impact Worksheet on back
Budget Transfer Requested: Yes X No _____
If yes, complete Budget Transfer Request Worksheet on back.
(Deadline is one business day prior to normal agenda deadline)
Will Proposal Require an Agreement: Yes X No _____
Auditor-Controller=s Number (if
ired): _____
County Counsel=s Approval: Yes X No _____
Will Proposal Require Additional Personnel: Yes _____ No X
Number of Permanent: _____ Temp _____ Extra Help _____

CAO OFFICE USE ONLY

Administrative Office Review Greg 8/23/06Administrative Office Staff Contact Greg4/5's Vote Required: Yes: X No: _____

Date Received by Clerk of Board: _____

Previous Board Action Date: May 9, 2006

Additional Information Attached: Yes X No _____

Describe: Original contract approved

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Exhibit D2

Frank V. Trythall
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zuniga

ATTACHMENT A

Greg Iturria, Deputy Administrative Officer
County of Butte
25 County Center Drive
Oroville, CA 95965-3380

August 9, 2006

Dear Greg:

This letter outlines the scope of the engagement you have requested of us regarding certain internal control evaluations of the County of Butte. We have included our understanding of the work you would like for us to perform, along with the estimated fees for each component. The following is our understanding of the work to be performed.

Audit work to be done as part of the County audit: No additional fees.

- Neal Road Landfill Enterprise Fund – Review/test cash handling and accounts receivable procedures – This will be done during the normal course of our audit of the County.
- Financial System Internal Controls – Review/test internal procedures for internal controls as part of the review of financial system internal controls – This will be done during the normal course of our audit of the County.
- Development Services Department Fee Collection – Testing of fee collections and internal controls, examine department fee depositing, examine department fee allocation processes – This will be done during the normal course of our audit of the County.

Audit work outside the scope of the County audit contract:

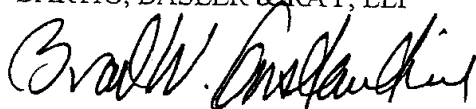
Tasks	Fees
Aggressive audit sampling and review of the following:	
✓ Payroll and timekeeping data	\$2,500
Crediting of accruals and payments of vacation, sick leave and furlough	\$3,500
Refunds given for Development Services Department land use and building permits	\$8,000
Refunds given for development impact fees	\$2,000
Refunds and disbursements given from "Trust Fund" cash accounts	\$3,000

Examine all of Butte County's long-term financial obligations and report any concerns regarding appropriate security of collateralization.	\$5,500
Review the policies and procedures and recommend improvements for "good practices" related to billing for indirect costs	\$3,000
Additional Services:	
Assistance developing uniform accounting policies to be adopted by the Board of Supervisors.	\$18,000
Review internal policies and procedures within the Auditor-Controller's Office and recommend improvement for "good practices."	\$25,000
Review the posting of expenditures and receipts in the financial system for timeliness, accuracy, and consistency.	\$4,000
Investigate the Grand Jury finding that one or more Auditor-Controller's office employees made adjustments to payments and cash receipts after the fiscal year had been closed and financial statements prepared for the period July 1, 2002 to June 30, 2005.	\$8,000
Based on the above investigation render an opinion regarding the accuracy of financial statement prepared by Gilbert Associates.	\$4,000
Total Fees	\$86,500

We anticipate that this work will take approximately three months to complete provided that County staff is available as necessary to assist in answering questions during this engagement.

If you agree to the above work to be performed and the related fees, please sign below and return a copy of this letter to us.

Very truly yours,
BARTIG, BASLER & RAY, LLP



Brad W. Constantine, CPA

We agree to the understanding of the work to be performed and to the fees noted above.

_____ Name	_____ Title	_____ Date
COUNTY OF BUTTE		



BARTIG, BASLER & RAY, LLP
A GALLINA LLP COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Exhibit D3

Greg Iturria, Deputy Administrative Officer
County of Butte
25 County of Center Drive
Oroville, CA 95965-3380

September 1, 2006

Dear Mr. Iturria:

As instructed, we have performed two of the tasks outlined in our letter dated July 25, 2006. Those tasks are the following:

- Investigate the Grand Jury finding that one or more Auditor-Controller's office employees made adjustments to payments and cash receipts after the fiscal year had been closed and financial statements prepared for the period July 1, 2002 to June 30, 2005, and
- Based on the above investigation render an opinion regarding the accuracy of financial statement prepared by Gilbert Associates.

We obtained a general ledger as of June 30, 2005 and also as of July 1, 2005. We compared the ending cash balance of the fiscal year ended June 30, 2005 and the beginning cash balance for the fiscal year ended June 30, 2006. We observed that both cash balances were exactly the same for all operating funds of the County. We also observed that the ending book balances were reconciled to the audited financial statement balances as of June 30, 2005.

Upon inquiry of staff of the Auditor-Controller's office, we were unable to corroborate the Grand Jury allegation that persons made adjustments to payments and cash receipts after the fiscal year had been closed and financial statements prepared. It is a normal behavior for Auditor-Controller's offices to adjust their financial statements to post all adjustments made during the audit so that the audited financial statements agree to general ledger of the County. We did not observe any behavior to suggest that balances were adjusted after the audit, nor can we determine a motive for doing so, because any discrepancies between audited balances and general ledger balances are always reconciled during the annual audit, and this fact would have been observed by the outside auditors. If the Grand Jury would inform us of the "witnesses" that were interviewed that indicated this problem and allow us to interview those persons, we could follow-up more

completely with this allegation. Presently, we believe that this Grand Jury finding was unfounded.

We also conducted a very detailed review of the annual audited financial statements of the County of Butte as of June 30, 2005 audited by the CPA firm, Gilbert Associates, Inc. To conduct our review we used the Government Finance Officers Association General Purpose Checklist – New Financial Reporting Model and the American Institute of Certified Public Accountants Governmental Audit Engagement Checklist. Our review noted a few minor omissions, but nothing that would render the financial statements misleading. We believe that this Grand Jury finding was unfounded.

Additionally, the Grand Jury contended that not all of the County's long term debt was included in the audited financial statements as of June 30, 2005. We examined all the debt of the County and noted that all debt that is the obligation of the County was properly reported in the audited financial statements of the County. We believe that this Grand Jury finding was unfounded.

In our opinion, the financial statements conform with generally accepted accounting principles in all material respects and can be relied upon.

This is an ongoing project. We will continue to perform the tasks outlined in our letter dated July 25, 2006 and will give a report on the findings of our work as completed.

If you have any questions about this letter, please do not hesitate to contact us.

Very truly yours,
BARTIG, BASLER & RAY, LLP
(A Gallina LLP Company)

A handwritten signature in black ink, appearing to read "Brad W. Constantine". The signature is fluid and cursive, with the first name "Brad" and last name "Constantine" clearly distinguishable.

Brad W. Constantine, CPA



Exhibit D4

Extended Audit - Management Areas December 11, 2006

Introduction

AgreeYa Solutions, Inc. (AgreeYa) was engaged by Bartig, Basler and Ray (BB&R) to review specific management areas as part of the extended audit review for the County of Butte's ("the County") Office of Auditor-Controller (OAC) conducted by BB&R. The goal of the review was to develop recommendations for the County to consider regarding certain areas within the OAC. The management areas reviewed by AgreeYa included several areas identified in the Grand Jury Report. However, the purpose of the review was not to further investigate the identified areas, but to assist the County with recommending strategies for improvement.

AgreeYa's Scope of Services included:

- Review of the policies and procedures for indirect cost
- Assistance in the development of uniform accounting policies
- Review of internal policies and procedures related to the auditor/controller's office

AgreeYa conducted this review of the OAC over a four week period. Activities conducted during the review included the review of relevant documents, conduct of one-on-one interviews and the conduct of focus groups (a listing of the documents reviewed appears as Attachment A). Ten one-on-one interviews were conducted with management staff and four focus groups were conducted with line staff. The focus groups topics included the following areas:

- General Accounting (General ledger, Revenue, Fixed Assets)
- Accounts Payable/Contracts
- Payroll
- Property Taxes

We would like to thank all the individuals who assisted us, including all those who were interviewed and those that participated in the focus groups.

Recommendations have been developed for each task within the scope of services.

Task 1 – Review the policies and procedures and recommend improvements for “good practices” related to billing for indirect costs

For this task, the following was conducted:

- Reviewed relevant documentation including:
 - Current policies and procedures regarding indirect cost approach and calculations

implementation efforts and make recommendations to the various departments on how to improve the implementation.

Task 3 - Review internal policies and procedures within the Office of the Auditor-Controller and recommend improvement for “good practices.”

For this task the following was conducted:

- Reviewed appropriate documentation
 - current documented policies and procedures
- Conducted interviews
- Conducted focus groups
- Reviewed “Good Practices” from other like-entities

This task was revised by the CAO’s office to focus in on the policies, procedures, and business processes related to the following three areas:

- Payroll
- Accounts Payable
- Property Tax

The reason for this change in scope was that these are functional areas that interface with other departments and/or have a volume of work that could most likely benefit from a high-level review. The CAO’s office was most interested in how improvements could best be realized.

The County is currently in the process of upgrading its Pentamotion Financial System which will greatly impact current financial procedures and business processes. The belief is that this newer version of the software will enable the County to realize some improvements in efficiencies due to increased software capabilities and a different setup of the system. This newer version is web based and will provide for increased user functionality. The County is currently working on how to best use the new functionality in terms of a more decentralized approach that will address some of the departmental issues about access to information. This approach will allow the department users to input directly into the system while still allowing for appropriate checks and balances.

During the review, it was reported that many spreadsheets are used in the OAC to track and manage the system information. Departments also have spreadsheets to track information that they can not currently obtain from the system, or that is not available on a timely basis. This can result in maintaining duplicate information on both the system and on manual spreadsheets. While this may currently be necessary due to the current version of the software and setup, it adds significantly to the current workload. This duplication not only takes a lot of time but is not a good use of limited resources. Additionally, this often results in multiple copies of spreadsheets, forms, memos etc. kept by several people, and the information may not be consistent.

The Pentamation upgrade will enhance controls, thus, allowing the staff to focus on areas where their skill sets can be best used in areas requiring greater attention. This should result in greater control and efficiency.

The OAC is currently collecting and reviewing all policies and procedures and is in the process of updating and formalizing them. Additionally, supervisors are in the process of developing desk manuals for their respective functional areas. Once these manuals are completed, they will roll-out to staff for the further development of their individual desk manuals. This is an ongoing development process and it is expected to be completed in early 2007.

Recommendations:

1. We acknowledge that changes in policies and procedures are eminent because of the system upgrade and have based our recommendations on this. As part of the system upgrade, the OAC should actively pursue a decentralized approach to data input and approval at the department level, while developing a strong audit capability for the transactions. The OAC should also work with the departments to change the organizational component of the chart of accounts to assist the departments in providing relevant financial information to managers at the appropriate levels. Upon completion of the upgrade, the OAC should initiate a review of its internal policies and procedures and make changes as appropriate. We believe the work the OAC's office is currently undertaking regarding documentation of current processes and procedures will be of benefit during the upgrade to provide the base from which to change or how much of a change there will be.
2. There are some general "Good Practices" that should be followed in the development of policies and procedures. Some of these are:
 - Have policies and procedures available electronically on a County-wide basis (both from within the relevant computer system and also from the intranet)
 - Use graphic and pictorial representation of complete processes for ease in understanding and so staff can understand how their piece fits within the larger total. Development of "process flows" can also be used for training and orientation purposes.
 - Assign a point-person for maintenance of updates and change-control responsibility. As part of this, establish a regular review cycle to determine whether updates are needed. This process should also include representatives from affected departments.
 - Train departmental staff on both the new system and basic accounting and financial reporting functions.
 - Cross-train OAC staff to provide staff with more opportunities for development and to ensure that loss of any one individual will not have serious consequences for the OAC.

Specific OAC Recommendations:

1. In the area of Accounts Payable (A/P):
 - Push data input to the originating source (similar to the pilot project for Public Health with A/P).
 - Make the departments responsible for approval of invoices that they data input directly into the system. This would be accomplished in conjunction with County fiscal policies on delegation of authority.
 - Have departments maintain the originals and let the OAC audit selected transactions on a sample basis, based on established dollar amounts. This would require that the OAC establish procedures for departmental retention and filing of documents.
 - If there is a requirement for OAC approval of some invoices prior to payment (possibly based upon the dollar amount of the invoice), then consider incorporating an imaging function within the process so that paper documents do not have to be sent throughout the County.
 - Develop a departmental training program on both the use of the system and the A/P process to improve efficiency.
2. In the area of Payroll:
 - Continue to expand the use of Kronos to all departments for time keeping
 - Work with Pentamation to improve the tracking of leave usage and balances to reduce the amount of manual intervention and spreadsheets
 - Work with HR and Pentamation to track Family Leave within the system
 - Continue the quarterly meetings with the departmental representatives to discuss payroll related issues. This is a best practice that could be utilized in other areas (e.g. Accounts Payable) to improve communications and develop process enhancements over time.
 - Work with HR to clearly define the application of the health benefit rules for all bargaining units. Once these have been defined, share these with the departmental representatives.
3. In the area of Property Tax:
 - Use the cross-training approach currently used by Property Tax management as a model for all of the OAC.

Additional Recommendations:

During the interviews and focus groups repeated “themes” were identified that reflected a desire on the part of staff to improve operations within the OAC. These themes included:

1. Better Communication
2. More Training
3. Greater Use of Technology

The following are suggested approaches to achieve improvement in these areas. It should be noted that some of the effective efforts of some supervisors and managers could be used as models for the Office.

1. In the area of Better Communications:

- Enhance the two-way communications with staff through
 - Regularly scheduled all-staff meetings
 - Provide de-briefings after management meetings so staff can understand other functions within the office and county and what is being planned
- Enhance two-way communications with other departments
 - Conduct more outreach activities so other departments understand expectations and have a forum for Q&A. This can help to alleviate the time spent by the staff in correcting department staff's work. The OAC has conducted some classes regarding specific processes which staff indicated were received very positively.

2. In the area of More Training:

- Increased investment in training:
 - Professional development is important due to the nature of the office. Professional conferences and seminars should be attended by appropriate staff (not just top management).
 - Staff should also be offered the opportunity to gain additional knowledge in appropriate areas. The ability of staff to attend evening classes to improve their accounting skills should be encouraged.
- Cross-training is necessary within units and between units. This would provide better coverage of staff and prepare staff for potential promotional opportunities. The approach used in the Property Tax area should be viewed as a model for other areas within the OAC.

3. In the area of Greater Use of Technology:

- Review current processes to identify how best to streamline them in preparation for the Pentamotion upgrade. Just automating current processes will result in an inability to take full advantage of the upgraded software. A review of the enhancements provided by the upgraded software should be used as the guide. Decisions can then be made as to how to best maximize the use of the system and what process changes are required. This should also take into account the appropriate segregation of duties.
- Develop an imaging capability (possibly using PDF files) to reduce the amount of copying and storage requirements. We recommend that this start within the OAC and then be expanded to other departments.

**Butte County Listing of Documents Reviewed
October 11, 2006**

1. Butte County Auditor-Controller: 2005/06 Butte County Grand Jury Final Report
2. Butte County Board of Supervisor's Agency Response to the 2005/06 Grand Jury Final Report
3. Butte County Department Head Responses
4. Butte County Auditor-Controller's response to the 2005/06 Grand Jury Final Report
5. Butte County Auditor's Manual and Accounting Standards and Procedures for Counties from the California State Controller's Office
6. Policies & Procedures Book 1 of 2
 - a. Goals
 - b. Office Policies
 - c. Internal Control
 - d. General Accounting
7. Policies & Procedures Book 2 of 2
 - a. Special Accounting
 - b. Audit
 - c. Secretarial
8. Butte County Code
9. Butte Countywide Cost Allocation Plan for Fiscal Year 2006-2007



Exhibit D5

BARTIG, BASLER & RAY, LLP
A GALLINA LLP COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Greg Iturria, Deputy Administrative Officer
County of Butte
25 County Center Drive
Oroville, CA 95965-3380

January 22, 2007

Dear Greg:

As instructed, we have completed the remaining tasks outlined in our letter dated July 25, 2006. Those tasks, with our findings are the following:

- Neal Road Landfill Enterprise Fund – Review/test cash handling and accounts receivable procedures.
 - We examined internal controls over cash handling and the recording of accounts receivable. There are two landfill attendants on duty most of the time who can accept payments. The landfill uses PC Scale software to track the number of users, the amount of waste dropped off and the total dollar amount collected/to be billed. Information from the PC scale software is downloaded daily and collections are transported daily to Oroville. In the event that the computer is down, the landfill can use manual receipts. The department deposits all cash with the Treasury and does not have a separate bank account.
 - Non-sufficient funds (NSF) checks are initially handled by the Treasurer with follow-up by Public Works, if necessary.
 - Haulers are allowed to establish an account with the County of Butte for billing purposes. Whereas, residential customers pay when they drop off items at the landfill, haulers receive a receipt showing the amount dropped off and the amount owed.
 - Billings are prepared twice a month by staff in Public Works. Delinquent accounts are assessed a 10% late fee after 30 days. A courtesy call is made to first time delinquent customers to discuss payment terms. At 60 days delinquent, the customer is called and advised the past due amount must be paid within ten calendar days or they may be denied access to the Landfill. If payment still hasn't been received within ten days from the date of the call a letter is sent advising the customer they will no longer be able to use the Landfill. Accounts exceeding 90 days are to be sent for collection and terminated unless a written waiver is approved by the Director of Public Works.
 - Per inquiry, there have been no bad debt write offs and little problem collecting from haulers.

- Our testing of accounts receivable for the landfill indicated that there was no link between the accounts receivable records maintained by the public works department and records maintained by the Auditor Controller's Office. We provided the Auditor Controller's Office with the information necessary to properly reflect the accounts receivable balance on the financial statements.
- Financial System Internal Controls – Review/test internal procedures for internal controls as part of review of financial system internal controls.

The following recommendations are included in the management letter dated November 6, 2006.

We recommend that the Auditor-Controller's office consider utilizing its accounting system to account for the activity of governmental trust funds rather than the labor-intensive process of transferring data onto spreadsheets and to budget for trust fund activity. To implement this process, the Auditor-Controller's Office will need to close out the governmental trust funds from the trust funds where they are currently being reported and either combine the balances with an existing governmental fund or create new funds that use the budgetary object code reporting structure.

We recommend that adjustments to estimates be posted against current year revenues or expenditures. Direct postings to fund balance should be kept to a minimum and should reflect error corrections and adjustments relating to the implementation of new standards.

We recommend that the County review its practice of performing a manual close and consider only using the automatic system close.

We recommend that the County minimize its use of the above accounts to reflect temporary cash deficit reclassifications and short term payable/receivables for goods and services. We also recommend that the County reclassify the 4th quarter apportionment to pool participants as interest receivable instead of due from other funds.

The County's responses to these recommendations are included in the management letter.

- Development Services Department Fee Collection – Testing of fee collections and internal controls, examine department fee depositing, examine department fee allocation process. Refunds given for Development Services Department land use and building permits.
 - We reviewed the procedures used by the department to process building and planning permits and other special assessment charges. During the time of our audit, the department used an ACCESS database to track daily transactions for these activities. During the year, the department processed

5,485 [representing \$4.2M] building permit transactions and 432 planning transactions totaling \$580,000. We randomly selected a sample of 31 items from planning and building permits. We reviewed the supporting documentation for these transactions to determine whether the fees had been allocated properly. We determined that the allocation as noted on the Access database was not accurate in all cases. However, the allocation appeared to be correct on the information submitted to accounting.

We were informed that building permit fees are now being collected on a pay as you go basis. Revenue is then more accurately reflected and the likelihood of refunds is reduced. Process appears to be working adequately. Subsequent to year-end the department began using the TRAK.IT system which is a comprehensive system used to document all phases of the building permit process including plans, approvals and accounting transactions. This new system is expected to reduce paper and provide greater accessibility to planning and building permit information

There were no findings.

- Payroll and Timekeeping Data.
 - We performed the following procedures: 1. Recalculated payroll check amounts based on hours recorded on time sheet and rate of pay provided in the personnel files. 2. Reviewed personnel files and payroll records in Kronos (payroll software) to determine that the rate of pay was accurate. 3. Reviewed time cards for accuracy and authorized signature.

There were no findings.

- Examine all of Butte County's long-term financial obligations and report any concerns regarding appropriate security of collateralization.
 - New debt during the year was limited to a no-interest loan for \$500,000 in the Landfill fund and several new capital leases. The County's debt obligations include 1) Capital leases, 2) Certificates of Participation (COPs), 3) Pension obligation bonds and 4) Notes payable.

Capital leases and Certificates of participation are collateralized by the capital assets acquired with the proceeds which include the justice facility and equipment.

The County issued pension obligation bonds to make contributions towards its actuarial unfunded liability. Bond payments will be made as part of the County's payroll expense.

- There were no findings.

We believe that this completes our engagement on the tasks assigned. If you have any questions about this report, do not hesitate to contact us.

Very truly yours,
BARTIG, BASLER & RAY, LLP
(A Gallina LLP Company)

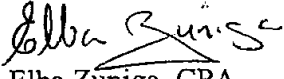

Elba Zuniga, CPA
Director



Exhibit D6

BARTIG, BASLER & RAY, LLP
A GALLINA LLP COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Greg Iturria, Deputy Administrative Officer
County of Butte
25 County Center Drive
Oroville, CA 95965-3380

April 4, 2007

Dear Mr. Iturria:

As instructed, we have performed the following tasks, as outlined in our letter dated July 25, 2006:

- Audit sampling and review of accruals and payments of vacation, sick leave and furlough

We obtained each of the payroll journals for Butte County for the period from July 1, 2005, through June 30, 2006, and randomly selected 46 of the timesheets during the year to review for approval of leave requests (sick, vacation, etc.). (By selecting 46 items, we can be 95% confident that the results would differ by no more than 6.30% if we had tested the entire population.) For over half (25 out of 46) of the timesheets which were selected, we were not able to obtain a formal request or approval of the leave which was taken by the employee on the selected timesheet. For 3 of the timesheets, adjustments were e-mailed for leave which was taken after time had been recorded on the timesheet. We believe that the findings were consistent with the Grand Jury findings that leave was still being approved without prior approval or formal leave requests. Therefore, we concur with the Grand Jury finding and believe that a formal policy should be in place for the request and approval of leave taken by employees.

In addition to reviewing the request and approval of leave taken by employees, we also reviewed timesheets and the relevant Memorandum of Understandings in effect to verify the accuracy of leave balance accruals. For each of the timesheets selected, the accruals appeared to have been properly credited and the balances updated. We were not able to arrive at the same conclusions as the findings reported in the 2005-2006 Grand Jury report that the method of tracking employees' eligible leave was inconsistent. We believe this claim to be unfounded.

- Sampling and review of refunds given for the Development Services Department land use and building permits

We obtained the general ledger detail for the period from July 1, 2005, through June 30, 2006, for the Department of Development Services revenue accounts. We inquired about the process for handling refunds and randomly selected 35 of the 66 refunds during the year. We reviewed the selected refunds for proper documentation, including the reason for the refund, proper authorization to issue the refund, and the proper payee and amount. A few minor errors were noted in the processing of the refunds. Overall, it appears that the Program Development Manager has initiated and implemented processes and internal controls for the refunds. However, through inquiry with the staff at the Department of Development Services, we were able to conclude that the minor errors are a result of high turnover and lack of staffing. Additionally, the turnover of staff results in training issues for the department. Due to the time constraints in the department, the oversight and internal control processes in place do not provide their respective functions. While there were some minor errors discovered in the processing of refunds for the Department of Development Services which were consistent with the testimonies heard by the Grand Jury, we believe the controls in place for those errors are appropriate and that the testimonies reported in the 2005-2006 Grand Jury report were largely unfounded.

- Sampling and review of refunds given for development impact fees

We obtained the general ledger detail for the period from July 1, 2005, through June 30, 2006, for the funds relating to the impact fees. We inquired about the process for handling refunds and randomly selected 28 of the 50 refunds during the year. We reviewed the selected refunds for proper documentation, including the reason for the refund, proper authorization to issue the refund, and the proper payee and amount. We did not observe any improper documentation or authorizations for the refunds. We also did not observe any refund being issued to the wrong payee or for the wrong amount. We believe the testimonies heard by the Grand Jury and reported in the 2005-2006 Grand Jury report to be unfounded due to a lack of evidence supporting the testimonies.

- Sampling and review of refunds and disbursements given from "Trust Fund" cash accounts

We obtained the general ledger detail for the period from July 1, 2005, through June 30, 2006, for the "Trust Fund" cash accounts. We inquired about the purpose of each of the Trust Funds and the process for handling refunds and disbursements. We randomly selected 46 of the 2,816 refunds and disbursements for the year and reviewed these transactions for proper documentation, including the reason for the refund or disbursement, proper authorization to issue the refund or disbursement, that the refund or disbursement occurred from the appropriate Trust Fund, and the proper payee and amount. (By selecting 46 items, we can be 95% confident that the results would differ by no more than 6.25% if we had tested the entire population.) We did not observe any improper documentation or authorizations for the refunds or disbursements. We also did

not observe any refund or disbursement being issued to the wrong payee or for the wrong amount and all transactions tested were in compliance with the purpose of the Trust Fund. We believe the testimonies heard by the Grand Jury and reported in the 2005-2006 Grand Jury report to be unfounded due to a lack of evidence supporting the testimonies.

- Review the posting of expenditures and receipts in the financial system for timeliness, accuracy and consistency

We obtained a list of warrants issued by Butte County during the period from July 1, 2005, through June 30, 2006, and randomly selected 46 warrants to review for timeliness of issuance after the corresponding request for payment was received by the Auditor-Controller's office. (By selecting 46 items, we can be 95% confident that the results would differ by no more than 3.85% if we had tested the entire population.) We observed that the average number of calendar days between when the requests for payment were received by the Auditor-Controller's office and the issue dates of the warrants was approximately 7 days. It should be noted that for the time period being reviewed, warrants were prepared and issued by the Auditor-Controller's office one day per week. While we believe that this average number of days could be shorter, we did not observe the timeliness issues discussed in the 2005-2006 Grand Jury report. We also do not believe that the 7-day period is unnecessarily excessive.

We obtained a list of deposits and Auditor's Certificate and Treasurer's Receipts (ATR's) received by the Butte County Treasurer for the period from July 1, 2005, through June 30, 2006, and randomly selected 54 deposits and ATR's to review for timeliness and accuracy of posting to the general ledger after the deposit was received by the Treasurer. (By selecting 54 items, we can be 95% confident that the results would differ by no more than 4.93% if we had tested the entire population.) We observed that the average number of calendar days between the dates that the deposits were received by the Treasurer and the dates that the deposits were posted to the general ledger was approximately 5 days and that all of the ATR's selected for review were accurately posted to the general ledger. While we believe that this average number of days could be shorter, we did not observe the timeliness issues discussed in the 2005-2006 Grand Jury report. We also do not believe that the 5-day period is unnecessarily excessive.

If you have any questions about this letter, please do not hesitate to contact us.

Very truly yours,
BARTIG, BASLER & RAY, LLP
(A Gallina LLP Company)

Brad W. Constantine, CPA

- Recent indirect cost audits
- Departmental indirect cost allocation plans
- Conducted interviews of appropriate staff and management
- Developed a high-level understanding of the overall indirect cost process
- Conducted “Good Practices” research

The purpose of an indirect cost plan is two fold: first, to recover administrative (or indirect) costs from federal and state grants without incurring significant accounting expenses; and two, to reflect the true cost of service delivery. Indirect costs include such items as the costs of general management, human resources, finance, information technology, space, etc. There are guidelines published by both the federal and state governments on how to develop an indirect cost plan.

Butte County is the only county within the State of California that recoups actual costs within the same fiscal year of expenditure (Current Year Recovery). The other counties use a rolling two-year approach to recoup indirect costs (Rolling Two-Year Recovery). The OAC is very proud of its Indirect Cost Plan and has stated that the State Controller’s office has recognized its plan and has lauded its track record with this approach.

The choice of either recouping costs within the same fiscal year or over a two-year period is not an oversight or accountability issue, but more of a philosophical issue. This choice reflects two different views of how to operate. The current process could be described as an “accountant’s philosophy” of operations where the funds expended are accounted for within the current year of operations. A great advantage to this approach is that it facilitates the receipt of federal and state funds immediately and it allows the County to close the “books” at the end of each fiscal year with full accounting of receipts.

The two year rolling average approach could be called a “management philosophy”. Under this approach, changes in indirect costs (either increases or decreases in the actual costs, or changes in the pattern of use) are not reflected in the current year, but are incorporated into the following year’s cost recovery plan. Under this approach the amount charged for indirect costs remains known and fixed during the fiscal year which allows managers to focus on service delivery without facing unexpected increases in indirect costs.

Since the County has adopted the practice of recovering costs in the same fiscal year, the actual charges to a department or program may change significantly from the budget based upon factors outside of the control of the department or program manager. These include such things as changes in costs for the administrative functions and changes in the pattern of usage by other departments within the County organization. Consequently, managers believe that the current manner of applying indirect costs does not allow them to manage effectively or accurately plan their costs. Most are “surprised” when the actual costs are charged to their department.

The following table portrays a comparison and analysis of the key features of the two indirect models.

Exhibit E

Auditor/Controller Restructuring Options

Option A – Status Quo

Current Division of Duties

Board of Supervisors (staff support by Administration): Financial forecasting, financial strategy, budget development, some involvement in financial policies, partial role in Community Service Area (CSA)/ special district finance, and partial role in debt issuance

Auditor/Controller: Auditing, financial statements, financial reporting, cost allocation, payroll administration, general accounting, property tax allocation, filing final budget, issuing warrants, contract review and accounting, grant review and accounting, reconciliation with the Treasurer, partial role in CSA / special district finance and accounting advice for debt issuance

Option B – Increased Board of Supervisor Involvement in Finance Policy, Administration, and Oversight

Duties Transferred to Board of Supervisors:

Phase 1 (effective no earlier than 7-1-07): Increase staff support resources for the Board of Supervisors. Consolidate all debt issuance administration to Board of Supervisors staff (the Administrative office). Consolidate all CSA, special district and Mello-Roos finance administration to Board of Supervisors staff (the Administrative office). Increase the Board of Supervisors involvement in developing and maintaining financial policies.

Phase 2 (effective no earlier than 7-1-08): Transfer responsibility for some or all of the following duties from the Auditor/Controller to the Board of Supervisors – contract review and accounting, cost allocation, payroll administration, and grant review and accounting.

Option C – Finance Department with independently elected County Auditor

Duties Transferred to new Finance Department under control of the Board of Supervisors (effective no earlier than January 2009): Upon amendment of the County Charter, create a new Finance Director department head position. In addition to the transfers described in Option B, the Finance Director would assume “Controller” and other accounting responsibilities including general accounting, financial reporting, contract accounting, issuing warrants, reconciliation with the Treasurer, property tax administration, and filing the final budget.

Option D – Finance Department without an elected County Auditor

Duties Transferred to Finance Department (effective January 2011): Upon amendment of the County Charter, create a new Finance Director department head position. In addition to the transfers described in Option B and Option C, the Finance Director would assume “Auditor” duties, and the office of the Auditor would be abolished at the end of the current term.

Review Of The Butte County Assessor's Office

Reasons for Investigation

The California State Board of Equalization (**BOE**) periodically conducts a survey of a county's tax assessment practices. As a result of the survey, the BOE makes recommendations designed to streamline inefficient procedures and to correct errant ones. The BOE review process includes a review of the recommendations from the prior survey. If a recommendation has not been implemented and the BOE feels it should be, it is added to the list of current recommendations. In reviewing the *Butte County Assessment Practices Survey* of 2005, which covered the years from 1999 – 2003, the Grand Jury noticed that ten of the recommendations from the 2000 survey (1994 –1999) had not been implemented. Of these ten, five were repeats dating back to the 1994 survey. The Grand Jury had the following concerns: Why had the Assessor not addressed these recommendations over the past eleven years? Was revenue lost for Butte County as a result? Would there be some sort of penalty imposed by BOE for the county's failure to implement their recommendations? Based on these questions and because the Assessor's Office had never been reviewed by a Grand Jury, we conducted a review of the entire department.

Background

The process of property taxation involves three county departments and the BOE. The Assessor's Office determines the value of property, establishing the tax roll for the year. The Auditor-Controller's Office applies the tax rate plus any local taxes, special bond allocations, and voter-approved assessments from the special districts to each property. The Tax Collector's Office has the responsibility of collecting the funds. Finally, the Auditor/Controller's Office allocates portions to county governments, city governments, school districts, and special districts (e.g. fire districts, water districts, etc.). The BOE plays a watchdog role to assure fair and equitable assessments throughout the state.

The Butte County Assessor heads a department of forty-four people divided among the Oroville office and field offices in Chico and Paradise. The Chico and Paradise offices house property appraisers who determine the value of commercial and residential properties in and around their respective cities. The Chico office also values most of the possessory interests (**PI**), or private use of government owned properties (e.g. airports, fairgrounds). The Oroville office appraisers handle all other properties in the county, including agricultural and specialty properties (e.g. mineral, timberland). Also housed in Oroville is a group of three auditor/appraisers which determines the value of all business equipment and fixtures, as well as all boats and aircraft in the county. Assessment clerks, one computer tech person, and two drafting technicians, who as part of their duties create maps delineating property ownership, round out the support personnel.

Before the Grand Jury could address the Assessor's lack of implementation of the BOE recommendations, we needed to gain a better understanding of the appraisal process by reviewing department policies and other factors that could affect the Assessor's Office decisions. Following our initial interviews with the Assessor and his assistant, we recognized that management of personnel might be a factor affecting the implementation of BOE recommendations. Other department issues also surfaced; therefore, we broadened our scope to review the entire department. Our review/investigation sections will address each of these issues separately, including the BOE recommendations.

Review/Investigation

Personnel

The Grand Jury conducted interviews with fourteen members of the Assessor's Office. They were chosen from various job classification levels, representing most appraisal processes. The two field offices were included, as well as the Oroville office. Our plan was to look into the procedures and policies for the various types of appraisals to determine how effectively the department was operating, with a focus on those procedures affecting the decisions on BOE recommendations.

We found a dedicated, hardworking department, which prides itself in its timely, accurate appraisals and customer service. Almost everyone we interviewed indicated they could do better financially working in the private sector but stay because of a desire to serve the public and because they like working for the county in the Assessor's Office. This commitment is evidenced by the fact that more than half of the forty-four employees have worked in the Assessor's Office for ten or more years, ten of these employees in excess of twenty years. Most of them have reached the top of the salary schedule for their positions, and can only benefit from cost of living increases. The only advancements remaining are the few supervisory positions as they become available. Even so, almost all the employees judge morale to be high. All of the appraisers we interviewed, including supervisory, appreciate that the Assessor recognizes their expertise and allows them to do their jobs without micro managing. Most of them indicated, however, that they would appreciate a personal, verbal pat-on-the-back from the Assessor himself. They would like "hooray, we closed the roll!" celebrations.

While the longevity within the department represents expertise, it also poses a concern to the Assessor and to the department supervisors we interviewed. Out of twenty-two appraisers, eleven have between ten and nineteen years with the department, while six have more than twenty years service. We learned that it takes a person with good appraisal aptitude a few years to get up to speed and about ten years to ascend to the highest level of proficiency, ranging from appraising single family homes at the entry level to complex commercial

properties at the highest level. This raises the question, what is the department going to look like ten years down the road? Some employees are reaching retirement age now, and more will be retiring in five to ten years. Will there be an experience base to continue at the same high level?

While there are a few college courses in property tax appraisal, they are geared more for those who would do private sector appraisals. Property appraisal for tax purposes is different from basic real estate appraisal, so this type of appraisal requires a special license from BOE. In Butte County, a newly hired property appraiser with no appraisal experience starts at an entry level until licensed. Acquiring a license in the first year of employment involves taking a BOE class. That class is basic, with the real training coming from working with experienced appraisers within the department itself. The BOE also requires only twenty-four hours of continuing professional education each year until the newly licensed appraiser earns an advanced certificate. All appraisers, regardless of experience level, are required to take twelve hours of continuing professional education each year. To facilitate this process, the assessors from 25 counties in Northern California conduct an annual two-day seminar in Red Bluff. They plan the workshops based on what they feel is practical and relevant, with minimal cost to the counties.

With the time that must be invested to train a new-hire, how does the Assessor's Office attract and identify an entry level candidate who isn't just looking for a county job and might later switch departments when "something better" comes along? How does the department find someone who will love appraisal work? One answer might be for the office to attract people who demonstrate appraisal aptitude before hiring. During our first interview with the Assessor, we learned that members of the Assessor's Office had worked with Human Resources (**HR**) to create a job candidate test designed for this purpose. They were proud of this endeavor and believed it would go a long way to solving that problem. They felt it was successful, being impressed with the high quality of candidates who were presented for the interview process. In a more recent interview with the Assessor, he expressed concern that HR may have changed the test to the extent that it was no longer relevant. In addition, he thought that HR was eliminating qualified applicants based on an inappropriate set of background qualifications. HR does not necessarily understand all the responsibilities inherent in an assessor's position. The Assessor would prefer that his department do the initial screening of all applicants, because his department is better able to determine what background experience is relevant.

Currently, the Assessor prides himself in running the department efficiently on a tight budget. He also is proud that his experienced staff would continue to move along without problems if he were no longer available. As the department loses experienced assessors to retirement in the next ten years and experienced workers move to supervisory positions, the Assessor's Office is going to lose a portion of that experience base. Increasing staffing positions now would not only

ease the heavy workload on the staff already in place but also allow the time needed to train future appraisers.

We understand that it is easy to recommend an increase in staffing but not as easy to do. Each fiscal year, from 1995 through June of 2006, Butte County had participated in the State-County Property Tax Assessment (loan/grant) Program **(PTAP)**. **(Exhibit A)** This extra-funding program was established by the state to encourage counties to increase their tax assessment staffing and technology. It was to be used in addition to the county budgets already established, not to supplant them. Initially the PTAP monies were a loan, which would convert to a grant if a county cleared enough backlog to earn revenue that exceeded the amount of the loan. Later, the program became entirely a grant program, scheduled to end in June of 2007. However, the grants were discontinued by the state legislature after the 2005-06 fiscal year.

PTAP funds to Butte County, totaling \$381,956 per year, enabled the Assessor to upgrade department computers and create six and a half new staffing positions. When the county offered an early retirement incentive package in 2004, seven members of the Assessor's staff chose to retire in December of 2004. The Assessor dropped most of those vacancies rather than fill them, even though the county continued to receive PTAP funding for the remainder of the 2004-05 fiscal year and the 2005-06 fiscal year. While he was not in compliance with the PTAP provisions by lowering his staffing levels, the Assessor feels that he met the acceptable increased revenue levels required to maintain the grant status. Although this might meet the letter of the provision, it did not meet the spirit of the provision which was intended to provide extra staffing to clear backlogs. Regaining these dropped staffing positions would now require approval of the CAO and the Board of Supervisors. While budgeting for five new positions at one time might be cost prohibitive, especially without the extra state funding, adding back one position a year might be possible.

Megabyte Software System

Megabyte is a tax database system accessed by three county departments, the Assessor's Office, the Auditor/Controller's Office, and the Tax Collector's Office. The basic program, which tracks each property, contains all the pertinent information entered from the time of a property's initial enrollment through the ultimate collection of the taxes it generates. Data is entered manually. At the year-end-close, it uses the tax tables, created and entered by the Auditor/Controller's office, to calculate each property's tax obligation. Real estate property transfers, reported by the Recorder's Office, and new construction, reported by the Planning Department, are entered daily into this system by the Assessor's Office. When the Assessor's staff has completed an appraisal, the compiled information is added to the property information already in the Megabyte system. At the end of the fiscal year, the program "closes the roll" by moving the figures compiled on all entered properties from "current" to the "tax roll," leaving "current" empty to begin the new year. Any information can be

accessed through Megabyte at any time by any of the three county departments. Even the public can access portions of the information through computers located in the lobby of the Assessor's Office.

The Megabyte system provides much better access to information than the old mainframe and PC systems. However, as with all computer programs, there are problems. The Megabyte Systems Company has a link to servers used by the Assessor's Office and will, from time to time overnight, download upgrades and adjustments. Few of these ever go smoothly and usually require two or three months of working out problems in the new program. Also, Megabyte Systems creates new program modules, authorized by a two-thirds vote of all the Assessors from the counties that use the program. A new module usually requires some modification to the basic core program so that the module can be integrated. The core program is usually affected, and work is slowed down while bugs are being worked out of the system. For example, on August 8, 2006, Megabyte loaded a new base tracking program module into the server with no prior notice or training. During the two to three week learning curve, the department was unable to accomplish its usual tasks efficiently. To make matters worse, a portion of this new module, after 10 months, still does not work properly, so they have to work around it.

Another problem with the system involves technical support. Megabyte Systems Company provides three service persons, each one an expert on the portion of the program used by a given county department. Only a few county employees from each department are permitted to contact their particular Megabyte service provider. At the beginning of the Grand Jury's review of the department, the Assessor's Office complained about having to first communicate a problem to Megabyte Systems through e-mail. The department wanted to have immediate, direct contact with the service provider. Megabyte's response time was unpredictable, varying from a few hours to a few weeks. The length of time depended upon how major the Megabyte Systems technician perceived the problem to be. On the other hand, the Auditor-Controller's staff seems to have no complaints with this service arrangement and has no problems getting support in a timely fashion. Granted, the Assessor's portion of the entire program is much more complex than that for the other departments, and a lot of their tech time is being used to correct the problems they are having with their base tracking module. Maybe the service process with the company will improve for the Assessor's Office when Megabyte smoothes out the problems.

A third problem is with Megabyte's training programs. Most employees learn the system on the job from other employees. Training programs conducted at Megabyte's offices in Rocklin for the most part have not been effective. The one time Megabyte actually sent someone to the county to do some training was more productive, since it met the department's immediate needs.

The Assessors from the 19 California counties using the Megabyte system do meet and have tried addressing these problems with Megabyte. They establish priorities, which they communicate to Megabyte Systems. Keeping the company focused on these priorities is difficult. So far, there has not been much change. Despite the problems, the Butte County Assessor will not consider returning to pre-Megabyte days. There are a few other programs that can perform the same functions as Megabyte but none so exceptional that it would warrant abandoning the money and effort spent on the current system. It would be difficult to find one that would please all three departments that use it. As for future service, the contract with Megabyte Systems spells out that if for any reason Megabyte fails to provide the promised support, the county will receive, at no additional cost, a perpetual license to use the products. The county can access a source code, which is being held in a software escrow account, and use it to modify the program for its own use consistent with the terms of the agreement. **(Exhibit B)**

BOE Recommendations

As mentioned in our introduction, the Grand Jury looked at the *Butte County Assessment Practices Survey* of 2005. BOE stated that “most properties and property types are assessed correctly. We found no significant assessment problems as defined in rule 371.” (p. 4) (See **Exhibit C** for rule 371.) For the most part, the practices in real and commercial property were commended, with only a few recommendations.

The BOE survey procedure provides the opportunity for the Assessor to respond to the recommendations made by BOE. In reviewing the BOE surveys, the Grand Jury also analyzed the Assessor’s responses. His responses show that procedures used by his office are well thought out. In some areas, he feels their procedures are more efficient in achieving the same result as those recommended by BOE. In some cases, he disagrees philosophically with the BOE procedures. These are not just haphazard philosophical differences but rather those shared by assessors in other counties. However, for two of the recommendations that the Grand Jury traced back to 1994, the responses were inconsistent and reflected an approach of “say what they want to hear and continue business as usual.” As a result, the Grand Jury decided to look more closely at these two areas. One is a real property issue involving the assessment of PI’s. The other area concerns the business section of the Assessor’s Office, which handles the auditing and assessment of personal property and fixtures.

Possessory Interest Assessment at the Fairgrounds

Publicly owned real property is generally not taxable, but private use of these properties on a lease or a permit basis could be taxable. This private use is called possessory interest **(PI)**. One example in Butte County would be private ownership of an airplane hangar at Chico airport. The owner of the hangar would pay regular property tax on the hangar itself and, as a PI, could also pay a tax for

use of the land on which it sits. Other PI's would be boat rental businesses on public lakes and baseball teams renting the use of a public stadium for their games. The fairgrounds are another example. PI's for the fairgrounds would be concessionaires as well as special events such as pet shows, dances, dealer shows, and other private uses of these public facilities.

The PI value is strictly a real property value, not a business value. It is commonly based on the rent paid to the property owner or on an appropriate estimate of rent. The rent is just an indicator of what the lessee is willing to pay for use of that land/property and is the starting point for generating the land value. From the rent, an appraiser would have to determine the actual portion attributable to the real property by subtracting out the normal expenses the owner would incur in having someone else use that property.

In the *Butte County Assessor's Practices Survey 2000*, BOE wrote, "For the 1998-99 assessment year, the assessor valued 228 PI's in Butte County with a total value exceeding \$42 million." (p. 19) By the 2005 report, there were 250 PI's with a total value exceeding \$62 million. Yet the BOE feels that some are being missed, including the PI's that use the two Butte County Fairgrounds. In their 2000 survey report, the BOE wrote:

We found that none of the concessionaires or interim events at any of the fairgrounds were assessed as a possessory interest. We recognize that some community-sponsored fundraisers and nonrecurring events may be exempt and others may fall within the purview of the low value ordinance. However, our findings suggest that some of these private concessions and interim uses may exhibit the private benefit, durability, exclusivity, and independence to constitute taxable possessory interest. (p. 19)

In our 1994 assessment practices survey, we recommended that the assessor take steps to ensure that all possessory interests are enrolled and to establish a tracking system for possessory interest accounts. The assessor has not implemented these recommendations, therefore we repeat them. (p. 19)
(Exhibit D)

These same two recommendations were again repeated in the 2005 report. That makes an eleven-year span in which the problem has not been addressed to BOE's satisfaction. (*Butte County Assessment Practices Survey, 2005*, p. 31) **(Exhibit E)**

In his response to the 2000 survey recommendations, the Assessor indicated that he was indeed dealing with this issue. He had sent out questionnaires to both fairgrounds in Butte County and had received responses from both. He indicated that from the responses, he was separating out exempt and low value uses and applying appropriate PI values to the remainder. He claims he initiated this process prior to the 2000 state survey, but he admitted this was at a start-up phase only. **(Exhibit F)** The Grand Jury found this to be a bit late, since he had six years from the time of the 1994 survey to address this issue. Also, if this was in process prior to 2000 and was being continued, why didn't BOE indicate that the Assessor was "implementing this recommendation" when it was reviewed in their 2005 survey?

In 2000 he was supposedly in the beginning stages of the process, yet by 2003, he had only identified four taxable PI's. All four of these use the Silver Dollar Fairgrounds. For the 2005 survey, the BOE gathered data on the commercial and food vendors who used the Butte County Fairgrounds in Gridley from 2001 through 2003. **(Exhibit G)** They "found a number of the users with ongoing and beneficial use at the fairgrounds." (p. 31) Therefore, BOE repeated the recommendation in 2005. The Assessor gave no explanation as to why so few PI's involving fairgrounds had been identified as taxable since the prior survey. His response this time was that he would assess PI's as time and resources allow.

In our investigation, the Grand Jury found that while the office is diligent in identifying and assessing most possessory interests, the fairgrounds are still not a high priority. A February 2007 listing of PI's obtained from the Assessor's Office shows three PI's identified as taxable from the Silver Dollar Fairgrounds and none from the Butte County Fairgrounds in Gridley. Only one of these PI's represents a large land value (\$545,000), which at a one percent tax rate plus a percentage of voter approved bonds, would generate an estimated \$5500 in taxes. The other two PI's represent a combined land value of \$32,672, which would only generate approximately \$350 in taxes.

With the exception of the annual Butte County Fair, the fairgrounds in Gridley is used for small, more local events. An event pays a fee to the fairgrounds based on the size and location of the facilities used. The basic fee is \$300. Even a commercial event where products are sold would only be charged a single fee based on the square-footage needed. Concessionaires that operate during the County Fair apply for a one-year lease agreement and are not guaranteed return rights. Fees to the Fairgrounds Association for concessionaires are twenty percent of the gross income. Carnival providers bid for a five-year contract, offering set prices for their food stands and game concessions and a percentage of ride gross. The contract guarantees a minimum fee.

Most concessionaires at the Butte County Fairgrounds do not generate much revenue for themselves. One of the larger concessionaires paid a total fee of

\$2071 in 2003 for use of the fairgrounds. This would represent gross revenue of \$10,355. To calculate whether this PI would be taxable, an appraiser would have to determine what percentage of that payment was actually for value of the land use itself. Any fees that are not real property fees, but represent costs to the fairgrounds that are passed along to concessionaires, would be subtracted from the actual rent itself. Examples of such costs are utilities, trash pickup and other maintenance fees, management costs, and insurance. Then, using a direct income approach, the appraiser would calculate a present value by applying a present worth factor to the remaining land portion of the fee. Taking into consideration that the fairgrounds only issue one-year rental agreements, this concessionaire's PI value would fall below the \$2000 low-value base for taxable properties. If that same concessionaire had a three year contract, and if it was anticipated that the income during the first year would be roughly consistent throughout the entire three years of the contract, the present value for 2003 would be higher than the \$2000 low-value base and would be a taxable PI for the first two years of the contract. **(Exhibit H)**

The Grand Jury learned that both fairgrounds do not collect PI taxes as part of their fees. They just provide information to the county when requested. The county determines the tax and collects it as part of its normal collection process. With some exceptions, most county fairgrounds are small and gear their efforts toward local events when they are not doing a county fair. Many fairground administrators believe that receiving a tax bill for a small yearly event would discourage use.

From our interviews with fairground officials, the Grand Jury learned that fairground PI's are often given low priority by many counties until BOE comes along and takes notice. The Grand Jury presented this idea to officials from the Property Tax Department of BOE, one of whom had been involved with the 2005 BOE Butte County survey. The BOE officials understand that most counties do not feel PI assessment of fairground usage is of high priority, but it is required by the statutes. If a county is not identifying and assessing all PI's, it is not assessing all statutory property. However, the BOE also recognizes the budgetary limitations faced by assessor's offices in all counties. The Butte County Tax Assessor told the Grand Jury that fairground PI assessments are not being completed because the revenue generated is much too small to justify the amount of time that would be spent assessing them.

Related to these budgetary limitations, the Revenue and Taxation Code, Section 155.20, **(Exhibit I)** enacted July 28, 1997, allows a County Board of Supervisors to adopt a new low value ordinance which raises the low value base from the old \$2000 figure to \$5000. This provision would also allow a special \$50,000 low value base just for PI use of fairground, convention, and cultural facilities. Butte County is operating under the old \$2000 figure, which means that any property that is valued at \$2000 or less is exempt from the tax rolls. **(Exhibit J)** When asked about whether Butte County should consider adopting a new low value

ordinance per code section 155.20, the BOE officials indicated that it depends on the following rule of thumb: "When the cost of assessing and collecting is greater than what is received, then they should consider changing the threshold." BOE went on to say that some Assessors are reluctant to do so because Boards of Supervisors mistakenly think the offices would have less work and try to reduce the budget or staffing.

The Grand Jury feels that changing the low value threshold is much more in line with current costs of assessing and collecting. Also, considering the value of real estate today, a \$5000 low value ordinance would be more relevant. Adopting the special figure of \$50,000 for fairground users would protect small events and small concessionaires while still requiring PI taxes from major moneymaking events. Since Butte County already appears to be protecting small events and concessionaires by not assessing PI fairground activity, adopting Tax and Revenue Code 155.20 would put Butte County in statutory compliance. The only concern regarding this recommendation would be whether changing the low value ordinance from \$2000 to \$5000 would have a negative impact on Butte County tax revenue. When asked about this concern, the Assessor indicated that changing the low value base to \$5000 would have very little impact on tax revenue.

Business Property Valuation

Each year businesses are required to complete a business property statement. From this statement the business is assessed a tax based on the values presented. Audit situations may arise in two cases. First, when the taxpayer fails to submit a statement, the auditor/appraisers will determine values according to data from previously filed statements from that company, or if that company has never filed, from similar businesses. The tax bill will be based on that estimation. An estimate might also be applied to a statement filed by a company that raises questions or suspicions that certain property had been omitted from prior statements. Both of these situations could warrant what is called a non-mandatory audit, i.e. it would be conducted at the discretion of the Assessor's Office. In a second situation, if a company's statements for four years in a row report tangible personal property and trade fixtures valued at greater than \$400,000 for each reported year, section 469 of the Revenue and Taxation Code requires the Assessor to conduct an audit of this business. These are called mandatory audits because they are mandated by statute. Ideally, the mandatory audit should be completed in the fourth year that the company reports property valued greater than \$400,000, and every fourth year thereafter.

In an audit of a Butte County business, an auditor/appraiser goes to the site where the records are kept in order to determine whether the property tax statements received from the company match their business records for the years being audited. Paperwork is gathered and brought back to the Assessor's office for processing, which takes an additional two to four days. It could take

longer if additional information is requested from the company. The auditor/appraiser might also inspect the actual work site. At the conclusion of the audit, if any equipment or fixtures are found that were misreported or not reported at all (escaped properties), the county correctly assesses the property for any of the four years in question. The business is presented with a copy of the audit working papers and has 15 days to respond. After that, a new tax notice is sent out that includes the tax correction and interest charges. Penalties are not added unless the discrepancies were fraudulent. If the audit determines that a business over-reported, the taxpayer is issued a refund.

If the Assessor's Office does not perform a mandatory audit when due, it is carried over to the next year. Sometimes, again in rare instances where the statements raise questions or suspicions and where there is evidence that suggests under-reporting, the auditor/appraiser might estimate a percentage for possible escaped properties and add it to the assessment for that year. If, when finally performed, the audit shows that the taxpayer paid more than required, the county issues a refund. The statute of limitations allows the county to recapture lost revenue from escaped properties only for the current year and the three prior years. The same is true of the taxpayer's ability to collect any refunds due. So if an audit has to be carried over, the oldest year drops off and cannot be captured or refunded. The statute allows the Assessor's Office to ask the taxpayer to sign a waiver for an uncompleted audit. In this case, that audit year does not drop off, and the Assessor can reassess for four prior years and the current one. The taxpayer is not required to sign a waiver and would probably not in a situation where he fears additional taxes. However, there is some motivation for the taxpayer to sign the waiver since any potential refund amount would also drop off if the waiver is not in place

The BOE, in all of its surveys since 1994, noted a failure on the part of the Assessor's office to obtain waivers on all audits that will not be completed when due. They recommended this be done. **(Exhibits K and L)** It is the practice of the Assessor's Office to get signed waivers only for audit work that is currently in process but will not be completed by the time the roll is closed at the end of the fiscal year. A waiver is good for only a year, so the auditor/appraisers feel it is a waste of time to get them for audits that are due but not started. Also, there is no guarantee that they will get to the overdue audits the next year either. In the Grand Jury interview with the BOE officials, we addressed this issue. They feel waivers should be acquired for all due audits. A department should not have such a backlog that it cannot complete required audits within the next year. They feel Butte County needs to deal with its backlog.

It is BOE's position that mandatory audits are statutory and therefore should be completed in a timely manner. The 1994 BOE survey noted that Butte County was not doing mandatory audits. At this time, the County had only one auditor/appraiser handling business property. This auditor's time was consumed by the processing of business property statements, so neither mandatory nor

non-mandatory audits were being done. BOE made a recommendation that the assessor begin to do timely mandatory business property audits. They also recommended that larger, non-mandatory accounts, where taxpayers repeatedly fail to file annual business property statements, also be audited. In 1995, when the county began receiving the special PTAP funding from the State, two assessment clerks were reassigned to process the business statements, and three additional auditor/appraisers were added to this division. The audits resumed. In their 2000 report, the BOE commended the department for meeting a target number of non-mandatory audits. As for the mandatory audits, they praised the department for the quality of the audits but expressed concern that the assessor was completing less than half of the workload, 38 out of 96 due in 1998. Mandatory audits need to be the highest priority; therefore, BOE repeated the recommendation that they be completed.

In his response to the 2000 report, the Assessor was in agreement that mandatory audits should be completed on a timely basis. He also mentioned that since his new staff now had the training and experience, the number of mandatory audits would increase. **(Exhibit M)** However, in comparing the BOE statistics from the 2000 report and the 2005 report, the Grand Jury found that not much had changed. For example, a BOE chart in the 2000 survey shows that in 1997, while his new auditor/appraisers were gaining their experience, 46 mandatory audits were completed out of 113. Sixty-seven were carried over to the next year. A chart from the 2005 survey shows that in the years from 1999 through 2002, the year 2000 had the most completed mandatory audits, only 49. Therefore, BOE repeated this recommendation in the 2005 report. **(Exhibit N)** In his response, the Assessor did not explain why things did not improve. He responded that he had lost an auditor but will still make an attempt to catch up.

To look into this specific issue, the Grand Jury interviewed upper department management as well as three members of the business division who handle all audits and assessments of tangible business property and fixtures. We asked why audits were not being completed as required. The answers to this question can be summarized as: (1) limited staffing in the business division and (2) not the best use of their time.

Staff in the business division is currently limited to two auditor/appraisers and a supervisor who performs the same work in addition to supervisory duties. Two assessment clerks and their supervisor work with the auditor/appraisers in this division, providing data entry and paperwork support. They have a six month window, from July 1 through December 31, to attempt to handle over 200 current and overdue mandatory audits, non-mandatory audits, and appeals. The remainder of the fiscal year is primarily spent processing over 7500 property tax questionnaires, assessing 3447 boats and 222 aircraft, and handling appeals. (These figures are from 2006-07 fiscal year.)

These three auditor/appraisers represent a staff downsize that occurred when one person chose the retirement incentive in 2004. Rather than hire a new auditor/appraiser, the Assessor chose to reassign the vacancy to another division within the department. He has, however, hired this retired auditor/appraiser on a limited contract basis to help with audits. While this helps, the chart below shows it is more “a finger in the dike” approach, as the list of required audits grows each year. To the list of audits due in a given year are added an increasing number of businesses becoming eligible for the first time plus those businesses carried over as not completed from the prior year.

Mandatory Audits from 2003 – 2006

Year	Audits Due	Audits Completed	Carried Over to Next Year
2003	*	12	*
2004	119	24	95
2005	138	23	115
2006	171	22	149

*Data unavailable

While limited staffing has created a backlog in mandatory and non-mandatory audits, the time use of the business division auditor/appraisers adds to the problem. Butte County is among 39 California counties that participate in a joint venture called the California Counties Cooperative Audit Services Exchange (**CCCASE**). Almost everyone interviewed indicated that doing CCCASE audits consumes most of the auditor/appraiser time from July through December, and sometimes into January. They believe that reducing or eliminating CCCASE audit participation would help the business division catch up on both mandatory and non-mandatory audits.

CCCASE was established to help counties deal with the auditing of those businesses that have multiple locations involving several counties. For example, there are Sears stores located in most counties within the state. The financial records for these locations would be handled at the corporate headquarters based in Chicago. Rather than have each county send an auditor/appraiser to Chicago to locate the necessary financial data needed for an audit, only one county would make the trip to collect for all counties. Each participating county submits to CCCASE those audits it wants to have performed by other counties. These audits are compiled by CCCASE administrators into a book arranged by locale of the corporate offices for each company. Each participating county then negotiates to “buy” one or more of the trips to these locales. While at that locale, an auditor/appraiser gathers all the data necessary to conduct audits for each location of that company within each county that needs the audit. The number of weeks spent depends upon the number of different companies with corporate offices in or near that locale, as well as the number of locations for each company that is being audited. In one Butte County CCCASE audit trip, the

auditor/appraiser had to collect data for each of 57 locations of a company just for one county alone.

For a Butte County auditor/appraiser, a typical CCCASE audit trip can last from two to three weeks. After returning to Butte County, even more time is spent organizing and categorizing the data into a useable form. Butte County always collects additional data above what a county might need, in anticipation of the kinds of questions that might arise from the data. The data are then shipped to the selling county where values are added to complete the audit. Then Butte County submits a bill for its expenses and labor to the CCCASE administrator. When everything is finished, counties that have not conducted enough audits to cover what they owe send checks to the counties that have conducted more trips and have earned more than they owe.

In an ideal world, sharing audit information with other counties sounds like a good idea. When Butte County receives the data from other counties who perform audits, the auditor/appraiser should only have to add property values to well-organized, thorough data and be finished. However, some other counties do not perform as thorough an audit as those for which Butte County has been commended by BOE. Their auditor/appraisers might not collect all of the needed data. Questions may arise that are not supported by the data received. Also, Butte County would prefer in-depth documentation to support property statements received, whereas in some cases an auditor from another county might not be aggressive enough to get more than just financial statements. In these cases, the Butte County auditor/appraiser has to call the company for additional data. Several weeks and possibly several phone calls later, the data may arrive. In some cases, where it is possible, the auditor/appraiser may work around the problem if the information does not come quickly enough. In other cases, with time constraints and the current shortage of manpower, a Butte County auditor/appraiser might just decide not to complete the audit and record it as a “no change” from the prior audit four years ago. As a result, the Grand Jury questions the value of selling audits to other counties.

Butte County is one of the CCCASE counties that is conducting more audit trips than it needs to make to offset the audits it has performed by other counties. According to our interviews with the entire business division and with upper management, the Assessor’s Office is falling further behind in its own statutory mandated audits because it spends a significant amount of department time doing CCCASE audits for other counties.

When the county began receiving PTAP funding in 1994, they used some of their new staff positions to increase the number within the business division from one to four. As noted by BOE in the 2000 survey, the extra auditor/appraisers hired for the business division began making a dent in the backlog of mandatory audits by 1999. However, as mentioned earlier and demonstrated in **Exhibit N**, the

number of mandatory audits completed did not increase past 1999, as would be expected now that the newly hired staff was up to speed.

It was around the year 2000 that the county began making extra CCCASE audit trips. In 2003, the number of these trips increased to five and during that year the total of completed mandatory audits dropped to twelve, down from 45 in 2002. **(Exhibit N)** The number of CCCASE trips has remained at a high level since then, even though staffing has dropped by one person. (See the chart in the next paragraph.) In 2005, boat and aircraft appraisals were added to the business division workload. Unless something changes, the next BOE survey will show an even greater backlog of mandatory audits. Non-mandatory audits are no longer being done, except under circumstances where the taxpayer has filed an appeal.

Each year from 2000 to present, the Assessor's office has conducted more CCCASE audits for other counties than are needed to cover the cost of those audits completed by other counties for Butte.

Fiscal Year	Number Of Trips	Amt Billed By Butte	Amt Owed by Butte	Excess Expected	Excess Received
2000-1	2	10,167	6,031	4,136	8,027
2001-2	2	9,362	6,993	2,369	2,334
2002-3	2	18,995	3,775	15,220	15,220
2003-4	5	47,794	6,915	40,879	41,013
2004-5	4	31,424	6,737	24,687	24,646
2005-6	4	36,541	7,829	28,712	28,712
2006-7	3	40,201	12,807	27,394	

Since 2003, all of the three current auditor/appraisers from the business division completed at least one CCCASE audit trip apiece per year, with some doing as many as two trips in one year. All of the auditor/appraisers, when asked, indicated that doing CCCASE audits takes about 20 to 25 percent of their total work time each year. CCCASE audits both bought and sold by Butte County are in that figure. When asked to estimate the amount of time spent on just those audits for other counties, each one said it would be difficult because the time spent is not dedicated, uninterrupted time. Conservatively, more than 6 weeks of an auditor/appraiser's time is spent doing CCCASE work for other counties. This includes making all of his/her own travel arrangements, becoming familiar with data needs the selling counties send them prior to the trips, the trip itself, and the additional work that is required in the office after the trip before sending the data on to the selling county.

However, the Grand Jury was told that Butte County only bills about half of the labor time it takes to do a good job. A lot of time cannot really be billed for trying to pick up and review after the auditor has been interrupted by some other project. Also, CCCASE administration limits the number of hours that can be billed to any one county for the completed audits, and any hours in excess must

be approved. If actual costs were charged, counties might be reluctant to have Butte County perform audits for them.

The emphasis on CCCASE audits limits the amount of time spent on *local* mandatory and non-mandatory audits. For example, in 2005, Butte County performed 45 audits for 19 different counties, though the data provided did not indicate the number of locations covered by these 45 audits. However, the same three auditor/appraisers conducted only a combined total of 14 of Butte County's mandatory local audits, and the retired contract-employee completed nine more. Fourteen non-mandatory local audits were completed in the same year. When asked how many local audits could be finished using the same amount of time currently spent on CCCASE audits for other counties, we were told about 12 per auditor in addition to what they already do in a year. Using these estimates, if Butte County only made one CCCASE audit trip to offset the costs of the audits they have other counties perform for them, the county could come close to breaking even and still complete 24 local audits in addition to those they already perform.

If doing CCCASE audits takes so much time, why is Butte County doing three or four trips per year? The budget process in Butte County encourages departments to generate independent income to augment the revenue supplied by the general fund. Some county departments can apply for grants or can charge fees for their services that can be used by the county toward their budget allocations. This is independent income. In essence, these departments help support their activities because these monies are received by the county from sources outside those received from the county's tax base. The State of California reimburses Butte County for thirty percent of the Assessor's expenses. This restricted funding is applied to the Assessor's budget but is not considered independent income. The rest of the Assessor's budget expenses would have to be met by the county general fund. When the philosophy of the budget system requires a department head to generate independent income or face staffing cuts, the Assessor has to use the only source available to him. When asked, the Assessor confirmed that CCCASE is an opportunity to raise a portion of his budget as independent income. The revenue collected is not a direct contribution to the department itself but rather goes into the general fund. It shows in his budget as reducing the county's contribution.

While on the surface CCCASE audits appear to bring in additional revenue, in reality they cost the county money. For example, in 2005, three auditor/appraisers took four CCCASE trips, lasting a combined total of seven and a half weeks. Actual costs for transportation, lodging, and meals totaled \$14,994. Also, the four trips cost the county and the department 39 days of combined wages and 44.25 hours of comp time. According to a yearly analysis that includes wages, vacation, benefits and retirement, it costs Butte County an average of \$42 per hour for an auditor/appraiser. The combined labor for the trips cost the county \$14,963 in regular and comp time wages. The expenses

and labor for just the trips alone represent a total of \$29,957 of the Assessor's budget. **(Exhibit O)**

Even if the work ended at this point, the CCCASE trips had already lost \$1245 for the county, not including the time spent in pre-trip preparation. However, when they returned to the office, each auditor/appraiser spent approximately four more weeks per trip organizing the data and finishing the audit information to send to the selling counties. The wages for these sixteen weeks, or 640 man hours, total \$26,880. This additional labor, added to the other trip costs, results in a total of \$56,837 dedicated to doing work for other counties. For this work in 2005, Butte County billed \$36,541 for CCCASE audits, from which was subtracted the \$7829 that the county owed for the audits it sold to other counties. Thus, the County received \$28,712 in revenue which returned to the county general fund. It cost \$56,837 to earn "independent income" of only \$28,712. Not allowing for the rare instance when a CCCASE trip included a required Butte County audit, that represents a \$28,125 financial loss to the county in addition to the loss of time not spent doing county work. Larger counties usually have the advantage of choosing trips of their preference; Butte rarely gets a trip that includes its own audit needs.

One individual argued that the only real cost to the county was the \$14,994 spent on travel, lodging, and meals. Wages should not be counted, because, after all, the county would have had that expense even if the auditor/appraisers had stayed in the office doing Butte's own audits. As long as the Assessor's department gets its statutory work completed and closes the roll on time, this is an efficient use of their time. The Grand Jury does not agree with this argument, since all due statutory mandatory and non-mandatory audits of the business division of the Assessor's Office are NOT being completed. However, just for now, let us examine the outcome, using this viewpoint. If using only the actual costs, the independent revenue would be \$13,718. However, the county needs to consider that the Assessor also had to budget approximately another \$10,000 for an independent contractor to come in to help the business division complete its CCCASE audits and do 9 additional local audits. Taking this into consideration, the independent income is reduced to \$3718. It would have been to Butte County's advantage to pay the \$7829 to the other counties and opt to take no trips that year, as some counties choose to do. This would save the \$14,994 actual expenses in addition to the employee time that was lost doing audits for other counties.

The question is, "Should Butte County continue to participate in CCCASE?" The Grand Jury feels we have demonstrated there is loss, not gain, in doing extra CCCASE audit trips as a source of independent income. There are three additional options regarding CCCASE trips that could be considered:

1. make no trips, but remain in CCCASE and pay other counties to do out-of-state audits for Butte;
2. make only one CCCASE trip large enough to cover most of Butte's costs and pay any amounts still owed; or
3. discontinue participation altogether.

While the auditor/appraisers who were interviewed complained that many CCCASE audits performed by other counties for Butte are inadequate, they were quick to point out that many are done very well and do indeed save time. They would have to determine whether there are enough good audits to offset the frustration with those that are inadequate. The Grand Jury was told that on both ends of the spectrum, about twenty percent of the audits were excellent, and twenty percent were worthless. The audit work-ups for the 60 percent in between might represent varying degrees of inadequacy but at least have enough information for Butte County to finish without having to contact corporate offices for additional information. Therefore, the option of making no trips, but paying for other counties to do the work, would be attractive and definitely save money. However, while it is an option that is allowed, the spirit of the program is based on cooperative effort. That option is provided for truly small counties and for occasional circumstances where a staffing dilemma might prevent a county from making a trip.

Considering the second option, could Butte find one trip that comes close enough economically to offset the cost of the CCCASE audits that have been completed by other counties for Butte? Included in this consideration should be the cost to Butte County for making the trip as well as the amount it would owe to CCCASE. To use only one of the trips taken in 2005 as an example, Butte County submitted to CCCASE a bill totaling \$13,118. Transportation, lodging, and meal expenses for that specific trip were \$4511, leaving an excess of \$8607. Those who use the argument that only actual expenses should be considered, and not wages, could say that this excess amount would have covered the \$7829 owed to CCCASE by Butte and resulted in an actual \$778 gain. Under this argument, one trip would definitely suffice. Including the \$42 average hourly wage figure, the county would show an overall loss of \$10,237, which would still have been far less than the actual \$28,125 loss.

As for the third option, nineteen counties do not participate in the CCCASE audit program. What do they do for out-of-state audits? They either have large enough staffing to conduct all their own audit trips or, most likely, they request needed data by phone or e-mail. Phone and e-mail requests can be made to work if a good program were established. An auditor/appraiser could add specific needs to an already compiled standardized list that is relevant for most audits. These lists could be sent out early in the new fiscal year. Local audits can be done while waiting for data to return. Follow-up calls could be done by support staff if needed. The Grand Jury was unable to determine the cost of doing in-house the audits lost by giving up CCCASE participation. It might be

worth exploring what other non-CCCASE counties do to get their out-of-state audits completed.

The Grand Jury strongly recommends that the Assessor and Butte County Administration discontinue viewing CCCASE audits as a source of independent income. We understand county administration's desire that departments bring in extra money toward their budget costs. However, the Assessor's Office should not validate its budget through extra CCCASE audit trips.

The Assessor and his staff maintain the position that the very nature of the work, the very act of valuing real and personal property, already generates a large portion of county government revenue. Assessment provides the very tax base that supplies funding not only for county government, but also for schools and special districts. As an indirect result of the department's work, other non-tax income is generated for county government. For example, a major portion of the tax revenue generated by assessment of properties under the Williamson Act is due to the work of the Assessor's office. Since the benefit to the property owner is reduced valuation, subvention funds are paid by the state to the county to offset the revenue loss caused by the reduced valuation. Since this work is not predefined by administration as independent income, it goes into the general fund, and no portion counts toward the Assessor's budget. There are several other types of revenue generated in this way.

BOE recognizes that faced with limited budgets, most Assessors will use more of their staff in commercial and residential real property, such as land and buildings, than in business equipment and fixtures. The Grand Jury found this to be true in Butte County, where only 3 of the county's 22 staff appraisers are in the business section. This makes sense, because real properties represent much higher assessment values and therefore generate much more tax revenue. Also, liens can be secured on this type of property for nonpayment. Business equipment and fixtures generate much less tax revenue and cannot be secured with liens for nonpayment. However, the Butte County Assessor is required by statute to complete mandatory audits in a timely manner and is currently out of compliance.

Would the county gain enough revenue by completing audits to cover the cost of placing an additional staff person in the business division? There would be no guarantee either way. From data provided by the Assessor's Office which was arranged by calendar year, not fiscal year, mandatory and non-mandatory audits from 1999 through 2004 resulted in both tax increases and refunds. In all six years, with the exception of 2003, the values of roll increases were greater than decreases, ranging from a low of \$5.5 million to a high of \$25 million. These changes resulted in upwards of \$55,000 to more than \$250,000 in captured tax revenue. With a budget in the billions of dollars, the twenty-four percent of property tax revenues received by county government may seem small, but the captured revenue was still relevant, especially for schools and special districts which also receive tax revenues. In 2003, 2005, and 2006, the audits resulted in

roll decreases that were greater than roll increases. However, according to the Assessor's Office, there were major refunds in a couple of special circumstances that skewed the data greatly to reflect an overall decrease.

Does that mean that every year increases would exceed decreases? As with the audit backlog, there is no way to predict the outcome. The county may be reluctant to put resources into an effort that may not capture enough to cover its costs. However, the Assessor's Office says that it places service to the taxpayer first. It would best serve all county taxpayers, including the business taxpayers, to reduce the audit backlog and remain current. The knowledge that mandatory and non-mandatory audits will be done in a timely manner will encourage accuracy in reporting.

To determine whether a growing backlog in mandatory audits is a common problem among the 59 California counties, the Grand Jury reviewed the 2005-06 comparative statistics compiled each year by BOE. While there are no demographic comparisons as part of the data, one is able to compare budgets, total staffing, workloads, total roll values, etc. We were surprised to find that backlogs do **not** appear to be a widespread problem. For example, Butte County was only one of four counties that had audit backlogs greater than 100. Of the remaining 55 counties, all but seven had less than a 20 audit backlog.

(Exhibit P) In looking at 3 counties similar to Butte in total department staff (44-45) and total budgets, the difference appears to be higher staffing levels in the business division of 5 to 6 auditor appraisers. One of these counties, Shasta, is incredibly close to Butte in business division workload. The Shasta County Assessor, when interviewed indicated her division took only one CCCASE trip to cover the costs of having other counties do some of their audits for them. She has no mandatory audit backlog.

In conclusion, the recommendations from BOE over the past 11 years are that Butte County complete mandatory and non-mandatory audits in a timely manner and eliminate their backlog. BOE surveys will continue to make these recommendations unless the Assessor's Office makes a concerted effort to solve the problem. It is easy for him to respond that audits will be done as staffing and time allow and make no effort to address additional staffing or better use of the time for staff involved. There does not appear to be any perceived urgency. The department is doing some audits, and the work is good. There probably would be no penalties or loss of state funding for supplemental assessment that BOE could impose in major instances where counties do not comply with the property tax codes and statutes. However, the audits are not being completed within the time frame laid out by Section 469 of the Revenue and Taxation Code.

In what seems to be a symptomatic problem within the county, limited revenues lead to pressures to do more with fewer personnel. Since this department's very work affects the revenue stream within and outside of county government, it

should be adequately staffed. The Assessor should focus also on the best apportioning and use of his staff to fulfill statutory requirements.

Commendations

1. The Grand Jury appreciates the Butte County Assessor and his staff for their cooperation in this review.
2. The Grand Jury commends the dedicated, cohesive group of hardworking individuals in the Butte County Assessor's Office. They appear to be well trained and do quality work. This department faces difficult issues which are complicated by a limited number of staff who shoulder a heavy and demanding workload.
3. The Grand Jury commends the Assessor for not micro-managing his department. He recognizes the expertise within his staff and allows them complete responsibility to perform their tasks.

Findings

1. The Appraiser's Office is understaffed, particularly in the business division.
2. A great many experienced appraisers within the Assessor's Office will be eligible for retirement within the next 10 years. It takes considerable time for an appraiser to build expertise.
3. Morale is high within the department despite a heavy, time-driven workload and understaffing. There is very little staff turnover.
4. Many employees are at their top salary steps with no higher classifications available. While the policy of the Assessor is to promote from within the department, supervisory positions are few and rarely become available.
5. The Assessor is concerned that with current Human Resource procedures, qualified applicants for entry-level appraiser positions may never make it to interview lists.
6. The Assessor has effectively upgraded the technology in his department; however, the department still faces problems with Megabyte Systems including product changes, tech support, and inadequate training.
7. BOE has indicated that all possessory interests involving the Butte County Fairgrounds in Gridley and the Silver Dollar Fairgrounds in Chico

are not being enrolled. The Grand Jury finds that the cost of valuing fairground PI's would be more than the tax revenue generated.

8. By having a large and growing backlog of mandatory audits, Butte County is out of compliance with Revenue and Taxation Code section 469.
9. The county participates in CCCASE to handle audits for those companies with corporate headquarters out-of-state but doing business within California.. The quality of CCCASE audits performed by other counties for Butte County varies in a range from excellent to worthless.
10. The Assessor has been using his business division to conduct extra CCCASE audit trips to generate independent revenue for the county. The expenses of these trips cost the county more than the revenue generated.
11. While CCCASE trips taken by Butte County staff may or may not include some Butte County locations, most of the time is spent doing work for other counties. The time lost by doing additional CCCASE trips means less time is available for conducting local business audits that are currently due, as well as eliminating the backlog.
12. The state legislature discontinued PTAP funding.

Recommendations

1. Considering the time needed for building appraisal expertise, as well as the current understaffing, the Assessor and the County need to take steps necessary to return the department to the 2003-04 staffing levels of 49, if not higher.
2. The Assessor and the County should investigate ways to create more advancement opportunities for employees of the Assessor's Office.
3. The Assessor and Human Resources should have a mutually agreeable procedure in place to screen and hire new appraisers and auditor/appraisers.
4. The Grand Jury encourages the Assessor to work with the other Megabyte users to exert stronger pressure on the company to deal with problem areas.
5. The Board of Supervisors should adopt a resolution to raise the current low value property threshold from \$2000 to \$5000 for all properties. This is possible through Revenue and Taxation Code Section 155.20.

6. The Board of Supervisors should raise the low value threshold specified for possessory interest use of fairground, convention, and cultural facilities to \$50,000. This is possible through Revenue and Taxation Code Section 155.20.
7. To clear the backlog of mandatory and non-mandatory audits that must be performed by the business division and to remain current in the future,
 - a. the Assessor should strongly consider increasing the number of business division auditor/appraisers to 5;
 - b. the Assessor should continue the current practice of using a retired auditor/appraiser on a contract basis until the backlog has been eliminated; and
 - c. the Assessor should eliminate the practice of using extra CCCASE audit trips as a source of independent income.
8. The Assessor should determine the value of continuing CCCASE participation.
9. The Assessor should continue, either through a consortium of affected counties or independently, to lobby the State legislature for a renewal of the PTAP funding and for a higher threshold for mandatory business property and fixture audits, raising it from \$400,000 to \$600,000

Responses Required (Penal Code §933 & §933.05)

Butte County Tax Assessor
Butte County Chief Administrative Officer
Butte County Board of Supervisors
Butte County Human Resources Director

List of Documents Reviewed by the Grand Jury

Butte County – Contract # X16125 with Megabyte Systems entitled “Agreement: Property Tax System Maintenance.”

Butte County Assessor’s Office – Audit Workload Summaries from 2000 – 2006

Butte County Assessor’s Office – CCCASE trips from 1999 – 2006 – Audits performed by Butte auditor/appraisers

Butte County Assessor’s Office – List of identified PI’s 2007

Butte County Board of Supervisors – Resolution 93-158

Butte County Fairgrounds – Data charts and contracts for use of the fairgrounds at Gridley for the years 2001 through 2003 as requested by BOE for use in their 2005 survey.

California State Board of Equalization – Butte County Assessment Practices Survey 2000. Includes the Assessor’s responses

California State Board of Equalization – Butte County Assessment Practices Survey 2005. Includes the Assessor’s responses

Property Taxes Law Guide Rule 371

Revenue and Tax Code 95.35 establishing PTAP funding

Revenue and Tax Code 155.20 Allowing County Boards of Supervisors to set Low Value ordinances for property tax assessment.

Review of the Butte County Assessor's Office

Index of Exhibits

- Exhibit A: Revenue & Taxation Code §95.35 – establishes PTAP funding
- Exhibit B: Butte County Contract X16125 with Megabyte systems, Inc. regarding Property Tax System Maintenance
- Exhibit C: *Property Taxes Law Guide*: Rule 31
- Exhibit D: *Butte County Assessor's Practices Survey 2000*; California State Board of Equalization; p. 19 – 20
- Exhibit E: *Butte County Assessor's Practices Survey 2005*; California State Board of Equalization; p. 31
- Exhibit F: *Butte County Assessor's Practices Survey 2000*: "Assessor's Responses to State Board of Equalization Recommendations" p.3
- Exhibit G: Vendor and Concessionaire charts 2001 - 2003; Butte County Fairgrounds Association
- Exhibit H: PI worksheet with sample PI calculation; Assessor's Office
- Exhibit I: Revenue & Taxation Code 155.20
- Exhibit J: Butte County Board of Supervisors Resolution 93:158; October 26, 1993.
- Exhibit K: *Butte County Assessor's Practices Survey 2000*; California State Board of Equalization; p. 24
- Exhibit L: *Butte County Assessor's Practices Survey 2005*; California State Board of Equalization; p. 39
- Exhibit M: *Butte County Assessor's Practices Survey 2000*: "Assessor's Responses to State Board of Equalization Recommendations" p.5
- Exhibit N: Mandatory Audit Charts from 1998 through 2006 – demonstrating completion and backlog trends
- Exhibit O: CCCASE Trips: labor and trip costs for 2005 and 2006
- Exhibit P: A Report on Budgets, Workloads, and Assessment Appeals Activities 2005-06: Table H (Business Property Workload Data) California Board of Equalization p. 13

Exhibit A

CALIFORNIA CODES
REVENUE AND **TAXATION CODE**
SECTION 95.35

95.35. (a) The Legislature finds and declares that there is a significant and compelling state financial interest in the maintenance of an adequately funded system of property tax administration. This financial interest derives from the fact that 53 percent of all property tax revenues collected statewide serve to offset the General Fund obligation to fund K-12 schools, and extends not only to assessment and maintenance of the tax rolls, but also to all aspects of the system which include, but are not limited to, collection, apportionment, allocation, and processing and defending appeals. The Legislature further finds and declares that the combination of limitations on county revenue authority, increasing county financial obligations, and the shift of county property taxes to schools has created a financial disincentive for counties to adequately fund property tax administration. This disincentive is most clearly evidenced by the fact that counties, on average, receive 19 percent of statewide property tax revenues while they are obligated to pay an average of 73 percent of the costs of administration. The Legislature also finds and declares that the State-County Property Tax Loan Program contained in Section 95.31 was in recognition of the state's financial interest, and the success of that program has demonstrated the appropriateness of an ongoing commitment of state funds to reduce the burden of property tax administration on county finances. Therefore, it is the intent of the Legislature, in enacting this act, to establish a grant program known as the State-County Property Tax Administration Grant Program that will continue the success of the State-County Property Tax Loan Program and maintain the commitment to efficient property tax administration.

(b) Notwithstanding any other provision of law, in the 2002-03 fiscal year and each fiscal year thereafter to the 2006-07 fiscal year, inclusive, any county board of supervisors may, upon the recommendation of the assessor, adopt a resolution to elect to participate in the State-County Property Tax Administration Grant Program. Any resolution so adopted shall comply with the terms and conditions contained in paragraph (2) of subdivision (c). If adopted, a copy of the resolution shall be sent to the Department of Finance, which shall, upon approval, transmit a copy of the resolution to the Controller.

(c) (1) Any county electing to participate in this program may be qualified to receive a grant in an amount, up to and including, the applicable amount listed in paragraph (3). However, the grant eligibility of a county may be terminated at the discretion of the Department of Finance if a county does not meet the conditions specified in paragraph (4).

(2) The resolution to participate in this program shall include a detailed listing of the proposed uses by the county of the grant moneys, including, but not limited to:

(A) The proposed positions to be funded.

(B) Any increased automation costs.

(C) The specific tasks and functions that will be performed during the fiscal year with these funds.

(3) Upon transmittal of the electing resolution by the Department

of Finance, the Controller shall, provided sufficient moneys have been appropriated by the Legislature for purposes of this section, provide a grant to the electing county for the applicable amount specified in the following schedule:

Jurisdiction	Amount
Alameda	\$ 2,152,429
Alpine	3,124
Amador	80,865
Butte	381,956
Calaveras	109,897
Colusa	53,957
Contra Costa	2,022,088
Del Norte	36,203
El Dorado	302,795
Fresno	1,165,249
Glenn	59,197
Humboldt	210,806
Imperial	231,673
Inyo	100,080
Kern	1,211,318
Kings.....	138,653
Lake	117,376
Lassen	54,699
Los Angeles	13,451,670
Madera	212,991
Marin	790,490
Mariposa	46,476
Mendocino	160,435
Merced	298,004
Modoc	24,022
Mono	47,778
Monterey	795,819
Napa	366,020
Nevada	234,292
Orange	6,826,325
Placer	628,047
Plumas	80,606
Riverside	2,358,068
Sacramento	1,554,245
San Benito	90,408
San Bernardino	2,139,938
San Diego	5,413,943
San Francisco	1,013,332
San Joaquin	818,686
San Luis Obispo	736,288
San Mateo	2,220,001
Santa Barbara	926,817
Santa Clara	4,213,639
Santa Cruz	565,328
Shasta	342,399
Sierra	7,383
Siskiyou	91,164
Solano	469,207
Sonoma	1,035,049
Stanislaus	866,155

Sutter	147,436
Tehama	97,222
Trinity	24,913
Tulare	501,907
Tuolumne	126,067
Ventura	1,477,789
Yolo	278,309
Yuba	88,968

(4) The Department of Finance shall consider the following items in determining whether a county may continue to receive a grant under this section:

(A) The county's performance as indicated by the State Board of Equalization's sample survey required by Section 15640 of the Government **Code**.

(B) Any performance measures adopted by the California Assessors' Association, the California Association of Clerks and Elections Officials, the State Association of County Auditor-Controllers, and the California Association of County Treasurers and Tax Collectors.

(C) The county's reduction of backlogs of assessment appeals and declines in taxable value below adjusted base year value.

(D) The county's compliance with mandatory audits required by Section 469 or the county's delivery of tax bills as required by Section 2610.5.

(E) The county's reduction of backlogs of determinations regarding new construction, changes in ownership, and supplemental assessments.

(F) Any other measure, as determined by the Director of Finance and transmitted to a county prior to its receiving a grant.

(d) (1) Funds appropriated for purposes of this section shall be used to enhance the property tax administration system. Amounts provided to any county as a grant pursuant to this section may not be used to supplant the current level of county funding for property tax administration, exclusive of funds received pursuant to the predecessor State-County Property Tax Loan Program. In order to participate in the State-County Property Tax Administration Grant Program, a participating county shall maintain a base staffing, including contract staff, and total funding level in the county assessor's office, independent of the grant proceeds provided pursuant to this section, equal to the levels in the 1994-95 fiscal year, exclusive of amounts provided to the assessor's office pursuant to Item 9100-102-001 of the Budget Act of 1994. However, in a county in which the 1994-95 fiscal year funding level for the assessor's office was higher than the 1993-94 fiscal year level, the 1993-94 fiscal year staffing and funding levels shall be considered the base year for purposes of this section. If a county was otherwise eligible but was unable to participate in the State-County Property Tax Loan Program in the 1995-96 fiscal year because it did not meet the funding level and staffing requirements of this paragraph, that county shall maintain a base staffing, including contract staff, and total funding level in the county assessor's office equal to the levels in the 1995-96 fiscal year.

(2) Prior to the assessor's recommendation for participation in the State-County Property Tax Administration Grant Program, the assessor shall consult with the county tax collector, and any other county agency directly involved in property tax administration, to develop an identifiable plan for the use of these funds during the

period specified in the resolution by the board of supervisors. This plan shall be subject to modification and approval of the board of supervisors.

(e) In any fiscal year in which the assessor of a county elects not to participate in the grant program or submits to the board of supervisors a grant proposal that is less than the applicable amount specified in paragraph (3) of subdivision (c), any other department of that county that is responsible for the administration, allocation, or adjudication of property tax, as defined in Section 95.3, may submit to the board of supervisors an application for the remainder of the allowable grant amount set forth in paragraph (3) of subdivision (c). Any grant proposal submitted pursuant to this subdivision shall include the information specified in paragraph (2) of subdivision (c), and will be subject to the performance standards set forth in paragraph (4) of subdivision (c).

(f) If the funds appropriated by any Budget Act for the purposes set forth in this section exceed sixty million dollars (\$60,000,000), the excess shall be allocated among participating counties in proportion to each county's applicable grant share listed in the schedule set forth in paragraph (3) of subdivision (c). Any additional funds allocated pursuant to this subdivision shall be transferred by the Controller to the boards of supervisors of participating counties at the same time as the transfer of funds pursuant to paragraph (3) of subdivision (c), and the funds transferred shall be available for allocation by the board of supervisors within the county only for the purposes of administration, allocation, or adjudication of property taxes, as defined in Section 95.3. Any county receiving funds pursuant to this subdivision shall be required to comply with the same reporting requirements as those required for grant funds received pursuant to subdivision (c).

(g) A participating county may establish a tracking system whereby a work or function number is assigned to each appraisal or administrative activity. This tracking system should provide statistical data on the number of production units performed by the county and the positive and negative change in assessed value attributable to the activities performed by each employee.

(h) At the request of the Department of Finance, the State Board of Equalization shall assist the Department of Finance in evaluating grants made pursuant to this section.

(i) Notwithstanding Section 95.3, any funds provided to an eligible county pursuant to this section shall not result in any reduction of those county property tax administrative costs that are reimbursable pursuant to Section 95.3.

95.4. Amounts invoiced pursuant to subdivision (b) of Section 95.2 or its predecessor shall not include the amount of any costs incurred by the county auditor pursuant to Section 33672.5 of the Health and Safety Code.

Exhibit B
AGREEMENT
PROPERTY TAX SYSTEM
MAINTENANCE



CONTRACT NO.
X16125 - 1
COUNTY OF BUTTE

1 THIS SUPPORT AGREEMENT, is for the term beginning July 1st, 2006 and
2 terminating June 30, 2007 by and between the COUNTY OF BUTTE, hereinafter
3 referred to as the "County" and MEGABYTE SYSTEMS INC, whose mailing address
4 is 2241 Sunset Blvd, Suite C, Rocklin, California 95765, hereinafter
5 referred to as the "Contractor". Federal Id: 77-0547969.

6 1. The County hereby engages the services of the Contractor, and the
7 Contractor agrees to serve County in accordance with the terms and
8 conditions set forth herein.

9 2. Work. Contractor shall furnish all programming efforts required
10 to support the maintenance of the BUTTE County Property System as
11 follows:

- 12 - Hot line phone support for the Assessor, Tax Collector and
13 Auditor user staff, as required, concerning the operation of
14 the property system. Internet Help Desk may be utilized.
- 15 - Diagnosis of application problems and suggested solutions.
- 16 - Application software corrections as needed by system failure to
17 meet system requirements. This does NOT include any fixes for
18 problems arising through alteration of the database by means
19 other than Megabyte personnel.
- 20 - New State mandated changes to the application.
- 21 - Enhancements/Upgrades to the application software at the sole
22 discretion of Megabyte Systems.
- 23 - Installation/setup of application stored procedures/triggers/
24 database scheduled tasks when necessary.

25 3. Price. In consideration of Contractor's fulfillment of the
26 promised work, County shall pay Contractor a fixed price of
27 \$8,862.25 per month. Support to County in excess of the terms of
28 this agreement, as deemed necessary by County, will be billable to
29 County at Contractor's standard hourly rate subject to advance

30 written approval of County. If on-site support is required,
31 travel time and expenses will be charged in addition to the hourly
32 rate for work on-site.

33 4. Payments. County shall make payments of compensation hereunder
34 monthly on submittal of an invoice. Contract payments are due and
35 payable to Megabyte Systems, Inc. 2241 Sunset Blvd, Suite C,
36 Rocklin, California 95765, within 15 working days of receipt of the
37 invoice. Invoices shall be submitted to:

38 Butte County Auditor
39 25 County Center Drive
40 Oroville, Ca 95965-3383

41 5. Changes. Changes and modifications to this Agreement may only be
42 made by prior written change order of County, accepted in writing by
43 the Contractor, specifying such change(s) including adjustment(s) to
44 price and delivery schedule (if any), as are agreed to by the parties
45 hereto. In no case shall County pay for any extra work or material
46 furnished except as previously agreed upon in such a written change
47 order. The Contractor and the County shall determine whether any
48 change or modification will cause a delay in Contractor completing
49 all work and if so, the duration of such delay.

50 6. County's Responsibility to Provide. County will provide, at its
51 own expense, access to Megabyte via Megabyte's network or via the
52 Internet as long as it is at acceptable speeds (County minimum of
53 128K.)

54 7. No Waiver by County. Inspection of the work by the County, or the
55 statement by any officer, agent, or employee of the County, prior
56 to written acceptance of the work or any part thereof, indicating
57 that the work or any part thereof complies with the requirements
58 of this Agreement, or the County's payment for the whole or any
59 part of the work, or any combination of these acts, shall not
60 relieve the Contractor of obligation to fulfill this Contract as
61 prescribed. Waiver of any provision of this Agreement by the
62 County in any single instance shall not prejudice County's right

63 to enforcement of all provisions of this Agreement in any other
64 instance.

65 8. Hold Harmless. Contractor agrees to defend, indemnify, save and
66 hold harmless the County, its officers, agents, and employees,
67 from and against any and all claims and losses whatsoever accruing
68 or resulting to any and all persons, firms or corporations for
69 damage, injury or death as a result of negligence by Contractor in
70 Contractor's performance of this Agreement.

71 9. Patent or Copyright Infringement.

72 A. Contractor represents that the materials and products produced
73 hereunder do not violate others intellectual property rights
74 (which include patent, copyright, trademark, trade secret or
75 other proprietary right.) In the event a claim, cause of
76 action, proceeding or other legal action should arise in which
77 there are claims that the materials and/or products infringe
78 or violate another's intellectual property rights, Contractor
79 shall undertake to protect, defend, settle or resolve the
80 proceeding at no cost, whatsoever, to County, including, but
81 not by way of limitation, legal fees, disbursements,
82 judgments, or the like. Contractor shall protect, defend and
83 indemnify and hold County harmless, subject only to County
84 giving Contractor prompt written notice of any such third
85 party claim, cause of action or proceedings and rendering to
86 Contractor any reasonable information, assistance or access to
87 documents and materials required in the defense of any such
88 cause of action.

89 B. Should the materials and/or products in Contractor's opinion,
90 be likely or become the subject of a claim of infringement of
91 a patent, copyright or trademark, Contractor may do any of the
92 following: (1) obtain a legally binding right for County to
93 use, at no cost to County, the material and/or product; (2)
94 replace or modify the material and/or product so that it is
95 non-infringing yet still complies with the RFP and the
96 Contract specifications; (3) repurchase the material and/or

197 product by refunding all moneys paid by County to Contractor
198 for the material and/or product less depreciation and
199 reasonable costs for use and such other amounts as are
200 mutually agreeable to County and Contractor.

201 10. Title to Work. Upon termination of this agreement for any reason
202 title to, ownership of, and all applicable patents, copyrights and
203 trade secrets in the MPTS2000+ software, shall remain with the
204 contractor as owner/holder of such patents, copyrights, and trade
205 secrets, who shall retain complete rights to market such product,
206 and no such rights shall pass to County. However, County shall
207 receive, at no additional cost, a perpetual license to use such
208 products for its own use.

209 11. Source Code. Contractor shall place source code for the licensed
210 software and any changes thereto, into a software escrow account.
211 County shall have access to the source code in the event
212 Contractor fails to fulfill its maintenance and support
213 obligations, or in the event of bankruptcy, dissolution, or
214 appointment of a receiver for Contractor. County shall be able to
215 use the source code according to the terms of this agreement, and
216 must also be permitted to modify the code for its own use
217 consistent with this agreement.

218 12. Insurance. Contractor shall maintain, at Contractor's own expense
219 during the term hereof, insurance with respect to Contractor's
220 performance of this Agreement of the types and in the minimum
221 amounts described generally as follows:

222 A. Full Workmen's Compensation and Employer's Liability Insurance
223 covering all employees of Contractor as required by law in the
224 State of California.

225 B. Comprehensive Public Liability Insurance or Comprehensive
226 Liability Insurance (Bodily Injury and Property Damage) of not
227 less than One Million Dollars (\$1,000,000) combined single
228 limit per occurrence (claim made).

229 C. Comprehensive Automobile Liability Insurance (Bodily Injury
230 and Property Damage) on owned, hired, leased and non owned

131 vehicles used in conjunction with Contractor's business of not
132 less than Three Hundred Thousand (\$300,000) combined single
133 limit per occurrence (claim made).

134 13. Proof of Insurance. Simultaneous with the execution of this
135 Agreement, proof of the aforementioned insurance shall be
136 furnished by the Contractor to the County by certificates of
137 insurance. Such certificates shall specify that County must be
138 given written notice 30 days prior to the cancellation or
139 modification of any such insurance.

140 14. Insurance in Force and Effect During Contract Period. The
141 insurance specified above shall be in a form and placed with an
142 insurance company or companies satisfactory to County, and shall
143 be kept in force and effect until completion to the satisfaction
144 and acceptance by County of all work to be performed by the
145 Contractor under this Agreement.

146 15. Confidentiality. Confidential information is defined as all
147 information disclosed to Contractor which relates to the County's
148 past, present, and future activities, as well as activities under
149 this Contract. Contractor will hold all such information in trust
150 and confidence. Upon cancellation or expiration of this
151 Agreement, Contractor will return to County all written and
152 descriptive matter which contains any such confidential
153 information.

154 16. Independent Contractor. Contractor shall perform this contract as
155 an independent contractor for all purposes. Contractor is not,
156 and shall not be deemed, a County employee for any purpose,
157 including worker's compensation. Contractor shall, at
158 Contractor's own risk and expense, determine the method and manner
159 by which the duties imposed on Contractor by this contract shall
160 be performed; provided that County may monitor the work performed
161 by Contractor; and provided further that Contractor shall observe
162 and comply with all laws and rules applicable to County in
163 performing the work. Contractor, not County, shall be responsible
164 for Contractor's negligence and that of Contractor's agents and

employees in performing the work. Contractor shall be entitled to none of the benefits accorded to a County employee. County shall not deduct or withhold any amounts whatsoever from the compensation paid to Contractor, including but not limited to amounts required to be withheld for state and federal taxes. Contractor alone shall be responsible for all such payments.

18. Termination. The County or Contractor may terminate this agreement with 60 days written notices.

19. Notices. All notices provided for by this Agreement shall be in writing and may be delivered by deposit in the First Class United States mail, by certified, or by registered mail, postage prepaid. All notices appertaining to the provisions of this Agreement, shall be addressed to Contractor's office, located at 2241 Sunset Blvd, Suite C, Rocklin, California 95765. Notices to the County shall be addressed to Butte County Assessor. 25 County Center Drive, Oroville Ca, 95965. Effective date of all notices shall permit a minimum of five (5) days for transit in the mails.

Approved for fiscal control, subject
to budget appropriation
Auditor's Office

By Deborah Dent 7/7/06

APPROVED AS TO FORM
Butte County Counsel

By [Signature]

7/10/06

COUNTY OF BUTTE, a political
subdivision of the State of
California

By [Signature]

Dated: JUL 25 2006

CONTRACTOR: Megabyte Systems, Inc

By Sharon A. Jacobs
President
"CONTRACTOR"

Dated: 6/28/06

**ADDENDUM TO AGREEMENT
PROPERTY TAX SYSTEM MAINTENANCE
JULY 1st 2006**

X 16125 -

**MEGABYTE SYSTEMS
SQL SERVER DATABASE SUPPORT AGREEMENT**

COUNTY OF BUTTE

This SQL Server Database Support Agreement is by and between the County of Butte, hereinafter referred to as the "County" and Megabyte Systems, Inc whose mailing address is 2241 Sunset Blvd, Suite C, Rocklin, California, 95765, hereinafter referred to as the "Contractor". Federal Id #: 77-0547969.

1. This Agreement is considered to be an addendum to the existing Property Tax System Support Agreement in effect between County and Megabyte Systems.
2. **Term.** This Agreement will become effective July 1st, 2006, and will continue in force until terminated by either party.
3. **Work.** Contractor shall provide the following database administration support services for the Property Tax System utilizing SQL Server as follows:
 - Necessary tuning / routine maintenance / notification of service pack upgrades needed. (These must be run by County personnel on the physical machine)
 - General SQL maintenance
 - Monitoring of SQL Logs for errors and corrective action
 - Installation Upgrades to SQL versions when Megabyte upgrades the application software to a new version (Note: This does not include any cost associated with the purchase of SQL Server System Software -- this cost is the responsibility of the County. Megabyte will install it and do any necessary property system upgrades). Megabyte System's determines the need to upgrade to a newer version of SQL.
 - Rebuild database(s) if necessary due solely to SQL Server generated problems. [Exclusion: If the cause is failure by the user to detect NT operating system errors & take corrective action or notify Megabyte Systems, then this activity will be a billable item to the County]
4. Megabyte Systems must have administrator rights (SA)
5. **County Responsibilities.** County shall perform the following tasks:
 - Ensuring the SQL Executive and SQL Server are running and restart if necessary.
 - NT Server printer setup and documentation.
 - Monitor disk space on NT Server.
 - MPTS2000+ system backups.
 - Network problems.
 - Software/Hardware conflict issues.
 - Install SQL Server service packs when notified to do so by Megabyte.
 - Install MPTS2000+ service packs when notified to do so by Megabyte.
6. **Price.** The price for Megabyte Systems services to be provided to the County under the terms of this Agreement shall 1,839.92 per month, payable the first of each month for the new month. Price may change on an annual basis effective 7/1 of a given year. County will be notified 60 days in advance of any price increases.
7. If on-site support is required travel time and expenses will be billable to County at the standard Megabyte rate.
8. All database administrative activities shall be through Internet support between County and Megabyte Systems.
9. County must provide communication access to Megabyte at acceptable speeds (County minimum of 128K).
10. **Termination.** This Support agreement may be terminated by County or Contractor with 60 days written notice. This Agreement may be terminated without affecting the basic Property Tax Support Agreement.

County of Butte

Dated:

JUL 25 2006

Approved for fiscal control, subject
to budget appropriation
Auditor's Office

By

Deborah Deth

7/7/06

Contractor: Megabyte Systems, Inc

President

Dated:

6/20/06

APPROVED AS TO FORM
Butte County Counsel

By

ADDENDUM TO AGREEMENT
PROPERTY TAX SYSTEM MAINTENANCE
JULY 1st 2006

CONTRACT NO.

X 16125

COUNTY OF BUTTE

Megabyte Systems, Inc
MPTS2000+ Web Services

This MPTS2000+ Web Services Agreement is by and between the County of Butte, hereinafter referred to as the "County" and Megabyte Systems, Inc. whose mailing address is 2241 Sunset Blvd, Suite C, Rocklin, California, 95765, hereinafter referred to as "Contractor". Federal ID #: 77-0547969.

1. This Agreement is considered to be an addendum to the existing Agreement Property Tax System Maintenance dated July 1st, 2006 in effect between County and Contractor.
2. **Grant of License.** Contractor hereby grants to County a personal, non-transferable and non-exclusive license to use the Tax Collector Public Version of the MPTS2000+ Web Services.

The License granted to the County is expressly limited to the executable form of the Software only. The program code and programming language in which Contractor writes the Software (the "Source Code"), as well as any relevant documentation, including the Source Code, and instructions to maintain, duplicate, and compile to Source Code (the "Source Materials"), remain the exclusive property of Contractor.

3. Upon termination of this agreement for any reason title to, ownership of, and all applicable patents, copyrights and trade secrets in the MPTS2000+ Web software, shall remain with the contractor as owner/holder of such patents, copyrights, and trade secrets, who shall retain complete rights to market such product, and no such rights shall pass to County.
4. **Term.** The license granted shall commence upon the date of installation of the software and shall remain in force for as long as the annual maintenance fee is paid to Contractor by County.
5. **Services to be provided.** Contractor shall provide the following MPTS2000+ Web Services to the County.
 - Search capabilities limited to Parcel or Assessment numbers.
 - Tax Collector – Current Tax Roll information only.
 - Cosmetic Customizations only i.e. color schemes, County logos, etc.
 - Note: this version does not have any Security features. Name only appears, not address.
6. **Price.** The annual charge for the MPTS2000+ Web Services described above is \$2,722.00. If on-site support is required travel time and expenses will be billable to County at the standard Megabyte rate. County is responsible for paying any state or local sales or use taxes that may be attributable to the License granted herein.
7. County must provide communication access to Contractor via the Web at acceptable speeds (County minimum of 128K).
8. **Termination.** County or Contractor may terminate this Addendum with 60 days written notice. This Agreement may be terminated without affecting the basic Property Tax Support Agreement.

By:

Sharon A. Zachte

Sharon A. Zachte
President
Megabyte Systems, Inc

By:

[Signature]
County of Butte
A political subdivision of the
State of California

JUL 25 2006

Approved for fiscal control, subject
to budget appropriation
Auditor's Office

By *Deborah Heath* 7/11/06

APPROVED AS TO FORM
Butte County Counsel

7/11/06

By

Exhibit C

Property Taxes Law Guide PROPERTY TAX RULES

2781
2006-1

Rule 371. SIGNIFICANT ASSESSMENT PROBLEMS

Reference: Section 75.60, Revenue and Taxation Code.
Section 15643, Government Code.

(a) For purposes of Revenue and Taxation Code Section 75.60 and Government Code Section 15643, "significant assessment problems" means procedure(s) in one or more areas of an assessor's assessment operation, which alone or in combination, have been found by the Board to indicate a reasonable probability that either:

(1) the average assessment level in the county is less than 95 percent of the assessment level required by statute; or

(2) the sum of all the differences between the board's appraisals and the assessor's values (without regard to whether the differences are underassessments or overassessments), expanded statistically over the assessor's entire roll, exceeds 7.5 percent of the assessment level required by statute.

(b) For purposes of this regulation, "areas of an assessor's assessment operation" means, but is not limited to, an assessor's programs for:

(1) Uniformity of treatment for all classes of property.

(2) Discovering and assessing newly constructed property.

(3) Discovering and assessing real property that has undergone a change in ownership.

(4) Conducting mandatory audits in accordance with Revenue and Taxation Code Section 469 and Property Tax Rule 192.

(5) Assessing open-space land subject to enforceable restriction, in accordance with Revenue and Taxation Code Sections 421 et. seq.

(6) Discovering and assessing taxable possessory interests in accordance with Revenue and Taxation Code Sections 107 et. seq.

(7) Discovering and assessing mineral-producing properties in accordance with Property Tax Rule 469.

(8) Discovering and assessing property that has suffered a decline in value.

(9) Reviewing, adjusting, and, if appropriate, defending assessments for which taxpayers have filed applications for reduction with the local assessment appeals board.

(c) A finding of "significant assessment problems," as defined in this regulation, would be limited to the purposes of Revenue and Taxation Code Section 75.60 and Government Code Section 15643, and shall not be construed as a generalized conclusion about an assessor's practices.

History: Adopted February 4, 1997, effective May 16, 1997.

Exhibit D

We recommend that the assessor send a questionnaire annually to TPZ landowners requesting information on any nonexclusive compatible uses of their properties.

Taxable Possessory Interests

A taxable possessory interest (PI) is a private property interest in publicly owned real property. For property tax purposes, the term “possessory interest” includes either the possession or the right to possession of real property when a tax-exempt government agency holds the fee title of that property.

For the 1998-99 assessment year, the assessor valued 228 possessory interests, with a total value exceeding \$42 million. In our 1994 assessment practices survey, we recommended that the assessor take steps to ensure that all possessory interests are enrolled and to establish a tracking system for possessory interest accounts. The assessor has not implemented these recommendations, therefore we repeat them.

RECOMMENDATION 9: Assess all taxable possessory interests at the Butte County fairgrounds.

During the annual county fair, the largest concession is the carnival rides, which generated revenues for the county in previous years. We found no possessory interest assessment for the carnival ride concession at the Butte County fairgrounds.

There are two fairgrounds in Butte County. The 3rd District Agriculture Association operates the Silver Dollar Fair in Chico and the Butte County Fair and Sportsman’s Expo in Gridley. The association rents space in the fairground facilities to groups and individuals, both public and private, during the annual fairs and for interim uses the remainder of the year. Such interim uses of the fairgrounds include dances, pet shows, dealer shows, and other public and private uses.

We found that none of the concessionaires or interim events at any of the fairgrounds were assessed as a possessory interest. We recognize that some community-sponsored fundraisers and nonrecurring events may be exempt, and others may fall within the purview of the low value ordinance. However, our findings suggest that some of these private concessions and interim uses may exhibit the private benefit, durability, exclusivity, and independence to constitute taxable possessory interests.

We recommend that the assessor review all uses at the fairgrounds and assess all taxable possessory interests.

RECOMMENDATION 10: Implement a tracking system for possessory interest accounts to determine reappraisable events.

Since our previous report, section 61(b)(2) has been revised to eliminate the need to annually reassess those PI’s with month-to-month or annual leases and permits. Once enrolled, the renewal of these PI’s are not considered changes in ownership until the end of the estimated term of possession used by the assessor.

office. The assessor has a comprehensive program for enrolling taxable possessory interests. However, we did note some incorrect procedures.

RECOMMENDATION 7: Improve the possessory interest assessment program by:
(1) assessing all taxable possessory interests at the county fairgrounds, (2) annually determining the market value of a possessory interest based on the stated term of possession as required by rule 21, and (3) implementing a tracking system for possessory interest accounts to flag reassessable events.

Assess all taxable possessory interests at the county fairgrounds.

In our previous survey report, we recommended that the assessor review all private uses at the Butte County fairgrounds for possible assessments as PIs. In our current survey, we found that the assessor has enrolled only four PI assessments at the Silver Dollar Fair in Chico. We obtained a list of commercial and food vendors for the past three years from the Butte County Fair Association and found a number of the users with ongoing and beneficial use at the fairgrounds.

Section 107 and rule 20 define the requirements for a taxable possessory interest. Briefly stated, these requirements are that the right of possession be independent, exclusive, durable, and provide private benefit. There are a number of private uses of the fairgrounds that appear to have these characteristics. The repeated use of the fairground facilities by the same person or entity over a number of years should be investigated to see whether it constitutes a taxable possessory interest. Noncompliance with this statutory requirement could result in loss of tax revenue to the county.

Annually determine the market value of a possessory interest based on the stated term of possession as required by rule 21.

We found that the assessor does not use the stated term of possession when determining the market value of a possessory interest for each lien date. It is the assessor's practice to not recompute the market value using a declining premise; instead, the FBV is enrolled until the expiration of the contract term of possession or until there is a change in ownership.

Rule 21 provides that a contract term of possession is presumed to be the reasonably anticipated term of possession unless there is clear and convincing evidence that the lessor and lessee anticipate that a different term is appropriate. Rule 21 also provides that the stated term of possession for a taxable possessory interest is the remaining period of possession. Thus, the stated term of possession of a possessory interest declines on each lien date, which may have a material effect on the market value of the possessory interest. For this reason, the assessor must estimate the market value of a possessory interest on the lien date (based on the remaining term of the contract), compare this value with the factored base year value, and enroll the lesser of the two.

Exhibit F

Butte County Assessment practices Survey, 2000: "Butte County Assessor's Response to State Board of Equalization Recommendations" Page 3

are in place to properly calculate the charge, in fact, the tax and maintenance components are not included in the rate.

Response:

This is a data processing error which has been brought to the attention of Megabyte. The SBE analysis reverses the net effect of undercharging income to non-living imps. The effect as stated by SBE is that tree income is being undervalued. In actuality, tree income is being overstated because NLI income is being understated. We have corrected this oversight.

RECOMMENDATION 7:

Review the non-assessed property list to discover taxable government-owned properties.

Response:

We are following up on the recommendations. At least one district does not have taxes collected by the county. We had to get a boundary map for that district.

RECOMMENDATION 8:

Send an annual questionnaire to TPZ landowners to obtain information on nonexclusive compatible uses of their land.

Background:

We have roughly 550 TPZ properties, but large numbers of these are owned by the same party. Consequently, we should be able to send out proposed questionnaire without too much difficulty and ask individual owners to specify parcels retaining compatible nonexclusive uses. Time will tell whether response level and discovered value level will justify time expenditure. *Note: The TPZ appraiser from a nearby county said they initially sent out a mass mailing to accomplish the same goal. They only uncovered a minimal number of non-exclusive uses, being a few hunting leases, cell towers and radio towers. A decision was then made to discontinue the mass mailing and only contacting owners previously reporting said uses.*

Response:

We concur and will comply.

*** RECOMMENDATION 9:**

Assess all taxable possessory interests at the Butte County fairgrounds.

Background:

We sent out questionnaires to both Butte County Fairgrounds and have received responses from both. We are separating out our exempt and low value uses and applying appropriate possessory interest values to the remainder. This process was initiated prior to the state review, but was admittedly at a start-up phase only.

Response:

We concur and will comply.

With this change, it is even more important that the assessor establish a tracking system to indicate when a possessory interest is subject to reappraisal. We again recommend the assessor establish a possessory interest tracking system that will flag reappraisable events as they happen. In this way, when a term of possession expires, the assessor's staff will be aware that a reappraisal may be warranted.

Exhibit G

Concessionaires
BUTTE COUNTY FAIR ASSOCIATION
P.O. BOX 808
GRIDLEY, CA 95948

Name	2003 Total pd. To Fair	2002 Total pd. To fair	2001 Total pd. to fair
A.D. Concessions	\$ 730.26	\$ 750.11	\$ 853.46
B & J Concessions	\$ 1,270.02	\$ 1,288.67	\$ 1,212.97
Brewer's Chuckwagon	\$ 1,020.47	\$ 983.22	\$ 1,040.61
Butte Co. Cattlemen's	\$ 849.00	\$ 752.10	\$ 938.25
Busy Bee - BBQ	\$ 1,636.27	\$ 1,433.95	\$ 1,410.84
Busy Bee - Floss	\$ 1,078.04	\$ 927.94	\$ 792.71
Gridley High Boys	\$ 1,300.49	\$ 750.00	\$ 750.00
Gridley High Girls	\$ 1,622.00	\$ 1,575.85	\$ 1,585.98
Gridley Lions (Beer)	See Rotary/Lions		See Rotary/Lions
Great Walrus - Kettle Corn New 2003	\$ 300.00		
Hennie Concession	\$ 2,071.47	\$ 1,274.50	\$ 1,449.95
Jr. Womens Club	Not here	\$ 300.00	\$ 300.00
Mil-Ner Concessions	Not here	\$ 1,848.70	\$ 1,512.75
Funnel Cake Express	\$ 1,170.44		
Moose	\$ 1,350.00	\$ 1,413.01	\$ 1,350.00
Mrs. J's	\$ 1,185.92	\$ 1,077.81	\$ 1,161.78
Pizons	Not here	\$ 992.77	\$ 1,329.81
Pizza Express	\$ 1,624.71	new 2003	
Rawlings Concession - #29	\$ 2,299.54	\$ 1,748.77	\$ 1,521.07
Rawlings Concession - #31Barns	\$ 1,525.32	\$ 1,470.16	\$ 1,573.86
Rawlings Concession - Grandstand	in #29	?	\$ 170.47
Rawlings Concession #30 Polish	\$ 1,715.48	\$ 1,856.07	\$ 1,674.35
Rotary/Lions Beer	\$ 9,135.63	\$ 9,843.63	\$ 10,742.35
Rotary Food	\$ 1,652.85	\$ 1,899.19	\$ 1,181.20
Ruthies Arizona Taters	\$ 600.00		
Sani's	\$ 1,473.26	\$ 1,155.10	\$ 790.84
Sierra Corn Roasters	\$ 870.26	\$ 865.08	\$ 754.86
Thai - Thai	Not here	\$ 760.51	\$ 790.32
Treasure Island Fudge	\$ 414.15	\$ 434.94	\$ 431.67
Lasso A Latte New for 2002	\$ 304.71	\$ 305.59	
Midway of Fun - Blooming Onion - New 2	Not here	\$ 367.38	
Midway of Fun -Pizza - New 2002	Not here	\$ 442.42	
Midway of Fun - Deli Dog - New 2002	Not here	\$ 966.82	
Glacier Ice	\$ 124.50	\$ 215.00	
San Diego Simulators Simulators	\$ 450.00	Not here	
Dar Joy	\$ 650.00	\$ 650.00	\$ 600.00
Mountain High Challenge	Not here	Free Wall	\$ 357.00
Edward Enterprises	\$ 100.00		
Mobile Rock USA - cancelled kept deposit - 2001			\$ 100.00
Ponies A Go Go	\$ 250.00	\$ 250.00	\$ 250.00
Power Quad Jump	\$ 750.00	\$ 762.00	\$ 868.40
Water Wars	\$ 250.00	\$ 362.40	\$ 522.73
Gridley Lions/Bingo - Yuba Lions 2003	\$ 500.00	\$ 578.00	\$ 500.00

Butte County Fair Vendors 2001

Tupperware	\$ 300.00
Bimm Enterprises	\$ 300.00
Creative Images	\$ 250.00
Lambert Feed	\$ 100.00
PerFecTion Pools & Spas	\$ 200.00
Gunslinger Mechanical Bull	\$ 600.00
Butte County Office of Education	\$ 300.00
Butte Co. Sheriff's Office	waived
Calif Dept of Fish & Game	\$ 300.00
Gridley Chamber of Commerce	\$ 300.00
Feather Falls Casino	\$ 600.00
Hall's Safe Co	\$ 200.00
Butte Co. Air Quality Mgt. District	\$ 600.00
U.S. Fish and Wildlife Service	\$ 150.00
Butte County Public Works	\$ 600.00
Gold Country Casino	\$ 300.00
Judy Lee Collectibles	\$ 250.00
P.F. Reilly	\$ 500.00
Design Concepts	\$ 300.00
Sweco Products Inc.	\$ 600.00
Butte County District Attorney	\$ 300.00
Country Reflections	\$ 600.00
Mule Deer Foundation	\$ 300.00
Fisherman's Cove	\$ 600.00
Chico Golf Cars & Industrial Services, LLC	\$ 300.00
Yung Cheng Chang	\$ 250.00
Beeler Tractor	waived
Bat Comics	\$ 250.00
Beads and Treasures	\$ 500.00
Kitchen Craft DBA-Advanced Marketing	\$ 600.00
Valley Tractor Inc.	\$ 300.00
Ponies A Go-Go	\$ 250.00
Economy Auto Glass & Sam Trac	\$ 300.00
Butte County Republican Party	\$ 300.00
Classic Old Time Photos	\$ 300.00
Tahoe Trading Company	\$ 250.00
Andy DeLong Trader	\$ 600.00
Chico Water Resources	\$ 250.00
Tiny Tot Playschool	\$ 250.00
Committee to Elect Chris Baker Assessor	\$ 300.00
Rotary Clubs - Oroville Sunrise, Oroville, & Gridley	\$ 300.00
Sun Catchers	\$ 250.00
Sprint PCS - Ubiquitel	\$ 300.00
ARB Enterprises	\$ 250.00
Eco Quest International	\$ 300.00
Artistic Reflections	\$ 600.00

BUTTE COUNTY FAIR ASSOCIATION
P.O. BOX 308
GRIDLEY, CA 95948

Butte County Fair Vendors 2001

Lopez Penny Candy	\$ 250.00
Wayne Holland Construction	\$ 300.00
Renewable Technologies, Inc	\$ 250.00
JAKS Merchandising	\$ 250.00
Creative Memories	\$ 100.00
Chico Dive Center	\$ 300.00
Thornton's Chevron	\$ 300.00
Oroville Gymnastics Sports Academy	\$ 250.00
Temporary Tattoos	\$ 250.00
Jr Women's Club	\$ 150.00
Daniels-Finn Specialties-Watkins Products	\$ 300.00
Video Busters	\$ 300.00
American Legion Post 210	\$ 300.00
Pampered Chef	\$ 300.00
Hansen Trading Co.	\$ 250.00
John Kunkel Sales	\$ 250.00
Espinoza's Leather Works	\$ 250.00
Primerica Financial Services	\$ 300.00
Sergio Chavez Airbrushing	\$ 300.00
Frontline Event Marketing/DBA First USA	\$ 250.00
Selig Construction	\$ 300.00
Butte County Dept of Public Health	\$ 300.00
Butte Pomona Grange #16	\$ 300.00
Funsport Kart & Mower	\$ 250.00
It's Jerky	\$ 250.00
Funsport Karting & Manufacturing	\$ 300.00
All About Boats	\$ 300.00
Whittler's Cove	\$ 300.00
Sutter Buttes Pheasants Forever	\$ 300.00
St. Thomas the Apostle Catholic School	\$ 300.00
Health & Nutrition	\$ 600.00
Butte County Historical Society	\$ 300.00
Butte County Arma Coatings	\$ 300.00
Butte County Mosquito and Vector Control	Wavied
McConnell Chevrolet	\$ 300.00
Phyllis Enos	\$ 300.00
Phyllis Enos Mary Kay	\$ 300.00
Friends for Life	\$ 250.00
Lee Enterprises	\$ 200.00
Mt Shasta Spring Water	\$ 250.00
Caricatures by Barry Harding	\$ 250.00
Great Northern Clothing	\$ 300.00
Gridley Country Ford	\$ 300.00
Thai & Thai BBQ	\$ 250.00
Discoteca Tayahua-Zac.	\$ 250.00
Video Busters	\$ 250.00
Butte County Behavioral Health	\$ 300.00

BUTTE COUNTY FAIR ASSOCIATION
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Butte County Fair Vendors 2001

Galaxy Satellite Systems	\$ 250.00
Cherie's Creative Creations	\$ 250.00
Better Built Buildings/Ballco Construction	\$ 250.00
Butte County Behavioral Health	\$ 300.00
Mobile Rock USA	\$ 300.00
Premier Access Healthy Families	\$ 300.00
Child Evangelism Fellowship	\$ 250.00
Butte County Supervisors	waived
Pioneer Valley Fire Department-Station 61	\$ 250.00
Names N Things	\$ 250.00

BUTTE COUNTY FAIR ASSOCIATION
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Butte County Vendors List 2002

Gridley Area Chamber of Commerce	\$ 300.00
Kitchen Craft International	\$ 600.00
Butte County Mosquito & Vector Control District	\$ 300.00
Video Busters	\$ 300.00
Butte County Behavioral Health	\$ 300.00
Butte Pomona Grange # 16	\$ 300.00
Creative Memories	\$ 300.00
Butte County Office of Education	\$ 300.00
Butte County Republican Party	\$ 300.00
Butte County Public Works	\$ 600.00
Butte County Department of Child Support Services	\$ 300.00
American Legion Post 210	\$ 300.00
Wayne Holland Construction	\$ 300.00
California Department of Fish & Game	\$ 300.00
Thornton's Chevron	\$ 300.00
Butte County Sheriff's Office	\$ 300.00
Hall's Safe Co.	\$ 600.00
Home and Garden Party	\$ 300.00
Butte County District Attorney's Office	\$ 300.00
Colusa Casino	\$ 300.00
Butte County Historical Society	\$ 300.00
Rotary Clubs - Oroville Sunrise, Gridley, Oroville	\$ 300.00
Butte County Public Health Department	\$ 300.00
Mule Deer Foundation - Gridley	\$ 300.00
Spatspoon, Co.	\$ 300.00
Andy DeLong Trader	\$ 300.00
Nice n Naughty Designs	\$ 600.00
ADC Enterprise	\$ 300.00
Chico Water Resources	\$ 300.00
Global 411 Internet	\$ 300.00
Tupperware	\$ 300.00
Selig Construction	\$ 300.00
Bountiful Baskets & Gifts	\$ 300.00
NOR-CAL Air	\$ 300.00
Andrade Art	\$ 900.00
Premier Access	\$ 300.00
All About Me	\$ 300.00
Sunshine Gifts	\$ 900.00
Juice Plus	\$ 300.00
May Kay Cosmetics	\$ 600.00
Trish and Company California	\$ 300.00
Gridley Explorers	\$ 300.00
Cutco Cutlery	\$ 300.00
Leather Mate	\$ 300.00
Valley Tractor Inc.	\$300.00
Beeler Tractor Co.	waived

BUTTE COUNTY FAIR ASSOCIATION
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Butte County Vendors List 2002

Bob Cat of Chico	waived
Design Concepts Inc.	\$600.00
Johnson's Bait and Tackle	\$300.00
Arma Coating	\$300.00
Bowers 25 Hr. Tow Service	\$300.00
Tahoe Trading Company	\$250.00
P.F. Reilly and Co. Inc	\$250.00
Video Busters	\$250.00
Child Evangelism Fellowship	\$250.00
Names-N- Things	\$250.00
Lee Enterprises/Sierra Western Wear	\$500.00
Smuggler (Yung Cheng Chang)	\$250.00
Judy Lee Collectibles	\$500.00
Temporary Tattoos	\$250.00
Friends for Life	\$250.00
Sibley's Gems	\$250.00
Mike's Therapeutic Massage	\$250.00
ABC Professionals	\$500.00
Jansen Portraits	\$250.00
Earth Cool Cotton Clothing	\$250.00
Face Painting	\$250.00
D.A.P. Marketing	\$500.00
Church of the Nazarene	\$250.00
Jacks Merchandise	\$250.00
David Perry Concessions	\$250.00
Gypsy Wind LTD	\$500.00
Bimm Enterprises	\$300.00
Butte County Fair Prevention Dept	waived
McConnell Chevrolet	\$300.00
Butte County Big Trees	waived
Gridley County Ford	\$300.00
Creative Images	\$250.00
Lambert Feed and Garden Inc.	\$250.00
Sprint PCS	\$300.00
Gold County Casino	\$300.00
Caricatures by Barry Harding	\$250.00
Pioneer Valley Fire Department	\$250.00
Ponies A Go-Go	\$250.00
Wee Care	waived
Paradise Exchange Club	\$250.00
Stardust Cellular	\$300.00
Wood, Heat & Spa	\$500.00
U.S. Army	\$300.00
Gunslinger	\$300.00
Chavez Airbrush	\$300.00
Tattopia	\$300.00
Mt. Shasta Spring Water	\$250.00
Pat Xauier	\$250.00
Butte College	\$250.00

BUTTE COUNTY FAIR ASSOCIATION
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Butte County Fair Vendors List 2003

American Legion Post 210	\$300.00	
Andrade Art	\$300.00	
Andy Delong Trader	\$300.00	
Butte Co Behavioral Health	\$300.00	
Butte Co Dept. of Child Services	\$300.00	
Butte Co District Attorney's Office	\$300.00	
Butte Co Historical Society	\$300.00	
Butte Co Mosquito and Vector Control	waived	
Butte Co Office of Education	\$300.00	
Butte Co Pomona Grange #16	\$300.00	
Butte Co Sheriff's S.T.A.R.S Team	waived	
California Dept of Fish and Game	\$300.00	
Cutco Knives	\$300.00	
Gridley Area Chamber of Commerce	\$300.00	
Gridley Biggs Police Explorers	\$300.00	
Hall's Safe Company	\$600.00	
Home & Garden Party	\$300.00	
Residential Wall Insulation	\$300.00	
Thornton's Chevron	\$300.00	
Butte College	\$300.00	
California Deer Assoc.	\$300.00	
Selig Construction Comp.	\$300.00	
Tupperware/Illumination Sales	\$300.00	
Mary Kay Cosmetics	\$300.00	
Gold Canyon Candles	\$300.00	
Nor-Cal Air	\$300.00	

BUTTE COUNTY FAIR ASSOCIATION
P.O. BOX 308
GRIDLEY, CA 95948

Butte County Fair Vendors List 2003

California Highway Patrol	Waived BCFB	
Kitchen Craft Inc.	\$600.00	
Butte County Public Health	\$300.00	
Butte County Republican Party	\$300	
Avon (CANCELLED 7-16-03)	\$300.00	
Butte County Public Works Dept.	\$300.00	
The Bath Shoppe	\$300.00	
First Class Benefits	\$300.00	
Butte County 4-H	\$300.00	
Calvary Baptist Church	\$300.00	
Friends of John Busch	\$300.00	
R-Mac Properties	\$300.00	
Butte County Fire Safe Council	\$300.00	
The Donut Show	\$300.00	
Feather Falls Casino	\$600	
Cats Creations	\$300.00	
North State Tours	\$300.00	
The Sign	\$300.00	
Mr. Massage	\$100.00	
Butte County Supervisors	WAIVED BCFB 8-13-03	
Jaks Merchandise	\$250.00	
Kooki's Face Painting and More	\$250.00	
Lee Enterprises	\$500.00	
Mick J's Therapeutic Massage	\$250.00	
P.F. Reilly & Co. Inc.	\$500.00	
Richvale Evangelical Free Church	\$250.00	

BUTTE COUNTY FAIR ASSOCIATION
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GRIDLEY, CA 95948

Butte County Fair Vendors List 2003

Video Busters	\$250.00	
Applied Computer Tech.	\$250.00	
Table Top Sales	\$500.00	
Frank Sibley Gems	\$250.00	
Curves	\$250.00	
All Gold by the Inch	\$250.00	
Gridley Church of the Nazarene	\$250.00	
Byers Best	\$250.00	
The Iron Lady	\$500.00	
Kapadiem	\$250.00	
Gail's Store	\$250.00	
His & Hers	\$250.00	
A & G's Candy Pit	\$250.00	
Arte Obraje	\$250.00	
Sunglass Services	\$250.00	
Brigit Lyss Enterprises	\$250.00	
Western Power & Equipment	\$300.00	
Johnson's Bait & Tackle	\$600.00	
Cooper's Barns	\$300.00	
Bobcat of Chico/Guy Rents	waived	
Gates Machinery Sales Inc.	\$300.00	
BFA Structures Inc.	\$300.00	
Valley Tractor Inc.	\$300.00	
Arma Coatings of Chico	\$300.00	
Browers 25hr. Tow Service	\$300.00	
Design Concepts	\$600.00	

BUTTE COUNTY FAIR ASSOCIATION
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Butte County Fair Vendors List 2003

Beeler Tractor Co.	waived	
Bimm Enterprises	\$300.00	
Creative Images	\$250.00	
Gold County Casino	\$300.00	
Gridley County Ford-Mercury	\$300.00	
McConnell Chevrolet Inc.	\$300.00	
Berry Creek Fire Dept.	\$250.00	
Stardust Cellular	\$300.00	
Wood Heat and Spa	\$500.00	
Ponies a Go-Go	\$250.00	
Paradise Exchange Club	\$250.00	
Newheight (CANCELLED)	\$300.00	
Lambert Feed & Garden	\$250.00	
Water Wars West	\$250.00	
Chavez Airbrush	\$250.00	
Peach Bowl Lions	\$500.00	

BUTTE COUNTY FAIR ASSOCIATION
P.O. BOX 308
GRIDLEY, CA 95948

Exhibit H

MARKET APPROACH-DIRECT				INCOME APPROACH-DIRECT			
Assessment Year	SALE #	SALE #	SALE #	CONTRACT RENT	ECONOMIC RENT ESTIMATE		
Description				2011 yr			
Equity Sale Price/Date				- utilities			
Adjustment For:				Net 1500			
Time Adjustment							
Annual Contract Rent							
Yrs./Rate/P. V. Factor							
P. V. of Contract Rent							
Other Adjustments							
Adjusted Sale Price							
Comparability Adjustment							
Ind. Va. of Sub. P. I.							

COMPUTATIONS							
Year	Term	%	Rent/no.	Annual Rent	Income Factor	Preliminary P.I.	P.I.
2007	1 yr	10%		1500	CONST. .009	1,363	1400
2007	3	10%		1500	(3.10%) 3.10%	3730	
2007	2					2603	
						1364	

PWIPP = 909

[illegible]

REMARKS: The two examples above are based on an actual 2003 rent of a concession at the Butte County Fairgrounds at Gridley. The rent includes fairgrounds costs for utilities, maintenance, janitorial, etc. The CMO of the fairgrounds was unable to provide an exact percentage, so we estimated a net figure of \$1500 for land use.

Example 1: based on a 1-year contract - no renewal guarantee
Example 2: based on a 3-year contract, with \$1500 for each year. PI value is greater in the 1st year & decreases as the remaining # of years of the contract decreases.

Exhibit I

CALIFORNIA CODES
REVENUE AND **TAXATION CODE**
SECTION 155.20

155.20. (a) Subject to the limitations listed in subdivisions (b), (c), (d), and (e), a county board of supervisors may exempt from property tax all real property with a base year value (as determined pursuant to Chapter 1 (commencing with Section 50) of Part 0.5), and personal property with a full value so low that, if not exempt, the total taxes, special assessments, and applicable subventions on the property would amount to less than the cost of assessing and collecting them.

(b) (1) The board of supervisors shall have no authority to exempt property with a total base year value or full value of more than five thousand dollars (\$5,000), except that this limitation is increased to fifty thousand dollars (\$50,000) in the case of a possessory interest, for a temporary and transitory use, in a publicly owned fairground, fairground facility, convention facility, or cultural facility. For purposes of this paragraph, "publicly owned convention or cultural facility" means a publicly owned convention center, civic auditorium, theater, assembly hall, museum, or other civic building that is used primarily for staging any of the following:

(A) Conventions, trade and consumer shows, or civic and community events.

(B) Live theater, dance, or musical productions.

(C) Artistic, historic, technological, or educational exhibits.

(2) In determining the level of the exemption, the board of supervisors shall determine at what level of exemption the costs of assessing the property and collecting taxes, assessments, and subventions on the property exceeds the proceeds to be collected. The board of supervisors shall establish the exemption level uniformly for different classes of property. In making this determination, the board of supervisors may consider the total taxes, special assessments, and applicable subventions for the year of assessment only or for the year of assessment and succeeding years where cumulative revenues will not exceed the cost of assessments and collections.

(c) This section does not apply to those real or personal properties enumerated in Section 52.

(d) The exemption authorized by this section shall be adopted by the board of supervisors on or before the lien date for the fiscal year to which the exemption is to apply and may, at the option of the board of supervisors, continue in effect for succeeding fiscal years. Any revision or rescission of the exemption shall be adopted by the board of supervisors on or before the lien date for the fiscal year to which that revision or rescission is to apply.

(e) Nothing in this section shall authorize either of the following:

(1) A county board of supervisors to exempt new construction, unless the new total base year value of the property, including this new construction, is five thousand dollars (\$5,000) or less.

(2) An assessor to exempt or not to enroll any property of any value, unless specifically authorized by a county board of supervisors, pursuant to this section.

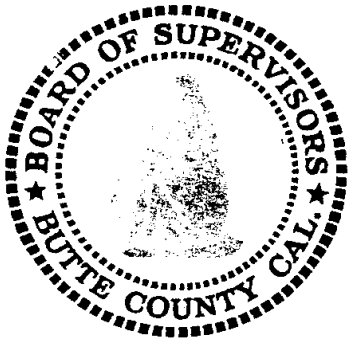


Exhibit J

BOARD OF SUPERVISORS COUNTY OF BUTTE, STATE OF CALIFORNIA

Resolution No. 93-158

RESOLUTION EXEMPTING FROM PROPERTY TAX ALL REAL AND PERSONAL
PROPERTY WITH A BASE YEAR VALUE OR FULL VALUE EQUAL TO OR LESS
THAN \$2000.00

WHEREAS, Revenue and Taxation Code Section 155.20 provides that the Board of Supervisors may exempt from tax all real and personal property with a full value so low that, if not exempt, the total taxes, special assessments and applicable subventions on the property would amount to less than the cost of assessing and collecting them; and

WHEREAS, Revenue and Taxation Code Section 155.20 further provides that the Board of Supervisors shall determine at what level of exemption the costs of assessing the property and collecting the taxes exceeds the proceeds to be collected; and

WHEREAS, it is the desire of the county to operate the property tax system as efficiently and as fairly as possible.

NOW THEREFORE BE IT RESOLVED by the Board of Supervisors, County of Butte, State of California, that the cost of assessing and collecting real and personal property taxes, where the base year value or full value of the property is equal to or less than \$2,000.00 (Two Thousand dollars), exceeds the proceeds to be collected. Therefore, beginning with Fiscal Year 1994-95, and continuing in effect for succeeding fiscal years, all such real and personal property on either the Secured or Unsecured tax roll is exempted from property

taxes. This exemption does not apply to real or personal properties enumerated in Section 52 of the Revenue and Taxation Code.

BE IT FURTHER RESOLVED, that the Assessor is authorized to exempt such real and personal properties from enrollment on the tax rolls.

BE IT FURTHER RESOLVED, that Resolution 85-02 is superseded by this Resolution beginning with Fiscal Year 1994-95.

PASSED AND ADOPTED by the Butte County Board of Supervisors this 26th day of October, 1993, by the following vote:

AYES: Supervisors Meyer, Dolan, McLaughlin, Thomas and Chair Houx

NOES: None

ABSENT: None

NOT VOTING: None

MARY ANNE HOUX, Chair of the
Butte County Board of Supervisors

ATTEST:

JOHN S. BLACKLOCK
Chief Administrative Officer
and Clerk of the Board

By _____

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Exhibit K

Butte County Assessment Practices Survey 2000

to attempt resolution of the backlog of audits. The following is a summary from available records of the assessor's mandatory audit production:

	<u>1996</u>	<u>1997</u>	<u>1998</u>
Potential Audits	104	113	96
Completed Audits	46	46	38
Holdovers	58	67	58

We found the audits were of good quality. However, despite significant progress, it is important to note all mandatory audits have not been completed timely. In fact, the assessor is completing less than half of his potential workload. We must urge the assessor to give mandatory audits the highest priority.

✱ **RECOMMENDATION 18:** Obtain written waivers of the statute of limitations whenever a mandatory audit cannot be completed timely.

In our past survey, we recommended the assessor obtain waivers of the statute of limitations when a mandatory audit will not be completed timely. We find that the assessor is still not requesting waivers of the statute of limitations from taxpayers. According to the assessor, since mandatory audits were not completed timely due to limited staff, there is no reason to request a waiver.

Without a waiver, any escape assessment outside the statute of limitations cannot be enrolled. We repeat our recommendation that the assessor seek waivers of the statute of limitations in all situations where mandatory audits will not be completed timely, especially now that the assessor has additional auditor-appraisers.

Property Statement Processing

Section 441 requires each person owning taxable personal property in excess of \$100,000 to file a signed property statement annually with the assessor. Annual property statements form the backbone of the personal property assessment program. These statements cover a wide variety of property types, including businesses, agriculture, boats, and aircraft.

In addition to new auditor-appraisers, the Butte County Assessor reassigned two assessment clerks to help with the seasonal processing of about 7,000 business property statements (BPS). In 1998, all property statements were processed on time. The assessor has implemented our previous recommendation to screen property statements for authorized signatures.

RECOMMENDATION 19: Return incomplete business property statements to taxpayers.

Data submitted on the business property statement serves as the basis for the enrolled business property assessment. Business property statements also provide important information regarding changes in business ownership, location of the property, and the business start date at the current location.

RECOMMENDATION 10: Improve the audit program by: (1) auditing the books and records of professions, trades, or businesses pursuant to section 469, and (2) obtaining signed waivers of the statute of limitations whenever a mandatory audit cannot be completed timely.

*** Audit the books and records of professions, trades, or businesses pursuant to section 469.**

We found that the assessor was not completing his mandatory audits within the four-year time period. We found that there are still a substantial number of audits carried over from prior years. Additionally, we found that the assessor does not audit any exempt organizations that meet the mandatory audit threshold established in section 469.

Pursuant to section 469, audits are mandatory for taxpayers reporting business tangible personal property and trade fixtures valued at \$400,000 or more for four years. The staff has a total workload of approximately 200 mandatory audit accounts, or an average of about 50 audits per year to complete.

By failing to complete these audits in a timely manner, the assessor may have allowed taxable property to permanently escape assessment due to the expiration of the statute of limitations for enrolling escape assessments.

*** Obtain signed waivers of the statute of limitations whenever a mandatory audit cannot be completed timely.**

The assessor has many mandatory audits that could not be started or completed within the statutory time frame defined in section 532. In most instances, a waiver of the statute of limitations was not requested.

Section 532 provides that when the assessor discovers property that has escaped assessment, an assessment of such property must be enrolled within four years after July 1 of the assessment year during which the property escaped assessment. If the assessor cannot complete an audit within the prescribed time, the assessor may request, pursuant to section 532.1, a waiver of the statute of limitations from the taxpayer to extend the time for making an assessment.

The use of a waiver can protect the owner's right to a refund of taxes paid for additional years, and also allows the assessor to enroll additional escape assessments if appropriate.

When the statute of limitations on an assessment year is allowed to expire, the assessor cannot assess any escape assessments or refunds discovered for that year and any revenue is lost.

Business Property Statement Program

Section 441 requires each person owning taxable personal property (other than a manufactured home) having an aggregate cost of \$100,000 or more to annually file a property statement with the assessor; other persons must file a property statement if requested by the assessor. Property statements form the backbone of the business property assessment program. Several variants of

Exhibit M

Butte County Assessment practices Survey, 2000:
"Butte County Assessor's Response to State Board of Equalization
Recommendations" Page 5

RECOMMENDATION 15:

Adjust the factored base year value of petroleum properties for changes in the reserves.

Response:

We concur

RECOMMENDATION 16:

Assess mining properties as an appraisal unit.

Response:

We concur

*** RECOMMENDATION 17:**

Timely audit all mandatory accounts.

Response:

We agree. All mandatory accounts should be audited on a timely basis. We expect to continue to make progress in this area. Staffing levels have increased and the new auditor-appraisers now have sufficient training and experience to increase production of mandatory audits.

*** RECOMMENDATION 18:**

Obtain written waivers of the statute of limitations whenever a mandatory audit cannot be completed timely.

Response:

We will give a higher priority to requesting waivers of the statute of limitations for audits that we have begun or are currently contemplating. Lower priority will be given to requesting waivers for audits that we do not anticipate scheduling in the current audit season.

RECOMMENDATION 19:

Return incomplete business property statements to taxpayers.

Response:

Business property staff currently reviews property statements to determine whether they are complete. Property statements are returned to the taxpayers for completion when this action is considered appropriate.

RECOMMENDATION 20:

Use a uniform appraisal approach to value similar types of properties.

Response:

We agree.

Exhibit N

Butte County Assessor's Office Business Division

Compiled Statistics on Mandatory Audit Trends

Mandatory Audits 1996 - 1998

Year	Audits Due	Audits Completed	Carried Over
1996	104	46	58
1997	113	46	67
1998	96	38	58

(Butte County Assessment Practices Survey 2000 p. 24)

Mandatory Audits 1998 - 2002

Year	Audits Due	Audits completed	Carried Over
1999	*	48	*
2000	*	49	*
2001	*	44	*
2002	*	45	*

* Information not available

(Butte County Assessment Practices Survey 2005)

Mandatory Audits from 2003 – 2006

Year	Audits Due	Audits Completed	Carried Over
2003	*	12	*
2004	119	24	95
2005	138	23	115
2006	171	22	149

(Compiled by Grand Jury from statistics supplied by Butte County Assessor's Office)

Exhibit O

2005

Mike Keel – Colorado 9/18/05 – 9/28/05 (1 ½ Weeks)

\$2,856.56 expenses

8 days wages

Janice Keating – New Jersey/Philadelphia 10/1/05 – 10/15/05 (2 Weeks)

\$4,511.29 expenses

11 days wages

14 ¼ hours comp time

Tom Allen – Cleveland 9/17/05 – 9/29/05 (2 Weeks)

\$3,945.26 expenses

10 days wages

10 hours comp time

Tom Allen – Harrisburg, PA 10/15/05 – 10/28/05 (2 weeks)

\$3,679.49 expenses

10 days wages

20 hours comp time

2006

Mike Keel – San Antonio/Austin 9/9/06 – 9/30/06 (3 weeks)

\$5,232.05 expenses

15 days wages

Janice Keating – Tampa 10/7/06 – 10/21/06 (2 weeks)

\$3,820.48 expenses

10 days wages

26 ¾ hours comp time

Tom Allen – Cleveland 9/9/06 – 9/22/06 (2 weeks)

\$3,335.56 expenses

10 days wages

12 hours comp time

10/05

NEW JERSEY/PENNSYLVANIA EXPENSES

Janice Keating

Date	Breakfast	Lunch	Dinner	Parking	Fuel	Tolls	Car Rental	Mailing	Lodging	Airfare	Other	Total
10/1/05			50.00									608.90
10/2/05			50.00			2.50			72.05	538.90	20.00	\$15 taxi, \$5 map no receipt 124.55
10/3/05			50.00			2.00			164.16			216.16
10/4/05			50.00		19.75				164.16			233.91
10/5/05			50.00						164.16			214.16
10/6/05			50.00	18.00		3.00		12.08	153.90			236.98
10/7/05			50.00	6.00							18.00	74.00 RT Taxi Dechert
10/8/05			50.00						123.99			173.99
10/9/05			50.00									50.00
10/10/05			50.00	18.00					153.90			221.90
10/11/05			50.00	18.00					153.90		5.00	226.90 Taxi one way Rohm & Haas-walke
10/12/05			50.00	18.00					153.90			221.90
10/13/05			50.00	18.00					153.90			221.90
10/14/05			50.00	18.00					153.90		20.00	241.90
10/15/05			50.00		30.00				1,325.36	38.78		1,444.14
Total	0.00	0.00	750.00	114.00	49.75	7.50	1,325.36	50.86	1,611.92	538.90	63.00	0.00 4,511.29

Total	0.00	0.00	750.00	114.00	49.75	7.50	1,325.36	50.86	1,611.92	538.90	63.00	0.00 4,511.29
Less:												
Airfare												
Car Rental												
10/3/2005	50.00	11.94	38.06									(538.90)
10/4/2005	50.00	7.88	42.12									(1,325.36)
10/10/2005	50.00	26.88	23.12									
10/12/2005	50.00	23.80	26.20									
Total	200.00	70.50	129.50									2,647.03

CAL CARD												
Airfare		538.90										
Car Rental		1,325.36										
Meals												
15 X \$50 less \$70.50		70.50		679.50			750.00					
Parking				114.00								
Fuel		49.75					49.75					
Tolls				7.50			7.50					
Mailing		48.74		2.12			50.86					
Lodging		1,611.92					1,611.92					
Other				63.00			63.00					
		3,645.17		866.12			4,511.29					

Travel Advance 637.50
Cash Outlay -866.12
To Be Returned -228.62

Tom Allen

[illegible]

Tom Allen

[illegible]

2006

Mike Keel

[illegible]

FLORIDA EXPENSES

Janice Keating

[illegible]

Tom Allen

[illegible]

Exhibit P

A Report on Budgets, Workloads, and Assessment Appeals Activities 2005-06

TABLE H (CONTINUED)
BUSINESS PROPERTY WORKLOAD DATA

	Audits									TOTAL	Audits
	Total	Mandatory	Mandatory	Nonmandatory	Other	Audits	Potential	Audits	Audits	AUDITS	Carried
	Audit	Audits	Audits	Audits	Audits	Carried	Current	Completed	Waived	COMPLETED	Over to
	Accounts	Due	Assigned	Assigned	Assigned	Over	Year	2005-06		& WAIVED*	2006-07
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Alameda	1,676	438	0	26	61	0	525	506	19	525	0
Alpine	No Response						0			0	0
Amador	9	9	11	0	3	0	23	12	0	12	11
Butte	209	44	0	5	44	94	187	75	6	81	106
Calaveras	24	3	0	3	0	3	9	7	2	9	0
Colusa	67	16	0	4	0	0	20	8	0	8	12
Contra Costa	1,292	203	0	3	103	76	385	314	47	381	24
Del Norte	1	1	0	0	0	0	1	0	1	1	0
El Dorado	108	30	10	5	-	-	45	5	-	5	40
Fresno	1,175	296	0	137	21	0	454	439	15	454	0
Glenn	No Response						0			0	0
Humboldt	136	31	0	22	26	23	102	86	10	96	6
Imperial	32	32	-	30	-	46	108	29	33	62	46
Inyo	66	18	1	0	0	0	19	11	1	12	7
Kern	1,018	185	6	31	21	42	285	206	47	253	32
Kings	No Response						0			0	0
Lake	39	10	0	75	0	0	85	83	2	85	0
Lassen	29	10	N/A	76	N/A	5	91	66	16	82	9
Los Angeles	9,878	2,550	Incl.	0	186	191	2,927	2,736	191	2,927	0
Madera	145	36	0	5	0	9	50	33	9	42	8
Marin	261	73	0	3	25	17	118	69	22	91	27
Mariposa	22	5	0	10	N/A	0	15	14	0	14	1
Mendocino	146	31	0	0	0	45	78	48	16	64	12
Merced	420	105	2	51	0	11	169	158	0	168	11
Modoc	10	2	0	11	0	0	13	13	0	13	0
Mono	15	3	0	20	0	5	28	26	2	28	0
Monterey	437	154	0	7	0	34	195	96	54	150	45
Napa	293	83	50	33	6	75	247	117	60	177	70
Nevada	84	22	0	0	-	-	22	17	5	22	0
Orange	4,792	1,264	0	0	193	97	1,554	1,515	39	1,554	0
Placer	271	108	0	12	38	8	168	161	5	168	0
Plumas	No Response						0			0	0
Riverside	1,984	363	0	88	79	0	530	494	36	530	0
Sacramento	1,345	294	110	28	120	129	681	320	134	454	227
San Benito	68	23	0	0	3	0	26	15	11	26	0
San Bernardino	1,583	565	26	34	158	429	1,212	625	119	744	468
San Diego	3,579	752	0	13	180	45	990	964	26	990	26
San Francisco	608	411	0	0	32	197	640	197	77	274	366
San Joaquin	1,031	235	0	3	33	53	324	248	76	324	0
San Luis Obispo	424	79	1	21	15	0	116	114	1	115	1
San Mateo	802	285	8	10	In # 37	In # 37	303	265	21	286	17
Santa Barbara	1,276	275	119	10	5	14	423	362	18	380	43
Santa Clara	2,413	942	0	25	189	2	1,158	1,158	0	1,158	0
Santa Cruz	301	58	0	26	0	0	84	83	1	84	0
Shasta	196	61	0	6	27	11	105	90	14	104	1
Sierra	8	0	0	0	0	0	0	0	0	0	0
Siskiyou	54	8	4	50	0	0	62	53	9	62	0
Solano	301	70	0	5	26	18	119	101	2	103	16
Sonoma	619	159	1	22	11	22	215	181	17	198	17
Stanislaus	746	159	0	10	15	13	197	192	5	197	5
Sutter	90	30	0	47	0	2	79	77	2	79	2
Tehama	51	19	0	0	0	0	19	16	3	19	0
Trinity	No Response						0			0	0
Tulare	520	147	N/A	19	N/A	29	195	189	6	195	0
Tuolumne	61	6	0	0	0	10	16	0	0	0	16
Ventura	803	196	0	0	22	59	277	186	41	227	50
Yolo	300	70	0	1	0	26	97	70	27	97	0
Yuba	No Response						0			0	0
Totals	41,818	10,969	349	987	1,642	1,840	15,787	12,850	1,248	14,098	1,722

THESE TOTALS ARE INCOMPLETE AND REPRESENT UNAUDITED DATA.
N/A = Not Available or Not Applicable 0 = Zero - = No Response to This Item

* Waivers are not required for nonmandatory audits.

Butte County Department of Development Services

Reasons for Review

The 2006-07 Grand Jury chose to review the Butte County Department of Development Services (**DDS**) as a follow-up to the 2004-05 Grand Jury report. The 2004-05 Grand Jury was very critical of the department in its report; this Grand Jury wanted to see if the recommendations of the 2004-05 Grand Jury had been adopted. If so, were they effective? Additionally, the Grand Jury received a complaint related to how the DDS interpreted the Butte County General Plan's desired 300 foot agricultural setback from residential land uses. We followed up on this complaint to determine if it had merit.

The 2004-05 Grand Jury found that the Department of Development Services was dysfunctional. Three primary factors mentioned in the 2004-05 report were:

1. an ineffective competent Director;
2. members of the Board of Supervisors using intimidation and pressure to coerce planners, staff and the director to alter project outcomes; and
3. vague language in the Butte County Codes, resolutions, policies, practices and General Plan, making it impossible for DDS employees to implement them consistently.

Background

The Department of Development Services is made up of two operational divisions, Planning and Building.. The two divisions of the DDS are the largest users of the county's Geographic Information System (**GIS**), which is maintained by the county Information Services Department. The DDS also provides public access to information in the county's GIS database.

The Planning Division reviews subdivisions, lot-splits and proposed developments; writes reports; and makes recommendations to the Planning Commission and the Board of Supervisors regarding these issues. This enables these bodies to make informed decisions and ensures development is consistent with county ordinances and with the county's General Plan.

The Building Division reviews construction permits for compliance with building codes and inspects projects as they are built to ensure that construction is in accordance with building and safety standards. The Building Division also follows up on complaints of potential code violations and takes corrective actions where violations are discovered. The division has an active nuisance abatement program that condemns and removes unsafe buildings, abandoned vehicles and hazardous clutter on the property. . This often involves obtaining court orders and placing liens on the property to cover the county's cost of the abatement work. Both of these divisions administer other programs.

The GIS database has become an essential element in the conduct of the Planning Division's daily business. The county GIS is an enormous layered database that gives planners access to parcel information such as zoning, General Plan data, topography, roads, sewer lines, and many other data sets. One former planner from the county who was a GIS analyst estimated the county database to contain 50-70 different data sets. Anything that can be mapped could be added to the county's database.

Investigation

In our follow up of the 2004-05 earlier Grand Jury's report, we interviewed the Director of DDS, six of the seven mid- and upper-management staff in the DDS department, a Planning Commissioner, the Agriculture Commissioner, the Director of Public Works, two Chico Unified School District employees, six other current and/or former DDS employees, and the individual who had submitted the complaint to the Grand Jury. The Grand Jury also reviewed the personnel files of all employeespersonnel in the Planning Division.

The Board of Supervisors acted on the recommendation of the 2004-05 Grand Jury by hiring a new Director of Development Services. The current Director has held the position since September 2005. Input regarding the effectiveness of the director and the overall functioning of the department was obtained through interviews of individuals working in the department, individuals from other jurisdictions, and elected officials. Based on these interviews, and watching the Director in action, the Grand Jury concluded that the Director is well qualified for the position and has a good working relationship with the managers directly

under him. Three of the upper-level managers in the department were recruited by the Director from the county where he previously worked. The Director uses contemporary current management methods and practices and holds weekly meetings with all the DDS staff and has an "open door" policy with employees. He is well respected, and we found wide-spread optimism that morale and office culture are improving and will continue to change for the better under his leadership.

The Director has implemented a new web-based tracking system, "Track-It."

This system improves efficiency in the department and makes it easier for applicants to access information regarding the current status of their projects. Additionally, the Director has started a program of scanning hard-copy documents into a computer accessible format. All who were interviewed indicated the "Track-It" software was beneficial and improved productivity.

Based on our interviews, we found that there is now there appears to be less interference in planning projects from the Board of Supervisors. It is not clear whether this is just the result of a change in the composition of the Board, the nature of current planning projects or the influence of the new DDS Director. The former Grand Jury recommended that the Board of Supervisors place a measure on the ballot to expand the term "coercion" in Article XII, §3 of the county code to include acts of intimidation or pressuring and that the amendment should be expanded to extend these protections to all county employees, not just department heads. However, no action has been taken on it to date.

Currently, the Butte County General Plan and its implementing ordinances are being revised at a cost of roughly three million dollars. This process is expected to be completed in three years. These updates should correct many of the conflicts that exist among the current county General Plan, county ordinances, resolutions, policies and practices. In the meantime, interim ordinances need to be passed by the Board of Supervisors to both clarify policies that are unclear or outdated and protect the county from potential law suits. TDuring this period, the General Plans of the cities of Chico, Oroville, Gridley and Biggs are also being updated.

The Butte County General Plan's Agricultural Element was adopted in 1995. It is the latest element adopted in the General Plan, with the exception of the

Housing Element which by law must be updated every five years. The Grand Jury received a complaint regarding an exception that had been made to the desired 300-foot setback between agricultural and residential land uses as stated in the Agricultural Element. The involvement of the Grand Jury came too late was unable to influence change the outcome of the complainant's situation. ; Hhowever, during our term the Director of DDS was effective in getting a comprehensive 300-foot setback ordinance enacted, which should resolve future "Ag-Setback" issues.

The intent of the General Plan is to be a document with a broad scope that reflects the desires of the community on topics the community considers of greatest importance. The state requires the following elements be addressed in every General Plan: Circulation, Conservation, Housing, Land Use, Noise, Open Space, Safety and Seismic Safety; however, additional elements may be incorporated. Unlike the General Plan, ordinances are meant to be more specific and outline minimum standards for the implementation of the General Plan. It is the responsibility of the Board of Supervisors to direct staff on the writing of these ordinances, to modify, and to ultimately adopt them into the county's code. Unfortunately, until very recently, the Board of Supervisors had not passed an ordinance clarifying and implementing the 300-foot setback in the General Plan.

The Board of Supervisors has been remiss in taking eleven years to begin writing ordinances clarifying the current General Plan, especially since the county is now beginning a new cycle of updating the county's General Plan.

The lack of an ordinance clarifying the agricultural set-back led to inconsistent approval of development where application of the desired setback was impossible or inconvenient. Until recently, there had been no consensus among the Agriculture Commissioner, the Director of DDS, the Planning Commission, or the Board of Supervisors on how this program should be implemented. Through the work of the Director, his staff, and in cooperation with the other parties previously mentioned, a compromise was negotiated resulting in an ordinance and an implementation plan created which the Board of Supervisors adopted by ordinance, codifying rules for applying the 300-foot Agricultural setback.

There are several more issues in the Agricultural Element, in addition to the 300-foot setback, that have not been codified by the Board of Supervisors. The General Plan states that zoning ordinances need to be written to implement minimum lot size (p. AE9, programs section 1.2), a desired 300-foot setback (p. AE11 programs section 2.2), and performance standards such as setbacks,

buffer areas, landscaping and fencing "and shall be developed illustrating buffer requirements for various situations" (p. AE912, programs section 2.14), **(Exhibit A)**.

In reviewing prior Grand Jury reports and in our interviews, we learned that the Agricultural Exemption, which allows the construction of agricultural buildings without submission of plans or payment of any permit or impact fees, except a \$109 exemption fee, has been and continues to be abused. It should be noted that this "Ag exemption" applies not only to land zoned for agricultural use but also to grazing land, timberland, and other zones and un-zoned land. The Director of the DDS has brought this issue before the Board of Supervisors and presented the Bboard with a number of options. The Bboard then referred the matter back to the DDS staff for further review and to conduct workshops with representatives of the agricultural community.

Addressing the Agricultural Exemption is important for a number of reasons. First, the Uniform Building Code that has been adopted by the county as law governing construction does not allow for exemptions except for buildings with less than 150 square-feet, basically sheds. Second, buildings that were supposed to be "barns" built under this exemption have been converted into second dwellings, manufacturing facilities, and many other uses not allowed under this exemption. Because this takes place in rural settings and because code enforcement is complaint driven, these activities go largely unnoticed. Third, when this exemption is abused, the county loses revenue in two ways.. Fees that are rightfully due the county are avoided, and property taxes are avoided because the true value of the improvements is never assessed. Fourth, because no plans are required and no inspections are made during the construction of these structures, there is no guarantee that they are safe.

The Grand Jury, in reviewing the functioning of the DDS, found one inefficiency in the permit approval process. In order to process a completed building permit, an applicant must travel from the DDS office to the office of the school district in which the project is located and pay the school impact fee. The applicant then has to return to the DDS office with a receipt showing the school fee had been paid before obtaining the permit. From a customer service perspective this is a wasted trip. Permit and impact fees are currently collected at the DDS office. It makes no sense that school impact fees cannot be collected at the same time. It is true that not all school districts in the county have the same impact fee schedules or the same interpretation of when a fee should be collected.

However, the new "Track-It" and GIS systems could accommodate variations in the impact fee details among the various school districts, and the possibility exists that the DDS could take over this function.

Interviews with the current Planning Division staff indicated that there is a backlog of current development applications and a need for additional staff to process these applications. The Principal Planner in this division stated that with 215 applications in house and a staff of five planners, each planner carries a caseload of 25 to 30 projects. An Associate Planner related that they have 25 to 40 projects each. During the interview this planner said, "Morale is a little low right now," and it is "discouraging to inform applicants that you are behind" because of this backlog of projects. They cannot give the projects "the attention they need," when working at "the counter" takes up 30% of their time.

In order to alleviate the pressure of the backlog that has accumulated over the last few years, the DDS staff have been working overtime in order to meet statutory deadlines for projects. These staff are salaried and "overtime exempt." They do, however, have the perk of being able to "float" their hours.

The Planning Department is understaffed to handle the numbers of current applications working their way through the planning and approval process. Several people interviewed explained that much of the current backlog is the result of a dramatic increase in the county permit and impact fee schedule a few years ago. In order to avoid these increased fees, many potential developers secured development rights prior to the implementation of the new fee structure. This could be done whether or not their development application had been deemed "complete." As a result, a flurry of applications were submitted in order to avoid the higher fees. Now that the real estate market is on the downturn, many of the projects that were submitted speculatively, in order to avoid the dramatic rise in fees that was about to take place, may not be built as soon as many suspected.

The Grand Jury reviewed the personnel records of all planners working for the county. We wanted to determine whether or not employees met the minimum requirements for their positions at the time they were hired or promoted to their current positions. Twelve files were reviewed. All personnel did meet the minimum requirements that were in effect at the time they accepted their current positions. Additionally, the Grand Jury wanted to see if the employees had current evaluations; ten of the twelve had current evaluations.

The 2004-05 Grand Jury found many personnel issues in the DDS department. Overall, the 2006-07 Grand Jury found that the department is functioning better and that morale has improved. However, we heard complaints that those who

were identified as “whistle-blowers” to the 2004-05 Grand Jury felt they had been isolated and suffered retribution as a result of their testimony. These interviews came late in our review of the department, and the Grand Jury did not have the time to investigate these claims. We do not necessarily believe the Grand Jury is the best mechanism for addressing personnel issues.

The Grand Jury conducted a final interview with the Director of Development Services and shared these personnel issues with the Director. The Director was aware of these issues. Based on the Director’s performance to date, the Grand Jury believes it is in the best interest of all involved to allow the director to deal with this issue.

Commendation

The Grand Jury commends the Director of Development Services for his competence and his dedication to improving working conditions in the department and working with the Board of Supervisors to resolve policies that are unclear or outdated.

The Director is a competent manager and has made positive changes in the functioning of the department.

Findings

1. The County Board of Supervisors has not implemented the recommendation of the 2004-05 Grand Jury that protection from coercion by members of the Board be extended to include all county employees and that the definition of coercion be expanded.
2. The Director of the DDS has been working with the Board of Supervisors to update ordinances related to the implementation of the Agricultural Element of the General Plan.
3. The Agriculture Building Exemption is inconsistent with the Uniform Building Code. Abuse of this exemption deprives the county of revenue and also creates the risk that unsafe buildings may be constructed
4. The method of collecting school impact fees for building permits is inefficient ; it does not demonstrate good customer service on the part of either the DDS or the school districts.

5. The Current Planning Division has a backlog of development applications, requiring individual planners to carry a caseload of 25 to 40 projects. Additional job responsibilities, such as working at the public counter, contribute to this backlog

Recommendations

1. The Board of Supervisors should implement the 2004-05 Grand Jury recommendation regarding coercion.
2. The Director of Development Services, Agriculture Commissioner and the Board of Supervisors should continue to identify and update unclear ordinances, especially those that are inconsistent with the General Plan or expose the county to liability.
3. The Board of Supervisors needs to reconsider Tthe Agriculture Building Exemption needs to be reconsidered in the context of the Uniform Building Code.
4. The Director of Development Services should meet with each superintendent of the county school districts to discuss the merits of having the DDS office collect their building permit fees and to exchange whatever technical information is needed to implement this proposal. The cost of implementing this program should reflect the actual administration cost to DDS.
5. The Director of Development Services should direct resources toward reducing the response time on active applications

Responses (Penal Code §933 & §933.05)

Butte County Board of Supervisors

Director Development Services

Department of Developmental Services

Index of Exhibits

Exhibit A: Butte County General Plan, Agricultural Element; AE9, Section 1.2,
AE11, Section 2.2

Exhibit A

■ AGRICULTURAL ELEMENT ■

- 1.8 In the Grazing and Open Lands area, encourage the voluntary retention of ranch lands in large acreages through site-sensitive planning, Transfer of Development Credits (TDC), density bonuses, and other land use concepts.

Programs

- 1.1 Amend the Land Use Element Map outside of the LAFCo-adopted Spheres of Influence by designating *Orchard and Field Crops* and *Grazing and Open Lands* generally as shown on Figure A-2, (Agricultural Land). Amendments to City spheres of influence and community spheres may occur from time to time. Consideration of amendments to the spheres for cities and for communities must be based upon detailed land planning, including but not limited to a specific plan, community plan or detailed general plan, and the LAFCo sphere amendment process.
- 1.2 Amend the Zoning Ordinance to provide zoning consistent with a *Orchard and Field Crops* and a *Grazing and Open Lands* land use designations including minimum lot sizes, and uses which support continued agriculture, as shown on Figure A-2, (Agricultural Land).
- 1.3 In the zones consistent with the general plan designations of Orchard and Field Crops and Grazing and Open Lands make provisions for the following:
- A definitive purpose and intent
 - A detailed list of permitted and expressly prohibited uses
 - Aquaculture and related facilities
 - Accessory uses
 - Continuation of agricultural segregations for processing only
 - Specific requirements for agriculture-dependent and agriculture-related industries
 - Parcel consolidation
 - Site sensitive land planning
 - Residential clustering through the PUD process with density bonuses in the Grazing and Open Land area
 - Residential clustering **without** density bonuses in the Orchard and Field Crops area
 - Transfer of Development Credits
 - Minimum lot sizes and development setbacks
- 1.4 Apply A (Agriculture) zoning to all lands designated *Orchard and Field Crops* on the General Plan Land Use Map.

■ AGRICULTURAL ELEMENT ■

- 2.2 Encourage urban infill development within city limits and within existing unincorporated communities where development can more easily and readily be served by public infrastructure facilities.
- 2.3 Require development to provide land use transitions, setbacks and buffers between urban development and agricultural interface to reduce interference and conflict.
- 2.4 Create development and performance standards designed to protect agricultural uses from urban encroachment conflicts.
- 2.5 Encourage urban development to the LAFCo adopted Spheres of Influence.
- 2.6 Provide a clear delineation, on the General Plan Land Use Map, between long-term agricultural production lands and city/community areas.
- 2.7 Allow for the conversion of agricultural land within LAFCo Spheres of Influence where land has been determined to be irretrievably lost to urbanization. These would likely be areas where urban development has surrounded or substantially encroached upon agricultural land and has limited its continued productive use.
- 2.8 New residences within agricultural areas shall be required to pay its fair share of development impacts on public services and infrastructure.

Programs

- 2.1 Rezone unincorporated land within LAFCo-adopted Spheres of Influence to be consistent with urban densities and City-adopted General Plans. Cooperate with cities to make maximum efficient use of vacant lands within adopted Spheres of Influence.
- 2.2 The Zoning Ordinance shall require that a buffer be established on property proposed for residential development in order to protect existing agricultural uses from incompatible use conflicts. The desired standard shall be 300 feet, but may be adjusted to address unusual circumstances. Guidelines, as part of the General Plan's implementation, shall be developed illustrating buffer requirements for various situations.
- 2.3 Where development approval, other than residential, is proposed on lot(s) adjacent to an agricultural operation or Orchard and Field Crops land use category, the Zoning Ordinance shall require a natural or man-made buffer between the development and the agricultural land use. The buffer shall be totally on the lot(s) where development is proposed. A buffer could be a topographic feature, a

Butte County Clerk-Recorder

Reason for Visit

We decided to visit the Butte County Clerk-Recorder's office to continue our review of the timeliness of performance evaluations. Candace Grubbs has been the Butte County Clerk-Recorder and Registrar of Voters for twenty years. She has been innovative and received awards outside the county for professional excellence.

The mission statement of the Department is "To provide efficient service to the public that exemplifies the highest standards of courtesy, cost effectiveness, and ethical performance while maintaining and preserving the public's records in a secure and easily accessible environment and promoting confidence in the administration of fair and impartial elections."

The Department is divided into two divisions: Clerk-Recorder and Elections. These sections are both very diverse. The two divisions help each other and cross train. For example, the Clerk-Recorder's office assists in elections by entering voter registration cards as they come in.

Clerk Recorder

The County Recorder is charged with protection of the public's property. The functions of the Clerk-Recorder's office include recording and maintaining records of real property transactions, maps and financial statements. All births, deaths and marriages within the county are recorded. They collect various fees for the county, cities and state agencies including the documentary transfer tax. Records are optically imaged and kept on microfilm and are open to the public, with the exception of documents that are legally protected. They also have digital imaging that is stored off site.

Records and legal documents go back as far as 1850 including property and mining claims, marriage licenses and birth certificates. The protection of documents and ability to provide information to the general public is a specific goal of this division. One project is the preservation of historic record books. All historic books are being de-acidified and restored. According to Candace Grubbs, 100% of customer documents submitted for recording are indexed the same day.

Elections

The Elections Division is responsible for all aspects of the election process including, the registry of all eligible voters in Butte County, voter education concerning the touch screen voting system, and training for precinct officers and temporary employees. The division is also responsible for providing absentee ballots in a timely manner.

The division must recruit many part time employees and volunteers during the election period. They recruit and train from the Department of Social Services, schools and the general public. The election process can result in long working hours that last late into the morning of the next day. The election process is well organized, and volunteers are dedicated.

The Elections Division partnered with the Department of Employment and Social Services to recruit, screen, and test potential voting precinct officers. Department of Employment and Social Services offered the use of its employment centers, known as One-Stops, to recruit precinct officers at no additional cost to the Elections Division. One-Stop staff developed a testing process and successfully referred potential precinct officers to County Elections Division. The result is a very qualified group of precinct officers, with the added benefit of allowing the elections staff to focus on the implementation of electronic voting. The Elections Division also recruited county employees, supervisor level and higher, to act as precinct officers in the last few elections at a significant savings to the county.

Election security involves surveillance cameras, chain of custody logs and seals to track all voting equipment. All voting machines and the number of ballots are checked multiple times. Absentee ballots are scanned and signature images evaluated against the voter file in order to avoid fraud.

The Department

At the time of the Grand Jury's visit, there were 25 positions in the department and 3 vacant positions. The office space is too small for the number of people. During election times, the number of employees is doubled.

The Clerk-Recorder depends upon Human Resources for recruitment, help with employment issues, and training. She would like to see the length of the recruitment process shortened. The lengthy period for recruitment creates additional responsibilities for her staff. She feels it is necessary for Human Resources to respond to the needs of the department and provide timely recruitment lists, thereby enabling the department to run more smoothly.

According to the Clerk-Recorder, it is difficult for a department when employees are on disability or medical leave for an extended period of time. She feels that

decisions need to be made concerning employees who are not available do their jobs. She feels that Human Resources should not allow the matters to extend for years.

Although the department is referred to as the “clerk’s” office, it is much more complex. The clerk-recorder is trying to reclassify the positions within her department; she does not think that HR understands many of the responsibilities involved in the positions. As an example, a position within the Elections Division must be able to organize all aspects of the precincts and deal with volunteers and temporary employees, while also working at a high standard of security. This is a complex position with which HR is not familiar.

In most situations, the Clerk-Recorder states she completes evaluations every year in the Elections Department and more often on new employees. She says it takes a long time to know if new employees will be able to handle the complex responsibilities necessary, and a six month probationary period for a transfer employee is not sufficient. She would like to see a one year probationary period for election employees because it is difficult to replicate the crisis mode when it is not an election time.

Many members of the Grand Jury observed volunteers, temporary employees and members of the Clerk-Recorder’s office during the November 2006 election. We were impressed with the efficiency, the management and morale of this department.

Findings

None

Recommendations

None

Responses

None

Human Resources

Reason for Review

The 2006-07 Grand Jury wanted to determine the timeliness of performance evaluations within county departments headed by elected officials. We decided to review the Human Resources **(HR)** Department because completed performance evaluations are sent to HR for further processing and filing. Also we wanted to learn the functions within HR and find out if other departments were satisfied with the service they received.

In this process, we interviewed:

- The District Attorney
- The Sheriff-Coroner
- The County Clerk-Recorder
- The Assessor
- The Auditor
- Two employees from HR
- The Risk Manager
- The Director of HR

The Director

The Director of HR was previously the HR Director in Trinity County. She came to Butte County over eight years ago as the Assistant Director and two years later was promoted to Director. Prior to her employment with Butte County, there had been a new director every eighteen months. The department suffered from instability due to lack of consistent leadership. She has the longest tenure of any HR Director in the past fifteen years.

The Office

When the Grand Jury visited, we found a crowded office with employees working in a cluttered environment. Boxes and files were on the floor, and one individual was working in a high traffic hallway. One large room is used for testing and county educational/training purposes. Working space is not adequate, and although more personnel are needed to meet the demands of the county, the office space is not large enough to include more desks and employees.

Performance Evaluations

HR does an excellent job of notifying departments of performance evaluation due dates. Reminder lists are sent to all departments with the names of individuals due for evaluations. This has eliminated many previous difficulties, and HR feels the county is current. Most performance evaluations are completed on time or

within a month or two of the due dates. Some elected officials are not completing evaluations for long term employees because they feel evaluations are of little or no value to either the employee or the employer. Their rationalization behind this practice is that the employee has reached the top pay level, has “no opportunities for advancement,” and has been a consistent, competent worker.

The Grand Jury disagrees with this assessment. A performance evaluation is required by personnel rules and beneficial to both the employer and the employee. Employees usually look forward to receiving their written evaluations. If positive, it reaffirms that what they have been doing is correct, appreciated and being noticed. If negative, the employees need to know the areas where improvement is needed. The evaluation process protects the employer and the employees. The fact that someone has been a good employee for years is no guarantee that he/she will continue at that level of performance. Should the employee desire to change jobs, a current evaluation would be beneficial. This also protects the employee from arbitrary action by new management.

The Department

HR employs thirteen staff, including the Director. There are approximately 2300 employees in Butte County. She indicated that the ratio of HR staff to total employees is about one per 200. According to the Bureau of National Affairs, the median is one per 125 but is considered to be adequate at one per 150. HR would need five more staff to achieve the median ratio or two more for the adequate ratio.

The positions in HR are:

- 1 Director
- 1 Assistant Director
- 1 Assistant to the Director
- 4 Analysts (1 Senior Analyst, 1 Principal Analyst and 2 Analysts)
- 1 Labor Relations (vacant)
- 1 Senior HR Specialist
- 2 HR Specialists
- 2 clerical positions

Department Services

The main responsibilities of HR are as follows:

- Recruitment – includes advertising and hiring a firm to advertise as needed
- Create and administer written tests
- Assist department heads and supervisors in devising questions for oral interviews
- Process the hiring of new employees
- Handle Americans with Disabilities Act accommodation issues

- Handle discrimination issues and grievances
- Track annual leave (vacation time)
- Labor Relations – negotiates with nine bargaining units to determine wages, working hours, and terms and conditions of work
- Handle Worker's Compensation issues
- Track benefits
- Conduct monthly meetings with managers and/or supervisors of some of the larger departments on policy and procedure changes
- Create and administer training programs for employees and management (e.g. supervisory classes)
 - For the past 10 years, HR has conducted its own training programs.
 - Only the HR Director does discipline and grievance training.
 - The Assistant Director and Principal Analyst also conduct training.
 - The department provides new-hire training classes.

The HR Department is an internal department only and is utilized by employees, department heads, supervisors, managers. Sometimes to meet the needs of specific recruitments, the department out-sources their search to a recruitment firm. The HR Director feels they are doing a great job. She believes her employees work as a team and are able to meet the needs of the county.

With more analytical staff, HR could better meet the needs of the county by faster recruitments, creating tests, and analyzing trends. HR could also meet with department heads to help determine the best ways to meet the needs of the individual departments. If they had unlimited resources, the HR Director would like to have a staff trainer, a larger facility, and more analysts. She would also like to provide training for her staff concerning Federal and State personnel laws and general HR issues.

The Director considers one of the strengths of HR to be its flexibility. When having to say no, she tries to look at a different approach to the same goal. The department tries to provide service in the most timely manner possible with her small staff. The Director believes the department has credibility with other departments who look to HR for advice and support concerning personnel related issues. She views her staff as hard-working, intelligent people who are devoted to the county's best interest.

Some HR employees consistently work more than 40 hours per week to be able to accomplish their duties. This is a result of being understaffed, and it is the opinion of this Grand Jury that the long hours are wearing on the employees. It should not be an expectation that employees work so many extra hours on a continuing basis.

Some departments do not consider HR to be flexible. There are two main complaints from other departments. The first is the length of time that various county departments are required to keep employees on the rolls when they are

out on medical leave. When checking further into this issue, the Grand Jury found that this complaint does not appear to be an HR problem, but rather the result of liberalized protections to employees which were established by the State of California in regards to Fair Employment and Housing laws. Under the Family Medical Leave Act, an employee is allowed twelve weeks of consecutive medical leave. After twelve weeks, the employee's physician has to reevaluate to determine the limitations and restrictions. Very often, after the initial evaluation, time off is extended in small increments by the physician. Employees may have their time off extended repeatedly for the same injury or illness. This can go on indefinitely and can place a strain on departments. HR is involved in this process but must rely on the recommendations by physicians. HR is the message carrier in this process but is unable to change it. There are monthly Medical Task Force meetings which include Risk Management, County Counsel, two analysts from HR, the Director of HR, the Assistant Director of HR and a representative from the Auditor/Controller's office. Risk Management monitors the Worker's Compensation cases and their timelines.

The second complaint from some departments is that questions on employment tests do not adequately represent the knowledge, skills and abilities needed in the position. They are also concerned about inadequate classification standards. HR meets with supervisors and subject matter experts to determine the critical elements related to job specifications. Together, they come up with relevant questions to be used in testing. In some situations, after the fact, departments don't feel that they got the results they wanted. From HR's perspective, this is still relatively new and a work in progress. An exam can be revisited and adjusted if it is not working as well as expected. The key to this process is good communication between the departments and HR.

Challenges and Changes

The challenges faced by HR include an inadequate number of staff, ongoing education for the staff, county expectations and limited resources to accomplish the expectations of supervisors and administration.

Last year, wages and classifications throughout the county were brought to levels comparable to other counties, based on a classification and compensation study started in late 2002. The study combined salary and benefits to get a total compensation value and salaries were adjusted accordingly. In most cases, salaries increased. In other instances, there were a few employees that were "Y-rated," which means that their pay level is maintained until the pay scale catches up to their salary.

HR currently has a labor relations vacancy, and they have been attempting for some time to fill the position. This position is critical to ongoing negotiations with bargaining units.

Desk manuals have been created for new HR employees. In the near future, the department will distribute an HR procedures manual of approximately 40 pages to all county departments.

One of the changes expected to take place in the next 12 months is the establishment of a Supervisors' Academy. It will provide courses for managers and supervisors and for anyone interested in advancement.

Commendations

1. The Grand Jury commends the HR employees for accomplishing a huge volume of work despite crowded facilities and a small staff.

Findings

1. Office space is inadequate for the number of employees in the department.
2. More employees are needed to better meet the needs of the county and to reduce the individual workload.
3. HR is able to provide screening, testing, orientation and training for all departments, but the HR staff has been working overtime to accomplish this.
4. Some departments express dissatisfaction with the recruitment process and test questions.

Recommendations

1. The County Administrative Officer should provide additional office space for Human Resources.
2. The County Administrative Officer should increase staffing levels to the median level of one HR employee per 125 county employees.
3. HR needs to establish effective communication with county departments regarding test questions and the recruitment process.

Responses Required (Penal Code §933 & §933.05)

Butte County Board of Supervisors
Butte County Chief Administrative Officer
Butte County Human Resources Director

Information Systems

Reason for Review

In their report, the 2005-06 Grand Jury noted that in May 2006, responsibility for the Kronos payroll system and the Pentamation financial data base system was transferred from the Auditor-Controller's Office to Information Systems. (E-28) Our purpose was to

- 1) follow up with Information Systems to find out if the problems identified by the previous Grand Jury had improved,
- 2) learn the functions of Information Systems, and
- 3) find out if other departments are satisfied with the service they received.

Review

During the course of our review, we interviewed four employees from Information systems and several department heads from other county departments. We also toured the Information Systems facilities.

Information Systems

Information Systems is a relatively small department known as the "brains of the county." It was created in 1997, following a study completed by Chico State University. The current director started the program as a one person department with a budget of \$700,000. Prior to 1997, thirty-two county departments did their own data processing and had their own computer programs. The Director of Information Systems developed and standardized the county computer system, replaced equipment, and created training programs for county employees. Currently, Information Systems operates a sophisticated system which cost \$3,700,000. The Information Systems Department has never exceeded its budget and has the full support of the Board of Supervisors and other department managers.

With one department providing computer and communication services, greater and more efficient service is provided. The Director had been employed by the District Attorney's office prior to assuming responsibility for the Information Systems program. His previous employment experience was in the computer program industry, and he has a background in government finance.

There are approximately 19 employees in the Information Systems Department including:

- 1 Director
- 1 Assistant Director

- 2 Deputy Directors
- 2 security staff
- 1 Web Developer
- 3 support staff for Pentamotion and Kronos systems
- 1 Administrative Secretary
- 1 Communications Manager
- 2 clerical staff
- 2 radio staff

At the time of our writing, there were three or four vacancies that Information Systems was in the process of filling.

At present, the Information Systems Department employs six Microsoft certified individuals. Also on staff are county personnel who have transferred from Public Works and the Auditor-Controller's office. Although they manage to keep up with the needs of thirty-two county departments, the Director admits he could use more trained employees to provide greater service.

This Grand Jury found that other county departments were very satisfied with the level of service they received from Information Systems. They are viewed by other departments as being there to solve problems but also present to prevent problems.

Phone System

The Communications Manager joined the staff following twenty years of employment with SBC. She assisted in developing and managing the phone communication system within the county. Information Systems maintains and updates 3200 phone numbers throughout the county. This includes a voice mail system that is self managed by each employee.

The Communications Manager keeps county departments current in a rapidly changing communication environment. Information Systems is currently reviewing what will be needed to meet county needs in the future. There is a staff of four to maintain radios and phones.

Computer Networking

The Information Systems Department has installed a fiber optics network which interconnects the computers in all county departments. This network provides the entry point to the external internet. The network has 99.9% "up" time with dual power supplies. There are at least 13 layers of internal security within the system. Due to diligent monitoring of the system, they have not experienced a virus in over five years.

Kronos

The Kronos software was purchased by Butte County to provide standardization of payroll reporting for all county departments. Kronos is flexible enough to accommodate the differences needed to report time for each bargaining unit within the county. After taking over the program from the Auditor-Controller's Department in 2006, Information Systems fully implemented Kronos and in cooperation with Human Resources, trained county personnel in the use of the system.

Pentamation

In 1986, the Auditor-Controller's Office started using the Pentamation System which was described in the 2005-06 Grand Jury report. Pentamation is the name of the company that developed the software used by the county for their financial database. The 2005-06 Grand Jury found that this system had management and financial security problems. All county departments depend upon information within this system.

The Pentamation system has since been transferred from the Auditor-Controller's Office to Information Systems, resulting in more efficient utilization. A committee with representatives from the Treasurer-Tax Collector's Office, Human Resources, Administration, and the Auditor-Controller's Office is working with Information Systems to best streamline operations.

The 2005-06 Grand Jury report expressed concern regarding correct financial transactions and a "backdoor" policy which enabled personnel in the Auditor-Controller's Office to change numbers after a fiscal year was closed. Concern was noted regarding possible fraud and manipulation of the county debt amount. This "backdoor" policy has been changed and is rarely used. However, when needed, it is used with very strict controls that leave an audit trail of what has been done and by whom.

It was also noted in the previous Grand Jury report that entry into the Pentamation system by the Auditor-Controller's Office was inconsistent, inaccurate and not timely. Employees were poorly trained in the use, maintenance and management of the system. Programs purchased by the county were not being utilized, resulting in a waste of Butte County investments. There are still modules of this software program that are not being used such as Fixed Asset Module, Inventory Module and the Personnel Budgeting Module.

August 2007 is the earliest possible date that Pentamation can build the server environment that is needed before the accounting system will be accessible by all departments. When this is accomplished, the Director of Information Systems, who is the "Security Officer for the County," will be in a better position

to detect improper transactions and possible fraud. County financial information will then be available immediately in all networked departments.

Commendation

1. The Director of Information Systems and his staff are to be commended for correcting many of the problems that were previously identified with the Pentamation and Kronos systems.
2. The Director of Information Systems is to be commended for never exceeding the budget for the his department.
3. The Director and his staff are to be commended for excellent service to the county, with very little “down” time.
4. The Director is to be commended for providing and encouraging a strong, positive, teamwork environment for his staff.

Finding

Information Systems is a valuable county department that functions extremely well.

Recommendation

None

Response Required (Penal Code §933 & §933.05)

None

Butte County Library System

Reason for Investigation

The Grand Jury responded to a letter from the Gridley Friends of the Library expressing concerns about facilities, funding and staffing. After meeting with the Friends of the Library (**FOL**), the Grand Jury decided to embark on an investigation of the entire Butte County Library system. According to Grand Jury records, the Butte County Library has never been the subject of an intensive review. In addition, the Grand Jury felt that a library system is and should be the cornerstone of a free society and an integral part of any community.

Background Information

The Butte County Library System consists of six community sites, Book by Mail service, and a Bookmobile. There is also a literacy program that serves over 7,000 children and 550 adults per year in 476 programs utilizing almost 8,000 books for distribution. The countywide system has a collection of about 300,000 books, which are available to all sites through the on-line library catalog.

Libraries are located in Gridley, Oroville, Chico, Paradise, Durham and Biggs. The newest buildings were built in 1985 and are now 22 years old. Our inspection of all of the county library facilities found minor to major problems at every site. The main library administration and system distribution center is located in the Oroville branch.

There is a library staff of 32; the number of positions has remained unchanged for the past five years. Following is a list of the various jobs within the library system:

- 1 Library Director
- 3 Branch Librarians
- 1 Librarian
- 7 Senior Library Assistants
- 12 Library Assistants
- 1 Senior Literacy Library Assistant
- 1 Literacy Specialist
- 1 Literacy Library Assistant
- 1 Senior Administrative Assistant
- 1 Senior Administrative Information System Technician
- 1 Senior Technical Services Library Assistant
- 1 Technical Services Specialist Supervisor
- 1 Technical Services Specialist

In addition to these regular staff positions, the library also employs numerous extra help employees. Extra help staffing is used on a temporary or on-call basis by Butte County to maintain minimum staffing levels. An individual appointed as

an extra help worker is not allowed to work more than 125 working days or 1,000 hours in any fiscal year.

The libraries have credentialed librarians, with the exception of Gridley and Biggs. This past year there has been a change in leadership, the previous county Library Director having served 13 years in that position and 33 years in the system. The newly hired Library Director has had ten years of experience working in the library system of a major metropolitan area.

In the 2005/06 fiscal year, the total library expenditures were \$2,542,599. According to the Butte County 2006/07 Fiscal Year Final Budget, the adopted total expenditures are \$2,582,291 for a slight increase of approximately 1.5%. **(Exhibit A)** The annual library budget is approximately 0.6% (six-tenths of a percent) of the Butte County budget. The majority of these funds are generated from the Butte County tax base with about \$400,000 from state grants and donations. Two cities, Chico and Gridley, contribute directly or indirectly to their local libraries. The City of Chico contributes funds that allow the local library branch to remain open an additional 25 hours per week. The City of Gridley contributes \$10,000 per year to the Gridley Friends of the Library.

In 2002, the Butte County Library Advisory Board (**BCLAB**) was established by a resolution of the Board of Supervisors on a recommendation from the Library Long Range Planning Commission. **(Exhibit B)** The BCLAB consists of two members from each supervisorial district in Butte County for a total of ten members. Each member serves for a term of four years and may not serve for more than two consecutive terms. Two of the current members are retired librarians. The BCLAB meets monthly and is charged with the task of making recommendations to the Board of Supervisors on library matters. The BCLAB also makes an annual report to the Board of Supervisors. Other than the annual report there is little regular communication or interaction between the two groups. In 2001, the Library Long Range Planning Commission drafted a Strategic Plan to upgrade the library system. **(Exhibit C)** The Strategic Plan has only been partially implemented and is in the process of being upgraded by the BCLAB.

According to the most recent findings of the Hennen's American Public Library Ratings, the Butte County system ranks in the 16th percentile for California; the range is from a low of 1st percentile to a high of 99th percentile and is based on population and expenditure per capita within the library system. **(Exhibit D)** The California Library Association website lists Butte County as 12th lowest in the state in per capita spending and in ratio of population to Full Time Equivalent (**FTE**) staff out of 176 library systems. **(Exhibit E)**

The Butte County Library system 2005/06 overall statistics are as follows:

Circulation: 723,178 (an increase of 34.6% from the 2000/01 year)

Reference: 37,703 (an increase of 10.6% from the 2000/01 year)

Volunteers per FTE: 8 (a decrease of 5.2% from the 2000/01 year)

Card Holders: 96,049 (an increase of 35.9% from the 2000/01 year)

Library Users: 662,302 (an increase of 84.8% from the 2000/01 year)

Library Collection: 299,262 (an increase of 42.6% from the 2000/01 year)

A description of each Butte County Library branch follows: **(Exhibit F)**

BIGGS: 464A B Street

Facility: The library is located in a small 100-year-old building leased from the City of Biggs with very limited technology infrastructure. It has no functioning restroom, no handicapped access and does not appear to be Americans with Disabilities Act **(ADA)** accessible.

Hours: Open two afternoons a week from 2:00 PM – 5:00 PM (total 6 hours a week)

Staff: 0.25 Librarian Assistant

Annual circulation: 1,558

Volunteers: 1

Number of people entering library: 1,375

Friends of the Library: None

BOOKMOBILE:

Hours: 9:00 AM – 3:30 PM Monday, Tuesday, Wednesday, Friday; 10:45 AM – 3:45 PM Thursday

Staff: Volunteers

Annual circulation: 3,979

Volunteers: 6

Number of people entering library: 1,902

CHICO: 1108 Sherman Avenue

Facility: Built in 1985, it is the largest and one of the newest buildings in the system. The carpet is in disrepair, technology infrastructure is outdated, and storage space is limited.

Hours: Monday – Thursday 9:00 AM – 8:00 PM, Friday & Saturday 9:00 AM - 5:00 PM (total 60 hours a week)

Staff: 8.5 FTE
Annual circulation: 405,384
Volunteers: 150
Number of people entering library: 327,972
Friends of the Library: It is a large and active organization that provides both volunteers and fund raising. In 2005/06 the FOL raised over \$95,000, primarily through book sales and membership dues, of which approximately \$54,000 went to library support. The remainder was placed in interest bearing accounts that now total over \$400,000.

DURHAM: 2545 Durham Dayton Highway

Facility: The library is located in a converted retail store. The facility is well over 30 years old and has roof leakage and parking lot flooding as continuing issues.
Hours: Tuesday 2:00 PM – 8:00 PM, Thursday 2:00 PM – 5:00 PM (total 9 hours a week)
Staff: 0.25 FTE
Annual circulation: 10,472
Volunteers: 3
Number of people entering library: 9,086
Friends of the Library: It is a small organization of active members. In 2006, the FOL contributed approximately \$6,000 to the Durham Library.

GRIDLEY: 299 Spruce Street

Facility: Built in 1985, design problems have led to significant issues with roof leakage and mold that took over two years to mitigate.
Hours: Monday, Tuesday, Friday 10:00 AM – 5:00 PM, Wednesday 2:00 PM – 8:00 PM, Thursday 2:00 PM – 5:00 PM (total 30 hours a week)
Staff: 1.75 FTE
Annual circulation: 28,484
Volunteers: 14
Number of people entering library: 72,786
Friends of the Library: There are approximately 250 members of the Gridley Friends of the Library. In 2006, the FOL contributed \$18,700 in library support funds primarily raised through book sales, memberships and a grant from the City of Gridley of \$10,000.

OROVILLE: 1820 Mitchell Avenue

Facility: Located in a converted grocery store, the facility faces challenges with technology, infrastructure, carpeting, and space for offices

and materials. The building also serves as the administrative headquarters for the entire Butte County library system.

Hours: Tuesday & Wednesday 10:00 AM – 8:00 PM, Thursday 2:00 PM – 6:00 PM, Friday; 10:00 AM – 5:00 PM, Saturday 12:00 PM – 4:00 PM (total 35 hours a week)

Staff: 3.5 FTE

Annual Circulation: 156,633

Volunteers: 69

Number of people entering library: 138,114

Friends of the Library: The Oroville FOL has approximately 217 members and contributes about \$19,000 per year to library support.

PARADISE: 5922 Clark Road

Facility: The library is the second largest facility in the system and is in need of expansion and upgrades to the technology infrastructure. Handicapped parking remains an issue due to the slope of the parking lot.

Hours: Tuesday & Wednesday 10:00 AM – 8:00 PM, Thursday 2:00 PM – 6:00 PM, Friday 10:00 AM – 5:00 PM, Saturday 12:00 PM – 4:00 PM (total 35 hours a week)

Staff: 3 FTE

Annual Circulation: 110,804

Volunteers: 30

Number of people entering library: 105,922

Friends of the Library: Active in fundraising and volunteer work, the FOL raises over \$30,000 a year for library support. Additionally, they have an endowment of over \$200,000 with plans to help pay for library building expansion.

Investigation

The Grand Jury interviewed:

- 2 Butte County Library Directors (present and former)
- 6 Branch Librarians
- 5 Friends of the Library organizations
- 5 Butte County Supervisors
- 1 Supervisor / Facilities Services
- 1 Superintendent / Facilities Services
- 1 Butte County Deputy Administrative Officer
- Library Advisory Board (and attended one meeting)

The Grand Jury read and reviewed the following:

- Butte County Library Strategic Plan
- Butte County Library Statistics

Butte County Library Profile
Hennen's American Public Library Rating
Butte County Library Advisory Board Survey
Butte County Library Advisory Board minutes
Friends of the Library minutes, charters, budget reports
Butte County Board of Supervisors Minutes
CA Public Libraries website
American Library Association website
Butte County Developer Impact Fee statistics
Butte County Capital Facilities Master Plan

During the course of its investigation, the Grand Jury interviewed the key individuals and groups responsible for the operation of the Butte County Library system. Overall, the Grand Jury was impressed with the dedication, hard work and commitment of both the paid staff and the volunteers. It became obvious at an early stage in the investigation that all branch libraries are operating under severe funding constraints and are unable to offer full programs and services without the help of many local volunteers. The six branch libraries offer indispensable services to the citizens of Butte County. In addition to providing books and periodicals, the library system also offers computer access, literacy programs, reference materials, children's story times, books on tape, teen nights, film nights, book groups and homework help. The libraries also function as important community meeting places; the Chico Library alone hosts 80 groups a month.

Friends of the Library

Without the FOL organizations, the libraries of Butte County would be very different places. The Grand Jury was impressed by the hard work, dedication, and fundraising efforts of these volunteers. The original role of these groups, however, has changed. Instead of playing a supplemental role, the FOL groups now function as the sole provider of many important library materials. Although the County currently provides all adult fiction for the branch libraries, most of the other library supplies are purchased through funding provided by FOL organizations. Purchases from funds raised by the FOL include the following: computers, TV/VCRs, books on tape, magazine subscriptions, children's books, adult non-fiction, young adult fiction, reference books, tables, chairs, carpet, bookcases, display cases, software, copier maintenance, and extra hours. Several FOL members expressed the frustration that their role should be to "enhance the library system, not to supply the basics."

The FOL groups are able to provide these materials to the library branches due to their fundraising efforts. Money is raised through membership dues and donations. Quarterly and/or monthly book sales are also held at most branches; these book sales seem to be the backbone of the fundraising budgets. In addition, funds are raised through luncheons, opportunity drawings, and the sale of book bags, t-shirts, and self-published books.

One of the original concerns of the Gridley FOL was that money raised through their fundraising efforts was being used “to fund a part-time position” at the library. The FOL felt that this was an inappropriate use of their money and that Butte County should be responsible for paying salaries. Through information provided by the Library Director, the Grand Jury learned that the Gridley FOL contributed “\$22,168.47 to support 2,128 hours of extra help staffing from April 2003-May 2006.”

Another concern expressed by several of the branch FOL groups is the issue of leadership within the organizations. Although total membership numbers are growing, most of the actual work is accomplished by the same group of people, many of whom have volunteered their time and energy for more than twenty years. Several of the FOL groups hope to encourage the participation of their younger members in a more active leadership role.

Branch Librarians

The branch librarians throughout the library system have myriad roles and responsibilities. The Grand Jury was again impressed with their ability to do so much with so little. Branch librarians supervise staff, both paid and volunteer. They deal with public relations, collection development, consumer complaints, circulation issues, grant writing, and community programs. The librarians interviewed were passionate about providing services to their respective communities. One frustration, however, is that there is little communication between branches and few opportunities to share ideas or attend conferences. The Grand Jury was pleased to learn that the new Library Director plans to address this issue.

Library Advisory Board

The Butte County Library Advisory Board (BCLAB) serves as a liaison between the public and the Board of Supervisors, making recommendations for long term funding and future planning. After meeting with the BCLAB several times, the Grand Jury found the volunteer group to be dedicated and committed to providing the best libraries for the citizens of Butte County. A valuable resource provided by the BCLAB is the library users survey in 2005. **(Exhibit G)** The BCLAB members shared the results of their research with the Board of Supervisors, indicating that Butte County is in “the bottom tier in the state for per capita spending on libraries. We serve the 33rd largest population of California’s 179 libraries and rank 88th in total operating income.”

Butte County Library Director

The Butte County Library Director oversees the operation of the entire library system and is responsible for managing all staff and for creating the county library budget. The Grand Jury interviewed both the retiring and the newly hired county library directors. Members of the Grand Jury were impressed with the

professionalism, dedication and enthusiasm of both. The current library director hopes to work toward a more stable funding source and also to offer more discretionary funding for the individual branches.

Board of Supervisors

The Board of Supervisors is the final decision-making body in Butte County. The Grand Jury interviewed all of the Butte County Supervisors, inquiring about their awareness of the challenges facing the library system. Although there was universal concern expressed about library issues, the Board of Supervisors demonstrated very little understanding of the challenges facing the county library system. The Grand Jury did not hear any clear solutions. Any solutions obviously hinge on funding, and the Supervisors must make difficult financial decisions for the citizens of Butte County. In 2006, the Supervisors voted down by a two-to-three vote a proposal to let the voters of Butte County decide if they wanted a one-eighth cent sales tax increase which would specifically fund the library system. **(Exhibit H)** The idea of a ballot measure, however, is still supported by the BCLAB and the FOL organizations.

There are several other funding sources available to fund the library system. Butte County has recently started to collect developer impact fees in the unincorporated areas of the county. Impact fees may not be used for operational expenses. The library portion (\$45,558 for the 2nd half of 2006) currently supports the Bookmobile, book purchases, and a facilities construction fund. **(Exhibit I)**

Another source of income could possibly come from library impact fees collected by the cities within Butte County. Since libraries are a county system housed in cities, the Grand Jury was pleased to learn that Butte County has embarked on a series of discussions with city governments to investigate the possibility of sharing these fees in order to enhance library funding. The Butte County Library Director has also indicated that he would apply for state library bond money when it becomes available, possibly in 2008, adding yet another revenue source.

Facilities Services

The Butte County library buildings and grounds are maintained by Facilities Services **(FS)**. Providing service to at least 60 county-owned buildings, FS strives to maintain a safe and healthy work environment for the employees and citizens of Butte County. Requests for repairs and services are prioritized on a daily basis. FS has developed a 20-year Capital Facilities Master Plan, which outlines the current status of each library building and estimates the future maintenance and construction costs. **(Exhibit J)**

When the Grand Jury asked about the lengthy delay in repairing the roof of the Gridley Library, it was explained that the delay was primarily caused by the fact that the roof was poorly designed and constructed of metal. FS had a difficult

time finding a contractor qualified to work on metal roofs, and follow-up with the contractor was time-consuming. The Grand Jury has confirmed that after recent rains, the leakage problems appear to be fixed. The Gridley librarian also confirmed that the mold problems on the walls have been alleviated.

Conclusion

At the end of its investigation, the Grand Jury came to the conclusion that the Butte County Library system is operating, in the words of the Library Director, in “survival mode.” Following are the major areas of concern:

FUNDING

Without a reliable, stable funding source, the future of the library system is in jeopardy. It is not fiscally reasonable to rely on fundraising from the FOL organizations for basic library supplies. Of those responding to the 2005 BCLAB Survey, 93.6% indicated that they would vote for increased funding.

STAFFING/HOURS of OPERATION

There has been a steady growth in library usage requiring more staff and longer hours of operation. Of those responding to the 2005 BCLA Survey, 63.5% wanted more open hours for the library system.

FACILITIES

As noted in the background information, all of the library branch buildings are aging and in need of both external and internal attention. The Facilities Master Plan states that “none of the branch locations have enough current and future growth space.”

MATERIALS/TECHNOLOGY

Again, library usage is increasing, thus increasing the demand for a wide range of materials, as well as for computer and Internet access.

Commendations

1. The Grand Jury commends the staff and volunteers at all the branch libraries for their commitment to providing library services to the citizens of Butte County, despite insufficient funding.
2. The Grand Jury commends the cities of Gridley and Chico for providing additional funding to their libraries.
3. The Grand Jury commends the five FOL organizations and the BCLAB for providing major support, money and time to the library system.

Findings

1. Although it has now been corrected, in the past, money raised by the Gridley FOL was used to fund extra hours for a part-time position.

2. There is a lack of overall funding for the Butte County Library system. The county is relying on FOL monies to supply some of the basics.
3. There is demand for increased hours of operation.
4. The six branch libraries do not have individual discretionary budgets.
5. There are limited opportunities for communication among the branch librarians.
6. The library facilities are deteriorating.
7. The roof leaks and mold damage at the Gridley Library took over two years to resolve.
8. The Biggs Library building is not owned by the county, is in poor condition without restroom facilities, and is not ADA accessible.
9. Handicapped parking access is a problem at the Paradise Library.
10. The Library Strategic Plan is six years old and is currently in the process of being updated.
11. The Board of Supervisors needs a clearer understanding of Butte County library issues.

Recommendations

1. The county should not use FOL money to fund routine operating expenses.
2. To provide increased funding of libraries, the Butte County Library Director and the Board of Supervisors need to investigate other sources of income, as follows:
 - a. Reconsider the proposal of a one-eighth (1/8) cent sales tax increase through a ballot measure to be voted on by the citizens of Butte County.
 - b. Pursue grant opportunities aggressively.
 - c. Partner with cities in Butte County to implement library impact fees.
 - d. Apply for state library bond money, when available.
3. The Butte County Library budget should allocate discretionary funds to each individual branch library.
4. The Butte County Library Director should provide increased opportunities for branch personnel to network through regular meetings, workshops and conferences.
5. Facilities Services should address major maintenance issues in a timely manner.
6. The Butte County Library administration should work with the City of Biggs to locate an appropriate facility for the Biggs Library.

7. ADA compliance issues at identified branches need to be resolved.
8. The Butte County Library Advisory Board should complete the update of the Library Strategic Plan.
9. A member of the Board of Supervisors should serve as a liaison to the Butte County Library Advisory Board.

Response Required (Penal Code §933 & §933.05)

Butte County Library Director
Butte County Board of Supervisors
Butte County Library Advisory Board
Butte County Facilities Services

Butte County Library System

Index of Exhibits

Exhibit A: 2007-07 Butte County Adopted Budget (Libraries Literacy Grant/Libraries)

Exhibit B: Resolution to Authorize the Creation of the Butte County Library Advisory Board; Board of Supervisors Minutes, April 23, 2002, p. 137

Exhibit C: Butte County Library Strategic Plan – Executive Summary, 2001

Exhibit D: Hennen's American Public Library Ratings, 2006
www.haplr-index.com/States/ca.html

Exhibit E: California Library Statistics 2006, p. 9
www.library.ca.gov/assets/StatsPub06.pdf

Exhibit F: Butte County Library Branch Statistics 2005/06

Exhibit G: Butte County Library Advisory Board/Survey 2005

Exhibit H: Timed Item 0603-006, Library Operations and Facilities Financing
Butte County Board Of Supervisors Minutes, January 24, 2006, p.9

Exhibit I: Butte County Developer Impact Fees/2005-06/Projected 2006-07

Exhibit J: Butte County Capital Facilities Master Plan/Section 2-Overview of
Departments

02-117

10. Resolution Amending the Butte County Salary Ordinance - the Department of Human Resources has prepared a resolution to amend the Butte County Salary Ordinance as follows: PUBLIC HEALTH-GENERAL SERVICES - 1) the department has requested the following term positions funded through the Butte County Children and Families Commission be converted from term positions to regular help positions with sunset dates of June 30, 2003: one position of Program Manager-Butte County Children and Families Commission, one flexibly staffed position of Administrative Analyst III/II/I, and one position of Administrative Services Assistant. 2) requested is the conversion of one term flexibly staffed position of Public Health Nurse III/II/I to a regular help position with a sunset date of March 31, 2003; and 3) requested is the deletion of two positions of Nutrition Assistant III and seven flexibly staffed positions of Nutrition Assistant II/I, and the addition of nine flexibly staffed positions of Nutrition Assistant III/II/I. Flexibly staffing the positions will provide for employee advancement. PUBLIC HEALTH-ENVIRONMENTAL HEALTH - deletes one half-time flexibly staffed position of Office Assistant II/I, and adds one half-time flexibly staffed position of Office Assistant III/II/I. Flexibly staffing the position will provide for employee advancement and provide the department greater flexibility in staffing choices. PUBLIC HEALTH-RABIES CONTROL - deletes one flexibly staffed position of Office Assistant II/I, and adds one flexibly staffed position of Office Assistant III/II/I. Flexibly staffing the position will provide for employee advancement and provide the department greater flexibility in staffing choices. BEHAVIORAL HEALTH-GENERAL SERVICES - adds two flexibly staffed positions of Senior Mental Health Counselor/Mental Health Counselor/Mental Health Worker, and one half-time flexibly staffed position of Medical Records Technician II/I, all with sunset dates of June 30, 2004. Additionally the department is requesting the addition of one flexibly staffed position of Mental Health Clinician II/I. All positions are in support of the new Juvenile Hall and will be funded with Substance Abuse and Mental Health Services Administration funds - action requested - ADOPT RESOLUTION 02-059 AND AUTHORIZE THE CHAIR TO SIGN.
11. Resolution to Authorize the Creation of the Butte County Library Advisory Board - pursuant to the recommendation of the Library Long Range Planning Commission, Board approval is requested by the Butte County Library for a resolution which would create the Butte County Library Advisory Board. The board will consist of ten members, and is created for the purposes of: updating and maintaining a strategic plan for the library; developing and maintaining a long range library financial plan; providing an annual statement/report on the state of the library; re-energizing the Butte County Libraries Foundation and developing fund raising plans for the Board of Supervisors' approval; overseeing the development of relationships with community partners; advising the Board of Supervisors on issues and trends impacting the library; monitoring technology that will affect library operations and providing guidance to the Board of Supervisors; and developing and overseeing public relations campaigns in support of the library - action requested - ADOPT RESOLUTION 02-060 AND AUTHORIZE THE CHAIR TO SIGN; AND DIRECT LIBRARY STAFF TO SOLICIT LETTER OF INTEREST FROM POTENTIAL APPOINTEES TO THE BOARD, REVIEW LETTERS RECEIVED, AND FORWARD RECOMMENDATIONS TO THE BOARD OF SUPERVISORS FOR APPOINTMENT.

Exhibit C

BUTTE COUNTY LIBRARY STRATEGIC PLAN – EXECUTIVE SUMMARY

The Butte County Board of Supervisors formed a Long-Range Planning Committee (hereinafter referred to as “the Committee”) in November 2000 to look at the Butte County Library System and develop a Strategic Plan to meet the needs of Butte County. The Committee held a series of meetings from December 2000 through August 2001 to develop a Strategic Plan. The committee looked at the Library today, the needs of the users of the Library, the performance of comparable libraries in California and other states and trends/issues, which will impact the library.

In their analysis, the Committee found that:

- The Butte County Library is significantly under funded compared to their peers as well as having fewer hours and less staff per capita to support the needs of the county
- Customers of the library are asking for longer operating hours, improvements in collections and greater access to technology such as computers
- While there are no standards for libraries in California, other states have set standards to improve their libraries, which could help Butte County
- The Butte County population and their needs are growing and changing and the library needs to change to meet the growth.
- Changes in technology will also impact the Butte County Library such as the Internet, Regional Servers, Library of California and new media

The Committee has developed a new vision for the Butte County Library to be a quality, accessible library system, with the latest technology, offering services and programs to serve the diverse needs of the community. To meet this vision, the Committee is recommending a number of changes to the current Library system. These include expanded hours of operation and staffing, increased programs and services, creation of a Library Advisory Board, increases in technology and improvements to facilities. The Committee is also recommending an increase in the annual budget to bring the Butte County Library System to a comparable level with similar library systems in California. This budget increase will allow the Library to implement recommended programs and services.

The Long Range Planning Committee recommends the Butte County Board of Supervisors act as soon as possible to implement the following actions:

- 1. Establish and fund the Butte County Library Advisory Board**
- 2. Fund/Task the Advisory Board with hiring/oversight of the facilities consultant**
- 3. Task the Advisory Board to develop and deliver a plan for fully funding the recommendations of this report within six (6) months.**
- 4. Increase the budgetary funding for Butte County Library by at least \$1,450,000 in FY 2002/03 to support needed programs and services**

BUTTE COUNTY LIBRARY STRATEGIC PLAN – INTRODUCTION

Butte County has had an established library system since 1911. Today it includes facilities in six county communities – Chico, Oroville, Gridley, Durham, Paradise and Biggs. These facilities today offer various levels of services to the communities they serve including circulating and reference materials, public use computers, online databases, literacy programs, children's programs, newspapers and periodicals, large print focus and sight impaired equipment, local history, interlibrary loan, tapes/videos and conference rooms. In 2001/02FY, the Butte County Library has a budget of \$1,861,732 (includes \$120,000 from the City of Chico) and a Full-Time Equivalent (FTE) staff of twenty-seven (27).

In March 2000, the voters of the State of California approved Proposition 14, which will provide funding for local communities to expand/update their public library facilities. The State Library clearly informed potential applicants that a Strategic (or Long-Range) Plan will be required in order to be considered for a grant. Additionally, the various Friends of the Library groups in Butte County have been urging local governments to increase their support for the Butte County Library system. As a result, the Butte County Board of Supervisors formed a Long-Range Planning Committee with a charge to examine the Butte County Library and develop a strategic plan. A copy of that charge is in Appendix A.

The members of the Committee are:

Gale Alvistur – Chico	Richard Landess – Paradise (Chair)
Lakshmi Ariaratnam - Chico	Phil LaRocca - Chico
Susan Baker - Gridley	Nancy Leek - Chico
Geri Benedict - Paradise	Lois Miller - Oroville
Lynn Bock - Gridley	Jim Moll - Oroville
Mary Boeger - Gridley	Ruth Moyer - Paradise
Lee Brown - Paradise	Ann Powers - Oroville
John Burghardt – Chico	Linda Power - Chico
Lee Cage - Paradise	Ed Salome - Paradise
Norm Cole - Durham	Ray Sehorn - Oroville
David Conrad – Facilitator/Consultant	Shane Shane - Paradise
<u>Fred Davis</u> – Chico (Chair)	Cindy Steffen - Durham
Jerry Fichter - Gridley	Marilyn Warrens - Chico
Carol Gardner - Chico	Nancy Brower – Director, BCL

The Long Range Planning Committee met initially met on 18 December 2000 and set out an eight month schedule to develop the Butte County Library Strategic Plan.

BUTTE COUNTY LIBRARY- BACKGROUND

During the 1960's and 1970's, the independent city libraries in Butte County, Chico, Oroville, Paradise, Gridley, and Biggs, merged with the County Library system in order to better serve all individuals in the County and to take advantage of the economies of scale afforded by having a single administrative structure. The California State Library encouraged and facilitated these actions with grants that were made available to assist with the consolidation process. The County library system was well funded by a dedicated portion of the property tax, and circulation and services continued to grow until the aftermath of Proposition 13, particularly AB 8, created funding difficulties for the County.

During the 1980's, library services were curtailed slowly, but surely, until they reached their nadir in 1989. By that point in time, the Bookmobile had been garaged and both the Durham and Biggs Branches were staffed solely with volunteers. In October of 1989 the remaining branches with paid staff were all closed for periods ranging from 3 days to one month. Layoff notices were issued to all paid staff with the exception of the Director, Assistant Director, and the Secretary. The Chico Branch reopened first thanks to full staff funding which was supplied by the Chico Friends of the Library and the City of Chico. The branches in Gridley, Oroville, and Paradise reopened one by one as sufficient funding to pay staff salaries was secured from a variety of sources, including cities, businesses, civic organizations, and private individuals. During this time period, two ballot measures were also placed before the electorate, either of which would have provided guaranteed funding for the Library through a parcel tax. One measure was countywide and the other one was only for the Chico urban area, but neither measure attained the necessary two-thirds (2/3) majority yes vote.

The Educational Revenue Augmentation Fund shifts instituted by the State Legislature in the early 1990's provided further strain on the County's finances. For several years the Butte County Library was in the lowest five jurisdictions in the entire state for per capita local support. However, as County financing gained greater stability in the later 1990's, the Library's budget made some modest gains. Some major changes in the distribution of funds through the State Public Library Foundation, as well as a substantial increase in the PLF fund itself, resulted in a staff increase which in turn allowed for expanded library open hours in FY 1998/99.

In FY 1999/00 the Library was authorized by the Board of Supervisors to use one time funds to replace the non Y2K compliant computerized circulation system with a Windows based version, Library Solutions. This system allows patrons to look at the Library's holdings both at the Library or from offsite workstations. Requests can also be placed directly by patrons from any Internet capable computer.

Another substantial boost to library service occurred in the spring of 2000 when California libraries benefited from the Gates Library Foundation donation of \$22 million worth of computers, computer software, and training statewide. This grant allowed the Butte County Library to install between two and six new state-of-the-art public Internet workstations in each of the six branches.

The Library's website provides links to the online catalog as well as a variety of electronic databases. Most of these databases are subsidized by the Cascade Pacific Library Network (CPLN), a region of the Library of California. This newly organized consortium is expected to play a major role in the development of cooperative library services in the thirteen Northern California counties over the next several years. One CPLN project currently under development is a regional server which will allow library users to directly place requests for items owned by other regional libraries and pick them up at their local branch.

However, despite the recent modest improvements in funding, the Butte County Library System still is unable to provide the level of service desired by County residents due to a lack of adequate funding. A plan for stabilizing existing levels of funding and increasing budget levels is needed in order for the Library to meet the service demands of County residents.

BUTTE COUNTY LIBRARY- CUSTOMER SURVEY

A customer survey was conducted at the Chico, Durham, Paradise, Gridley, and Oroville facilities by the committee. A copy of the survey and the results are enclosed in Appendix B to this report. The overall results of this survey were:

- More open hours were desired at all facilities as well as more books in the collections
- Checking out books, more computers and reference services were the top service requests
- Weekend and evening hours were the leading preferences of library patrons
- Library patrons wanted to see improvements in adult fiction, reference, science and technology, and children's collections

The committee recommends that a detailed survey should be conducted annually by the Library of both active patrons and infrequent to remain aware of the needs of Butte County residents.

BUTTE COUNTY LIBRARY- CALIFORNIA LIBRARY PEER COMPARISON

As part of the development of a strategic plan, the Butte County Long Range Planning Committee also evaluated the Butte County Library against its peers in the State of California. The data used in this evaluation came from the "California Library Statistics 1999-2000.", and the key evaluation metrics can be found in Appendix C to this report. This evaluation process also

provided the committee with useful measures of performance for the recommended actions in the Butte County Library Strategic Plan. The most significant findings were:

- The committee evaluated county library systems in counties with populations ranging from 113,200 to 284,900. Butte County's population of 201,900 was just above the average of 183,447.
- Butte County's operating hours (7,748 hours/year) was well below the average for the group (14,775 hours/year).
- The Butte County Library staff has one FTE per 8,241 people compared to the peer average of one FTE per 4,924 people.
- The peer group of libraries spent an average of \$17.62 per person while the Butte County Library only spent \$7.84 per person.
- The Butte County Library only received \$6.32 per capita in local income compared to the peer group average of \$15.92 per capita.

11,000,000
25,800
9,900 num
12,000 27,500
10,000
145

BUTTE COUNTY LIBRARY – BENCHMARKING OTHER STATES

As part of the strategic plan process for the Butte County Library, and since California has not developed standards, the committee sought to obtain copies of standards used for public libraries in other states in order to benchmark the Butte County Library. The committee obtained information from New York, Texas and Rhode Island and highlights of these standards can be found in Appendix D to this report..

Although these states are very diverse in size, demographics and geographic location there are a number of common themes that offer potential standards for Butte County to implement for the library system. These common themes are:

- An Advisory Board to help guide the library
- A written long-range plan covering a three (3) to five (5) year period, updated annually.
- Annual report to the community
- An FTE staff for every 2,500 to 3,500 people
- One-third of FTE staff are professional librarians
- A minimum of between sixty (60) and seventy-five (75) hours per week of operation.
- Written policies and procedures
- Proactive and regular public relations with the community and government officials

BUTTE COUNTY LIBRARY – TRENDS AFFECTING THE LIBRARY

The Long-Range Planning Committee has identified a number of trends that can be expected to have an impact on the ability of the Butte County Library to achieve its vision and mission. The impact of these trends can be positive by adding technology or capabilities to the library, or they can create issues by adding costs or service demands to

the library. While not a complete list, the committee believes the following are the key trends, which could impact the Butte County Library.

1. **Changing Population Dynamics.** This trend will have a significant impact on the Butte County Library as the population of Butte County grows and changes. The growth will place increased demand on the library system and facilities, driving the need for facility upgrades or new construction, increases in staffing and hours of operation, and increases in programs and services offered by the Library. Butte County has been growing at an average rate of 3% to 4% per year over the last five years and is expected to grow at a rate of 1.1% per year over the next five years. Changes in the demographics of the population will also greatly impact the facilities, programs, services, and resources of the library.
2. **Growing Demand For Computer Access In The Library.** For some current or potential patrons, the Library offers the only access to computers and the Internet, which will drive demand. As this demand increases, the Butte County Library will need to address issues such as the cost to purchase additional computers, space to place computers, adding infrastructure such as wiring or cabling to support computers, hours of access, updating computers, repairing and replacing computers and staff to provide assistance and training for computer users.
3. **Growth In The Number Of Databases And Their Cost.** In moving closer to an information-based society, there has been explosive growth in the number and types of databases available. With the Butte County Library taking a role as a facility for research, this growth in databases and their associated costs becomes a major issue that needs to be addressed. How much free access should the Library provide, should the library specialize in only certain research areas, and which databases are most appropriate are just some of the questions that need to be addressed.
4. **24-Hour Reference.** Access to the reference material of the Library through the Internet is already taking place in major metropolitan areas. For Butte County residents, especially children, to be able to compete academically on an equal footing, this type of access is important. There is a cost to the Library to establish and maintain this service.
5. **Catalog On The Internet.** Already residents of Butte County can access the catalog of the Butte County Library through the Internet. The trend in placing holds on materials from offsite will have a significant impact on the staffing of the Library, as it continues to expand from its current level.
6. **Development Of New Media.** Electronic books, or e-books, are already appearing in consumer electronics retail outlets, and are now available to your Personal Digital Assistant (Palm recently acquired Peanutpress, a leading supplier of e-books). How soon, if, and to what extent e-books or other media may replace printed books is still to be determined, but as the population grows, so will the demand. The Butte County Library will have to address this issue and it will have an impact in terms of costs for the Library.
7. **Regional Servers.** The Butte County Library is currently participating in a regional server project, which will allow patrons to place inter-library loan requests from anywhere. This type of project requires technology and skilled staff

to operate. This is a growing trend for libraries to be able to share materials and reference resources.

8. **Development Of The Library Of California.** The concept is to have one thousand libraries...with one door. The concept encourages cooperation between all types of libraries, including public, special, school, and academic, to provide patrons with unprecedented access to information and resources. This access will require an investment in technology, facilities, and staff to make it a reality.

The predominant theme in all of these trends is the need for technology supported by facilities, infrastructure, and a technically trained staff. This theme reflects the general trend in the United States today of increasing technology usage and sophistication. The key issues that need to be addressed with technology are costs, management, maintenance, infrastructure, and modernization/upgrades. These issues will be the challenges for the Butte County Library.

BUTTE COUNTY LIBRARY – VISION

The Butte County Library Long-Range Planning Committee has developed the following vision for the Butte County Library System:

“ By 2005, the Butte County Library will offer a quality, accessible library system, incorporating the latest technology, offering services and programs to serve the diverse needs of the entire community. “

BUTTE COUNTY LIBRARY – MISSION, GOALS, OBJECTIVES

The mission of the Butte County Library is to provide all individuals regardless of age, ethnic background, educational or economic level, with free access to ideas, information and technology. To accomplish this mission, the Library has established the following goals and objectives:

1. Provide direct public services in Chico, Oroville, Durham, Paradise, Gridley, Biggs, and other communities, as needed, in quality, accessible facilities.
2. Focus on customer service and meeting the needs of Butte County.
3. Provide educational and cultural programs to meet the specific needs of the communities of Butte County.
4. Provide public access to the latest technology for computers and library materials.
5. Provide hours of operation and appropriate paid staffing levels to support services.
 - Population 1,000 to 8,999 - minimum of 18 hours/week
 - Population 9,000 to 24,999 - minimum of 40 hours/week
 - Population 25,000 to 49,999 - minimum of 55 hours/week
 - Population 50,000 and up - minimum of 60 hours/week
 - One FTE for every 4,200 residents

6. Have a minimum of 25% of the paid staff be professional full-time employees with Library Science or other technology-based degrees.
7. Provide continuing education to staff members to retain experienced staff and build competencies for sustaining the library in the future.
8. Provide a community outreach program, including public relations, to increase community use and involvement in the library.
9. Provide an annual update to the Library Strategic Plan to define and set the direction for the library system and an annual budget to support the Strategic Plan.
10. Create cooperative relationships with other agencies and libraries to support the needs of the communities.

BUTTE COUNTY LIBRARY – PATH TO THE VISION

1. Operations

The number one action priority for the Butte County Library is an expansion of hours of operation at all branches to meet the needs of the community. This means that the branches in Chico, Paradise and Oroville would be open 64 hours per week, the branch in Gridley would be open 45 hours per week, the branch in Durham would be open 25 hours per week, the branch in Biggs would be open 18 hours per week, and the Bookmobile would have 9 days service in any two week period. These changes in operations would be phased in over 2001 and 2002 and be fully in effect for 2003 and beyond. To support this change in operating hours and the other programs of the library the Full Time Equivalent (FTE) staffing will need to increase from the current levels of 27 FTE's today to 48 FTE's. The required increase in the budget for Butte County Library for the expanded operations and increased staffing is \$900,000 per year.

A second action, which would be a priority to improve the operations of the Butte County Library will be to establish an Advisory Board. This Advisory Board would be chartered by the Butte County Board of Supervisors and include members of the community, as well as a small full time staff (Librarian III and half time Office Assistant II). The Advisory Board would meet monthly, and with the Board of Supervisors quarterly as an independent advocate for the Library. The Advisory Board would have these responsibilities:

- Update/maintaining annually Strategic Plan for the Butte County Library
- Developing/maintaining a Long Range Financial Plan
- Provide an annual financial statement/report on the Library for the past year
- Hiring and oversight of library facilities consultant
- Re-energize the Butte County Libraries Foundation and develop fundraising plans for Board of Supervisors approval.

- Oversee the development of relationships with community partners such as schools and businesses
- Advise the Board of Supervisors on issues and trends impacting the Library
- Monitor technology that will affect the operation of the Library and provide guidance to the Board of Supervisors.
- Oversee public relations campaigns in support of the Library.

The full-time staff of the Advisory Board would work with the Director of the Butte County Library on a daily basis, as well as support the full Board in monthly meetings. The specific responsibilities of the full-time staff would be:

- Developing relationships with community partners such as schools and businesses
- Public relations and promotional campaigns in support of the Library and the services/programs of the Library
- Conducting annual surveys to determine services and programs needed by residents of Butte County
- Conducting needs assessments of the individual facilities to support the Strategic Plan and annual budgets
- Provide data to support the annual financial statement/report

The Advisory Board should be established in 2001. The cost of this Advisory Board would be \$70,000 per year funded by Butte County.

2. Services/Programs

The number one action to improve the Butte County Library in terms of Services and Programs would be the expansion of the Library collection. Currently the Butte County Library acquires between 10,000 and 12,000 new volumes per year for all of the branches. To bring the collection of the Library up to current peer standards this number would have to be increased to 22,000 to 25,000 books per year. Additionally the Butte County Library also should:

- Increase the Books on Tape collection by 50% to meet demand,
- Increase the number of personal computers from the current 32 to 42 (based on peer per capita standards), as well as keep existing computers updated
- Expand the available magazines and periodicals to all facilities
- Offer on-line databases to patrons to meet the informational needs of the community.

This expansion would take place over the rest of 2001 and 2002. The required increase in the budget for Butte County Library for the expanded collections to meet peer standards is \$550,000 per year (this number does not include the increase in computers which is addressed separately).

The second action in terms of improving the Butte County Library Services and programs is an expansion of available programs for the community. Specific programs include

- Increased frequency of pre-school and children's Storytime Programs at all branches
- Once a week School Age program (stories, magic, puppets) at all branches
- Creation of regular Author visits to libraries
- Monthly Book Discussion groups
- Strengthen the Adult Literacy Program by expanding current resources (2.75 FTE) to 3.
- Monthly or quarterly computer training courses

This expansion would take place over the rest of 2001 and 2002. The required increase in the budget for Butte County Library for the expanded programs is covered by the personnel costs for expanded hours.

A third action for the future would be the possible expansion of the Bookmobile Program to serve areas of Butte County currently not served today. To support this an expanded survey of the county needs to be conducted to understand which outlying areas need service as well as the need for expanded service such as visits to senior/retirement/nursing homes. This would be an action for the Advisory Board to undertake in 2002.

3. Technology

The first action to address technology for the Butte County Library would be to increase the number of computers available to the patrons at all branches. Currently, Butte County Library has thirty-two (32) computers that are Internet capable. To support the increasing demand for this capability by Library patrons, the Library will need to increase this number to forty-two (42) computers. A program to keep the existing computers upgraded to the latest configuration possible or replaced when appropriate must also accompany this increase in number of computers. To support this effort, a full time Information Technology staff is also needed. This expansion would take place over the rest of 2001 and 2002. The required increase in the budget for Butte County Library for the computers/information technology support is \$20,000 per year, for new equipment and updating existing computers. The cost for an IS Technician is already included in personnel costs above.

The second action in the technology area for the Butte County Library would be to participate in the Library of California project. This concept of a thousand libraries with one door encourages cooperation between all types of libraries including public, special, school, and academic to provide patrons with unprecedented access to information and resources. This access will require an investment in technology, facilities, and staff to make it a reality. This investment would begin in 2002 and continue annually and the Butte County Library budget would require \$100,000 per year to support this project.

While the potential for e-Books or on-line books was explored, any action by the Butte County Library is seen as a long term action that needs further evolution or development of the technology and broader user acceptance before any investment should be made. This would be one technology for the Advisory Board to monitor. Additional areas of technology that need to be monitored by the Advisory Board could include automatic checkout, on-line books and on-line reference services.

4. Facilities

In addressing the facilities needs of the Butte County Library system there are four major steps that must be addressed in 2001 and 2002 to support the future of the system. These steps are:

- As soon as practical bring all existing Library facilities to code.
- Hire an outside consultant (library facilities expert) to evaluate all facilities county-wide and make recommendations of the facilities needed
 - 5/10/15/20 year models
 - What new facilities are needed (not existing today)
 - What modifications or expansions are needed to existing facilities
 - Define and explain where, what, when, why
- Address the immediate need to expand the existing Gridley facility through the assistance of the outside consultant
- Use consultant to apply for Proposition 14 funds to address immediate needs and future plans throughout the Butte County Library system

The cost of this consultant is expected to be a one-time cost of approximately \$100,000.

5. Fundraising

The peer library group to the Butte County Library raises an average of \$15.92 per capita to support the library compared to the current Butte County Library fundraising of \$7.50 per capita. This leaves a short fall of at least \$8.50 per capita depending on potential growth in resources and programs desired by the community. Based on the recommendations above the Butte County Library system will require approximately \$1,640,000 per year above the current budget level to meet the needs of Butte County (This number does not include one-time cost for the consultant of \$100,000). This equates to approximately \$8.12 per capita. To fund the Butte County Library the necessary actions are:

- Seek a voter approved special tax to support the operations of the Butte County Library on an on-going basis
- Apply for Proposition 14 funding to address facility needs
- Increase general funding from Butte County for the Library as well as from the towns with facilities.

- Seek funding through California State initiatives such as ERAF shift return
- Use the Butte County Library Advisory Board to re-energize the Butte County Library Foundation
 - Dynamic leadership to build community support
 - Funding for special projects through one-time appeals
 - Creation/management of endowment for the Library
- Seek support from community service groups for one-time project or special continuing projects
- Encourage continued support from the various "Friends of the Library" groups to continue to enhance the quality of the library.

SUMMARY AND RECOMMENDATIONS

In response to the carter of the Board of Supervisors, the Butte County Library Long Range Planning committee submits the above report for approval by the Butte County Board of Supervisors. In addition to approval of the Strategic Plan, the Long Range Planning Committee recommends the Butte County Board of Supervisors:

- 1. Establish and fund the Butte County Library Advisory Board**
- 2. Fund/Task the Advisory Board with hiring/oversight of the facilities consultant**
- 3. Task the Advisory Board to develop and deliver a plan for fully funding the recommendations of this report within six (6) months.**
- 4. Increase the budgetary funding for Butte County Library by at least \$1,450,000 in FY 2002/03 to support needed programs and services**

Exhibit D

Hennen's American Public Library Ratings



HAPLR ratings are based on data from the U.S. Federal-State Cooperative Service, but only the author, Thomas J. Hennen Jr., is responsible for ratings data at this site.

haplr-index.com 6014 Spring Street, Racine, WI 53406 USA

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AK AL AR AZ CA CO CT DE FL GA HI IA ID IL IN KS KY LA MA MD ME MI MN MO MS MT NC ND NE NH NJ NM NV NY OH OK OR PA RI SC SD TN TX UT VA VT WA WI WV WY

Libraries with no score did not file the necessary data with their state library agency, or the state agency did not file the data..

State	CA

Library Name	POPCAT	ZIP	Data		
			Sum of HAPLR Score	Sum of Percentile	Sum of State Score
A. K. SMILEY PUBLIC LIBRARY	d) 50 K	92373	484	48%	409
ALAMEDA COUNTY LIBRARY	a) 500 K	94538	616	69%	409
ALAMEDA FREE LIBRARY	d) 50 K	94501	560	60%	409
ALHAMBRA PUBLIC LIBRARY	d) 50 K	91801	598	66%	409
ALPINE COUNTY LIBRARY/ARCHIVES	i) 1 K	96120	605	68%	409
ALTADENA LIBRARY DISTRICT	d) 50 K	91001	391	32%	409
AMADOR COUNTY LIBRARY	e) 25 K	95642	180	5%	409
ANAHEIM PUBLIC LIBRARY	b) 250 K	92805	409	34%	409
ARCADIA PUBLIC LIBRARY	d) 50 K	91006	746	88%	409
AZUSA CITY LIBRARY	e) 25 K	91702	327	21%	409
BANNING UNIFIED SCHOOL DISTRICT LIBR	e) 25 K	92220	503	50%	409
BEAUMONT LIBRARY DISTRICT	e) 25 K	92223	364	28%	409
BELVEDERE-TIBURON LIBRARY	f) 10 K	94920	756	92%	409
BENICIA PUBLIC LIBRARY	e) 25 K	94510	695	83%	409
BERKELEY PUBLIC LIBRARY	c) 100 K	94704	722	85%	409
BEVERLY HILLS PUBLIC LIBRARY	e) 25 K	90210	787	93%	409
BLANCHARD/SANTA PAULA PUBLIC LIBRARY DISTRICT	e) 25 K	93060	208	8%	409
BRAWLEY PUBLIC LIBRARY	f) 10 K	92227	326	20%	409
BRUGGEMEYER MEMORIAL LIBRARY	d) 50 K	91754	625	70%	409
BUENA PARK LIBRARY DISTRICT	d) 50 K	90620	519	53%	409
BURBANK PUBLIC LIBRARY	c) 100 K	91502	687	80%	409
BURLINGAME PUBLIC LIBRARY	e) 25 K	94010	689	81%	409

BUTTE COUNTY LIBRARY	c) 100 K	95966	303	16%	409
CALAVERAS COUNTY LIBRARY	e) 25 K	95249	283	15%	409
CAMARENA MEMORIAL PUBLIC LIBRARY	e) 25 K	92231	364	28%	409
CARLSBAD CITY LIBRARY	d) 50 K	92009	753	89%	409
CERRITOS PUBLIC LIBRARY	d) 50 K	90703	832	96%	409
CHULA VISTA PUBLIC LIBRARY	c) 100 K	91910	591	67%	409
CITY OF COMMERCE PUBLIC LIBRARY	f) 10 K	90040	714	86%	409
COALINGA-HURON UNIFIED SCHOOL DISTRICT LIBR	e) 25 K	93210	195	7%	409
COLTON PUBLIC LIBRARY	d) 50 K	92324	577	62%	409
COLUSA COUNTY FREE LIBRARY	f) 10 K	95932	281	14%	409
CONTRA COSTA COUNTY LIBRARY	a) 500 K	94523	349	25%	409
CORONA PUBLIC LIBRARY	c) 100 K	92882	529	56%	409
CORONADO PUBLIC LIBRARY	e) 25 K	92118	702	84%	409
COUNTY OF LOS ANGELES PUBLIC LIBRARY	a) 500 K	90241	311	17%	409
COVINA PUBLIC LIBRARY	e) 25 K	91723	497	49%	409
DALY CITY PUBLIC LIBRARY	c) 100 K	94015	452	44%	409
DEL NORTE COUNTY LIBRARY DISTRICT	e) 25 K	95531	188	6%	409
DIXON UNIFIED SCHOOL DISTRICT LIBRARY	f) 10 K	95620	159	3%	409
DOWNEY CITY LIBRARY	c) 100 K	90241	520	55%	409
EL CENTRO PUBLIC LIBRARY	e) 25 K	92243	286	15%	409
EL DORADO COUNTY LIBRARY	c) 100 K	95667	374	25%	409
EL SEGUNDO PUBLIC LIBRARY	f) 10 K	90245	677	80%	409
ESCONDIDO PUBLIC LIBRARY	c) 100 K	92025	634	73%	409
FOLSOM PUBLIC LIBRARY	d) 50 K	95630	449	43%	409
FRESNO COUNTY PUBLIC LIBRARY	a) 500 K	93721	207	3%	409
FULLERTON PUBLIC LIBRARY	c) 100 K	92832	636	74%	409
GLENDALE PUBLIC LIBRARY	c) 100 K	91205	504	52%	409
GLENDORA LIBRARY & CULTURAL CENTER	d) 50 K	91741	678	79%	409
HARRISON MEMORIAL LIBRARY	h) 2.5 K	93921	731	87%	409
HAYWARD PUBLIC LIBRARY	c) 100 K	94541	489	49%	409
HEMET PUBLIC LIBRARY	d) 50 K	92543	416	37%	409
HUMBOLDT COUNTY LIBRARY	c) 100 K	95501	361	23%	409
HUNTINGTON BEACH LIBRARY	c) 100 K	92648	448	43%	409
IMPERIAL COUNTY LIBRARY	e) 25 K	92243	68	0%	409
IMPERIAL PUBLIC LIBRARY	g) 5 K	92251	275	13%	409
INGLEWOOD PUBLIC LIBRARY	c) 100 K	90301	440	41%	409
INYO COUNTY FREE LIBRARY	f) 10 K	93526	484	46%	409
IRVINDALE PUBLIC LIBRARY	i) 1 K	91706	537	56%	409
KERN COUNTY LIBRARY	a) 500 K	93301	194	1%	409
KINGS COUNTY LIBRARY	c) 100 K	93230	159	3%	409
LAKE COUNTY LIBRARY	d) 50 K	95453	332	21%	409
LARKSPUR PUBLIC LIBRARY	f) 10 K	94939	560	60%	409
LINCOLN PUBLIC LIBRARY	f) 10 K	95648	277	13%	409
LIVERMORE PUBLIC LIBRARY	d) 50 K	94550	660	76%	409
LODI PUBLIC LIBRARY	d) 50 K	95240	480	47%	409

Exhibit E

CALIFORNIA PUBLIC LIBRARIES: Expenditures Per Capita

Library Expenditures Per Capita		Statewide Mean: \$27.54			
Palo Verde Valley Dist	\$4.40	Buena Park Dist	\$21.69	Burbank	\$46.88
Kings Co	\$6.31	Monterey Park	\$21.77	Redondo Beach	\$47.41
Shasta Co	\$6.42	Orland	\$21.86	Oakland	\$47.83
Merced Co	\$6.77	Woodland	\$22.09	Sunnyvale	\$49.65
Tehama Co	\$7.91	Yolo Co	\$22.36	Paso Robles	\$50.12
Tulare Co	\$8.31	Santa Paula Dist	\$22.66	Livermore	\$50.52
Murrieta	\$8.65	Orange	\$22.74	South Pasadena	\$51.17
Santa Ana	\$8.69	Nevada Co	\$22.77	Mono Co	\$51.58
San Benito Co	\$9.15	Oceanside	\$23.01	Thousand Oaks	\$52.01
Madera Co	\$9.49	Anaheim	\$23.05	Menlo Park	\$52.09
Susanville Dist	\$9.77	Contra Costa Co	\$23.38	Pleasanton	\$52.23
Butte Co	\$9.90	Plumas Co	\$23.71	Santa Cruz City-Co	\$53.90
Moreno Valley	\$10.13	Covina	\$24.02	Sierra Madre	\$54.89
Kern Co	\$10.47	Santa Barbara	\$24.19	San Mateo Co	\$55.64
San Bernardino Co	\$10.54	Escondido	\$24.25	Palm Springs	\$55.79
Riverside Co	\$10.74	Colusa Co	\$24.42	Mountain View	\$55.97
Lincoln	\$10.76	Hayward	\$24.48	San Leandro	\$57.97
Yuba Co	\$10.98	Inglewood	\$24.56	Yorba Linda	\$58.29
Imperial Co	\$11.45	Daly City	\$24.78	Pasadena	\$59.09
Del Norte Co Dist	\$11.49	Los Angeles Co	\$24.82	Santa Clara	\$59.58
El Centro	\$11.52	Hemet	\$24.85	Pacific Grove	\$60.03
Imperial	\$12.03	Monterey Co	\$24.94	San Marino	\$60.75
Tulare	\$12.40	Roseville	\$25.52	Santa Clara Co	\$61.08
San Bernardino	\$12.45	Mission Viejo	\$25.88	Los Gatos	\$61.60
Calaveras Co	\$12.63	San Luis Obispo City-Co	\$25.88	Newport Beach	\$62.14
El Dorado Co	\$12.87	Fullerton	\$25.96	South San Francisco	\$64.04
Lake Co	\$13.04	Redlands	\$26.00	Palos Verdes Dist	\$66.89
Sutter Co	\$13.26	Coalinga Dist	\$26.10	Coronado	\$68.16
Folsom	\$13.30	Riverside	\$26.27	Benicia	\$68.55
Banning Dist	\$13.88	San Diego Co	\$26.45	Marin Co	\$69.09
Mendocino Co	\$14.04	Sonoma Co	\$26.58	San Francisco	\$69.98
Beaumont Dist	\$14.34	Long Beach	\$26.61	Redwood City	\$71.27
Ontario	\$14.68	Los Angeles	\$27.35	Santa Fe Springs	\$72.84
Porterville	\$14.93	Signal Hill	\$28.11	Sausalito	\$75.94
Lompoc	\$15.07	San Diego	\$29.36	Monterey	\$77.65
Humboldt Co	\$15.61	San Jose	\$30.10	Rancho Mirage	\$81.00
Rancho Cucamonga	\$16.08	Brawley	\$30.34	Palo Alto	\$83.87
Tuolumne Co	\$16.58	Dixon Dist	\$30.38	Carlsbad	\$84.49
Salinas	\$16.83	Chula Vista	\$30.46	Burlingame	\$89.98
Santa Maria	\$17.45	Monrovia	\$30.85	Cerritos	\$92.89
Pomona	\$17.86	Glendale	\$32.15	El Segundo	\$105.60
Trinity Co	\$18.00	San Rafael	\$32.27	Berkeley	\$112.71
Colton	\$18.20	Placentia Dist	\$32.64	Mill Valley	\$113.11
Upland	\$18.51	Alameda	\$32.80	Belvedere-Tiburon	\$123.39
Ventura Co	\$19.09	Inyo Co	\$33.01	St Helena	\$152.91
Calexico	\$19.11	Richmond	\$33.07	Commerce	\$171.07
Palmdale	\$19.29	Whittier	\$33.11	Alpine Co	\$196.40
Siskiyou Co	\$19.51	Glendora	\$33.76	Irwindale	\$209.60
Willows	\$19.73	Alameda Co	\$35.35	Beverly Hills	\$217.03
Stanislaus Co	\$19.75	Modoc Co	\$35.40	Carmel	\$285.18
Huntington Beach	\$19.82	Altadena Dist	\$35.71		
Oxnard	\$19.93	Napa Co	\$36.82		
Stockton-San Joaquin Co	\$20.21	Solano Co	\$37.39		
Corona	\$20.32	San Bruno	\$37.95		
Orange Co	\$20.44	Larkspur	\$40.19		
Fresno Co	\$21.02	National City	\$41.06		
Sacramento	\$21.12	San Anselmo	\$41.57		
Lodi	\$21.24	Calabasas	\$41.63		
Mariposa Co	\$21.36	Torrance	\$43.07		
Placer Co	\$21.47	Watsonville	\$43.19		
Downey	\$21.61	San Mateo	\$44.12		
Alhambra	\$21.63	Arcadia	\$44.89		

Exhibit F

BUTTE COUNTY LIBRARY BRANCH STATISTICS 2005/06

BRANCH	Biggs Br	Bookmobile	Books by Mail	Chico Br	Durham Br	Gridley Br	Oroville Br	Paradise Br	Totals
ANNUAL CIRCULATION	1,558	3,979	5,864	405,384	10,472	28,484	156,633	110,804	723,178
CIRCULATION STAFF	0.25	Volunteers	Extra Help	8.50	0.25	1.75	3.50	3.00	
CIRCULATION PER-STAFF MEMBER	1,558	3,979	5,864	47,692	10,472	16,277	44,752	36,935	
VOLUNTEERS	1	6	-	150	3	14	69	30	273
NUMBER OF PEOPLE ENTERING LIBRARY	1,375	1,902	-	327,972	9,086	72,786	138,114	105,922	657,157
CARD HOLDERS	138	533	50	49,397	337	5,571	23,786	16,187	95,999

BUTTE COUNTY LIBRARY ADVISORY BOARD SURVEY 2005

1) Zip Codes

Zip	Number	Zip	Number
95915	4	95953	5
95916	6	95954	35
95917	13	95955	27
95926	130	95956	49
95927	9	95957	8
95928	88	95958	3
95938	36	95959	137
95942	4	95973	87
95946	52		

2) Do you have a library card?

	Percent	Response
Yes	94.72%	628
No	5.28%	35

Total responses: 663

3) Do you use the library either in person or online?

	Percent	Response
	97.14%	645
	2.86%	19

Total responses: 664

4) If yes, which location?

	Percent	Response
Biggs	1.38%	10
Chico	47.15%	341
Durham	6.09%	44
Gardley	6.09%	44
Oroville	12.59%	91
Paradise	26.89%	193

Total responses: 723

5) If yes, how often do you use the library

	Percent	Response
Daily	5.67%	39
Weekly	50.00%	332

1-2 times a month	32.23%	214
Few times a year	10.84%	72
Less than yearly	0.90%	6
Other	0.15%	1

Total responses: 664

6) What is your age group?

6-12	3.43%	24
13-17	3.71%	26
18-30	9.57%	67
31-50	24.71%	173
51-70	34.71%	243
70-plus	23.86%	167

Total responses: 700

7) Are you registered to vote in Butte County?

Yes	86.80%	585
No	13.20%	89

Total responses: 674

8) If you DO use the library, please check the reasons why:

To borrow fiction	16.87%	539
To borrow nonfiction	16.62%	531
To get information/do research	12.18%	389
For school assignments	3.57%	114
To use the Internet/email	5.10%	163
To read newspapers or magazines	3.79%	281
To borrow nonprofit items (videos, cds, tapes)	8.14%	260
To use the copier/typewriter	4.26%	136
To find a quiet place to study or work	4.69%	150
For information about the community	5.45%	174
For programs/clubs in the meeting room	4.99%	159
To use the picture book collection	2.50%	80
For children's storytime/programs	2.32%	74
To use the young adult (ages 13-17) collection	3.00%	96
Other	1.53%	49
Total responses:		3195

9) Please evaluate the library location that you use:

	Poor	%	Average	%	Excellent	%	Responses
Condition of inside of library	2	0.30%	222	33.48%	441	66.52%	663
Hours open	83	16.43%	296	52.30%	270	47.70%	566
Time spent waiting for service	5	0.78%	152	23.60%	462	76.40%	644
Availability of materials you want	37	6.09%	311	51.15%	297	48.85%	608
Adequate seating and tables	12	1.96%	193	31.54%	419	68.46%	612
Children's services	10	1.61%	135	35.25%	248	64.75%	383
Young adult services	14	4.11%	186	48.88%	175	51.32%	341
Reference assistance	3	0.56%	132	24.44%	408	75.56%	540
Adult collection	19	3.57%	264	49.62%	268	50.38%	532
Staff helpfulness, availability	6	0.87%	96	12.41%	607	87.59%	693
Computer availability	47	11.69%	248	61.69%	154	38.31%	402

10) Add any comments about your responses above in this box:

I think the personnel at the Oroville library are great!
 Hours open are poor throughout the county.
 children's programs and frequency of adult programs are very poor. Library staff is excellent at "clerking" and checkout but they are not very dynamic or do not have time to be program leaders. This is shame considering HOW MANY people (in Chico) are in and out of the building everyday!!! need to consider hiring someone who is dedicated to providing QUALITY programs for children and ONGOING and SPECIAL programs for all ages! you should include two more options. One between "poor" and "average" and the other between "average" and "excellent".
 I love going to the library!
 would like to see more new books
 Like to use the computer in the children's room but there is often a long wait that we have. I find the adult video selection very limited.
 I don't use children's or young adult services.
 You guys do a really good job. I just wish you were open more hours, like on Sunday also. Thanks, thanks, thanks.
 Sunday hours?
 understand that budgetary problems don't allow for purchasing all books that are needed.
 Thank goodness for the interlibrary loans.
 Young Adult and Reference Assistance are very good.
 I do not use children, young adult or computer, had to check them in order to complete survey
 I donate about \$200/year to the lib and might donate more if I could specify books. Frustrating to have incomplete series.
 Need more hours open, more WeCan books, and more computers.
 More hours, please, more computer stations please
 We use the children's services a lot, and the staff is fabulous! They are always very helpful and friendly and have great programs for the children.
 It is well kept for its age (Durham) Need more hours
 I would like it if the library was open more days.
 I wish the library was open more days.
 I would like to see the library opened more hours
 The staff and volunteers of the Chico Branch of Butte County Library do an EXCELLENT job of providing a high level of service and resources.
 Given the lack of public funding, this is especially remarkable. They work hard to provide the community with a very decent library and it can't be easy.
 Staff is uniformly pleasant and helpful.
 Staff: beyond excellent superior service!
 I do not have enough experience with the children's & young adult services to evaluate them.
 I order online if n/a at any branch.
 I love the public library. I am trying to use it more often. Staff and volunteers are great.

Naturally, an even larger selection would be nice. Space is used well, but need more cleaning. Need more new children's books. In adult collection, need more current books and weed out older one. Staff is terrific--always pleasant and helpful. Children's services are the best out of the 4 counties I've lived in. Staff are friendly and knowledgeable and patient with people. The computers at Durham branch are in dire need of replacements, the non-fiction section is lacking in material students need to do research. The librarian needs a newer computer, the one she uses is slower than the ones patrons use. Thank you information on Andrew Carnegie produced no results. Grace Livingston Hill a favorite author of mine, is not available to borrow from Durham, only from Chico, or Oroville, and the ones available are in pieces, the mystery and science fiction section are beautiful, so much that they are encroaching on the fiction and non-fiction section. Expansion of the building and its resources needed. The internet is slow, and the amount of computers available makes the line for computer expansion on the fiction and non-fiction section. I really like the librarian she is very helpful. Need more variety of reading material. Everything is perfect except the time it's open. Durham has a great library and I truly appreciate it. Most of these answers are in between "average" and "excellent". I really appreciate our library and the staff. Durham only open 2 days per week. It's always clean. Someone is always available to help. Tons of books 9 hours a week--very limited. Need more reference books on crafts. Staff is great. Need more hours. More political books would be greatly welcomed. I go to both Oroville and Gridley branches, but could only answer choose one answer on question #4. Need more current books on tape-Chico. Seems like few new materials come in collection not good most of the books are old. More floor space for books, seating/tables patrons and work area. Current open hours inadequate, especially for students. Lighting seems inadequate, please make LL request process available online. Condition of library. Needs fire escapes. Don't use children's services. The staff has been very helpful with requests for books from other branches. I am impressed with the Chico Branch staff and their professionalism. To save the Butte County Library money when I order books online to be held, I would prefer to check back online to see if they are available. I don't see the need for someone to address an envelope and mail it to my home. Actually a phone call would also save money, instead of a mailing I don't use all the services. Cannot evaluate "children" or "young adult." Great staff and the computer guy is wonderful. Great Staff! Location is also good. Parking could be better--too little. Consider better use of the lot. In section 9, you need a "don't know" column. If there isn't a book you can hold one. Always seating available. Staff is wonderful, always willing to help. Always a pleasure. Monday hours needed. More, more, more, more. The ones answered as "poor" are because I do not use that particular facility. This should be set up so one could answer only what one chooses. No wait at all, love turtle tots and Peggy. Update books. Get better selection. Especially newer books for adults, classics for kids. I like this survey. I also use the Chico location, where I would rate most of the categories a bit higher than the Paradise location. The staff is friendly and helpful. The children's section is great, but it really needs more, there are a lot of great classics that should not leave, but there are a lot of current authors that are missing. So I frequently use the internet to request books that are not stocked in Paradise. I use the Paradise library and the Chico library. Hours open should be like Chico. Oroville is better (than Paradise). More videos/books are there.

when I look for specific books, I rarely find what I am looking for. More selections would be nice. Where I used to live I never had to buy books

Very nice people work here

Very pleasant

Roof leaks/ceiling stained

Clean and airy-outstanding

Too noisy some times

Clean

Better than average

Sheryl is immaculate in her dress

Always clean and roomy-excellent lighting

Need more hours

Should be open on Sunday

Oroville is closed too much

Could always use more

More would be better

would love a Sat

Should be open more

Should be open more hours

Paradise poor/Chico good

Chico excel Para acceptable

More than enough now

Should open earlier

Would like some evening hours

Often does not have current books

KIDS' SECTION EXCELLENT

I can't get off this page without answering your questions! Frustrating!

Love the Kids' Room teachers.

Put more computers with Internet.

Books wanted are checked out or overdue.

I always enjoy my time at the library. The staff are always friendly and helpful. The evening and weekend hours are much appreciated

Need more acting books

Some do not apply.

Check out great

Never have to wait in line

Not long

Joel is always ready to serve

Someone always ready to assist

I love being able to request from other branches
the interlibrary loan is helpful

ILLS

Could always use more

Collection needs work

A lot of the books are very old.

Due to lack of budget

Whoever buys the books does a great job

ILL has improved

Need newer pet selections Dogs/raats

Chico excel Para acceptable

Maureen can find me anything i want

Would prefer a wider variety of high quality magazines

Very good a obtaining interlibrary loan materials for study

Need more space

Need more seating

Oliver arranges the chairs neatly

Unknown. My children are 12,13

Not familiar with service

very small selection

Computers could use some speed

Could use more books

Collection needs work

Always helpful

Hard to find ref library

Knowledgeable personnel

Prompt, knowledgeable and pleasant

Byron is a whiz at the computer

Could always use more

More variety books are needed

Collection needs work

Need mor and newer books on quilting

Series never complete

Friendly helpful staff

Supper

Great staff-very friendly and helpful

The Chico staff in wonderful.

Awsome staff-always very helpful

Very friendly and helpful

Extremely courteous and pleasant -always willing to help

Cynthia is a treasure

Cynthia is great

Liz is wonderful

Susan always has a good word for me

Awsome library

Short on computers

Need more computers for Internet

30 min to parish for comp

Depends on the daytime

Computers should be available if not being used.

More access time

Need more computers

11) As far as you know, does the Butte County Library System provide:

	Yes	%	No	%	Don't Know	%	Responses
Large print books	509	78.79%	20	3.10%	117	18.11%	646
Ability to borrow books from other libraries for patrons	577	89.46%	8	1.24%	60	9.30%	645
Computers for public use	609	94.57%	4	0.52%	31	4.81%	644

Telephone reference during hours library is open	356	56.96%	17	2.72%	252	40.32%	625
Copy machines and printers for public use	536	85.36%	9	1.43%	83	13.22%	628
Nonprint materials such as books on cassette, CD's videos	555	88.10%	11	1.75%	64	10.16%	630
Local and out-of-town newspapers for use in library	470	74.72%	16	2.54%	143	22.73%	629
Advice on good books to read	438	69.75%	22	3.50%	188	28.75%	628
Service to the homebound/Books by Mail	248	40.26%	31	5.03%	337	54.71%	616
Material renewal by phone	295	48.23%	38	6.13%	283	45.65%	620
Literacy services	295	48.12%	22	3.59%	296	48.29%	627
Magazines to check out	469	74.80%	26	4.15%	132	21.05%	612
Storytime for children	479	78.27%	15	2.45%	118	19.28%	628
Friends of Library Groups for library volunteer helpers	505	80.41%	10	1.59%	113	17.99%	628
Special programs for children and adults	417	67.69%	18	2.92%	181	29.38%	616

12)

Library Web Page: www.buttecounty.net/bcblibrary							
Have you used the library's web page	Yes	%	No	%	Responses		
Is the web page easy to use	334	53.70%	288	46.30%	622		
Have you searched the library catalog online	309	73.22%	113	26.78%	422		
Have you reserved or renewed an item online	314	62.43%	189	37.57%	503		
Have you used any of the databases such as InfoTrac or Novelist	198	39.92%	298	60.08%	496		
Have you used "Ask Now" virtual reference service	165	33.27%	331	66.73%	496		
	57	11.54%	437	88.46%	494		

13) What else

Out of date; keep current
To know how to use it
Ordering books from home
Information on looking up books on tape.
A separate listing of videos/dvds so you can browse without knowing
Provide printed material on using e-mail
General reference-music books in section
It's okay but it could be better organized, more up to date looking, more compact.
It would be helpful if when I do a search in the catalog if I could sort the list by publication date.
adequate, what library in Chico needs is a dedicated staff member for public programs for all ages -- from book clubs to special guests to howtos/political/issues discu
it's ok
not knowledgeable enough to know
its perfect
I don't use it
I don't know, I don't like using internet for those sort of things.
An up-to-date listing of books on CD and DVD's. The ability to search new books by type, not just title, author, subject, (i.e. search new FICTION, search new NON-F
Up coming events for motorcross series!
New books in the library lists of recommended titles in various categories.
email contact when reserved books are ready, rather than phone calls or regular mail
A way to check my account or maybe they have this already and I just don't know how to use it.

Current list of book stores in "wish list" area.

Keep it up to date, take away old books listed on wish list.

Unknown, unused as yet. Sounds like a great resource.

Current calendar. Notices of days libraries closed

I have not been able to easily move between catalog and novelist

Okay as is

More books available.

Provide printed material on using e-mail

The system should be set up to retain email addresses of patrons putting things on hold so the library could send an email to notify them of it's availability, rather than spending money, stationery, etc. for snail mail.

Simply more user-friendly

Easier categories for reference.

links to other library collections

info on each book

The web page is very comprehensive. I'm a college faculty member, and I instruct students to use the library over Butte College or Chico State. Need to know more about the databases and about Ask Now

14) Future of the Library: If funding were available, check what services would be most important to you at your branch

	Not		Somewhat		Very		Don't		Responses
	Important	%	Important	%	Important	%	Know	%	
Larger building	145	24.70%	238	40.55%	153	26.06%	51	8.69%	387
Bigger group meeting space	203	35.67%	186	32.86%	86	15.19%	91	16.08%	566
Improved adult collection	38	6.53%	167	28.69%	327	56.19%	50	8.59%	582
Improved children's collection	43	7.69%	129	23.04%	275	48.11%	113	20.18%	560
More tables and seating	153	27.67%	238	43.04%	115	20.80%	47	8.50%	553
More computers	93	16.37%	171	30.11%	239	42.08%	65	11.44%	568
More quiet study areas	121	21.72%	215	38.60%	165	29.62%	56	10.05%	557
More staff to help	89	15.27%	241	41.34%	201	34.48%	52	8.92%	583
More hours open	53	8.99%	148	23.99%	392	63.53%	24	3.89%	617

15) If the library could provide some of these additional services, would you vote for increased funding?

	Percent	Response
Yes	93.61%	571
No	6.39%	39

Total responses: 610

Exhibit H

BUTTE COUNTY BOARD OF SUPERVISORS

MINUTES - JANUARY 24, 2006

PUBLIC HEARINGS AND TIMED ITEMS

0603-006 Timed Item - Library Operations and Facilities Financing - consideration of a request from the Library Advisory Board to place a 1/8 cent sales tax measure on the ballot of June 2006 for voter approval. The revenue will be used to supplement existing support for the County Library system, and will be administered by the State Board of Equalization - action requested:

1. INTRODUCE AND WAIVE READING OF THE ORDINANCE IMPOSING A COUNTYWIDE TRANSACTION AND USE TAX TO SUPPLEMENT FUNDING FOR PUBLIC LIBRARIES;
2. DIRECT SECOND HEARING OF ORDINANCE BE SET FOR FEBRUARY 14, 2006, AT 10:30 A.M.;
3. PROVIDE STAFF DIRECTION REGARDING A REQUEST FOR A FISCAL ANALYSIS OF THE PROPOSED SALES TAX TO APPEAR IN THE BALLOT MEASURE; AND
4. PROVIDE STAFF DIRECTION ON BOARD AUTHORSHIP OF A BALLOT ARGUMENT IN FAVOR OF PROPOSED LIBRARY SALES TAX.
(2756) (**00)

MOTION: I MOVE TO INTRODUCE AND WAIVE READING OF THE ORDINANCE IMPOSING A COUNTYWIDE TRANSACTION AND USE TAX TO SUPPLEMENT FUNDING FOR PUBLIC LIBRARIES; DIRECT THE SECOND HEARING OF ORDINANCE BE SET FOR FEBRUARY 14, 2006, AT 10:30 A.M.; MOVE TO DIRECT THAT COUNTY STAFF PREPARE THE FISCAL ANALYSIS OF THE PROPOSED SALES TAX TO APPEAR IN THE BALLOT MEASURE; AND FURTHER MOVE TO DIRECT THAT THE FRIENDS OF THE LIBRARY GROUPS AND THE LIBRARY ADVISORY BOARD AUTHOR THE BALLOT ARGUMENT IN FAVOR OF THE PROPOSED LIBRARY SALES TAX.

S M

VOTE: 1 Y 2 Y 3 Y 4 N 5 N (Motion Carried)

PUBLIC HEARINGS AND TIMED ITEMS

- 0604-008 Public Hearing - James Berglund Tentative Parcel Map Appeal - consideration of an appeal of conditions of approval of a Tentative Parcel Map to divide a 2.33 acre parcel into one parcel of 1.12 acres and one parcel of 1.21 acres on property located on the northeast side of Bay Avenue, approximately 300 feet north of Carmack Drive, at 3682 Bay Avenue, in the northwest Chico area, and identified as APN 042-340-104. This is a project on which a notice of intent to adopt a negative declaration with mitigation measures regarding environmental impacts has been given - action requested - OPEN HEARING AND CONTINUE OPEN TO MARCH 28, 2006. (3172)

PUBLIC HEARING OPENED AT 10:39 A.M., AND CONTINUED OPEN TO MARCH 28, 2006, AT 10:30 A.M.

- 0604-009 Continued Timed Item - Library Operations and Facilities Financing - consideration of a request from the Library Advisory Board to place a 1/8 cent sales tax measure on the ballot of June 2006 for voter approval. The revenue will be used to supplement existing support for the County Library system, and will be administered by the State Board of Equalization - action requested - ADOPT AN ORDINANCE AMENDING THE BUTTE COUNTY CODE BY ADDING A CHAPTER IMPOSING A SUPPLEMENTAL LIBRARY TRANSACTION AND USE TAX (SALES TAX) TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION AND AUTHORIZE THE CHAIR TO SIGN; AND ADOPT AND AUTHORIZE THE CHAIR TO SIGN A RESOLUTION DIRECTING THE COUNTY CLERK-RECORDER TO CONSOLIDATE THIS MEASURE WITH THE NEXT STATEWIDE CONSOLIDATED PRIMARY ELECTION AND PLACE THIS MEASURE ON THE JUNE 6, 2006, BALLOT, AS WELL AS SETTING FORTH BALLOT LANGUAGE AND REQUESTING THE AUDITOR-CONTROLLER PREPARE THE FISCAL ANALYSIS OF THE MEASURE. (FROM 1-24-06 [5.01]) (3245)(**00)

MOTION: I MOVE TO ADOPT AN ORDINANCE AMENDING THE BUTTE COUNTY CODE BY ADDING A CHAPTER IMPOSING A SUPPLEMENTAL LIBRARY TRANSACTION AND USE TAX (SALES TAX) TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION AND AUTHORIZE THE CHAIR TO SIGN; AND ADOPT AND AUTHORIZE THE CHAIR TO SIGN A RESOLUTION DIRECTING THE COUNTY CLERK-RECORDER TO CONSOLIDATE THIS MEASURE WITH THE NEXT STATEWIDE CONSOLIDATED PRIMARY ELECTION AND PLACE THIS MEASURE ON THE JUNE 6, 2006, BALLOT, AS WELL AS SETTING FORTH BALLOT LANGUAGE AND REQUESTING THE AUDITOR-CONTROLLER PREPARE THE FISCAL ANALYSIS OF THE MEASURE.

S M

VOTE: 1 N 2 Y 3 Y 4 N 5 N (Motion Failed to Carry)

Exhibit I

	Actual Rev 05-06	Balance 6.30.06	Available 05.06	Projected 06.07	Projected Growth	Available 07.08	Projected Growth	Available 08.09
Debt Svs Payments								
Impact Fees - Gen. Govt Fac.	240,656	278,755	278,755	165,397	5%	173,667	5%	182,350
Impact Fees - Jail	142,705	171,304	171,304	85,600	5%	89,880	5%	94,374
Impact Fees - Library Facilities	85,982	96,787	96,787	55,600	5%	58,380	5%	61,299
Impact Fees - Sheriff Facilities	109,203	127,140	127,140	73,700	5%	77,385	5%	81,254
Impact Fees - Fire Facilities	126,887	147,680	147,680	87,200	5%	91,560	5%	96,138
Impact Fees - Sheriff/Jail (OLD)		707,353	707,353	27,000				



Exhibit J

- State and Federal funding.

Location Factors – Each Community Employment Centers average 6,000 to 10,000 visitors per month and must be in a central, accessible location to the public. Staff from the departments of Public Health, Behavioral Health, Child Support Services, and District Attorney (welfare fraud) is collocated in the Centers to provide a “one-stop” venue of public services.

To effectively serve the County, Centers and Department staff must be located in Oroville and Chico, the main population centers in the County. In May 2003, all administrative staff in Oroville will be at one main location on Mira Loma Drive.

Key Issues and Needs with Current Space – Over the past six years, the Department has addressed many of its staff and space needs through public/private partnerships and an increase in program funding. As such, the Department does not project much growth over the next five years. Future needs will include more programs/services for the elderly and disabled.

Due to the nature of services provided, the Community Employment Centers have a large volume of public visitors. Adequate and ADA compliant parking is often a concern at both Centers. Space needs by location are presented below.

Oroville – Records, mail, supply, and production staff need more space and will be moving from their South Fifth Avenue location to Mira Loma Drive by the summer of 2003. The Department has some growth space for next four years in the new buildings located on Mira Loma Drive. An expansion is being planned for the Community Employment Center on Table Mountain Boulevard.

Chico – In general, more staff spaces are needed at the Chico Center and Annex.

Library

Biggs Branch - 464 B Street

Chico Branch – 1108 Sherman Avenue

Durham Branch – 2545 Durham Dayton Highway

Gridley Branch – 299 Spruce Street

Oroville Branch/Administrative Headquarters – 1820 Mitchell Avenue

Paradise Branch – 5922 Clark Road

Department Function – The Library Department provides county-wide library services through six branch locations in Biggs, Chico, Durham, Gridley, Oroville, and Paradise. The Oroville location also serves as the Department's administrative headquarters. Library services include:

- Free access to ideas, information, and technology;
- Public access computers;
- Collection of books, magazines, books on tape, etc.; and
- Literacy services to learners and families.



Key Workload Indexes – Following is a summary of historical staff by branch location.

- Biggs – Prior to 1999, volunteer staff was used to operate the branch due to a lack of funding. Since 1999, the branch has been comprised of 1 part-time staff.
- Chico – The branch grew 139% from 1993 to 2003, increasing from 4.5 to 10.75 staff.
- Durham – Prior to 1999, volunteer staff was used to operate the branch due to a lack of funding. Since 1999, the branch has been comprised of one part-time staff.
- Gridley – From 1993 to 2003, staff increased from 1 to 1.75.
- Oroville – Branch and administrative staff grew 28% from 1993 to 2003, increasing from 11.5 to 14.75.
- Paradise – Staff increased 33% from 1993 to 2003, increasing from 3 to 4.

In addition to permanent staff presented above, the Library relies on a number of volunteers at each location. Key workload indicators for the library include growth in population, local and grant funding, and use of technology.

Location Factors – Branch locations must be in a central, accessible location along public transit routes (if available). Overall, the Department feels that County residents are well served by the current six locations.

The administrative headquarters must be located in the County seat, near other County administrative departments.

Key Issues and Needs with Current Space – Overall, none of the branch locations have enough current and future growth space. The Department notes that through State Proposition 14, only 35% local match is needed to fund library capital projects and land can be used as a match. Following is a summary of key issues and space needs by branch location.

Biggs - The building was a Carnegie library built in the early 1900s. It has been poorly maintained over the years, has no functioning rest room, and is not ADA compliant. Space needs include a counter area, meeting room, semi-private office, workstation, and storage room.

Chico - The urban area is growing rapidly and more space is needed. There is sufficient space on the current lot to expand the building by 10,000 to 15,000 square feet. Space needs include a counter area, conference and meeting room, private and semi-private office, several workstations, storage room, active and inactive file storage area, microfilm viewer rooms, and computer room.

Durham - Overall, the Department believes this location has enough space for the next ten years. General space needs include a counter area, meeting room, semi-private office, workstations, storage room, and active file storage space.

Gridley - The building is very cramped and located on a corner lot. Expansion by purchasing one of the adjoining lots may be possible. Immediate space needs include a counter area, meeting room, private office, workstations, storage room, inactive file storage space, and microfilm viewer area.

Oroville - As the Literacy program continues to grow at this branch, space is getting tight. The Department will be forced to either expand the available space in the workroom area or locate



the Division outside the library (not preferred by the Department). The workroom also provides work space for the administrative function, technical services (cataloging and book processing), as well as the Reference Center of the North State Cooperative Library System. Space needs include a counter area, conference and meeting room, private and semi-private offices, workstations, storage room, active and inactive file storage space, microfilm viewer area, and computer rooms. Additional staff and visitor parking spaces are needed.

Paradise – Though the lot is large, the current facility is situated in such a way (on a slope) that expansion of the building to accommodate future needs is nearly impossible. The town may eventually need two branches to serve the Lower (current site) and the Upper Ridge. General space needs include a counter area, conference and meeting room, private and semi-private office, workstations, storage room, active and inactive file storage area, microfilm viewer room, and computer room. Accessible parking is also needed, especially for the elderly.

Public Health – Environmental Health

7 County Center Drive, Oroville
202 Mira Loma Drive, Oroville
411 Main Street, Chico

Department Function – The mission of the Public Health Department is “to protect the public through promoting individual, community, and environmental health.” Goals of the Department are to: encourage communities and individuals to assume responsibility for adopting a healthy lifestyle; prevent the spread and complication of disease, disability, injury, and premature death; and survey the health needs of the community and provide leadership to create a healthy environment.

The Environmental Health Division provides education, inspections, and enforcement services to County residents in order to protect the health of the community and to meet State laws and County ordinances. Programs administered by Environmental Health include:

- Food and Consumer Protection – protects the community from food-related illness;
- Water Supply Monitoring – oversees the construction of safe wells and the purity of water served to the public;
- Land Use – serves as the Public Health component (water supply, sewage disposal, solid waste, and vector issues) of land use project review and construction;
- Liquid Wastes – reviews and enforces sewage disposal system for public protection;
- Housing – investigates sanitation-related complaints regarding substandard housing and accommodations;
- Solid Waste – provides the public protection component of solid waste oversight; and
- Hazardous Materials – monitors the construction and maintenance of underground fuel tanks, addresses public issues related to hazardous material spills, monitors compliance with handling and disposal of hazardous and medical waste, oversees public swimming pools, and inspects county and city institutions for compliance with health, safety, and medical regulations.

Services are primarily provided from the 7 County Center Drive, Oroville, and the 411 Main Street, Chico, locations. The Director of Environmental Health, a Program Manager and selected support staff are located at 202 Mira Loma Drive in Oroville.

Small Rural School Districts

Reason for Investigation

According to Grand Jury records compiled since 1984, three of the small rural school districts in Butte County had never been visited by the Grand Jury. Pioneer Union Elementary School District was investigated during the 1999-2000 Grand Jury year. As part of its oversight mandate, the Grand Jury visited four small rural school districts in Butte County:

Pioneer Union Elementary School District
Bangor Union School District
Feather Falls Union Elementary School District
Golden Feather Union School District

Background

The Grand Jury interviewed the County Superintendent of Schools who gave an overview of the role and responsibility of the Butte County Office of Education (**BCOE**) over the small school districts in the county.

The Butte County Superintendent of Schools serves as an intermediary between the state and local school districts within the county. Under the direction of the superintendent, the BCOE helps with implementation of programs, provides fiscal oversight, monitors teacher credentialing, supplies curriculum support and training and helps in other areas of interest to school districts. The major role for the BCOE is to provide quality educational programs for all students in Butte County and be responsive to the needs for efficient and cost effective assistance and support to the school district's educational operations.

The BCOE meets the required specialized needs of students through such programs as Special Education, Independent Study, Community Schools, Juvenile Court Community Schools, and Regional Occupational Programs. Migrant Education and California Mini-Corps programs are also provided through the BCOE, with several sites all providing teaching assistance to migrant students throughout the state. The BCOE administers a variety of state and federally funded grant programs and services designed to enhance student performance throughout the county.

The BCOE provides a variety of services to small school districts in the county, including help with accounting services, purchase order processing, payroll and budget oversight and review. They also provide education services such as speech therapy, adaptive P.E., and anti-tobacco education. All of the superintendent/principals of the county's small school districts meet monthly in the County Superintendent's Council to address common issues.

The Grand Jury spent a day at each small school district, conducting interviews and touring facilities. At Bangor Union School District we interviewed the following:

- 1 Superintendent/Principal
- 1 School Board Member
- 2 Teachers
- 1 Parent
- 1 Para-educator

At Feather Falls Union Elementary School District, Pioneer Union Elementary School District, and Golden Feather Union School District, we interviewed the following:

- 1 Superintendent/Principal
- 2 School Board Members
- 2 Teachers
- 2 Parents

The review focused on operational matters, such as safety, school facilities, communication, parental and community support. Curricula and educational programs were not reviewed. The Grand Jury did review the School Accountability Report Cards (**SARC**) for the year 2004-05 and various materials provided by each district. SARC is a state required annual report completed by each school.

Pioneer Union Elementary School District

The Grand Jury visited the Pioneer Union Elementary School District (**PUESD**) in May 2007. Located on 26 acres in the foothills 22 miles east of Oroville, the district serves the rural community of Berry Creek and surrounding areas. The district was established in 1962 when Berry Creek School and Bald Rock School were combined and currently provides educational services to approximately 95 students in Kindergarten through eighth grade.

The PUESD consists of Berry Creek Elementary School and Bald Rock Community Day School. In addition, the Butte County Office of Education (**BCOE**) operates a pre-school and an after school program. The staff includes the following employees:

- 1 Superintendent/Principal
- 7 Teachers (including Superintendent/Principal)
- 4 Instructional Aides
- 1 Library Media Teacher
- 1 District Secretary
- 1 Food Services Director
- 1 Head of Transportation and Maintenance
- 1 Bus Driver (0.75 FTE)
- 1 District Nurse (0.25 FTE)
- 1 Business Manager (0.75 FTE)
- 1 Psychologist (0.10 FTE)
- 1 Speech/Language/Hearing Specialist (0.20 FTE)

Staff members at any small school fill multiple roles. This is certainly true at Berry Creek Elementary School. The Superintendent/Principal serves as a teacher for part of the day, as well as providing leadership for the entire district. He had previously taught at the school for eleven years, making the transition to administration this year. The teaching staff often deals with multiple grades in one classroom and teaches the same students for more than one year. Realizing that teaching at a small school “can be difficult,” several of those interviewed recognized the importance of providing motivational opportunities for the teachers in order to “reinvigorate their teaching.”

The Grand Jury toured the Berry Creek Elementary School facilities and found them clean and well maintained, with no apparent safety issues. According to the SARC, school staff has inspected and evaluated the facilities, with all being “in good repair.” (**Exhibit A**) All of the individuals interviewed agreed that the facilities were adequate for the programs of the school. Currently there is one empty classroom that is used to house the district support staff.

When we asked about the availability of equipment and supplies, the Grand Jury was told that the teachers had adequate educational materials for their students. Textbooks are current and state adopted, and the school uses a highly regarded

computer program for teaching reading, with plans to add the science and math components. There are computer labs with full Internet and local network systems in the 3rd through 5th and 6th through 8th grade classrooms and in the library. Overall, the school has one computer for every two students.

The district also receives services from BCOE. The Instructional Resource Center provides library books and audiovisual services, and teachers can access on-line technology training through the California Technology Assistance Program. In addition, the county offers assistance with data analysis and helps the district with grant writing. The services of the Psychologist, Speech/Language/Hearing Specialist and Nurse are provided through BCOE.

The Grand Jury reviewed the Emergency Plan for Berry Creek Elementary School. With the very real threat of forest fires in the area, we felt this was an important school safety issue. In the case of a forest fire that threatens the community, the plan states “students will be evacuated to the Grange Hall or to Ophir School.” The plan does not, however, explain exactly how students will be evacuated nor does it explain how and if parents will be contacted. Also, the school map showing evacuation routes is confusing and poorly drawn. Notification of parents or the media is absent in all sections of the Emergency Plan. **(Exhibit B)** The Superintendent/Principal told the Grand Jury that the staff will review and update the Emergency Plan this summer and will post it on the school website.

The Grand Jury questioned those interviewed about how the school district communicates with parents and other community members. We learned that the school uses a weekly newsletter called the “Monday Note” which outlines activities and important dates. **(Exhibit C)** The Superintendent/Principal writes a quarterly newsletter that is mailed to the entire community. In addition, parents told the Grand Jury that they were informed about school matters through phone calls, the school website and word-of-mouth. We were also told that the school posts flyers at the Post Office, the Grange Hall and the local store in an effort to keep the community “at large” informed of school events. The district has a booth at the yearly “Berry Festival” held in August, which further promotes communication with area residents.

When asked about communication within the district, the Superintendent/Principal related that he speaks with “each staff member every day” and holds weekly staff meetings. The teachers interviewed confirmed that the small staff works well together and that communication is excellent. The teachers also appreciate the fact that the new Superintendent/Principal is familiar with the workings of the school.

The PUESD faces many of the same financial challenges as larger districts. BCOE provides fiscal oversight services to the district, reviewing the district budget three times a year. **(Exhibit D)** Although the district has remained

fiscally sound, the Superintendent/Principal worries about the encroachment of Special Education costs on the budget. He told the Grand Jury that the projected transportation costs for several Special Education students for next year could be as high as \$80,000, while the reimbursement for those costs is only \$859. The district is considering the purchase of a van and the hiring of a driver in a creative attempt to save money.

As with other small, rural districts, the PUESD faces some unique challenges. The subject of student enrollment is important to any school district because state and federal funding is often based on Average Daily Attendance (**ADA**). The PUESD, along with many other districts, is facing the challenge of declining enrollment. Although Berry Creek Elementary School was originally designed for 200 students, the current enrollment is 95 students. The Superintendent/Principal explained to the Grand Jury that enrollment has dropped for several reasons. Some families in the area have chosen to enroll their students in Oroville and Chico schools in order to be closer to the workplace of the parents. There is also a problem of transience within the district boundaries; the Superintendent/Principal told the Grand Jury that 40 students had come and gone so far this year. The changes associated with welfare reform have also had an effect on student enrollment. Many families needing welfare assistance have been forced to move out of the rural area in order to be closer to the job market. A final reason for declining enrollment is the fact that there are fewer families in the area with school age children; the lovely hills of the Berry Creek area seem to be attracting more retirees than families with young children.

Another challenge faced by the PUESD is the perceived reputation of the area. Most of those interviewed agreed that while it might have been true years ago, the drug culture that had previously been active in the area has now been mostly eliminated. Changing the perception, however, has been difficult. One school board member told the Grand Jury that a major goal is to “overcome the perception of those who live outside the area” and to “build confidence in the community.” Changing the image of the community could possibly result in more families with children moving to the area.

The Superintendent/Principal shared with the Grand Jury that one of the biggest challenges facing the district is the lack of parent involvement. He stated that it is difficult to find parents willing to serve on the School Site Council and that currently there are no parent volunteers in the classrooms. One of his top priorities is the recruitment of adult volunteers, possibly contacting grandparents and retirees in the community. The Grand Jury also learned that the district currently does not have a parent club or PTA, although such an organization has existed in past years.

Overall, the Grand Jury was impressed with the dedication of the PUESD staff, as well as that of the parents and school board members interviewed. There

appears to be a genuine commitment to the students of the area and a desire to “make things better.”

Findings

1. The Berry Creek Elementary School Emergency Plan is inadequate and outdated with no information concerning the notification of parents or the media in the event of an evacuation or other emergency at the school.
2. Due to the lack of parent and community volunteers, the students and staff at Berry Creek Elementary School are missing many opportunities to enhance the programs of the school.

Recommendations

1. The Superintendent/Principal and staff at Berry Creek Elementary School should review and update the Emergency Plan by the start of the 2007-08 school year.
2. The Superintendent/Principal should investigate the possibility of purchasing an automatic phone system that could be used for notification of parents and the media during an emergency at the school.
3. The staff at Berry Creek Elementary School should continue their efforts to elicit support from parents and the community and encourage the formation of a parent club or PTA.

Response Required (Penal Code §933 & §933.05)

PUESD Superintendent/Principal
PUESD School Board

Bangor Union Elementary School District

The Bangor Union School District (**BUSD**) is located in the foothills southeast of Oroville and consists of one school, Bangor Elementary School, with students from Kindergarten through 8th grade.

The school was originally constructed in 1932 and is comprised of seven classrooms, a cafeteria, a library, a computer lab and large playground facilities. The facilities are in reasonably good repair. The classroom facilities are more than adequate because the space was designed for double the current enrollment. However, there is no on-campus multipurpose room to house school events and indoor sports activities. An indoor facility such as a multipurpose room is important, because it will provide a community center for sport events in the Bangor Community, as well as upgrade the current cafeteria.

The BUSD has qualified for state construction funds to build the multipurpose room, but finding sufficient local matching funds remains difficult due to a lack of business infrastructure and tax base within the Bangor community. They have applied for additional state building funds under a hardship designation and are waiting for a response. The school does have access to a community hall across the road, but the hall does not accommodate indoor sports.

The current staff consists of a superintendent/principal, six classroom teachers, a resource specialist teacher, five instructional aides, and eighteen support staff. The newest teacher was hired last year, the first new teacher in quite a while, so staff turn-over is minimal.

As is the case with the other small school districts around Oroville, BUSD has been steadily losing enrollment, due, in part, to welfare reform within our county and to the increased cost of gas, discouraging inter-district transfer students. Enrollment has steadily declined since 1994 from a high of 177 students to its current enrollment of 127. Enrollment has dropped by 26 in the past three years. **(Exhibit E)**

Declining enrollment has also had an impact on the operating budget. Records provided by the school to the Grand Jury indicated that from 2005 to 2006, the district experienced a net drop of 0.5% in state revenues due to declining enrollment. Since the 2006 budget is based on 2005 ADA, they show a net increase in revenue, but a decrease in expenditures for 2006, the additional funds being diverted to the unrestricted reserve which is a prudent strategy given the downward trend in enrollment during the past decade. As a result of this yearly budgetary practice, they have managed to maintain an unrestricted reserve of nearly 30% of the yearly budget. **(Exhibit F)**

All of the teachers have combination classes and, by design, have the same students for two years. Due to very low class size, teachers get to know their students well.

Another source of concern that was shared with the Grand Jury is that there is little or no parent participation in the school. Those interviewed cited a variety of reasons for this, including low income families, transient families, and busy work schedules of parents who work outside of Bangor.

Home/school communication is achieved by twice a month newsletters, one of which is mailed, phone calls, and informal chats after school. Many of the people interviewed referred to the fact that Bangor is a small, very tight-knit community in which most communication is by word of mouth.

The District has a Safety Plan which is updated on a yearly basis by the administration and staff. **(Exhibit G)** Given the relative isolation of the Bangor community, a well-defined Safety Plan is essential to the overall safety of the students. In reviewing the Plan, we found the need for some minor modifications. For example, there is mention that in case of a significant fire, students could be evacuated to an alternative site, but no mention is made of where that site is located and how they would tell families to rendezvous there. There is also a need to include a school map for evacuation.

Findings

1. For the past several years, the Bangor School has been experiencing declining enrollment.
2. The school has adequate classroom space, but there is a need to replace the kitchen and cafeteria areas, which may be 75 years old.
3. There is little parent participation in the school.
4. The school Safety Plan is in need of modifications.

Recommendations

1. The BUSD Superintendent/Principal should continue to pursue construction funding for a new multipurpose room. Its potential use for community-based recreation programs could enhance the opportunity for successful funding.
2. The BUSD Superintendent/Principal, staff and community should find additional means of drawing parents into the life of the school.
3. The BUSD Superintendent/Principal and School Board should consider purchasing an automatic phone calling system as another way to improve contact with parents. This system should be an integral part of emergency procedures.
4. The BUSD Superintendent/Principal, staff, and School Board should modify the Safety Plan to include specific evacuation sites for various emergency situations before the beginning of the 2007-08 school year.

Response Required (Penal Code §933 & §933.05)

BUSD Superintendent/Principal
BUSD School Board

Feather Falls Union Elementary School District

Feather Falls Union Elementary School District (**FFUESD**) was established in the late 1800's. Feather Falls Elementary School (**FFES**) is a kindergarten through eighth grade school serving the rural mountain community of Feather Falls.

The school facility was constructed in the 1940's and 1950's and has a main district office, cafeteria, library, four large classrooms, a stage, a kiln room, a teacher resource center, work room and school office. The classrooms have full wall windows that look out over a pine forest of 100-200 year old trees. A four acre playground provides ample area for physical education activities. The fifth through eighth grade students participate in inter-district sports opportunities in football, volleyball and basketball.

The current staff consists of three full-time teachers for three multi-age classrooms, kindergarten through second, third through fifth, and sixth through eighth. All three classrooms have full-time para-educators to support the teachers, providing a ratio of no more than ten students to one adult. A superintendent/principal, business manager, maintenance/transportation manager, and cook/cafeteria manager support the teaching staff and fulfill the business, nutrition, transportation, and facilities needs of the district and school.

The BCOE supplies the FFES with a part-time (0.20 FTE) Speech Therapist one day a week and a part-time (0.10 FTE) School Psychologist twice a month. A part-time School Nurse (0.10 FTE) is onsite twice a month.

The current enrollment at Feather Falls Elementary School is 45. There has been a sharp decline in enrollment since the 1960's when the school had 120 students. Prior to the Louisiana-Pacific lumber mill closing in the 1990's, there was a health center, grocery store, gas station and 57 houses. This lumber community was razed, impacting school enrollment dramatically.

Feather Falls Elementary School provides a fine arts program, consisting of music, drama and art. There is no pull-out program for disabled or gifted students. All of the teachers teach math, language arts, and social studies at the same time, allowing the students to be taught at their appropriate level. The teachers cooperate and work together to assure there is no stigma attached to moving either forward or backward between levels. They use a standard report card that consists of very detailed information regarding student progress. The curriculum implements all the newly adopted materials and standards from the state.

The school facilities are in disrepair and in need of modernization and replacement. The roof, siding, septic and leach system, plumbing, and flooring are all overdue for replacement. The school also needs new bathrooms, library, multi-purpose room, storage, new playground equipment, and an enlarged

kitchen area. The reason the facilities have been left in disrepair “by design” is to facilitate state funding. An example that was cited occurred in 2003 when the roof was leaking and they tried to get someone from the state to initiate funding for repairs. During the wait, digital photos were taken and the school and community came together and fixed the roof themselves. The district’s application for funding for the repairs was denied by the state because the roof had already been repaired. In other words, FFUESD was penalized for being good stewards.

FFES has applied for four extreme hardship grants. The applications for state grants have been processed and accepted by the Office of Public School Construction, who plan to visit the school site in June. If approved, the funding would become available in 2008 for modernization during the summer of 2009.

On January 8, 2007, an after school program commenced utilizing funds approved by a school grant from BCOE. One teacher stated that the after school program is “magical” in that it has increased academic performance. The first hour is for homework and the second hour is for activities and projects. About 75% of the children are signed up for the after school program.

FFUESD encourages parental involvement through the Feather Falls School Association (**FFSA**), Student Council, and Feather Falls Site Council (**FFSC**). The Student Council and FFSA plan and fund field trips and traditional activities throughout the school year. The FFSC oversees all state and federal school funding bases. The FFSC is comprised of elected representatives from the community, teaching staff, classified staff and administration of the school. The Site Council meets monthly to monitor the School Site Plan, Technology Plan, all state and federal categorical funding, and to work with the staff and School Board on policy development. (**Exhibit H**)

The individuals interviewed reported that there is a good communication system with parents via flyers sent with children and posted at the school and post office, folders sent home that require parental signatures, one-on-one parent-teacher talks, and phone calls as needed. The Superintendent/Principal utilizes a white board in the staff room for staff communications.

Typical of all the small school districts, concerns were expressed regarding the lack of funding, declining enrollment, the drug sub-culture, poverty and the need for parent participation. There has been a vacancy on the FFUESD School Board for nearly one year. Until recently there was a lack of law enforcement in the community, but a “resident deputy sheriff” is presently assigned to the area.

FFUESD has a School Safety Plan that is reviewed yearly. The emergency and safety procedures in the plan are currently being updated in cooperation with the Community Safety Committee, Red Cross, Butte County Sheriff’s Department, Public Health Department and CAL FIRE. FFES is a FEMA designated disaster

shelter. Red Cross is currently upgrading that section of the plan. **(Exhibit I)** Maps with evacuation routes are posted at all exits. **(Exhibit J)** Because of fire danger in this area, there is a need for expediency in accomplishing the updated version of the Safety Plan to specify evacuation routes, parental notification procedures and sites for assembly.

The faculty and staff of FFES operate under difficult circumstances because of inadequate funding, declining enrollment, and the multiplicity of assignments and extra work loads. In spite of these hardships, the school environment appears to be a cooperative, friendly, safe place for student body and staff. The Superintendent/ Principal is presently on half time status and, of necessity, accomplishes many of the administrative functions after school and on weekends. She has a positive outlook and works to meet the educational needs of students so they can reach their full potential and become contributing citizens. The parents confirmed that she has an “open door” policy. Along with the School Board she creates policies that support their vision and assure compliance with State and Federal regulations. The teachers fulfill additional assignments outside the classroom and “wear many hats.” The Grand Jury commends them for their dedication and commitment to the children of FFES.

Findings

1. The FFUESD buildings are in a state of severe disrepair and in need of modernization and/or replacement.
2. Because of the minimal participation by parents and community volunteers, the students and staff at FFES are being deprived of more opportunities to expand their educational programs and activities.
3. The FFUESD School Board has a vacant School Board position.
4. The School Safety Plan is in the process of being updated.

Recommendations

1. The Superintendent/Principal should continue to pursue funding from the State of California for modernization and/or replacement of facilities.
2. The Superintendent/Principal, School Board and staff should pursue creative avenues for increasing parental and community involvement with the students, teachers and parent groups.
3. The Superintendent/Principal, School Board and community should strive to enlist a citizen to fill the vacant school board position.
4. The Superintendent/Principal and School Board should investigate the possibility of installing an automatic telephone calling system to facilitate emergency notification of parents and the media. This could be done as part of the school Safety Plan.

5. The Superintendent/Principal and Staff and other involved agencies should complete their update of the FFUESD Safety Plan and Emergency Plan prior to the start of the 2007-08 school year.

Response Required (Penal Code §933 & §933.05)

FFUESD Superintendent/Principal
FFUESD School Board

Golden Feather Union School District

The Grand Jury visited all three sites of the Golden Feather Union School District **(GFUSD)** on May 11, 2007. Located 17 miles north of Oroville, it consists of three schools:

Spring Valley Elementary, a Kindergarten through third site; Concow Elementary, a fourth through eighth site; and Community Day School for grades Kindergarten through eighth. The District currently has a total enrollment of 157 students.

Concow Elementary School was built around 1940 on an 8.5 acre site located on the corner of Nelson Bar Road and Concow Road. The main campus has six classrooms, a library/computer center, band room, weight equipment room, and detention classroom. There is a large field and track area. Several buildings are used for maintenance and transportation services.

The Concow Elementary School teachers have multi-age classes. The personnel consist of a superintendent/principal, three teachers, a resource specialist teacher, a para-educator/school secretary, a district library/computer clerk, as well as an assistant cook and a custodian.

The Superintendent/Principal was hired in July of 2006. As with the other rural school districts, the foremost task is to increase enrollment which peaked in 1995-96 at 333. It has risen to 157 from a low in 2005-06 of 149. **(Exhibit K)** There are several reasons for the drop in enrollment. Two large fires, one with a loss of 48 homes, had a big effect. Some parents home school their children. Other parents who work in the larger cities prefer to transfer their children to the district located in the area of their employment. Federal welfare reform also affected enrollment. One school board member told the Grand Jury that they recently discovered that Paradise School District had been enrolling children that should have been in the Golden Feather Union School District. Now the parents do not want their children to change schools. The Grand Jury was told that the mountain community has had some drug culture and poverty issues affecting the students. Concern was expressed about the transition of third graders to a campus environment with eighth graders. This structure may cause some parents to change schools.

Declining enrollment has reduced the budget due to funding based on ADA. Budget cuts resulted in the layoff of a bus driver who also provided the grounds maintenance. They no longer have a music and art program, but the Superintendent/Principal told us she is working on a grant to bring it back. They have been able to get a para-educator to provide a ceramics program. Currently there is no pre-school or academic after-school program in the district. There have been discussions of consolidating the two campuses into one, as well as sharing the library and cafeteria.

All those interviewed commented on the positive impact of the small teacher/student ratio on the ability of teachers and staff to have closer contact with all students and know them by name.

The administration and teachers provide many opportunities for communication with the parents. They have installed a phone system with automatic calling. They also use memos, e-mail and a monthly calendar to communicate. The Superintendent/Principal has an open door policy. GFUSD also has a Parents' Club.

Concow Elementary provides extra-curricular activities, including cheerleading. Flag football and boys and girls basketball is provided in conjunction with Feather River Recreation & Park District (**FRRPD**). (**Exhibit L**) At one time, when their fund base included the railroad and PG&E, they built a swimming pool, which is currently used by Paradise Recreation Park District (**PRPD**) for summer classes. Funds are received from PRPD for supplies. The pool needs maintenance and repairs.

GFUSD has 2 campuses. Concow campus is in the PRPD Benefit Assessment District. The Spring Valley campus is in the FRRPD Benefit Assessment District. Although the GFUSD property owners who live in the FRRPD pay over \$75,000 in taxes per year to the FRRPD, the park district provides no local programs. To take advantage of the FRRPD after school programs, students must be transported to Oroville locations. Additionally, the FRRPD insists on charging the school \$1000 per year for providing the after school sports programs. A school board member, on behalf of the district, requested a waiver of the fee, and FRRPD refused as they did not want to set a precedent.

Our tour of the facilities showed they have more than adequate classroom space since it was designed for double the current enrollment. The Grand Jury was told some water system issues exist although this and the swimming pool needs were not mentioned in the 2004-05 School Accountability Report Card.

The Grand Jury reviewed the Emergency Evacuation Plan for the District and found it to be a thorough plan. (**Exhibit M**)

The Grand Jury also visited the Spring Valley Elementary School for a quick tour of the facility. It appeared to have more than adequate classrooms.

The overall impression of the Grand Jury regarding Golden Feather Union School District was positive.

Findings

1. Currently the GFUSD does not have a pre-school or an after school academic program.
2. The school district property owners pay benefit assessment taxes to one of two different park and recreation districts. No local services are received from the FRRPD.

3. GFUSD pays approximately \$1000 in annual fees to FRRPD for after school participation in sports programs located in Oroville.

Recommendations

1. The Superintendent/Principal should develop and pursue funding for a pre-school program and an after-school academic program. This might encourage more parents to keep their children in GFUSD.
2. FRRPD should grant a fee waiver and provide local after-school sports activities to GFUSD.

Response Required (Penal Code §933 & §933.05)

GFUSD Superintendent/Principal
GFUSD School Board
Feather River Recreation & Parks District Board

Small Rural School Districts

Index of Exhibits

- Exhibit A: Pioneer Union Elementary School District, 2005-06 School Accountability Report Card, p.
- Exhibit B: Pioneer Union Elementary School District, Berry Creek School Emergency Plan
- Exhibit C: Pioneer Union Elementary School District, Monday Note
- Exhibit D: Pioneer Union Elementary School District, Schedule of Financial Trends And Analysis Year ended June 30, 200
- Exhibit E: Bangor Union School, Previous Enrollment, CBEDS
- Exhibit F: Bangor Union Elementary School District, Financial Analysis
- Exhibit G: Bangor Union Elementary School District, Emergency Preparedness Guidelines
- Exhibit H: Feather Falls Elementary School, 2004-05 School Accountability Report Card, p. 3
- Exhibit I: American Red Cross Agreement to Permit the Use of a Facility as Red Cross Emergency Shelter
- Exhibit J: Feather Falls Union School District, Emergency Procedures
- Exhibit K: Golden Feather Union School District, K-12 Enrollment
- Exhibit L: Golden Feather Union School District, On Site Programs: District Programs
- Exhibit M: Emergency Evacuation Procedures, Concow and Community Day School

Exhibit B

**Pioneer Union Elementary
School District**

**Berry Creek School
Emergency Plan**

Pioneer Union Elementary School District Emergency Plan

Emergency Telephone Numbers

Emergency.....	911
California Division of Forestry.....	533-6363
Butte County Sheriff's Department.....	534-4321
Berry Creek Health Center.....	589-2285
Ambulance.....	533-5101
Oroville Hospital.....	522-8500
P.G.& E.....	533-1121
Butte County Civil Defense Office.....	534-4373
Superintendent.....	
Board President.....	

Emergency Signals

Fire Alarm: The fire alarm will be used in all cases where evacuation of buildings is necessary. This alarm is recognized by a shrill, pulsating blast. During this alarm, all people inside the school buildings or anywhere on the school grounds should proceed immediately to the designated evacuation sites until further directions are given.

Severe Storm/Earthquake Alarm: This alarm will be used when there is warning sufficient enough for classrooms to take cover or precautionary action. This alarm is recognized by a pulsating school bell. During this alarm all people inside the school building are to take cover. Persons outside of building should go inside.

Threat to Students & Personnel/Yellow File: The "yellow file" alarm will be used when there is a threat to students or staff. This alarm is recognized by the words "yellow file." During this alarm all teachers are to lock classroom doors, turn off lights and take cover.

Emergency Commands

Take Cover - When the Take Cover command is issued, students should remain in classrooms. Any students outside a classroom will return to the nearest classroom.

Drop - protective position means drop to knees; clasp both hands behind the neck; bury face in the arms; make body as small as possible; close eyes; and cover ears with forearms.

BOMB THREAT - phone call

The vast majority of bomb threat telephone calls and notes are hoax or prank calls, however, all such threats must be handled quickly and efficiently. Responsibility for determining the exact course of action in each case should remain with the principal. The person answering the telephone will calmly signal to another person to call the sheriff on another line. She will keep the caller talking as long as possible noting the following information if possible:

- Exact time and date of call
- When the bomb is going to explode
- Where the bomb is located
- What does it look like
- What kind of bomb is it
- Did the caller place the bomb? Why?
- What is your name? Address?
- Kind and quality of voice
- Sex and age of caller
- Background noises
- Threat language

The principal may initiate emergency actions that allow for the following as appropriate:

1. All available school personnel not involved with classroom activity conduct a search for a bomb.
2. Alert teachers to situation.
3. If anything of a suspicious nature is found in the search, proceed with clearing all students and staff from the area.
4. If nothing of a suspicious nature is found, normal activities should resume. No publicity should be initiated.

5. Upon determining the location of a bomb or potentially explosive material or device, the area surrounding the location should be immediately cleared of all students and personnel.
6. All action regarding disposal or handling of the bomb or device will be handled by law enforcement personnel.
7. Upon removal of bomb, normal activities should resume. No publicity should be initiated.
8. Consideration should be given to necessity of psychological debriefing/crisis counseling for those affected.

FIRE - Fire Alarm

1. Evacuate buildings to appropriate fire drill site and take roll. If assigned area is unsafe direct students to parking lot for main building and lower field for relocatable classrooms.
2. Evacuation of school will be directed by school principal or designee. Fire department personnel may assist in evacuation.
3. If there is a threat to the school, school will be dismissed. Students will be taken home by the usual means.
4. If there is a threat to the community, students will be evacuated to the Grange Hall or to Ophir School.

SEVERE STORM - Severe Storm/Earthquake Alarm (pulsating school bell)

1. All students and staff return to classroom. If students were outside teacher will take roll.
2. Take Cover: Stay in classroom, stay away from windows. Teacher may issue Drop command.
3. If time allows, students will be dismissed to home per usual means.

EARTHQUAKE - Severe Storm/Earthquake Alarm (pulsating school bell)

1. Inside Buildings

- A. Teacher issue Drop command. Protective position means drop to knees; clasp both hands behind the neck; bury face in the arms; make body as small as possible; close eyes; and cover ears with forearms.
- B. Keep away from windows, avoid glass, stay out from under light or electrical fixtures.
- C. Evacuate building as soon as quake has subsided to appropriate fire drill site and take roll. If assigned area is unsafe direct students to parking lot for main building and lower field for relocatable classrooms.
- D. Do not touch anything electrical, do not drink any water from any faucets, keep away from any fences (electrical wires may have fallen and "charged" fence).
- E. If there is a threat to the school, school will be dismissed. Students will be taken home by the usual means.
- F. If there is a threat to the community, students will be evacuated to the Grange Hall or to Ophir School.

2. Outside Buildings

- A. Stay in the open, move away from trees, buildings and overhead wires.
- B. Teacher issue Drop command. Protective position means drop to knees; clasp both hands behind the neck; bury face in the arms; make body as small as possible; close eyes; and cover ears with forearms.
- C. Evacuate area as soon as quake has subsided to appropriate fire drill site and take roll. If assigned area is unsafe direct students to parking lot for main building and lower field for relocatable classrooms.
- D. Do not touch anything electrical, do not drink any water from any faucets, keep away from any fences (electrical wires may have fallen and "charged" fence).
- E. If there is a threat to the school, school will be dismissed. Students will be taken home by the usual means.
- F. If there is a threat to the community, students will be evacuated to the Grange Hall or to Ophir School.

PHYSICAL THREAT - Threat to Students & Personnel/Yellow File

- A. Any individual perceiving a clear and present danger will dial 100 and say I have a "Yellow File".
- B. Individual receiving the alarm "Yellow File" will call 911, and notify all present maintenance and custodial staff to lock all inside and outside doors.
- C. The school secretary, district secretary, director of transportation and Maintenance or the school principal will notify all classrooms and direct all students to leave the playground. Notification may be by intercom or in person.
- D. Teachers will lock classroom doors and windows, turn off lights and take protective position under desks or furniture, with backs to windows (protective position means drop to knees; clasp both hands behind the neck; bury face in the arms; make body as small as possible; close eyes; and cover ears with forearms.)
- E. If running is the only option, do not run in a set pattern, a straight line for example. Instead run at different angles and directions making yourself a difficult target. Use your environment and dive or roll behind bins, cars, walls, ect. Draw attention to the attacker.

Staff Responsibilities During Emergency

Principal - The principal will direct evacuation of buildings, using fire signals and procedures, for fire, threatened explosion and following cessation of earthquake tremors, or when needed. The principal will issue orders to teachers if children are to assemble in alternate area. The principal will give clearance for teachers to return students to class following an emergency or drill. In the absence of the principal the vice-principal will assume the duties of the principal.

Instructional Staff - Teachers, Instructional aides and other staff are responsible for the supervision of students in their charge at all times. Staff will supervise the evacuation of children in accordance with the alarm. Staff will issue the Drop or Take Cover command as needed. Take roll and secure first aid for injured students.

Office Staff - The school secretary will report the emergency to the authorities. The office staff is also responsible for the communication of the alarm to all personnel.

Cafeteria Staff - The cafeteria staff is responsible to assure that once the building has been evacuated that no one reenters the building. In the event of a "Yellow File" emergency the cafeteria staff will lock all doors and close the serving windows.

Bus Drivers - During school, bus drivers are responsible to assure that once the building has been evacuated that no one reenters the buildings. If evacuation of the school grounds is necessary bus drivers will take students to the Grange Hall or Ophir School as directed.

In the event that an emergency occurs while children are on the bus, the driver will pull to the side of the road and issue the Drop command as appropriate. When safe the driver will continue the run, delivering student to home or school.

Director of Transportation - The director of transportation is in charge of all necessary emergency action. He will prepare a school map listing the locations of all utility shut off valves, ect. He will direct emergency equipment, fire fighting and rescue efforts. In the event of an emergency he will shut of all utilities. Safeguard all useable water within the buildings when children remain under school supervision. Be aware of asbestos containing building materials, quantities and location of it in all buildings.

Water Quality Emergency Notification

The following actions are to be taken whenever the State or Butte County Health Department determines that the school water supply fails to meet water quality standards and represents an imminent danger to the health of the water uses.

Water users will be notified by written handout sheets, given to each student.

Dangerous Pupil Notification

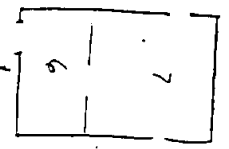
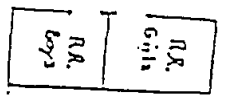
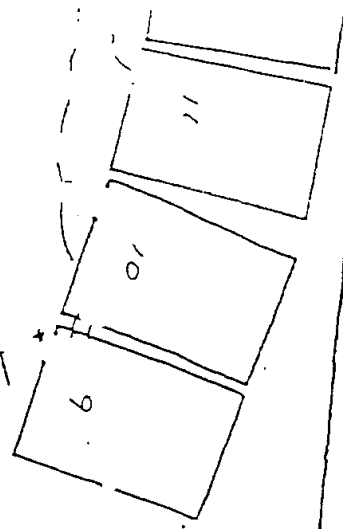
The Principal shall inform the teacher of each pupil who has engaged in or is reasonably suspected to have engaged in, any of the acts described in any of the subdivisions of Education Code 48900. The Principal shall provide the information to the teacher based upon any records that the school office maintains in its ordinary course of business, or receives from a law enforcement agency, regarding a pupil described in this section.

A school employee, is not civilly or criminally liable for providing information under this section unless it is proven that the information was false and that the district or employee knew that the information was false, or was made with a reckless disregard for the truth or falsity of the information provided.

A school employee who knowingly fails to provide information about a pupil who may be described as dangerous, is guilty of a misdemeanor.

Any information received by a teacher pursuant to this section shall be received in confidence for the limited purpose for which it was provided and shall not be further disseminated by the teacher.

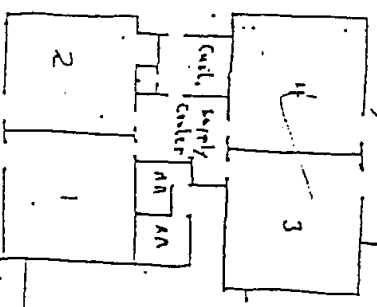
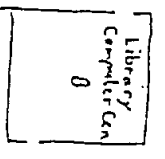
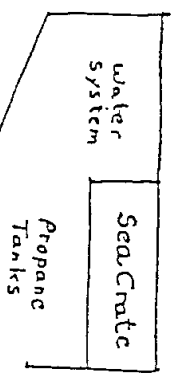
Lower Field



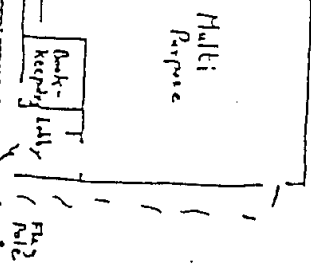
by ball
et ball
ca

Teacher ball

Playground

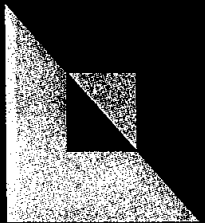


Playground



Bus
Bar

Exhibit C



MONDAY NOTE

1st Grade School
2nd Grade School
3rd Grade School
4th Grade School
5th Grade School
6th Grade School
7th Grade School
8th Grade School
9th Grade School
10th Grade School
11th Grade School
12th Grade School

Volume 10, Issue 35
May 7, 2007

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IMPORTANT DATES!

• School Board Meeting	Thu	May 10
• Last Day of After School Program	Fri	May 25
• Memorial Day (No School)	Mon	May 28
• Graduation Day	Wed	May 30
• MINIMUM DAY 1:30 P.M.	Wed	MAY 30
• Last Day of School	Thu	May 31
• MINIMUM DAY 12:30 P.M.	Thu	MAY 31

Thanks!

Open House and Parent Appreciation Night was an overwhelming success. Our thanks to Lynell, Laurie, Jeff, Connie, Joan, all the teachers and to the students for their hard work. We appreciate our parents.

Summer School

Summer school will begin Monday, June 4th. and continue for three weeks. Sign-up ahead to reserve a spot. Transportation is being scheduled. More information to follow this week.



Brain Teaser

Only one insect can turn its head completely around?

If you think you know, write your answer on a sheet of paper and give it to Susan.
BE SURE TO WRITE YOUR FIRST AND LAST NAME ON IT.

WIN A PRIZE!

LIFETOUCH SPRING PICTURES

All pictures must be turned in Tuesday for shipment back to Lifetouch.

PIONEER UNION SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2006

Exhibit D

TABLE D-3

General Fund	(Budget) 2007	2006	2005	2004
Revenues and other financial sources	\$ 1,067,199	\$ 1,264,216	\$ 1,242,198	\$ 1,375,683
Expenditures	1,022,938	1,215,264	1,120,834	1,212,531
Other uses and transfers out	57,590	39,828	40,360	62,600
Total outgo	1,080,528	1,255,092	1,161,194	1,275,131
Change in fund balance (deficit)	(13,329)	9,124	81,004	100,552
Ending fund balance	\$ 223,957	\$ 282,613	\$ 273,490	\$ 192,486
Available reserves	\$ 223,957	\$ 237,286	\$ 237,209	\$ 185,143
Designated for economic uncertainties	\$ 54,027	\$ 62,755	\$ 58,060	\$ 63,757
Undesignated fund balance	\$ 169,930	\$ 174,531	\$ 179,149	\$ 121,686
Available reserves as a percentage of total outgo	20.7%	18.9%	20.4%	14.5%
Total long-term debt	\$ 177,156	\$ 234,886	\$ 293,777	\$ 294,145
Average daily attendance at P-2	87	87	97	111

This schedule discloses the district's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the district's ability to continue as a going concern for a reasonable period of time.

The District has budgeted a reduction in fund balance for 2007 and has experienced declining enrollment for the last several years. The District must monitor its finances carefully to avoid future fiscal problems.

Exhibit E

Bangor Union School

Previous Enrollment CBEDS

94 177

95 166

96 159

97 165

98 146

99 132

00 136

01 137

02 152

03 151

04 153

05 141

06 130

Exhibit F

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2006

*Bangor Union Elementary
School District*

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's net assets were \$942,635 for the fiscal year ended June 30, 2006. Of this amount, \$280,493 was unrestricted. Restricted net assets are reported separately and are not available for day-to-day operations or their use is constrained to a particular purpose by statutes, rules, or entities with authority over the District.

Statement of Net Assets

	2005	2006	Percentage Change 2005-06
ASSETS			
Cash and investments	\$ 465,091	\$ 574,593	23.5%
Receivables	127,280	69,525	-45.4%
Prepaid expenditures	13,383	-	N/A
Capital assets - net	410,869	392,311	-4.5%
Total Assets	\$ 1,016,623	\$ 1,036,429	1.9%
LIABILITIES			
Accounts payable and other liabilities	\$ 106,925	\$ 79,304	-25.8%
Due to other governments	27,895	13,090	-53.1%
Deferred revenue	-	188	N/A
Long-term debt	4,945	1,212	-75.5%
Total Liabilities	\$ 139,765	\$ 93,794	-32.9%
NET ASSETS			
Invested in capital assets - net of related debt	\$ 410,869	\$ 392,311	-4.5%
Restricted	217,608	269,831	24.0%
Unrestricted	248,381	280,493	12.9%
Total Net Assets	\$ 876,858	\$ 942,635	7.5%

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2006

*Bangor Union Elementary
School District*

Statement of Activities

	2005	2006	Percentage Change 2005-06
REVENUES			
PROGRAM REVENUES			
Charges for services	\$ 7,010	\$ 7,137	1.8%
Operating grants and contributions	300,821	302,658	0.6%
GENERAL REVENUES			
State revenue and limit sources	585,954	592,882	1.2%
Property taxes	194,142	199,665	2.8%
Other	67,095	47,076	-29.8%
Total Revenues	1,155,022	1,149,418	-0.5%
EXPENSES			
Instruction	682,460	631,895	-7.4%
Pupil and instructional service	242,818	237,601	-2.1%
Administration and business	97,113	68,014	-30.0%
Maintenance and operations	100,478	130,694	30.1%
Other	16,930	15,437	-8.8%
Total Expenses	1,139,799	1,083,641	-4.9%
Change in Net Assets	\$ 15,223	\$ 65,777	332.1%

The change in revenues was primarily due to the following:

General Revenues/Other: The District received more developer fees in the prior year than in the current year. Further, there were two e-rate reimbursements in 2004-2005 and none in 2005-2006.

Net Cost of Governmental Activities

	Total Cost of Services		Percentage Change 2005-2006	Net Cost of Services		Percentage Change 2005-2006
	2005	2006		2005	2006	
Instruction	\$ 682,460	\$ 631,895	-7.4%	\$ 452,883	\$ 408,925	-9.7%
Library, media, and technology	12,635	7,294	-42.3%	12,635	7,294	-42.3%
School site administration	155,384	158,578	2.1%	155,384	158,578	2.1%
Transportation services	28,250	27,859	-1.4%	5,471	3,711	-32.2%
Food services	38,499	34,614	-10.1%	3,769	(615)	-116.3%
Pupil services	8,050	9,256	15.0%	8,049	9,256	15.0%
General administration	97,113	68,014	-30.0%	90,782	62,678	-31.0%
Maintenance and operations	100,478	130,694	30.1%	91,710	116,071	26.6%
Ancillary services	5,269	4,245	-19.4%	5,269	4,245	-19.4%
Other outgo	11,661	11,192	-4.0%	6,016	3,705	-38.4%
Total	\$ 1,139,799	\$ 1,083,641	-4.9%	\$ 831,968	\$ 773,848	-7.0%

The above table presents the cost of major District activities. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's general revenues.

The change in expenses was primarily due to the following:

- The decrease in library, media, and technology's net cost of services reflects the library/AV contact and other library expenditures that were paid out of restricted funds in 2005-2006.
- The decrease in transportation services' net cost of services illustrates an increase in revenue in 2005-2006.
- The decrease in food services' net cost of services was due to a decrease in operating costs.
- The increase in maintenance and operation's net cost of services was a result of increased personnel costs and other operating expenditures.
- The decrease in other outgo's net cost of services was due to a higher allocation in revenue from special education to the bill-back.

Exhibit G

Revision Date: May 2007 Bangor Union Elementary School District

DO NOT DESTROY. MUST BE POSTED AT ALL TIMES

EMERGENCY PREPAREDNESS GUIDELINES

This document is extremely important. It contains specific instructions to be followed in the event of real or potential emergencies. Review the contents.

Keep available for emergency access and review. Prepared by Safety Committee, Site Council, and School Board. Site Council approval 4/19/2006. School Board approval 5/16/2006.

**FOR IMMEDIATE HELP IN LIFE OR DEATH SITUATIONS
CALL 911.**

KEY EMERGENCY PHONE NUMBERS

GENERAL EMERGENCY PLAN

The site administrator (superintendent or designee) will take appropriate emergency action to save lives and mitigate the effects of the disaster by accomplishing such tasks as:

*Lead students/staff to safety.

*Render appropriate first aid.

*Communicate with parents and authorities.

*Maintain student/staff morale.

Basic Emergency Signals

Emergency signals will be electronic whenever possible. Other means may be used such as whistles, intercom, bullhorn or voice. Two standard signals are

(1) "TAKE COVER" Intermittent signal

*May be used for harmful intruder, earthquake, chemical spill.

*Find the nearest safe shelter.

*Take cover. If earthquake, under desk or table.

*Lock doors and windows.

*Stay away from windows and light fixtures.

*Wait for further instructions. If intruder, site administrator will unlock door for all-clear.

(2) "EVACUATE" Continuous fire signal

*Situations which may use fire signal: fire, explosion, bomb threat.

*Leave building quickly and in an orderly fashion.

*Evacuate according to posted exit routes unless directed otherwise.

*Assemble in predetermined assembly area or where directed.

STAFF ROLES IN CASE OF EMERGENCY

General Instructions

Emergency Plans will be available for inspection at the school office. The Governing Board shall grant the use of school buildings, grounds and equipment to public agencies, including the American Red Cross, for mass care and welfare shelters during disasters or other emergencies affecting the public health and welfare. The Board shall cooperate with such agencies in furnishing and maintaining whatever services it deems necessary to meet the community's needs.

Release of Students in an emergency situation:

1. Individual students shall not leave school without the permission of the principal or designee.
2. If possible, staff shall not release students to anyone not listed on the emergency card.
3. Otherwise, students shall be released after presentation of identity to other parents/guardians, persons authorized by parents/guardians or to personnel of public agencies authorized to take responsibility for student safety.

Roll of staff:

School staff are considered disaster service workers and are subject to disaster service activities assigned to them. During an emergency staff shall fulfill the following roles:

1. The principal or designee shall assume overall control and supervision of activities at the school site during an emergency. He/she shall have authority to use discretionary judgment in emergency situations which do not permit execution of prearranged plans. The principal or designee shall (a) direct evacuation of buildings, (b) arrange for transfer of students when their safety is threatened, (c) schedule periodic fire drills and other disaster preparedness exercises, (d) post directions for drills and exercises in all classrooms and cafeteria.
2. Teachers shall be responsible for supervision of students in their charge. Teachers shall (a) direct students in their charge according to the Principal's direction, (b) give the DROP command as necessary, (c) take attendance, stay with the students, and provide supervision, (d) report missing students to the principal or designee, (e) send students in need of first aid to the school nurse or a person trained in first aid. Teachers are requested to keep a current class roster in their car trunk.
3. Facilities director is responsible for the use of emergency equipment, the handling of supplies and the use of available utilities. Custodial staff shall (a) survey and report damage to the principal, (b) direct rescue operations as required, (c) direct fire fighting efforts until regular personnel take over, (d) control main shutoff valves for gas, water and electricity and ascertain that no hazard results from broken gas, water mains or fallen electrical lines, (e) provide each classroom and the office with a site map indicating the locations for those various cut-off devices, (f) disburse supplies and equipment as needed, (g) provide fire exit routes on a school map along with directions to critical cut-off valves for utilities.
4. The school clerical staff shall (a) report a fire or disaster to the appropriate authorities, (b) answer telephones and monitor radio emergency broadcasts, (c) provide for the safety of essential school records and documents, (d) assist the on-site administrator as needed, (e) provide staff with a telephone tree for notifications while staff are off campus.
5. The school nurse shall (a) administer first aid, (b) supervise the administration of first aid, (c) organize first aid and medical supplies.
6. The cafeteria manager shall direct the use and preparation of the cafeteria stock and water supply whenever feeding of students becomes necessary during a disaster.
7. The bus drivers shall (a) supervise students if a disaster occurs while they are on the bus, (b) issue the DROP command as necessary while students are on the bus, (c) transfer students to a new location when directed by the principal, (d) assist the other staff in damage control.

FIRE

Fire Drills and Fire Signal

Fire alarms shall be electronic (continuous signal), or by written or verbal announcement.

1. Whenever the fire signal is given, all students, teachers, and other employees shall quickly leave the building in an orderly manner. Teachers shall close all windows and doors and ascertain that no student remains in the building.
2. Teachers shall be prepared to select alternate exits and shall direct their classes to these exits whenever the designated escape route is blocked.
3. Teachers shall maintain a class roster and identify any student in attendance but not present in their line.

When a fire is discovered in any part of the school, the following actions shall be taken:

1. The principal or designee shall sound fire signals.
2. The principal or designee shall call 911.

3. Students and adults shall leave the building and go directly to outside assembly areas.
4. Staff shall give students clear direction and supervision to remain calm.
5. In outside assembly areas, teachers shall take role, report missing students, and provide assistance to any injured students.
6. If the fire is extensive, students shall be taken to an alternate location for protective custody until parents/guardians can pick them up or until they can safely be transported to their homes.

BOMB THREAT

Signal: Fire bell, continuous sound, or verbal or written announcement

Receiving Threats:

Any staff member receiving a telephoned bomb threat shall try to keep the caller on the line so as to gather information about the location and timing of the bomb and the person(s) responsible. He/she should also try to determine the caller's gender and age and should take note of any distinctive features of voice or speech and any background noises such as music, traffic, machinery or other voices.

Staff members who customarily receive telephone calls or handle packages shall receive training related to bomb threats.

Procedures:

1. Any employee who receives a bomb threat shall immediately call 911 from a different phone and phone line and also report the threat to the principal or designee. If the threat is in writing, he/she shall place the message in an envelope and take note of where and by whom it was found. Do not use the telephone on which the threat was received until it has been cleared by the proper authority (law enforcement).
2. Any student or employee seeing a suspicious package shall promptly notify the principal or designee.
3. The principal or designee shall immediately use fire drill signals and institute standard evacuation procedures as specified in the emergency plan.
4. The principal or designee shall turn off any two-way radio equipment which is located in a threatened building.

Law enforcement and/or fire department staff shall conduct the bomb search. No other school staff shall search for or handle any explosive or incendiary device.

No staff or students shall reenter the threatened building(s) until the law enforcement and/or fire department staff advises the principal or designee that reentry is safe. Any student who makes a bomb threat shall be subject to disciplinary procedures.

STORMS, WINDS, FLOODS

SIGNAL: Continuous sound

When a major storm threatens, office personnel will use radio to learn about current conditions and warnings authorized by local government.

Winds: In the event of a storm generating extreme winds the following procedures will be observed:

1. When on campus (a) All students should be in the building, (b) Cover should be taken under desks, tables, etc., (c) Students and staff should stay away from windows and doors.

2. When off campus (a) if a tornado is identified, students and staff should drive at right angles from the storm's path if possible. If avoidance is not possible, cover should be taken and people should lie flat in the nearest depression, such as a ditch, culvert, excavations or ravine away from power lines and trees.

Floods: In the event that portions of roads within the attendance area become impassible due to water while students are under supervision of school personnel, the principal or designee shall attempt to notify parents/guardians of such conditions and will arrange for student dismissal to persons authorized by the parent/guardian. In the event that the school property becomes unstable due to rain or water flow, teachers shall take their class rosters and lead the class to the nearest viable shelter (Bangor Church).

EARTHQUAKE

Earthquake Emergency Procedures

Signals: intermittent signal, verbal or written announcement

When an earthquake occurs, the following actions shall be taken:

1. Indoors: Teachers shall have students perform drop procedure. (a) Take cover under a table or desk. (b) Drop to their knees. (c) Protect their head with their arms. (d) Face away from the windows. (e) Remain in position until advised by administration that emergency conditions are over, then leave the building in an orderly manner.

2. Outdoors: Teachers or supervisors shall guide students in the following procedures. (a) Direct students to walk away from buildings, trees, poles, or exposed wires. (b) Have students perform the drop procedure, covering as much skin surface as possible, closing eyes and covering ears. (c) Teachers, supervisors and students shall stay in the open until the earthquake is over, or until further directions are given.

3. Subsequent to the event: In outside assembly areas, teachers shall provide assistance to injured students, take roll, and report missing students to the principal or designee. The administrator shall request assistance as needed from civil defense, law enforcement or fire departments. He/she shall consider the possibility of aftershocks and shall determine the advisability of closing the school, with the advice of public officials, as appropriate. He/she shall post guards at a safe distance from all building entrances to see that no one reenters until the buildings are declared safe. Monitors may be custodians, teachers or students.

4. Following the earthquake: The principal and facilities personnel shall inspect all buildings for water and gas leaks, electrical breakages, large cracks and earth slippage affecting buildings. The principal shall notify utility companies of any break or suspected breaks in lines which may be present an additional hazard. If damage has occurred, the custodian shall shut off all utilities at the main valve. School staff or students shall not light any stoves or burners until the area is declared safe. Use of the telephone should be for emergency type calls only. Emergency information can be heard on 1410 AM. If the Principal believes that the school is damaged sufficiently to be a hazard, he/she shall request a county building inspector to check for structural failure and equipment adequacy. If that request is made, until the inspection is complete, the building shall not be occupied.

Lock Down Preparedness

Lock down alarm and/or message on intercom for teachers to: "Check your Email." The crisis will be identified and appropriate protocol will be addressed as a reminder to each teacher discreetly by Email.

1. Please make sure the windows are covered and the doors are locked and the black radio is turned on.
2. If the kids are in the yard: Students to proceed to following rooms:

Hayes + McDowell to McDowell

Bivens + Roenspie to Roenspie

Jordan + Huddleson to Huddleson

This will be part of our drill routines: In this way each room will have two teachers and a least one aide and be closer to restrooms. Siblings will probably be with each other, older students can buddy up with younger. These classrooms will have games, puzzles, videos, etc. on hand for diversion.

3. Check to make sure all students are accounted for. If some are out of the room contact the office regarding their potential return. Each classroom, library, computer, cafeteria will have an updated school/class roster to expedite roll call/calling home etc.
4. Students may use the upper grade restrooms with an escort who can unlock the doors for them, unless we are in the extreme and hiding under tables for shelter.
5. We will use the black radios to indicate the times that no one may leave the room and when seems best to be under the table.
6. Students not in their homeroom will be escorted by Principal/Maintenance to their teacher. Individual instruction in recourse/library/computer and counseling will resume after the all clear has been announced.
7. If meal time comes, you will be advised as to how the food will be served. Do not come to the lunchroom unless you are specifically cleared for that.
8. The all-clear signal will come from Dr. Severson, or Mrs. Huddleson in his absence, as they personally unlock the door and say "All Clear".
9. Do not respond to a knock on the door. School personnel who need to get into the room will have a key.
10. Please review the Emergency Preparedness Guidelines for more details.

Maintenance/Principal will:

- * Lock staff parking gate
- * Lock side driveway main entrance gate
- * Check that main pedestrian gate is locked

- * All doors locked on campus
- * Front of school patrol (until camera system is in place)
- * Escort students to designated combination rooms, students to be with homeroom teachers.
- * Distribute extra yard duty radios to classrooms

Office to:

- * Monitor phones/up date information to staff.
- * Distribute medications to students.

To Purchase:

- * Extra numbered keys to distribute to all staff members
- * 5 gallon bucket with potty lid/bags and TP. The bucket can hold first aide kit, crackers for snack each room.
- * A plan for converted privacy area using classroom materials and props.
- * Rooms fitted with peepholes with solid doors.
- * Deadbolt for cafeteria door to be locked from the inside.
- * Pedestrian gate extended to ceiling.
- * Side pedestrian gate, visible to office, fitted with entry buzzer heard in staff room.

Continue: To identify specific jobs with staff and chain of command list for possible absenteeism.

INTRUDERS / CAMPUS DISTURBANCES

Campus Disturbances

Signal: intermittent signal or verbal or written announcement "Boys cheerleading in room ??"

(firearms on campus, hostage situation) Room number indicates avoidance area.

General information

1. Only the principal or designee will communicate with the police, news media, etc.
2. During any disturbance, the present class period will be extended until further notice. Teachers will instruct all students to return to their classrooms for supervision, except for students who would approach the avoidance area.
3. Upon receiving a report that a student is in possession of a firearm, the person will immediately notify the principal or designee.

4. All staff members will follow the directions of law enforcement officials who will assume control when they arrive.
5. In the event you are confronted by an intruder, do not argue or antagonize him/her in any way. Keep your distance—do not attempt to trick or threaten him/her. Be aware for opportunities to talk the intruder into leaving or releasing his/her weapon or hostage.
6. Be constantly alert and prepared for violence. Initiate the “drop” order if needed.

Teachers and Noon Duty staff – Primary responsibility is for the safety of the students.

1. Upon receiving the signal for “secure building”, all teachers shall lock their classroom doors, pull drapes, follow “drop” procedure and keep student inside the room until further instructions.
2. Direct evacuation of students to designated assembly area when notified to do so.
3. Make sure the routes of leaving are safe.
4. If during non-class time, find your students.
5. If on recess duty, take charge of students and keep them in a safe area until their teachers come.
6. Take roll when the class regroups at the designated assembly area. Report to principal if there are unaccounted for students.
7. Provide first aid care, either directly or by getting necessary help.
8. If students are outside and firearms are discharged, direct students to “drop, cover, and hold”.

Cafeteria Manager

1. Upon receiving the signal for “secure building” lock all doors, move students away from window view, keep students inside until further instruction.
2. Leave and secure building when possible, secure to prevent unauthorized re-entry.
3. Report to principal any students who remain under your supervision.

Principal/Designee

1. The principal shall determine when and if the emergency plan should be initiated.
2. The signal to alert all staff will be “Mr. Grady, come to room (??)”
3. The signal to reverse the alert will be “Mr. Grady, cancel that.”
4. If there are firearms or an intruder, the principal will call 911.
5. The principal or designee will coordinate release or evacuation of students when appropriate.

MISSING STUDENT – POTENTIAL ABDUCTION

1. In the event a student is missing, school personnel should immediately notify the school office of the student’s name and last known location. The sign-out book will be checked first.

2. Available school staff will immediately conduct a search of restrooms, cafeteria and auxiliary classrooms.
3. If the student is still missing he/she may be in another classroom or in a pull-out service. In order to locate the student, all students and teachers on campus will be directed to return to their classroom using the intermittent audible signal, or by verbal or written announcement. Teachers will be informed of the situation. At this time a call to 911 will be initiated. Students in a pull-out, such as speech or counseling, (not special ed) will return to their home room with the adult for roll call.
4. Each teacher will immediately take role and notify the office of any other missing or extra students. Students will remain in the classroom without exception until an all-clear signal is given. At this time parents will be notified if their child is unaccounted for.
5. In the event that the student is still not located, the principal or designee will determine whether there exists a situation hazardous to the other students. At this point, the all clear signal may be given at the discretion of the administrator so as to cause as little trauma to the students as possible.
6. If a conditional all clear signal is given verbally, students may use the restroom on the interior of the campus using a buddy system, but only two at a time. Otherwise, all students should remain in the classroom.
7. It may be necessary to interview individual students or groups of students in the classroom, or in the office. Under these circumstances an adult will accompany a student to the office and back to class. Do not send them on their own.
8. The principal or designee will remain in the office for coordination purposes. The administrator will work with law enforcement and other public agencies to affect appropriate procedures under law enforcement's direction.
9. In the event the student is located on campus, law enforcement will be notified that the situation has been resolved.
10. If law enforcement believes the student may have been abducted, teachers will call the home of each of their students to inform parents of the situation and request that they personally meet the school bus. No student will be released at a bus stop without their parent/guardian or a pre-approved parent representative there to take the child.
11. Students who have not been picked up by parents/guardians will return to the school site where personnel will supervise them until parents or authorized public agencies take over.

CHILD ABUSE

Child Protective Services 879-3809

Important First Steps for...

Sexual Assault (child assaulted on or near school property)

1. Accompany victim to safe place at school and remain with him/her.
2. Protect evidence of sexual assault.
3. Notify parent, CPS, police (911) and/or school nurse without delay.
4. Once student has been cared for, notify Superintendent.
5. Complete a Child Abuse and Neglect Report if a family member is involved.

Sexual Abuse (suspicion of past sexual incidents)

1. Notify school nurse immediately.
2. Notify CPS.
3. Leave notification of family to CPS.
4. Notify principal.
5. Complete a Child Abuse and Neglect Report.

Suspected Physical Abuse or Significant Neglect

1. Notify school nurse immediately.
2. Notify CPS.
3. Notify Principal.
4. Complete a Child Abuse and Neglect Report.

In case of a possible rape:

1. Do not wash clothes or victim's body or underwear.
2. Do not allow victim to wash or wipe the body.
3. Do not wipe away dirt, semen or dried blood.
4. Stay with the victim and reassure him/her of safety.

Remember: Failure to report even suspected child abuse is now a gross misdemeanor. Protect the victim and yourself.

PARENTAL RIGHTS

Building principals sometimes find themselves in the middle of a struggle over a child between estranged/divorced parents. There may be fears that the child could be snatched from school and taken to an unknown location. Be certain that all office personnel understand both the rights of parents and the procedures to follow:

1. Both natural parents have the right to:
 - a. view the child's school records
 - b. receive school progress reports
 - c. visit the child briefly at school\
 - d. participate in parent/teacher conferences (not necessarily together in the same conference). ONLY a legal document (i.e. final divorce decree which includes specific denial of visitation rights, or restraining order denying visitation rights) can prevent a parent from participating in activities names above.
2. For the school's purposes, the parent who resides with the child is known as the Custodial Parent. If both parents claim to be the custodial parent, enrollment records would be examined. The parent who enrolled the child is considered the custodial parent until a legal document naming the custodial parent can be provided to the school.

3. While both parents can see the child at school, only the custodial parent has the right to remove the child from school property. If the non-custodial parent asks to take the child from the school, follow these steps:

a. The principal is to explain that the school staff is responsible for the child's welfare while at school. In front of the non-custodial parent, telephone the custodial parent and explain the request. If the custodial parent agrees, then comply with the request.

b. If the custodial parent objects, explain the rights of both natural parents. Confirm that the school will allow a brief visit and describe the conditions so that both parents hear the information. Emphasize that the child must stay in the office area for the visit and will return to class afterward and will not leave school property.

c. Send for the child to come to the office; do not send the parent to the classroom. Explain to the child how the visit will be handled. Emphasize that you will return the child to class when the visit is finished. Provide a place for the visit which will be observed by office staff. Escort the child back to class after the visit.

UTILITY: MAJOR SYSTEM FAILURE

Utility or Major System Failure

1. Power failure: Site administrator notified staff and appropriate community agency.

2. Downed power lines or broken gas mains

evacuate the area of the line or areas down wind from leaks.

Do not touch or move downed power lines.

Call school administration immediately to notify Buildings and Grounds

3. Main telephone failure.

Use nearest operational phone. (Cell phone, pay phone, residence)

Call school administration.

4. Water service disruption.

Do not use water facilities if service is not available.

Contact school administration to notify Building and Grounds.

Reduction of the school day or closure of a school can only be made with approval from the Superintendent or designee.

District administration should coordinate with all departments to mitigate negative effects.

Exhibit H

Parental Involvement

Feather Falls School Association (FFSA), Student Council, and Feather Falls Site Council (FFSC) offer continuous opportunities for parental, student, and community involvement. The Student Council and School Associations plan and fund field trips and traditional activities throughout the school year, while the Site Council oversees all state and federal school funding bases.

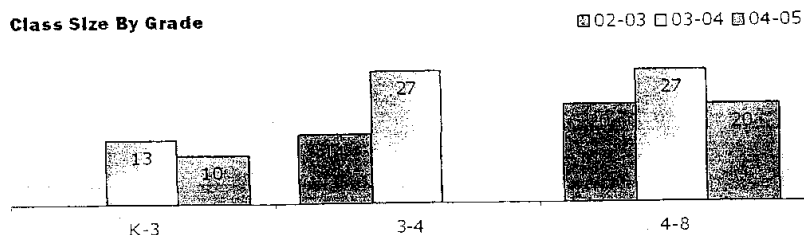
The Feather Falls Site Council is comprised of elected officials who represent the community, teaching staff, classified staff and administration of the school. The Council meets monthly to monitor the School Site Plan, Technology Plan, all state and federal categorical fundings, and to work with the staff and School Board on policy development.

FFSA and FFSC meeting schedules are determined by a parent vote held at the beginning of each year. Please contact the Ms. Deborah Nelson, Principal, at (530) 589-1810, extension 704 for the current year's scheduled meeting dates and times.

Class Size

The three-year data for average class size is displayed below.

Class Size By Grade



Class Size Distribution — Number of Classrooms By Size									
	2003			2004			2005		
Grade	1-20	21-32	33+	1-20	21-32	33+	1-20	21-32	33+
K-3				1			2		
3-4	1				1				
4-8	1				1		2		

Class Size Reduction

Funding is provided to participating school districts to decrease the size of K-3 classes to 20 or fewer students per teacher. The table at right shows the percentage of students enrolled in a Class Size Reduction classroom for each grade level.

Class Size Reduction			
Grade Level	02-03	03-04	04-05
K	N/A	100%	100%
1	N/A	100%	100%
2	N/A	100%	100%
3	N/A	100%	100%

N/A Information not available.

Minimum Days and Instructional Minutes

The table at right shows the minutes of study for grades K-8.

Feather Falls Elementary School had 38 minimum days (early release) per year designated for staff development and parent-teacher conferences.

Grade Level	Instructional Minutes Offered	State Requirement
K	39,440	36,000
1-3	55,170	50,400
4-8	55,170	54,000

School Safety

Our School Safety Plan is reviewed yearly and with each new employee upon hire.

The School Safety Plan was last reviewed, updated, and discussed with the school faculty in August of 2004.

Our plan includes fire and earthquake drills, school wide lock down procedures, and escape route practices for fire, earthquake, explosion, or human threats. Portable First Response emergency bags are in each classroom in case of emergencies, and can be taken with the groups as needed in the event of an evacuation. Two fully equipped first aid cabinets are maintained in the hallway by the kitchen and in the staff workroom/infirmary. Our bus also has a First Aid kit. Our Student Handbook outlines our emergency procedures. We are a FEMA site and cooperate with other county officials to provide community safety protection in the event of a local disaster.

Instruction and Leadership

Our principal, Ms. Nelson, has her master's degree in educational management from LaVerne University and has certificates from the California Leadership Academy and AB75 Principal Training opportunities offered by our state. She has been involved in school leadership since 1997 and has been our principal since 2000. She has held a multiple subjects grades K-12 credential and taught since 1982. She has teaching experience in all grade levels K-12, as well as Adult Literacy. She was the County Curriculum Liaison for Bangor Elementary from 1989-1999, participating in the county and state development of language arts, math, science, and social studies Standards; is certified in all subjects as a "teacher of teachers"; is a Beginning Teacher Support provider; Intern Support provider for Chico State University; has developed standards-based report cards used by both our school and as samples for many other schools throughout the state; and is grant writing and reading certified at the state level. She has a degree in Human Services and was involved in social work before becoming a teacher.

Continued on page 4

Exhibit I



**American
Red Cross**

AGREEMENT TO PERMIT THE USE OF A FACILITY AS A RED CROSS EMERGENCY SHELTER

Effective Date: Upon execution.

Expiration Date: None. Owner or Red Cross may terminate the agreement upon 30 days' notice.

Owner: [legal name of Owner of facility] ***

Owner's 24 Hour Point of Contact (name and cell phone number)

Primary: ***

Alternate: ***

Owner's Address for Legal Notices: ***

Red Cross: The American National Red Cross, a not-for profit corporation under the laws of the United States.

Red Cross, 4 Hour Point of Contact (name and cell phone number)

Primary: Susan Tiffany (530) 673-1460 or (530) 701-2390

Alternate 1: John Williams (530) 674-8891

Alternate 2: Rachel DeValle (530) 891-0885 or (530) 680-5147

Red Cross, address for Legal Notices: The American National Red Cross, Three Rivers Chapter (Butte/Glenn Branch), 633 Orange St. Suite 3 Chico, Ca 95928 with a copy to The American National Red Cross, Office of the General Counsel, 2025 E Street, N.W., Washington, D.C. 20006 and with a copy to The American National Red Cross, Disaster Operations, 2025 E Street, N.W., Washington, D.C. 20006;

Red Cross, address for invoices: PO Box 142 Yuba City, Ca 95991, with a copy to: Facilities Associate, Field Logistics, The American National Red Cross, Disaster Response 2025 E Street, Washington, D.C. 20006.

Name and address of Shelter: ***

OWNER

Feather Falls School District

By: Deborah J. Nelson

Name: Deborah J. Nelson

Title: Superintendent

Date: 4/25/2007

RED CROSS:

The American National Red Cross

By: _____

Name: Martha Griese

Title: Chapter CEO

Three Rivers Chapter

Date: _____

RC
ARC

TERMS AND CONDITIONS

This Agreement is made for the temporary use of a facility designated by Owner for use as a public shelter during a declared or undeclared natural disaster or other condition or event requiring the activation of the disaster relief functions of The American National Red Cross (referred to as an "Emergency"). The parties desire to reach an understanding that will result in providing the facility owned by the Owner to the Red Cross to operate an emergency shelter for the benefit of Owner's community.

1. Owner's Responsibilities.

- (a) Owner has identified the facility, and Red Cross has determined that the facility may be suitable for use as a public shelter, or staging area, or for other purposes in connection with disaster relief operations. (The facility is referred to as the "Shelter"). Upon request by the Red Cross (which may be made orally or in writing) Owner will make the facility available to Red Cross for use as a Shelter.
- (b) Owner will appoint a person to coordinate the Owner's activities (This individual is referred to as the Owner's "Facility Coordinator"). The Facility Coordinator will coordinate the use of the Shelter with the Red Cross's designated official. (The Red Cross official is referred to as the "Shelter Manager"). The Facility Coordinator and the Shelter Manager will collaborate to resolve questions regarding Shelter operations. The Facility Coordinator and the Shelter Manager will jointly conduct a pre-inspection survey of the Shelter before it is turned over to the Red Cross. The pre-inspection survey, attached as Exhibit A, will be used to identify and record any existing damage or conditions. The Facility Coordinator will secure all equipment that is not supposed to be used by the Red Cross in the operation of the Shelter.
- (c) The Facility Coordinator will, on request and if feasible, designate a "Foodservice Manager" to establish a feeding schedule and determine foodservice inventory and supply needs. The Facility Coordinator also will, on request and if feasible, designate a Facility Custodian, to establish and direct the sanitation inventory and supply needs. The Shelter Manager and the Facility Coordinator will jointly coordinate a work schedule for any personnel who are not Red Cross employees, volunteers, or contractors. If it is not feasible for one or both of a Foodservice Manager or a Facility Custodian to be designated by the Facility Coordinator, the Facility Coordinator will inform the Shelter Manager, who may obtain such services by contract.
- (d) At the direction of and in cooperation with the Shelter Manager, the Foodservice Manager will provide the food and supplies needed for meals at the Shelter site. If, in the opinion of the Shelter Manager, additional food or supplies are needed, the Shelter Manager will coordinate the procurement of the additional food or supplies. Red Cross will pay or reimburse Owner for all food and supplies as approved by the Shelter Manager and used in the course of operating the Shelter.
- (e) The Facility Custodian will provide sanitation services and supplies for custodial care at the Shelter as directed by the Shelter Manager. The Facility Coordinator or Facility Custodian will order and provide all additional sanitation and custodial supplies and services as shall be determined by the Shelter Manager. Red Cross will pay or reimburse Owner for all sanitation supplies as approved by the Shelter Manager and used in the course of operating the Shelter.
- (f) Red Cross is not responsible for police or public safety at the Shelter. Any private security services that are to be the responsibility of Red Cross must be arranged under a separate agreement. Shelter population shall be exclusively the role of Red Cross. Owner shall not distribute or reveal any information concerning occupants of a Shelter without the express written consent of the Shelter Manager. No press releases or other information shall be disseminated without the express written consent of the Shelter Manager. Owner will refer all media questions related to the Shelter to the Shelter Manager.
- (g) Within thirty (30) days after the close of a Shelter, the Facilities Coordinator shall submit to the Red Cross all invoices to the address above. Invoices backup must include a list of the Shelter operations personnel and hours worked at the Shelter, and details on any materials or goods used or consumed.

2. Red Cross's Obligations.

- (a) The Red Cross Shelter Manager has primary responsibility for the operation of the Shelter. Red Cross will provide additional Red Cross staff and volunteers to carry out the activities of the Shelter. Red Cross will post signs identifying the Shelter. Red Cross will remove all Red Cross signs when the Shelter is closed. Red Cross and all of its agents, and employees, and volunteers will exercise reasonable care in the operation of any Shelter.
- (b) Storm damage or other damage caused by the Emergency is not the responsibility of Red Cross. Red Cross reimburses personnel costs at actual current per hour straight time rate for instruction, custodial, maintenance, and food service. Red Cross will reimburse Owner for the reasonable actual out-of-pocket costs and expenses for operational expenses, including the replacement of food, supplies, equipment. Property damaged, lost or stolen due

to the negligence of Red Cross will be compensated based on depreciated actual cash value. Reimbursement for any extraordinary or capital expenses (including without limitation painting, carpeting, wiring, and structural work) will be limited to replacement at actual cash value of the property. In such cases, Red Cross will select from among bids from at least three reputable contractors.

(c. Red Cross will notify the Owner or Facilities Coordinator of the closing schedule for the Shelter. After the Shelter has been closed, the Facility Coordinator and the Shelter Manager will conduct a post-disaster facilities survey to ensure that the Shelter is returned to the Owner in the same condition as it was when it was opened, ordinary wear and tear excepted. The form to be used for this post-operation survey is Form 6556 (Release of Facility) attached as Exhibit B.

Exhibits A and B

Exhibit A: https://crossnet.redcross.org/office/forms/disaster_6564_shelter_Shelter-survey.doc

Exhibit B: https://crossnet.redcross.org/office/forms/disaster_6556_release_of_Shelter.pdf

Exhibit J

EMERGENCY PROCEDURES

- (h)** Evacuate classroom/rooms bearing full force of wind.
- (i)** Keep tuned to a local radio station for latest advisory information.
- (j)** Take roll.
- (k)** Notify utility companies of any break or suspected break in gas, electric and water lines.

DANGEROUS PUPIL REPORTING PROCEDURES

The Feather Falls Union School District Board of Trustees shall inform the ^{Teacher} of each pupil, who has engaged in, or is reasonably suspected to have engaged in, any of the acts described in any subdivisions of Education Code Section 48900. The district shall provide the information to the teacher based upon any records that the office maintains in its ordinary course of business, or receives from a law enforcement agency, regarding a pupil described in this section.

Any information received by a teacher pursuant to this section shall be received in confidence for the limited purpose for which it was provided and shall not be further disseminated by the teacher. (Adapted from Education Code Section 49079)

BOMB THREAT

The vast majority of bomb threat telephone calls and notes are hoax or prank calls, however, all such threats must be handled quickly and efficiently. Responsibility for determining the exact course of action in each case should remain with the principal. The person answering the telephone will calmly signal to another person to call the sheriff on another line. She/he will keep the caller talking as long as possible noting the following information if possible:

- (a) Exact time.
- (b) Exact date of call.
- (c) When is the bomb going to explode?
- (d) Where is the bomb located?
- (e) What does it look like?
- (f) What kind of bomb is it?
- (g) What will cause it to explode?
- (h) Did you place the bomb? Why?
- (i) What is your name? Address?
- (j) Kind and quality of voice. Familiar?
- (k) Sex and age of caller.
- (l) Background noises.
- (m) Threat language

The person receiving the call will, after the caller has hung up, report all the information to the principal and plan to forward the information to the sheriff's department.

The Principal or his designee will sound the fire alarm.

CHEMICAL SPILL

Classroom teachers will be instructed by the Principal of procedures necessary depending upon the nature of the spill.

The Public Safety Office (911) will be notified of the incident and asked to notify the Hazardous Materials Response Team to intervene at the spill site.

Leave building only when told to do so and travel away from the spill in an upwind direction.

CIVIL DEFENSE AND EVACUATION

Upon notification by the Superintendent or Principal or a designee, school will be dismissed. Students are to proceed to their homes as rapidly and carefully as possible.

Students having bicycles will get their bikes and ride directly home.

Bus riders will go immediately to the bus boarding area.

Under no circumstances will students be permitted to return to their rooms or any part of the buildings.

Once students are cleared from the campus, all personnel will evacuate the buildings and proceed home or to other assignments.

CRIME IN PROGRESS

If you are in the area of a crime in progress, do not attempt to apprehend or interfere with the criminal except for self-protection. If you have students with you ~~have students with you~~ and the assailant is in possession of a gun, advise the students to **DROP, COVER, AND REMAIN MOTIONLESS**. If the assailant does not have a gun, move students away from the scene of the crime in an orderly fashion. *Seek shelter, Lock Doors, Close shades and if available use "All Call" phone system to obtain help.*

EARTHQUAKE EMERGENCY PROCEDURE

Students and staff immediately **DUCK, COVER & HOLD** taking protective position under desks or furniture with backs to windows (protective position means drop to knees; clasp both hands behind the neck; bury face in arms; make body as small as possible; close eyes; and cover ears with forearms.)

Inside of Building:

- (a) Try to avoid glass and falling objects. Move away from windows where there are large panes of glass and out from under heavy suspended light fixtures.
- (b) When earthquake is over, move students and staff from inside school building to an outside area of safety. Special consideration should be given to exit routes to avoid heavy, unsecured objects or poorly supported architecture or materials that may fall on the evacuating students.
- (c) Do not light any fires after the earthquake. Gas lines may be ruptured.
- (d) Avoid touching fallen electrical wires.
- (e) Render first aid to injured, if necessary.
- (f) Call 911.
- (g) Notify utility companies of suspected breaks in gas, electrical or water lines.

- (h) The principal/Superintendent will determine the advisability of closing the school or building.
- (i) The teacher, or other person in authority, implements protective action.
- (j) The safest place in the open. Stay there until the earthquake is over.
- (k) Move away from buildings, trees and exposed wires.
- (l) **DO NOT RUN.**

On the School Bus:

- (m) If possible, the bus driver will pull to the side of the road away from overhead wires, buildings and overpasses, and then implement protective action. On a mountain road, the side of the road may not be the safest place, hence the bus driver should quickly consider the terrain before deciding where to stop.
- (n) Set brakes.
- (o) Turn off ignition.
- (p) Wait until earthquake is over.
- (q) Contact the appropriate school official for instructions.

*We do not lock doors.
It could interfere with
rescue efforts.*

EMERGENCY FIRE PROCEDURE

Teachers are to lock classroom doors and take roll books to the designated safe area.

The principal may initiate emergency actions, which will allow for the following, as appropriate:

Fire within the School Building:

- (a) Sound the school fire alarm.
- (b) Orderly movement of students and staff to an area of safety outside of the building. The teacher will designate an alternate evacuation route from the classroom in the event the designated evacuation route is blocked. If the room is filled with smoke, crawl, do not walk to the exit.
- (c) Move to an area of safety and maintain control of students and staff.
- (d) Render first aid to injured as necessary.
- (e) Notify the fire department.
- (f) Notify the sheriff's department.
- (g) Fight incipient fires without endangering life.
- (h) Keep access roads open for emergency vehicles.
- (i) Take roll.
- (j) Notify utility companies of a break or suspected break.
- (k) Dismissal of all classes.
- (l) Return of students to their homes by the most expeditious means.
- (m) Students and staff will not return to the school until fire department officials declare the area safe.

Fire Near School:

- (n) Orderly movement of students/staff from inside the building to an outside area of safety.
- (o) Determine whether students and staff should leave the school grounds.
- (p) Move to an area of safety and maintain control of students and staff.
- (q) Load students and staff into school buses, cars and other means of transportation, taking them from an area of danger to an area of safety.
- (r) Students and staff will not return to the school/building until fire department officials declare the area safe.

- (c) Orderly movement of students and staff from inside school building to an outside area of safety.
- (d) Render first aid to injured as necessary.
- (e) Notify the fire department.
- (f) Fight incipient fires without endangering life.
- (g) Take roll.
- (h) Notify utility companies of a break or suspected break.
- (i) Students and staff will not return to the school until fire department officials declare the area safe.

Threat of Explosion:

- (j) Sound the school fire alarm.
- (k) Orderly movement of students and staff from inside the build to an outside area of safety.
- (l) Move to an area of safety and maintain control of students and staff.
- (m) Render first aid as necessary.
- (n) Notify the fire department.
- (o) Notify the sheriffs department.
- (p) Take roll.
- (q) Students and staff will not return to the school until fire department officials declare the area safe.

FLOOD, DAM OR LEVEE FAILURE

Depending on the type of flood (dam failure, levee breaking, unusually high rainfall, etc..) risk, the flood warning would usually come from the Department of Water Resources. They would contact the Office of Civil Disaster, County Sheriff's Office or policy Department and announce the issue and details via the Emergency Broadcasting System. This information would then be distributed to the staff. The extent of the flood and the amount of time before it arrives will dictate the course of action to be taken. The principal may initiate emergency actions which allow for any of the following as appropriate.

- (a) Dismissal of all classes.
- (b) Return of students to their homes by the most expeditious means.
- (c) Orderly movement of students and staff from inside the build(s) to an outside area of safety.
- (d) Loading of students and staff into school buses, cars and other means of transportation and taking them from an area of danger to an area of safety.
- (e) Provide care for students at school.
- (f) Dismissal of all classes and preparation of school for conversion into an emergency hospital, first aid stations or congregate care center. Conversion of school into one of these facilities would be initiated only upon request of local emergency preparedness officials or the American Red Cross.

HAZARDOUS MATERIALS

Hazardous material incidents of disaster magnitude will include tank truck accidents, railroad car accidents and storage tank accidents, etc., involving large quantities of hazardous materials. Should such an incident endanger the students or staff, the principal may initiate emergency actions which allow for the following:

- (a) Orderly movement of students and staff from inside building to an inside area of safety (depending upon material.)
- (b) Orderly movement of students and staff from outside the building to an inside area of safety (depending upon material.)
- (c) Move crosswind or upwind to avoid fumes.
- (d) Maintain control of the students/staff at a safe distance.
- (e) Render the first aid to injured, as necessary.
- (f) Notify the fire department.
- (g) Take roll.
- (h) Students and staff should not return to the school/building until fire department officials declare the area safe.

KIDNAPPING

If time and conditions permit, the principal may initiate emergency actions that will allow for the following as appropriate:

- (a) Question all students and staff in the area on actions taken by abductor and abducted student/staff.
- (b) Notify the sheriff's department. (dial 911.)
- (c) Notify the parent/legal guardian of student/staff.
- (e) Orderly move all students to an area of safety.

SEVERE STORMS

If time and conditions permit, the principal may initiate emergency actions that will allow for the following as appropriate:

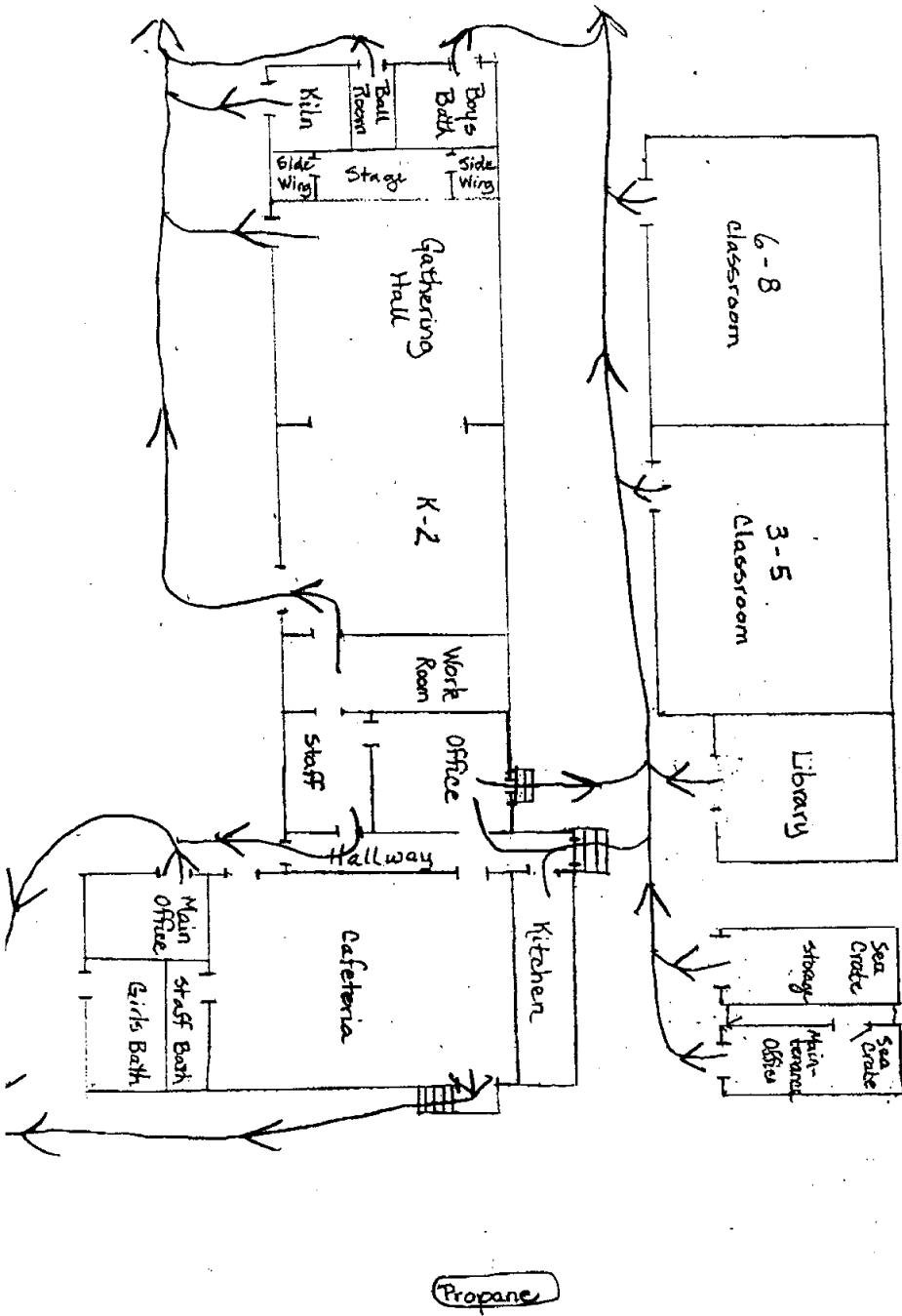
- (a) Dismissal of all classes.
- (b) Return of students to their homes by the safest and most expeditious means, if possible.

If a severe storm develops during school hours, with little or no warning, the principal may initiate emergency actions which allow for the following as appropriate:

- (c) Assemble students and staff inside shelters or building.
- (d) Take precautions to minimize the possibility of flying objects such as shattered glass or venetian blinds.
- (e) Close windows and blinds.
- (f) Students and staff remain near an inside wall, on the lower floors, if possible.
- (g) Avoid auditoriums, gymnasiums and other structures with unsupported spans.

ASSEMBLE ON
LOWER PLAYGROUND
OFFICE AND KITCHEN
STAFF ASSEMBLE NEAR
FAC POLE

EVACUATION ROUTES



↖ N

Well

Exhibit K

04-61457 Golden Feather Union School District – Enrollment over time

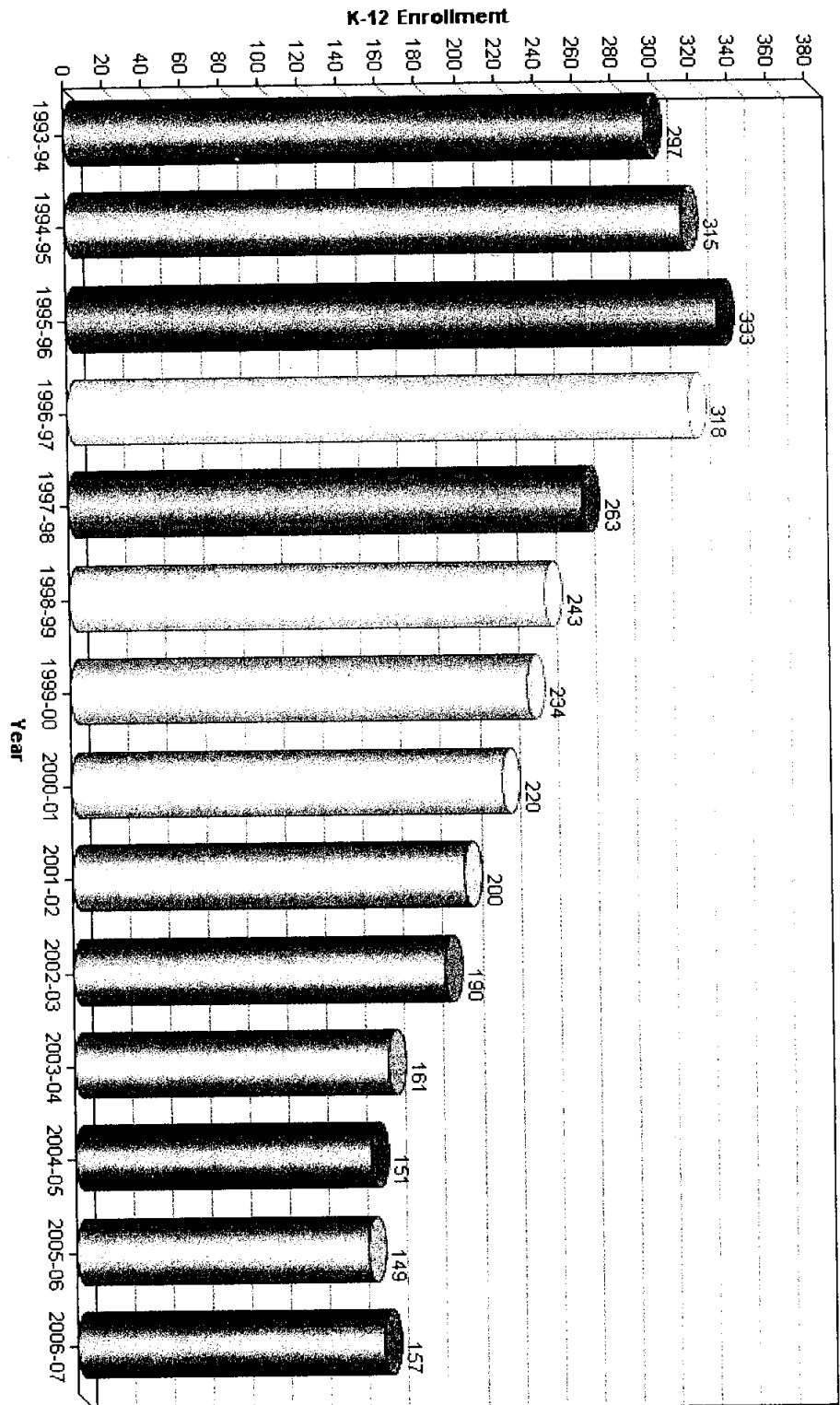


Exhibit L

On Site Programs: District Programs

After School Program Butte County Office of Education

Special Education and Special Day Program

PEN Counseling

Speech

Title I

Sports Program

- Flag Football
- Basketball Boys and Girls
- Cheerleading

Student Council Both Sites

Dental Van Program Butte County Office of Education

EMERGENCY EVACUATION PROCEDURES CONCOW AND COMMUNITY DAY SCHOOL

Circumstances Necessitating Evacuation of School:

When it is determined that it is necessary to evacuate the students from Concow School and Community Day School, the following procedure will be enacted:

- A. When students are outside, a bell will be sounded and all students will report to their respective homeroom classes.
- B. The homeroom teacher will take roll. Any absences will be reported to the office.
- C. Students will be escorted by the classroom teacher in class groups to the bus-loading zone and will board each bus in succession from the first to last. The teacher will bring the roll sheet and will also board and ride the bus to assist in maintaining order.
- D. When the buses are loaded they will proceed via the safest route to Spring Valley School where the students will go to the cafeteria. Students will remain in class groups.
- E. The superintendent will have notified local area news media, both radio and television, of the evacuation as well as the Office of Emergency Services. The notification will include a phone number and where the students may be picked up, after authorization to release students has been given by the designated school officials (KPAY 1290AM or 95.1FM, KHSL TV-Channel 12).
- F. The school secretary will follow the buses to Spring Valley School. She will take the student emergency cards, school attendance registers, and a cellular phone.
- G. When all personnel and students have been evacuated, the school principal and Director of Maintenance/Operations & Transportation will make a sweep of the school, securing all exterior doors as they leave.
- H. All district personnel will report to Spring Valley School to assist until such time as the students can be safely taken home or are picked up by parents.
- I. Because it is imperative that school site phone lines are available for communications with the Office of Emergency Services and other emergency personnel, parents are instructed to please not place calls to the school, district office, or transportation department.

Circumstances Where Evacuation Is Not Advisable Or Is Impossible:

When it is determined that an emergency condition exists whereby evacuation of students is not advisable or is impossible, the following procedures will be instituted:

- A. The Director of Operations/Maintenance & Transportation will call the County Office of Emergency Services and report the nature of the problem, the severity of conditions, and the reasons why evacuation is inadvisable or impossible.
- B. The Director or designee will notify the local news media, both radio and television, of conditions and procedures being followed.
- C. A bell will be sounded and all students will report to their homeroom class where roll will be taken and the school notified of any absences.
- D. In the event that power has not been lost, the students will be allowed to remain in class during daylight hours. At dusk, or if power has been lost, the students will be taken to the cafeteria where they will be fed an evening meal.
- E. Students will remain in the cafeteria until such time as it is determined by OES that they can be safely evacuated or taken home. In any event, students will remain under the direction of their teacher until they are released to their parents via checkout through the appropriate school administrative official. Teacher will not have the authority to release students to parents.

In the event of loss of power, it is possible to provide lighting to the cafeteria. The cafeteria also allows the students to be consolidated in one area should another type of evacuation be mandated by the Office of Emergency Services.

EMERGENCY EVACUATION PROCEDURES

SPRING VALLEY SCHOOL

Circumstances Necessitating Evacuation of School:

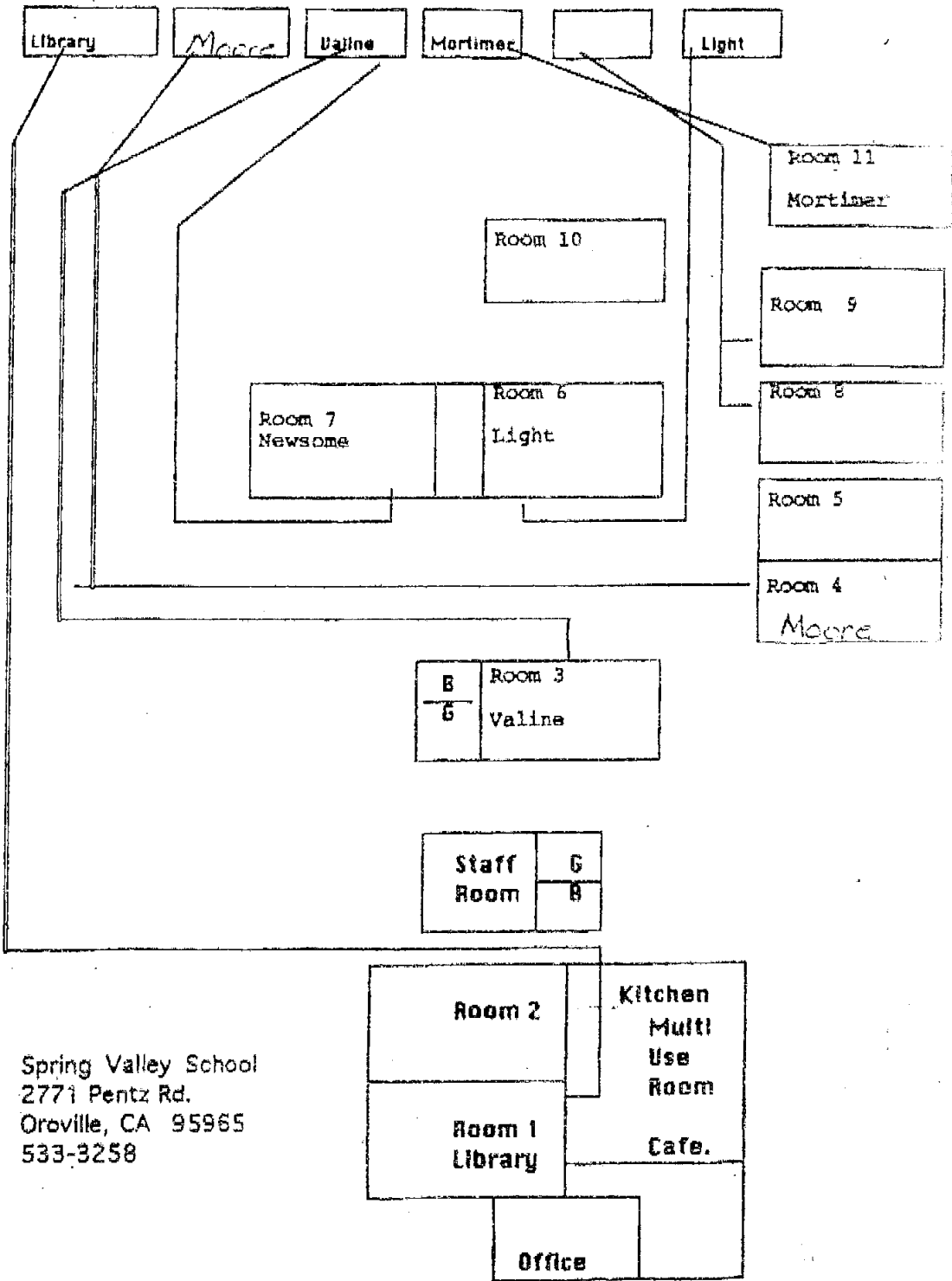
When it is determined that it is necessary to evacuate the students from Spring Valley School, the following procedures will be enacted:

- A. When students are outside, a bell will be sounded and all students will report to their respective classrooms.
- B. The classroom teacher will take roll. Any absences will be reported to the office.
- C. The principal will notify the superintendent. The superintendent will notify local area news media, both radio and television, of the evacuation, as well as the Office of Emergency Services. The notification will include a phone number and where the students may be picked up. (KPAY 1290AM or 95.1FM and KHSL TV, Channel 12)
- D. The principal will request bus transportation from Concow School. If unavailable, transportation would be by whatever means available (private vehicles, Butte College transportation, walking). In the event Butte College transportation and facilities are not available, Thermalito School District will provide transportation and facilities.
- E. Students will be escorted by the classroom teacher in class groups to the bus loading zone and will board each bus in succession from the first to last. The teacher will bring the roll sheet and will also board and ride the bus to assist in maintaining order.
- F. When the buses are loaded, they will proceed via the safest route to Butte College. If Butte College is not available, the students will be bused to Nelson Avenue School in Thermalito. Students will stay in class groups.
- G. The school secretary will follow the buses to the evacuation site. She will take the student emergency cards, school attendance registers, and a cellular phone.
- H. When all personnel and students have been evacuated, the school principal and Director of Maintenance and Transportation will make a sweep of the school, securing all exterior doors as they leave.
- I. All district personnel will report to the evacuation site to assist until such time as the students can be safely taken home or are picked up by parents. Students will only be released by check-out through the principal's office. No teacher will be authorized to release students.

Circumstances Where Evacuation Is Not Advisable Or Is Impossible

When it is determined that an emergency condition exists that would necessitate the students being evacuated, and such a procedure is not possible, the following will be enacted:

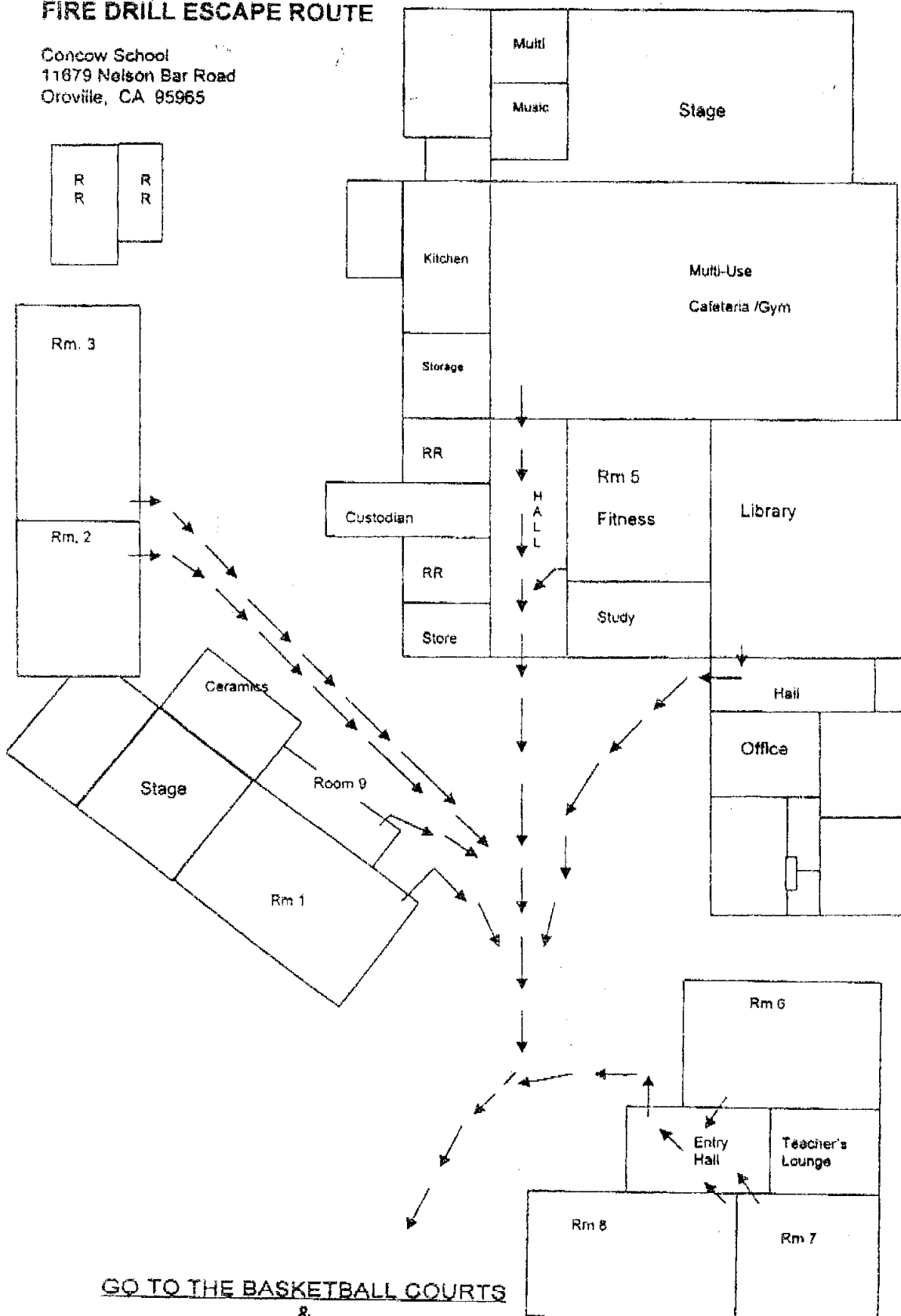
- A. The principal will notify the superintendent and Director of Maintenance regarding the problem and severity.
- B. The Director Operations/Maintenance & Transportation will call the Butte County Office of Emergency Services and report the nature of the problem, the severity of conditions, and if emergency evacuation will be needed.
- C. The Director or his/her designee, will notify the local news media, both radio and television, of conditions and procedures being followed. (KPAY 1090AM or 95.1FM and KHSL TV-Channel 12)
- D. A bell will be sounded and all students will report to their classes where roll will be taken and the office notified of any absences.
- E. Students will remain in class during daylight hours. At dusk, students will be taken to the multi-purpose room where they will be fed an evening meal. They will remain in the room for the night.
- F. Students will remain in the classroom or multi-purpose room, depending on situation, until such time as it is determined by the Office of Emergency Services that they can be safely evacuated or taken home. In any event, students will remain under the direction of the principal until they are released to their parents.
- G. Parents will receive information through the media (radio and television) as to when the students will be able to be released to their parents. This authorization for release will come from the Office of Emergency Services. No release of students will take place until such authorization has been given.
- H. Because it is imperative that school site phone lines are available for communication with the OES and other emergency personnel, parents are instructed not to place calls to the school, district office, or transportation department.

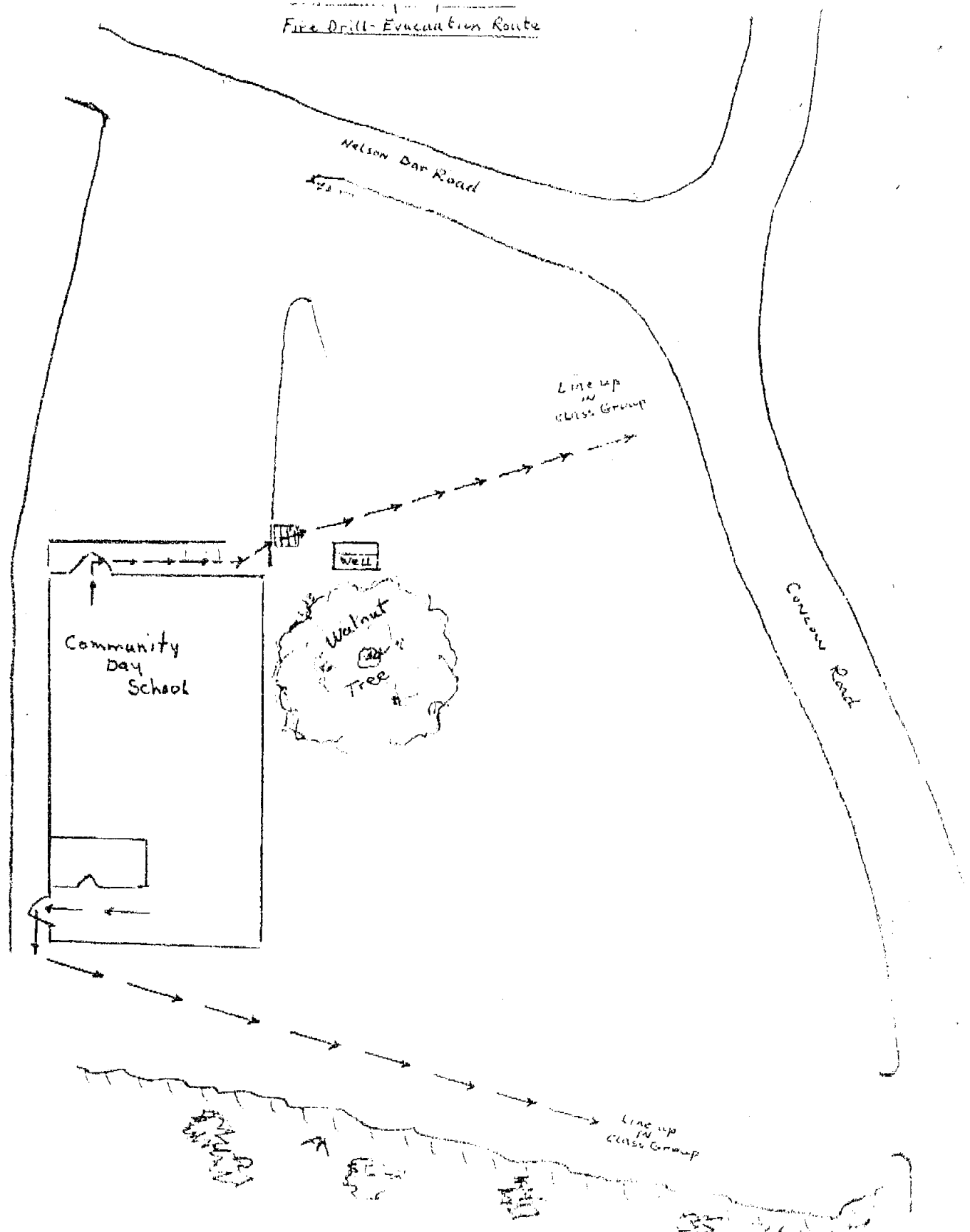


Spring Valley School
2771 Pentz Rd.
Oroville, CA 95965
533-3258

FIRE DRILL ESCAPE ROUTE

Concow School
11679 Nelson Bar Road
Oroville, CA 95965





Palermo Drainage Ditch: Whose Responsibility Is It?

Reason for Investigation

A complaint was filed with the 2006-07 Grand Jury regarding a water drainage ditch in Palermo that is rarely cleared of weeds, trees, etc. This growth causes the ditch to repeatedly overflow its banks in some locations, thus causing water damage to one house and threatening another. According to the complaint letter, the last time the ditch was cleared out by the county was about six years ago.

Background

When the ditch and retention pond were built by Butte County with FEMA funds many years ago, no provision was made for the maintenance of the flood control system. The ditch runs along the county right-of-way until it enters private property on the way to the storm water retention pond. The county does not have a right-of-way across the private property to the retention pond, so the county has no enforceable access to clean out the pond. According to the Director of Public Works, the pond will fill with sediment, and it won't matter if the county maintains the ditch because, without a functioning retention pond, the ditch will not stop flooding. When asked why the county did not require a drainage and maintenance right-of-way be granted to the county as a condition of approval for the flood control project, the Director did not have any answers.

Investigation

Several members of the Grand Jury visited the site and found that the ditch was overgrown and had some sizable trees growing in it. When we informed the Director of Public Works of our opinion that cleaning the ditch would most likely, solve the drainage problem, he insisted that it would not because of the retention pond problem. The Grand Jury noted during their visit that the retention pond was located approximately a mile downstream from the segment of the ditch subject to flooding. It was clear that the retention pond was not the cause. We observed that the part of the ditch that floods runs along the county right-of-way across the street from the affected homeowners. The County has assumed responsibility in the past for maintenance of the ditch; therefore, it is the Grand Jury's understanding that the responsibility for the ditch falls under the jurisdiction of the Butte County Department of Public Works.

The Director stated that the complainants complain every year. He offered that if the county happened to have extra resources at some time in the future, it would be happy to help out the complainant and other people in similar situations. However, he made it clear to us that he would determine which projects would

receive the highest priority based on his own assessment. He further emphasized that he would not be influenced by the pleas of the Grand Jury.

When the Director of Public Works was asked about the responsibility of clearing the ditch, he stated that it was the responsibility of the property owners affected by the problem to work out a cost-sharing solution to their problem. The neighbors should get together and form a committee to clear the ditch. The Grand Jury does not consider this to be an adequate response. The abutters did not build the ditch; it is not on their property. It is a county responsibility.

The Grand Jury asked the Director of Public Works to please visit the site and look at the situation himself, since he had not done so. He later called stating that there were some trees in the ditch that could cause a problem in the future. He stated that when the ditch dried out, he would have the trees removed but not the weeds.

We asked Sheriff Reniff if inmate work crews from the jail ever cleared out ditches. Once informed of the problem, Sheriff Reniff indicated that he would talk to the Director of Public Works. Since then, he stated that both departments will work together to clear the ditch with an inmate crew from the Butte County jail and a supervisor from Public Works. This is expected to happen after the ditch has completely dried out, possibly sometime in July of 2007.

If the ditch is actually cleaned through these efforts, the issue will be temporarily resolved. The larger issue is Butte County's failure to acknowledge their responsibility to protect abutters from damage caused by failure to maintain County facilities.

Findings

1. The Department of Public Works has been unresponsive to citizen complaints regarding this issue.
2. According to our research, the county previously has cleared the ditch. Currently, the county is neglecting to perform a function for which they had previously accepted responsibility.
3. Currently, the responsibility for maintenance of this drainage ditch constructed by Butte County has not been accepted or acknowledged by the County.

Recommendation

1. The Department of Public Works should schedule and perform periodic inspection and maintenance of County drainage ditches.
2. The Board of Supervisors should instruct the Department of Public Works to be more responsive to citizen complaints.

3. The Board of Supervisors should adopt a resolution clarifying the County responsibility to maintain county-constructed ditches.

Responses Required (Penal Code §933 & §933.05)

Butte County Board of Supervisors
Butte County Public Works Director

Domestic Violence/Own Recognizance Program

Reasons for the Investigation

A complaint form was submitted to the Grand Jury listing concerns with a program administered from the Butte County District Attorney's Office. The program was identified as the Domestic Violence/Own Recognizance **(DV/OR)**. The first concern in the complaint was: Is the DV/OR Program a diversion program and, as a consequence, an illegal one based on Penal Code §1203.097? A second concern focused on the 32-week batterer's intervention program in DV/OR: Is it a legal requirement in that the same Penal Code requires a program of 52 weeks? The final concern was: Is the practice of referring clients/domestic batterers in the DV/OR program exclusively to one service provider in the community a legal practice? The Grand Jury decided to investigate.

Background

The State of California Penal Code §1203.097 covers the conditions of probation for the crime of domestic violence for all counties in California. **(Exhibit A)** In 1995 the Code was amended to eliminate diversion as an option for a defendant charged with a misdemeanor domestic violence offense. **(Exhibit A, p.1)** In the Code those offenders convicted and placed on probation must complete a batterer's program of no less than one year. This program consists of weekly educational and group sessions lasting two hours.

In Butte County, if offenders are accused of a domestic violence *felony*, they either plead guilty or are held over for a jury trial. If convicted, offenders may either be sentenced to jail and/or given probation. As a condition of probation, they must complete a 52-week batterer's program that is in compliance with Penal Code §1203.097.

The Butte County Probation Department is responsible for approving and certifying the 52-week domestic violence batterer's programs. Probation approves programs by comparing submitted curricula by providers against the State's required program guidelines. **(Exhibit B)**

In Butte County if an offender is charged with a misdemeanor domestic violence offense, the District Attorney may offer the offender the opportunity to participate in the DV/OR Program. DV/OR has the same batterer's program as the 52-week program approved by the Probation Department, but shortened to 32 weeks. The DV/OR Program is offered only by the District Attorney's Office and is not under the oversight of the Probation Department. The offenders plead guilty to the misdemeanor and are released on their own recognizance; they enter the 32-week batterer's program provided by Family Violence Education Programs **(FVEP)**. The District Attorney's Office refers offenders only to FVEP, one of the

two domestic education providers in the community. These two providers have been approved by the Probation Department for the 52-week state mandated program for convicted domestic violence offenders on probation. When offenders successfully complete the 32-week program, the plea is withdrawn and the charge is dismissed, but the arrest stays on the record. If the offenders do not successfully complete the program, or commit another offense, they are brought back to court and are sentenced.

Investigation

The Grand Jury interviewed thirteen people in their respective capacities as domestic violence service/education program providers, probation officers, courtroom judges, public defenders, district attorneys, private lawyers, victim advocates, and county counselors. Other research included reviewing relevant Penal Codes, providers' licenses listed by the Board of Behavioral Sciences, correspondence among and between educational providers and the District Attorney's Office, newspaper articles, and examples of court records.

The Judges' Viewpoint

The Grand Jury interviewed two judges who were familiar with domestic violence offender proceedings in the courts. They provided an overall view of the process. It begins with the District Attorney (**DA**) who sends a complaint form to the court so they know a case is coming. The offenders are either in jail, out on bail, or released on their own recognizance. The offenders are sent a notice to appear. Arraignment cases are either felonies or misdemeanors as decided by the DA. Offenders have either a Public Defender assigned to them or are represented by their own attorney. Cases are scheduled by whether they are felonies or misdemeanors. They are assigned to a particular court alphabetically. No one judge handles all these cases at this point in the process.

In the pretrial phase, guilty pleas go to court, and not-guilty pleas go to the DA and then to trial. Felony guilty pleas and trial conviction cases are placed on probation supervision, where offenders must complete a 52-week educational batterer's program. The offender may also have jail time or other consequences. Guilty misdemeanor plea offenders, if the DA recommends such, go to a 32-week batterer's educational program and are released on their own recognizance. This is the DV/OR program. If the batterers successfully complete the 32-week program, their charges are dismissed, but the arrests stay on the record. These may also be referred to by some people as "deferred sentences" or "deferred entry of judgments."

Offenders for all domestic violence cases are given "136.2 orders" to stay away from the victim. If they violate this order, it is a separate crime. If offenders do not successfully complete the 32-week program or violate in another way, they are brought back to court and sentenced. Currently, there is a specialized

domestic violence court similar to Drug Court, which supervises and reviews those on probation for domestic violence offences, as well as those on the DV/OR program. However, there is not a specific judge solely dedicated to domestic violence court as there is in the Drug Court. The Grand Jury suggests that a more comprehensive approach would be a special court that handles domestic violence cases, both felonies and misdemeanors, from start to finish with the same judge. This court would handle only domestic violence cases and provide consistency with the same judge, prosecutors, and defense attorneys.

Probation Department's Viewpoint

As referenced above, the Probation Department, according to Penal Code §1203.097, is to certify and monitor batterer's treatment/educational programs. **(Exhibit C)** When Probation certified FVEP in 1996 under the direction of Chief Probation Officer Helen Harberts, this was the only batterer's program provider approved. **(Exhibit D)** In November of 2004, Probation, under the direction of John Wardell, approved certification of another batterer's program, New Beginnings **(NB)**. **(Exhibit E)** Probation stated that they wanted to give offenders a choice of programs.

Once they are convicted, offenders are sentenced to probation. They individually select to enroll in one of the two approved certified programs described above. They must successfully complete 52 weeks or one year. If offenders do not believe they are benefiting from the program, they may request to change programs but must provide a significant cause for doing so as program hopping is discouraged. This differs from DV/OR, where there is no choice of provider for the offenders, and they cannot change programs, even with cause. Probation stated that they have not approved the certification of any more than two programs as they believe only two programs could be client-supported in the county.

In January of 2007, Probation requested that both FVEP and NB submit renewal program applications. Renewals are to be done annually according to the Penal Code, but Probation confessed to being negligent in requiring this procedure. **(Exhibit F)** Probation also said they needed to tighten up on overseeing the approved certified programs. Probation had no records on how many offenders currently were enrolled or previously enrolled in each of the programs, nor did Probation have recidivism statistics. Probation gave no criticism of either of the batterer's certified educational programs. However, the providers are highly competitive for clients, often complaining about each other and promoting their respective programs to Probation.

Probation described the DV/OR Program as a hybrid program. The program is designed for "low-level" offenders accused of domestic violence misdemeanors; it works as an early intervention measure. Probation is not involved with the DV/OR Program at all. Probation stated that the State of California *does not*

want any programs for batterers to be less than 52 weeks. The DV/OR Program is 32 weeks.

Butte County was one of five counties audited by the State of California regarding their batterer's intervention programs. The state's report, "Batterer Intervention Programs," was released in November of 2006. **(Exhibit G)** The report concluded that all the counties audited could do much better in "their compliance with state law, but progress in batterer accountability also depends on the courts." While Butte County was deficient in some areas, the Probation Department, in a letter written by Chief Probation Officer John Wardell, dated November 8, 2006, stated that Butte County intended to implement all recommendations issued from the audit. The issues raised by this report and its follow-up are beyond the focus of this Grand Jury report; however, what is important to the Grand Jury, is that the state audit failed to mention the DV/OR Program housed in the DA's Office. This leads the Grand Jury to believe the state auditors were unaware that a 32-week domestic violence batterer's program was present and functioning solely out of the DA's Office.

Batterer's Educational Intervention Program Providers and Domestic Violence Service Providers' Viewpoints

Only one batterer's education program for offenders in the District Attorney's DV/OR Program has been approved; approval is only awarded by the District Attorney's Office, not the Probation Department. The DV/OR educational program approved by the District Attorney's Office is Family Violence Educational Programs **(FVEP)**. For the convicted offenders who are placed on probation, the Probation Department has approved two educational programs in the community: New Beginnings **(NB)** and FVEP. While this investigation focuses on the District Attorney's DV/OR Program, the Grand Jury decided to look at all the batterer's educational programs approved by the Probation Department. DV/OR offenders and the convicted offenders on probation are instructed together in the same classes at FVEP.

Penal Code §1203.097 provides *Batterer's Intervention Program Standards* to the County Departments of Probation for the certification of Batterer's Treatment Programs in Butte County. **(Exhibit B)** FVEP has been certified by Probation since 1996; the letter of certification was signed and sent by then Chief Probation Officer, Helen Harberts. **(Exhibit D)** The program's director is Karen Knight. Ms. Knight's professional license is currently listed as "Inactive." Until the January 2007 renewal request, the last time FVEP's program certification was renewed by Probation was on December 29, 1998. Program approvals are to be reviewed in an annually written application according to the same Penal Code. **(Exhibit F)** Two audits are to be performed by the Probation Department annually on randomly selected batterer's files. A report of annual audits for FVEP was last submitted on May 2, 2006.

A second batterer's program is New Beginnings (NB) which has been a certified program since November of 2004; the certification letter was signed and sent by Chief Probation Officer, John Wardell. **(Exhibit E)** Brian Martin and Sharon Vineyard administer the NB Program. Mr. Martin's and Ms. Vineyard's licenses from the Board of Behavioral Sciences are listed as "Clear." The last report of annual audits by Probation for NB was also submitted on May 2, 2006. Certified Batterer's Program approvals are to be reviewed in a written application annually according to the Penal Code. **(Exhibit A)**

The Grand Jury interviewed several licensed therapists from NB and from FVEP who worked in the batterer's educational programs. The Board of Behavioral Health listed all of their professional licenses as "Active." Licensed therapists interviewed at NB directly administer the program. The FVEP program administrator has an "Inactive" license but employs licensed therapists who then are available to provide consultation and direction to the educators and interns who conduct the group sessions.

The specific curriculum used in each of the certified programs appeared to be the primary difference in the two programs. The model used by FVEP focuses on making the offender take responsibility for himself, is tough on the offender, and possibly a bit more punitive in approach, and has been described as an "accountability model." The NB Program uses a curriculum which is sometimes referred to as an "empowerment model" wherein the batterers are helped to see themselves as positive people who have been doing harmful behaviors to others. With support, esteem building and a caring atmosphere, the offenders can gain insight into their thoughts and assumptions and elect more constructive behaviors in relationships. The pros and cons of both models are debated in the professional communities, with proponents of both models providing studies supporting the effectiveness of their respective model versus the defects of the opponent's model.

The Grand Jury did learn in their interviews with therapists/educators having worked at FVEP that the DV/OR Program offenders assigned to a 32-week program were in the same classrooms with the convicted offenders who are on probation assigned to the state mandated 52-week program. The 32-week DV/OR offenders just leave the program sooner. One therapist/educator said the DV/OR offenders completed the program in a shorter time frame. Therapists/educators interviewed could not cite any infractions of policy or law or ethics in their respective places of employment. A handout containing the DV/OR Program requirements as listed by FVEP is contained in **Exhibit H**.

The Grand Jury interviewed a representative from Catalyst, a community non-profit program which provides shelter for victims and their children, a 24 hour crisis line, a therapeutic program, legal advocacy, and a domestic violence response team to work with the victims. Catalyst was asked to describe its position on "diversion programs." According to Catalyst, diversion programs

were allowed before 1994, and victim advocates did not oppose them at that time. However, more information became available as to the effect of diversion programs on the victims. Domestic violence diversion programs gave the message to too many offenders that their crime was not really a serious one; for example, bar room brawls were considered a crime, but it was okay to beat members of your family. There were additional problems with records being expunged by the court where they could not be accessed in child custody cases. Victim advocates have concerns about the DV/OR Program as it does not appear to follow the Penal Code §1203.097, especially since the educational intervention is a 32-week program and not a 52-week program.

When Catalyst was asked about the difference in the two batterer's educational programs, the representative stated that the NB program was focused on issues that batterers were humans who can change their behavior. The program focuses on respect for the offender; the offender is a good person who is doing harmful behaviors. The model used by FVEP uses power and control techniques in its program to offenders, a more penal approach to treatment. Catalyst counters that battery is already about power and control, so when batterers are "treated" with power and control techniques in an educational program, victim advocates are concerned. Catalyst does have a policy of giving three choices in their program referrals. Catalyst did state that NB was the most cooperative of the two programs. NB sent representatives to meet with advocates while FVEP did not. NB sent staff to training provided by Catalyst at a cost to NB, while FVEP did not. Catalyst would like to see a wholistic approach used by all community/public agencies for domestic violence cases.

Public Defenders/Defense Attorneys' Viewpoints

Public Defenders and Defense Attorneys represent the offenders in domestic violence cases. Public Defenders are assigned to a defendant alphabetically. The defendant is represented from plea to jury trial, jail or probation. In a misdemeanor case the offender may be offered the DV/OR Program. This is not a statutory program (mandated by law). In the opinion of a defense attorney interviewed, the DV/OR program might more appropriately be referred to as a "Deferred Entry of Judgment" program.

Defense Counsels are torn. Even if they have a strong case that they think they can win, they have to by law present the DV/OR offer to their clients. Some defense attorneys believe the DV/OR may, in fact, be an illegal program, but it is hard to fight something that many times benefits the offender. They do not believe it violates PC §1203.097, because this statute addresses those convicted on probation, but then again it might be judged as a diversion program which is forbidden by PC §1203.097. They feel there is no place to go to complain about the DV/OR Program.

The District Attorney's offer of the DV/OR Program does offer a solution to avoiding a public trial, provides an education on battering and clears the offender's record. Some attorneys believe that the selection of the misdemeanor domestic violence cases that go to DV/OR is based on the amount of evidence the DA has to go to trial. If evidence is weak, DV/OR is offered. Offenders are generally not aware of this program before it is offered by the DA's Office.

All defense attorneys seem to be aware that the DA's Office only sends offenders in the DV/OR Program to one batterer's program. FVEP is the only program approved by the DA's Office. Several examples were provided of times when offenders wanted to enroll in another program and requests were denied by the DA's Office. One offender was willing to attend a 52-week certified program in another county; the request was denied. In another case, the offender began a program with NB believing he had a choice. The DA's Office made him disenroll and begin again in FVEP.

Another problem in the DV/OR Program identified by defense was the implementation of the "sliding scale." Offenders have not always been given the benefit of a sliding scale by the program provider when, in offenders' and attorneys' judgments, they were eligible. Maybe the financial end could be overseen by the county. Defense attorneys are also aware that the DV/OR offenders in the 32-week program are put into the same groups with the 52-week offenders in the batterer's educational programs. Defense attorneys said, and the Grand Jury confirmed, that there is no difference between FVEP's 32- and 52-week program curricula; the only difference is length.

The District Attorney's Viewpoints

The District Attorney described the DV/OR program as we have described it above. All domestic violence offenders are arrested on the most serious possible charges. Sometimes, at the discretion of the DA, felony charges are reduced to a misdemeanor. The DV/OR deals with misdemeanors only. Charges are decided to be misdemeanors by the extent of injury to the victim and prior history of the offender. The DA immediately referred to his DV/OR Program as a "diversion program." The Grand Jury asked the DA why he referred to it as a diversion program. He said it appears like a "diversion program" because offenders are diverted out of jail, but maybe it is more like a "deferred entry of judgment program." In both, the court reserves judgment while the offenders attempt behavior change due to some intervention. As an example, the drug court programs work in this manner.

In contrast to the DV/OR program which is only by the discretion of the DA, the offenders in a diversion program have a right to be involved. No plea is entered. Only if they fail the intervention do they have to enter a guilty plea. In a deferred entry of judgment, the plea is entered at the start, so it is already in place should offenders fail the intervention. Also, the deferred entry is not a right, but is at the

DA's discretion, which in that sense makes it a plea bargain. He sends the DV/OR Program offer to the offenders' attorneys in the cases. If the offenders refuse the program, they are taken to trial. If found guilty, the cases go to Probation for a pre-sentence report and recommendations for sentencing conditions. The convicted offenders must complete a 52-week program as mandated by the Penal Code §1203.097.

The DA said that domestic violence cases are not easy to prove. One of the main reasons is that often the victim will "flip-flop" and refuse to testify. The District Attorney's investigators approach their investigations of these cases in the same manner as they would a murder case. They search for the evidence needed to take the case to court without the victim's support.

According to the District Attorney, the DV/OR Program started many years ago when only one batterer's education program was present in the community. The program was FVEP run by Karen Knight. At that time the DA believed many of the judges were "too easy" on domestic violence offenders and Probation was overloaded with "educational intervention cases." The DA's Office began the DV/OR Program to address lesser charges but at the same time get the offenders into intervention educational programs. The DA believes the DV/OR Program benefits the victims, the offenders, and the community. It catches offenders "early."

When the DA was asked why he was offering only one batterer's program provider for offenders, he indicated that his office is familiar with it and feels comfortable with the program. It appears to be working well, and they do not choose to make any changes. When asked if NB had requested to be approved for the DA's DV/OR 32-week program, he said, "Yes." **(Exhibit I)** He did not respond to their request letter. The DA further stated that DV/OR was "his program" and that he could run it how he thought best. The FVEP program was working, and he preferred the more "punitive approach." The DA did state that the program's overseer and the person who does the Friday court calendar for DV/OR, Helen Harberts, reviewed the program and did not like NB. The DA said that Probation complained about the NB program. However the Grand Jury did not hear any negative complaints from Probation, and it is an approved 52-week program.

The Grand Jury asked the DA the question, "How would you respond to an opinion that the DA's Office only refers weak cases to DV/OR?" He agreed with the statement, although he said he refers to DV/OR for other reasons, too. He definitely did not agree with the statement that the DA's Office only refers to one batterer's education program to benefit that program financially. The DA indicated that they refer to one program because they have a good partnership with that program, and it is working from his point of view. It supports his philosophy, and he does not want any complications. He further stated that he believes that the DV/OR Program is a legal one and would hold up in court.

The DA further stated that he would like to have a domestic violence **(DV)** court implemented. This would be a court totally devoted to domestic violence cases. Right now, felony and misdemeanor offenses start in different courts. The cases begin before whichever judge is available. At various stages, the offender might have a different judge. In DV Court, both types of domestic violence cases would go to the same court. One or two judges would be assigned to this court, so offenders can have the same judge throughout their time in the judicial system. In this situation, judges would be more likely to focus on the victim, safety, and justice, and not on an expedient disposition of the cases. This would be beneficial in that judgments would be more appropriate and standardized. He said that the courts responded to his suggestion for a DV Court by saying that they do not currently have the resources to offer such a court.

Findings

1. Penal Code §1203.097 forbids any batterer's educational program being less than 52-weeks or one year for offenders on court probation for a domestic violence conviction.
2. The DV/OR batterer's educational program is a 32-week program approved by the District Attorney's Office, rather than the 52-week program as designated by Penal Code §1203.097.
3. The offenders allowed into the DV/OR Program are not formally convicted and on probation, so the program is technically not subject to the regulations of Penal Code §1203.097.
4. The DV/OR program, while worthwhile in intention, often effective, and possibly within the letter of the law, does not conform to the spirit of the law as addressed in the legislative findings to Penal Code §1203.097 which states that "Diversion programs for perpetrators of domestic violence . . . are inadequate to address domestic violence as a serious [sic] crime."
5. Some victim advocates are concerned that the 32-week batterers' program, as compared to the 52-week program mandated by law for convicted offenders on probation, is not legal nor in the spirit of the law which mandates the 52-week program.
6. According to Penal Code §1203.097, the Probation Department approves and certifies batterer's educational programs for Butte County. Offenders may select which program they wish to attend. If offenders wish to switch to the other program, they may, with good cause and with the approval of Probation.
7. DV/OR offenders are only allowed to attend the batterer's educational program provided by FVEP, even though there is another certified program available through another provider, NB. The DV/OR offenders do not have a choice of programs.

8. DV/OR offenders who are assigned the 32-week program are taught in the same classes as are the convicted domestic violence offenders on probation who are enrolled in the statutory 52-week program.
9. The Grand Jury could find no rational basis for the exclusion of NB from the DV/OR Program batterers' education intervention component. Research in the Social Sciences has found that people may often benefit from one program/therapy while not benefiting from another. Based on this research, clients deserve a choice.
10. In the State of California auditor's report entitled *Batterer Intervention Programs* released in November of 2006 wherein Butte County's programs were audited, there was no mention of the DV/OR Program. The Grand Jury concludes that the audit committee was not aware that it existed.
11. Probation approved the Family Violence Education Programs (FVEP) in 1996 and New Beginnings in November of 2004. The license of the FVEP administrator is listed as "Inactive" and the licenses of the New Beginnings administrators are listed as "Clear."
12. In Butte County, there currently is no comprehensive domestic violence court to hear cases from start to finish before one specific judge. The District Attorney is supportive of implementing such a court.
13. According to Penal Code §1203.097, certified batterer's educational program providers are to re-apply for certification annually. Twice during the year, the Probation Department is required to audit the programs.
14. The Probation Department has not been keeping up with program audits and with the re-application process. Probation did begin the re-application process in January of 2007.
15. Statistics for the number of offenders entering batterer's educational intervention programs and successfully completing the program were not available. In addition, recidivism rates for offenders were not available.

Recommendations

1. The District Attorney change the number of weeks required for offenders in the DV/OR program pleading guilty to a misdemeanor domestic violence from 32 weeks to 52 weeks. This change conforms to the spirit of the law requiring a batterer's program of no less than one year.
2. The District Attorney revise the DV/OR program to include New Beginnings along with Family Violence Education Programs to give clients a choice, since both programs are certified and approved by the Probation Department according to Penal Code §1203.097.
3. A County/Court/Public Defender/Victim Advocate team approach should explore the need for a more comprehensive domestic violence court.

4. The Probation Department conduct timely audits and require reapplication from approved certified domestic violence programs yearly as required in Penal Code §1203.097.
5. The Probation Department should keep and make available statistics, which include but are not limited to, the number of offenders who enter each batterer's educational intervention programs annually, the number who successfully complete each program, the time it takes to successfully complete the program, and recidivism rates. These are essential measures for meaningful program evaluation.

Responses Required (Penal Code §933 & §933.05)

Butte County District Attorney
Butte County Chief Probation Officer

Domestic Violence/Own Recognizance Program

Index of Exhibits

- Exhibit A: California Penal Code 1203.097, pages 1, 9, 11
- Exhibit B: Batterer's Intervention Program Standards, Penal Code 1203.097, title page and table of contents
- Exhibit C: Butte County Probation Department Certified Batterer's Treatment Program Providers (per Penal Code 1203.097)
- Exhibit D: Letter from Helen Harberts to Karen Knight approving batterer's program for FVEP
- Exhibit E: Letter from John Wardell to Sherry Vineyard and Brian Martin certifying NB as a batterer's educational program
- Exhibit F: Application Review standards table for batterer programs
- Exhibit G: *Batterer Intervention Programs*, California State Auditor report, title pages, fact sheet, audit highlights
- Exhibit H: Butte County DV/OR Program Requirements flyer
- Exhibit I: Letters from Sharon Vineyard and Brian Martin to Mike Ramsey requesting 32 week program approval

Exhibit A -1

Source: [Legal](#) > [States Legal - U.S.](#) > [California](#) > [Statutes & Regulations](#) > CA - Deering's California Codes Annotated, Constitution, Court Rules & ALS, Comb [1](#)

TOC: [Deering's California Code Annotated, Court Rules and ALS](#) > [/.../](#) > [Chapter 1. The Judgment](#) > [§ 1203.097. Conditions of probation for crime of domestic violence \(First of two; Repealed January 1, 2010\)](#)

Terms: [1203.097](#) ([Edit Search](#) | [Suggest Terms for My Search](#))

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*Cal Pen Code § 1203.097*

Deering's California Codes Annotated
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*** THIS SECTION IS CURRENT THROUGH THE 2007
SUPPLEMENT ***
(ALL 2006 LEGISLATION)

PENAL CODE
Part 2. Criminal Procedure
Title 8. Judgment and Execution
Chapter 1. The Judgment

♦ **GO TO CALIFORNIA CODES ARCHIVE DIRECTORY**

Cal Pen Code § **1203.097** (2006)

First of 2 versions of this section

§ 1203.097. Conditions of probation for crime of domestic violence (First of two; Repealed January 1, 2010)

(a) If a person is granted probation for a crime in which the victim is a person defined in [Section 6211 of the Family Code](#), the terms of probation shall include all of the following:

(1) A minimum period of probation of 36 months, which may include a period of summary probation as appropriate.

(2) A criminal court protective order protecting the victim from further acts of violence, threats, stalking, sexual abuse, and harassment, and, if appropriate, containing residence exclusion or stay-away conditions.

(3) Notice to the victim of the disposition of the case.

(4) Booking the defendant within one week of sentencing if the defendant has not already been booked.

(5) A minimum payment by the defendant of four hundred dollars (\$400) to be disbursed as specified in this paragraph. If, after a hearing in court on the record, the court finds that the defendant does not have the ability to pay, the court may reduce or waive this fee.

Two-thirds of the moneys deposited with the county treasurer pursuant to this section shall

Notes:

- ± 1. Editor's Notes
- ± 2. Amendments
- ± 3. Note

1.**Editor's Notes**

Pen C § 1203.04, referred to in this section, relating to restitution as condition of probation, was repealed by ♦ Stats 1995 ch 313 § 8 (AB 817).

2. Amendments:

- ± 1995 Amendment
- ± 1996 Amendment
- ± 1997 Amendment
- ± 1998 Amendment
- ± 1999 Amendment
- ± 2001 Amendment
- ± 2002 Amendment (ch 2)
- ± 2002 Amendment (ch 265)
- ± 2003 Amendment
- ± 2006 Amendment

1995 Amendment:

In addition to redesignating subdivisions, **(1)** added "containing" in subd (a)(2); **(2)** substituted subd (a)(4) for the former subd (d) which read: "(d) Successful completion of a batterer's program, as defined in Sections 1000.93, 1000.94, and 1000.95, or if none is available, another appropriate counseling program designated by the court, for a period not less than one year with periodic progress reports by the program to the court every three months or less and weekly sessions of a minimum of one and one-half hours classtime duration. The counseling program shall immediately report any violation of the terms of the protective order to the court, the prosecutor, and, if formal probation has been ordered, to the probation department. The probationer shall file proof of enrollment in a batterer's program with the court within 30 days of enrollment."; **(3)** substituted "paragraph" for "subdivision" in the first sentence of the first paragraph of subd (a)(5); **(4)** amended the last sentence of subd (a)(5)(B) by **(a)** adding "awarded on a competitive basis and be"; and **(b)** substituting ", in consultation with the statewide domestic violence coalition, which is eligible to receive funding under this section" for "and be awarded on a competitive basis"; **(5)** added subds (a)(6)-(a)(10); **(6)** substituted "paragraph 5" for "subdivision (e)" in subd (a)(11); and **(7)** added subds (a)(12), (b), and (c).

1996 Amendment:

Amended the last paragraph of subd (a)(11) by adding **(1)** the second, third, and fourth sentences; and **(2)** "as operative on or before August 2, 1995, or Section 1202.4," in the last sentence.

1997 Amendment:

(1) Redesignated former subd (a)(7)(A) to be subd (a)(7)(A)(i); and **(2)** added subd (a)

¶ 2003 Amendment:

(1) Substituted "four hundred dollars (\$400)" for "two hundred dollars (\$200) in subd (a)(5); (2) amended the undesignated paragraph following subd (a)(5) by (a) substituting "Two-thirds" for "One-third" at the beginning of the paragraph; (b) substituting "one-third" for "two-thirds"; and (c) adding the third and fourth sentences; (3) substituted "costs" for "cost" in subd (c)(5)(B); and (4) added subd (d).

¶ 2006 Amendment:

Substituted "January 1, 2010" for "January 1, 2007" both times it appears in subd (d).

¶ 3.**Note**

- ♦ Stats 1995 ch 641 provides:

SECTION 1. The Legislature finds and declares the following:

(a) Domestic violence is a serious and widespread crime. Between two and four million American women are beaten annually by their husbands or boyfriends; 1,400 women are killed each year by current or former husbands or boyfriends; domestic violence is the second leading cause of injury to women aged 15 to 44 years.

(b) Until recently, domestic violence has not received sufficient priority in public policy concerning crime and public safety. According to an analysis of state statistics, about two-thirds of those arrested for felony spousal abuse were prosecuted, with 80 percent of those cases treated as misdemeanors.

(c) Domestic violence has long-term effects that are disastrous for social policy and threatens the stability of the family and negatively impacts all family members, especially children, who learn that violence is an acceptable way to cope with stress or problems. Boys who grow up seeing their mothers beaten are more likely to become batterers themselves; girls who grow up in the same circumstances are more likely to become abused women.

(d) Diversion programs for perpetrators of domestic violence, while worthwhile in intention and sometimes effective, are inadequate to address domestic violence as a serious crime.

(e) Therefore, the Legislature finds it important to treat domestic violence as a serious crime.

- ♦ Stats 2003 ch 431 provides:

SEC. 3. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

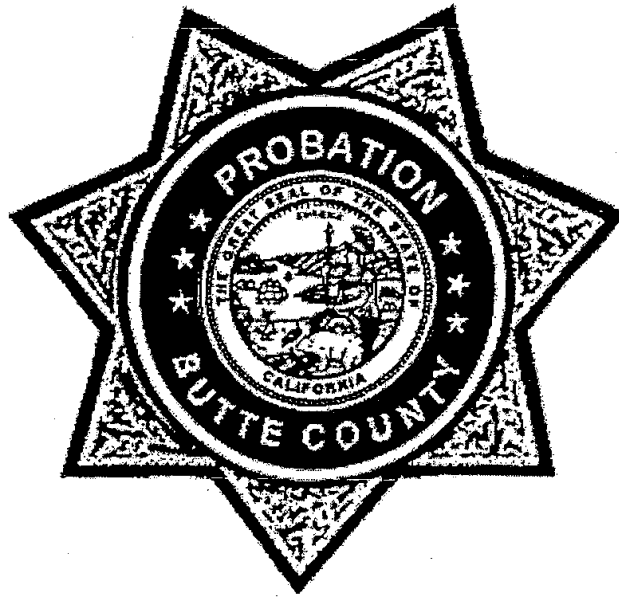
¶ Attorney General's Opinions:

The 200 dollar fee paid by a person granted probation for a crime of domestic violence

Encl. A, p. 11

Exhibit B

BUTTE COUNTY PROBATION DEPARTMENT



BATTERER'S INTERVENTION PROGRAM STANDARDS

PENAL CODE 1203.097

INCLUDING PROGRAM APPLICATION INFORMATION

**JOHN M. WARDELL
CHIEF PROBATION OFFICER**

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2. Lethality Assessment Criteria
3. Batterer Progress Report
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8. Program Certification Application Packet

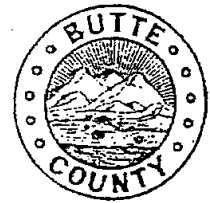
MINIMUM PROGRAM FACILITATOR EDUCATION and QUALIFICATIONS

1. Master's or Doctorate degree in a human services clinical field, currently licensed in the State of California as a Marriage, Family, and Child Counselor (MFCC), a Licensed Clinical Social Worker (LCSW), or Psychologist, and have at least one (1) year of recent, licensed experience providing direct counseling to batterers.
 - a. For unlicensed persons, agencies may be exempt from the above by providing intense licensed supervision (defined below) and defined as the ability to have timely and direct access to a supervisor on a daily basis.
 - b. Agencies providing a Batterer's Program shall have licensed personnel in the field of human behavior available to unlicensed staff for consultation and direction as needed, during Program business hours.
2. Batterer's Program Supervisors must meet the qualifications specified in paragraph 1.
3. All Program facilitators are required to present documentation of the observation of at least four (4) certified Batterer's Program group sessions and completion of a minimum of at least forty (40) hours of initial training, in the subject areas defined below, prior to the facilitation of a group.
 - a. In addition, sixteen (16) hours of annual, continuing education is required for all Program facilitators, in the subject areas defined below.
4. The content of professional training shall include such topic areas as:
 - Substance abuse and domestic violence
 - Gender analysis of domestic violence
 - Current domestic violence and restraining order law
 - Experiences of victims and victim advocacy
 - Themes of Program content as defined in these Standards
 - Diversity issues and un-learning oppressions
5. Program facilitators shall have specific knowledge regarding, but not limited to, partner abuse, child abuse, sexual abuse, substance abuse, and the dynamics of violence and abuse.



Exhibit C

BUTTE COUNTY PROBATION DEPARTMENT



JOHN M. WARDELL
Chief Probation Officer
E-Mail:
jwardell@buttecounty.net

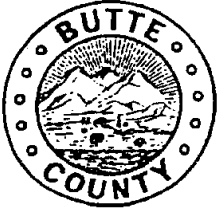
42 County Center Drive
Oroville, California 95965-3377
(530) 538-7661/7395
Fax: (530) 538-6826

STEVE ELLEN
Asst. Chief Probation Officer
E-Mail:
sellen@buttecounty.net

BUTTE COUNTY PROBATION DEPARTMENT CERTIFIED BATTERER'S TREATMENT PROGRAM PROVIDERS (per §1203.097 PC)

PROGRAM PROVIDER	SERVICES PROVIDED	COST	LOCATION	LANGUAGES
FAMILY VIOLENCE EDUCATIONAL PROGRAM	52-week Batterer's Treatment Program 52-week Child Abuser's Treatment Program 52, 32, 12-week, or 12-hour Anger Management Programs 52-week Elder Abuse Treatment Program 32-week Domestic Violence Diversion Program - Sex Offender Therapy Counseling - Chemical Dependency Program - Victim Services / Counseling	Sliding Scale Varies Free	(MAIN OFFICE) 2261 St. George Lane Suites E & F Chico, CA 95926 (530) 342-2566 (530) 342-2526 (Fax) Paradise Office (530) 828-4496 Oroville Office (530) 532-0630	English, Spanish, & Hmong Speaking Classes Available Classes Available in Chico, Oroville, & Paradise
NEW BEGINNINGS EDUCATIONAL PROGRAMS	52-week Batterer's Treatment Program 52-week Child Abuser's Treatment Program 52, 32, 12-week, or 12-hour Anger Management Programs	Sliding Scale	(MAIN OFFICE) 1370 Ridgewood Dr. Suite #10 Chico, CA 95973 (530) 891-0973 (530) 891-0919 (Fax) Paradise Office (530) 872-8100 Oroville Office (530) 891-0973 (Participants must register in Chico first)	English Classes Only Classes Available in Chico, Oroville, & Paradise

Exhibit D



Helen Harberts
Chief Probation Officer

Butte County Probation Department
2279 Del Oro Avenue, Suite C
Oroville, California 95965
TEL: (916) 538-7661
FAX: (916) 538-6826

July 8, 1996

Karen Knight
Solutions
2059 Forest Avenue
Chico, CA 95928

Dear Ms. Knight:

Thank you for your application to be an approved provider for batterer's treatment programs. I am most pleased with your batterer's treatment program and how much your spirit of cooperation has contributed to the DV/OR protocol.

Pursuant to Penal Code 1203.097, I find that your program currently possesses the administrative and operational capability to meet the ongoing mandates incumbent in the operation of an appropriate batterer's treatment program. Therefore I am pleased to approve your application to provide this service to Butte County during 1996.

As required in the statute, Probation staff will attend and monitor sessions to evaluate ongoing compliance with statutory mandates.

Thank you for your application, and for your service in this most important area. We are fortunate to have such a fine resource in Butte County.

Helen Harberts

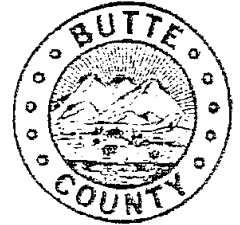
Helen Harberts
Chief Probation Officer

HH:tlp



Exhibit E

BUTTE COUNTY PROBATION DEPARTMENT



JOHN M. WARDELL
Chief Probation Officer
E-Mail:
jwardell@buttecounty.net

42 County Center Drive
Oroville, California 95965
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Fax: (530) 538-6826

STEVE ELLEN
Asst. Chief Probation Officer
E-Mail:
sellén@buttecounty.net

February 14, 2005

Mrs. Sherry Vineyard
Mr. Brain Martin
New Beginnings Domestic Violence Intervention and Treatment Program
140 Yellowstone Ave. #130
Chico, Ca 95973

Dear Ms. Vineyard, and Mr. Martin

This letter is to certify that on or about November 30, 2004 the New Beginnings Domestic Violence and Treatment Program was certified to provide the clients of Butte County with a Probation Department approved Domestic Violence Program.

New Beginnings Domestic Violence Intervention and Treatment Program have been certified, pursuant to Penal Code Section 1203.097 and in accordance with the Butte County Probation Department, Batterer's Intervention Program Standards.

Sincerely,

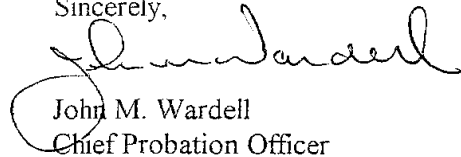

John M. Wardell
Chief Probation Officer

Exhibit F

APPLICATION REVIEW

The approval of batterer programs begins with a written application. Probation departments should have standardized forms and procedures for the review of the written application. Approvals must be renewed annually. Some departments adapt their initial approval process and forms for use in this annual re-application.

MANDATED APPROVAL STANDARDS

The following form lays out the minimum standards established by Penal Code Section 1203.097 which all batterer programs must meet for approval and/or renewal. The law requires each probation department to design and implement an approval and renewal process for batterer programs and to solicit input from criminal justice agencies and domestic violence victim advocacy programs to that end.

To be approved under the terms of Penal Code Section 1203.097, a review of a batterer program must yield an affirmative answer to each of the questions on the following table.

TABLE ON MINIMUM STANDARDS
Prepared by Mary K. Stroube, Attorney at Law

Required Standards and Procedures	Code §	Yes	No
Has the program submitted an application containing necessary and pertinent information describing the program?	1203.097(c) (5)(A)(i)		
Has the program demonstrated that it possesses adequate administrative and operational capability to operate a batterer intervention program? (Typically this requires proof of one year's operation of such a program before application, but see § 1203.097(c)(2)(A) regarding provisional approval.)	1203.097(c) (5)(A)(ii)		
Has there been an on-site review of the program?	1203.097(c) (5)(A)(iii)		
Has the on-site review included monitoring a group session to determine that the program adheres to applicable statutes and regulations?	1203.097(c) (5)(A)(iii)		
Has the program paid the required approval fee (not to exceed \$250)?	1203.097(c) (5)(A)(iv)		
Has the program established guidelines and criteria for educational services, including standards of services that may include lectures, classes and group discussions?	1203.097(c) (3)(A)		

Does the program consist of not less than 52 weekly sessions of a minimum of two hours classtime duration?	1203.097(a) (6)
Is there a procedure or means for supervision of the defendant for the purpose of evaluating the defendant's progress in the program?	1203.097(c) (3)(B)
Are there adequate reporting requirements to ensure that all defendants may be identified for failure to enroll in, failure to successfully complete or for the successful completion of the program as ordered?	1203.097(c) (3)(C)
Does the program have a means to identify and then notify the court and/or probation department if the defendant is performing unsatisfactorily or is not benefiting from the education, treatment or counseling?	1203.097(c) (3)(C)
Does the program exclude any requirement that a victim participate in a program or counseling?	1203.097(c) (3)(D)
Does the program exclude the requirement that a defendant's enrollment is conditioned upon participation by the victim?	1203.097(c) (3)(D)
Is the goal of the batterer program to stop domestic violence?	1203.097(c) (1)
Does the program have strategies to hold the defendant accountable for the violence in a relationship, including, but not limited to, providing the defendant with a written statement that the defendant shall be held accountable for acts or threats of domestic violence?	1203.097(c) (1)(A)
Is the defendant required to participate in on-going same-gender group sessions?	1203.097(c) (1)(B)
Does the program have an initial intake procedure that provides written definitions to the defendant of physical, emotional, sexual, economic, and verbal abuse, and the techniques for stopping these types of abuse?	1203.097(c) (1)(C)
Does the program have procedures to inform the victim regarding the requirements for the defendant's participation in the intervention program as well as regarding available victim resources?	1203.097(c) (1)(D)
Does the program have procedures to inform the victim that attendance in any program does not guarantee that an abuser will not be violent?	1203.097(c) (1)(D)

Is the defendant required to attend group sessions free of chemical influence?	1203.097(c) (1)(E)
Does the educational programming examine, at a minimum, gender roles, socialization, the nature of violence, the dynamics of power and control, and the effects of abuse on children and others?	1203.097(c) (1)(F)
Does the program specifically exclude the requirement of any couple counseling or family counseling or both?	1203.097(c) (1)(G)
Does the program have procedures that give the program the right to assess whether or not the defendant would benefit from the program and refuse to enroll the defendant if it is determined the defendant would not benefit from the program? (The refusal may not be because of the defendant's inability to pay.)	1203.097(c) (1)(H)
Do program staff, to the extent possible, have specific knowledge regarding, but not limited to, spousal abuse, child abuse, sexual abuse, substance abuse, the dynamics of violence and abuse, the law, and procedures of the legal system?	1203.097(c) (1)(I)
Are program staff encouraged to utilize the expertise, training, and assistance of local domestic violence centers?	1203.097(c) (1)(J)
Is the defendant required to enter into a written agreement with the program that includes an outline of the contents of the program, the attendance requirements, the requirement to attend group sessions free of chemical influence, and a statement that the defendant may be removed from the program if it is determined that the defendant is not benefiting from the program or is disruptive to the program?	1203.097(c) (1)(K)
Is the defendant required to sign a confidentiality statement prohibiting disclosure of any information obtained through participating in the program or during group sessions regarding other participants in the program?	1203.097(c) (1)(L)
Does the program content provide cultural and ethnic sensitivity?	1203.097(c) (1)(M)
Is there a requirement of a written referral from the court or probation department, which states the minimum number sessions required by the court, prior to permitting the defendant to enroll in the program?	1203.097(c) (1)(N)

Is there a procedure for submitting to the court and probation the following written information: proof of enrollment, including the fee to be charged, based on ability to pay for each session?	1203.097(c) (1)(O)(i)
Is there a procedure for submitting to probation the following written information: periodic progress reports that include attendance, fee payment history and program compliance?	1203.097(c) (1)(O)(ii)
Is the progress report made every three months or less as required by the court?	1203.097(a) (6)
Is there a procedure for immediately contacting the probation department or the court if it finds that the defendant is unsuitable?	1203.097(a) (9)
Is there a procedure for the program to report any violation of the terms of the protective order, including any new acts of violence or failure to comply with the program requirements, to the court, the prosecutor or, if formal probation has been ordered, to the probation department?	1203.097(a) (10)(B)
Is there a procedure for submitting to probation the following written information: final evaluation that includes the program's evaluation of the defendant's progress and recommendation for either successful or unsuccessful termination or continuation in the program?	1203.097(c) (1)(O)(iii)
Is there a sliding fee schedule based on the defendant's ability to pay?	1203.097(c) (1)(P)
Does the program's sliding fee scale recognize both the defendant's ability to pay and the necessity of the program to meet overhead expenses?	1203.097(c) (1)(P)
Can an indigent defendant negotiate a deferred payment schedule?	1203.097(c) (1)(P)
Is the indigent defendant who has deferred payment required to pay a nominal fee if the defendant is able to pay a nominal fee?	1203.097(c) (1)(P)
Is there a process by which the program can determine the need for and request the defendant's arrest report, prior incidents of violence, and treatment history? (NOTE: This is technically not a requirement for approval, but is an option available to a batterer program.)	1203.097(a) (7)(B)

**SEMI-ANNUAL ADMINISTRATIVE MONITORING REPORT
OF BATTERERS INTERVENTION AND EDUCATION PROGRAM
IN BUTTE COUNTY**

GENERAL APPEARANCE OF FILE:

1.	Is the file bound to prevent document loss?	YES ☐	NO ☐
2.	Are the entries in the file legibly written?	YES ☐	NO ☐
3.	Does each file contain the following signed/dated forms:		
	A. Court Order	YES ☐	NO ☐
	B. Police Reports	YES ☐	NO ☐
	C. Client Contracts	YES ☐	NO ☐
	D. Release of Information	YES ☐	NO ☐
	E. Fee Assessment	YES ☐	NO ☐
	F. Payment Schedule	YES ☐	NO ☐
	G. Victim Contact Sheet	YES ☐	NO ☐
	H. Client Exit Conference	YES ☐	NO ☐
4.	Are all documents in the file dated and signed by appropriate parties?	YES ☐	NO ☐

INTAKE:

1.	Was the intake completed within 15 days of the first Program contact?	YES ☐	NO ☐
2.	Is the initial intake form present and completed in Detail?	YES ☐	NO ☐
3.	Was the client given a copy of the program description, the definition of abuse, and the techniques to deal with abuse?	YES ☐	NO ☐

TREATMENT PLAN:

1.	Was the client evaluated for a substance abuse problem?	YES ☐	NO ☐
2.	Was a treatment plan for substance abuse developed if this was an identified problem?	YES ☐	NO ☐
3.	Was the substance abuse plan monitored?	YES ☐	NO ☐

PROGRESS NOTES:

1.	Are weekly progress notes in file?	YES ☐	NO ☐
2.	Are notes properly recorded, signed, and dated?	YES ☐	NO ☐
3.	Are absences documented?	YES ☐	NO ☐

VICTIM CONTACT:

1.	Are the victim's whereabouts known?	YES ☐	NO ☐
2.	Was a copy of the safety plan given to the victim?	YES ☐	NO ☐

EXIT CONFERENCE:

1.	Was an exit conference conducted?	YES ☐	NO ☐
2.	Is the exit conference form in the file?	YES ☐	NO ☐

Exhibit G

Batterer Intervention Programs:

*County Probation Departments Could
Improve Their Compliance With State Law,
but Progress in Batterer Accountability
Also Depends on the Courts*



November 2006
2005-130

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FACT SHEET

ELAINE M. HOWLE
State Auditor

Date: November 21, 2006

Report: 2005-130

The California State Auditor released the following report today:

Batterer Intervention Programs
County Probation Departments Could Improve Their Compliance With State Law,
but Progress in Batterer Accountability Also Depends on the Courts

BACKGROUND

State law requires an individual who is placed on probation for a crime of domestic violence to complete a 52-week batterer intervention program approved by a county probation department (department). These programs, which are funded with the fees paid by participating batterers, are structured courses designed to stop domestic violence. State law mandates that departments assume certain responsibilities as overseers of the programs, such as designing and implementing an approval process for programs and annually performing on-site program reviews. In addition, state law requires a department to notify the court if a batterer is violating any probation requirements and gives the court the authority to administer consequences.

The audit consisted of (1) interviews with all 58 departments, (2) a review of a representative sample of departments in five selected counties, and (3) a review of 125 randomly selected batterers in those five counties. At least 25,000 batterers in California were enrolled in programs as of May 2006.

KEY FINDINGS

- The overall completion rate for batterers enrolling in a program in 2004 was 54 percent, and more than 25 percent of those we reviewed who completed the programs did so after committing violations of program or probation requirements.
- Although the most frequent violation was for noncompliance with attendance policies, the departments we reviewed had differing policies, and all were more lenient than statutory provisions.
- Some departments are counseling and referring batterers back to programs after being terminated for violations, rather than notifying the courts. This practice is in conflict with statutory provisions that require departments to notify the courts of violations.
- The ability to impose consequences on noncompliant batterers makes the role of the courts crucial in batterer accountability. Yet sometimes courts notified of violations simply return batterers to programs without imposing any additional jail time, even though batterers had multiple prior violations. This practice may be sending the unintended message to batterers that they can avoid the program requirement without any significant penalty for doing so.
- Some counties have batterers appear regularly in court for progress reviews, which appears to provide greater accountability and may improve outcomes.
- The departments are not consistently performing on-site reviews as required by statute to ensure that the programs are complying with statutory requirements.

Contact: ELAINE M. HOWLE

Telephone: (916) 445-0255

Internet: www.bsa.ca.gov

California State Auditor/Bureau of State Audits
Highlights of Report 2005-130 - November 2006

**Batterer Intervention Programs:
County Probation Departments Could Improve Their Compliance With State Law,
But Progress in Batterer Accountability Also Depends on the Courts**

AUDIT HIGHLIGHTS

Our review of batterer intervention programs (programs) in California revealed the following:

- *Only about half of batterers complete a program as required by state law.*
- *Only two batterers in our sample of 125 ever completed a program after committing three or more violations of their program or probation terms.*
- *The county probation departments (departments) we visited had various attendance policies, and all were more lenient than statutory provisions, which allow for only three absences for good cause.*
- *Rather than notifying the courts as required by state law, some departments are counseling and referring batterers back to programs after they have been terminated for violations.*
- *Courts sometimes do not impose any consequences on batterers, even those with multiple prior violations.*
- *On-site program reviews required by statute are not being performed consistently.*

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G-5

**Batterer Intervention Programs:
County Probation Departments Could Improve Their Compliance With State Law, but
Progress in Batterer Accountability Also Depends on the Courts****AUDIT HIGHLIGHTS**

Our review of batterer intervention programs (programs) in California revealed the following:

- Only about half of batterers complete a program as required by state law.
- Only two batterers in our sample of 125 ever completed a program after committing three or more violations of their program or probation terms.
- The county probation departments (departments) we visited had various attendance policies, and all were more lenient than statutory provisions, which allow for only three absences for good cause.
- Rather than notifying the courts as required by state law, some departments are counseling and referring batterers back to programs after they have been terminated for violations.
- Courts sometimes do not impose any consequences on batterers, even those with multiple prior violations.
- On-site program reviews required by statute are not being performed consistently.

RESULTS IN BRIEF

State law requires an individual who is placed on probation for a crime of domestic violence to complete a 52-week batterer intervention program (program) approved by a county probation department (department). However, only about half of the batterers placed on probation actually fulfill the program requirement. Our review of a sample of batterers indicated that more than one quarter of those who had completed programs did so after committing violations of program or probation requirements. Such violations can cause batterers to take longer than a year to complete their programs. Additionally, the departments do not always report violations to the courts. Further, some courts notified of violations simply return batterers to programs without imposing any additional jail time, even though at times the batterer had multiple prior violations. This lack of batterer accountability reduces the effectiveness of programs designed to alleviate the problem of domestic violence in the State. Program effectiveness is also hampered by the departments' failure to adhere strictly to the statutory requirements for program monitoring.

The programs, which are funded with the fees participating batterers pay, are structured courses designed to stop the use of physical, psychological, or sexual abuse to gain or maintain control over a person such as a spouse or cohabitant. According to information provided by the departments, California has more than 450 approved programs. State law mandates that the departments assume certain responsibilities, putting them in the role of principal overseers of the programs. Each department must design and implement an approval process for its programs and annually perform on-site program reviews. State law requires a department to notify the court if a batterer is violating any probation requirements and gives the court the authority to administer consequences.

The departments indicated that at least 25,000 batterers in California were enrolled in programs as of May 2006. However, based on statistics provided by the departments and our review of a sample of 125 batterers, only about half of these individuals are likely to complete their programs. Interestingly, 72 percent of the batterers in our sample who had completed a program did so without violating the terms of the programs or their probation, but only two batterers in our sample of 125 completed the program after having three or more such violations. Although the most frequent violation involved noncompliance with attendance policies, the departments we reviewed had various policies regarding program attendance, and all were more lenient than statutory provisions, which allow for only three absences for good cause. In discussing their policies, departments cited the need for greater flexibility in attendance policies to allow as many batterers as possible to complete their assigned programs. Consequently, it may be time for the Legislature to consider whether these requirements are practical for the conditions faced at the local level.

As a result of violations, the average length of time it took batterers in our sample to finish the 52-week requirement was more than 15 months. The maximum completion time allowed by statute is 18 months, unless a court modifies the requirement. A primary reason for the significant extension beyond one year is that when a batterer is terminated from a program—for violating the attendance policy, for instance—the batterer must obtain referral directing him or her back to a program. Obtaining this referral from the court or, in some cases, the department, takes time, and if a batterer commits multiple violations, that time can accumulate.

Of the departments we visited, the San Joaquin department allowed its batterers to accrue the highest number of program violations; thus, the average program completion time in that county was slightly more than 18 months. One reason batterers in San Joaquin County accrued numerous violations while on probation was that the department often followed a practice of counseling and referring batterers back to programs after being terminated for violations, rather than notifying the courts. Other departments also employed this practice but to a more limited extent. The practice is an apparent violation of statutory provisions that require departments to notify the courts of violations and, given our finding that very few batterers actually complete programs after more than two violations, appears only to delay the inevitable consequences that follow noncompliance with program requirements—namely, revocation of probation and further sentencing by the court.

Results from our sample indicated that when a court received notification of a violation, the most frequent response was to refer the batterer back to the program after he or she had served some amount of jail time. It is this ability to impose consequences on noncompliant batterers that makes the role of the courts so crucial in batterer accountability. In fact, some counties have expanded on that role by having batterers appear regularly in court for progress reviews. This appears to provide greater accountability and may improve outcomes. Despite the positive impact the courts can have, sometimes courts do not impose any consequences on batterers, even those with multiple prior violations. Moreover, according to some department officials and evidence we obtained in one county, the courts are sometimes incorrectly sentencing batterers to 16-week anger management programs, rather than 52-week batterer intervention programs as the statute requires.

The departments could improve their monitoring of the programs by adhering more closely to statutory requirements. Although state law requires departments to design and implement a program approval process, we found that none of the five departments we visited had written procedures to guide staff in analyzing and approving applications or application renewals. Additionally, we found that two departments we visited could not provide documentation of their reviews of the applications they had approved in the last five years. However, the applications approved in the last five years that we were able to review generally conformed to statutory requirements.

State law requires the departments to conduct annual on-site reviews of their programs, including monitoring sessions, to determine whether they are adhering to statutory requirements. To ensure that the programs are complying with statutory requirements, the departments would also need to perform on site reviews of program administration, such as the use of sliding fee schedules to assess the program fees batterers pay. However, based on our interviews with staff at all 58 departments and our review of selected programs at five departments, on-site reviews are not performed consistently. For example, the five departments we visited skipped years and programs in their on-site review efforts. Among the examples of programs straying from state requirements, we found one program that used an unqualified facilitator to oversee counseling sessions that were not single gender, as called for by law, and sessions that sometimes consisted only of movies that were not even related to domestic violence.

RECOMMENDATIONS

To maintain a balance between upholding the standard of batterer accountability and granting departments the flexibility needed to help batterers complete their assigned programs, the Legislature should consider revising the attendance provisions in the law to more closely align with what the departments and courts indicate is a more reasonable standard.

To improve their ability to hold batterers accountable for their actions, the departments, in conjunction with the courts and other interested county entities, should jointly consider taking the following actions:

- Establish and clearly notify batterers of a set of graduated consequences for violations of program requirements or probation terms. To maintain the credibility of the graduated consequences, the departments and the courts must administer them consistently.
- Establish a limit to the number of violations they allow before a batterer's probation is revoked and he or she is sentenced to jail or prison.
- Eliminate the practice of having probation officers counsel and direct batterers back to programs in which they failed to enroll or from which they have been terminated for excessive absences, and establish a consistent practice of notifying the court of all such violations, allowing the court to set the consequence for the violations.
- If they have not already done so, implement a practice of regular court appearances in which batterers receive both negative and positive feedback on program compliance.

The courts should consistently sentence individuals placed on probation for a crime of domestic violence to 52-week batterer intervention programs approved by the department. Courts should not substitute any other type of program, such as a 16-week anger management program, for a 52-week batterer intervention program.

To ensure consistency in its approval reviews, each department should adopt clear, written policies and procedures for approving and renewing the approval of programs, including a description of how department personnel will document reviews of program applications.

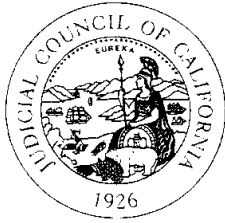
To ensure that programs adhere to statutory requirements, each department should consistently perform the on-site reviews required by state law. Specifically, a department should annually perform at least one administrative review and at least one program session review for each program.

AGENCY COMMENTS

Although our report contains certain recommendations that are broadly directed to all California probation departments and courts, and others that are directed to the Legislature, we asked the five departments we visited, with input from the courts in the respective counties when possible, to respond to the recommendations that relate to them. The department in Butte County said that it reviewed the report and plans to implement the recommendations. The Los Angeles department, in consultation with the court in that county, believes some of our recommendations interfere with the discretion of individual judges but agrees with the recommendations regarding the monitoring of programs. The department in Riverside County indicates that it needs time to consult with the court and that it will provide a response at a later date. The San Joaquin department outlines its plans to implement several of the report's recommendations but adds that certain constraints, such as jail overcrowding and limited court resources, do not make it feasible to implement others at this time. Finally, the department in San Mateo County adds some points of clarification and raises some concerns but does not specify whether it will be implementing the recommendations.

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Lynn Holton
Public Information Officer

NEWS RELEASE

Release Number: 11

Release Date: February 26, 2007

Public Hearings to Seek Comment on Domestic Violence Case Guidelines

California Task Force Recommends New Ways to Improve Handling of Critical Cases in Trial Courts

San Francisco – Two statewide public hearings will be held in March 2007 to seek comments on draft guidelines and proposed practices to improve the handling of California court cases that involve allegations of domestic violence. Domestic violence allegations arise in many case types, including restraining order proceedings and family, juvenile, and criminal law.

The hearings will be sponsored by the Judicial Council's Domestic Violence Practice and Procedure Task Force, appointed by Chief Justice Ronald M. George to ensure fair and accessible justice for litigants in these critical cases and to promote victim safety and perpetrator accountability. Final recommendations will be made to the council in December 2007.

At each hearing, the task force will hear testimony from the public and a wide range of speakers, including judges, family law attorneys, advocacy groups, prosecutors, public defenders and criminal defense attorneys, probation officers, batterer intervention program providers, and other experts.

The proposed practices are designed to improve court leadership, the use of Domestic Violence Prevention Act (DVPA) restraining orders, entry of orders into a statewide database, firearms relinquishment, and criminal law procedures. The public hearings will be held on these dates:

- **Southern California—March 14, 2007, 10:30 a.m.–3:30 p.m.**
Ronald Reagan State Building, Auditorium
300 South Spring Street (corner of Third and Spring Street)
Los Angeles, California 90013
- **Northern California—March 21, 2007, 10:30 a.m.–3:30 p.m.**

(over)

Hiram W. Johnson State Office Building
 Milton Marks Conference Center (Lower Level), Auditorium
 455 Golden Gate Avenue, San Francisco, California 94102-3660

Public testimony is scheduled from 3:00 to 3:30 p.m. at each hearing. This period may be extended if necessary to ensure an opportunity for the public to address the task force.

Input on these proposals also will be sought at regional meetings with judicial officers and court staff, focus groups for specific stakeholders, and discussions with Judicial Council advisory committees.

The 18-member task force is chaired by retired Justice Laurence D. Kay, former presiding justice of the Court of Appeal, First Appellate District. Justice Tani Gorre Cantil-Sakauye, Court of Appeal, Third Appellate District, serves as the chair of the criminal procedure working group, and Judge Mary Ann Grilli, Superior Court of Santa Clara County, serves as the restraining order working group chair.

The task force's comprehensive proposals are available on the California Courts Web site at www.courtinfo.ca.gov/jc/advisorycommittees.htm#dvpp. They include both mandatory provisions required by statute or rule as well as advisory practices. The proposals are grouped into the following five categories:

Court leadership. These proposals are designed to improve the ways that courts work with justice system entities and community organizations in cases involving domestic violence allegations. They also concern the use of temporary judges.

DVPA restraining orders. This set of proposals addresses the DVPA restraining order process from the perspectives of litigants, the court, and law enforcement with the goal of simplifying, streamlining, and improving procedures.

Firearms relinquishment. Under California law, the restrained person must comply with the order to relinquish firearms. The proposals suggest numerous practices, legislation, and court forms that would improve this process and promote the safety of domestic violence victims.

Access to and entry of orders into statewide databases. This set of proposals presents immediate, interim, and long-range goals for improving access to and entry of restraining orders into the Domestic Violence Restraining Order System (DVROS) via the California Law Enforcement Telecommunications System (CLETS).

Criminal law procedures. In a 2005 report, the Attorney General outlined a series of problematic practices and recommendations relating to the adjudication of criminal domestic violence cases. The proposed practices seek to address issues raised in that report and to improve practices in domestic violence criminal cases in general.

Comments may be made in writing to the following address, fax number, or e-mail. The submission deadline is June 29, 2007. Please send comments to:

Domestic Violence Practice and Procedure Task Force
Center for Families, Children & the Courts
Administrative Office of the Courts
455 Golden Gate Avenue, San Francisco, California 94102-3688
Fax: 415-865-7217
E-mail: DVPPTF@jud.ca.gov

The Judicial Council is the policymaking body of the California courts, the largest court system in the nation. Under the leadership of the Chief Justice and in accordance with the California Constitution, the council is responsible for ensuring the consistent, independent, impartial, and accessible administration of justice. The Administrative Office of the Courts carries out the official actions of the council and promotes leadership and excellence in court administration.

Exhibit H

BUTTE COUNTY DV/OR PROGRAM REQUIREMENTS

The DV/OR-Domestic Violence Own Recognizance- program is a 32 week Domestic Violence program designed and implemented by Butte County Superior Court and Butte County District Attorney. The defendant enters a guilty plea with the plea not being accepted while the defendant attends a certified batterers program which complies with Penal Code 1203.097. Upon successful completion of the DV/OR program, the guilty plea is withdrawn resulting in no criminal conviction for domestic violence.

The defendant has three court dates: first court date is for proof of program enrollment: see condition 1 and/or 2; second court date is a review: see condition 17 for date; third court date is a review which can be notice of program completion: see condition 18 for date. Reports are faxed seven days before the designated court date to Judge Stevens, Presiding DV Judge and Butte County Superior Court District Attorney. Please contact Family Violence Educational Programs at 530-342-2566 to obtain the current and correct facsimile number.

In compliance with this Butte County Domestic Violence Protocol Standards, the following are requirements for defendants to attend out of county Domestic Violence Programs:

1. Defendant is allowed a maximum of two unexcused absences while attending the program. On the third unexcused absence, the defendant is terminated from the program.
2. All absences are considered unexcused other than the following: birth of their child; immediate family death, medical condition or illness requiring bed rest, or court hearing. All absences must be verified by documentation.
3. A defendant who has accumulated three or more excused absences must be placed on court calendar for an unscheduled progress review for the court to review circumstances for those excused absences. The program is to notice the court via a written progress review requesting an unscheduled progress review.
4. A defendant is not allowed to make up unexcused absences by attending an individual class or another class in lieu of the unexcused absence. A defendant must attend a minimum of court mandated classes.

If you have any questions, regarding the Butte County Domestic Violence DV/OR requirements, please contact Family Violence Educational Program at 530-342-2566.

Exhibit I

New Beginnings Domestic Violence Batterer's Intervention and Treatment Program
140 Yellowstone Ave. Ste. 130 Chico, Ca. 95973 (530) 891-0973

December 30, 2004

Butte County District Attorney
Mike Ramsey
25 County Center Dr.
Oroville, Ca. 95965

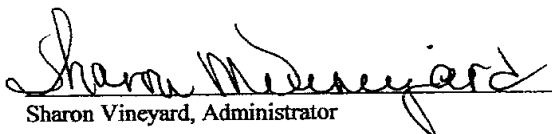
Dear Mr. Ramsey,

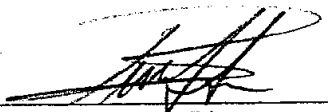
As you may know, recently, we have recently begun providing a domestic violence Batterer's treatment program in Butte County. Since being certified by the Butte County Probation Department last year, we have begun to treat Batterer's in our 52 week program, which is in compliance with pc1203.097.

Recently, we have been encouraged to treat defendants who are DV/OR, and are in need of a 32 week treatment program. It is our understanding that this requires us to seek a separate certification from your office, one that comes with a unique set of guidelines for providers to follow.

We would like the opportunity to speak with you in person about this certification, and the requirements that accompany it. Please call us at the number above to set up a time/date to meet. If we are unable to answer the phone when you call, please leave some good times for you to meet and we will confirm one of them. We look forward to meeting with you soon.

Respectfully,


Sharon Vineyard, Administrator


Brian Martin, Program Director

New Beginnings Educational Programs, Inc.
1370 Ridgewood Dr. Ste. 9 Chico, Ca. 95973 (530) 891-0973

July 10, 2006

Mike Ramsey,
Butte County District Attorney
25 County Center Drive
Oroville, Ca. 95966

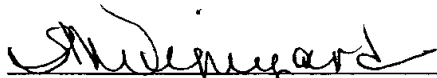
Dear Mr. Ramsey,

In April of this year the Butte County Probation Department certified the New Beginnings Domestic Violence Batterer's Treatment Program for the third time. Following our first certification, we asked you to allow us to participate in the DV/OR program by being a vendor of Batterers' Treatment services. In declining our request, you stated that our program was too new and that we would be welcome to make our request again in the future. We are now not considered a new program and would like to again request that we be allowed to participate in the DV/OR program as a vendor of Batterers' Treatment services.

As we have in the past, we would like to extend to you an invitation to visit and observe our classes. We believe you will see that non-violent communication, sobriety, and personal accountability are paramount elements of our program. Our goal is to deliver these lessons in ways that minimize resistance and maximize the likelihood that they will be used by the participants.

We would be happy to discuss with you our program and its development and practices. We are confident that you will see that it meets all of the needs of your department in this area. Please feel free to contact us at the number above to discuss this issue further.

Respectfully,


Sherry Vineyard, President
New Beginnings Educational Programs, Inc.


Brian Martin, Vice President
New Beginning Educational Programs, Inc.

Mailed 7/10/06

Butte County Law Enforcement Agencies

Reason for Visit/Review

The Grand Jury conducted a review of Law Enforcement Agencies (**LEA**) throughout Butte County. Our goal was to report to the community the LEA effectiveness within the county. The Grand Jury had received several complaints from citizens who felt they were mistreated by Butte County Law Enforcement personnel. Because of these complaints, we spent a significant amount of time investigating law enforcement personnel, policies, procedures, and techniques used for arrests and takedowns. We also looked into neighborhood disputes.

Background

The Grand Jury is mandated to review detention facilities in the county and the Butte County Juvenile Hall (**JH**). The Grand Jury visited holding facilities, including the county jail, both the male and female sections, and spoke with inmates. We also examined the housing conditions for the female population. In addition, we toured JH and visited with juvenile inmates.

We made one or more arranged visits to:

- Oroville Police Department
- Paradise Police Department
- Butte County Jail
- Butte County Juvenile Hall
- Chico Police Department
- Gridley-Biggs Police Department
- California State University, Chico Police Department

We made one or more unannounced visits to

- Paradise Police Department
- Oroville Police Department
- Oroville City Hall

Oroville Police Department

In our review of Oroville Police Department (**OPD**) we interviewed the following:

- Chief of Police
- Assistant Chief of Police
- Lieutenant
- Sergeants
- Dispatchers
- Staff Assistants
- Oroville City Council members
- Oroville City Mayor
- Oroville City Administrator

On three separate occasions, the Grand Jury toured the OPD and inspected the building, including the evidence room and locker area. In addition, we inspected the Emergency Operations Center, which is located upstairs in the same complex, and the evidence room of the Butte Interagency Narcotics Task Force (**BINTF**).

When the Grand Jury first visited the OPD, we found the facility cluttered and disorganized. Staff indicated they were experiencing low morale regarding their workload and perceived reputation of the Oroville community. Each employee interviewed is working in excess of 50 hours a week, often working multiple shifts. Because of the shortage of sworn officers, the Chief, the Assistant Chief and the Lieutenant have to cover graveyard shifts when needed and occasionally direct traffic. If an officer or dispatcher calls in sick, it automatically means that one or more officers will be working additional hours over and above their scheduled 12-hour shifts. Many in the department voiced concern that their severe staff shortages limit their emergency response capability.

In 2006, OPD logged in 4266 reports and submitted 4100 cases to the District Attorney (**DA**) for prosecution; this equates to 11 cases per day. On any given Friday through Sunday, one officer will respond to 100 calls or more. Oroville Police Department has one investigator and one Lieutenant. In addition to his supervisory duties, the Lieutenant assists with investigations. The lack of staff dedicated to investigation duties, together with a high case load, limits OPD's ability to thoroughly investigate every case. The DA often rejects reports for insufficient information, resulting in a low prosecution rate. Low staffing sometimes requires OPD to seek outside assistance, as they did with the investigation of the triple homicide in a local motel in 2006.

In the 1980's OPD had 33 sworn officers. Today there are 26 officers protecting over 50,000 people, including the small suburbs of Southside, Theramalito, Kelly Ridge and other areas that are closely connected with Oroville. They also provide backup for the Butte County Sheriff's Department and the Biggs/Gridley Police Department.

Oroville's crime rate is the highest in the county. For some time, the Oroville area was considered the Methamphetamine (**Meth**) capital of the nation. The drug continues to be manufactured, and its use has spread throughout the area. Crimes relating to drug use and gang activity are on the rise and are a serious concern for Oroville's law enforcement personnel.

The Butte County Sheriff, looking at the county as a whole, stated in regards to the Southside: "South County has always had more calls for service than North County, Oroville of course being the highest in the County. Our comparison revealed that 60% of all calls in South County were generated in the South Oroville area. Please remember this is the South County comparison only."

In discussing staff retention, the Grand Jury was told by OPD staff and Oroville City Council that frequently, officers experience stress-related burnout from overwork and take medical leave or medical retirement. This results in additional expenses to the City and hinders hiring of replacement officers. Often officers have gone to other police agencies seeking jobs with less stress, higher pay and the 3% at age 50-retirement package, which Oroville does not offer.

The OPD Chief stated, "Recruitment and retention continue to plague police agencies throughout the country according to International Association of Chiefs of Police, California Police Chiefs Association, and POST [Police Officers' Standardized Training]. The problem does not appear to have a solution until after 2012. The problem in Oroville is even worse because of their heavy caseload, lack of adequate staffing and not being competitive with salary and benefits."

Two recruitment strategies that the OPD Chief referenced were: 1) First Time Home Buyers Program which provides up to \$25,000 to new police officers towards a down payment for buying a house within the city limits, and 2) sponsoring candidates in the police academy.

The Chief stated that "OPD needs an in-depth overhaul. They are short staffed in all areas. Oroville City Council and OPD have an up and down relationship. They have a constant ongoing battle with the Oroville City government for increase in staffing, and for remodel of an outdated and cramped facility."

The Chief says one of the major problems he faces is a lack of communication between the City Council and himself. At the time of the Chief's hiring, it was made clear that he was to report to the City Council, not the City Administrator. When the present City Administrator was hired, the City Council changed its policy, and the Chief was told that all matters were to be channeled through her. However, the City Council would complete his annual evaluation. It has been seventeen months since the policy change, and there has not been a closed session for the Chief's performance evaluation.

The Chief has extended offers to City Council members to go on ride-alongs and to visit the OPD in order to familiarize themselves with the conditions and problems. The same invitation was extended to the Grand Jury. It was only when the Grand Jury encouraged the City Council and other Oroville City Government personnel to walk through the facility and ride along with officers that the Oroville City Council became actively involved with the OPD.

Oroville Police Department Building

The OPD building was built in 1983. It was designed to be shared with the fire department. In addition, they now provide space for BINTF to house seized evidence such as weapons, property, and illegal narcotics. We found the evidence room to be poorly ventilated raising the Grand Jury's concerns that the health of personnel working in such a toxic environment is at risk.

The OPD building is cramped and out dated, needing an overall remodel. Several projects have been budgeted, but not started, and others have been started but not completed. Two years ago city personnel stated that they believed there was a moisture problem under the flooring of the Report Writing Room. A hole was cut into the floor to investigate the moisture problem. Mold testing was completed and no hazard was found. At the request of the OPD Chief, the 2003-04 budget provided funds to have the flooring replaced. The matter was put on a long list of projects to be completed by city personnel from another department. The money for the flooring project continues to be carried over from year to year, but it remains uncompleted, and the hole remains unrepaired. The Police Chief asked to complete the remodel of the Report Writing Room. The remodel would include redesigning the officer's workstations. Although budgeted, this project has not been started.

The staff assistant's location is in the front of the building behind the Plexiglas window that adjoins the lobby. She complained that she felt unsafe. Whenever a potentially dangerous situation happens, she has to run back a short distance behind a door that can be locked. In the 2003-04 budgets, the OPD was given \$22,500 to remodel the lobby. City government was going to do the project themselves to keep the costs down. Over the years the project has been given less priority than other city projects. The money has been carried over from year to year. In December of 2006, city staff measured the lobby area and said they would get back to the OPD Chief. To date, he continues to wait for a response.

The Police-Fire sign located in front of the building has been in need of repair and paint for years. In December of 2006, City personnel started the repairs by covering the sign with plastic to protect it from the weather. No further action has been taken on this project.

The Oroville Police Chief and Oroville Fire Chief share the building and its surrounding grounds. The OPD has asked for money over the years to complete the top floor of the building. Some years ago the OPD was given funds to make improvements and put in an additional stairwell for fire egress before legally utilizing the upstairs space.

All of the outside bids were too high for the allocated amount of money. The project was abandoned, and the funds were given to the Community Development and Public Works Department. The entire upper floor of the OPD was never finished. According to the OPD Chief, police staff built the rooms upstairs. Currently, the OPD evidence room, storage room, records room, and the BINTF Room and the EOC are not easily accessible. Because there is not an elevator, compliance with the Americans with Disabilities Act is in question. Oroville Police Department Chief says it would be cheaper for the city to let the fire department take over the entire building for its future needs and build a new facility for the police department.

Oroville Police Equipment

The Grand Jury found that a portion of the OPD information system network is outdated and will need to be replaced within the next one or two years; two of the servers have approximately one year more of life in them. The OPD radio communication infrastructure is in need of replacement. The overall system is more than twenty years old and is beginning to fail. Additionally, half of OPD patrol car radios are over ten years old. They do not have much life left in them. As of this writing, two of these radios have stopped functioning and need to be replaced. The OPD officers do have hand held audio recorders as well as camera/video recorders. They do not have vehicle mounted cameras or computers. This equipment in patrol cars would be a valuable asset.

The Department of Justice has complained to the OPD that they need to upgrade to the Live Scan system. Use of the Live Scan system for finger printing provides greater accuracy and results in a much quicker response from the Criminal Justice Identification System. Limited finances have continued to restrict the OPD to the use of the antiquated paper finger printing method.

Difficulties Faced by Oroville Police Department

Hmong New Year

Oroville, like many cities in the United States in the mid '70s, experienced a large increase in population. Large numbers of Hmong, Lao, Mein and Kmu left their war torn countries. Members of these population groups are here in the United States because they aligned with the United States during the Viet Nam/Laotian Wars, and they are political refugees from Laos.

Oroville has become a cultural center for thousands of Hmong, Lao, Mein and Kmu, people who travel from as far away as Fresno to join in the Hmong New Year Festival held in Oroville, which falls most often on Labor Day weekend. The festival also attracts individuals who have a special interest in these cultures. This temporary influx of visitors has created challenges for the OPD, just as large numbers of visitors, arriving for Halloween or St. Patrick's Day celebrations, have challenged the Chico City Police. Most of the people conduct themselves in an orderly fashion. However, there is a small number who choose to prey upon

and/or to create problems for the rest of the populations. There have been numerous fights, knifings, and other incidents, which have caused added stress to the OPD. When you consider how the current staff of the OPD is stretched thin on a daily basis, a large yearly celebration that has become part of the city's culture, taxes the capacity of the OPD.

Cultural gaps exist which need to be bridged in order for the OPD to serve and protect the ethnically diverse members of the Oroville community. In 2006, the OPD's only Hmong officer left the department to work for the Sheriff's Office, and there currently is only one Spanish speaking officer. The resultant communication barrier affects the OPD's services to both the Hmong and Spanish speaking citizens in the Oroville area.

Annexation

In the original founding of Oroville, the established city limits were restricted to the small, downtown business district. The general population lived outside the city limits. That same dynamic exists today. The police administration stated that the current population inside the city limits is 14,000. A much larger number of people reside in the greater Oroville area and come into the city to conduct business. Thus, in reality, the 26 OPD officers provide service for a total population of 55,000 within their sphere of influence. They back up the Butte County Sheriff's Office in the outlying areas,

When Oroville annexes the following outlying areas into the city limits, the population is projected to increase by 27,292: Southside (8500 citizens); Oro Dam Blvd. area (12,500 citizens); and Thermalito (6292 citizens). In addition, the Oro Bay development, to be completed by 2027, plans to have 2020 houses, which will increase Oroville's population another 6060 citizens. Oroville is annexing areas that are planned future developments, allowing the city to be part of the planning process and anticipate the income from development fees and tax revenues. Increasing the population of Oroville will provide revenue which could be used to hire additional sworn officers. In addition, it will provide a broader population base from which to draw new ideas and candidates for community service. **(Exhibit A)**

Currently, OPD is unable to recruit and retain sworn officers for existing vacant positions. A concern is the insufficient number of Oroville Police Officers to serve the citizens of the planned annexation. The issue is that with current staffing levels, the OPD will be unable to serve the expanded area, In order to meet the increased needs, the City Council must budget some of the increased tax revenue for the police department. Also, the salary and benefit package for sworn officers must be made competitive with surrounding jurisdictions

Findings

1. Recruitment & retention is a serious issue in the OPD. This results in an inadequate number of staff to serve current needs. Annexation will exacerbate the problem.
2. Oroville Police Officers have low morale and are leaving because of heavy workloads, long hours and low salaries.
3. The OPD does not offer the retirement package of 3% at age 50, which is common in other jurisdictions.
4. Oroville Police Department has an inadequate number of investigators.
5. Oroville Police Department does not have a ethnically diverse staff to serve their diverse community.
6. The OPD building is cramped and outdated and requires substantial remodeling or replacement.
7. The ventilation system for the evidence rooms and testing area is insufficient to guarantee employee health and safety.
8. The OPD has fatigued and antiquated technical equipment e.g. radios and finger printing equipment.
9. Funded maintenance projects at the OPD facility are not being completed.
10. Oroville City Council remains disengaged from the issues that impact the efficiency of OPD.

Recommendations

1. The Oroville City Council and the OPD administration need to find solutions to address the heavy workloads, long hours and low salaries, which affect low morale and officer retention by June 2009.
2. The Oroville City Council should develop a comprehensive benefits package sufficient to attract and retain police officers, which includes offering the OPD officers a competitive retirement package of 3% at age 50 by June 2008.
3. The Oroville City Council should hire additional staff to augment the OPD's investigation division by February of 2008.

4. The Oroville City Human Resources manager should make use of specialized recruitments for bilingual candidates who speak Spanish and/or Hmong by January 2008.
5. The Oroville City Council needs to complete all the unfinished budgeted projects at the OPD facility by March of 2009.
6. The Oroville City Council should include analysis of future police department facility and staff needs in the current update of the City General Plan.
7. The Oroville City Council needs to install an effective air conditioning and ventilation system for the housing and testing of seized evidence by January 2008.
8. The Oroville City Council should immediately purchase or find access to Live Scan for the Oroville Police Department.
9. The Oroville Police Chief should develop and implement a schedule for replacement of outdated and fatigued equipment.
10. The Oroville City Council should become more attentive of the needs of the OPD in the following manner:
 - a. annual tour of the facility
 - b. periodic ride-alongs
 - c. annual performance review of the Chief of Police
 - d. annual review of the OPD budget requirements with the Chief of Police

Responses Required (Penal Code §933 & §933.05)

Oroville City Council
Oroville Chief of Police
Oroville City Community Development & Public Works Director
Oroville City Administrator
Oroville Human Resources Manager

Butte County Jail Review

Reason for Review

The Grand Jury is required by law to do an annual review of the Butte County Jail.

Review

We first visited the entire jail in December 2006 and later returned in February 2007 for a further inspection of the women's section. We openly and candidly interviewed both male and female inmates about their experience with the Butte County Jail system.

Background

Butte County Jail is a "Type II facility" meaning a local detention facility. Persons confined are pending arraignment, in the process of a trial, or serving a sentence of up to one year. Ninety percent of the population is awaiting sentencing. The average length of stay for the inmates is 10 days. A person confined pending arraignment must be charged or released within 72 hours. If for any reason prisoners have to be transported, there are four thirteen-passenger vans to transport inmates to court, and one thirty-passenger bus to take inmates to the Northern California prison reception centers, located in Susanville and Tracy.

The Butte County jail is the largest jail in California north of Sacramento. The old jail, built in 1964, is presently the women's facility with a Corrections Standards Authority (**CSA**) board rated capacity of 96200 inmates. In 1994, men were moved to the new West Facility. Butte County's total CSA board rated capacity is 614616. On inspection there were 550 inmates, of whom 82 were females. The maximum for female prisoners is 96. Butte County jail always keeps open beds for new intakes. The jail population rises throughout the winter months. The recidivism rate at the Butte County jail is 70%.

Classification and Segregation

The inmate population of Butte County jail wears colored jump suits, which identify their classification:

- white indicates minimum security;
- orange indicates general population, minimum security;
- green indicates minimum protective custody;
- red indicates high risk, maximum security;
- blue indicates high risk, protective custody;
- yellow indicates administrative security (isolated); and
- black & white stripes indicates a violent inmate.

There are 14 male housing units and 10 classifications of male and female prisoners. Classification of an inmate in the Butte County Jail is a time consuming affair that uses assessment and severity scales to place inmates into an appropriate classification for, and into appropriate housing. There are accommodations for gang issues and the personal needs of individuals. Inmates in administrative segregation are reviewed weekly to determine if their classification may be modified, resulting in a lower classification returning them to the general population. All of the Classification Unit officers are handpicked, specially trained, and assigned to the unit for 3 years.

The West Facility consists of 12 pods, 6 on Charlie side (maximum security) and 6 on Delta side (medium security.)

- o Charlie side consists of 6 pods A – F
 - A pod = administrative segregation; holds 16 men in single cells
 - B pod = administrative segregation; holds 32 men in 2-man cells
 - C-E = maximum-security general population; holds 9632 men in 2-man cells
 - F pod = maximum-security protective custody; hold 32 men in 2-man cells
- o Delta side consists of 6 pods G – M
 - G pod = protective custody (40-man dormitory)
 - H-M = medium security general population (five 40-man dormitories)

The Butte County Jail averages 13,000 bookings per year with about 35 per day. It takes approximately 1.5 hours to book an inmate depending on whether they are being released or housed; housing takes longer. All detainees are screened by medical staff during the intake process. Only those with immediate medical concerns are seen again prior to housing. They release 35 inmates per day.

The staff segregates those who are at risk, such as sex offenders, in protective custody, keeping them away from the general population for their protection. On an hourly basis, correctional officers “check each inmate to observe skin or breathing.” Male inmates get out of their cells at least one hour a day for large muscle exercise. Inmates who are an administrative security risk are allowed out of their cells for 45 minutes each day.

Women’s Facility

The Grand Jury toured the women’s facility and found it to be as inadequate as noted in several previous Grand Jury reports. The cinderblock construction with its chipped and bubbling paint is cold and dank, despite a

centralized automated heating system. The flickering overhead lights contribute to the depressing environment. The current Grand Jury observed the environment to be similar to a 1940's caged zoo construction and is reflective of what would be made available to citizens that were considered second class.

The women's facility is not adequate to house the growing female population. More women are being charged with more violent crimes and are thus less likely to be released on their own recognizance or bail. Also, more women need to be placed in protective custody, requiring more space. Throughout 2006-07, office space was converted to additional cells for housing women. State law prohibits any inmate to be forced to sleep on the floor, so if the female jail population reaches 91, the Sheriff's Office must release inmates in order to maintain enough empty beds for new intakes. The Sheriff's Office selects to release the least violent offender.

A male officer is not allowed to enter a female's cell without a female officer present. The jail provides 3 hours a day for outdoor exercise for the female population.

Kitchen

The Butte County jail meals meets state nutrition requirements. Inmates receive three meals a day, lunch being the primary meal. Inmates can also buy extras from the commissary such as noodles in a cup, Kool Aid, candy, gum, etc.

Upon the Grand Jury's inspection, we found the kitchen neat and clean. All personnel working in the kitchen, including inmates, wore appropriate hair covering, aprons, and gloves. The floors and countertops were clean. The freezers were well stocked, and the pantry was clean. All stored foods had appropriate dates and were sealed if previously opened. All cleaning supplies were kept in the janitor closet. There were no signs of insects or rodents throughout the kitchen area or other areas inside of the jail.

Medical Facility

There are 28 people on the medical staff, including nurses, physicians, and a dentist. A physician or physician's assistant will see a total of about 46 inmates per day on sick call. Twice daily, they pass out medications, check blood sugar levels, and perform nursing assessments for 275 additional prisoners. The medical staff perform intake screenings for about 35 inmates per day. A high percentage of inmates take prescribed psychiatric medications. However, those who refuse to take their prescribed medications cannot be forced by staff. This presents a difficult situation when mental competency deteriorates, and the inmates become a threat to themselves or others. It takes two or three months to transfer the inmate to a psychiatric facility.

Mail Call

The Butte County Jail processes approximately 150 pieces of mail a day or 4500 pieces monthly. The mail clerks wear gloves to protect themselves from contaminants that could be present on the mail. The mail is searched for contraband and drugs before the mail is given to the inmates. The jail has a drug dog trained to assist staff to detect illegal narcotics. Mail is returned every day for unauthorized items or unidentified stains. Inmates are constantly trying to find ways to sneak contraband into the Butte County Jail.

Evidence Building

The Evidence Building was well organized but inadequate. It is obviously outdated and in need of replacement and updated security. The building needs an adequate heating and air conditioning system for evidence preservation as required by new state laws. These laws require that a broader range of evidence be seized and retained for a longer period of time. Evidence deteriorates without a controlled environment. In 2006, the Sheriff's Office purged about 13,000 different items from the Evidence Building. In addition, cars and other large vehicles were removed from the storage yard directly behind the Evidence Building. During that same time they had over 6000 new items of evidence come in.

The decontamination facilities for equipment and for personnel who handle hazardous material are inadequate. There are two issues. First, showering facilities do not provide privacy. Second, there is no safe provision for handling the waste water from the decontamination process. Rather than being disposed of properly, the waste water drains out on the ground and eventually makes its way to the groundwater.

Gangs in the Butte County Jail

There is an increase in gang activity throughout Butte County, and this is evident in the jail population. Jail personnel have to be vigilant to address and track gang affiliations throughout the jail to ensure segregation of rival gangs. Specially trained officers process intakes to determine if the person is a validated gang member. The Jail Gang Officers photograph all tattoos and check for gang apparel and paraphernalia in an attempt to identify gang affiliation. The inmates are processed in accordance with California Penal Code Section 186.22 **(Exhibit B)**

The Gang Officers try to determine what gang the person is affiliated with, how many members are affiliated with the gang, who the members are and the monikers (gang names) of the different gang members. When it is determined that an arrestee is affiliated with a gang, the Gang Officer opens a Gang Task Force file on the offender. This information is placed in a special

gang data base system that can be shared with other law enforcement agencies throughout Butte County and the State.

There are at least 25 different known gangs in Butte County, and at least 15 other gangs are known to come to Butte County from out of the area. Many gang members come to Butte County from various areas of Northern California. In addition, they come from as far away as the Bay Area and Fresno.

Some criminal street gangs are related to certain ethnic groups; Nortenos and Surenos are mainly Mexican American and white supremacist groups are Caucasian. Asian gang groups include Hmong, Lao or Vietnamese. There are African-American gangs and even Native American gangs. Gangs can be often are a mixture of ethnic backgrounds.

The largest and most developed gangs in Butte County are Nortenos and Surenos. Paradise, to its credit, has the fewest gang members. According to the Sheriff's Gang Unit, gang members can be as young as eight years old. Often it is generational. Gang membership and activity has been increasing, and there are more than 2,000 known gang members and associates in Butte County.

Another rapidly growing gang in Butte County is the Butte County Gangsters **(BCG)**. The BCG started with the development of alliances between inmates from Butte County who found it necessary to protect themselves and each other from other gangs while they served out their incarceration in state prisons. Over a few years, it has evolved to become a large gang throughout the California State Prison system, in the Butte County Jail, and throughout Butte County. As of this writing, there are 70 BCG members in the Butte County Jail.

On Thursday, May 26, 2007, the Governor announced his new initiative for reducing gangs in our communities. This new initiative basically provides additional grant funding for 25 counties designated as high gang areas. Butte is one of those counties.

Concerns

Sheriff Reniff expressed concern over Governor Schwarzenegger's plan to have convicted felons, currently housed in state prisons and sentenced to three years or less, to be confined in local jail facilities. The Sheriff is anticipating that this will triple the jail population of Butte County and put a serious financial burden back on the county. There are State Bond funds becoming available, and the Sheriff will be in competition with other counties.

Findings

1. The Grand Jury is in agreement with the 2005-06 Grand Jury Report that the Women's Facility is out dated and over populated needing to be replaced and/or remodeled and expanded.
2. The Evidence Building is outdated and needs remodeling or replacement. Security is not adequate.
3. The decontamination facility at the Evidence Building is inadequate.
4. Staff is well trained and interacts with inmates in a professional manner.

Recommendations

1. The Board of Supervisors must develop an appropriate time-line for replacement or remodeling of the women's jail.
2. Each member of the Board of Supervisors should independently inspect the women's facility and the Evidence Building.
3. The Sheriff should present a plan to the Board of Supervisors to repair or replace the current Evidence Building to include, but not limited to:
 - a. adequate air conditioning
 - b. adequate decontamination system
 - c. adequate decontamination showers for employees

Responses: (Penal Code § 933 & §933.05)

Butte County Board of Supervisors
Butte County Sheriff-Coroner

Juvenile Hall Review

Overview

When the Grand Jury visited in March of 2007, Juvenile Hall (**JH**) had 39 boys and 15 girls. We found JH clean. The Juvenile Hall Superintendent said that, since being in JH can be so dark and depressing, they try to keep a positive atmosphere, believing that these kids will respond in a more productive way. "We do not like treating them like hardened criminals." He also stated "Kids are kids, but they can do awful things."

During 2005-06 607 juveniles were detained in JH. The number of intakes is declining. At the time of our visit, 4 of the detainees were 18 years old. Juveniles can remain in JH after they are 18 years old and not be transferred to the County Jail. The population in JH can range in age from 8 to 18 years. The younger they are when they come in, the first time, the more frequently they return. The Juvenile Hall Superintendent stated, "Kids really do want structure in their lives and sometimes this is the first time they have had structure." He went on to say "Most kids are good kids who have made some bad choices, and need a wake up call." The average stay is 14 or 15 days. Many times juveniles do not want to leave because of the safe and secure environment that JH provides. There is a zero tolerance for violence in JH. Juveniles are rated and classified for their JH stay according to the crimes they have committed. Strip-searching the juveniles is only done when the offense has met certain criteria.

Pods

Juvenile Hall has five pods with housing for 100 juveniles; however, they have staffing for only 60 juveniles and are using only three pods. The first pod is coed with two juveniles per room, boys with boys, and girls with girls. Their bunks are six feet long, housed in a small narrow room. Taller juveniles have to curl up on their sides to sleep on the small bunks. The second pod houses a lower risk well-behaved male population. In the lesser risk pods juveniles are mostly free to go in and out of their rooms for exercise or socialization. The third pod houses high security risk juveniles who have committed more serious crimes.

Juvenile Hall does have an earned privilege system for the juveniles to work their way out of the high-risk security pod or earn other privileges such as pizza and special dinners. When there are 10 juveniles out of their room inside the pod, there has to be at least one staff member or more present. There are three staff members present in the high security pods. The two unused pods are being utilized as a storage facility and for after school activities.

When juveniles are out of line, they are confined to their rooms. Restraints have been used on juveniles when they are a danger to themselves or others. The staff used

pepper spray on 26 juveniles during the previous year. Reports of incidents are mandatory.

Security

Juvenile Hall has a sophisticated centralized room with an up-to-date camera system to monitor the activities inside JH. All recordings are backed up to a DVD or VHS tape which is stored for 24 hours. This camera system can access the juveniles' rooms and pods, and can give a live audio and video feed. Staff conduct a physical check of the juveniles every fifteen minutes to observe skin or breathing. They also conduct room searches, and at times have dogs come in to sniff out drugs.

Daily Routine

Staff awakens the Juveniles in JH at 6:00 a.m. to shower, followed by morning chores and breakfast at 7:30. After breakfast, time is allowed for personal hygiene. The year-round school program begins at 8:45, breaks for lunch, and ends at 2:55. They do have one hour each day for physical education. They are responsible for cleaning their rooms.

Table Mountain Charter School, located within JH, has three classrooms and operates year-round. The student population ranges from challenged to gifted. The academic focus is on reading and math. The teacher/counselors expressed special interest in their students and encouraged school achievement. The students who achieve the honor roll are rewarded with pizza. Juvenile Hall has various after school programs including letter writing, homework assistance, recreation, counseling, and other group activities before and after dinner. Two students graduated from Table Mountain Charter School last year with a high school diploma.

The Superintendent makes a point to sit and talk with juveniles on an informal level. Cooks do a lot for the juveniles by fixing them extra treats and giving them a small party on their birthdays. A public defender voluntarily funded the development and building of a small garden area and gazebo in the JH facility to be used for special activities.

Such organizations as Butte County Public Health, Rape Crisis Intervention, Catalyst, Northern Valley Catholic Social Services, Community Collaborative for Youth, and Parent Education Network provide services for the juveniles. Evening activities include personal counseling, Alcoholics Anonymous (AA), Narcotics Anonymous (NA), religious activities, and general free time. The Foster Grandparent Program is active year-round in JH. Bedtime ranges from 7:00 to 8:30 p.m.

Meals and Kitchen

Juvenile Hall serves three meals a day on plastic trays and a snack in the evening prior to going to bed. The juveniles receive two cold meals per day and one hot meal. After medical and security clearance, some juveniles work cleaning the kitchen and delivering meals. Juvenile Hall is developing a culinary class for juveniles interested in learning how to cook.

They prepared 75,000 meals last year, over 6000 per month. Everything is cooked from scratch. Most juveniles eat better inside JH than on the outside. The meals are served in the pods. The evening snack consists of milk, cookies and fruit.

The kitchen counters, tabletops and food preparation areas looked used, but clean. There were no chipped paint or toxic items in view. The freezer, cooler, and food storage areas looked clean, and there were no uncovered open containers. No food products were beyond the expiration date. Cleaning supplies and equipment were stored in a closet away from the food preparation area. There were no signs of rodents, cockroaches or other insects. The staff had their hair pulled back and were wearing hairnets.

Medical

Juveniles have a complete physical in the first 6-8 hours. At that time they are tested for tuberculosis and sexually transmitted infections (**STI**). Three out of seven girls test positive for STI, primarily Chlamydia. They also check for pregnancy. An RN or LVN are on site from 6:30 a.m. through 3:00 p.m. A psychiatric nurse, physician and a physician's assistant are available. 'Doc in the box' is a live interactive video feed with a psychiatrist located off site. He is available for consultation and counseling. Most juveniles open up more to the "doc in a box" or the "judge in the box" than they would in a one-to-one personal interaction. At the date of the Grand Jury visit, we were told that there were seven minors on psych meds. Juvenile Hall cannot give medical marijuana. Although JH has special suicide watch areas, there have not been any suicides. Many juveniles have drug issues.

Parents and Juveniles

Juvenile Hall offenders come from a variety of family situations. These families vary from those who are healthy to those who are severely dysfunctional, as they are often involved in drugs and other criminal activities. A juvenile from a single parent home is more vulnerable to drugs, gangs, and other negative influences. "A good role model is so important," said the Superintendent. A non-risk parent is defined as a parent who is not on drugs, involved in criminal activity or abusive towards their children. These parents are approved to take their child out of JH for medical appointments. Some juveniles can go home on weekends. Family is allowed a one hour and fifteen minute visit weekly. In addition to the weekly visitation, parents can visit their children during seven holidays throughout the year.

Commendation

The Grand Jury was impressed with time and energy devoted by all staff to establish positive, supportive relationships with the juveniles.

Findings

1. The pods that house juvenile offenders appear to meet current needs and staffing is adequate.
2. Juvenile Hall is a clean and well run facility.

Recommendations

None

Responses Required (Penal Code §933 & §933.05)

None

Butte County Law Enforcement Agencies

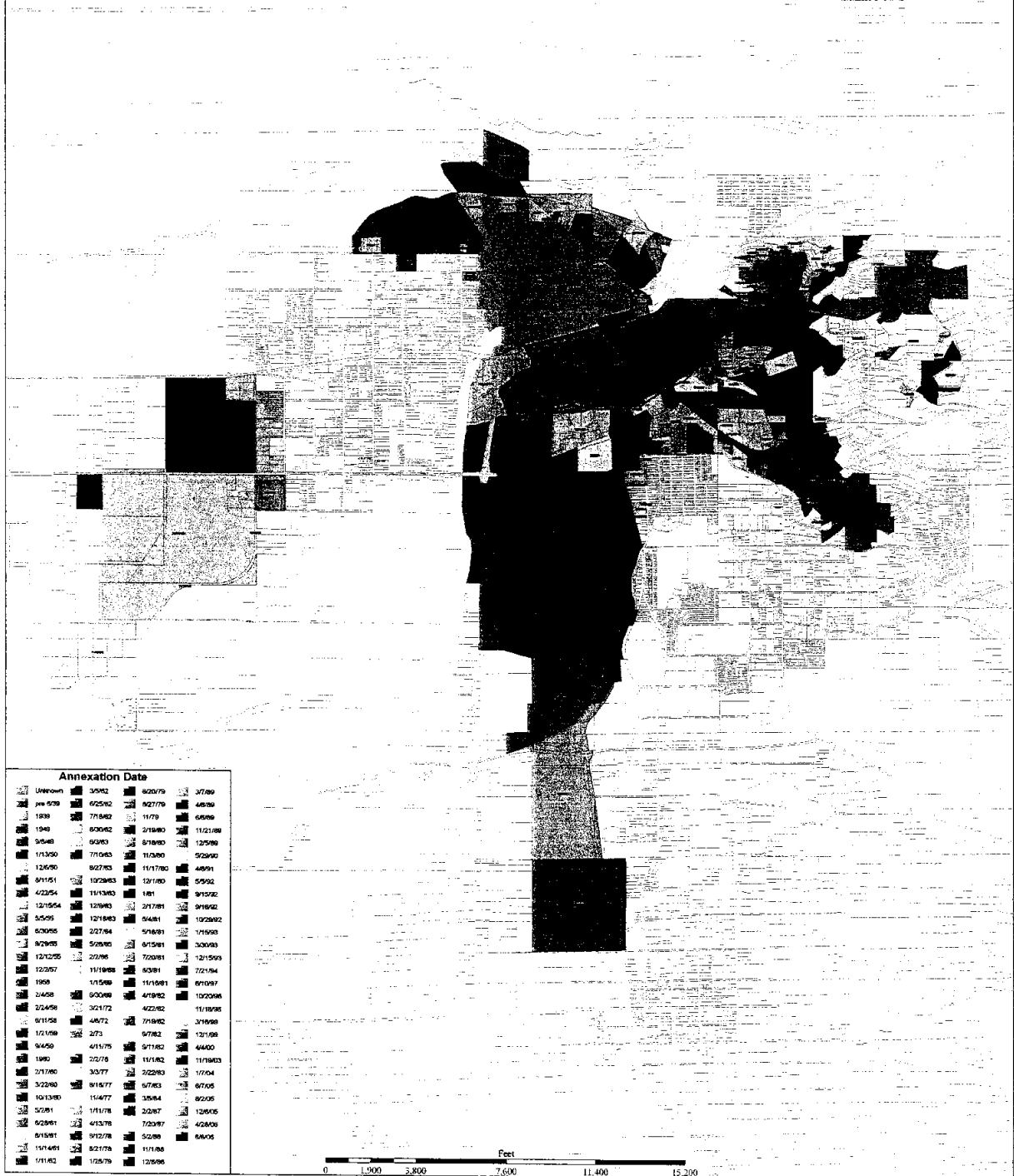
Index of Exhibits

Exhibit A: Future Annexation Projects of the City Oroville

Exhibit B: California Penal Code Section 186.22 (gangs)

Annexation History

Exhibit A



PRE-JUNE 1939

Exhibit B

PENAL CODE SECTION 186.20-186.33

186.20. This chapter shall be known and may be cited as the "California Street Terrorism Enforcement and Prevention Act."

186.22. (a-e) Any person who actively participates in any criminal street gang with knowledge that its members engage in or have engaged in a pattern of criminal gang activity, and who willfully promotes, furthers, or assists in any felonious criminal conduct by members of that gang, shall be punished by imprisonment in a county jail for a period not to exceed one year, or by imprisonment in the state prison for 16 months, or two or three years. (b) (1) Except as provided in paragraphs (4) and (5), any person who is convicted of a felony committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall, upon conviction of that felony, in addition and consecutive to the punishment prescribed for the felony or attempted felony of which he or she has been convicted, be punished as follows: (A) Except as provided in subparagraphs (B) and (C), the person shall be punished by an additional term of two, three, or four years at the court's discretion. (B) If the felony is a serious felony, as defined in subdivision (c) of Section 1192.7, the person shall be punished by an additional term of five years. (C) If the felony is a violent felony, as defined in subdivision (c) of Section 667.5, the person shall be punished by an additional term of 10 years. (2) If the underlying felony described in paragraph (1) is committed on the grounds of, or within 1,000 feet of, a public or private elementary, vocational, junior high, or high school, during hours in which the facility is open for classes or school-related programs or when minors are using the facility, that fact shall be a circumstance in aggravation of the crime in imposing a term under paragraph (1). (3) The court shall order the imposition of the middle term of the sentence enhancement, unless there are circumstances in aggravation or mitigation. The court shall state the reasons for its choice of sentencing enhancements on the record at the time of the sentencing.

(4) Any person who is convicted of a felony enumerated in this paragraph committed for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall, upon conviction of that felony, be sentenced to an indeterminate term of life imprisonment with a minimum term of the indeterminate sentence calculated as the greater of: (A) The term determined by the court pursuant to Section 1170 for the underlying conviction, including any enhancement applicable under Chapter 4.5 (commencing with Section 1170) of Title 7 of Part 2, or any period prescribed by Section 3046, if the felony is any of the offenses enumerated in subparagraph (B) or (C) of this paragraph. (B) Imprisonment in the state prison for 15 years, if the felony is a home invasion robbery, in violation of subparagraph (A) of paragraph (1) of subdivision (a) of Section 213; carjacking, as defined in Section 215; a felony violation of Section 246; or a

Violation of Section 12022.55. (C) Imprisonment in the state prison for seven years, if the felony is extortion, as defined in Section 519; or threats to victims and witnesses, as

defined in Section 136.1. (5) Except as provided in paragraph (4), any person who violates this subdivision in the commission of a felony punishable by imprisonment in the state prison for life shall not be paroled until a minimum of 15 calendar years have been served. (c) If the court grants probation or suspends the execution of sentence imposed upon the defendant for a violation of subdivision (a), or in cases involving a true finding of the enhancement enumerated in subdivision (b), the court shall require that the defendant serve a minimum of 180 days in a county jail as a condition thereof. (d) Any person who is convicted of a public offense punishable as a felony or a misdemeanor, which is committed for the benefit of, at the direction of or in association with, any criminal street gang with the specific intent to promote, further, or assist in any criminal conduct by gang members, shall be punished by imprisonment in the county jail not to exceed one year, or by imprisonment in the state prison for one, two, or three years, provided that any person sentenced to imprisonment in the county jail shall be imprisoned for a period not to exceed one year, but not less than 180 days, and shall not be eligible for release upon completion of sentence, parole, or any other basis, until he or she has served 180 days. If the court grants probation or suspends the execution of sentence imposed upon the defendant, it shall require as a condition thereof that the defendant serve 180 days in a county jail.

(e) As used in this chapter, "pattern of criminal gang activity" means the commission of, attempted commission of, conspiracy to commit, or solicitation of, sustained juvenile petition for, or conviction of two or more of the following offenses, provided at least one of these offenses occurred after the effective date of this chapter and the last of those offenses occurred within three years after a prior offense, and the offenses were committed on separate occasions, or by two or more persons

Law Enforcement Formal Complaint System

Reason for Investigation

The Grand Jury received eight citizen complaints and two prison inmate complaints against law enforcement personnel (**LEP**) within the county. These complaints have been against different LEP regarding the handling of a sexual molestation case, neighborhood disputes, noise code violation, unnecessary force, abuse of power, and police harassment.

Investigation

Formal Complaint Procedure

The Grand Jury decided to examine the complaint system within each Law Enforcement Agency (**LEA**) to determine if complaints were being adequately addressed. The Grand Jury first looked at the effectiveness in investigating a complaint against a sworn officer or personnel of a LEA.

The Grand Jury found that the procedures for a formal complaint are in place throughout the LEA's in Butte County. These procedures include:

- 1) filing a complaint form, which is easily accessible to the public in the lobbies of all police agencies in Butte County. The form is to be sent to the LEA in question; or, (**Exhibit A**)
- 2) calling the LEA to speak to an officer or make an appointment with the Chief or Sheriff.

The Grand Jury determined whether the complainants first followed procedure. In most cases, the Grand Jury found that the complainants had indeed followed the above procedure; however, on two occasions the complainants had bypassed the established LEA and contacted the Grand Jury. These two individuals stated they felt they would be treated unfairly by the LEA, and the complaint would harm their working relationships in the community. In most cases, the Grand Jury found that even though complainants had contacted the LEA and followed the appropriate steps, there was not a satisfactory resolution. In addition, the citizen is left out of the loop and receives no feedback on the status of the complaint. On two occasions the Grand Jury found that the complainant felt it was a "them against us" situation, meaning law enforcement personnel and city government against the complainant.

Throughout our investigation we learned that most agencies in Butte County willingly receive and address any complaints filed against an officer or other personnel. One LEA Chief told the Grand Jury, "I have no problem giving an officer personal beach time when they screw up."

After the LEA receives a formal complaint, the Internal Affairs Unit or officer opens a formal investigation according PC §832.5. The investigation file is retained by Internal Affairs and not placed in the officer's personnel records until after the findings and any discipline order.

Law enforcement agencies are mandated by the Department of Justice to keep track of the formal complaints filed against any LEP on an Annual Report of Citizens Complaints Against Peace Officers form. These forms must be submitted to the Department of Justice. The form includes information on the nature of the complaints whether non-criminal, criminal felony, or criminal misdemeanor. **(Exhibit B)**

A citizen may preview the Citizen Input Log **(Exhibit C)** but may not review the investigation process or the disposition of the complaint. Consequently, there is no way for the public to see if this is a pattern of behavior by the officer or if any disciplinary action was taken. The handling of the complaint is solely at the discretion of the LEA. Only the Grand Jury, through a subpoena process, may look at an officer's personnel record to review the investigation process, findings, and any disciplinary actions.

Break Down of Complaints

The 2006-07 Grand Jury received complaints in the following areas:

- 2 neighborhood disputes
- 1 failure of adequate investigation and prosecution of molestation allegation
- 2 unnecessary force
- 1 abuse of power in a domestic issue between spouses
- 4 harassment by LEA

Neighborhood Disputes

The Grand Jury found that an officer was accused of shutting off the power to a person's dwelling and of trying to push his way into the house while attempting to obtain a signature on a noise violation warning. In speaking with the officer the Grand Jury was told that the allegations had some validity. However, the officer expressed frustration while trying to get the complainant's signature on a notice of noise violation. The police had previously responded to over 20 noise complaints for this same person. The Grand Jury was informed by the City Attorney's Office that if the noise violation warning does not have the violator's signature, the case may not be prosecutable without other corroborative evidence. According to the Chico Municipal Code 9.70.030 - 9.70.050, a signature is not required. **(Exhibit D)** It is unfortunate that officers trying to do their jobs have to deal with these issues.

In the second neighborhood dispute complaint to the Grand Jury, the complainant stated that LEP and the District Attorney (**DA**) conducted an inadequate investigation and prosecution into a child molestation incident. This issue developed into a neighborhood dispute, involving threats, assault and destruction of property. The complainant said that LEP was slow to answer calls when incidents with the neighbor occurred. They neither listen to his complaints nor conduct a thorough investigation. The Grand Jury reviewed agency policies, call records, and 911 tapes. We also interviewed the LEP involved.

The Grand Jury found that LEA's are unable to respond as quickly as citizens would like because of staffing and demographic issues. We also found that the LEA had turned over a portion of the complaints to the DA's office for prosecution. The complaints were sent back to the LEA by the DA's office, saying that they had turned over the investigation to the Grand Jury. This was confirmed by a member of the DA's Office when he said to Mike Ramsey, "I told them that we turned it over to the Grand Jury for investigation." However, the Grand Jury has no jurisdiction in investigating criminal matters unless specifically authorized by the DA. Our assistance was never requested by the DA.

Misuse of Position

A law enforcement dispatcher was accused of using emergency agency phone lines to intentionally record a personal conversation. The phone system has an automatic recording system built into it. This same person was also accused of accessing the California Law Enforcement Tracking System (**CLETS**) to gain information for personal use. We found that it is a misdemeanor for any law enforcement personnel to access and gather information from CLETS for personal use.

We interviewed the dispatcher who admitted using the phone lines to record a personal conversation believing that it was legal to do so. We asked if the CLETS was used for personal reasons and were told no. The Dispatcher had only accessed the Butte County Court's information web-site.

Inmate Complaints

We received two letters from previous inmates of Butte County Jail. The first complaint centered on the daily time allocated for getting out of his cell. He felt that his time allocation was unfair because other pods were receiving more time. In his letter, the complainant indicated that he was assigned to C-Pod. The out of cell time was consistent with C-Pod policy.

The second letter from prison inmate complaint was against a LEA for excessive force during his time of arrest. We were unable to substantiate his allegations.

Findings

1. In at least one case, the Grand Jury found that the DA refused to look into a matter saying it had been turned over to the Grand Jury for investigation. Telling the complainant that the matter had been turned over to the Grand Jury is not a substitute for DA criminal investigation and prosecution. The frustration of the complainant is that no law enforcement agency wants to help them. The charges go from the complainant to the LEA to the DA, from the DA to the LEA, back to the complainant and nothing constructive happens.
2. Inability to fully enforce the city's noise ordinances has led to situations where noise violations continue with little consequence. This leads to frustration for law enforcement officers and neighbors.

Recommendation

1. The City of Chico and Chico law enforcement need to reexamine noise ordinances and enforcement methods.

Responses Required (Penal Code §933 & §933.05)

Chico City Council
City of Chico Police Department
City of Chico Attorney's Office

Law Enforcement Formal Complaint Systems

Index of Exhibits

Exhibit A: Law Enforcement Citizen Complaint Form

Exhibit B: Annual Report of Citizens' Complaints Against Police Officers

Exhibit C: Citizen Input Log

Exhibit D: Chico Municipal Code 9.70.030 – 9.70.050

Exhibit A

CITIZEN COMPLAINT FORM

Name _____ Date of Birth _____

Address _____ Phone No. _____

City, State, ZIP _____ Wrk/Msg Phone _____

I wish to complain about officer(s) _____

The incident occurred on: Date _____ Time _____

Location _____

My complaint is as follows: (Be specific as to the nature of your complaint i.e. excessive force, illegal search, ect.)

Additional witnesses to this incident:

Attach additional sheets as needed.

Name _____ Phone _____

Name _____ Phone _____

YOU HAVE THE RIGHT TO MAKE A COMPLAINT AGAINST A POLICE OFFICER FOR ANY IMPROPER POLICE CONDUCT. CALIFORNIA LAW REQUIRES THIS AGENCY TO HAVE A PROCEDURE TO INVESTIGATE CITIZENS' COMPLAINTS. YOU HAVE A RIGHT TO A WRITTEN DESCRIPTION OF THIS PROCEDURE. THIS AGENCY MAY FIND AFTER INVESTIGATION, THAT THERE IS NOT ENOUGH EVIDENCE TO WARRANT ACTION ON YOUR COMPLAINT. EVEN IF THAT IS THE CASE, YOU HAVE THE RIGHT TO MAKE THE COMPLAINT AND HAVE IT INVESTIGATED IF YOU BELIEVE AN OFFICER BEHAVED IMPROPERLY. CITIZEN COMPLAINTS AND ANY REPORTS OR FINDINGS RELATING TO COMPLAINTS MUST BE RETAINED BY THIS AGENCY FOR AT LEAST FIVE YEARS.

I have read and understood the above statement.

(Signature of Complainant) Date _____

(Complaint received by) Date _____

Citizen Complaint Process California Penal Code Section 832.5

It is desirable that you come to the _____ Police Department where your complaint can be received during a personal interview. All information received will be treated confidentially by the Department.

A parent or guardian's signature is required on any complaint filed by a person under 18 years of age.

When filing your complaint, you will be asked to provide the following information:

1. Your name, address, telephone number, and date of birth.
2. The name, address, telephone number, and date of birth or age of the alleged victim, if other than yourself.
3. The date, time, and location of the incident about which you are complaining.
4. The name of any witnesses, their addresses, and telephone numbers, if available.
5. The name, address, and telephone number of any persons arrested during the incident.
6. The name, badge number, or identifying description of the officer(s) involved. If you have none of this information, simply tell what happened and the time and location of the incident.
7. Give a narrative description of the events giving rise to your complaint.

UNFOUNDED – when the investigation discloses that the alleged act(s) did not occur or did not involve department personnel. (Complaints which are determined to be “frivolous” [See: Penal Code § 832.5 (c)] will fall within the classification of unfounded).

EXONERATED - when the investigation discloses that the alleged act occurred, but that the act was justified, lawful and/or proper.

NOT SUSTAINED - when the investigation discloses that there is insufficient evidence to sustain the complaint or fully exonerate the employee.

SUSTAINED - when the investigation discloses sufficient evidence to establish that the act occurred and that it constituted misconduct.

Exhibit B

STATE OF CALIFORNIA

DEPARTMENT OF JUSTICE

ANNUAL REPORT OF CITIZENS' COMPLAINTS AGAINST PEACE OFFICERS

BCIA 724 (rev. 01/06)

Paradise Police Department

PREPARED BY _____

PHONE NUMBER (____) _____

YEAR OF REPORT _____ NCIC NUMBER _____

TYPE OF COMPLAINT	NUMBER REPORTED	NUMBER SUSTAINED
NON-CRIMINAL		
CRIMINAL (FELONY)		
CRIMINAL (MISDEMEANOR)		
TOTALS		

INSTRUCTIONS

1. Definitions of citizens' complaints and the method of their calculation should be determined by each police agency under Penal Code section 832.5, which requires police agencies to establish procedures to investigate such complaints and make written descriptions of the procedures used.
2. Citizens' complaint information should adhere strictly to those data elements named in Penal Code section 13012 (e) and should be limited to the "total number of such complaints, the number alleging criminal conduct of either felony or misdemeanor, and the number sustained in each category."
3. The primary unit of count should be the actual event. An event is defined as an occurrence of alleged misbehavior which has unity of time, place, and behavior. In some circumstances where there are multiple alleged victims, consideration should be given to modifying the counting procedure to account for the number of victims.
4. Number Reported: Enter the number of complaints reported during the year in the "number reported" column opposite the "type" of complaint which properly identifies it.
5. Number Sustained: Enter the number of complaints sustained during the year in the "number sustained" column opposite the "type" of complaint which properly identifies it. A complaint reported as one type of complaint (e.g., felony) may be sustained as another type of complaint (e.g., misdemeanor). "Sustained" means that the investigation clearly established that the actions of the peace officer that formed the basis for the complaint are a violation of law or department policy. **A complaint may be sustained in a different year than the one in which it was reported.**
6. If you have no reported or sustained complaints to report for the year, write the word "none" across the face of the report and return it to the Criminal Justice Statistics Center.

MAIL OR FAX
COMPLETED FORM TO:

CRIMINAL JUSTICE STATISTICS CENTER
P.O. BOX 903427
SACRAMENTO, CA 94203-4270
FAX: (916) 227-0427

Exhibit C

[illegible]

Exhibit D

9.70.030 Loud or unruly events defined.

For purposes of this chapter, the terms loud event and unruly event are defined as follows:

- A. A loud event shall mean an event or incident which results in any loud or unusual noise which disturbs the peace and quiet of a neighborhood or which causes discomfort or annoyance to any reasonable person of normal sensitivity residing in the neighborhood and is, therefore, unlawful in accordance with the provisions of chapter 9.38 of this code.
- B. An unruly event is any event or incident which threatens the public health, safety or welfare and is unlawful under the provisions of this code or the laws of the State of California.

(Ord. 2086)

9.70.040 Person responsible for a loud or unruly event.

For purposes of this chapter, a person shall be considered to be responsible for a loud or unruly event if:

- A. Such person is entitled to possession of any private property on which the event occurs, because that person is either an owner entitled to possession of such property or is a lessee or tenant entitled to possession of the property;
- B. Such person is entitled to the use of any public property on which the event occurs by reason of any permit or entitlement issued to such person by the city or any other governmental agency owning or otherwise controlling the property; or
- C. Such person accepts responsibility for the event.

(Ord. 2086, Ord. 2331)

9.70.050 Civil liability for the costs of a second response to a loud or unruly event.

Any person responsible for a loud or unruly event shall be civilly liable to the city for all costs incurred by the city arising out of a second response which is made by the city police or fire department to such an event where:

- A. The city police or fire department initially responded to a loud or unruly event during the preceding 72 hour period;
- B. At the time of making such initial response, personnel from the city police or fire department warned such person, in writing, that the event was being conducted in an unlawful manner, and that if police or fire department personnel were required to respond a second time to a loud or unruly event at the same location within 72 hours, such person would be assessed a second response fee as and for the city's second response costs in the amount provided for by this chapter;
- C. Following such initial response, the city police or fire department were required to respond a second time to a loud or unruly event at the same location, notwithstanding such written warning; and
- D. A citation was issued to such person at the time of the second response because the event was being conducted in an unlawful manner and that person was subsequently convicted of the charges set forth in the citation.

(Ord. 2086, Ord. 2331)

9.70.060 Amount of second response costs.

The amount of the costs incurred by the city as a result of a second response to a loud or unruly event shall be determined by the chief of police based on the number of police

The Planning Process in the City of Chico: Transforming a Big Town Into a Small City

Reason for Investigation

Planning for future growth and development is an important task facing the City of Chico. In the words of several city planners, “How do you transform a big town into a small city?” As part of its oversight mandate, the Grand Jury reviewed the planning process, including the functions of the Planning Services Department (**PSD**), the Planning Commission, and the Chico City Council.

Background

The PSD is a vital link to the future growth of the City of Chico. The PSD deals with both long-term and current planning. These planning functions include implementation and interpretation of the General Plan, including land use, development, and growth. The PSD currently has fifteen employees; a Planning Director, two Principal Planners, four Senior Planners, two Associate Planners, three Assistant Planners, one Administrative Analyst, one Administrative Assistant, and one Office Assistant II. The PSD processes applications for development and then prepares staff reports and recommendations for approval by the City Council and/or Planning Commission. The PSD also presents planning information to the general public as well as to other city departments.

Another responsibility of the PSD is the coordination of the Chico General Plan Update process. Last updated in 1999, the Chico General Plan is a long-term planning document that sets policies “to conserve and enhance the community’s resources and provide for future growth and development.” **(Exhibit A)** All local land use decisions must be consistent with the guidelines in the General Plan. The City of Chico will soon be choosing a consultant to provide services for the preparation of a comprehensive update to this important planning tool.

The Chico City Council appoints the seven members of the Planning Commission. Each appointee must be a resident of the City of Chico and a qualified voter. After filing an application and supplemental questionnaire with the City Clerk, each member is chosen by a majority vote of the City Council at a regular Council meeting. Members of the Planning Commission “serve at the pleasure of the City Council and can be removed at any time by a majority vote of the Council.” **(Exhibit B)** According to the City of Chico website, the Planning Commission “prepares and recommends to the City Council precise plans for implementation of the General Plan.” Additional duties include reviewing, holding hearings and acting upon zoning ordinances and subdivision applications. New to the Planning Commission in 2007 is the development of a Two-Year Work Plan. All of the Boards and Commissions in the City of Chico

have been asked to identify the priorities and goals that will guide their work for the next two years.

The Chico City Council is composed of seven members with staggered four-year terms, elected at large by the citizens of Chico. The Council establishes and adopts policy for the City and reviews and adopts the City budget. The Council selects the Mayor and Vice Mayor from among its members to serve two-year terms. In reference to the planning process, the City Council reviews staff reports from the PSD and recommendations from the Planning Commission and is the ultimate decision-making body. The Council also hears appeals to the decisions of the PSD staff and the Planning Commission.

As it relates to the planning process, the work of the PSD, the Planning Commission, and City Council is inter-related and inter-dependent. In many instances, the decision of one group may trigger an action by one or both of the others. The planning process begins with an applicant working with the PSD staff. Once the planning application is considered complete, it is presented to the Planning Commission. The Planning Commission has four options: approve, deny, approve the project with conditions, or continue the project for more work. If the applicant or a member of the general public disagrees with the decision of the Planning Commission, either one may file an appeal to City Council. The City Council also has four options: approve, deny, approve with conditions, or send the project back to the Planning Commission with clear guidance and direction. In each one of these steps, the applicant continues to work with the PSD staff. This interrelationship between the three entities can be compared to the three sides of a triangle; each side is a critical component, and each side is necessary to maintain the integrity of the structure. The Grand Jury explored the relationships between the three groups in an attempt to analyze the efficiency of the process and to make the planning process more understandable to the citizens of Chico.

Investigation

The Grand Jury interviewed the following:

- 2 City of Chico Planning Directors (current and former)
- 10 City of Chico City Planners
- 2 Local developers
- A Former City of Chico City Planner
- A Building Industry Association representative
- A City of Chico Administrative Assistant
- A City of Chico Administrative Analyst
- 9 City of Chico City Members (current and former)
- 5 City of Chico Planning Commissioners
- The former City of Chico Community Services Director
- The former City of Chico Assistant Community Services Director

- 4 City of Chico Department Directors
- City of Chico City Manager
- City of Chico Assistant City Manager

The Grand Jury began its review of the planning process in August 2006 and ended interviews in May 2007. During this time, several changes occurred within the City of Chico that had an impact on the planning process. First, an election was held in November 2006 in which two new council members were elected. Second, in January the Chico City Council appointed two new members of the Planning Commission, and third, the City of Chico government underwent an entire reorganization. The previous large Community Services Department was eliminated and replaced with four separate departments, each reporting directly to the City Manager. The new departments are Building and Development Services, Capital Project Services, Housing and Neighborhood Services, and the PSD. **(Exhibit C)**

The role of the Grand Jury was not to become embroiled in the politics of planning, but rather to look at the efficiency of the planning process. The focus of the Grand Jury investigation was to ask the following:

- Is taxpayer money being used wisely?
- Is the current planning process as efficient as possible?
- How can the planning process be improved to avoid redundancy?
- Is it possible to reduce the number of appeals to City Council and/or the Planning Commission, thereby improving efficiency and reducing the PSD's workload?

During the course of its investigation, the Grand Jury attended meetings of the Chico City Council and the Planning Commission and reviewed planning documents, meeting minutes, planning manuals and city codes. We observed that many development projects were going through the appeal process. The City Manager explained to the Grand Jury that normally two thirds of all planning applications should be handled by the PSD staff and one third sent to the Planning Commission and possibly appealed to City Council. Currently, in the City of Chico, that ratio is reversed. Two thirds of the planning applications are channeled to the Planning Commission and one third handled solely by the PSD. The Assistant City Manager agreed that the "high number of appeals indicates a disconnect" between the City Council, the Planning Commission, and the PSD.

Any citizen, after paying the \$150 fee, may appeal a decision of the PSD staff or the Planning Commission. In addition, the City Council can and has sent projects back to the PSD staff and/or the Planning Commission for additional changes and review. The Grand Jury heard on several occasions from planners, city council members and developers that "planning at the podium" should be eliminated. The Grand Jury also questioned the amount of extra work that was being placed upon the members of the PSD staff with all of these revisions. It

seemed logical to the Grand Jury that more and better communication was needed between the City Council, PSD staff and the Planning Commission.

In addition, several developers noted that it is “a struggle to know what the City of Chico wants” and that the planning staff “needs more direction from the City Council.” The developer or applicant of a project, after spending months or even years working through the planning process with an assigned city planner, still has no assurance that a recommendation of approval by planning staff will actually result in that action when brought before either the Planning Commission and/or City Council. With better direction and understanding between these groups, staff time would be reduced and thus, taxpayer money saved.

The Grand Jury understands that a system of checks and balances in government is necessary and healthy, and that appeals should be part of the planning process. However, with improved communication of policy by City Council and a common interpretation of the General Plan between all groups, the numbers of appeals should be reduced, again saving time and money for the City of Chico and the taxpayer.

Planning Services Department

The PSD represents the first side of the planning triangle. As the Grand Jury began its investigation in August 2006, it soon became clear that the department was severely understaffed. In addition to four vacant city planner positions, three of the top city planning managers would be retiring within a few months. The planning staff was admittedly overworked, often putting in 60+ hours of work per week, resulting in “burnout” and low morale. Despite the heavy workload, all of the employees interviewed appeared to enjoy their jobs and work environments, often stating that they were part of the “city family” and that they were “excited about the future.” There was optimism about the hiring of a new Planning Director and two new Principal Planners. Overall, the Grand Jury was impressed by the professionalism and work ethic of the PSD employees and by their high level of commitment to the City of Chico.

Role of City Planner

The job of a city planner is complex and demanding. A planner must have knowledge of local zoning and building ordinances, the principles outlined in the General Plan, and planning laws and regulations, including the Subdivision Map Act and the California Environmental Quality Act (**CEQA**). According to the job description for an Associate Planner, it is also necessary to “read and interpret maps, aerial photos, legal descriptions, blueprints, and construction plans.” In addition to the technical knowledge required, a city planner also needs the ability to communicate orally and in writing with city staff and the general public. Planners meet numerous times with the applicant of a project and spend many hours analyzing and improving the design. The project undergoes many

revisions before it is approved or sent to the Planning Commission for approval. There are mandated deadlines within the planning process and from CEQA that also guide the progress of an application.

The planner's job is a high profile one. City planners regularly attend meetings of the City Council, the Planning Commission and the Architectural Review Board to present reports and answer questions. These meetings are recorded and taped; the City Council meetings are also broadcast live on a cable TV channel. The work of city planners is often reported on the pages of local newspapers, increasing the visibility of their work, and planners are frequently involved in organizing and leading public meetings within the community.

Morale Issues

As the Grand Jury continued to interview and re-interview members of the PSD and other city staff, it became apparent that despite the work ethic and dedication of staff, morale in the PSD was at a low level. Although there had been initial optimism at the prospect of hiring a new Planning Director, it appeared that a morale problem was present seven months later. Several frustrations were repeated over and over again: long weekly work hours, a large workload, a lack of leadership within the department, a lack of respect by the director for professional opinions from the staff, and a lack of teamwork. By interviewing almost all of the members of the PSD staff, some of them multiple times, the Grand Jury learned that there has been a history of low morale in the department for many years, leading to a high turnover rate and overall dissatisfaction. Other department heads within the City of Chico confirmed this problem of ongoing low morale.

The Grand Jury understands that change is often difficult and that when the change is dramatic it can take time to make a difference or an impact. In the case of the PSD, the new Planning Director has a drastically different management style than that of the previous Director. Several staff members expressed concern that the current Planning Director "dismisses professional opinions," is "condescending and disrespectful," and "lacks a sense of teamwork." Other comments indicated that communication within the PSD has become "difficult" and has "diminished in quality and effectiveness."

While the Grand Jury generally does not become involved with personality issues, the frequency of such comments from all levels of the PSD and the city at large led us to be concerned for the efficiency and overall well-being of the entire department. We learned that due to the current conditions within the PSD, several of the most experienced city planners have applied for jobs with other departments or possibly plan to leave the city altogether. The previous loss of "institutional memory" caused by the retirements of key planning managers earlier in the year coupled with the loss of several experienced planners could prove to be a heavy blow to the PSD and the City of Chico. The new Planning

Director is aware of the morale issues within the department. At the end of our investigation, he indicated to the Grand Jury that that he “thinks it’s better.” He was hopeful that as the staff becomes “more comfortable with the new process” morale will improve. The Grand Jury was pleased to learn that an outside consultant has been hired to facilitate a workshop designed to open lines of communication between the PSD and two other city departments. We hope that the principles learned at this workshop can also be applied to relationships within the PSD and that there will be follow-up to this initial positive first step to improve morale.

Other factors contributing to low department morale are the large number of hours worked per week and the huge workload. Most of the city planners describe their workload as “overwhelming.” The recent hiring of two Principal Planners, however, has taken some of the pressure and workload away from the other city planners. In addition, the Principal Planners have been helpful in answering questions and providing support to the lower level planners.

Improving Efficiency

All of the city planners take great pride in the quality and thoroughness of their staff reports. Members of the PSD staff shared some excellent ideas with the Grand Jury to reduce the amount of time spent writing reports. The creation of templates for standard information that is included in projects that are similar in nature would eliminate the redundancy of creating the same information over and over again. However, due to the heavy workload, there has not been any time available to create these templates. The Grand Jury is hopeful that time and energy will be devoted to this project.

At the present time, the PSD is primarily paper oriented. Although the department purchased project-tracking software several years ago, the software has yet to be implemented. Projects often need input from the Building and Engineering Departments and receive modifications and changes from the Planning Commission. A tracking system allows planners and applicants to quickly and easily monitor the progress of a project as it moves between the various departments and commissions. Such a system could also be used to update schedules and deadlines. There was agreement among the planning staff that a computer tracking system would improve efficiency, thereby saving both time and money. The Grand Jury learned that the department is in the process of hiring a consultant to implement the tracking software.

Another idea to increase the efficiency in report writing and processing applications is to revise Title 19, the provisions in city code relating to planning. The entire planning staff agrees that the current city planning codes are outdated and inconsistent. Again, finding the time to work on these revisions has been a problem. As one planner stated, “There is no time to work on the process, so we become reactive.” It was suggested to the Grand Jury that possibly one staff

position could be devoted to making the necessary code changes, or perhaps a consultant could be hired to do the work.

The Grand Jury learned about another change within the department to improve the efficiency of the planning process. The Development Review Committee has been reinstated, after an absence of eight months. As explained on the city website, this committee serves as a preliminary review to “identify potential problems associated with the proposed project prior to formal application.” The work of the committee had been halted due to staffing vacancies. Since the vacancies have now been filled, the PSD is again able to offer the services of this valuable pre-planning tool.

Planning Commission

The Planning Commission represents the second side of the planning triangle. Commissioners regularly make decisions regarding land use policies and specific development applications. Some decisions are recommendations to the City Council, while others are final, subject to appeal to the council. Commissioners spend many hours reading and analyzing complex planning documents in an effort to make decisions consistent with the General Plan.

In the beginning of its investigation into the planning process, the Grand Jury consistently heard many complaints about the Planning Commission. Both the development community and planning staff had concerns about “being caught in the middle of politics.” Several staff members suggested that the commission was “overzealous” and “did not understand all the ramifications involved in the work of planning.” Another issue concerned the qualifications, expertise and training of members of the Planning Commission. A final concern, as stated earlier in this report, was the high number of appeals resulting from decisions of the Planning Commission.

Appointment Process

The Grand Jury looked into the appointment process for Planning Commission members. Is it merely a “political appointment” and “too sensitive to the political process” as suggested by several commissioners interviewed? Does the process result in a balanced commission that reflects the varied views of the citizens of Chico? Several of those interviewed worried that the Planning Commission did not represent the “diversity of the community” and had “lost the balance of the electorate.” Members of the PSD, City Council, and the Planning Commission also questioned whether at least several members of the commission should be required to have some planning experience in their background. However, there were some positive comments. Several of those interviewed thought that the process was “working well” and that the Planning Commission should “reflect the opinion of the city council majority.”

Any resident of the City of Chico may apply to serve on the Planning Commission. Other than being a resident and a registered voter, no special qualifications are required. While there are specific qualifications for some members of both the Arts Commission and the Architectural Review Board, no planning background or special expertise is required for members of the Planning Commission. Applications are filed with the City Clerk and are then forwarded to members of City Council. City Council members have several weeks to review the applications. During this time, council members may contact individual applicants for additional information about their qualifications, and applicants may also contact individual members of the City Council. Commissioners are appointed at a regular City Council meeting. Applicants are given the opportunity to address the Council for one to three minutes; council members may also ask additional questions at this time. After several rounds of open voting, applicants are gradually eliminated; those final applicants with a majority vote are appointed. **(Exhibit D)**

For comparison, the Grand Jury researched the methods used by other cities to appoint planning commission members. After reviewing the practices of the cities of Redding, Sacramento, Davis, Santa Rosa and San Luis Obispo, the Grand Jury realized that many different procedures exist. For example, in the City of Sacramento, a committee of four city council members reviews applications, conducts interviews and prepares a short list of names that is sent to the mayor. From this list, the mayor chooses the commissioners to be appointed by the city council. The City of Redding uses a similar method, with the mayor selecting the applicants to be appointed. In San Luis Obispo, the mayor and one other council member conduct fifteen-minute interviews with the applicants and then choose those commissioners to be appointed. The process used in the City of Santa Rosa allows each council member to appoint a member of the planning commission, while the City of Davis uses a process similar to that of Chico. Despite the many different procedures, a common theme emerged. As one city clerk explained, the appointment process should be “equitable” and result in a planning commission that is “balanced and represents a good cross section of the population.”

Training and Communication

The PSD staff had multiple concerns about the role of the Planning Commission. At the beginning of its investigation, many planners told the Grand Jury that the commissioners “did not trust staff decisions,” that “professional recommendations were not valued,” and that commissioners did not “understand all the changes and modifications that take place during the design process.” Other staff members expressed the concern that commissioners did not understand all of the intricacies of city codes, state and federal regulations, and the General Plan. As the year has progressed, however, many of these concerns have been partially alleviated.

In an effort to educate all of the city's boards and commissions, the City Clerk organized a required daylong orientation in February 2007 to "deepen the understanding" of city organization as well as to review the roles and responsibilities of staff and the advisory boards. The Grand Jury interviewed many of those in attendance and received overwhelmingly positive responses. Planning Commissioners and PSD staff members all agreed that learning about the duties and responsibilities of each other was extremely beneficial. The Grand Jury understands that the city plans to hold a similar workshop every two years to correspond with the appointment of new members of the various boards and commissions.

Other than attendance at the orientation mentioned above and mandatory on-line ethics training, members of the Planning Commission are not required to have any additional training or expertise. Commissioners were given the opportunity in February 2007 to attend a training session in Sacramento on the "Role of the Planning Commissioner." Three commissioners registered for the training and two attended. The Grand Jury also learned that a future workshop is being planned between the Planning Commission and the Building Industry Association in order to understand the development process from the builder's point of view.

A promising idea to encourage a focused direction for the Planning Commission is the development of a Two-Year Work Plan. City Council directed each board and commission to prepare a Work Plan to "define their goals and priorities" for the next two years. The Grand Jury reviewed the Revised Draft of the Work Plan and was pleased that the Planning Commission had included "Measures to Enhance Predictability/Transparency" as a top priority. The first idea listed under this section states that the Planning Commission will "seek to streamline procedures and the appeals process with input from builder/developer workshop." **(Exhibit E)**

One member of the Planning Commission had concerns about the format of staff reports, indicating that it was difficult to determine what changes had been made to a project before it reached the final stage of recommendation. It was suggested that perhaps the planners could include a simple timeline at the beginning of the staff report that would specify the modifications and improvements to a project, thus making it easier for the commissioners to understand the progression of the project design. In subsequent interviews with city planners, most agreed that the inclusion of a simple timeline would be an easy solution to enhance communication with the Planning Commission.

As the Grand Jury ended its investigation, we were encouraged by all of the efforts to improve communication and the understanding of the planning process. City planners also agreed that the relationship with the Planning Commission was "getting better" and that "progress was being made." The PSD staff also made it clear to the Grand Jury that they encourage commissioners to seek

clarification from city staff prior to projects coming before the commission at a public meeting.

City Council

The City Council is the final decision maker in the planning process and the third side of the planning triangle. Appeals of the decisions of the Planning Commission or the PSD ultimately end up at a City Council meeting. The Grand Jury heard consistently from all groups interviewed that the PSD and the Planning Commission need “strong guidelines and direction from City Council.” We also heard that the Council needs to “trust the opinions of the professional staff” and not “micro-manage” the planning process. The Grand Jury believes that the two-year Work Plan is a good first step in providing needed guidance to the Planning Commission. In order for City Council members to better understand the roles of the PSD staff and the Planning Commission, it was also suggested that in the future, council members be required to attend the biennial city orientation workshop.

Solving the Appeal Problem

Some of the ideas suggested to the Grand Jury for improvement of the planning process require policy decisions of the City Council. For example, the PSD staff and members of the Planning Commission recommended changing the appeal fee schedule. Currently a member of the community can appeal a decision of the Planning Commission by paying a fee of \$150. During our interviews, it was argued that this amount was unusually low. On the other hand, an appeal to City Council by an applicant regarding a subdivision or parcel map costs \$5,360. It was argued that this amount was unusually high. An appeal of a decision of the Zoning Administrator (a member of the PSD staff), however, costs nothing. **(Exhibit F)** Planning staff agreed that there should be a minimum fee for any appeal. It was suggested to the Grand Jury that City Council conduct a review of appeal fees, comparing Chico’s fees to those of other cities, and then start the process to amend the appeal fee schedule.

Another idea to reduce the high number of appeals is to change Title 18 and Title 19 of the municipal code to allow some of the more routine planning decisions to be made at a lower or ministerial level. According to the Planning Director, “based on clear guidance and standards from City Council, many applications could be handled at the staff level.” The process to amend the municipal code involves public hearings of both the Planning Commission and City Council and the eventual adoption of a new ordinance. With more planning decisions processed at the staff level, fewer projects will be sent to the Planning Commission.

At the end of its nine-month investigation, the Grand Jury had several observations. Members of the PSD, the Planning Commission and City Council

all have a high level of commitment to serve the community of Chico. They are aware of the problems within the planning process and are already finding solutions. One Commissioner posed a question early in the investigation: "How do we keep Chico the kind of place we were attracted to in the first place?" As the City of Chico continues to grow and continues to make difficult planning decisions, the Grand Jury is hopeful that an appropriate answer will be found.

Commendations

1. The Grand Jury commends the City of Chico planning staff for their professionalism, work ethic and service to the citizens of Chico.
2. The Grand Jury commends the City Clerk for the excellent planning and organization of the orientation workshop for the appointed boards and commissions of the City of Chico.
3. The Grand Jury commends the PSD staff and the City Manager for being proactive in finding solutions to create predictability and transparency in the planning process.

Findings

1. City ordinances related to development standards (Title 19) are outdated and vague, leading to inconsistent interpretation.
2. There is poor communication between the City Council, the Planning Commission and the PSD staff.
3. Other than the city-sponsored general orientation, new members of the Planning Commission are not required to attend any formal training regarding their roles and duties as Commissioners, nor are they required to have training on planning issues.
4. There is continuing low staff morale in the Planning Services Department.
5. Too many minor or routine projects appear before the Planning Commission and City Council.
6. Too many development projects are being appealed to City Council.
7. The current process used to appoint Planning Commissioners is structured in such a way as to produce a body that is not necessarily versed in planning issues and/or representative of the electorate.

8. The computer tracking software purchased by the PSD has not been implemented.
9. The PSD lacks templates which would help reduce redundancy in writing staff reports.
10. It is difficult for members of the Planning Commission to follow all the changes made to a project by the PSD before it reaches the Commission.

Recommendations:

1. The City Council should direct the PSD staff to identify areas within Title 19 of the Municipal Code where the language is unclear and/or outdated. Staff should report back to the City Council with recommendations.
2. The City Council, Planning Commission and PSD should continue working toward better communication, including, but not limited to workshops, e-mail, joint sessions and Work Plans.
3. The City Council should strongly encourage all new Planning Commissioners to attend an approved training program, in order to learn about their responsibilities as commissioners and to gain experience in planning issues. This training should occur as soon as possible after their appointment.
4. The City Manager should regularly monitor the morale in the PSD and report to the City Council.
5. The PSD should provide follow-up sessions to the planned communication training to ensure long-term improvement in department morale.
6. The City Council should initiate the process to amend the Municipal Code in order to expand the types of projects that can be approved at the ministerial level.
7. The City Council should review and amend the appeal fee schedule during its annual review of the fee structure.
8. The City Council should investigate other options for the selection process of Planning Commissioners.
9. The City Council should set criteria for some appointees to the Planning Commission, with a minimum of three having experience in the fields of planning, development, architecture or a related field.

10. The PSD should implement the existing computer tracking software and provide adequate and ongoing staff training in its use.
11. The PSD should develop templates to reduce the redundancy of creating staff reports for projects that are similar in nature.
12. The planning staff should keep a simple, ongoing timeline for each project that indicates the dates for all modifications and changes made throughout the planning process.

Responses Required (Penal Code 993 & 933.05)

Chico City Council
Chico City Manager
City of Chico Planning Commission
City of Chico PSD Planning Director

**The Planning Process in the City of Chico:
Transforming a Big Town Into A Small City**

Index of Exhibits

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Exhibit F: Planning Division Fee Schedule – Effective July 1, 2006

Exhibit A

1 INTRODUCTION AND OVERVIEW

Seeking inexpensive land and new economic opportunities, John Bidwell, a New York native, joined an overland expedition of settlers and started westward in the spring of 1841. As a member of the first band of white settlers to cross the Sierra into California, Bidwell became enchanted with the beauty and the agricultural potential of the Chico Creek area, and purchased Rancho del Arroyo Chico on the north side of Chico Creek in 1844. As early as 1847 Bidwell maintained experimental orchards and fields along with his extensive farming operations.¹ He founded the City of Chico in 1860.

The original townsite was laid out in a grid pattern by J.S. Henry, a land surveyor. Chico State Normal School, the predecessor of California State University, was organized in 1887; Mrs. Bidwell donated the land and was a major benefactor. She also was instrumental in creating Bidwell Park, one of the largest public parks in the nation with over 2,000 acres. Bidwell Park was granted to the City in 1905, and the City Park Commission was created in 1918.

Outstripping its agricultural origins, Chico has grown from an individual rancho in 1844 to the center of economic activity of the Tri-county area, which includes Butte, Glenn, and Tehama counties. Currently, an estimated 46 percent of Butte County jobs are located in the Planning Area, and Chico captures about half of Butte County's retail sales, largely because of the regional malls and major discount retailers that have located in the community. Chico is a major medical and education center serving the entire north-eastern part of California.

The City's first General Plan was adopted in 1961, although long-range studies of city services and facilities preceded that date. The second Plan was adopted in 1976 and addressed a whole range of issues associated with development and environmental conservation. This Plan marks a continuum in Chico's established planning tradition. It is designed to provide the City and the citizens with a readable, accessible, and useable document containing policies to conserve and enhance the community's resources and provide for future growth and development.

Detailed information measures will be established separately, in an ordinance to be approved subsequent to plan adoption. Upon adoption by the City Council, this General Plan will replace the 1976 - 1995 General Plan, and will serve as the City's "constitution" and its statement of direction for its physical development for the next twenty or so years. It carries forward those goals and policies from the earlier Plan that are still relevant.

¹ McGie, Joseph F. *History of Butte County, Volume 1, 1840-1919*. Butte County Board of Education, 1982.

Exhibit B

Qualifications

To serve on a City of Chico Advisory board, an appointee must be a resident of the City of Chico and a qualified voter, as defined by the California Elections Code. A completed applications, along with a supplemental questionnaire will need to be returned to the City Clerk's Office on or before the closing of each recruitment period in order to be considered for appointment.

Appointments

Appointments to serve on the City of Chico board or commissions are made at a regular or adjourned regular meeting of the City Council and are for the length of term specified. Appointees serve at the pleasure of the City Council and can be removed at any time by a majority vote of the Council.

Oath of Office

Upon appointment to a City of Chico Board, Commission or Committee, members of advisory bodies shall sign an Oath of Office prepared by the City Clerk.

Orientation

Pursuant to AP& P 10-1 – Board, Commission, Advisory Committees and Task Force Rules of Procedure, all appointed commission members shall attend an orientation training provided by the City Clerk and any additional training as may be required pursuant to State Law or City Council direction.

Ethics Training - Assembly Bill 1234

AB 1234 requires (among other things) that all local agencies that provide compensation, salary, or stipend to, or reimburses the expenses of, members of a legislative body must provide ethics training to local agency officials by January 1, 2007, and every two years thereafter. The term "legislative body" includes not only the governing body of a local agency, but also a commission, committee, board, or other body of a local agency, whether permanent or temporary, decision-making or advisory.

There are numerous training options, including training conducted by commercial organizations, nonprofits, or even the agency's own legal counsel. In addition, an on-line training program has been created that will allow local officials to satisfy the requirements of AB 1234 on a cost-free basis. The training may be accessed at <http://localethics.fppc.ca.gov> and at the end of the training a certification of completion must be printed and forwarded to the City Clerk.

Exhibit C



City of Chico Organization Chart

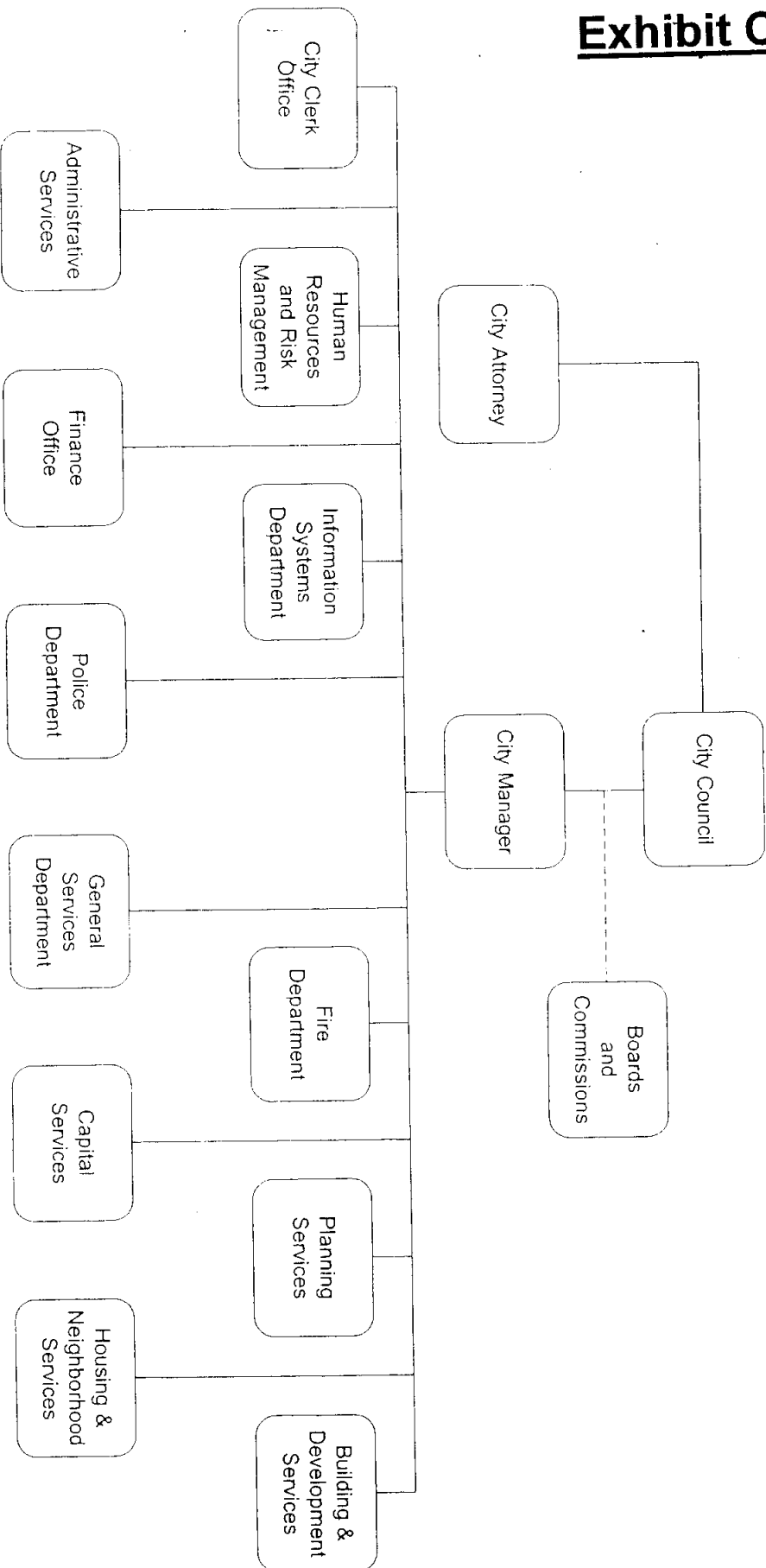


Exhibit D

Application Packet for City of Chico Board and Commissions

- 1) Summary of commissions
- 2) Instructions for completing application
- 3) Application
- 4) Supplemental information questionnaire
- 5) Administrative Procedure and Policy 10-1

Application for Appointment and Supplemental
Information Questionnaire must be returned to the
City Clerk's Office by:

**5:00 p.m. Friday,
November 17, 2006**



BOARD AND COMMISSION SUMMARY

AIRPORT COMMISSION

Duties	Has power and duty to operate and maintain all airports and airport properties belonging to, or under the control of, the City; power to enter into leases and contracts for up to 15 years; and confirm the appointment of the Airport Manager made by the City Manager.
Composition	Consists of five members.
Meetings	Currently meets on last Tuesday in January, April, July, and October at 6:00 p.m. in the Council Chamber Building, 421 Main St.

ARCHITECTURAL REVIEW BOARD

Duties	Reviews architectural drawings or renderings which are required to be submitted with an application for a building permit, and bases its actions on a project design meeting those design standards established in Chapter 19.18 of the Chico Municipal Code.
Composition	Consists of 5 members, 3 of which are engaged in visual arts, such as architects, landscape architects, artists, designers, etc
Meetings	Currently meets on first Wednesday of each month at 4:00 p.m. in the Council Chamber Building, 421 Main Street. Due to the amount of business coming before the Board, meetings are also scheduled on the third Wednesday of each month at 4:00 p.m.

ARTS COMMISSION

Duties	Advise Council on proposed funding for various community arts organizations and community art projects; assist in the site selection of community art projects; review and make recommendations on the technical and aesthetic aspects of proposed community artwork; organize competitions for artistic works in public places; implement the goals, objectives and policies of the Arts Master Plan adopted by City Council; and perform other duties pertaining to art as the Council may require.
Composition	Consists of seven members, three of whom shall be individuals who work or are involved in the arts
Meetings	Currently meets on the second Wednesday of the month at 7:00 p.m. in the Council Chamber Building, 421 Main St.

BIDWELL PARK & PLAYGROUND COMMISSION

Duties	Has power and duty to operate and maintain all of the parks and playgrounds owned by the City; provide for the propagation, planting, replanting, removing, pruning and caring for the trees and shrubbery on the streets and along the sidewalks of the City; enter into leases and contracts for up to 15 years; and confirm the appointment of the Park Director made by the City Manager.
Composition	Consists of seven members.
Meetings	Currently meets on the last Monday of each month at 7:00 p.m. in the Council Chamber Building, 421 Main St.

HUMAN RESOURCES COMMISSION

Duties	Performs and carries out the duties and responsibilities assigned to it by the City's Equal Employment Opportunity Plan.
Composition	Consists of seven members.
Meetings	In 2006, met on January 26, April 12, July 12, and October 11 at 7:00 p.m. in the Council Chamber Building, 421 Main St.

PARKING PLACE COMMISSION

Duties	The powers and duties of the commission are specifically set forth in the Vehicle Parking District Law of 1943. All vehicle parking districts established within the City under this law shall be under the jurisdiction and control of the commission. The Council may assign additional duties by resolution. The Council has assigned the following duties: (1) to make recommendations to the Council concerning all matters relating to off-street parking facilities within the downtown area, and (2) to make recommendations to Council concerning on-street parking in other areas of the Community when requested by the Council.
Composition	Consists of five members, at least three of which shall be an owner of real property, lessee of real property, or a person employed in a business located in the Downtown Parking and Business Improvement Area.
Meetings	Currently meets third Wednesday in January, April, July, and October at 3:00 p.m. in the Council Chamber Building, 421 Main St.

PLANNING COMMISSION

Duties	Prepares and recommends for adoption by the Council a comprehensive, long-term general plan, or amendments thereto, for the physical development of the City and of any land outside its boundaries which, in the commission's judgment, bears relation to the physical development of the City; and to include such elements in the general plan as recommended by the commission or required by the planning law of the state. Prepares and recommends to Council precise plans for implementation of the general plan. Performs duties in reference to zoning and subdivision matters as authorized by the Code or state laws. Performs other duties prescribed by the Council pertaining to planning.
Composition	Consists of seven members. Serve as alternate member of the Architectural Review Board when a member is absent.
Meetings	Currently meets on the first Thursday of each month at 6:30 p.m. in the Council Chamber Building. Due to the amount of business coming before the Commission, meetings are also scheduled on the third Thursday of each month at 6:30 p.m.

**INSTRUCTIONS FOR COMPLETING APPLICATION
FOR APPOINTMENT TO CITY BOARD OR COMMISSION**



1. RESIDENCE ADDRESS:

You must reside within the corporate limits of the City of Chico. Please call the City Clerk's Office at the number listed below if you are not certain whether your residence address is within the City.

2. MAILING ADDRESS:

Insert the address that you prefer the City use when mailing agendas and other materials to you.

3. REGISTERED VOTER:

You must be a registered voter in the City of Chico. This will be verified by the Butte County Elections Office.

4. RESUME:

You may provide a brief summary of your experience and qualifications that would be helpful to the Council in evaluating your application.

5. BOARD/COMMISSION CHOICE:

If you would like to apply to more than one board or commission, please number your choices in order of preference.

6. SPECIAL REQUIREMENTS:

If the vacancy for which you are applying is on the Architectural Review Board, Arts Commission, or Parking Place Commission, indicate on the application that you meet the special membership requirements. (Only three members of each of these bodies must meet the special requirements.)

- Architectural Review Board: visual arts field - architects, landscape architects, artists, designers, etc.
- Arts Commission: work with, or be involved in the arts.
- Parking Place Commission: owner or lessee of real property, or a person employed in a business in the Downtown Parking and Business Improvement Area.

7. STATEMENT OF ECONOMIC INTEREST:

All members of Boards and Commissions are subject to the conflict of interest laws of the State of California and are required to submit a Form 700, "Statement of Economic Interests,"* within 30 days of assuming office. These forms must be filed annually thereafter, and upon the completion of a member's term of office.

* Additional information regarding Statements of Economic Interests and the Form 700 may be obtained by selecting "Conflict of Interests/Form 700/COI Codes" on the home page of the following web site:
www.fppc.ca.gov

8. COMPLETED APPLICATION/QUESTIONS:

Return completed application form and supplemental information by the established deadline to City Clerk, City of Chico, P.O. Box 3420, Chico, California 95927, hand deliver to the Chico Municipal Building, 3rd floor, 411 Main Street, or fax to 530-895-4825. If you need further assistance, please call 896-7250.

CITY OF CHICO
APPLICATION FOR APPOINTMENT TO CITY BOARD OR COMMISSION

(Please Read Instructions)

RETURN TO: CITY CLERK'S OFFICE, P.O. BOX 3420 CHICO, CA 95927; FAX 530-895-4825

Completed applications are considered public records per Government code §6252.

Name of Board/Commission you are applying for: _____

Note: If you are applying for more than one Board/Commission, number in order of preference.

☐ Airport Commission

☐ Architectural Review Board *

☐ Arts Commission *

☐ Human Resources Commission

☐ Bidwell Park & Playground Commission

☐ Parking Place Commission *

☐ Planning Commission

* Special membership requirements - see instruction page

APPLICANT INFORMATION

Name (print): _____

Residence Address: _____

Mailing address (if different): _____

Residence Telephone: _____ Fax: _____ E-Mail: _____

Are you a qualified elector** of the City? Yes ☐ No ☐

** A United States citizen, 18 years of age or older, living within the City limits of the City of Chico, and a registered voter.

EMPLOYMENT INFORMATION

Occupation: _____

Current Employer: _____

Employer Address: _____

Telephone: _____

EXPERIENCE/BACKGROUND

(Additional information/resume may be attached to this application)

Education: _____

Memberships in Organizations: _____

Have you served on any City Board/Commission in the past? Yes ☐ No ☐

If yes, list Board or Commission and dates served: _____

If you have applied for a position with special membership requirements (Architectural Review Board, Parking Place Commission or Arts Commission - see instruction page), please explain how you meet those requirements:

By signing this application, I certify that I am a registered voter in the City of Chico.

Date: _____ Signature: _____



SUPPLEMENTAL INFORMATION QUESTIONNAIRE

This supplemental questionnaire is a required part of your application package and must be returned along with your "application for appointment" to the City Clerk's Office. If you have any questions, please call the City Clerk's Office at 896-7250.

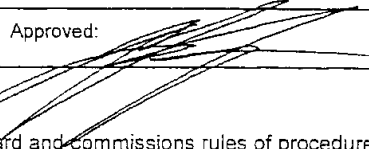
1. Why do you want to serve on the _____ (Board or Commission)?

2. What unique qualifications and/or skills would you bring to the Board or Commission?

3. Do you have any conflicts or potential conflicts that would make you ineligible to vote on any items? How often do you think these conflicts might arise?

Date: _____ Signature: _____

CITY OF CHICO
Administrative Procedure and Policy Manual

Subject: BOARD, COMMISSION, ADVISORY COMMITTEES AND TASK FORCE RULES OF PROCEDURE		Number: 10-1
Department(s) Affected: All Departments		Effective Date: August 16, 2006
Authority: The Charter of the City of Chico, Article X; Council Motion 08/15/06		Supersedes: 10-1 dated 12/04/02 10-18 dated 6/20/01, 10-23 dated 4/6/99, 10-36 dated 8/19/99
File Reference: D-AP&P		Approved: 

I. PURPOSE

To set forth the policy of the City Council regarding its board and commissions rules of procedure:

II. ELIGIBILITY

A. Shall be resident of the City.

B. Shall be qualified voter as defined by the California Elections Code.

III. RECRUITMENT

A. Biennial recruitment shall be conducted in the fall of even-numbered years for four-year appointments to positions with terms commencing in January of odd-numbered years.

B. Procedure

1. Advertisements – Display ads will be placed by the City Clerk at least 60 days prior to the expiration of the terms seeking applications from City residents interested in serving on a board or commission.
2. Application Form – The City Clerk will provide interested applicants with an application form and instructions for completing and a copy of this Administrative Procedure and Policy. Once filed, applications become a public record and will be made available to the public. Following the biennial recruitment appointment process, applications will not be kept on file. In the event of a vacancy, the City Clerk will conduct a recruitment and all interested parties must re-apply.
3. Application Deadline – When advertising for applications, the City Clerk will establish a deadline for filing not less than 15 days prior to the meeting at which the Council will receive the applications. Applications received after the filing deadline will not be submitted to the City Council.
4. Interviews – Interviews with applicants are held during a City Council meeting prior to making appointments. The City Clerk will notify applicants of the date/time/place of the meeting.

IV. APPOINTMENT

1. Appointments to serve on a board and commissions are for the length of term specified and appointees serve at the pleasure of the City Council.
2. Appointments to serve on advisory committees or task forces where the appointments do not conflict with Charter, Municipal Code Provisions, or the Brown Act will be determined by Council at the time of creation. The Council will establish its policy for soliciting applications and making appointments for advisory committees or task forces at the time it determines the need for and purpose of any advisory committee or task force.
3. Appointment Process – As required by State law, appointments will be considered by the Council in an open public meeting.

The Council will proceed with a first round of voting on each applicant, with members being unlimited in the number of times they can vote. If the number of applicants receiving a majority vote exceeds the number of vacancies, the Council may proceed with a second round of voting on these applicants in the same manner as round one. If the number of applicants still exceed vacancies, the Council may proceed with a third round of voting, with each member limited to voting only once for each vacancy. At any time the Council may, by mutual agreement, end the voting process.

The City Clerk will notify appropriate City staff members of appointments in order that appointees can be provided with appropriate information to carry out the duties and responsibilities of the board of commission to which they were appointed. Appointees are required to execute an Oath of Office prior to attending any meetings.

4. Financial Disclosure/Conflict of Interest – As required by State law and the City's Conflict of Interest Code, an appointee may be required to disclose certain financial information on a Statement of Economic Interests form and/or advise the Council of any potential conflict of interest which may arise if he/she is appointed. The City Clerk will provide appointees with forms and instructions following their appointment. Those appointees that are required to file, must file these forms within 30 days of appointment.

- V. ORIENTATION AND TRAINING – All appointed board and commission members will attend an orientation training provided by the City Clerk's Office and any additional training as may be required pursuant to State Law or City Council direction.

VI. CODE OF CONDUCT

The Code of Conduct governs the actions and deliberations of City commissions, committees and boards so that public deliberations and actions can be conducted in an atmosphere free from personal animosity and hostility and that all actions serve to increase public confidence in the City of Chico's government.

Each member of all City's commissions, committees and boards has the duty to:

- A. Adhere to a high level of ethical conduct in the performance of public duties;
- B. Represent and work for the common good of the City;
- C. Pursuant to state law, refuse to accept gifts of favors or promises of future benefits which might compromise or tend to impair independent judgment or action;
- D. Provide fair and equal treatment for all persons and matters coming before the commission, committee, or board whether in person, in writing, or in an E-Mail communication;
- E. Faithfully perform all duties of office;
- F. Learn and study the background and purpose of important items of business before voting;
- G. Members are to be tolerant of all views expressed at public meetings; and
- H. Refrain from abusive conduct, personal charges or verbal attacks made upon others.

Any violation or disregard for the Code of Conduct may result in one or more of the following actions being taken:

- A. Verbal or Written Admonishment – Least severe form of action and may be directed to one or all members of the board, commission, or committee.
- B. Written Sanction – Official written reprimand which the City Council directs the Mayor to sign and send out.
- C. Censure – Severe form of action taken by Council in open session directing the Mayor to send a letter of censure to the board, commission, or committee member expressing the Council's strong displeasure and/or disappointment of the action(s) taken.
- D. Removal from Office – Any appointee to a City of Chico board, commission or committee serves at the pleasure of the City Council and may be removed at any time by a majority vote of the City Council.

- VII. SELECTION OF CHAIR AND VICE-CHAIR – The chair and vice-chair are selected annually by the members of the board or commission. The chair serves as the presiding officer of all commission meetings. In the chair's absence, the vice-chair serves as the presiding officer. In the event of both being absent, the staff liaison will the meeting to order and the commissioners select a temporary chair to serve until adjournment or the arrival the chair or vice-chair.

VIII. ATTENDANCE REQUIREMENTS – When appointed, it is expected that members will attend all regular and adjourned meetings of their respective board or commission.

In order that the Council is kept advised of attendance of board and commission members, a report is provided by the City Clerk to the City Council at the end of each calendar year. The Council is also advised if a board or commission member misses two consecutive regular or adjourned regular meetings (pursuant to this AP&P), and removal of a member may occur at Council's discretion (Charter Section 1001.c)

Missed meetings – If an appointed member of a board or commission misses two consecutive regular or adjourned regular meetings of such board or commission, the chair of such board or commission, or in the absence of the chair, the vice-chair, shall report to the City Clerk the name of the member having missed such meetings, together with the dates of the meetings at which such member was absent and the reason for such absences, if known. The City Clerk shall forward the information to the City Council and removal of the member may occur at Council's discretion (Charter Section 1001.c).

IX. VACANCIES – If an appointed member of a board or commission is convicted of a crime involving moral turpitude or ceases to be an elector of the City, his/her office shall become vacant and shall be so declared by the Council. (Charter Section 1005.) If an unscheduled vacancy occurs whether due to resignation, death, termination, or other cause, a special vacancy notice shall be posted pursuant to Government Code Section 54974 in the Office of the City Clerk, and in the Chico Branch of the Butte County Library within twenty days after the vacancy occurs. Final appointment to the board or commission shall not be made for at least 10 working days after the posting of the notice. At such time the City Clerk will move forward with a recruitment as outlined in Section III.B.2.

X. REMOVAL FROM POSITION – All appointees to the board and commissions, advisory committees and task forces, including ad hoc committees serve at the pleasure of the City Council and may be removed at any time by a majority vote of the Council. (Also referenced under Code of Conduct, Section VI.)

XI. MEETINGS

A. Scheduling

1. Regular Meetings – Held for each board or commission as currently scheduled, or as determined by Board/Commission action.
2. Adjourned Regular Meetings – When workload requires, additional meetings may be scheduled as necessary.
3. Change in meeting time – Whenever a majority of the members of a board or commission wishes to change the date and/or time of its regular meetings in accordance with the provisions and within the limitations set forth in the Municipal Code specifically applicable to such board or commission, it shall submit its request in writing to the City Manager, giving the current date and time of its regular meetings and its requested date and time for regular meetings. After review, the City Manager will either approve or deny the request.

B. Agendas – Board or commission agendas will be prepared by staff liaisons in accordance with the format approved by the Council (see AP&P 10-10) and in accordance with the requirements set forth in the Brown Act.

C. Minutes – Per Council direction at its meeting of 11/7/00, staff is to provide "action-only" minutes for board and commission meetings.

D. Ex Parte Communications – An ex parte communication is a communication made outside the Council Building between a board or commission member and any person in the public concerning a quasi-judicial proceeding to be heard by the board or commission. When a board or commission member has an ex parte communication, the member shall state for the public record: (a) the nature of that communication, (b) with whom the ex parte communication was made, and (c) a brief statement as to the substance of the communication.

Step 4

Exhibit E

Brainstorm goals, priorities of the commission	Benefit, if completed	Mandated by law or by Council direction ?	Requires policy change at Council level?	Resources needed for completion? Staff or creation of Subcommittees?	Estimated Completion Time	Measurement Criteria... How will we know how we are doing?
PLANNING COMMISSION YEAR WORK PLAN '07 - '08						
1. Measures to Enhance Predictability/Transparency (Hold Workshops)						
a. Seek to streamline procedures & the appeals process with input from builder/developer workshop	Greater efficiency and predictability	Yes ☐ No ☒	Yes ☒ No ☐	Mod: Include with Code Change	11/07	Reduced Avg Approval Time Per Project
b. Require early review and pre-application meetings with staff/neighbors for larger/significant projects	Identify concerns and expectations before significant design work	Yes ☐ No ☒	Yes ☒ No ☐	Mod: Code Change; Restart the Development Review Committee (DRC)	11/07	% External Customers Satisfied with Predictability
c. Require early commission conceptual review of potentially significant (to be defined) projects	Identify concerns and expectations, reduce redesign time and processing	Yes ☐ No ☒	Yes ☒ No ☐	Mod: Code Change	11/07	Reduced Avg Staff Time Per Project
d. Develop procedures to coordinate interactions & design standards with other commissions/boards	Efficiency and consistency	Yes ☐ No ☒	Yes ☐ No ☒	Mod	11/07	Common Standards & Predictable Decisions
2. New Policy/General Plan						
a. Initiate energy efficiency standards, incentives, and options	Reduce citywide energy costs and improve sustainability	Yes ☐ No ☒	Yes ☒ No ☐	Mod: Code Change; Sustainability Task Force Issue	12/08	Reduced Avg. Building Energy Use

Exhibit F

PLANNING DIVISION FEE SCHEDULE - EFFECTIVE JULY 1, 2006

FILE TYPE	APPLICATION TYPE (1) (2) (3) (4)	Deposit	Flat Fee
	Address Assignment (New or Change, Fee per Building)		\$181
ANX	Annexation (Refer to Annexation Fees in Schedule Numbers 11.010 and 11.015)		
	Appeal of Architectural Review Board Decision to City Council		\$150
	Appeal of Map Advisory Comm. Decision (real time billing / no add'l fee)		-0-
	Appeal to City Council re: Use Permit, Variance or Minor Land Division		\$120
	Appeal to City Council by applicant re: Subdiv/Parcel Map Approval/Cond.		\$5,360
	ALL Other Appeals to City Council NOT Listed Above		\$150
	Appeal of Zoning Admin. Decision (IF ZA refers item to PC/add'l fee req.)		-0-
	Architectural Review		
	Administrative Review (Minor Projects and Minor Modifications)		-0-
AR	Major Projects Requiring Public Hearing (ARB or PC)		\$915
AR	Major Modifications to Approved AR Plans Requiring Public Hearing		\$806
BLM	Boundary Line Modification		\$1,345
COA	Certificate of Appropriateness		\$184
CC	Certificate of Compliance		\$630
COC	Certificate of Correction for Final Subdivision or Parcel Map		\$691
CM	Certificate of Merger		\$630
CA	Code Amendment (Same as deposit rezone affecting one acre or more)	\$4,648	
DA	Development Agreement	\$5,342	
EIR	Environmental Impact Report (City as Lead Agency)		
	Initial Deposit	\$11,447	
	Mitigation Monitoring Program - Full Cost of Implementation Monitoring	Varies	
	Preparation of EIR-Full Cost of Consultant Plus 15% for City Related Services	Varies	
ER	Environmental Review		
	Categorically Exempt and Requires Notice of Exemption		\$121
	Negative Declaration or Mitigated Negative Declaration		\$3,325
	Consultant Preparation of Initial Study or Special Study (5)	Varies	
FSP	Fraternity/Sorority House Permit		\$317
GPA	General Plan Amendment	\$5,489	
HOP	Home Occupation Permit		\$42
	Mills Act Contract		\$608
MLD	Minor Land Division Map		\$1,226
	Mitigation Fees		
	Swainson's Hawk Mitigation		
	Wetland Mitigation		
PM	Parcel Map		
	Tentative Parcel Map	\$6,898	
	Extension of Time to File Final Map		\$1,900
	Major Modification to Cond. of Approval Requiring Planning Commission Action		\$4,096
	Minor Modification to Conditions of Approval Requiring Zoning Admin Action		\$2,713
	Tentative Map for a Reversion to Acreage		\$1,451
	Revision of Approved Tentative Parcel Map		\$2,567
PDP	Planned Development Permit		
	Planned Development Permit	\$4,950	
	Extension of Time to Commence Entitlement		\$877

Chico City Plaza Project

Reason for Investigation

The Grand Jury chose to investigate the Chico City Plaza project because early in our term the project attracted extensive public comment and negative media attention. The primary goal of our investigation was to look at the process that produced the controversy during the construction phase of the City Plaza.

The Grand Jury wanted to know if appropriate due process had been followed throughout the course of the project and how the project, which started out as a \$150,000 renovation, turned into a \$4,200,000 project. As we conducted our investigation, a considerable amount of time was devoted to constructing a clear and factually correct picture as to when, why, and by whom, the decisions were made that resulted in the project's cost escalation. Because the Grand Jury had difficulty assembling the pieces of the City Plaza puzzle, we decided to look at the City Plaza project as a case study in transparency in local government.

Background

The Chico City Plaza was deeded to the city on April 23, 1872. The following year John Bidwell planted elms in the plaza. In 1992, after discovering that many of the elms were diseased, the City Plaza Master Management Plan (**CPMMP**) was reviewed, revised and approved by the Bidwell Park and Playground Commission (referred to in this document as the Park Commission) and then adopted by the City Council. The 1992 CPMMP called for the gradual replacement of the elms over a 20-year period and some minor changes to the layout of the plaza, such as removing the gazebo and bandstand and building a new bandstand in a different location.

Over the years, the use of the City Plaza has greatly increased. Between the 1960's and 2001, the number of planned events in the plaza increased from 20-30 a year to over 100 per year, with many of the events lasting several days and drawing crowds in excess of 2,000. The grass in the park, by this time, was virtually non-existent because it could not recover from the heavy foot traffic and picnic use during and between events. By 2002, the 1992 CPMMP had only been partially implemented. Roughly one-half of the elms had been replaced with Bur Oak trees, but not much else had been done to address other aspects of the plan.

By the winter of 2005-06, virtually all of the trees had been removed from the plaza and in the early spring of 2006 the plaza looked like it was going to become a sea of concrete. It was at this time that the public outcry began. The Grand Jury decided to review the number and types of opportunities the public had to participate in the planning process by answering the following questions: Had the Chico City Plaza project been approved with adequate public input?

Similarly, had there been adequate oversight throughout the project's construction?

Investigation

In investigating the City Plaza project, the Grand Jury interviewed nine current and one former Chico city staff members, seven current and two former Chico City Council members, five members of the Park Commission, five members of the Chico Planning Commission, one principal and two former employees of the numerous professional service providers and an individual representing the general contractor. All of these contractors were involved in the design, construction or oversight of the project. Additionally, one media reporter was interviewed. Many of these individuals were interviewed on multiple occasions.

The Grand Jury read the transcripts or watched the DVD recordings of both the Park Commission and Chico City Council meetings wherein the City Plaza project was discussed. Some of the records reviewed by the Grand Jury went back as far as 1996. However, those spanning the period from 2001 to present were the focus of the City Plaza project investigation. The Grand Jury also reviewed numerous documents, including all contracts with the city involving the City Plaza project and a selection of timesheets and log books of two professional service providers involved in the project. The Grand Jury also looked at changes made to the city's charter, codes and ordinances related to the functioning of the Park Commission.

Cost Escalation

As the Grand Jury reviewed the minutes of the Park Commission and City Council meetings, it became apparent that the project became more complex and more expensive over time. Some of the changes that increased the cost of the project included adding custom prefabricated restrooms, changing the bandstand to include an 82-ton concrete band shell, changing the raised planted areas to include pre-cast concrete skateboard-proof seating walls and adding public artwork components. These are just a few of the factors that increased the cost of the project.

During interviews, the Grand Jury was told by at least three individuals that the general contractor for the City Plaza project lost or made very little money on the project. These interviews confirmed what has already been reported in the media. We did not, however, review the books of the general contractor. The general contractor was awarded its contract through a competitive bidding process. Rather than focus on the competitively bid contracts, the Grand Jury, chose to scrutinize the no-bid professional service contracts that were awarded throughout the project.

All of the changes to the project, some of which substantially added to the cost, were approved by the City Council at regular City Council meetings. Although these meetings were advertised in accordance with the Brown Act, they were poorly attended by the public. Another factor that increased the cost of the project was the rise in basic material cost between the time when the first estimates for the project were made and when the project was finally built. Finally, delays and logistics problems caused by bad weather in the spring of 2006 added to the cost of the project.

Transparency in Government

The Grand Jury found four areas where transparency in government could be improved. The first was the 1996 change in relationship among the Park Commission, the Park Division of the General Services Department and the City Council. (As part of the recent city reorganization, the Park Director position was eliminated and that individual promoted to the newly created position of General Services Director which includes the responsibilities of the Park Director and more. When used in this document, Director refers to the same individual acting in either capacity, depending on when the events occurred.) The second was a lack of oversight of the professional services contractors. The third was a lack of adequate outreach by the City of Chico to gain public participation in the project, specifically at the time when the project transformed from an unfunded conceptual plan to be implemented in the distant future to a real funded project that would be built imminently. Fourth, was the inability to easily access public documents from the city's website.

Bidwell Park and Playground Commission

The Park Commission is composed of seven members appointed by the Chico City Council for four-year terms. Appointments are staggered every two years and made by a majority vote of the City Council. Some of the members have been on the commission for many years; hence, the body has a great deal of valuable institutional memory.

In order to understand how and why things turned out the way they did, it is necessary to look back at events that set the stage for the City Plaza project. This required the Grand Jury to review policy decisions made over a decade ago.

Overwhelmingly, the Park Commissioners interviewed indicated that they felt the city staff made many decisions regarding the city's parks without the Park Commission's input. One example given was the redesign of Ringel Park, where the commission was completely left out of the decision making process. The Ringel Park project was added to the City Plaza project contract as an amendment by the Park Division and approved by the Chico City Council acting as both the City Council and Chico Redevelopment Agency.

When we asked what the commissioners thought about the Park Division's proposed improvements to Children's Park, none of the commissioners were aware of any such plans. Many commissioners expressed frustration that projects that interested the General Services Director and Park Division staff got more attention than those of the Park Commission. All of the commissioners interviewed indicated they would like to have a higher level of involvement in park and playground project decisions.

1996 Ballot Measure

At least one park commissioner recalled the history of the relationship among the Park Commission, Chico City Council and Park Division going back to 1996. The commissioner stated that in 1996 there was a measure put on the ballot by the Chico City Council to limit the authority of the Park Commission. This was done because the council had received numerous citizen complaints regarding actions and policies made by the Park Commission. The Grand Jury was told that although the ballot measure failed, the City Council went ahead and removed many of the Park Commission's powers.

The Grand Jury followed up on the interviews of the Park Commission members and requested documents from the Chico City Clerk's office relating to the ballot measure and vote count in the 1996 election and the minutes of the City Council meeting wherein the election vote was certified. Because these documents are over a decade old, they are warehoused, and it took some time for the City Clerk's office to produce them. In the meantime, the Grand Jury read through the minutes of the Chico City Council meetings from 1996 to present. Through our search only one significant change to the powers of the Park Commission by the Chico City Council could be found. Additionally, the actual meeting minutes were compared with a summary requested by the Grand Jury outlining the evolution of the City Plaza project. The summary provided by the General Services Director included meetings of the Park Commission, City Council, Art Commission and the workshops held by Heritage Partners. The summary was accurate with the exception of minor non-substantive errors. **(Exhibit A)**

One Park Commissioner stated that the City Council had taken their powers away "by resolution." In particular, the power to hire and fire the Park Director and budgetary control were mentioned as powers of which the Park Commission had been stripped. The only support for this statement in the public record was a City Council Resolution placing a ballot measure on the November 1996 election. The measure appeared to support what was stated in the interviews with the Park Commissioners; however, it failed to pass. Confusion related to the Grand Jury's interpretation of documents received from the City Clerk's office, led the Grand Jury to believe the Chico City Council, despite the measure failing 7960 to 8989, had adopted the ballot measure changes into the City Charter. **(Exhibit B)**

As a part of the Grand Jury's last step in its investigative process, the jury must "verify its facts and findings." This process involves verifying that what the Grand Jury states as a fact or a finding is corroborated by three sources. As part of this process, the documents requested from the City Clerk's office were reviewed with the City Clerk. When examining the documents, the City Clerk was also confused and sought the advice of the City Attorney's Office. The Grand Jury was assured that the Chico City Charter had not been altered. If the measure had passed, the City Charter would have been amended. Having clarified these technical issues, we could not understand why the Park Commissioners felt the City Council had taken power away from them.

This prompted additional interviews with the Park Commissioners. When asked to state specifically how the City Council had curtailed the Park Commission's authority, the Commissioners explained that while the council had not "officially" repealed any of the Commission's powers, the council disregarded "established protocols" and made decisions without adequately consulting the Park Commission for its input on park and playground related matters.

The 1996 attempted resolution and its aftermath would, ultimately, have a profound effect on how the city would operate in the future. This contributed to the haze around the process that produced the new Chico City Plaza. First, it damaged the relationship between the Park Commission and the City Council. Second, it changed the way in which the City Council utilized the Park Commission. Last, early in 1997 the City Council hired a new Park Director who also consulted with the Park Commission in a much reduced manner, mirroring the attitude of the City Council.

City Plaza Evolution

The ball started to roll on the City Plaza project with a memo from the Park Director on behalf of the Park Commission to the City Council dated May 9, 2001. The May 22, 2001, City Council meeting was a joint session of the City Council and city commissions. Five Park Commissioners were present. The May 9, 2001, memorandum was discussed. The memo focused on how the city should spend an anticipated \$502,000 of State Park grant funds. Second on the priority list was the construction of a new bandstand and installation of bathrooms in City Plaza. If directed by the City Council to proceed, the City staff would apply for these grant funds. The City Council could expect to see applications for grant funds in August and September. It looked like the city would finally be able to implement the 1992 CPMMP.

In early 2002 two public charettes, or workshops, were held to gather input into the CPMMP and plaza redesign. Between 2002 and the groundbreaking in 2006, a large disconnect occurred between the public and the Chico City government. Had the City Council and Park Division not minimized the Park Commission's involvement in the process, there might have been more oversight

of this project as it evolved. And it did evolve, taking on a life of its own as it grew with little public input, largely flying under the public “radar.” Minutes of all but a few minor public meetings and summaries of the two public workshops are available at the end of this report. **(Exhibit C)**

The Grand Jury does not necessarily believe that changing the process used in the creation of the new Chico City Plaza would have produced a better outcome. However, changes to the process could have resulted in a more positive public perception of the project. The Grand Jury found no malfeasance on the part of anyone in government. While the City Council and General Services Director had the best interest of the city in mind, transparency in government was compromised in the name of expediency. The public could have been encouraged to participate more, which would have fostered a feeling of “public ownership” in the project and would have reduced the outcry when the concrete started flowing.

Oversight of No-Bid Professional Service Contracts

The Grand Jury investigation started with interviews of city planners. After a few interviews it was apparent that the Planning Division played a very minor role in the City Plaza project. In fact, the Planning Division’s role was limited to conducting an assessment of the environmental impacts of the project.

In our first interview with the General Services Director, the Grand Jury was given a brief overview of how the Chico City Plaza project proceeded. We were given conceptual renderings produced by Heritage Partners in 2002 and watched a DVD showing a computer model of what the new City Plaza would look like from various perspectives, in a 3-dimensional fly-by form. When asked who had hired the consultants, the Director said he had.

The contracts for the consultants conducting the charettes and landscape design work and many others, were in excess of the City’s general policy of limiting non-competitive bids by department and division directors to \$10,000 or less without the approval of the Chico City Council. These contracts, however, fall into a class called “professional services” that are exempt from this limit. There are several reasons for having this “class” of contractor. The first is that a service may be so specialized in nature as to limit the pool of providers down to one within a reasonable distance of where the service is required. Putting these types of contracts “out to bid” makes no sense when there is only one firm capable of doing the necessary work. Another reason for professional service contracts is to allow the city to contract with firms that it trusts and would hire for the job even if the firm were not the lowest bidder in a competitive bidding process. This saves potential bidding firms the time and energy of creating a bid proposal that will be rejected anyway. Department and division directors may make no-bid contracts for professional services so long as the Director has funds

available in his/her budget and obtains the signature of the City Purchasing Officer.

The dollar amount of professional services contracts awarded throughout the City Plaza project was approximately one-half million dollars, roughly one-eighth the cost of the entire project. The Grand Jury discovered that many of the professional service providers working on the City Plaza project have received many other contracts from the city over the years. While contracts differed, all included provisions that ensured some level of accountability to the City of Chico, such as requiring logbooks of daily work or allowing the city to audit their books.

The Grand Jury requested copies of all contracts related to the City Plaza project. In reviewing the contracts, the Grand Jury focused on the details of the professional service contracts and their supplemental agreements. The Grand Jury then compared several of the contracts with the accounting records and log books of the contractors. The Grand Jury was unable to reconcile the hours recorded in the contractors' books with the estimates stated in their contracts and found other inconsistencies with the terms of their contracts. Additionally, the totals in supplemental addendums to contracts were in odd amounts and down to the penny. This raised questions in the mind of the Grand Jury. It gave the appearance of retroactive billing. This assumption was, in fact, confirmed through interviews. One explanation given was that once a project like City Plaza is underway, "You don't just stop working on it until the city can process the paperwork for a supplemental." This reasoning only partially explained the discrepancies we found. What was of concern to the Grand Jury was that, as a matter of practice, the city has never requested to see the books of professional service contractors, at least not those we reviewed.

The Grand Jury had difficulty in obtaining basic information related to professional service contracts and why "supplemental" appropriations did not trigger audits. The Grand Jury questioned why there was not a greater level of oversight of these contracts. Finally, under contract law, the statute of limitations for filing a lawsuit against a party to a contract is four years, yet the city only requires in its contracts with professional service providers that they maintain their records for one year. Additionally, if the city ever requested records or audited these professional service providers, the service provider is currently entitled to bill the city for its time and expenses incurred in complying with such a request by the city.

With regard to the City Plaza project, overwhelmingly, the Park Commission indicated that it approved the City Plaza project "in concept" but after that, all of the details were left to city staff and their hired consultant. When asked about the escalating cost of the City Plaza project, one commissioner commented, "We were never told prices. When things were brought up and we asked, we were told it was secret, 'not for public knowledge.'" Other comments made by commissioners included: "They allowed too many 'conceptual approvals.'" There

should have been more public involvement.” “They were not publicly vetted decisions.” Another commissioner felt there should have been a better estimate of costs upfront. Likewise, the Park Commission was advised in a “benign way’ regarding the rising costs, but that cost was never made an issue.” On a positive note, one commissioner stated: “As for its purpose it [City Plaza] is an unqualified success.” Another commissioner commented “the process that brought the artist of the chess table stinks.” The last comment referred to the fact that the artist who proposed the chess tables to city council was awarded a no-bid contract for the project, at a billing rate of \$125 per hour to a maximum of \$68,000.

Adequacy of Outreach

There were roughly thirty different public meetings that addressed the City Plaza project between the spring of 2001 and 2005. This number is rather deceptive, as it includes the initial request by the Park Department to apply for grant funds to implement the 1992 CPMMP, the two charettes in 2002, and all meetings of the Park Commission, Arts Commission, City Council and Redevelopment Agency meetings wherein the City Plaza project was mentioned. This also includes committee meetings of these bodies wherein the project was mentioned, sometimes in very minor ways. At many of these meetings, both regular and committee, no members of the public spoke on the subject.

This apparent lack of participation left the Grand Jury pondering two questions: First, how many people actually participated in the Chico City Plaza planning process? Second, what could the city have done differently to improve “public ownership” of the project prior to the start of construction? We will never know how many people attended these meetings or had input into the project in ways that do not appear in the public record; however, we can put the public participation into perspective.

The meeting with the greatest public attendance was the first “brainstorming” charette held in early 2002. Attendance was somewhere between 25-30 Chico residents, based on figures in the document *Chico City Plaza, Master Management Plan and Recommendations for Enhancement* produced by Heritage Partners. By contrast, Butte County, which is currently involved in the update of its General Plan, recently held a public outreach workshop for its General Plan update. One of the first meetings held in Cherokee was standing room only and had an attendance of around seventy. Similarly, earlier in the year, when the Chico City Council and Butte County Humane Society were in negotiations regarding who would maintain the city animal shelter, the Chico City Hall was packed with roughly 100 people, again, standing room only. The difference between the City Plaza project and the other two examples is dramatic. When it was first revised, the CPMMP was a “pie in the sky” concept; these other two examples were not. When the City Plaza project moved from

wishful thinking to reality, there should have been a mechanism in place that would have triggered greater public participation.

It is disappointing that for a project as visible as the City Plaza, more was not done by the City Council or the General Services Department to encourage public participation. It was equally discouraging that in four years, only eight people from the public made comments during the opportunities provided, aside from the two public workshops in 2002. **(Exhibit C)**

Chico City Website

Roughly two and one half weeks passed between the time the Grand Jury requested documents from the City Clerk's office and the time the archived documents were delivered. In the interim, the Grand Jury reviewed the minutes of the City Council and Park Commission meetings that were available on the city's website. Primarily, we were interested in confirming the accuracy of the summary that the General Services Director had provided us and to assess how much public input had been made regarding the changes which contributed to the City Plaza's cost escalation. On numerous occasions the Grand Jury had difficulty with the city's website. We found dead links, corrupt files and files that would not completely download. Before contacting the City Clerk's office to have the documents we wanted to view e-mailed as attachments, the Grand Jury tried to download these files using different computers, using different operating systems and different versions of Adobe Reader. When informed, the City Clerk promptly corrected the problems with the website.

Conclusion

Since the plaza has reopened, public outcry has diminished, the plaza's use has increased and the controversy surrounding the project has largely subsided. The Grand Jury hopes its recommendations will be taken into consideration for future projects. The major question that needs to be answered is: How much should the City Council, General Services Department or Park Division be able to modify a major public project, especially one so central to the community's identity as City Plaza, without making additional efforts to include the public in the process in a significant way?

While critical of the process that produced the new Chico City Plaza, the Grand Jury recognizes hindsight is 20:20. Looking in the "rearview mirror" we see that the process could have been better. Had the city invited more public participation, the public's perception might have been better. Whether the actual product, City Plaza as we see it today, would better meet the needs of the city's residents is an unknown.

Commendations

1. The Grand Jury commends the Director of General Services and all others who were interviewed for their time and patience in explaining the complexities of the City Plaza project. The Grand Jury is appreciative of the cooperation and honesty of those interviewed.
2. The Grand Jury commends the Chico City Clerk and her staff for their help and prompt replies to our requests for information and documents.

Findings

1. The Park Division has used no-bid contracts with a number of professional service providers, but the city has not been exercising its right to audit these contractors. Further, the city requires these contractors to maintain records for only one year rather than to maintain them for a period of four years covering the statute-of-limitations under contract law.
2. Currently in Section 10.1 of the city's standard Professional Service Agreement, consultants are allowed to charge the city for their time and expenses if the city chooses to review or conduct an audit of their books.
- 2.3. In reviewing the books of no-bid professional service providers, as well as through testimony, the Grand Jury found supplemental contracts that gave the appearance of, and were in fact, retroactive billing by professional service providers. This is a conflict with the provisions of their contracts with the city. In reviewing the records of these contractors, the Grand Jury believes that the irregularities in the contracts and their amendments go beyond what is justified as actions of expediency.
- 3.4. While all legal requirements related to due process were followed by the City of Chico in the City Plaza project, greater public participation should have been sought prior to groundbreaking.
- 4.5. There are no clear guidelines as to when the Park Division should seek input from the Park Commission on projects.

Recommendations

1. The Chico City Council should meet in joint session with the Park Commission to discuss the scope of the Commission's authority.
2. The General Services Department and/or Park Division should periodically conduct audits of the books of no-bid contractors to ensure the city is receiving competitive pricing for services rendered.

3. If the Park Division should choose to use no-bid contracts, the Division should conduct surveys of comparable wages and reimbursement schedules of other similar service providers in the region.
4. The time period that consultants must retain documents related to no-bid contracts should be increased to at least four years, the statute-of-limitations for filing a claim under California contract law.
5. The City of Chico should comply with the terms of its own contracts with respect to supplemental agreements to prevent retroactive billing.
6. When a project changes status from a “non-funded concept to be built in the distant future” to a funded project that will be built “in the near future,” the City Council should require additional public outreach, such as postcard notification of workshops and/or creation advisory boards.
7. As an oversight commission, the Park Commission should be kept informed of the financial aspects of the city’s parks and playgrounds.

Responses Required (Penal Code 933 & 933.05)

Chico City Council
Bidwell Park and Playground Commission
City of Chico General Services Director
Chico City Manager

Chico City Plaza Project

Index of Exhibits

Exhibit A: Resolution No. 146 95-96 Chico City Council

Exhibit B: Timeline and summary of public meetings provided by the City of Chico General Services Director

Exhibit C: Chronological public record of the City Plaza project including minutes of public meetings from 2001-05 and a Grand Jury summary of public workshops held in the spring of 2002

Exhibit A

CHRONOLOGY OF CITY PLAZA MASTER MANAGEMENT PLAN PUBLIC INPUT PROCESS

DATE	PUBLIC MEETING/OUTREACH	OUTCOME
08/07/01	City Council	City Council approves resolution authorizing staff to apply for 2000 Park Bond Act (Prop 12) Per Capita funds for various projects, including allocating \$150,000 to renovate the bandstand and install restrooms in City Plaza. *
03/02/02	Public Workshop	Heritage Partners held the meeting to gather public input on draft City Plaza Master Management Plan (CPMMP)
04/10/02	Public Workshop	Second of two workshops held by Heritage Partners
09/30/02	Bidwell Park and Playground Commission (BPPC)	Commission received report from Heritage Partners on public input process. BPPC referred comments to Master Management Plan Committee.
10/09/02	BPPC Master Management Plan Committee	Press release was issued on 10/7/02 announcing this meeting and seeking public input on the CPMMP.
10/15/02	Downtown Chico Business Association Executive Committee	Heritage Partners presented project to seek DCBA input on CPMMP. DCBA sent letter of support.
10/28/02	Bidwell Park and Playground Commission (BPPC)	Commission received report from 10/9/02 Master Management Plan Committee meeting. Voted 5-0 to conceptually approved draft CPMMP.
05/06/03	City Council	Council received BPPC recommendations and conceptually approved (by a vote of 6-0) draft CPMMP. Council also directed staff to conduct environmental review for the project. *
10/29/03	Public Hearing Notice and Notice of Intent to recommend adoption of Mitigated Negative Declaration.	Planning staff issued a public notice regarding the initial study, 20-day review period, and 11/24/03 BPPC public hearing regarding the proposed mitigated negative declaration for the CPMMP. *
11/24/03	Bidwell Park and Playground Commission (BPPC)	BPPC held public hearing and voted (6-1) to approve mitigated negative declaration and CPMMP.
12/02/03	City Council/Redevelopment Agency	Noticed public hearing regarding the mitigated negative declaration and final CPMMP. Council voted (6-0-1) to approve both documents, and as the Chico Redevelopment Agency (RDA) allocated an additional \$203,900 in RDA funding for the design of the project, which includes \$53,182 transferred from the Downtown Plaza Sidewalk Project #12068. *
06/01/04	Internal Affairs Committee	Committee considered request to construct a Veteran's Memorial in City Plaza.
07/06/04	City Council Budget Work Session	Council approves 2004-05 Annual Budget, which includes allocating an additional \$2,897,000 to the City Plaza project. * Also at this meeting, the Council considers Internal Affairs Committee recommendation to construct the Veteran's Memorial project. City Plaza design elements were discussed* as part of Council's decision on the location of the memorial.
08/30/04	Bidwell Park and Playground Commission	BPPC received update and animated presentation of the proposed City Plaza design and proposed Veteran's memorial.

10/25/04	Bidwell Park and Playground Commission	BPPC received revised Plaza design suggestion from consultants and concept of Veteran's memorial. BPPC directed staff to proceed with bid process for construction of the project.
11/09/04	BPPC Tree/Finance Committee	Committee discussed types of trees to be planted in City Plaza and recommended planting of Elms over Blue Oaks.
11/29/04	Bidwell Park and Playground Commission	BPPC considered Tree/Finance Committee' recommendations regarding proposed trees for City Plaza.
12/07/04	City Council	Council considers and approves (7-0) the final design of the Veteran's Memorial. Staff also shows Council an animation of the final Plaza design. *
12/27/04	Bidwell Park and Playground Commission	Staff provides update and revised animation of project, which included design of Veteran's Memorial.
06/07/05	City Council/Redevelopment Agency	Agency approves allocating \$900,000 in Redevelopment Funds for City Plaza construction. *
05/18/05	BPPC Ad Hoc Art Committee	Committee discusses potential public art projects for City Plaza
06/08/05	Arts Commission	Commission receives report on 5/18/05 Ad Hoc Art Committee meeting and Plaza artwork discussions.
07/13/05	BPPC Ad Hoc Art Committee	Committee considers recommendations to allocate funds to install a mural of old trolley on the Plaza restrooms and the installation of chess tables in Elm Court.
07/25/05	Bidwell Park and Playground Commission	BPPC considers Ad Hoc Art Committee's recommendations of the public artwork proposed in City Plaza and conceptually approves (5-0) both projects.
08/10/05	Arts Commission	Commission considers Art Committee's recommendation to install mural and chess tables and to allocate RDA funding for these two projects.
09/06/05	City Council/Redevelopment Agency	Agency initial considers Art Commission's and BPPC's recommendations to allocate RDA funds for the mural and chess table artwork in City Plaza, and requests staff to provide more information for the Agency's 9/20/05 meeting.
09/14/05	Arts Commission	As directed by Council, Commission continues its discussion of funding for two City Plaza art projects.
09/20/05	City Council/Redevelopment Agency	Agency receives report from Arts Commission and approves (3-2-2) to allocate \$249,232 in RDA funds for the art projects. * Design elements of the Plaza were also discussed at this meeting.

Exhibit B

RESOLUTION NO. 146 95-96

(Uncodified)

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO
PLACING MEASURES ON THE BALLOT AT A CONSOLIDATED
GENERAL MUNICIPAL ELECTION AND STATEWIDE GENERAL
ELECTION TO BE HELD NOVEMBER 5, 1996**

WHEREAS, this Council, by Resolution No. 129 95-96, has called a general municipal election to be held on November 5, 1996, for the purpose of electing members of the City Council and submitting to the voters a ballot measure concerning an amendment to the City's smoking regulations; and

WHEREAS, in that a statewide general election is also scheduled to be held on November 5, 1996, this Council, by Resolution No. 129 95-96, has also requested consolidation of the City's general municipal election to be held on November 5, 1996, with the statewide general election to be held on the same date; and

WHEREAS, this Council now desires to add certain measures regarding the amendment of the City Charter to the ballot to be submitted to the qualified voters at such consolidated City general municipal election and statewide general election:

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chico that this Council, by its own motion, proposes the following amendments to the Charter of the City of Chico in accordance with the provisions of Section 34458 of the California Government Code:

Sec. 1. That Section 501, entitled "Special municipal elections", of Article V, entitled "Elections"; Section 905, entitled "Powers and duties of city clerk", of Article IX, entitled "Appointive officers and employees"; Section 1006.1, entitled "Same-Powers and duties", of Article X entitled "Appointive Boards and Commissions"; Section 1007.1, entitled "Same - Powers and duties", of Article X entitled "Appointive Boards and Commissions"; and Section 1109, entitled "Independent Audit", of Article XI, entitled "Fiscal Administration"; be amended to read as follows:

\\

ACA 6/5/96

Page 1 of 6

DATE 6-20-96 AGENDA 6-18-96 FILE
Circled 1 CM Desk 1 ACW 1 CA 1 ACA 1
Council 1 RM 1 EDPM 1 MA 1 FT 1
Media 1 CDD 1 GSD 1 COP 1 PO 1 FO 1
AdTech 66-2 Other 3/11-2 TF 1

1 **Section 501 Special municipal elections.**

2 All other municipal elections may be held by authority of general law, or by
3 ordinance, and shall be known as special municipal elections. The city council
4 may determine that any special municipal election shall be held by mailed ballot
5 notwithstanding any provision of the general law to the contrary.

6 **Section 905 Powers and duties of city clerk.**

7 The city clerk shall:

- 8 A. Attend meetings of the council and be responsible for the recording and
9 maintaining of a full and true record of all proceedings of the council in
10 books that shall bear appropriate title and be devoted to such purpose; ~~call~~
11 ~~the roll of the council~~ and record the councilmembers present, absent or
12 excused.
- 13 B. Maintain books in which shall be recorded respectively all duly adopted
14 ordinances and resolutions, and, as to an ordinance requiring publication,
15 an affidavit of publication or posting shall be affixed thereto.
- 16 C. Maintain books in which a record shall be made of all written contracts and
17 official bonds.
- 18 D. Keep all aforementioned books properly indexed.
- 19 E. Be the custodian of the seal of the city.
- 20 F. Administer oaths or affirmations, taking affidavits and depositions pertaining
21 to the affairs and business of the city and certify copies of the official
22 records.
- 23 G. Have charge of all elections to be conducted by the city, provided, that the
24 city may contract with the County of Butte or any public officer authorized to
25 conduct elections for the performance of all duties of conducting such
26 elections.
- 27 H. Perform such other duties consistent with this Charter as may be required
28 by the council or by law.

1 **Section 1006.1 Same - Powers and duties.**

2 The Bidwell Park and Playground commission, except when suspended as
3 provided in the Charter, shall have the following powers and duties:

- 4 A. The power and duty to operate and maintain all of the parks and
5 playgrounds owned by the city ~~and to adopt such rules and regulations as~~
6 ~~may be necessary to govern and control the use of such parks and~~
7 ~~playgrounds~~ in the manner and subject to the terms and conditions
8 prescribed by the city council by ordinance.
- 9 B. The power and duty to provide for the propagation, planting, removing,
10 pruning and maintenance of all trees and shrubberies along the streets and
11 sidewalks of the city ~~and to adopt such rules and regulations as may be~~
12 ~~necessary to govern and control the planting, removal, pruning, and~~
13 ~~maintenance of such trees and shrubberies~~ in the manner and subject to
14 the terms and conditions prescribed by the city council by ordinance.
- 15 ~~C. The power to enter into leases and contracts in connection with the~~
16 ~~operation of the properties under its supervision; provided, however, that~~
17 ~~any lease in excess of 15 years or any contract which encumbers city funds~~
18 ~~shall first require prior approval of the council; and, provided further, that no~~
19 ~~power granted herein shall be deemed to confer upon the Bidwell Park and~~
20 ~~Playground commission the right to sell or convey title to any city property.~~
- 21 D.C. The power to confirm the appointment of the park director by the city
22 manager, as hereinbefore provided in this Charter.

23 **Section 1007.1 Same - Powers and duties.**

24 The airport commission shall have the following powers and duties:

- 25 A. The power and duty to operate and maintain all airports and airport
26 properties belonging to or under the control of the city ~~and to adopt such~~
27 ~~rules and regulations as may be necessary to govern the use of such~~
28 ~~airports and airport properties~~ in the manner and subject to the terms and

1 conditions prescribed by the city council by ordinance.

2 ~~B. The power to enter into leases and contracts in connection with the~~
3 ~~operation of all airports and airport properties belonging to or under control~~
4 ~~of the city; provided, however, that any lease in excess of 15 years or any~~
5 ~~contract which encumbers city funds shall first require prior approval of the~~
6 ~~council; and, provided further, that no power granted herein shall be~~
7 ~~deemed to confer upon the airport commission the right to sell or convey~~
8 ~~title to any city property.~~

9 ~~CB.~~ The power to confirm the appointment of the airport manager made by the
10 city manager as hereinbefore provided in this Charter.

11 **Section 1109 Independent audit.**

12 At the beginning of each fiscal year, the council shall engage an
13 independent certified public accountant, or public accountant licensed by the State
14 Board of Accountancy, to act as auditor for the city, such engagement to be at the
15 pleasure of the council. The auditor shall perform an annual audit of the books,
16 financial records and related documents of the city in accordance with generally
17 accepted auditing standards. On or prior to ~~December 1st~~ the first regular city
18 council meeting in February of each year, unless an extension is granted by the
19 council, the auditor shall submit to the council a report on the audit for the
20 preceding fiscal year in such detail as the council may direct.

21 In addition to the regular annual audit, the auditor shall perform such other
22 professional services as the council may require.

23 Sec. 2. That, at such general municipal election, such proposed charter
24 amendments shall be submitted to the voters in the following form:

25 \\ \\

26 \\ \\

27 \\ \\

28 \\ \\

Sec. 3. That the City Attorney is hereby directed to prepare an impartial analysis of the foregoing measures and file the same with the City Clerk on or before August 19, 1996.

Sec. 4. That any arguments for or against the foregoing measures shall be filed with the City Clerk on or before August 19, 1996, and any rebuttal arguments concerning the foregoing measure shall be filed with the City Clerk on or before August 29, 1996.

Sec. 5. That the City Clerk of the City of Chico be and is hereby directed to forward a certified copy of this resolution to the Board of Supervisors and the Butte County Clerk immediately following its adoption.

The foregoing resolution was adopted by the City Council of the City of Chico at its meeting held on the 18th day of June, 1996, by the following vote:

AYES: COUNCILMEMBERS ANDREWS, GUZZETTI, HUBERT, KEENE, KING, OWENS, AND
MAYOR MCGINNIS.

NOES: NONE.

ABSENT NONE.

ATTEST:

Barbara A. Evans
Barbara A. Evans
City Clerk

APPROVED AS TO FORM:

Robert G. Boehm
City Attorney

By: Lori J. Barker
Assistant City Attorney

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<u>MEASURE 2</u> Measure amending the Chico City Charter	Shall the Chico City Charter be amended to permit the City Council to hold special municipal elections by mailed ballot?	YES _____ NO

<u>MEASURE 3</u> Measure amending the Chico City Charter	Shall the Chico City Charter be amended to delete the requirement that the City Clerk call the roll at City Council meetings?	YES _____ NO

<u>MEASURE 4</u> Measure amending the Chico City Charter	Shall section 1006.1 of the Chico City Charter be amended to provide that all of the powers of the Bidwell Park and Playground Commission regarding the City's parks, playgrounds and street trees shall be carried out only in the manner and subject to the terms and conditions set forth by ordinance of the City Council?	YES _____ NO

<u>MEASURE 5</u> Measure amending the Chico City Charter	Shall the Chico City Charter be amended to provide that all of the powers of the Airport Commission to maintain and operate the airport and airport property shall be carried out only in the manner and subject to the terms and conditions set forth by ordinance of the City Council?	YES _____ NO

<u>MEASURE 6</u> Measure amending the Chico City Charter	Shall the Chico City Charter be amended to change the date by which the annual audit is to be submitted to the City Council from December 1 of each year to the date of the first regular City Council meeting in February?	YES _____ NO

Grand Jury Summary

Public Workshop March 2, 2002 & March 10, 2002

A Saturday morning workshop was held at the City Council Chambers to gain public input into the update of the City Plaza Master Management Plan. At this time there was no funding for the conceptual project design. And the 1992 CMMP had not been fully implemented. A follow-up meeting to the first workshop was held on Wednesday April 10, 2002 at 7:30 pm. The consultant, Heritage Partners, gave a follow-up presentation with illustrations for three different plaza designs and asked for public input on specific design elements. Attendance at this meeting was considerably smaller, by all accounts, than at the first meeting. The concerns voiced at this meeting were much different than those expressed in the first meeting. At the first meeting four problems were identified and 27 solutions proposed. The solutions were ranked by the attendees at the workshop with the highest vote-count on a single solution being eleven. Out of the 27 proposed solutions the first nine were incorporated into the final City Plaza product. At the second meeting no mention of attendance was made in the Heritage Partners report. At the second meeting 58 ideas were raised however they were not rated. The design firm and city staff worked to create a composite site plan that incorporated the most agreed upon concepts. What you see today in City Plaza closely resembles "in concept" the work product of the consultant and city staff in their composite plan.

While reasonably well advertised, though press releases, public notices, and flyers these early meetings were probably poorly attended for a number of reasons. First, these workshops were meant to come up with conceptual plans as to how the plaza could be improved in the "future" with no source of funds to actually implement the ideas that came out of the meetings. Secondly, the implementation of any proposals that came out of these workshops was expected to take decades, rather than years, to implement. And, as explained in the work product produced by Heritage Partners, the transformation was expected to occur gradually over time; the only definite plan that was to be implemented was to continue the gradual replacement of the elms, as prescribed by the 1992 CPMMP, which was itself a conceptual plan that was never fully implemented. Full Text of the City Plaza Master Management Plan:
http://www.chico.ca.us/common/_mod_resource.asp?p=50&f=149

Redacted Minutes

September 30, 2002, Bidwell Parks and Playground Commission

Report on City Plaza Master Plan

Park Director Beardsley introduced Mary Van Buskirk and John Anderson of Heritage Partners, consultants, to present their findings and concepts regarding the Plaza Park Master Plan for Commission and public discussion. Comments will be referred to the Master Management Plan Committee for further discussion and come back within two months for formal approval and adoption by Council. Proposition 12 funding of \$150,000

has tentatively been earmarked for the project and another \$50,000 was approved by Council to replace sidewalks in the Plaza.

Consultants showed three plans which evolved from the public meetings and an alternative four as a composite of the first three. The goals are to address functionality, security, daily use, and appearance. John Bidwell preserved the site 120 years ago. Now the elms are diseased and use has increased extensively so it needs to be renovated. Cost will be determined after a plan is selected. The project will take 10 to 12 years to complete and funding will be found during that time.

Chair Ledgerwood said she attended the planning meetings and likes alternative plan four. She would like to have more information about fountains and thinks reclaiming the area for daily use is most important.

Commissioner Kidd said two stages and raised planting beds would take away a lot of seating. He would like a gazebo designed for good acoustics.

From the public

Teresa McDonald would like one parking space used for a bike rack, a drinking fountain added, and enough sidewalks kept to support the pastel sidewalk drawings event.

October 7, 2002 Press Release

A press release is issued announcing a meeting of the Bidwell Parks and Playground commission to be held on October 9, 2002, requesting public input on the City Plaza Master Management Plan.

October 9, 2002

No minutes of the meeting were available on the city's website. These minutes were requested and received in a timely manner from the Chico City Clerk's office: Memorandum dated September 24, 2002.

- a. (Action Recommended)
Review and Consideration of City Plaza Master Plan

On 9-30-02, the Bidwell Park and Playground Commission received a report on the City Plaza Master Plan and referred the matter to the Master Management Plan for further review and recommendation. The consultant has prepared a proposal based on prior public discussion. The meeting was an opportunity for the community and Committee to discuss specific elements of the plan.

The Committee generally supported the proposal with the following comments:

1. A central plaza feature which could be art with a controllable water feature. The consultant was asked to further investigate how other cities are managing these kinds of features.
2. One stage on the 4th Street side with a back drop/structure to attach banners and/or awnings/shade structure. The Committee recommended considering moving the stage to the interior area of the circle.
3. Additional access points mid-block on all four sides. Preference for lawn areas and not formal planting areas.
4. Support for portable restrooms and trailers; however, the details of capital and maintenance costs need to be fully researched and understood.
5. Suggestions for improvements included checker boards and bocci ball.
6. Accommodate vending booths (Annual Artisan's Faire). Concern about reducing available booth space with raised lawn and/or planting areas and seat walls.

The Consultant and Park Director also met with the Downtown Chico Business Association Executive Committee 10-10-02. The DCBA may submit their comments prior to the 10/28/02 BPPC meeting.

Pending public review and discussion, Park Director is recommending the Commission approve the plan as presented and modified.

October 15, 2002

Heritage Partners makes a presentation to the Downtown Chico Business Association (DCBA) Executive Committee and the DCBA sends a letter in support of the project to the Parks Commission.

October 28, 2002 Bidwell Park and Playground Commission

Review and consideration of City Plaza Master [Management] Plan

Park Director Beardsley said this item is presented for Commission to consider approval of the concept, discuss some features, and then move on with determining costs and set priorities for steps to be taken.

Consultants Tom DiGiovanni and Mary Van Buskirk presented their plan based on prior public and Commission discussion. The goals are 1) improve functionality 2) increase a sense of safety 3) invigorate daily use, and 4) repair deterioration. They made their recommendations and brought up several issues that still need to be discussed.

From the public

Mary Andrews said workshop discussion decided there should be no pond as part of the fountain, the performance platform be on Fourth Street side, and the play element be a

bocci ball court. She suggested the paving be blocks instead of solid for better water runoff.

Architect Nicholas Ambrosia likes a fountain in Portland which has water jets coming out randomly as programmed and is surrounded by cement benches.

Martha Dennison did not know about this project until recently but she has done some design work regarding the center fountain, a stage and seating. She gave Commissioners some of her work that might answer some difficulties.

Wayne Cook is a local resident who has long had a great interest in the Plaza. He is impressed with the consultant's work and the timeliness of making it a central feature for downtown growth.

Steve Rooney, who presents the Artisans' Faire in May, said the raised features may not work out well for some events held in the Plaza. He has concern about hazards. The fairgrounds recently remodeled and leveled all curbs because of liability.

Commission discussed several issues to clarify their recommendations:

- ~ fountain - very desirable, type to be determined but probably interactive
- ~ raised planters on four sides - provides seating and are changeable in design
- ~ raised lawn panels - good to delineate the area and direct traffic
- ~ performance platforms - one large platform on Fourth Street side but a solar study would identify shadow casting before making a final decision
- ~ street trees/sidewalk/ parking configuration - prefer those shown in composite plan 4. The City might have to make a traffic study before closing a lane and introducing diagonal parking.
- ~ restroom - portable restroom on a trailer that may be used in other areas
- ~ play element - would like to learn about more options than bocci ball or checkers

The Parks Commission approves the conceptual plan with a 5-0 vote.

May 6, 2003 Chico City Council

The city council receives the Bidwell Parks and Playground Commission's recommendations regarding the City Plaza Master Management Plan and votes 6-0 to approve the conceptual plan and directs city staff to conduct an environmental impact report.

October 29, 2003 Public Notice

A Public Hearing Notice of intent to recommend adoption of a "Mitigated Negative Declaration" is made regarding the initial study, a 20 day review period and a hearing on the matter is set for November 24, 2003. (A Mitigated Negative Declaration means the project, subject to some stipulations, will have no significant impacts on the environment.)

November 24, 2003 Bidwell Parks and Playground Commission

Hearing on the Adoption of a Proposed Mitigated Negative Declaration and Approval of the Master Plan Update for City Park Plaza

The Bidwell Park and Playground Commission held a public hearing to consider a recommendation for the City Council to adopt a mitigated negative declaration and monitoring program and to approve the Master Plan for the City Plaza. The Commission reviewed the recommendations for the City Council meeting which is scheduled for December 2, 2003. The purpose of the public hearing was to review the mitigated negative declaration and take comments. The City Council will consider adopting the mitigated negative declaration, the recommendation from the Commission in regard to the master plan, and funding for the plans and specifications, to prepare the project for construction. Once the plans and specifications have been completed, this item would then be taken before the Council for available funding.

Commissioner Walker inquired about the proposed parking changes on Main and Broadway. The plan calls for diagonal parking where there is currently parallel parking. Commissioner Walker inquired if the proposed plans would reduce the lanes from three to two and asked for clarification.

Public Works Director McKinley clarified the differences between diagonal parking and parallel parking. McKinley stated that the width of Main and Broadway, curb to curb is 58', which allows for 8' parking lanes on each side, and three 14' lanes across. With diagonal parking, 3' of the park would be taken up, utilizing 8' of a parking lane and using approximately 6' of the excess lane width across Main and Broadway, still leaving three lanes of traffic and two sides of parking; one diagonal and one parallel on Main and Broadway.

Commissioner Mills asked if there was a preference on parallel or diagonal parking.

Public Works Director McKinley stated back-in diagonal parking was preferred, generally. Back-in parking offers better visibility with on-coming traffic and bicyclists, as opposed to diagonal parking (pull-in) or parallel parking.

Commissioner Wood was concerned about the safety issue of back-in parking on 4th and 5th Streets instead of Main and Broadway. There is not adequate lane width to allow for diagonal parking on 4th and 5th Streets.

Commissioner Mills asked about Item D on the mitigated negative declaration, the Cultural Resources section. He inquired what the process would be if a cultural item was discovered during the construction process. Senior Planner Murphy stated that if an item were found, work would be stopped and a qualified archaeologist would be contacted. If this statement is not included in the document, it could be modified to include this language. Commissioner Mills inquired about the lighting for the Park. The

Park Commission preferred the candy-cane lighting because the light would shine down versus outward. Commissioner Mills asked about the materials to be used for the hardscape. The goal is to keep the surface as impervious as possible, balanced with a low maintenance surface.

Commissioner Schwab asked if it had been considered if diagonal parking would allow vendors to sell their goods out of their vehicles and would block the sidewalk. Public Works Director McKinley stated there was enough room to allow this. Commissioner Mills asked about the restroom facilities. The negative declaration assumes there will be no facilities. Is there a preference for a portable toilet trailer or permanent restrooms? The Commission discussed using the portable toilets on trailers and only using them during an event, then removing them. Commissioner Walker preferred to have a permanent restroom on the 4th Street side. Commissioner Wood stated he did not want to give up park space to accommodate vendors.

From the public

T.J. Glenn stated he did not want portable toilets.

Randy Abbott stated he would like to see permanent restrooms in City Plaza as a courtesy to the community. He would also like the community to consider allowing vendors to utilize City Plaza.

Wayne Cook commented he liked the openness of the City Plaza and would like to see permanent restrooms in city Plaza. He would like to see a bandstand with attached restrooms.

Commissioner Lucas agreed that having a permanent restroom would be a courtesy to the public.

December 2, 2003, Chico City Council convened as both the City Council and Redevelopment agency

CONSIDERATION OF THE RENOVATION OF CITY PLAZA

A. Adoption of a Proposed Mitigated Negative Declaration and Approval of the Master Plan Update for City Plaza Bounded by Broadway, Fourth, Main, and Fifth Streets in Downtown Chico.

By memorandum dated 11/17/03, the Park Director transmitted the proposed mitigated negative declaration and monitoring program for the Master Plan Update to the City Plaza in downtown Chico.

Pursuant to the California Environmental Quality Act, a negative declaration is proposed for this project. The Bidwell Park and Playground Commission held a public hearing on this matter at its 11/24/03 meeting and the Commission's recommendations are included in the Park Director's memorandum.

The Park Director and the Commission recommended that the City Council: (1) adopt the negative declaration for the project; and (2) approve the master plan update by the adoption of a City Council resolution. Councilmember Wahl disqualified himself from the discussion of this item and subsequent vote.

Addressing the Agency on this item was CARD Executive Director, Mary Cahill. A motion was made by Vice Mayor Jarvis and seconded by Councilmember Gruendl to (1) adopt the negative declaration for the project; and (2) approve the master plan update by the adoption of the following resolution:

RESOLUTION NO. 44 03-04 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO ADOPTING A MITIGATED NEGATIVE DECLARATION AND MONITORING PROGRAM AND APPROVING THE MASTER PLAN UPDATE FOR CITY PLAZA

The motion carried by the following vote:

AYES: Bertagna, Gruendl, Jarvis, Herbert, Nguyen-Tan, Kirk

NOES: None

ABSENT: None

DISQUAL: Wahl

B. Funding for Design of the Renovation of City Plaza

By memorandum dated 11/3/03, the Park Director requested funding to complete the final design, plans, and specifications for the renovation and revitalization of City Plaza (Plaza Park). *The renovation of City Plaza is not included in the 2003-04 through 2007-08 Capital Improvement Program*, however, as a result of the emergency removal of the elm trees, it would be appropriate to assign a higher priority to this project. *The Park Director recommended that the City Council adopt the resolution below and approve a supplemental appropriation in the amount of \$145,718 from redevelopment bond funds.*

A motion was made by Vice Mayor Jarvis and seconded by Councilmember Nguyen-Tan to approve: 1) Allocation of \$150,718 from the 1996 Chico Public Financing Authority Tax Allocation Bonds Capital Improvement Fund (354), as set forth in the Redevelopment Project Analysis attached to the Park Director's memorandum; and (2) a transfer of \$53,182 in redevelopment bond funds from the Downtown Plaza Park Sidewalk project (12069) into the Plaza Park Improvements project (13056); and adopt the following resolutions with a confirming administrative supplemental appropriation and/or budget modification to be processed following this meeting:

RESOLUTION NO. 45 03-04 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHICO CONSENTING TO THE PAYMENT BY THE CHICO REDEVELOPMENT AGENCY OF COSTS RELATED TO THE RENOVATION OF CITY PLAZA AND MAKING CERTAIN FINDINGS RELATED THERETO

RESOLUTION NO. 10-03 — A RESOLUTION OF THE CHICO REDEVELOPMENT AGENCY ALLOCATING PROCEEDS FROM THE CHICO MERGED REDEVELOPMENT PROJECT AREA 1996 CHICO PUBLIC FINANCING AUTHORITY TAX ALLOCATION REVENUE BONDS TO PLAZA PARK IMPROVEMENTS PROJECT (13056)

The motion carried by the following vote:

AYES: Bertagna, Gruendl, Jarvis, Herbert, Nguyen-Tan, Kirk

NOES: None

ABSENT: None

DISQUAL: Wahl

**January 27, 2004 City Council Meeting
CONSIDERATION OF PUBLIC RESTROOMS IN CITY PLAZA**

At its 12/02/03 meeting, the City Council adopted a mitigated negative declaration and monitoring program and approved the Master Plan Update for the City Park Plaza in downtown Chico. The City Council also requested additional information regarding the possibility of including public restrooms in the project to renovate the park. By memorandum dated 01/14/04, the Park Director advised that the Bidwell Park and Playground Commission recommended (6 in favor, 1 opposed) that public restrooms be included in the project, and provided an analysis of options including on-site, off-site, and portable toilets. The Council was provided with a letter dated 1/18/04 from the Executive Director of the Downtown Chico Business Association supporting the installation of public restrooms. Staff requested Council direction on whether public restrooms should be included in the design. Councilmember Wahl disqualified himself on this item and subsequent action. Katrina Davis, DCBA Executive Director addressed the City Council on this item relaying DCBA's support for Option C.

A motion was made by Vice Mayor Jarvis and seconded by Councilmember Bertagna to approve Option C, with the following additions: (1) permanent restroom facility located on the 5th Street side with the design compatible with the Post Office, with one or two units open during the day and with the number and hours of use to be determined at a later date; (2) addition of a dressing room behind the stage; and (3) staff to investigate the feasibility of the roof structure for possible lighting for the stage and/or solar power.

The motion carried by the following vote:

AYES: Bertagna, Gruendl, Herbert, Jarvis, Nguyen-Tan, Kirk

NOES: None

ABSENT: None

DISQUAL Wahl

**May 18, 2004 City Council
Meeting Reports and communications**

Letter dated 3/3/04 from Jerry J. Finch, Commander, American Legion, Chico Post No. 17, and signed by various other veteran's organizations, requesting a small permanent memorial honoring veterans be created and placed in City Plaza. This item was referred to Internal Affairs for consideration at its June 2004 meeting.

June 1, 2004 Chico City Council Internal Affairs Committee

Considers request to construct a Veteran's Memorial in City Plaza
No minutes of this meeting available on City of Chico website. Minutes of this meeting were not requested by the Grand Jury.

July 6, 2004 Chico City Council

Consideration of Jerry J. Finch's Request to Place a Permanent Memorial Honoring Veterans in City Plaza.

The Committee recommended (3-0) that Councilmember Wahl chair a committee to work with the Park Department and local veterans' organizations in securing a location in City Plaza for a monument to honor veterans for recommendation to the City Council. By memorandum dated 6/23/04, the Park Director reported that he, Councilmember Wahl, and the City Plaza design consultant met with representatives from the veterans' groups to discuss locations for the memorial and that a site on the Main Street side of City Plaza was being recommended. The Park Director recommended approval of the memorial location and authorization to coordinate the design of the memorial with the City Plaza Master Plan.

A motion was made by Councilmember Nguyen-Tan and seconded by Councilmember Bertagna for approval of a memorial location on the Main Street side, as depicted on Attachment A included in the staff report, and authorization to coordinate the design of the memorial with the City Plaza Master Plan.

The motion carried by the following vote:

AYES: Bertagna, Gruendl, Herbert, Nguyen-Tan, Wahl, Kirk

NOES: None

December 7, 2004 Chico City Council Meeting

CONSIDERATION OF PROPOSAL FOR A VETERAN'S MEMORIAL IN CITY PLAZA

By memorandum dated 11/22/04, the Park Director indicated plans for the veteran's memorial would be presented to the City Council for approval. At its 07/06/04 meeting, the City Council directed staff to work with veterans on a suitable design as part of the renovation of City Plaza. The memorial will be centered on Main Street between East 4th and East 5th Streets. The Council was provided with a depiction of the proposed Veteran's Memorial by Nichols, Melburg and Rosetti. The Park Director recommended approval of the design.

A motion was made by Councilmember Wahl and seconded by Councilmember Herbert to approve the design.

The motion carried by the following vote:

AYES: Bertagna, Herbert, Holcombe, Kirk, Schwab, Wahl, Gruendl

NOES: None

ABSENT: None

DISQUAL: None

December 27, 2004 Bidwell Parks and Playground Commission

No minutes of this meeting available on city's website. Minutes of this meeting were requested of the Chico City Clerk's office and received in a timely manner.

4. REGULAR AGENDA

2. Status Reports on Capital Projects

c. City Plaza and Veterans' Memorial

Elements being considered in the City Plaza renovation are a band shell with adjustable dome, central fountain, restrooms and eight zones of elevated seating. The seating is now set at 20 inches high but may be lowered to save on costs.

An updated animation showed the new Veterans' Memorial, which is being constructed entirely from public donations. One side of the memorial will show bronze plaques and staff asked the public for suggestions on the content. The other side will contain names of military service people nominated from the public and inscribed for a donation of \$100 each. Names will not give service dates, conflicts or branch of service, but will be all inclusive.

June 7, 2005 City Council/Redevelopment Agency

A motion was made by Councilmember Bertagna and seconded by Councilmember Wahl, to allocate an additional \$900,000 from Fund 352 toward the bid for the renovation of the Chico City Plaza. The motion carried by the following vote:

AYES: Bertagna, Herbert, Holcombe, Kirk, Schwab, Wahl, Gruendl

NOES: None

5. REPORTS AND COMMUNICATION

1. Director's Report

4) Bids for City Plaza renovation open this Friday

June 8, 2005 Art Commission

Commission receives report on 5/18/05 Ad Hoc Art Committee meeting and Plaza artwork discussions. No minutes of this meeting available on city's website. Minutes of this meeting were not requested by the Grand Jury of the Chico City Clerk's office.

Report on the Bidwell Park Master Management Plan Update

Park Director Beardsley said the Citizen's Advisory Committee meeting of January 13 was well attended and friendly. The meetings will continue through July. Commissioners Mills, Barrett and Ober each need to appoint their representatives soon.

Status Reports on Capital Projects

Urban Forester Boza said work on Humboldt Park restrooms will start next week and will probably be completed by the end of March.

Report from the Art Committee Meeting of May 18, 2005 (Commissioners Mills, Candela and Walker) -- Review and consideration of art in City Plaza

Chair Walker said there is much potential for art in City Plaza. The City Art Commission would like to work with BPPC and bring in their ideas in June.

July 13, 2005 Bidwell Park and Playground Commission ad Hoc Committee

Committee considers recommendations to allocate funds to install a mural of old trolley on the Plaza restrooms and the installation of chess tables in Elm Court.

July 13, 2005 Report from the Art Ad Hoc Committee Meeting Review and consideration of art in City Plaza

Art Commission recommended using \$80,000 for art in City Plaza. The Ad Hoc Committee recommends a mural on the restroom wall featuring a local, historical object, such as a trolley. Artist Elizabeth Devereaux suggested a project mid-block (on Broadway) including sitting areas with chess tables.

Commissioner Candela moved to conceptually approve the two art projects. Commissioner Barrett seconded the motion which carried 5-0.

July 25, 2005 Bidwell Park and Playground Commission

BPPC considers Ad Hoc Art Committee's recommendations of the public artwork proposed in City Plaza and conceptually approves (5-0) both projects.

Old Humboldt Road Wagon Trail Revisited

Reason for Investigation

The ink had barely dried on the 2005-06 Butte County Grand Jury report when the new Grand Jury received a citizen request that we continue the previous year's investigation of this historic road in Chico. The Grand Jury was asked to look particularly at whether the California Environmental Quality Act (**CEQA**) guidelines had been followed in the Environmental Impact Review (**EIR**) of Oak Valley, a proposed subdivision near the Wagon Trail.

Background

The 2005-06 Butte County Grand Jury's Report on the Old Humboldt Road Wagon Trail provided a brief and interesting history of the trail as well as a description of the portions of the trail still remaining off Humboldt Road east of Bruce Road. Their assessment read, "As development progresses, the concern about preserving the Humboldt Wagon Trail in this area becomes more acute." Of special concern was the proposed Oak Valley subdivision to the north.

After its investigation, the 2005-06 Grand Jury listed four **Findings** and three **Recommendations**, all of which were aimed at preserving and protecting the Old Humboldt Wagon Trail. However, the question of a faulty EIR was not addressed. The most vocal and persistent advocate for the Trail's protection was not interviewed, nor were representatives of the historic preservation community such as the North East Center of the California Historical Resources Information System (**CHRIS**). In short, the 2005-06 Grand Jury report, while on the right track, did not go far enough.

At first look, the dispute over the EIR seems to be fairly straight-forward. On the one hand, the developers of the Oak Valley Subdivision, in order to accommodate additional traffic created by their plan, need to widen Humboldt Road and maintain its status as a "collector" street. According to the *Planning Commissioner's Handbook* (League of California Cities), a collector street is one that "provides circulation within and between neighborhoods, characterized by relatively low speed (25-30 mph) and low volume (5,000 – 20,000 average daily trips.)" Last year's Grand Jury pointed out that "at least one new crossing of the trail with the extension of Yosemite Drive to serve the proposed subdivision" and "at least one more road entry to the lands south of Humboldt Road" might be needed. In fact, the EIR states that there will be "multiple connections to Humboldt Road." (**Exhibit A**) By approving the proposed subdivision and certifying the current EIR, the City has endorsed Humboldt Road's status as a collector street.

On the other hand, those who oppose the widening of Humboldt Road and its use as a collector street have two main concerns. One is that the wagon tracks, rock walls and immediate surroundings will be seriously compromised. The other is that if the current EIR and development plans are allowed to stand, the Old Humboldt Road Wagon Trail will no longer be eligible for designation and listing on the National Historic Register or the California Register of Historical Resources. Therefore, rather than revisit all of the 2005/2006 Grand Jury's excellent work, the 2006-07 Grand Jury focused primarily on the EIR for the proposed Oak Valley Subdivision.

Investigation

The Grand Jury interviewed the following individuals:

- the citizen who requested the investigation
- the Assistant Coordinator of the Northeast Center of the California Historical Resources Information System, or **CHRIS**
- 3 members of the Chico City Council
- 2 Senior Planners from the City of Chico Planning Department
- 6 members of the Chico Planning Commission
- 3 members of the Bidwell Park and Playground Commission (also referred to as the Parks Commission)
- 2 professors from California State University, Chico (**CSUC**)
- a consulting archaeologist
- the Chico City Attorney
- the director of the Chico Building and Development Services Department

We also reviewed the following documents:

- relevant portions of the 1994/99 City of Chico *General Plan*
- relevant portions of the *Draft Bidwell Park Master Management Plan Update*
- portions of the first Oak Valley EIR
- the April 2004 *Recirculated Draft Environmental Impact Report (EIR)* for the Oak Valley Project
- the November 2004 *Final Environmental Impact Report (EIR)* for the Oak Valley Project
- March 14, 2002, July 2, 2002, May 24, 2004, December 29, 2004 and December 5, 2005 letters concerning the Oak Valley EIR from the Northeast Center of CHRIS
- July 26, 2005, and August 25, 2005, letters from two officials of the State of California's Office of Historic Preservation
- the Chico Senior Planner's Staff Report to the Planning Commission
- the Chico City Manager's responses to last year's Grand Jury recommendations

- a published CSUC Master's Thesis, *The Historical Geography of the Humboldt Wagon Road*, by Anita L. Chang (Chico, CA: Association for Northern California Records and Research, 1992).
- C. S. Papacostas, *Fundamentals of Transportation Engineering*
- *Trip Generation*, 7th Edition, Volume 2

We found unanimous agreement among all we interviewed and documents we consulted that the Old Humboldt Road Wagon Trail ruts and the nearby rock walls need to be preserved and protected. However, there is no unanimity as to how and to what extent this should be done.

Round 1: The First Environmental Impact Report

The EIR is at the center of the problem. In reviewing relevant documents, we found that during the years prior to the 2005-06 Grand Jury Report a quiet war of words had taken place. The initial EIR, prepared in 2002 for the then 1300 unit Oak Valley Subdivision, stated that the "historic dirt trace is not visible or evident anywhere within or adjacent to the project site" because of previous realignment and paving of the road. The consultant included the old city landfill and the rock wall as part of the area to be designated as historic and pointed out that "significant modifications" had been made to the landfill, retaining "few of its historic attributes." He concluded that the landfill was not "a significant historic property," though the rock wall had value "as a design element." Thus, he concluded, the proposed development would create a "*less-than-significant impact*" on the road. (**Exhibit B**)

In response to the first EIR, the Assistant Coordinator of CHRIS, in a March 14, 2002, letter to City Senior Planning Staff, pointed out that "Proposed road construction slated for this project may impact this recorded archaeological site, CA-BUT-892, which has been determined eligible to the National Register of Historic Places and the California Register of Historical Resources." (**Exhibit C**) In a later interview she told us that once eligible, Humboldt Road *must* be treated as if it is on the Register until its designation is changed. Humboldt Road's historic value comes not only from its connection to John Bidwell and the pioneers who settled Chico but also as Deer Creek Highway/State Route 47/State Route 32. She also told us that it is widely believed that before it became a Euroamerican road, Humboldt Road was a trail used by the local Mechoopda Tribe. Alterations to Humboldt Road could, in fact, change its eligibility.

In her letter, the Assistant Coordinator made three recommendations, one suggesting that the city or project applicant "file for a complete record search" with the Northeast Information Center to identify cultural resources and determine "which portions of the project have been previously subjected to an archaeological survey." The other two recommendations involved hiring a

professional archaeologist to do a survey of areas not previously inventoried and to determine the “integrity and significance” of those portions of the Old Humboldt Wagon Ruts within the project area or “within any road construction right-of-ways” associated with the project. **(Exhibit C)**

The Assistant Coordinator’s second letter, dated July 2, 2002, gave the results of a record search for the Oak Valley Project as requested by the City Planning Department. In addition to reviewing seven previous archaeological investigations, she reiterated the fact that Old Humboldt Wagon Trail Road has been determined to be eligible for both the National Register of Historic Places and the California Register of Historical Resources. According to a survey carried out for American Land Conservancy, Old Humboldt Road is eligible under criteria A and C:

- criterion A; the road’s importance in “local history as the first major Euroamerican transportation/commercial route eastward across the mountains, and its construction and use is tied to the economic development of the area;” and
- criterion C; “it provides an excellent example of road construction techniques through time.” **(Exhibit D)**

This second criterion is important because it establishes Humboldt Road itself as a cultural/historic resource. In this second letter the Assistant Coordinator recommended that an Historical Archaeologist be hired to evaluate the project’s potential impact on the resource.

Round 2: The Second Environmental Impact Report

Following these letters, the senior city planner responsible for the Oak Valley Subdivision ordered a second EIR using the same consulting firm. He specified that the consultant review the previous evaluations and studies of the affected portion of Humboldt Road. He directed the consultant to provide a summary of Information Center-based studies involving the roadway” as well as to review the CHRIS records search and “obtain additional reports as necessary.” Finally, the consultant was to “use the criteria for listing in the California Register of Historic [sic] Resources as the basis for measuring historic significance” and to “evaluate the potential impact of the proposed road construction on the Humboldt Road segment under study.” **(Exhibit E)**

In the second EIR the consultant, using an incorrect CEQA guideline number, quoted CEQA’s definition of substantial adverse change: “substantial adverse change [to an historical resource] includes demolition, destruction, relocation or alteration* such that the significance of an historical resource would be impaired.” **(Exhibit F)** It should be noted here that four important words were omitted at the asterisk: “or its immediate surroundings.” **(Exhibit G)** The omitted phrase, along with the correct guideline number, was included in a later corrected version of the EIR.

He then listed his reasons why the proposed subdivision would not cause “significant adverse change.” First, there would be no demolition, destruction, relocation or alteration of Humboldt Road. Second, he acknowledged that the setting, or “immediate surroundings,” would be changed, but because there had already been changes in the past, there would be “no direct physical impact to the historic resource.” Third, because he concluded that the rock walls don’t seem to be directly related to the construction and use of the Wagon Trail and were not evaluated in earlier projects, he did not evaluate them either. Fourth, the wagon ruts, though described in the 1999 City of Chico General Plan as “another historic feature deserving of protection” are not on the current list of Chico’s historic resources. Finally, the proposed subdivision would be a “substantial change to the setting of the resource.” He concluded, however, that the change of setting would not make Old Humboldt Road ineligible for the California Register of Historical Resources. He proposed a “visual buffer zone” between the road and subdivision to mitigate the change to the setting. **(Exhibit F)**

Once again, after a citizen complained to CHRIS about the second EIR, the Assistant Coordinator of the Northeast Center of CHRIS, in a May, 2004, letter to the City Planning Division, disputed the consultant’s EIR for the Oak Valley project. She first requested that the topographic map showing archaeological sites included in the EIR be removed because “including the locations of sensitive archaeological features or sites in a public document is a violation of the CHRIS...Confidentiality Agreement.” She then argued that the project would have significant adverse change on Old Humboldt Road. She maintained that portions of Humboldt Road, as historic Route 47 and then Highway 32, have been recorded and listed as CA-BUT-1493H in her office. Therefore, the road itself should be named an historic resource.

Her second argument pointed out the fact that the consultant contradicted his firm’s and another firm’s findings in previous projects. She wrote, “Our office maintains files including documentation of additional segments of CA-BUT-892H outside the current project area. In both these records (Jensen 1998; Vaughan 1996), recorded wagon wheel ruts and rock retaining walls are considered significant features of CA-BUT-892H.” **(Exhibit H)** She noted that the wagon ruts are one of the elements that make the road eligible for listing on the National Register. She concluded by recommending, in part, that the portions of Humboldt Road which contribute to its significance under CEQA be “evaluated in terms of direct and *indirect* effects of the proposed project.”

Round 3: Explication and Modification of the Second Environmental Impact Report

At the January 20, 2005, Planning Commission meeting the senior planner overseeing the development presented the Planning Department’s Oak Valley staff report. He used the consultant’s assessment in the EIR to support the

department's report, though he did acknowledge the letters staff had received. He wrote that earlier in the project's EIR and application process, "Planning staff initiated the idea of preserving Humboldt Road (east of the Potter Road extension) in its current configuration for limited vehicle use and as a pedestrian/bicycle path." A new collector street would be constructed on the project's property, running parallel to and north of the current road. Staff determined it was not feasible for two reasons. First, the alternate road would be difficult to construct and would require more side streets onto the road. Second, Humboldt Road had already been identified and needed as a collector street in the city's General Plan. **(Exhibit I)**

Responding to the letters of concern he mentioned in the staff report, the senior planner also requested from the consultant a clarification of his recommendation regarding the changes in setting. The consultant followed up with a May, 2005, letter listing his reasons. First, he repeated his finding that Old Humboldt Road and the wagon ruts were not going to be removed or demolished; therefore, the proposed project would not have a direct impact on the resource. Second, the proposed project would be located to the north of the ruts and the "modern country road" and would be separated from Old Humboldt Road by landscaping, the modern road, and a "varying width of road shoulder."

The consultant's third reason acknowledged again that the proposed project would change the setting and repeated his opinion that the change would not be sufficient to make Old Humboldt Road ineligible for listing in the California Register of Historical Resources. He did not give any further reasons here but did speculate that a new evaluator would probably come to the same conclusion. He also argued that the houses in the proposed subdivision would not face the existing road and would be located on the "down-slope away from the Old Humboldt Road." Finally, he noted that he had considered the city's treatment of the site during and after construction, listing ways in which, under CEQA, sites might be preserved in place. Since he understood that the city was contemplating at least two of the measures listed, he combined this with his assessment of impacts to draw his conclusions. **(Exhibit J)**

At this point the city removed the topographic map and archaeological references and corrected the incorrect CEQA regulation number in the EIR. The words "or its immediate surroundings," which had been omitted from the consultant's previous definition, were added. However, the conclusions which were drawn from the original wording were not changed.

Round 4: Further Explication of the Second Environmental Impact Report

In July, 2005, before the Chico City Council met to consider the adoption of the Final EIR and the approval of the tentative Oak Valley subdivision, the Planning Department received two more letters contesting the EIR, both from the California Office of Historic Preservation. In the first letter, the CEQA

Coordinator Local Government Unit, after reviewing the Oak Valley Subdivision and Conceptual Master Plan Recirculated EIR # 1998032048, wrote that “we find that the *Cultural Resource Assessment* is inadequate.” Rather than looking at the whole resource, including the immediate surroundings as required by CEQA, the assessment is “focused on individual parts.” She pointed out that the assessment never makes clear where the wagon ruts, rock walls and road itself are located in relation to the project. Therefore, she wrote, “The impact to the historical resource cannot be clearly determined. The document is leading with a conclusion without establishing proof, how it arrived at their conclusion.” (**Exhibit K**)

She also included a section of National Register Bulletin # 30 which gives guidelines for assessing Rural Historic Landscapes. One activity it mentions as causing an impact is “gradual changes to boundaries and land use.” Certainly, increased traffic on a road could be included here. (**Exhibit K**) The second letter, from the State Historic Preservation Officer, supported the first. (**Exhibit L**) Both ended by recommending an independent cultural resource study be conducted either separately or as a part of a new EIR.

After receiving the letters, the senior planner again requested further clarification and/or explanation of the consultant’s recommendation related to “substantial adverse change.” In an August 31, 2005, letter the consultant gave longer, more detailed explanations. He repeated the points made in his May letter. However, much of this letter focused on a point which had been mentioned only briefly before. He argued that since Old Humboldt Road and its setting already had been compromised by modern wooden power poles, high-tension power lines, a burn dump site and a cell tower complex to the east and modern subdivisions to the north, the proposed project would not be a substantial adverse change. He did refer to the National Register Bulletin #30, *Guidelines for Evaluation and Documenting Rural Historic Landscapes*, and Preservation Brief #36, *Protecting Cultural Landscapes*, in his discussion supporting his final reason. (**Exhibit M**)

Final Round? Certification of the Second Environmental Impact Report

Theoretically, this “war of words” could have continued indefinitely. However, at the September 9, 2005, City Council meeting the senior planner proposed that the Final EIR, with a number of conditions for approval, be certified. In his agenda report he discussed the letters from the Office of Historic Preservation and the staff’s answers to them. He wrote, “Staff concludes that substantial and adequate assessment of historical resources has been completed and fully considered in the approval process.” (**Exhibit N**) That evening the City Council certified the EIR and approved the Oak Valley development subdivision map, permit and conceptual master plan. This appeared to be the final word in the matter.

Two Grand Juries Weigh In

As mentioned in the **Reasons for Investigation** and **Background** sections of this report, the 2005-06 and now the 2006-07 Butte County Grand Juries responded to requests that the Old Humboldt Road Wagon Trail be investigated. Last year's complete report can be found by going on-line to the Butte County Web Site home page at Butte County.net. Click on "Grand Jury Report Documents" and then on the Humboldt Road report. Copies of the report can also be found at Butte County Public Libraries.

To the **Findings** and **Recommendations** of the 2005-06 Grand Jury, the City Manager responded that during the coming update of Chico's General Plan, the city would consider the Old Humboldt Road Wagon Trail and rock walls' eligibility for historic landmark designation. He stated that the EIR for the Oak Valley development to the north of Humboldt Road had been certified and impacts "appropriately mitigated." Finally, he discussed what the city will do if and when the property to the south of Humboldt Road is developed. (**Exhibit O**)

The 2006-07 Grand Jury interviewed many of the key players in the dispute over the Oak Valley EIR as listed at the beginning of the **Investigation** section of this report. Not surprisingly, their opinions divided along the same lines as the documents.

When we first began our investigation, the Grand Jury thought that the Old Humboldt Road Wagon Trail and rock walls may have been discussed in Bidwell Park and Playground Commission meetings since one possible solution put forward was to create a linear park along Humboldt Road. Therefore, we decided to ask members about their involvement and ideas. We discovered that the question of what to do about Humboldt Road is not in the purview of the Park Commission; the Parks Commission had not been included in the discussions of Humboldt Road. However, individual commissioners had their own opinions. Their responses ranged from simply "no involvement," to "I'm very interested. I've thought it should be a linear park for a long time." One commissioner told us it had come up in meetings a few times, mainly to stop other projects such as a disc golf course.

The Chico Planning Commission members were divided along similar lines. One felt that increased traffic on Humboldt Road would help stop some of the "strange" behaviors going on "up there." He had voted for the Oak Valley project. Two members, though advocates for preserving Humboldt Road as an historic site with strong mitigation measures, did not think the development would be stopped. Another suggested that a new EIR would be needed if new information came in. Finally, one commissioner stated, "The city ignored letters from the State Office of Preservation," which were "extremely well-reasoned" and made "very valid points." City Council members expressed similar views. One admitted that the state had found the EIR deficient. He suggested that the "only

real fix” is to move the road over or, “even better, tear out the old road and restore the ruts under it.”

The City of Chico Senior Planner responsible for overseeing the Oak Valley development told us the City had done its “due diligence” with the EIR. Since its certification, though, the original owner has sold the 43 acre portion which makes up Phase I of the development. The new owner made changes in the plan which the senior planner believed might warrant a new EIR since they were not consistent with the original development. According to the senior planner, the new owners recently made other changes to bring the development closer to the original and will be resubmitting their subdivision map. However, the new proposals for the parcel do not affect the ruts, so presumably, according to the planner, evaluation of the ruts will not be included in a new EIR.

Finally, the historic preservation community continues to support protecting the Old Humboldt Road Wagon Trail and to advocate further research and review. In fact, in a December 5, 2005, letter to the Chico City Council, the Assistant Coordinator of CHRIS wrote in support of a suggestion made by the then-City Manager that the city purchase the land on which the wagon ruts are located and set aside the area as a “conservation easement.” **(Exhibit P)**

The consultant who prepared the Oak Valley EIR acknowledged that his EIR might not be the final word. In his August 31, 2005, clarification of his recommendation concerning the changes in setting to Old Humboldt Road, the consultant listed several options for the city to consider, given the position taken by the Office of Historic Preservation (**OHP**): “First, it can accept the OHP’s judgment that the change to setting will result in a substantial adverse impact, and mitigate accordingly. Second, the City could take the position that its proposed mitigation measures will reduce the impacts to below the level of significance. Third, it could accept the OHP’s recommendation that calls for ‘a third, independent historic resource assessment.’ OHP suggested that that third assessment include an aerial view of the overall project area; I have provided one with this memorandum.” **(Exhibit M)**

The Long View:

In 2005, the State of California Parks Department held a public meeting to gather input regarding park and recreation needs in the burgeoning Central Valley. One attendee suggested a slightly different take on Old Humboldt Road. Calling it a “Cultural Corridor in Chico,” the person described the road as “three parallel trails: J Bidwell trail, Humboldt Road and the Ruts (wagon train ruts) trail.” The rock walls are also mentioned as being of “historical interest,” and the whole area is assessed as being “in high jeopardy of being developed.” **(Exhibit Q)** Using this idea, instead of seeing Old Humboldt Road in isolation, it might be more helpful to see it as a part of a long historic corridor. According to a CSUC Anthropologist, further up nearby Highway 32 is Ten Mile House, an

archeological site, and Fourteen Mile House, another archeological site which is now under a development named Humboldt Heights. To the west of Humboldt Road is the University's Big Chico Creek Ecological Reserve where the early Lucas Family house foundation and Big Chico Creek Flume have been found. We were told by this professor that it is fairly commonly accepted that Mechoopda Tribe Indians in this area were used for labor by General Bidwell.

Some members of the Grand Jury drove along the present Humboldt Road in order to visit the scene of this investigation. We were dismayed to see the amount of trash, including discarded household items, along the way. In many spots the wagon ruts were hidden under weeds and other vegetation. Worse yet, five or six cars were parked off the road; their drivers had to cross over the ruts to get there. This act alone could and probably does cause considerable damage to the ruts. In spite of these problems, though, we were delighted with the spectacular unobstructed view of the valley below that Humboldt Road affords.

One might be surprised to learn that many sections of Old Humboldt Road and State Route 47 can still be seen. Anita Chang, in her published CSUC master's thesis, *The Historical Geography of the Humboldt Wagon Road*, recounted her trip from Chico to Lomo, about sixteen miles above Forest Ranch. She described her observations as well as the history of each segment as she traveled. "The many traces of the past this author found 'hiding in plain sight' simply disappeared," she wrote, "because people over the years have either forgotten or never knew about their geographical and historical significance." (Chang, p. 79)

Some of the "Cultural Corridor" has already been developed at the expense of cultural and historic resources. Much larger portions are slated for future development. For example, the total Oak Valley development covers approximately 340 acres; it originally included 230 acres with approximately 864 single-family units, 260 multi-family units and 200 "very low density residential units." The plan also includes 87.5 acres of open space as well as 15 acres to accommodate approximately 109,000 square feet for community commercial uses. Phase I, for which the EIR in question was commissioned, includes a total of 317 residential units of varying types on 24 acres. Eight acres of "buffers, set backs, and open space" and 10 acres for "road rights-of-way" complete the plan. **(Exhibit R)**

Based on trip generation studies, the average number of trips generated per single-family household is about 10 per day. **(Exhibit S)** If no other collector streets are built to service additional developments in this area and all of the proposed subdivisions for the land on or near Humboldt Road are completed, the road's designation as a collector street might need to be changed. A collector street, as described in the **Background** section of this report, is characterized in part by a low volume of 5,000 to 20,000 trips per day. The same source defines an arterial as, "A roadway that provides intra-community travel and access to the

countrywide highway system, characterized by medium-speed (30-40 mph) and medium capacity (10,000-35,000 average daily trips)." Greater traffic volume may necessitate a designation of "arterial" street for Humboldt Road. This, in turn, would require the road to be widened, possibly from 9 foot lanes to 11-13 foot lanes. **(Exhibit T)** It is difficult to see how increased traffic on Humboldt Road would *not* have a significant impact. **(Exhibit U)**

When the Chico City Council certified the Final EIR, it also adopted the Conceptual Master Plan for Oak Valley. The Conceptual Master Plan identifies parcels and roads for the entire subdivision. Part of the motion to approve the plan was a change in the number, type and placement of certain housing units. For example, the number of units on Lot Q, which under the city's current General Plan and zoning could have been 160, was reduced to a maximum of 80. Also, during interviews, the Grand Jury learned that some proposed road connections, such as the Potter Road extension to Yosemite Drive, might not be completed because of other environmental concerns. There is a question as to whether CalTrans will give "encroachment permits" to allow access to Highway 32 as well.

On a positive note, the plan for property on the south side of Humboldt Road, though currently in litigation over control of ownership, included a subdivision called East Gate. Part of the plan was a 50 foot corridor dedicated to the city to preserve the Humboldt Road ruts and the rock walls. The area would be maintained by a special Maintenance District. We were told that once the dispute is resolved, the corridor might still be in the plan.

At the very least, other planned developments along the corridor would probably double the number of housing units. Under these circumstances, taking the long view is appropriate. First, since the Oak Valley EIR has been called into question by several experts and the new owner of the parcel being developed has made various changes to the original plan, the city should require that a new EIR and historical and archeological survey be undertaken using a different consultant. The EIR should consider both direct and *indirect* impacts to Humboldt Road and its setting near this development. Second, the City of Chico is currently revising its master plan. Similar EIR's and historical and archeological surveys for property being developed on or near Humboldt Road should be required in order to protect this historic resource.

It is conceivable that each time another phase of the Oak Valley development or any new developments in the area come to the City Council for approval, the EIR would be challenged. A faulty EIR could prompt one or more lawsuits. Rather than looking at each development separately, would it not be to the city's advantage that the city itself order a new EIR and historical and archeological survey that considers both direct and indirect impacts to Humboldt Road and its setting from east of Bruce Road to Highway 32? In the end, if the findings of a new EIR agree with those done for the Oak Valley development, then the city will

have a better chance of avoiding challenges and possible litigation. On the other hand, does the city want to set precedent for developers based on an EIR which many experts argue is inadequate?

Consider what is at stake. Recently, of necessity, the City of Chico lost direct artifacts left by John and Annie Bidwell, the trees in the old City Plaza. The city now has a chance to protect the last vestiges of the Old Humboldt Wagon Trail built by General Bidwell more than 140 years ago. To do this, the city needs a ruling on the meaning of the words “substantial adverse change” as they relate to Old Humboldt Road’s “immediate surroundings” or setting. One city official said in his interview that if everyone followed the idea of visual impact of the person who requested this year’s Grand Jury investigation, “nothing would be built anywhere.” We would answer with a question: How many historic sites such as this still exist in Chico? In such cases, is it not better to err on the side of caution?

In his responses to the 2005-06 Grand Jury report, the City Manager wrote, “The City anticipates undertaking a comprehensive update of the City’s General Plan within the next several years, and the eligibility of the trail and adjacent rock walls for designation as historic landmarks will be considered through a process open to public input.” (**Exhibit O**) The city should make every effort to involve the citizens of Chico in making the best decisions possible for the city’s historical resources. However, the citizens have a responsibility, too. They can take an active role in solving the dilemma of accommodating both historical preservation and population growth. Otherwise, they may find themselves mourning yet another loss of a piece of Chico’s history.

Findings:

1. Contrary to the City of Chico’s current General Plan, the Old Humboldt Road Wagon Trail and its ruts, as well as the nearby rock walls, are not on the city’s list of Historical Resources.
2. The city has recognized the need for additional environmental review for the land south of Humboldt Road but not for the north side.
3. The Chico City Manager has stated that the city will involve the public in considering the eligibility of the wagon trail and rock walls for historic landmark designation.
4. The Oak Valley EIR and City of Chico Planning Department continue to use previous changes to Humboldt Road’s setting, such as power poles, a burn dump and cell tower complex, to justify the position of “no substantial adverse change” to Humboldt Road’s setting.
5. The Bidwell Park and Playground Commission has not been included in any discussions or decisions related to options for preserving Humboldt Road and its environment.
6. The city agreed to follow the recommendations of the 2005-06 Butte County Grand Jury.

Recommendations:

1. Before any further development in the Humboldt Road area, the city should add Humboldt Road, its wagon trail ruts and the nearby rock walls to the list of historic resources in the current Chico General Plan. It should ensure that this designation is maintained in the General Plan update.
2. The city should require a new EIR using the correct SEQA guidelines and definitions for the Oak Valley development currently being considered. Similar studies should be required for any developments on or near the Old Humboldt Road Wagon Trail.
3. The city should commission and pay for a single EIR evaluating both direct and indirect effects of all projects along Humboldt Road from Bruce Road eastward to where Humboldt Road intersects Highway 32. This study should become a part of the city's General Plan update.
4. The city should develop and implement a plan to involve the public in discussions and decisions concerning Humboldt Road, including but not limited to special meetings, use of the city's web site, newspaper articles and the like.
5. The city should seriously consider during the development of properties along Humboldt Road the possibilities of burying power lines, moving the cell tower complex and/or other methods of lessening prior impacts to the road's setting.
6. The Bidwell Park and Playground Commission should be directly involved in future discussions of Humboldt Road, especially if the city decides to preserve Humboldt Road's cultural and historic resources by making any part of the area a city park.
7. The city should follow through on its commitment to implement the 2005-06 Grand Jury recommendations.

Responses Required:

Chico City Council
City of Chico Planning Commission
Bidwell Park and Playground Commission
City of Chico General Services Director

Old Humboldt Road Wagon Trail Revisited

Index of Exhibits

- Exhibit A: portion of p. 3-11, *Recirculated Draft Environmental Impact Report (EIR)*
- Exhibit B: portion of first Oak Valley EIR
- Exhibit C: 3/14/2002 letter, Assistant Coordinator of CHRIS to City of Chico Senior Planner
- Exhibit D: 7/2/2002 letter, Assistant Coordinator of CHRIS to City of Chico Senior Planner
- Exhibit E: City of Chico Professional Services Agreement – Humboldt Road Historical Analysis
- Exhibit F: portion of draft – second Oak Valley EIR
- Exhibit G: Portion of p. 3-8 – Final EIR
- Exhibit H: 5/24/2004 letter, Assistant Coordinator of CHRIS to City of Chico Senior Planner
- Exhibit I: portion of 1/20/2005 Planning Department Staff Report of the Chico Planning Commission
- Exhibit J: 5/10/2005 letter – EIR Consultant to City of Chico Senior Planner
- Exhibit K: 7/26/2005 letter - State Office of Historic Preservation, CEQA Coordinator Local Government Unit to City of Chico Senior Planner
- Exhibit L: 8/25/2005 letter – State Office of Historic Preservation, State Historic Preservation Officer to City of Chico Senior Planner
- Exhibit M: 8/31/2005 letter - EIR Consultant to City of Chico Senior Planner
- Exhibit N: 9/06/2005 Agenda Report – from Chico Planning Department to the Chico City Council
- Exhibit O: 7/14/2006 response to the 2005-06 Grand Jury Report by Chico City Manager
- Exhibit P: 12/5/2005 letter – Assistant Coordinator of CHRIS

- Exhibit Q: portion of 12/2/2005 Draft – *Central Valley Vision* Spring 2005
Public Meeting Comments
- Exhibit R: portion of p. 1-3, *Recirculated Draft Environmental Impact Report (EIR)*
- Exhibit S: p. 268, *Trip Generation, 7th Edition, Volume 2 of 3*. Institute of
Transportation Engineers.
- Exhibit T: p. 653, C. S. Papacostas, *Fundamentals of Transportation
Engineering*.
Englewood Cliffs, New Jersey: Prentice Hall, Inc., 1987.
- Exhibit U: p. 5-3, *Recirculated Draft Environmental Impact Report (EIR)*

Exhibit A

3. Project Description

Planned Development Use Permit

The Project site has been identified as a "Special Development Area" in the Chico General Plan. Several implementation policies are applicable to the Project site, including clustering development to protect the foothills viewshed and sensitive biological habitat. The Project site was zoned Planned Development (Foothill) in the City's Comprehensive Update to Title 19 Land Use and Development Regulations. The Planned Development process will allow the Project developer to cluster housing units and to transfer density in the western portion of the site by reducing parcel sizes, setbacks or other development standards.

Public Facilities and Services

Proposed infrastructure for both the 43-acre portion of the Subdivision and the Conceptual Master Plan subdivision includes the following:

Access and Circulation: The Project site would be served by an internal road system that provides for circulation for vehicles, pedestrians, bicycles and access to existing City streets and Highway 32. Primary access to the site would be directly from Highway 32, running from Yosemite Drive and continuing in a straight line through the project site to Potter Road at the opposite end of the site perpendicular to Humboldt Road. Other access points being proposed are east of the Potter Road extension at Highway 32, multiple connections to Humboldt Road, and a connection to Bruce Road, along the western boundary of the site.

For the 43-acre portion of the Subdivision, one bridge crossing to Humboldt Road would be built prior to the construction of the 151st housing unit as required by the City for safety reasons. The Conceptual Master Plan proposes four possible bridges across the slough.

Sanitary Sewer: The Project site is within the boundaries of the Southeast Chico Sewer Assessment District. There is an existing sewer trunk line within the site parallel to the north side of Dead Horse slough extending to a point approximately 500 feet east of the Yosemite Drive intersection. Additional sewer main lines and laterals would be constructed to serve the Project.

Water: Water would be provided to the site through the California Water Service Company (Cal Water), the City of Chico's water provider. Implementation of the Project would require the extension of Cal Water facilities from the western end of the Project site. In addition, the Project may require water storage tanks, a pump station, and onsite well(s).

Emergency Access

Because the 43-acre portion of the subdivision provides only one access point, the City would require additional access from existing roads as the Project is developed. An interim or emergency access road from Bruce Road, west of the Project site, would be required before the 51st unit is constructed. This road may become an emergency access only road when a second access to the site is constructed. A permanent second access road, connecting to Humboldt Road to the south, would be required before the 151st unit is constructed.

Exhibit B

Initial Study

pursuant to Section 5097.97 of the State Public Resources Code and Section 7050.5 of the State Health and Safety Code, if any bone is discovered that appears to be human, the Butte County Coroner shall be notified. In the event the bone most likely represents a Native American internment, the Native American Heritage Commission shall be notified so the most likely descendants can be identified.

- c) The historic Humboldt Road is located adjacent to the south side of the project site. This roadway has been partially realigned over the years, and paved. The historic dirt trace is not visible or evident anywhere within or adjacent to the project site, as realignment and paving have required significant widening and flattening of the original roadway. Therefore, the proposed project would not affect the historic attributes or qualities of this site.

Other historic resources include a landfill and a rock wall. The historic landfill of the City of Chico is located on a separate parcel adjacent to the southwest corner of the project site. The rock wall is located near the northwestern corner of the project area. The wall extends approximately 200 meters north-south, with one east-west lateral located near the primary wall's south end. Average height of the wall is 1.2 meters, while average width is 1.1 meters. Significant modifications have been made to the feature including restacking collapsed sections, addition of modern materials including 55 gallon steel drums on top of and within portions of the wall, and other post-construction modifications. The feature has been so extensively modified that it retains few of its original historic attributes, and is not considered a significant historic property. The rock wall does have value as a design element, as discussed under Item 13(b).

As Humboldt Road, the landfill, and the rock wall are not considered to be historically significant, implementation of the proposed project would create a less-than-significant impact.

- d,e) The proposed project consists of a residential and limited commercial development in a currently undeveloped site which is not linked to any unique ethnic cultural values. Also, no existing religious or sacred uses are located within the project site. Therefore, *no impact* would occur.

Issues	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less-Than- Significant Impact	No Impact
15. RECREATION.				
<i>Would the proposal:</i>				
a. Increase the demand for neighborhood or regional parks or other recreational facilities?	☐	☒	☐	☐
b. Affect existing recreational opportunities?	☐	☐	☐	☒

Exhibit C

Northeast Center of the California Historical Resources Information System

BUTTE
GLENN
LASSEN
MODOC
PLUMAS
SHASTA

SIERRA
SISKIYOU
SUTTER
TEHAMA
TRINITY

California State University, Chico
Building 25, Suite 201
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March 14, 2002

City of Chico
411 Main Street, 2nd Floor, Planning Division
Chico, California 95928

Re: Oak Valley Subdivision and Master Plan
Applicant: Fogarty

Dear ,

As we discussed in our March 11th telephone conversation, it has come to our attention that significant cultural resources may be located within a project currently under review by the City of Chico, namely the Oak Valley Subdivision and Master Plan (Applicant: Fogarty). Specifically, a portion of the historical Humboldt Wagon Road is known to be located within the project area. As we understand, proposed road construction slated for this project may impact this recorded archaeological site, CA-BUT-892, which has been determined eligible to the National Register of Historic Places and the California Register of Historical Resources.

Humboldt Wagon Road, completed in 1865, linked Chico to the Honey Lake Valley. John Bidwell initiated construction of this road in an effort to capitalize on mining strikes in Idaho and Nevada and to improve transportation in the Butte County area. During the 1860s, the Humboldt Wagon Road gained importance as a lumber transportation route. Agricultural products were transported from Chico to the mines via the Humboldt Road, and the route became popular among summer tourists traveling to the mountain resorts at Butte Meadows, Jonesville, and Prattville. In 1898 the Chico and Humboldt Road became a public road. In 1935, Deer Creek Highway (State Route 47) was completed, following the same approximate route of the old wagon road. The road was subsequently renamed State Route 32, and between 1955 and 1970 the highway was realigned and modernized.

While portions of this historical resource have been impacted by road reconstruction and other modern developments, our records for CA-BUT-892 indicate intact wagon ruts and rock retaining walls may be located within the Oak Valley Subdivision project area. Additionally, as mentioned above, this site has been determined eligible to the National Register of Historic Places (ADOE-04-97-003-00), and is also considered significant under CEQA.

Due to the fact that the Oak Valley Subdivision project area is highly sensitive in terms of its potential for both historic and prehistoric archaeological sites, we offer the following recommendations:

- (1) The City of Chico or the applicant should file for a complete record search (project review) for this project with the Northeast Information Center. The record search would identify all known cultural resources within the project area, and would determine which portions of the project have been previously subjected to an archaeological survey.
- (2) The applicant should hire a professional archaeologist to conduct a field survey of any areas not previously inventoried that are within the Oak Valley Subdivision project area. Any road construction slated for this project also would also require a field survey.
- (3) The applicant and/or the City of Chico should hire a professional archaeologist to determine the integrity and significance of those portions of the historic Humboldt Wagon Road (CA-BUT-892) that may be located within the Oak Valley Subdivision project area or within any road construction right-of-ways associated with this undertaking. The project archaeologist would be able to work with the applicant and the City to determine avoidance or protection measures for any significant portions of CA-BUT-892 or any other cultural resources within the proposed project area.

We appreciate your concern in preserving California's cultural heritage. If you have any questions regarding these recommendations, please feel free to contact me at the NEIC.

Sincerely,

Assistant Coordinator

Exhibit D

July 2, 2002

City of Chico
Community Development Department
P.O. Box 3420
Chico, California 95927
Attn:

**I.C. # R02-9
Record Search**

RE: Oak Valley Subdivision and Master Plan, Reconstruction of Humboldt Road
T22N, R2E Sections 20, 21, 29
USGS Chico 7.5' and 15' quads
Approximately 2 linear miles (Butte County)

Dear ,

In response to your recent request, a complete record search for the above-cited project was conducted by examining the official maps and records for archaeological sites and surveys in Butte County. As per your request, only the proposed two linear miles of road reconstruction, with a 200-foot buffer on the south side of Humboldt Road, were reviewed for this project.

RESULTS:

Prehistoric Resources: According to our records, there are no previously recorded sites of this type known to be located within the project boundaries. However, six prehistoric sites have been recorded within one mile of the project area. These consist of habitation sites and isolated bedrock mortar locales. In addition, three isolated bedrock mortars have been noted, but not formally recorded, near the proposed project (see 1994). The project area is located within the ethnographic territory of the Konkow Maidu.

Historic Resources: According to our records, one historical site, the Humboldt Wagon Road (CA-BUT-892-H), is located within the project area. As discussed in our March 2002 letter regarding the proposed Oak Valley Subdivision, CA-BUT-892-H has been determined eligible to the National Register of Historic Places and the California Register of Historical Resources. Humboldt Wagon Road, completed in 1865, linked Chico to the Honey Lake Valley. John Bidwell initiated construction of this road in an effort to capitalize on mining strikes in Idaho and Nevada and to improve transportation in the Butte County area. During the 1860s, the Humboldt Wagon Road gained importance as a lumber transportation route. Agricultural products were transported from Chico to the mines via the Humboldt Road, and the route became popular among summer tourists traveling to the mountain resorts at Butte Meadows, Jonesville, and

Prattville. In 1898 the Chico and Humboldt Road became a public road. In 1935, Deer Creek Highway (State Route 47) was completed, following the same approximate route of the old wagon road. The road was subsequently renamed State Route 32, and between 1955 and 1970 the highway was realigned and modernized.

In a report documenting archaeological inventory and site evaluation for 18 Bureau of Land Management parcels in Butte County, Trudy Vaughan discussed specific criteria under which CA-BUT-892 would be eligible to the National Register. Vaughan's report documented survey coverage of a portion of Humboldt Road northeast of the current project area, between Chico and Forest Ranch. In her report she stated that:

"The C&HWR [Chico and Humboldt Wagon Road] is...potentially eligible to the NRHP under criterion A. It is important in local history as the first major Euroamerican transportation/commercial route eastward across the mountains, and its construction and use is tied to the economic development of the area. The road's initial purpose was to provide access to the mines, but it also opened up large timber tracts for the lumber industry, and it later developed as a popular tourist route...(1996)."

She further stated:

"The C&HWR is determined to be potentially eligible...under criterion C because it provides an excellent example of road construction techniques through time. As one travels the route of the C&HWR in conjunction with the alignment of Route 47 and the alignment and realignment of Highway 32, one can see the development of road construction technology in the area..."

In addition to the Humboldt Wagon Road, one previously recorded historical site has been recorded within 1/8 mile of the current project area. The site, CA-BUT-1071-H, consists of an 1870s-era rock wall. Another rock wall was noted, but not formally recorded, within 0.5 mile of the project area (see Jensen & Associates 1994).

Previous Archaeological Investigations: According to our records, three previous archaeological investigations covered most of the current project area. In 1980 Offermann and Orlins completed a report for the Cottonwood-Elverta #3 Transmission Line in Shasta, Tehama, and Butte counties. Their survey crossed Humboldt Road in Section 20. In their report, referenced below, they recommended that Humboldt Road be considered potentially eligible for listing on the National Register of Historic Places (Offermann and Orlins 1980).

Peter Jensen and Jensen & Associates have undertaken archaeological investigations that covered large portions of the current project area. These investigations were documented in their California Park Subdivision South (1994) and Eastgate Subdivision (1999) reports (see complete bibliographic references below). Jensen & Associates 1994 report documented archaeological inventory of the 360-acre California Park South Subdivision between Humboldt Road and Highway 32, east of Bruce Road. Three prehistoric sites were recorded, two isolated bedrock

mortar locations were noted, and Humboldt Road (CA-BUT-892-H), the historic City of Chico landfill, and a rock wall were also discussed. In this report the authors stated that Humboldt Road had been partially realigned and paved over the years, and that the historic dirt trace was not evident within the project area. They further stated that the proposed subdivision would not affect the historic attributes or qualities of the site (Jensen & Associates 1994).

Peter Jensen's 1999 report involved archaeological survey coverage of approximately 85 acres adjacent to the south side of Humboldt Road north of Little Chico Creek. Two isolated features, a metate slick and historic rock cairn, were noted, and potential impacts to CA-BUT-892-H were addressed. In this report, Jensen specifically mentioned three segments of original (historical) roadway within the Eastgate Subdivision project area which appeared to retain the qualities and attributes which would contribute to the significance of the Humboldt Wagon Road. In order that the sections be preserved, he suggested that the road segments be identified on the tentative subdivision map and that the project proponent, in consultation with the City and Chico Historical Society, erect a small monument near the Potter Road crossing of Humboldt Road (Jensen 1999).

Several other studies have addressed portions of CA-BUT-892-H between Chico and Forest Ranch. Anita Chang's Historical Geography of the Humboldt Wagon Road provides a detailed description of many of the extant remains of the old road (1992). Vaughan's documentation of two segments of CA-BUT-892-H also includes text concerning eligibility to the NRHP. These segments, located outside the current project area, contain features such as wagon wheel ruts and a section of rock wall (1996). Other historical sections of the road have been documented in an archaeological survey for the Forest Ranch Fire Safe Project (Huberland 1999), and by Sean Jensen for a transmission line pole replacement project (1998).

References Cited:

Chang, Anita

- 1992 *The Historical Geography of Humboldt Wagon Road*. Association for Northern California Records and Research, California State University, Chico.

Huberland, Amy

- 1999 *Archaeological Survey of the Proposed Forest Ranch Fire Safe Project, Butte County, California*. I.C. Report #2549. Archaeological Research Program, Chico.

Jensen & Associates

- 1993 *Archaeological Inventory Survey, California Park South Subdivision Project Area, 360 Acres Between State Route 32 and Humboldt Road, East Chico, Butte County, California*. I.C. Report #4131.

Jensen, Peter

- 1999 *Archaeological Survey, 85-ac Eastgate Subdivision Project, Chico, Butte County, California*. Letter Report to Mr. Mann and Mr. Storre, Drake Homes, Inc. I.C. Report #3181(1).

Jensen, Sean

1998 Site Record Update, CA-BUT-892-H. On file, Northeast Information Center, Chico.

Offermann, Janice and Robert Orlins

1980 *An Archaeological Survey of the Cottonwood0Elverta #3 Transmission Line in Shasta, Tehama, and Butte Counties, California*. California Archaeological Consultants, Inc. in association with Thomas Reid Associates for U.S. Department of Energy, Western Area Power Administration. I.C. Report #407.

Vaughan, Trudy

1996 *Archaeological Inventory Survey Report and Site Evaluations for 18 Bureau of Land Management Parcels in Butte County, California*. I.C. Report #1416. Prepared by Coyote and Fox Enterprises for American Land Conservancy, San Francisco.

LITERATURE SEARCH:

In addition to the official records and maps for archaeological sites and surveys in Butte County, the following references were reviewed: the National Register of Historic Places – Listed Properties and Determined Eligible Properties (1988, Computer Listings 1966 through 7-00 by National Park Service), the California Register of Historical Resources (2001), the California Points of Historical Interest (1992), the California Historical Landmarks (1996), the Directory of Properties in the Historic Property Data File for Butte County (2001), and Gold Districts of California (1970).

RECOMMENDATIONS:

Based on the above information, it appears that intact segments or features associated with CA-BUT-892-H, the historical Humboldt Wagon Road, may exist within the current project area. The reports by Jensen & Associates (1994) and Peter Jensen (1999) contain somewhat conflicting information as to whether there *are* intact portions of CA-BUT-892-H within the current project area. However, CA-BUT-892-H is a significant archaeological site, and based on our review, it appears that intact sections and historical features have been identified within or along many segments of Humboldt Road that have been subjected to an archaeological field reconnaissance.

Therefore, we recommend that the appropriate agency or individual hire a Historical Archaeologist to evaluate previous archaeological work associated with this project. This person should meet the criteria for History in the Secretary of the Interior's Standards and Guidelines (see attached). The Project Archaeologist would be able to determine whether additional field reconnaissance may be necessary to fully identify and evaluate any extant remains of CA-BUT-892-H within the proposed project area. This person would be able to determine avoidance or

protection measures for any significant portions of CA-BUT-892-H or any other cultural resources within the proposed project area.

The charge for this record search is \$240.00 (2 hours of Information Center time @ \$120.00 per hour). An invoice from the CSUC Research Foundation for billing purposes will follow. Thank you for your concern in preserving California's cultural heritage, and please feel free to contact us if you have any questions.

Sincerely,

, Assistant Coordinator
Northeast Information Center

Attachments:

Appendix 4, Professional Qualifications Standards, Archaeology and Historic Preservation:
Secretary of the Interior's Standards and Guidelines.

Northeast Information Center Referral list for Historical Resources Consultants

Exhibit E

CITY OF CHICO - PROFESSIONAL SERVICES AGREEMENT

CONSULTING SERVICES

Consultant

HUMBOLDT ROAD HISTORICAL ANALYSIS

Project Title/Budget Account No. 400-000-5400/00878000-4120

EXHIBIT "B"

SCOPE OF CONSULTANT SERVICES - BASIC; COMPLETION SCHEDULE

Scope of Consultant Services - Basic

The Consultant shall provide professional consultant services as follows:

- **On-Site Inspection.** The Consultant will inspect the site, photograph and take notes on the site.
- **Research.** The Consultant will review previous evaluations and studies of the Humboldt Road to assess the place of this segment in the history of the roadway.
- **Summary of Archaeological Reports.** The Consultant will provide a summary of Information Center-based studies involving the roadway, including those which recorded segments of the roadway and those which simply referenced its existence adjacent to some project or other. Additionally, the Consultant will review the records search performed by the Northeast Center of the California Historical Resources Information System and obtain additional reports as necessary.
- **Recordation and Evaluation.** The Consultant will record and evaluate any other features identified within the road corridor, along the segment in question.
- **Report Preparation.** The Consultant will prepare a report that analyzes the historic significance of the road segment, using the criteria for listing in the California Register of Historic Resources as the basis for measuring historic significance and evaluate the potential impact of the proposed road construction on the Humboldt Road segment under study.
- **Administrative Draft Report.** The Consultant will submit five (5) copies of the Administrative Draft Report for review and comment by the City of Chico.

Final Report. The Consultant will revise the report in response to the City's comments within fifteen (15) days of receipt of comments. The Consultant will prepare and submit five (5) copies of the Final Report to the City.

Services to be Provided by City of Chico

The City will provide necessary background information, including but not limited to, General Plan policies, public works documents and standards, and other data, information and descriptions related to the aforementioned segment of Humboldt Road.

Completion Schedule

The Consultant shall complete all proposed work within 60 days of receipt of the City's Notice to Proceed.

Exhibit F

4. ASSESSMENT OF POTENTIAL CHANGE TO OLD HUMBOLDT ROAD

4.1 Introduction

CEQA (PRC S 5020.1(q)) says "substantial adverse change [to an historical resource] includes demolition, destruction, relocation, or alteration such that the significance of an historical resources would be impaired." The following discussion assesses if the potential change to the setting of the Old Humboldt Road in the area of the proposed project would result in a substantial adverse change.

4.2 Humboldt Road

Change to setting will not result in Old Humboldt Road ceasing to be eligible for CRHR. As noted above, CEQA states that a "substantial adverse change [to an historical resource] includes demolition, destruction, relocation, or alteration such that the significance of an historical resources would be impaired." The proposed project will have none of those effects. However it will involve a change in the setting to the resource. As has been noted in previous evaluation inventory projects on the Old Humboldt Road in this area, the setting has already been affected by construction of the modern asphalt automobile road (SR47), and installation of wooden power poles along and in the old road surface. In addition, the Old Humboldt Road is crossed in the area of the project by two transmission lines formed by steel towers. Construction of a wider road and/or a housing subdivision will be an additional change to the setting, even though there will be no direct physical impact to the historic resource.

The rock wall paralleling Humboldt Road and the wagon ruts of the Old Humboldt Road do not appear to be directly related to the construction and use of the old road; rather, they, like many similar rock walls in Butte County and the Sierra foothills, are related to field clearing activities of early settlers. These walls do not appear to have been evaluated in any of the earlier projects, and were not part of the OHP determination of eligibility for the Old Humboldt Road. They were also not evaluated as a part of this project.

It should also be noted that the City of Chico General Plan (November 1994, updated February 1999, Section 7.7) states, "wagon ruts apparent in the exposed lava cap and the rock walls along Humboldt Road from Stilson Canyon Road to Highway 32 are another historic feature [sic] deserving of protection." However, the ruts are not currently listed in the city's list of historic resources. Copies of the pertinent pages of the Chico General Plan are included as Appendix B.

5. FINDINGS AND CONCLUSIONS

While the proposed project would have no direct physical impact on the old Humboldt Road, construction of the subdivision immediately across the modern asphalt surface of Humboldt Road in a currently vacant parcel of grassland and oak trees would have a visual impact that would be a substantial change to the setting of the resource. This change of setting would not result in the Old Humboldt Road becoming ineligible for the California Register of Historic Resources, and might be mitigated or reduced by retention of a visual buffer zone between the Old Humboldt Road resources and the subdivision.

Exhibit G

3. Text Changes to the Draft EIR

4.4-3(b) *Implement Mitigation Measures 4.4-1 and 4.4-2 shown below:*

Section 4.6 Public Services and Utilities

Identified in Response to Comment 10-1

The text on page 4.6-2 of the 2000 DEIR is hereby changed to read as follows:

~~The Chico Airport zone is not connected with the lower or upper zone. The Chico Airport Zone is tied into the lower zone by a pipeline main extension installed in Cohasset Road.~~

Identified in Response to Comment 10-2

The text on page 4.6-6 of the 2000 DEIR is hereby changed read as follows:

Conceptual Master Plan

At buildout, the proposed 340-acre Conceptual Master Plan would require 886 acre-feet of water to approximately 1,300 new customers. ~~As stated in the General Plan Draft EIR, funding for new wells follow Public Utilities Commission Rule 15, which specifies that if a development obtains 50 percent or more of the water from a well, that development will pay for the well and development costs and Cal Water pays for the needed land. Per Public Utilities Commission Decision No. 99-05-018, a special facilities (per lot) fee is now collected for each new service off of a new main extension. This fee is established to partially pay for the cost of new wells in the Chico/Hamilton City service areas.~~ Development must also provide funding for the water distribution system.

Section 4.11 Cultural Resources

Identified in Response to Comment HRG-3

The text on page 4.11-6 of the Recirculated DEIR is revised as follows:

Standards of Significance

For the purposes of this Recirculated EIR, a significant impact would occur if the project would:

- ~~result in damage to or destruction of historical structures, features, artifacts, or sites that could meet CEQA criteria for significance: a substantial adverse change in the significance of an historic resource through physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of an historic resource would be materially impaired.~~

Exhibit H

May 24, 2004

, Senior Planner
City of Chico Planning Division
P.O. Box 3420
Chico, California 95927

Re: Programmatic Draft EIR for the Oak Valley Conceptual Master Plan and Project
Specific Draft EIR for the 43-acre Portion of the Subdivision (EIP Associates 2004).

Dear

On April 20th, 2004, local resident brought to my attention potential problems with the Cultural Resources section of the above-referenced EIR. Since our office had not received a copy of the EIR for review, he provided us with a copy. I would like to offer the following comments regarding the Cultural Resources section and the Historic Resources Inventory and Evaluation Report, Humboldt Road (2002). I have also enclosed excerpts from a report by Trudy Vaughan describing the National Register status of the road.

As we discussed in our April 21st telephone conversation, I also have some concerns over the inclusion of the archaeological site record for CA-BUT-892H (Humboldt Road) in the EIR. The record describes archaeological features including wagon ruts, rock walls, and historic refuse deposits, and clearly depicts their locations on topographic maps. Because of their sensitive nature, the locations of archaeological resources are considered confidential information and should not be included in any public documents. Further, in order to receive a copy of the site record for CA-BUT-892H from our office, historical resource consultants were required to sign an "Agreement of Confidentiality" which clearly states that the recipient "...agree[s] to respect that confidentiality by not disclosing specific site locations to unauthorized individuals or in publicly distributed documents." Please remove the archaeological site record for CA-BUT-892H from the subject EIR. Also, please remove "Figure 1" that is a topographic map depicting the exact locations of features (ruts and rock walls) associated with CA-BUT-892H. There is no reason that this map or the site record needs to be included in the EIR. Further, including the locations of sensitive archaeological features or sites in a public document is a violation of the CHRIS (California Historical Resources Information System) Confidentiality Agreement.

My comments on *Historic Resources Inventory and Evaluation Report, Humboldt Road, Chico, Butte County, California* (2002) follow.

1. On page 8 of the report, the authors state "...the setting has already been affected by construction of the modern asphalt automobile road (SR47)." In her evaluation of other portions of CA-BUT-892H, archaeologist Trudy Vaughan states in her report *Archaeological Inventory Survey Report and Site Evaluations for 18 Bureau of Land Management Parcels in Butte County, California* that "...the realignment of the C&HWR [Chico and Humboldt Wagon Road] first as Route 47 and then as Highway 32 is considered to be part of its history rather than a negative impact to the property" (1996:31; see enclosed). In fact, SR47, built in 1933, is also a historical resource that should be addressed in _____'s evaluation report. Portions of SR47 have been recorded and are listed in our office as CA-BUT-1493H.
2. On page 8, the authors also state "...the wagon ruts of the Old Humboldt Road do not appear to be directly related to the construction and use of the old road..." and later "...the ruts are not currently listed in the City's list of historic resources." The lack of listing on a local level is also mentioned in the Cultural Resources section of the EIR (page 4.11-7) where it is stated further "The Project would have no direct physical impact on Old Humboldt Road, the wagon ruts, or the rock wall. In addition, these features are not considered to be historically significant. Implementation of the Project would not result in Old Humboldt Road becoming ineligible for the CRHR."

In actuality, it is precisely the wagon ruts that are considered one of the contributing elements that make Old Humboldt Road eligible for listing on the National Register. The extant ruts, swales, and rock wall retaining features are virtually all that is left of Humboldt Road anywhere along its length. Our office maintains files including documentation of additional segments of CA-BUT-892H outside the current project area. In both these records (Jensen 1998; Vaughan 1996), recorded wagon wheel ruts and rock retaining walls are considered significant features of CA-BUT-892H.

Humboldt Wagon Road, CA-BUT-892H, is listed as eligible for the National Register of Historic Places and is eligible for the California Register of Historic Resources. Whether or not this archaeological site is listed in a local city or county inventory does not change its status in terms of significance under CEQA.

In conclusion, I appreciate the opportunity to comment on the Oak Valley Master Plan EIR, and hope that our comments will be considered during your review period. I would offer the following recommendations: (1) the extant portion of SR47 (Humboldt Road) within the project area should be recorded and evaluated; and (2) those portions of Humboldt Road considered to be elements contributing to its significance under CEQA (e.g., wagon ruts and construction features) be evaluated in terms of direct and *indirect* effects of the proposed project. In addition to the site's archaeological and historical significance, I am sure you must be aware that many long-time residents in the Chico vicinity consider the wagon ruts important.

For your information, the Northeast Information Center of the CHRIS is under contract with the State Office of Historic Preservation (OHP) to maintain archival data for archaeological and historical resources within its 11-county jurisdiction on behalf of OHP, and to provide this information to qualified individuals and agencies on a legitimate need-to-know basis subject to confidentiality restrictions. If you require additional information concerning the CHRIS, it is available on the OHP website at www.ohp.parks.ca.gov. We would also appreciate being included on your review list in the future (please send us EIR's and Initial Studies for review).

Sincerely,

Assistant Coordinator

Cc: John Thomas, Office of Historic Preservation
Cindy Woodward, Office of Historic Preservation
Michael Magliari, Public History Program, California State University Chico

Exhibit I

units per acre) to RS-1 (1-acre minimum lot size), RS-2 (2-acre minimum lot size) or RS-3 (3-acre minimum lot size), and require that future development adhere to the zoning limitations⁴, or (2) retain the RS-20 zoning, but condition the PDP and Master Plan to require larger lots (e.g., 1, 2 or 3 acre minimums) and/or a maximum number of units that can be built in this portion of the site (clustering on small lots would be allowed). This reduced-density approach would also make development on this portion of the site more consistent with RS-1 zoning for the property immediately south of the site. With the clustering of the reduced number of units, a significant amount of open space could be retained under this development scenario.

This Alternative would still implement the General Plan and a majority of the project objectives, with total impacts being the same or less than those identified for the project. Regardless, no significant impacts would be eliminated under this Alternative and all mitigation measures identified in the EIR would still apply, and a statement of overriding considerations would still be necessary. To make up for the loss of units in the eastern portion of the site, densities could be shifted to other parcels. It would also be appropriate to require development at the Community Commercial site to include a residential component and thereby accommodate some of the densities from the eastern portion of the site.

D. Humboldt Road Design and Historical Significance

As discussed in detail in the EIR, the project would have no direct physical impact on the Old Humboldt Road, the wagon ruts, or the rock wall. The setting of Humboldt Road has already been somewhat affected by construction of the modern asphalt automobile road and the installation of wooden power poles along and in the old road surface, and it is crossed by two transmission lines formed by steel towers. According to the City's cultural resource EIR consultant (see the RDEIR), the change of setting would not affect the eligibility of Old Humboldt Road for listing in the California Register of Historic Resources. As a result, the EIR concludes that there will not be a significant impact with respect to historic resources with development of the project. The consultant indicated that the planned buffers/clustering set forth in the Plan will further protect the historic setting.

Staff received several letters of concern regarding Humboldt Road focusing on the desire to maintain the roadway in its current configuration (see **Attachment E**). Earlier in the processing of the EIR and development applications, Planning staff initiated the idea of preserving Humboldt Road (east of the Potter Road extension) in its current configuration for limited vehicle use and as a pedestrian/bicycle path. A new collector street would then be constructed north of the existing roadway on the subject property (paralleling Humboldt Road). After further evaluation, this alternative was determined to be infeasible for two reasons:

⁴ An RS-1 zoning would reduce the density in the eastern portion of the site from 200 to 80 units. An RS-2 zoning would reduce the number of units from 200 to 40. An RS-3 zoning would reduce the number of units to 26.

- Given the narrow land configuration, steep slopes, oak trees, required setbacks from Dead Horse Slough, and the fact that no direct access for driveways would be allowed (thereby creating the need for side streets off the collector street), it would be very difficult to site an alternative alignment to collector street standards on the subject property; and
- Humboldt Road is identified as a collector street in the General Plan to serve as an access spine for the project as well as for the future development of the property to the south, which is also designed for medium density, low density and very low density residential development. In addition to providing direct access to both properties, Humboldt Road also needs to provide connectivity between the two developments, as called for in the General Plan Community Design Element.

E. Remediated Soils / Humboldt Road Burn Dump

Staff is recommending that certain design and land use modifications be made to the Plan regarding Lots A, D, E, and F to achieve the goal of not developing residential units directly on remediated soils (while still providing appropriate housing densities on the site) and to provide neighborhood-serving commercial uses more centrally located within the development. To help achieve this goal, Staff's recommended changes to the Plan are as follows:

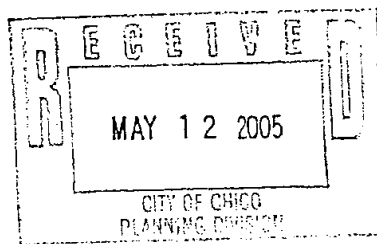
Lot A - Lot A is zoned CC Community Commercial. Staff believes that the Plan would be better served by providing neighborhood-serving commercial uses along the main access into the development (extension of Yosemite Drive) and in closer proximity to the residential units. Staff recommends, therefore, that a portion (roughly 9.5 percent or 10,000 s.f.) of the 109,000 s.f. of commercial retail space on Lot A be shifted to Lot D to provide this neighborhood commercial component as part of the Plan (discussed more fully below under item #2). To accommodate additional housing opportunities at the west end of the Plan, future development of Lot A should also take place as part of a mixed-use project. Residential units (up to 22 units per acre) should be placed on the ground level of Lot A at the eastern end (behind commercial properties and adjacent to the R3 property or above the commercial retail uses, or a mix of both). See **Attachments U and W**.

Lots D and E - Lots D and E are currently designated R2 Medium Density Residential. Staff recommends that the proposed lot lines on the vesting tentative subdivision map for these two parcels be modified by moving the common lot line (see **Attachment V**). The zoning for Lot D should be changed to CN Neighborhood Commercial and allow a maximum of 10,000 square feet of retail space to be developed to serve the immediate neighborhood. The commercial square footage should be shifted from Lot A, as noted above. Lot E below should be zoned R2. Parking for Lot E should be either provided on site or via a shared parking lot on Lot D (see **Attachment W** for a conceptual diagram). Lot E should be required to be developed with a minimum density of 10 units per acre.

Exhibit J

Partners

May 10, 2005



Senior Planner
Planning Department, City of Chico
PO Box 3420
Chico, CA 95927

Dear

You have asked that I prepare a letter that further clarifies or explains our recommendation that the changes in setting to the Old Humboldt Road [hereafter OHR] would not constitute a substantial adverse change under the California Environmental Quality Act (CEQA).

As you are probably aware, the definitions of a substantial adverse change are outlined in various regulations and guidance documents propounded by the State of California and the Office of Historic Preservation. A substantial adverse change [emphasis added] is defined in CEQA Guidelines, Title 14 CCR 15064.5, *Determining the Significance of Impacts to Archaeological and Historical Resource*, Subsection (b), which states: "A project with an effect that may cause a substantial adverse change in the significance of a resource is a project that may have a significant effect on the environment." In 14 CCR 15064.5(b)(1) it is stated that "substantial adverse change in the significance of an historical resource means physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of an historical resource would be materially impaired."¹ In the case of the OHR segment, it is only alteration of its surroundings or setting that is contemplated.

We came to this conclusion (i.e., no substantial adverse change) for the following reasons:

1. The proposed project will not result in a direct impact or material impairment to the OHR or its wagon ruts. They will not be subject to removal or demolition.
2. The proposed project will be located to the north of the modern asphalt county road which is itself north of the OHR location, and will be separated from the OHR by, in sequence running north to south, a landscaped area, the modern county road, and a varying width of road shoulder.

¹ Title 14 CCR 15064.5(b)(2) further defines material impairment of historical resources, and subsections (A), (B), and (C) of that section further discuss demolition or material alteration in an adverse manner.

3. The proposed project will change the setting of the area north of the road, by the construction of modern houses and a new street pattern between the county road and SR 32. This was acknowledged in our report. In our opinion, the construction of the modern houses would not cause a sufficient change in the setting to render the OHR ineligible for listing in the California Register of Historical Resources. That is, if the OHR were to be evaluated de novo after the construction of the subdivision, the change in setting would be taken into account; but it is highly likely that the evaluator would not consider the change in setting caused by the new houses to be of such magnitude that it would render the OHR site ineligible.
4. The houses in the proposed subdivision will not be oriented to face the existing county road; rather their back yards and associated fences will front the landscaped strip north of the County road. They will also be located on the down-slope away from the OHR.

Furthermore, the treatment of the site by the City during and after construction also weighed on the analysis of impacts. Title 14 CCR Section 15126.4(b), Mitigation Measures Related to Impacts on Historical Resources, includes several measures for mitigating impacts. Of this section, subsections (1) and (2) prefer to mitigations to historic buildings or structures, and focus on substantial alteration or demolition of the resources. Subsection (3) is focused primarily upon archeological sites, but aspects of its guidance bear directly on the OHR site(s). It states:

(3) Public agencies should, whenever feasible, seek to avoid damaging effects on any historical resource of an archaeological nature. The following factors shall be considered and discussed in an EIR for a project involving such an archaeological site:

(A) Preservation in place is the preferred manner of mitigating impacts to archaeological sites. Preservation in place maintains the relationship between artifacts and the archaeological context. Preservation may also avoid conflict with religious or cultural values of groups associated with the site.

(B) Preservation in place may be accomplished by, but is not limited to, the following:

1. Planning construction to avoid archaeological sites;
2. Incorporation of sites within parks, greenspace, or other open space;
3. Covering the archaeological sites with a layer of chemically stable soil before building tennis courts, parking lots, or similar facilities on the site.
4. Deeding the site into a permanent conservation easement.

It is my understanding that the City contemplates following (3)(B) 1 and 2 in the above discussion for the OHR sites, and that the OHR ruts are within the public right of way for the road and thus within the City's control. This, in combination with the assessment of impacts discussed above, led to our conclusions.

Exhibit K

STATE OF CALIFORNIA – THE RESOURCES AGENCY

ARNOLD SCHWARZENEGGER, Governor

OFFICE OF HISTORIC PRESERVATION DEPARTMENT OF PARKS AND RECREATION

P.O. BOX 942896
SACRAMENTO, CA 94296-0001
(916) 653-6624 Fax: (916) 653-9824
calshpo@ohp.parks.ca.gov
www.ohp.parks.ca.gov



July 26, 2005

Senior Planner

City of Chico
Planning Department
P. O. Box 3420
Chico, CA 97927

Dear :

Oak Valley Subdivision and Conceptual Master Plan Recirculated EIR # 1998032048

The State Office of Historic Preservation (OHP) has broad responsibility in the implementation of federal and state historic preservation programs in California. We have been contacted by regarding the above document and are offering the following comments for your consideration.

Reviewing the above document, we find that the *Cultural Resource Assessment* is inadequate. It fails to clearly identify the boundaries of the project, the existing historical resources in relation to the project, and therefore also fails in delineating the potential impacts to the existing historical resources and therefore cannot propose effective mitigation measures required by law to mitigate significant effects.

The document does not cite the appropriate regulatory framework, the California Environmental Equality Act (CEQA); it cites the Public Resources Code section 5020.1 g. in the *Assessment of Potential Change to Old Humboldt Road, Introduction*. This is incorrect. CEQA Sections 21000 et seq, which is part of the Public Resources Code (PRC) and the CEQA Guidelines, the regulations that govern the implementation of CEQA, are to be used. The CEQA Guidelines are codified in the California Code of Regulations (CCR), Title 14, Chapter 2, Sections 15000 et seq. and are binding on state and local public agencies.

The first step of any cultural resource analysis is to establish the existing conditions, the precise area of the project and whether historic resources exist in the described area or in its immediate surroundings. Once the existing conditions have been established, the next step is to determine the potential project-related impacts to historical resources as defined in CEQA Guidelines § 15064.5. Finally, mitigation measures for the project are discussed and proposed and the level of significance after mitigation is discussed. While an historical resource must be evaluated against the California Register of Historical Resources Criteria to establish the significance and integrity of a resource, the goal of CEQA is to make sure that informed decisions can be made by the city council regarding a planned project and the impacts this project will have on the environment.

Therefore, the Introduction of the above document should have stated, pursuant to CEQA Guidelines § 15064.5 (b) that "a project with an effect that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment." Subsection (1) clearly defines such effect on the environment as "substantial adverse change in the significance of an historical resource [meaning] the physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of an historical resource would be materially impaired." Pursuant to CEQA, the statutory definition of a "project" is an activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. (Public Resources Code 21065; CEQA Guidelines § 15378) Furthermore CEQA says effects or impacts to be analyzed include "direct or primary" effects and "indirect or secondary" effects which are caused by the project and are related to physical change. (CEQA Guidelines § 15358)

The above cultural resource assessment fails to look at the whole of the resource and is focused on individual parts, almost like examining individual artifacts, rather than the resource in its entirety, its setting and its surrounding. The document refers to wagon ruts, rock walls and to the Old Humboldt Road among other things but is unclear, also in its documentation where the historical resources are in relationship to the planned project. The document does neither address the direct and indirect physical changes in the environment nor does it address the primary and secondary changes to the environment.

Therefore, the impact to the historical resource cannot be clearly determined. The document is leading with a conclusion without establishing proof, how it arrived at this conclusion. It states, "Change in setting will not result in Old Humboldt Road ceasing to be eligible for CRHR. As noted above, CEQA states that a substantial adverse change [to a historical resource] includes demolition, destruction, relocation, or alteration such that the significance of an historical resource would be impaired. The proposed project will have none of those effects. However, it will involve a change in the setting to the resource."

However, change to the "immediate surroundings" of a resource does constitute an impact under CEQA and this impact needs to be adequately addressed, clearly established and mitigated, and any cumulative changes to a historical resource need to also be clearly established and addressed. "Loss or relocation of a few features usually does not affect overall historic integrity, but the repeated loss of buildings, or structures, or roadways, and small scale elements, as well as gradual changes to boundaries and land use, may cumulatively destroy integrity. New construction and incompatible land uses covering extensive acreage – such as residential subdivision, . . . refuse dumps and land fill, limited access highways and their interchanges – cause the greatest damage. Not only do they introduce mayor visual intrusions, and interrupt the continuity of a historic scene, but they reshape the land, disturb subsurface remains, and introduce a-historical characteristics." (National Register Bulletin # 30, Guidelines for Evaluating and Documenting Rural Historic Landscapes, page 24)

In summary, therefore we highly recommend that a separate, independent cultural resources study be commissioned either as part of a new EIR or as a separate document that thus becomes a supplement to the current EIR. This new, independent study should very carefully apply the regulatory framework of CEQA and examine ALL impacts on the historical

resources, direct and indirect changes, and design mitigations measures that DO mitigate all significant impacts below a level of significance. CEQA is quite clear that mitigation measures that do not truly reduce or avoid the impact to the significant historical resource are inadequate under CEQA. Mitigation measures must be made fully enforceable through permits, conditions, agreements and other measures. (CEQA Guidelines § 15064. 5 (b) (3-5) and have to be clearly spelled out. If mitigation cannot occur, if there are unavoidable significant impacts, this must be clearly stated in the EIR and then has to be adopted by a City Council as such when the final EIR is approved.

After all, the purpose of CEQA is to maintain a high-quality environment now and for the future and to provide the decision makers of local agencies with the appropriate facts to make informed decisions for their planned projects. The above document fails in this attempt.

If you have any further questions, please don't hesitate to contact
CEQA Coordinator Local Government Unit at (916) 653-5099 or at
@parks.ca.gov.

Sincerely,

Historian II
CEQA Coordinator Local Government Unit

cc:

Exhibit L

STATE OF CALIFORNIA - THE RESOURCES AGENCY

ARNOLD SCHWARZENEGGER, Governor

OFFICE OF HISTORIC PRESERVATION DEPARTMENT OF PARKS AND RECREATION

P.O. BOX 942896
SACRAMENTO, CA 94296-0001
(916) 653-6624 Fax: (916) 653-9824
calshpo@ohp.parks.ca.gov
www.ohp.parks.ca.gov



August 25, 2005

, Senior Planner
City of Chico
Planning Department
P. O. Box 3420
Chico, CA 97927

Dear :

Oak Valley Subdivision (Chico) FEIR (SCH#1998032048)

Thank you for sending us the FEIR for the above project and the letter dated May 10, 2005 from your consultant, and for taking the time to discuss the project with us. We have reviewed the documents carefully and after further, additional deliberation, submit the following comments for your consideration.

Firstly, we want to acknowledge that, in general, assessments and evaluations of linear historical resources such as roads, tunnels, canals, ditches, etc., and any kind of circulation features, can be rather challenging because, by far, rather than seeing the resource(s) in its overall setting, often times it is viewed on the basis of feature(s), more as an object, and not in its surroundings, taken as a whole.

Secondly, while we agree that the project does neither demolish, destruct nor alter - therefore does not have a direct impact on the Old Humboldt Road - we disagree with the conclusion that the project will have no substantial adverse change to the historical resources because the Cultural Resource Assessment has not examined the impact of the project on the setting. Moreover, the Cultural Resource Assessment does not approach the evaluation of the resources in its overall context, but rather from an archeological perspective of individual sites thus failing to establish the overall perspective, the framework for the resources.

In general, adverse effect includes but is not limited to physical destruction, damage, or alteration of a landscape for instance, but also isolation from or alteration of the setting or introduction of intrusive elements. While change is often an inescapable part, especially to the continuing use of landscapes and linear transportation features, the effect of continuing use on the resource's integrity depends to a large degree on the overall historic context. A road that has been slightly widened may retain integrity, if its original features such as fences, retaining walls, bridges, etc., and overall alignment remain. But intrusions that can come from new construction or incompatible land use, or growth of residential subdivisions or other activities that reshape the land, introduce major visual intrusions, or disrupt a historic scene, can affect the integrity of the resource, its sense of feeling and place.

Mr.
August 25, 2005
Page 2

Therefore, we recommend that a third, independent historic resource assessment is conducted. This assessment might include an aerial view of the overall context of the Old Humboldt Road, of State Route 32, etc., in addition to clearly assessing the historical resources in the broader geographical context looking at the land and the natural setting. We believe that after a careful overall assessment of the historical resources and their setting (and as we said initially, that we are aware of the challenges of evaluating linear resources), the effects of the proposed project can also be more clearly determined and appropriate mitigation measures developed.

The National Register Bulletin # 30 *Guidelines for Evaluating and Documenting Rural Historic Landscapes* and Preservation Brief # 36 *Protecting Cultural Landscapes* provide valuable information in general and also for the identification and assessment of linear resources types.

If you have any further questions, please don't hesitate to contact
Historian II/CEQA Coordinator Local Government Unit at (916) 653-5099 or at
@parks.ca.gov.

Sincerely,

State Historic Preservation Officer

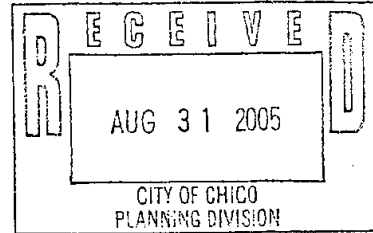
Cc:

Exhibit M

To: Senior Planner
Planning Department, City of Chico
PO Box 3420
Chico, CA 95927

From: Consulting

Date: August 31, 2005



You have asked that I prepare a letter / memorandum that further clarifies or explains our recommendation that the changes in setting to the Old Humboldt Road [hereafter OHR] would not constitute a substantial adverse change under the California Environmental Quality Act (CEQA), and addresses issues raised in the letters received by the City of Chico from the State Office of Historic Preservation [OHP] on July 26 and August 25, 2005.

I am operating at a bit of a disadvantage, not having seen exactly what OHP reviewed; however, the issues raised in their letter of August 25, 2005 are relatively straightforward.

First, OHP agreed that there would be no direct impact on Old Humboldt Road. As you are probably aware, the definitions of a substantial adverse change are outlined in various regulations and guidance documents propounded by the State of California and the Office of Historic Preservation. A substantial adverse change [emphasis added] is defined in CEQA Guidelines, Title 14 CCR 15064.5, *Determining the Significance of Impacts to Archaeological and Historical Resource*, Subsection (b), which states: "A project with an effect that may cause a substantial adverse change in the significance of a resource is a project that may have a significant effect on the environment." In 14 CCR 15064.5(b)(1) it is stated that "substantial adverse change in the significance of an historical resource means physical demolition, destruction, relocation, or alteration of the resource or its immediate surroundings such that the significance of an historical resource would be materially impaired."¹ We noted that the proposed project will not result in a direct impact or material impairment to the OHR or its wagon ruts. They will not be subject to removal or demolition. OHP agreed with that assessment.

In the case of the OHR segment, it is only alteration of its surroundings or setting that is contemplated. OHP disagreed with the opinion that the change in setting along Humboldt Road would not constitute a substantial adverse change. As noted in our letter of May 10, 2005, our judgment in this case was based on the following considerations:

1. The proposed project will be located to the north of the modern asphalt county road which is itself north of the OHR location, and will be separated from the OHR by, in sequence running north to south, a

¹ Title 14 CCR 15064.5(b)(2) further defines material impairment of historical resources, and subsections (A), (B), and (C) of that section further discuss demolition or material alteration in an adverse manner.

ATTACHMENT H

landscaped area, the modern county road, and a varying width of road shoulder.

2. The proposed project will change the setting of the area north of the road, by the construction of modern houses and a new street pattern between the county road and SR 32. This was acknowledged in our report. In our opinion, the construction of the modern houses would not cause a sufficient change in the setting to render the OHR ineligible for listing in the California Register of Historical Resources. That is, if the OHR were to be evaluated *de novo* after the construction of the subdivision, the change in setting would be taken into account; but it is highly likely that the evaluator would not consider the change in setting caused by the new houses to be of such magnitude that it would render the OHR site ineligible.
3. The houses in the proposed subdivision will not be oriented to face the existing county road; rather their back yards and associated fences will front the landscaped strip north of the County road. They will also be located on the down-slope away from the OHR.

The OHP letter pointed out the following in regard to setting:

In general, adverse effect includes but is not limited to physical destruction, damage, or alternation of a landscape for instance, but also isolation from or alteration of the setting or introduction of intrusive elements. While change is often an inescapable part, especially to the continuing use of landscapes and linear transportation features, the effect of continuing use on the resource's integrity depends to a large degree on the overall historic context. A road that has been slightly widened may retain integrity, if its original features such as fences, retaining walls, bridges, etc., and overall alignment remain. But intrusions that can come from new construction or incompatible land use, or growth of residential subdivisions or other activities that reshape the land, introduce major visual intrusions, or disrupt a historic scene, can affect the integrity of the resource, its sense of feeling and place.

The materials provided to OHP may not have been clear enough in presenting the current integrity of setting for this resource. Our discussion focused on the OHR and location adjacent to the modern asphalt surface of the current Humboldt Road, and mentioned the fact that SR 32 was located to the north within the viewshed of the OHR linear resource. The forms we provided recording segments of the road and its ruts included photographs of the modern wooden power poles running parallel to both Humboldt Road and OHR (and in some cases placed in or immediately adjacent to the OHR ruts). I have included some additional photographs that show these intrusive elements, along with modern high-tension power lines that cross the project area, the recently constructed burn dump site at the intersection of Humboldt Road and Bruce Road, a cell tower complex to the east of the project area, and an aerial photograph showing the project area in relation to the dump and modern subdivisions to the north on one-third the length of the project. Given the totality of the intrusive elements (modern road, power line, major transmission lines, adjacent subdivision, modern burn dump, and

cell tower complex), it appeared to us that the setting had been compromised to the point where the proposed development would not be a substantial adverse change.

OHP also mentioned Bulletin #30, *Guidelines for Evaluation and Documenting Rural Historic Landscapes*, and Preservation Brief #36, *Protecting Cultural Landscapes*, as guidance for "identification and assessment of linear resource types." Linear features such as OHR are often part of rural historic landscapes or cultural landscapes, but also are more often "stand-alone" resources. It is not clear to me exactly what is meant by this advice, unless OHP is suggesting that the OHR is part of some larger resource.

Bulletin 30 explains how to identify and evaluate rural historic landscapes, and notes that standard National Register criteria A-D must apply. In addition, integrity of the resource to the period of significance must be assessed. In this instance, the OHR's period of significance dated to the mid-1860s when it was used as a transportation route. Subsequent features constructed along the line mentioned above (the modern road, modern power poles, transmission lines, etc.) have already adversely affected the OHR's integrity of setting. The bulletin notes changes that, when occurring after the period of significance, may adversely affect the historic integrity of a rural landscape (see page 23). Among these are the following that apply to a greater or lesser extent to the OHR area:

- "Abandonment and realignment of roadways and canals"
- "Widening and resurfacing of historic roadways"
- "Introduction of nonhistoric land uses (quarries; tree farms; sanitary landfill; recreational areas; limited access highways and interchanges; power plants, wastewater treatment plants, and other public utilities; subdivision for residential, commercial, or industrial development)"

Of course, if the OHR ran along its current path without the modern road, power poles, and other intrusions, the argument that it was part of a rural historic landscape would have greater strength. It would certainly have a much stronger sense of time and place, as specified in the guidance.

OHP's Preservation Brief #36 offers much the same guidance, and references National Register Bulletin #30. Under the subject of integrity and intrusions, Preservation Brief #36 states:

Loss of integrity can come from new construction or incompatible land uses, such as modern mining or quarrying, the growth of residential subdivisions, new freeway construction, or other activities that reshape the land, disturb subsurface remains, introduce major visual intrusions, or interrupt the continuity of the historic scene. Changes outside the landscape's boundaries can constitute intrusions when such changes introduce incompatible visible, audible, or atmospheric elements to the historic property, regardless of whether the setting itself is a contributing element. The effect of intrusions on a landscape's integrity depends on the qualities that make the landscape eligible and must be assessed on a case-by-case basis. In some instances, large rural districts may be able to absorb changes that occur in relatively few or small isolated pockets within the landscape, but the cumulative effect of such changes must be considered.

... Integrity is lost when a landscape's important features are removed or altered, or when intrusions disrupt the landscape.

In the case of the OHR, the intrusion of modern features (the power poles, transmission lines, adjacent subdivision, and modern road) all are intrusions that suggest that while the road is a linear feature, it would not be part of an rural historic landscape, even though currently still in a rural setting. That setting has been compromised by the intrusions. As noted above, I have included some photographs at the end of this memorandum that illustrate the intrusions.

As I noted in my May 10, 2005 letter, the treatment of the site by the City during and after construction also weighed on our analysis of impacts. Title 14 CCR Section 15126.4(b), Mitigation Measures Related to Impacts on Historical Resources, includes several measures for mitigating impacts. Of this section, subsections (1) and (2) refer to mitigations to historic buildings or structures, and focus on substantial alteration or demolition of the resources. Subsection (3) is focused primarily upon archeological sites, but aspects of its guidance bear directly on the OHR site(s). It states:

(3) Public agencies should, whenever feasible, seek to avoid damaging effects on any historical resource of an archaeological nature. The following factors shall be considered and discussed in an EIR for a project involving such an archaeological site:

(A) Preservation in place is the preferred manner of mitigating impacts to archaeological sites. Preservation in place maintains the relationship between artifacts and the archaeological context. Preservation may also avoid conflict with religious or cultural values of groups associated with the site.

(B) Preservation in place may be accomplished by, but is not limited to, the following:

1. Planning construction to avoid archaeological sites;
2. Incorporation of sites within parks, greenspace, or other open space;
3. Covering the archaeological sites with a layer of chemically stable soil before building tennis courts, parking lots, or similar facilities on the site.
4. Deeding the site into a permanent conservation easement.

It is my understanding that the City contemplates following (3)(B) 1 and 2 in the above discussion for the OHR sites, and that the OHR ruts are within the public right of way for the road and thus within the City's control. This, in combination with the assessment of impacts discussed above, led to our conclusions.

Given the position taken by OHP, it appears to me that the City has several options. First, it can accept the OHP's judgment that the change to setting will result in a substantial adverse impact, and mitigate accordingly. Second, the City could take the position that its proposed mitigation measures will reduce the impacts to below the level of significance. Third, it could accept the OHP's recommendation that calls for "a third, independent historic resource assessment." OHP suggested that that third assessment

include an aerial view of the overall project area; I have provided one with this memorandum.

Please feel free to call if you wish to discuss this matter further.



Exhibit N

Agenda Report

Meeting Date 9/06/05

DATE: AUGUST 31, 2005

File : S 99-11/PDP 02-01

TO: CITY COUNCIL

FROM: , SENIOR PLANNER (879-6803)
PLANNING DIVISION

, PLANNING DIRECTOR (879-6801)
PLANNING DIVISION

RE: RESOLUTIONS FOR VESTING TENTATIVE SUBDIVISION MAP S 99-12,
PLANNED DEVELOPMENT PERMIT 02-01, AND CONCEPTUAL MASTER
PLAN FOR OAK VALLEY (FOGARTY INVESTMENTS)

RECOMMENDATION

The Planning Director recommends that the City Council adopt the attached resolutions (1) certifying the Final EIR and adopting statements of overriding considerations and the mitigation monitoring program for the Project (**Attachment A**); and (2) approving Vesting Tentative Subdivision Map S 99-12, Planned Development Permit 02-01, and the Conceptual Master Plan for Oak Valley, as conditioned (**Attachment B**).

Proposed Motion:

I move that the City Council adopt the attached resolutions (1) certifying the Final EIR and adopting statements of overriding considerations and the mitigation monitoring program for the Project, and (2) and approving Vesting Tentative Subdivision Map S 99-12, Planned Development Permit 02-01, and the Conceptual Master Plan for Oak Valley, as conditioned.

BACKGROUND

Implementation of Motion of Intent

Following the close of the public hearing on May 17, 2005, the City Council approved a motion of intent to deny the appeals on the Project and uphold the decision of the Planning Commission to certify the final environmental impact report and approve the vesting tentative subdivision map, planned development permit, and conceptual master plan for the Oak Valley development, with the following changes:

1. Lot Q will have no more than 80 dwelling units, with the balance of up to 80 more units transferred to unspecified locations to the west (added within condition #2 pertaining to the approved development plans for the Project). Under the current General Plan and zoning designations, Lot Q could accommodate up to 160 dwelling units. This condition now reduces the maximum number of units on Lot Q to 80 units.
2. Condition #27, which provides that the City will not accept any offers to dedicate any open space lands until clearances from appropriate State agencies are received indicating that impacted soils have been adequately remediated, is clarified to state that

creekside setbacks and greenways are to be included within the definition of open space lands.

3. Condition #39, which restricts the direct siting of residential buildings on lands with remediated soils, is revised to state that the restriction applies to those remediated lands inside or outside of the DTSC fenced area.

The conditions of approval for the Project (**Exhibit "I" to Attachment B**) have been revised to reflect the Council's action.

DISCUSSION

Response to Letter from Shute, Mihaly and Weinberger, LLP.

Included as **Attachment C** is a letter from Shute, Mihaly & Weinberger, LLP. dated June 3, 2005 which was submitted on behalf of the Friends of the Foothills after the May 17, 2005 Council meeting. This letter raises a number of claims, most notably that the Project contradicts certain General Plan policies regarding protection of the eastern portion of the Project site and that the City's findings are inadequate under the California Environmental Quality Act.

Staff has carefully reviewed the various issues raised in the letter and has provided the Council with a point-by-point response (see **Attachment D**). It should be noted that the public hearing on this matter has been closed and a motion of intent adopted. It is not staff's intent to augment the record with any new evidence. The responses prepared by staff to the letter from Shute, Mihaly & Weinberger are made in reference to materials and information already in the record.

Response to Letters from the State Office of Historic Preservation and Members of the Public

Background

Since the May 17, 2005 meeting, staff also received two letters from the State Office of Historic Preservation (OHP), as well as additional letters from members of the public. Although the OHP was included in the distribution of the original Draft EIR in 2001 (via the State Clearinghouse), the City received no comments on the Project from that office during the 45-day public review period. Pursuant to section 15207 of the CEQA Guidelines, the City need not respond to late comments; however, the City may choose to respond to them. These letters are not part of the Project record since they were received after the public hearing on the project. Still, the City takes all comments on the Project seriously and staff is providing the Council with responses to the comments received from the OHP, which also address the various comments raised by and other members of the public concerning Humboldt Road. Staff's responses consist of or clarify information already in the record.

The first letter from the OHP dated July 26, 2005 (**Attachment E**) was prepared at the urging of a member of the public who had provided the OHP with a copy of only the Recirculated Draft EIR. Therefore, the OHP did not have a copy of the City's Final EIR (which includes response to comments and changes to text to the Draft EIR), nor did they have a copy of the supplemental letter prepared by the City's consultant dated May

10, 2005, which was distributed to the Council prior to the May 17, 2005 meeting (see **Attachment F**). Staff, therefore, provided the OHP with a copy of these documents. Since that time, the OHP has submitted a second letter, dated August 25, 2005 (**Attachment G**), responding to the additional information provided by City staff.

In their August 25, 2005 letter, OHP recommends that a third "independent" historic resource assessment be conducted and that further information be provided (e.g., aerial photographs) to clearly assess the historical resources in the broader geographical context. With this information, OHP staff believe the effects of the project can also be more clearly determined and "appropriate mitigation measures developed".

Discussion

First, it should be noted that [redacted] already conducted an independent historic resource assessment, because that firm was hired directly by the City, not the Project applicant. Second, [redacted] staff have visited the project site and are familiar with the Project setting. OHP staff have not visited the site and, therefore,

[redacted] have no specific knowledge of the Project setting. [redacted] has prepared an additional letter (**Attachment H**) which further clarifies their analysis and conclusions in response to the OHP letters. [redacted] concludes that the Project setting does not constitute a "rural historic landscape" as noted in OHP's letter due to the improvements that have already affected the setting in the area and that their previous findings that the Project will not result in a significant impact on the setting are still appropriate.

With respect to the OHP's recommendation that "appropriate mitigation measures be developed," staff believes that the OHP are still not fully informed as to the details of the Project. OHP appears to have assumed that because the EIR does not include any mitigation measures, there have been no measures taken to protect the historic resources and minimize impacts to the setting of the resources. The Project has been designed to provide buffer zone along Humboldt Road, prohibit driveways and homes from fronting on Humboldt Road, minimize the width of Humboldt Road, minimize lighting, and cluster development to provide large stretches of open space along the roadway corridor. These measures will ensure that the resources are not directly impacted and the impacts to the setting of the resources are minimized. Because of these protective design measures, no mitigation measures are needed or identified in the EIR.

Furthermore, Condition #32 has been developed to set forth some of the key design principles associated with the CMP:

"Future subdivision maps for property adjacent to Humboldt Road shall include a linear landscaped buffer zone along the north side of Humboldt Road which maintains the rural atmosphere of the road by retaining the row of existing oak trees along the Humboldt Road corridor to the maximum extent practicable, using site topography to the extent practicable to site homes in areas with a lower grade than the roadway to minimize view of homes, requiring larger rear yard setbacks and "no development zones" for homes in areas with no intervening vegetation or where site grades are similar to roadway grades, and requiring planting of native trees and/or shrubs along the Humboldt Road corridor as a condition of each future subdivision map to assist in the screening of homes from the roadway."

Staff concludes that substantial and adequate assessments of historical resources has been completed and fully considered in the approval process.

Proposed Revision to Condition No. 33 Regarding Humboldt Road Improvement Standards

Staff is recommending that the Council eliminate the requirement to construct a separated Class I bicycle path south of the existing paved surface for Humboldt Road and instead modify the improvement standards for Humboldt Road to include five-foot wide Class II bicycle lanes alongside both of the 10-foot wide travel lanes of the roadway. Condition #33 currently provides for Class II bicycle lanes along Humboldt Road west of Potter Road, and a single Class II bicycle lane on the north side of the roadway, east of Potter Road. The reasons for the proposed elimination of the separate Class I bicycle path are as follows:

1. Providing a Class I bicycle path along the south side of Humboldt Road is not a requirement of the General Plan Transportation Element, nor is it required as a mitigation measure for the project¹. It was attached to the Project as an additional amenity for the public.
2. The Project would continue to provide a Class I bicycle path on the north side of Dead Horse Slough across the entire length of the property, as proposed by the applicant.
3. The proposed Class II bicycle lanes along Humboldt Road would provide a safe route for bicyclists.
4. Eliminating the separated Class I bicycle path along the south side of Humboldt Road would help to address some of the concerns raised by the State Office of Historic Preservation and members of the public about potential impacts to the historic resources south of the roadway.
5. The separated Class I bicycle path would be located entirely outside the Project boundaries and would require the acquisition of right-of-way from the property owner to the south. Eliminating the path from the Project would not preclude construction of a bike path as part of a future development proposal on the property to the south. If a future amendment of the General Plan Transportation Element calls for a Class I bicycle path along Humboldt Road, any future development proposal on the property to the south could include such a bicycle path. Environmental review for that project would include an historic resource assessment.

¹ Figure 4-1 of the General Plan Transportation Element (Bicycle System map) does not identify a Class I bicycle path along Humboldt Road. The City's three-year Bicycle Plan, which was adopted in November 2002 in order to allow the City to be eligible for Bicycle Transportation Account funding, does include a Class I bicycle path along the south side of Humboldt Road. The General Plan Transportation Element has not been amended to incorporate the 2002 Bicycle Plan.

Based upon the discussion above, Condition #33 for the Project would be revised as follows:

33. Humboldt Road shall be designed and improved ~~in accordance with the following direction:~~

- a. ~~West of Potter Road, Humboldt Road shall utilize~~ utilizing a 30-foot wide roadway section consisting of two ten-foot wide travel lanes and a five-foot wide Class II bike lane along both sides of the roadway.
- b. ~~East of Potter Road, Humboldt Road shall utilize a 25-foot wide roadway section consisting of two ten-foot wide travel lanes and a five-foot wide Class II bike lane on the north (descending) side of the roadway. A separate Class I bike/pedestrian path shall be provided between the roadway and the rock wall to the south (avoiding the wagon wheel ruts). As each phase of the development occurs, the vehicle and bicycle traffic along Humboldt Road will be re-evaluated for potential conflicts. If it is determined that a five-foot wide Class II bike path is warranted on the south (uphill) side of the roadway, the roadway section shall be modified from 25 feet to 30 feet to accommodate the additional Class II bike path.~~

The conditions of approval for the project (Exhibit "I" to Attachment B) have been revised to reflect this proposed revision.

DISTRIBUTION

City Council/Clerk (18)

Planning Director

Principal Planner

Senior Development Engineer

ATTACHMENTS

- A. City Council Resolution certifying the FEIR, adopting statements of overriding considerations, and adopting a mitigation monitoring program.
 ~Exhibit "I"- Mitigation Monitoring Program
- B. City Council Resolution Approving Vesting Tentative Subdivision Map S 99-12, Planned Development Permit PDP 02-01, and Conceptual Master Plan for Oak Valley
 ~Exhibit "I"- Conditions of Approval
 ~Exhibit "II" - Public Works Department Subdivision Report dated April 6, 2005
- C. Letter from Shute, Mihaly, & Weinberger, LLP. dated June 3, 2005
- D. Staff Response to Shute, Mihaly & Weinberger letter
- E. Letter from the State Office of Historic Preservation dated July 26, 2005
- F. Letter from _____ dated May 10, 2005
- G. Letter from the State Office of Historic Preservation dated August 25, 2005
- H. Letter from _____
- I. Additional public correspondence

Exhibit O



OFFICE OF THE CITY MANAGER

411 Main Street - 3rd Floor (530) 896-7200
P.O. Box 3420 Fax (530) 895-4825
Chico, CA 95927 <http://www.ci.chico.ca.us>

14 July 2006

Butte County Grand Jury
c/o Richard Holst, Administrative Analyst
Superior Court
One Court Street
Oroville, California 95965

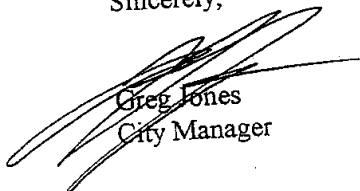
Re: Old Humboldt Road Wagon Trail

The report of the Butte County Grand Jury relating to the Old Humboldt Road Wagon Trail has been reviewed by the City of Chico, and the following responses are offered:

1. The City anticipates undertaking a comprehensive update of the City's General Plan within the next several years, and the eligibility of the trail and adjacent rock walls for designation as historic landmarks will be considered through a process open to public input.
2. The Environmental Impact Report prepared for development north of Humboldt Road has been certified by the City of Chico, and potential impacts to the trail and rock walls have been appropriately mitigated. At the time development is proposed for the property on the south side of Humboldt Road, additional environmental review will be undertaken and include consideration of potential impacts to cultural and historic resources, including the trail and walls.
3. The environmental documents prepared for development south of Humboldt Road will include appropriate mitigation to avoid or minimize impacts to cultural and historic resources based on the project development design proposed, potentially limiting direct access to Humboldt Road to that necessary for traffic circulation and public safety.

Please feel free to contact the City of Chico Planning Division if any additional information is required.

Sincerely,


Greg Jones
City Manager

cc: City Council
Community Services Director
Planning Director
Senior Planner

J:\Judy Cooper\Dawnelle\Historical Properties\14 July 2006Butte County Grand Jury.c.wpd

**Northeast Center of the
California Historical
Resources
Information System**

Exhibit P

BUTTE
GLENN
LASSEN
MODOC
PLUMAS
SHASTA

SIERRA
SISKIYOU
SUTTER
TEHAMA
TRINITY

California State University, Chico
Building 25, Suite 201
Chico, California 95929-0377
Phone (530) 898-6256
Fax (530) 898-4413
neinfocntr@csuchico.edu

December 5, 2005

To: Chico City Council

Re: Future development in the vicinity of Humboldt Wagon Road

Dear Council Members,

On Friday, November 18th, _____ and I met with _____ and members of the Chico City Planning Department staff regarding our concerns involving the Oak Valley Subdivision project. We discussed the importance of Humboldt Wagon Road in terms of that subdivision as well as future projects. At the time, _____ suggested the possibility of the City of Chico purchasing the land upon which the historic ruts are located and setting the area aside as a conservation easement. Our office supports this proposal as it could help ensure the protection of this important historical resource for future generations.

Sincerely,

_____, M.A.
Assistant Coordinator

Chico - June 8, 2005:

- Regarding acquisitions, consider looking at the small property/historic cemetery (Highway 32 and 45) where William Brown Ide's grave site is along with other pioneering families. It would help round out existing State Park unit boundaries.
- Consider acquisitions in the Gaines area. Look at West Butte City (Red Cross Property). There is a potential for gift of land and boat ramp. Look at the area west of Highway 32 that crosses the Sacramento River. River partners own the property.
- Consider securing conservation easements to be used as a buffer to park lands. The easement can also act as a linkage to other State Park and publicly owned lands. For example, Marshall Gold property and Mt. Murphy.
 - Get scenic easements for cultural relevancy.
 - Review land acquisitions from the historical perspective.
 - In times when there are limited acquisition funds, public access to park lands is important and should remain a high priority for the Department.
- Recreation facilities:
 - Trails going through historical sites need to be properly protected. There is a serious lack of funds for trail management.
 - Expand/enlarge Tehama boat launching ramps on the Sacramento River.
 - Add fishing and traditional camping facilities all along the Sacramento River.
 - Add day use facilities (ramps, staging areas, picnic areas, parking lots, restrooms and visitor's center).
 - Sacramento River from Knights landing to Red Bluff (160 river miles has only three public access areas).
 - Consider adding public access at mile 120 at Highway 144 and Highway 169.
 - Bidwell-Sacramento River State Park needs additional camping areas (RV and group sites).
 - The confluence of San Joaquin River is a significant area to consider expanding.
 - Add more fishing areas.
 - Jelly Ferry road, Redding Anderson, Cottonwood, Battle Creek.
- Dept. of Parks and Recreation at table at military base closings (Beale, Camp Pendleton) for future Dept. of Parks and Recreation State Park units. Concern expressed about Los Angeles population causing a strain on local services.
 - Local agencies need larger regional facilities to meet an incredible demand for growing populations.
 - Timing and sense of urgency to preserve, protect, interpret before the resource is lost.
 - Proximity to urban areas.
- Agriculture/farm lands with natural lands needs to be addressed.
- People need to know why it is good for land to be converted to natural lands.
- Common ground – interpretive element in the general plan process needed.

Exhibit Q

**Central Valley Vision
Spring 2005 Public Meeting Comments**

12/2/05 DRAFT

- Partnership with federal, state, local, non profit organizations.
 - Coordinate public access sites and land owners/responsible agencies will result in an overall tax payer savings.
 - Sacramento River Conservation Area Forum happy to provide coordination of agencies partnership efforts.
 - There is no place for the public to go to get answers, i.e., joint run visitor center within key geographic area.
- Expand Sacramento River public access and recreation staging areas. There is a high demand for public access. Research potential access areas between Meridian to the Tilsdale Weir. Research the Butte City area for potential public access/staging sites on the Sacramento River.
 - Valuable natural riparian areas along the Sacramento River need to be protected and interpreted.
- Research potential cooperative partnership opportunities with other public land agencies.
 - Consider acquisitions that provide potential for cooperative arrangements.
 - Assess Central Valley state park units for their general plan component. Do all of the 32 units have general plans? Those parks that have an existing general plan are more likely to have cooperative agreements with non-profit land stewardship groups and organizations. They can apply for grant funding. Get moving on those that do not have general plans. More resources need to be put into the general planning process to identify specific projects that non-profits can locate funding.
 - Money needs to be put on the table by State Parks.
 - State Parks should speak to legislators about on-going State Parks funding needs. Get a unified message delivered to the Capitol that State Parks need funds to acquire, operate and maintain Central Valley park sites.
 - Develop a stable, permanent funding source for State Parks.
 - Build an acquisition and development strategy for the next 20 years.
 - Duplication of services/activities. Look at the larger picture to see which public agency is best able to manage that land/facility (general planning process).
- Cultural Corridor in Chico. There are three parallel trails: J Bidwell trail, Humboldt Road and the Ruts (wagon train ruts) trail. Also the rock wall is of historical interest to the Department.
 - Area is in high jeopardy of being developed. There are extensive wildflowers and other natural resources.
- Organize a Native American focus group.
 - Loss of finite Native American areas highly valued by indigenous people.
 - Native Americans are an under represented population. Stronger emphasis needs to be placed on protecting and preserving Native American ways. There are many undocumented Native American sites in the Sacramento Valley. It is important to develop a preservation, protection, and identification process.
 - Department of Parks and Recreation should consider facilitating discussions with Native American groups and developing cooperative agreements with tribes to tell their story.

Exhibit R

1. Introduction and Scope of EIR

unacceptable) when compared with the benefits of the project; in this case, the City may decide not to approve the Project.

Nature of the Project Under Review

The Project site encompasses approximately 340 acres and is generally bounded by Bruce Road on the west, State Route 32 on the north, a PG&E 500 kV transmission line on the east and Humboldt Road on the south. The Conceptual Master Plan would include 230 acres of single and multi-family residential units, 87.5 acres designated as open space for resource protection and passive recreation use, and approximately 109,000 square feet of community commercial uses on 15 acres. The Master Plan would include a total of approximately 864 single-family units and 260 multi-family units. In addition, 200 very low-density residential units would be developed using the clustered housing concept. The project applicant proposes to develop a 43-acre subdivision with a mix of low, medium and high-density residential units and open space. The 43-acre portion of the site would include 138 parcels for a total of 87 low-density single-family homes on 11 acres, 98 medium-density duplex units on five acres, and 132 multi-family high-density units on seven acres.

The Project site is adjacent to the former City/County Humboldt Road Burn Dump and a small portion is within the 157-acre Humboldt Road Burn Dump Remediation Project area. A restoration plan was initiated to remediate the waste materials from the former dump activities by onsite consolidation and capping. The dump remediation project was the subject of a Draft EIR (SCH #97062073) released in September 1997 and a Final EIR completed in February 1998. However, the EIR for that project was not certified, and the remediation plan was not approved. Since April 2000, extensive soil, sediment, and water testing has been performed in accordance with work plans reviewed and approved by the Central Valley Regional Water Quality Control Board (RWQCB) and the California Environmental Protection Agency Department of Toxic Substances Control (DTSC). This testing was implemented to fully characterize properties within the Oak Valley Conceptual Master Plan project site, including the 43-acre portion of the Subdivision, consistent with National Oil and Hazardous Substance Pollution Contingency Plan (NCP) process. The preparation of Remedial Action Plans, which will define the selected cleanup remedy, is on-going (see Section 4.10, Hazards and Human Health). Although remedial actions would be undertaken separately and independently from the Project, implementation of Humboldt Road Burn Dump cleanup activities are related to the Project to the extent that construction and occupancy of the Project could occur prior to, during, or after remediation. The potential impacts related to the timing of the cleanup as it relates to Project development are evaluated in Section 4.10 of this RDEIR.

In areas where the historic resources, wagon ruts, and/or rock walls are in conflict with the existing Humboldt Road alignment and the location of a proposed bicycle path on the south side of the road, Humboldt Road and the bike path will be realigned to the north.

The RDEIR updates traffic, hazards, and cultural resources information regarding the Project.

EIR Process

A Notice of Preparation (NOP) for the Project was distributed on March 27, 1998, for 30 days to solicit public and agency comments. The comment period ended on April 27, 1998.

Exhibit S

Single-Family Detached Housing (210)

Average Vehicle Trip Ends vs: Dwelling Units
On a: Weekday

Number of Studies: 350
Avg. Number of Dwelling Units: 197
Directional Distribution: 50% entering, 50% exiting

Trip Generation per Dwelling Unit

Average Rate	Range of Rates	Standard Deviation
9.57	4.31 - 21.85	3.69

Data Plot and Equation

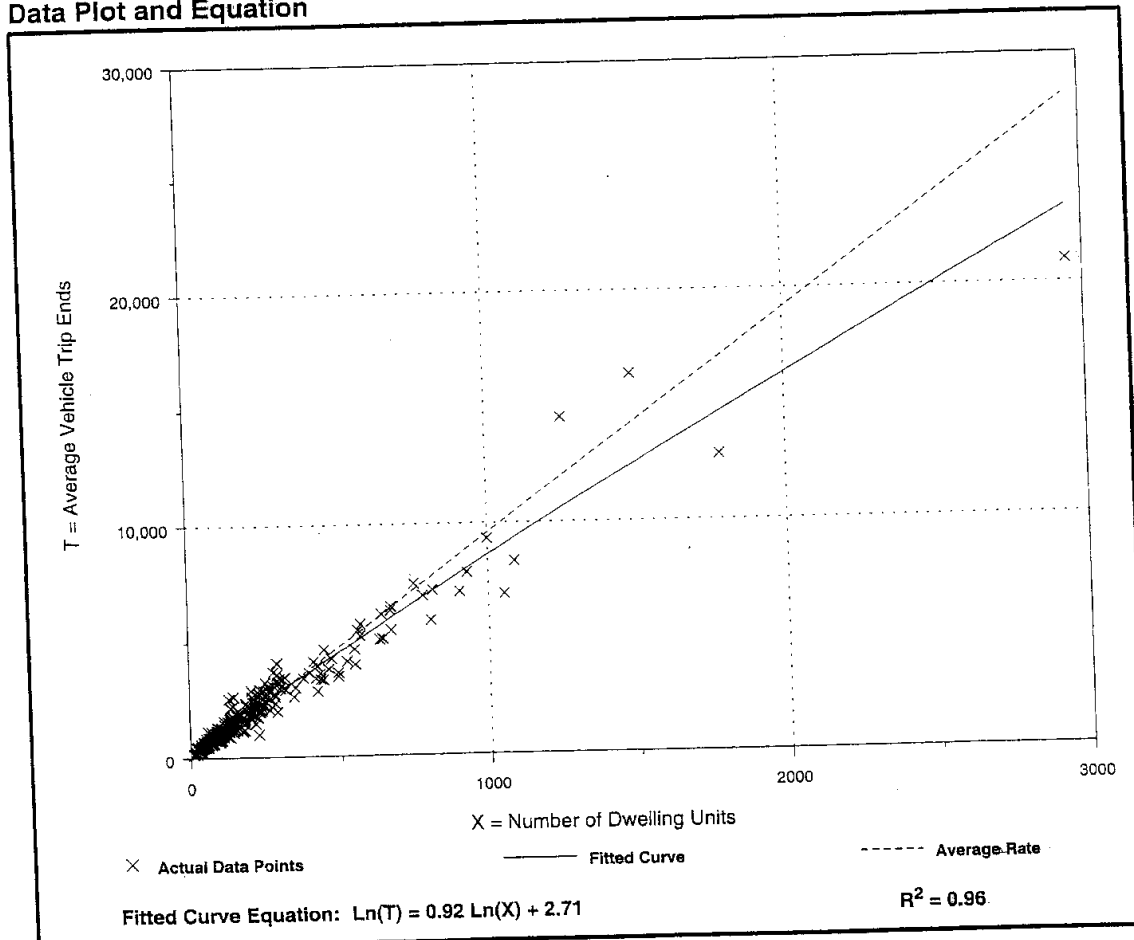


Exhibit T

Location and design

653

other vehicles which are to use it. The American Association of State Highway Officials (1965) defines the design vehicle as "a selected motor vehicle, the weight, dimensions, and operating characteristics of which are used to establish highway design controls. . . . The design vehicle should be one with dimensions and minimum turning radius larger than those of almost all vehicles in its class." With minor modification, namely, omission of the word "highway," the above definition applies for any mode of transportation.

For highway design, and the design of related facilities, such as parking garages, there are a number of standard design vehicles, passenger cars and trucks, as shown in Fig. 16-3. For most links and intersections which must accommodate all types of vehicles, the largest truck or bus governs the design.

One important characteristic of all roads is the pavement width. To accommodate the largest vehicles, the width of lanes are usually as indicated below:

Local (land access) streets: 9 ft, but often no lanes identified in a pavement of at least 27 ft

Collector streets: 9 ft, but again often no lanes in a pavement of at least 36 ft

Arterial streets: 11 to 13 ft

Freeways: 12 to 14 ft

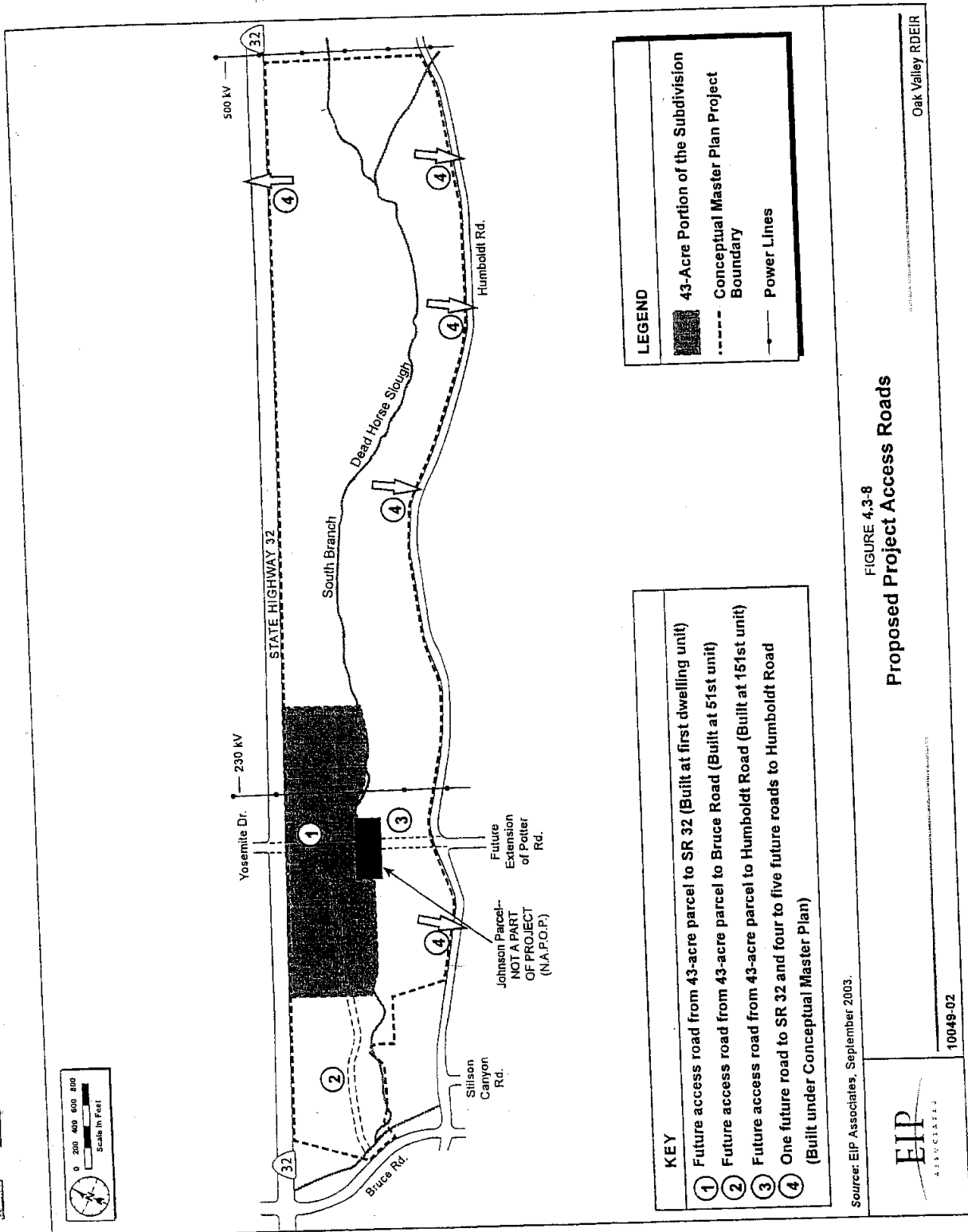
Parking lanes are usually 6 to 8 ft wide where parallel parking is provided. If there is no parking, a lane or shoulder for breakdown is usually provided. High-speed high-volume roads are best designed as freeways, on which access is restricted to ramps (i.e., no driveways or intersecting streets) and traffic in one direction is separated from that in the other by a median strip 12 to 40 ft wide. Also, some major arterials are divided similarly.

Typical cross sections for an urban freeway and a rural two-lane highway are shown in Fig. 16-4. The freeway design is for a relatively restricted right-of-way width, necessitating the use of a narrow median with a barrier (rather than a much wider median) and retaining walls along the entrance and exit ramps. The rural road design is for an intermediate type road, designed for speeds of 50 to 60 mi/h and thirtieth highest hour volumes of over 200 vehicles/h.

Horizontal and Vertical Alignment

Another important feature of a road design is the horizontal alignment, and, in particular, curves. Sometimes these are laid out as simple curves, that is, curves of constant radius. Such a curve is illustrated in Fig. 16-5, along with most of the standard terminology of simple curves and the basic trigonometric relationships. Given the location of the two tangents to be connected by a curve and the radius (or degree) of the curve, the determination of the horizontal alignment is straightforward, using the formula presented in this figure. It should be noted that in these formulas, the degree of curvature is defined as the central angle subtended by an arc of 100 ft rather than the angle subtended by a chord of 100 ft as we defined it in Chap. 4. In highway engineering the arc definition is generally used, but in railroad engineering

Exhibit U



Planning in the City of Oroville: Growing Pains

Reason for Investigation

Growth is coming to the City of Oroville! Compared to other cities in Butte County, the area surrounding Oroville has more land suitable for potential development. With this in mind, the Grand Jury, as part of its oversight mandate, decided to review the City of Oroville's Planning Division to see how the city is preparing for this anticipated growth.

Background

In considering how to handle future growth, Oroville city officials, public safety officers, business owners, school officials and private citizens would do well to look back at the lessons provided by previous growth areas in California. One need not go far from home to see what is still happening to the cities of Roseville, Rocklin and Lincoln, where the end of growth is not yet in sight. Perhaps even more instructive is Santa Clara Valley's experience.

People who did not live in California before the 1960s might not realize that before it was nicknamed "Silicon Valley," the Santa Clara Valley was called "The Valley of Heart's Delight." Instead of the current maze of freeways, the towns with boundaries touching each other, and the frantic pace, picture country roads lined with orchards, small towns with distinct personalities, and a leisurely lifestyle. Though tract housing had come to the valley towards the end of World War II, most of the land outside of towns was dedicated to agriculture. Interstate Highway 5 had not been finished, so travelers coming north to the Santa Clara Valley on Highways 99 and 101 passed through a series of small towns--Bakersfield, Fresno, Hollister, Gilroy, and more--where agriculture was the mainstay of their economies.

Then, in the mid-sixties IBM (International Business Machines) came to south San Jose, and the boom began. Businesses, industries, shopping malls and housing developments seemed to appear overnight. The old "downtown" area of San Jose became blighted as people moved out to the suburbs. Santa Clara's downtown was torn down for an "urban renewal" project and not rebuilt. By the end of the 20th Century, "The Valley of Heart's Delight" was only a memory.

Housing had become too expensive for many families, so people moved further out and commuted to jobs in the valley. The smaller towns grew as their population grew. Soon they had become too expensive and too big. Many of the sleepy towns along Highways 99 and 101 were now big cities with all of the attending problems. Business and population again began moving further north.

During much of that time of exploding growth, little planning had taken place. Farmland was not protected. Though a vote in Santa Clara County favored rapid transit, such alternative transit was blocked by one city to the north; the answer to traffic jams was another freeway. School districts could barely keep up with the demands for more classrooms and then schools. More than one "planned community" was turned down by the voters or city councils who wanted no growth, but the growth happened anyway. In hindsight, one can speculate that at least some of the problems could have been avoided with proper city planning.

Now the communities of Butte County are facing similar growth pressures. Because it does have more room for potential development, Oroville is particularly vulnerable. Currently, the City of Oroville has about 13,000 residents within the city limits; however, it serves a greater Oroville population of roughly 55,000. During an interview with the City Administrator, the Grand Jury learned that growth projected for the next five to fifteen years is expected to be 10,000 new residents within the city limits and another 50,000 for the greater Oroville area. This anticipated growth presents a number of challenges for the City of Oroville.

First, City Council members and the City Administrator agreed that the infrastructure in Oroville, which is already in need of work, would be inadequate for any future growth. Roads, sewers, water and traffic control all would need improvement and expansion. A second challenge is the difficulty of coordinating several small water and sewer districts, as well as dealing with Butte County in the unincorporated areas within Oroville's sphere of influence. A third challenge deals with annexation. It is very costly to provide basic services for existing neighborhoods being annexed.

However, according to the Oroville City Council and the City Administrator, the biggest challenge is funding. The City of Oroville has only about 13,000 residents within the city limits whose tax dollars also have to stretch to support the greater Oroville area. Some people interviewed indicated that more economic development is necessary to expand Oroville's tax funding base. A city department director stated, "Oroville is on the edge of more commercial development." Council members mentioned the need for retail sales and more industry. As one City Council member said, Oroville is "sorely lacking in business opportunities." In order to attract money, the city needs to spend money.

Everyone interviewed agreed that growth is coming to Oroville. Organized growth depends in large part on having an effective planning department. Early in our term, the Grand Jury became concerned about the lack of a fully staffed planning department in the City of Oroville. At the beginning of our investigation in January 2007, the Grand Jury discovered that in the Community Development and Public Works Department (**CDPWD**), more than half of the positions listed

were vacant. **(Exhibit A)** The Director of CDPWD oversees the operation of three divisions: planning, building and engineering. An Administrative Support staff of four employees serves the three divisions. Of particular concern was the fact that all three positions listed in the Planning Division were vacant. The reasons for these vacancies became the focus of our investigation.

Investigation:

The Grand Jury interviewed the following individuals:

Director of Community Development and Public Works Department **(CDPWD)**
Director of the Business Assistance and Housing Development Department **(BAHDD)**
Human Resources Manager
Mayor of Oroville
City Administrator of Oroville
5 members of the Oroville City Council
3 former employees of CDPWD
7 other current employees from all three Divisions of CDPWD
3 current employees of BAHDD

As the population continues to grow, the need for city planning, and therefore city planners, becomes even more critical. Oroville's job description for a Planning Manager lists 21 *Examples of Essential Functions*, including, but not limited to, such diverse duties as the following:

- plans, organizes, directs and supervises the services, programs and activities of the Planning Division;
- prepares and/or updates ordinances and resolutions related to planning, zoning, subdivisions, annexations, environmental review and related planning/zoning matters;
- makes final interpretation of zoning and other planning-related regulations; enforces codes and makes arrangements for abatement of violations; and
- "performs general administrative work", such as copying and filing documents. **(Exhibit B)**

The description also includes twelve *Minimum Qualifications* in the area of *Knowledge*, including specialized, general and practical knowledge:

- knowledge of "advanced principles and practices of urban planning and development";
- knowledge of "budget preparation and administration practices";
- knowledge of "safe work practices".

Under the heading *Ability to*, the list of *Minimum Qualifications* includes "interpret, analyze, apply and enforce pertinent federal, state and local laws, rules and regulations" and seventeen other abilities.

In addition, there is an *Experience* requirement of five years of "increasingly

responsible professional experience in planning, including at least two years of experience in a responsible middle-management position, preferably in a local government jurisdiction” and an *Education* requirement of a Bachelor’s degree in “planning, public administration or a closely related field.” **(Exhibit B)** Clearly, this defines a job which needs an extremely competent individual. As the Grand Jury has learned during its investigations of both the Chico and Oroville planning departments, candidates for city planning jobs are scarce. A well-qualified candidate, we were told, can practically name his or her job.

The job descriptions for Associate Planner and Assistant Planner have many of the same requirements as Planning Manager. The Essential Functions for both positions are more “perform” and less “manage,” with a reduced degree of difficulty. The lists of qualifications are shorter, and fewer years of experience are required. Again, however, candidates for these positions are scarce. Unfortunately, the City of Oroville has a history of problems both hiring and keeping city planners. The Grand Jury was told by a long-time employee that in the last three years, five Assistant Planners have come and gone. Likewise, the Planning Manager position has a history of turnovers, and that position is currently vacant. The Director of CDPWD expressed frustration with hiring and training good people, only to see them leave for other jobs.

If fully staffed, the Planning Division would consist of one Planning Manager, one Associate Planner and one Assistant Planner. When the Grand Jury began its investigation, we learned that, due to vacancies, the department had hired a part time planning consultant in September of 2006. The consultant works three days a week, attempting to do the work of three city planners in only 25 hours per week. The Grand Jury had concerns about this situation, especially since it was explained to us by the CDPWD Director that Oroville has “more projects than Chico” yet has “fewer staff.” The consultant agreed that this situation is far from ideal, making it very difficult to meet all of the planning deadlines. The CDPWD Director also explained that hiring a consultant is “very expensive,” costing the city the same amount as several city planners.

An important task facing the Planning Division concerns the update of the City General Plan. The General Plan is the planning document that set guidelines and establishes the parameters for growth in the Oroville area. In addition, the planning staff needs to work with Butte County in the process currently underway to update the Butte County General Plan. Coordination with the County is especially important because much of the developable land in the County is adjacent to the Oroville city limits.

When asked by the Grand Jury if the Planning Division was meeting all of the statutory deadlines required under the California Environmental Quality Act **(CEQA)** and other legal mandates, we received mixed answers. City Council members and the City Administrator indicated that all legally mandated deadlines were being met, while those closer to the process of planning projects indicated

otherwise. When asked if the city had been sued over this issue, all interviewees answered, "No." The reason given was that developers understood the city's situation and were willing to cooperate in order to get their projects approved.

Reasons for Vacancies

During the investigation it became clear that there were several reasons for the vacancies in the Planning Division. The reason given most often was salary issues. The City Administrator admitted that the City of Oroville "can't attract planners" but indicated that the City Council was aware of the understaffing and might consider increasing the salary range. The Mayor also agreed that the city needs to "invest in the planning positions." Currently, an Associate Planner in Chico earns approximately \$6000 per year more than a similar position in Oroville. At least one City Council member suggested that perhaps the salaries of two of the planning positions could be combined in order to create one higher paying job. All of those interviewed agreed, however, that in order for Oroville to attract qualified city planners, salaries need to be more competitive.

Although funding has been mentioned as the most important reason for staff shortages in Oroville's Planning Division, the need for a healthy working environment is equally important. One employee told the Grand Jury, "Money is a big factor when recruiting but is not so important in keeping people." Leadership often determines the quality of the working environment. During our investigation of the Oroville CDPWD, the Grand Jury became aware that the department's leadership was another reason for the vacancies in the Planning Division.

The Director of the CDPWD has been described to the Grand Jury as "a visionary" who is "strictly a big picture man." His management style is to empower people, we were told. He "gives them direction and then expects them to do it" and "to work to the caliber their job descriptions warrant." As one person said, "He wants managers to solve their own problems; he will get involved but doesn't like to." He was also described as high-energy and very busy, with many meetings to attend. Employees noted that he is excellent working with developers, very professional, and, as one employee said, "very good for the city."

The very qualities which describe the Director of the CDPWD positively also have a negative side. Giving people a job and expecting them to do it without much guidance works if the people are prepared for the job. However, some employees told the Grand Jury that they were given assignments which were beyond their experience level without backup, training or direction on how the tasks should be accomplished. One employee said, "Most planners want to go somewhere they are mentored and shown the ropes." This employee believes such mentoring should be required. Because the Planning Division is so short staffed, however, the other side of the criticism is also true. Although there is a

backlog of projects to be completed, the planners who are qualified to do the work are often interrupted to answer phones and respond to questions at the front counter on matters other than planning.

Several people interviewed described the Director as “not approachable” and “insensitive.” When they do ask for help, they reported feeling uncomfortable because he makes them feel incapable of doing the work. The Grand Jury was also told by various people that the Director assigned staff to write reports with a “need it tomorrow” turn-around time. He then offered no help with the task, which made the employees feel “stupid.” Some employees reported trying to tell him about morale problems in the department, but he refused to listen, so they gave up trying. Those who were willing to speak to the director finally gave up and left for other jobs.

There is little doubt that it is important to have a “big picture” person who has a vision of where the city should be heading. However, planning is an area in which details are important, too. Several people told the Grand Jury that the Director of the CDPWD is not detail oriented and even gives the appearance of not wanting to be bothered with details. They believe this is due in part to the Director’s professional background. As one person said, the Director “recognizes the importance of a planning department but doesn’t understand much about planning.” Also, the Director came from out of state and is not as well versed in California planning codes and regulations as he needs to be. Therefore, he simply may not be able to give the answers the staff needs.

The fact that the Director of the CDPWD is so busy causes additional staff problems. Several employees mentioned that if they want to communicate with the Director, they have to contact him by e-mail, but he usually gets back to them “pretty quickly.” When he is in his office, the Grand Jury was told that he spends “an enormous amount of time on personal things on city cell phones,” particularly on church-related things. A review of the records of the Director’s city-issued cell phone use for one year, confirmed what the employees reported. People come in to “talk theology” with him in his office as well.

In most workplaces a good deal of communication takes place in staff meetings, and the Grand Jury was told that the department had “just started having staff meetings again.” Several people interviewed described the large group meetings of the Oroville CDPWD, which are held to “talk things through,” as “not well managed, but okay.” There were also problems at regular weekly staff meetings. In one example related to the Grand Jury, the Director arrived late to a scheduled meeting because he was on the phone. Once he arrived, he sat and read through his e-mails while everyone sat and waited until he finished.

The Grand Jury was told by several employees that they have recently seen some improvements in relationships with the CDPWD Director. The employees reported receiving more supervision. They attributed this to team-building work

done in February and March of this year led by a consultant hired by the city. Through the consultant they were also able to relay their need for the Director to be more accessible to them. Some interviewees suggested that many of the issues related to the work environment could be alleviated by filling the Planning Manager position. This would give them a person they could turn to for answers when needed. Several people mentioned the fact that in the interim a member of the Engineering Division was helping in this capacity. For example, he created a template to help with report writing.

The vacancies within the Planning Division coupled with an unhealthy work environment lead to overworked employees and low morale. A number of staff members told the Grand Jury that they often work more than forty hours a week under pressure to meet deadlines. One employee stated, "Deadlines are usually met, sometimes by the skin of our teeth." Another employee told the Grand Jury, "We are meeting deadlines only where funding is involved." Not meeting all deadlines increases pressure, which in turn leads to frustration, creating more stress.

When the Grand Jury asked about office morale, we found a disconnect between management and support staff. On the one hand, current and former employees told the Grand Jury that office morale is "lousy" and "always fairly low." They attributed the morale problem to lack of staff, lack of support and lack of leadership. On the other hand, management told the Grand Jury that morale is definitely on the rise. One manager said, "We have turned the corner, though there are still some disgruntled employees who resist change." Everyone agreed, however, that teamwork is essential for a healthy office environment. While management views teamwork as improving, other staff is less positive. "You can say you want a team, but someone has to build a team," one employee commented. The Grand Jury hopes that the team-building workshops will continue and will help to bring everyone together.

Another problem brought to the Grand Jury's attention was the lack of resources, specifically in the area of technology. One person interviewed said employees "have not been given the tools to do well." An outdated computer was "always crashing," and a laptop was not readily available. Up-to-date technology is vital in a city planning department. The Director of CDPWD explained that the City Council has been making salary adjustments after a 2004 fee study indicated that salaries needed to be raised in order to be competitive with other city planning departments. However, the budgets for supplies and training have not increased. He stated, "The budget is never adequate."

Becoming Proactive

Once again, everyone interviewed had no doubt that growth is coming to Oroville. They also agreed that the Planning Division needs to be prepared to meet the challenges of this new growth. First and foremost, the Planning

Division needs to be fully staffed. Competitive salaries, a healthy work environment and appropriate resources are critical for building a strong planning staff. As the Grand Jury came to the end of this investigation, we were pleased to learn that the City of Oroville has taken some steps in this direction.

First, the City Administrator told the Grand Jury that recruitment to fill Planning Division vacancies is on-going. "It's not because we haven't tried to fill the positions," she said. The city has discontinued advertising positions with salary information included, hoping potential applicants will at least consider the Oroville CDPWD and not turn away because of lower pay. She also mentioned that she is "trying to get other employees to understand" that the planning division "needs to be taken out of the mix" in terms of salary in order to attract applicants. She said that the City Council approves of this approach and has begun working on requirements. Along this same line, management is trying to raise all of the planning position salaries to the "fiftieth percentile of twelve nearby cities."

City administration is contemplating other solutions for improving salaries as well. As mentioned previously, one possibility is to eliminate the Assistant Planner position for the time being. Splitting the salary saved between the other two Planning Division positions would make both more competitive. The Assistant Planner position could be reinstated when more money becomes available.

Also, mentioned previously, the city's administration has become proactive in its effort to improve the work environment through the use of a consultant for team-building training. This program, the "Team Transformation Process," offers the following benefits: improved communication, reduced conflict, increased understanding, accurate feedback, productive action plans, problem ownership, accountability, group support, and management effectiveness. **(Exhibit C)** The Human Resources manager explained that the consultant began with department heads and the City Administrator. Next, department heads worked with first line supervisors and so on down the line. Finally, the consultant brought all of the teams together. He monitors progress and accountability on a regular, on-going basis. Several employees praised the program being used as helping them with communication and teamwork. City management hopes that everyone will "get on board and be on the same team." As one member of City Council said, he wants "a can-do group of people!"

The city is also taking steps to reduce the workload in the Planning Division. An Office Coordinator has been hired for the front area of the administration building. The Coordinator will oversee the two Administrative Assistants and the Counter Technician who already work there. Plans are to have the Coordinator delegate the work of the three divisions based on what fits each staff member best. The Coordinator will also "put a system into place with procedures to take a developer through the planning process as quickly as possible," the Human Resources manager explained. Plans are to have the Coordinator provide cross-training, as well. Hiring someone for this position should allow the planners to work on

projects without being interrupted to answer phones and take care of the counter.

The Grand Jury is pleased to see that Oroville's elected officials and city administration recognize the need for a fully staffed Planning Division within the Community Development and Public Works Department. By taking proactive measures to solve the staffing and work environment issues within the division, the City of Oroville may be able to avoid some of the problems that will inevitably arise as the city grows.

Commendations

1. The Grand Jury commends the Human Resources manager for her helpfulness, promptness and cooperation at every step during this investigation.
2. The Grand Jury commends the members of the Administrative Support staff of the CDPWD for their helpfulness, hard work and continuing desire to serve the city under difficult circumstances. One member's statement, "We want to do a good job; we want to do it right," says it all.
3. The Grand Jury commends the city and its administrative staff for its proactive stance in recognizing a difficult problem and finding solutions to solve it.

Findings

1. For a variety of reasons, the City of Oroville has had difficulty filling positions and retaining qualified employees in the CDPWD, most notably within the Planning Division.
2. Although the CDPWD Director works well with community leaders and developers, he is not as effective with day to day dealings of the Planning Division.
3. Current and former employees reported low morale and an unhealthy work environment in the CDPWD.
4. The City of Oroville has taken steps to improve office morale and the work environment by hiring a consultant for team building and communication.
5. Technology in the Planning Division is outdated and inadequate and does not meet the needs of the planners.

Recommendations

1. The City of Oroville should continue to find ways to fill the vacant positions within the Planning Division. Priority should be given to hiring a Planning Manager capable of handling the daily work of the Division.
2. The City of Oroville should continue to investigate ways to increase the salaries of planner positions.
3. The City of Oroville should continue the team building workshops as long as necessary to improve morale and the work environment.
4. The City Administrator should monitor the morale in the CDPWD and report to the Oroville City Council.
5. The City of Oroville should budget funds to update and upgrade technology for the Planning Division.

Response Required (Penal Code § 933 & § 933.05)

Oroville Community Development & Public Works Director
Oroville City Administrator
Oroville City Council

**Planning in the City of Oroville:
Growing Pains**

Index of Exhibits

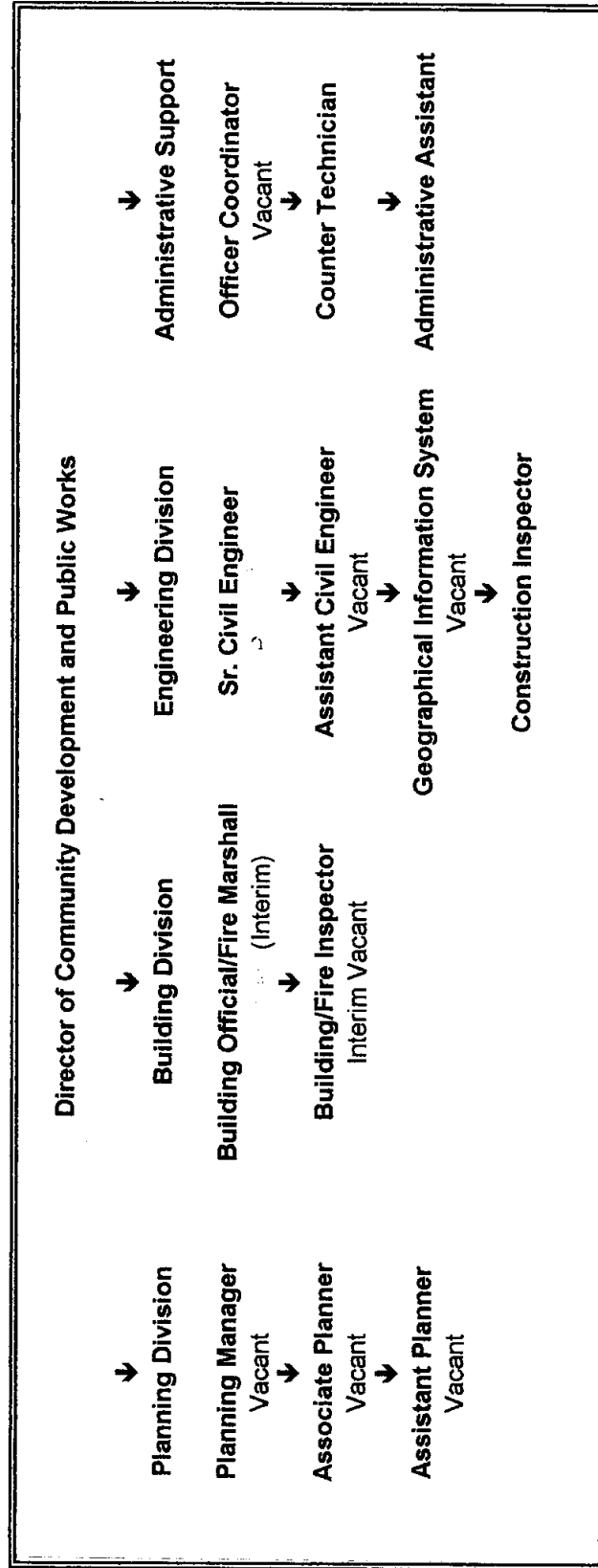
Exhibit A: Community Services Department Organization Chart

Exhibit B: City of Oroville, Job Descriptions – Planning Manager, Associate
Planner, Assistant Planner

Exhibit C: Brochure, “Does your Team need Transformation?”

COMMUNITY SERVICES DEPARTMENT

Exhibit A



Council approved the Community Services Director Job Description on November 4, 2003 incorporating the planning and building division under the Community Services Director supervision. On September 7, 2004, Council approved by ordinance the new title to the department as Community Development and Public Works.

Note: Blank spaces represent positions which were filled at the time.

Exhibit B

CITY OF OROVILLE

PLANNING MANAGER

DEFINITION

To manage and supervise the activities of the Planning Division, ensuring compliance with applicable laws and regulations; to coordinate planning activities with other divisions, departments and agencies; to provide highly complex staff assistance to the City Administrator, City Council, Planning Commission and other bodies in planning matters; and to perform related duties and responsibilities as required.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the City Administrator.

Exercises direction over professional, technical and clerical personnel.

EXAMPLES OF ESSENTIAL FUNCTIONS - *Essential functions may include, but are not limited to, the following:*

Plans, organizes, directs and supervises the services, programs and activities of the Planning Division.

Within City policy, recommends appropriate service and staffing levels; allocates resources accordingly.

Develops, implements and evaluates goals and objectives, policies and procedures, program guidelines, and short- and long-range plans for the division.

Continuously monitors and evaluates the efficiency and effectiveness of service delivery methods and procedures; identifies opportunities for improvement; directs the implementation of changes.

Prepares and administers the division's annual budget.

Selects, assigns, supervises and evaluates the performance of division personnel; provides or coordinates staff training; ensures staff compliance with all applicable policies, procedures, laws, regulations and standards; implements discipline and termination procedures.

Provides advice and assistance to the City Administrator, City Council, Planning Commission, and other bodies in matters pertaining to City planning; prepares items for meeting agendas of planning commissions and boards.

Performs advanced, professional planning work.

Directs, supervises and participates in the preparation, revision and implementation of the City's General Plan.

~~Conducts research, performs analyses, prepares reports and makes recommendations for complex planning issues; reviews projects prepared by staff and consultants to ensure quality project design and compatibility.~~

Conducts site inspections.

Prepares and/or updates ordinances and resolutions related to planning, zoning, subdivisions, annexations, environmental review and related planning/zoning matters; makes final interpretation of zoning and other planning-related regulations; enforces codes and makes arrangements for abatement of violations.

Confers with architects, engineers, developers, investors, consultants and the public on planning and economic development matters; receives and responds to inquiries, concerns and complaints regarding planning projects and other department functions.

Coordinates division activities with other divisions, departments and agencies as appropriate.

Prepares and presents reports and recommendations related to planning and economic development issues.

Reviews and processes various planning permits.

Creates and maintains planning database and maps; prepares maps for special studies and projects.

Serves as the Enterprise Zone Coordinator.

Keeps abreast of new trends, legislation and developments in municipal planning and economic development.

Represents the division in various City, regional, civic and community meetings as required.

Performs general administrative work as required, including but not limited to attending and conducting meetings, reviewing and preparing correspondence, entering computer data and preparing spreadsheets and computer-generated reports, copying and filing documents, sending and receiving faxes, etc.

MINIMUM QUALIFICATIONS

Knowledge of:

Pertinent federal, state and local laws, codes, ordinances and regulations.

Advanced principles and practices of urban planning and development.

Research methods, trends, recent developments, current literature and sources of information related to urban growth and development.

Organization and functions of various federal, state and local public and private agencies involved in the planning and economic development processes.

Organizational and management practices as applied to the analysis and evaluation of

programs, policies and operational needs.
Principles of supervision, training and performance evaluation.

Budget preparation and administration practices.

Modern office practices and technology, including the use of computers for word and data processing, spreadsheet and GIS applications.

Methods and techniques of effective technical report preparation and presentation.

English usage, spelling, grammar and punctuation.

Safe work practices.

Public / community relations techniques.

Ability to:

Interpret, analyze, apply and enforce pertinent federal, state and local laws, rules and regulations.

Supervise/manage multiple projects simultaneously.

Effectively administer planning and development programs and activities.

Perform advanced, professional planning work.

Develop, implement and interpret goals and procedures for providing effective and efficient planning services.

Assimilate both technical and theoretical concepts from many diverse disciplines and apply the knowledge in creative and innovative ways to solve unique problems.

Analyze problems, identify alternative solutions, determine consequences of proposed actions and implement recommendations in support of goals.

Analyze, interpret, summarize and present administrative and technical information and data in an effective manner.

Analyze site design, terrain constraints, circulation, land use compatibility, utilities and other urban services.

Recommends selection, supervises, trains and evaluates staff.

Prepare and administer budgets.

Perform mathematical computations with accuracy.

Use computers for word and data processing, spreadsheet preparation and GIS applications.

Gain cooperation through discussion and persuasion.

Communicate clearly and concisely, both orally and in writing.

Speak effectively in public.

Establish and maintain effective working relationships with those contacted in the course of work.

React professionally at all times, dealing with sensitive, political or controversial situations with tact and diplomacy.

Experience:

Five years of increasingly responsible professional experience in planning, including at least two years of experience in a responsible middle-management position, preferably in a local government jurisdiction. Several years of experience in economic development / redevelopment is desirable.

Education:

Graduation from an accredited college or university with a Bachelor's degree in planning, public administration or a closely related field; a Master's degree in urban planning or a related field is desirable.

Additional Requirements:

Possession of a valid California driver's license.

TYPICAL WORKING CONDITIONS

Work typically is performed in a normal office environment. Occasionally work is performed outdoors, possibly exposing employee to traffic and construction hazards, adverse weather conditions, wetness and humidity, above-average noise, air contaminants, fumes and dust.

TYPICAL PHYSICAL REQUIREMENTS

Requires the ability to sit at desk for long periods of time and intermittently walk, stand, stoop, kneel, crouch and reach while performing office and field inspection duties; lift and/or move objects weighing up to 25 pounds; use hands to finger, handle or feel objects, tools, or controls. Must be able to maintain effective audio-visual discrimination and perception needed for making observations, communicating with others, reading and writing, and operating office equipment. Must be able to use a telephone to communicate verbally and a keyboard to communicate through written means, to review information and enter/retrieve data, to see and read characters on a computer screen.

This class specification lists the major duties and requirements of the job and is not all-inclusive. Incumbents may be expected to perform job-related duties other than those contained in this document.

ASSOCIATE PLANNER

DEFINITION

To perform professional planning work; to research and prepare planning studies; to explain and interpret planning ordinances and policies to the public; and to perform related duties and responsibilities as required.

SUPERVISION RECEIVED AND EXERCISED

Receives direction from the Director of Planning.

EXAMPLES OF ESSENTIAL FUNCTIONS - *Essential functions may include, but are not limited to, the following:*

Performs professional planning work in the development and implementation of the City's planning program, which includes activities related to comprehensive planning, zoning and land development, environmental review, code administration, special planning projects and related activities.

Manages assigned projects from initial design and planning phase through project completion.

Conducts research regarding physical, economic and social factors affecting City growth; studies the impact of various private and public planning projects on the City; collects, tabulates and analyzes related data.

Evaluates and recommends changes in City land use, zoning and related codes and ordinances as appropriate; enforces codes and makes arrangements for abatement of violations.

Evaluates development proposals and actions to determine compliance with local and state regulations.

Conducts site inspections to ensure compliance with project plans, specifications and applicable codes and ordinances.

Conducts special planning projects and related activities.

Prepares and presents reports and recommendations related to planning and economic development issues.

Provides code interpretation and technical assistance to development applicants, planning boards and commissions, developers, architects, engineers, consultants, property owners and others on planning and development projects and issues; receives and responds to inquiries, concerns and complaints regarding planning projects and other department functions.

~~Keeps abreast of new trends, legislation and developments in municipal planning and economic development.~~

Represents the department in various City, regional, civic and community meetings as required.

May provide work direction to subordinate staff on specific projects as assigned.

Performs general administrative work as required, including but not limited to attending meetings, entering computer data and preparing spreadsheets and computer-generated reports, maintaining files, copying and filing documents, sending and receiving faxes, answering the telephone, etc.

MINIMUM QUALIFICATIONS

Knowledge of:

Pertinent federal, state and local laws, codes, ordinances and regulations.

Principles and practices of urban planning and development, and zoning administration.

Environmental review procedures.

Statistical and research methods applicable to the collection and analysis of planning and development data.

Principles and techniques of project management.

Modern office practices and technology, including the use of computers for word and data processing, spreadsheet and GIS applications.

Methods of effective technical report preparation and presentation.

English usage, spelling, grammar and punctuation.

Safe work practices.

Public / community relations techniques.

Ability to:

Interpret, analyze, apply and enforce pertinent federal, state and local laws, rules and regulations.

Perform complex, professional planning work.

Perform basic design and graphics work.

Manage multiple projects simultaneously.

Analyze problems, identify alternative solutions, determine consequences of proposed actions, and make and implement recommendations in support of goals.

Collect, compile and analyze technical, statistical and related information pertaining to planning, zoning and environmental research.

Work in the field independently on a regular basis.

Analyze site design, terrain constraints, circulation, land use compatibility, utilities and other urban services.

Prepare reports, proposals and written materials of an analytical, financial and technical nature.

Perform mathematical computations with accuracy.

Use computers for word and data processing, spreadsheet preparation and GIS applications.

Communicate clearly and concisely, both orally and in writing.

Speak effectively in public.

Establish and maintain effective working relationships with those contacted in the course of work.

React professionally at all times, dealing with sensitive, political or controversial situations with tact and diplomacy.

Experience:

Two years of professional planning experience comparable to that of Assistant Planner, preferably in a local government jurisdiction.

Education:

Graduation from an accredited college or university with a Bachelor's degree in planning, engineering or closely related field.

Substitution:

A Master's degree in planning, engineering or closely related field may be substituted for one year of the required experience.

Additional Requirements:

Possession of a valid California driver's license.

TYPICAL WORKING CONDITIONS

Work typically is performed in a normal office environment. Occasionally work is performed outdoors, possibly exposing employee to traffic and construction hazards, adverse weather conditions, wetness and humidity, above-average noise, air contaminants, fumes and dust.

TYPICAL PHYSICAL REQUIREMENTS

Requires the ability to sit at desk for long periods of time and intermittently walk, stand, stoop, kneel, crouch and reach while performing office and field inspection duties; lift and/or move objects weighing up to 25 pounds; use hands to finger, handle or feel objects, tools, or controls. Must be able to maintain effective audio-visual discrimination and perception needed for making observations, communicating with others, reading and writing, and operating office equipment. Must be able to use a telephone to communicate verbally and a keyboard to communicate through written means, to review information and enter/retrieve data, to see and read characters on a computer screen.

This class specification lists the major duties and requirements of the job and is not all-inclusive. Incumbents may be expected to perform job-related duties other than those contained in this document.

ASSISTANT PLANNER

DEFINITION

To perform professional planning work; to research and prepare planning studies; to explain and interpret planning ordinances and policies to the public; and to perform related duties and responsibilities as required.

SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from the Director of Planning.

EXAMPLES OF ESSENTIAL FUNCTIONS - *Essential functions may include, but are not limited to, the following:*

Performs professional planning work in the development and implementation of the City's planning program, which includes activities related to comprehensive planning, zoning and land development, environmental review, code administration, special planning projects and related activities.

Receives applications for zoning changes, land uses, site plan approvals, subdivision approvals, variances, etc., and reviews for consistency with the General Plan, compliance with local ordinances and regional and state requirements, and extent of environmental impact.

Contacts various public agencies to gather information pertinent to specific case studies.

Conducts research regarding physical, economic and social factors affecting City growth; studies the impact of various private and public planning projects on the City; collects, tabulates and analyzes related data.

Conducts site inspections to ensure compliance with project plans, specifications and applicable codes and ordinances.

Conducts special planning projects and related activities.

Prepares and presents reports and recommendations related to planning and economic development issues.

Provides code interpretation and technical assistance to development applicants, planning boards and commissions, developers, architects, engineers, consultants, property owners and others on planning and development projects and issues; receives and responds to inquiries, concerns and complaints regarding planning projects and other department functions.

Keeps abreast of new trends, legislation and developments in municipal planning and economic development.

Represents the department in various City, regional, civic and community meetings as required.

May provide work direction to clerical staff on specific projects as assigned.

Performs general administrative work as required, including but not limited to attending meetings, entering computer data and preparing spreadsheets and computer-generated reports, maintaining files, copying and filing documents, sending and receiving faxes, answering the telephone, etc.

MINIMUM QUALIFICATIONS

Knowledge of:

Pertinent federal, state and local laws, codes, ordinances and regulations.

Principles and practices of urban planning and development.

Environmental review procedures.

Statistical and research methods applicable to the collection and analysis of planning and development data.

Modern office practices and technology, including the use of computers for word and data processing, spreadsheet and GIS applications.

Methods of effective technical report preparation and presentation.

English usage, spelling, grammar and punctuation.

Safe work practices.

Public / community relations techniques.

Ability to:

Interpret, analyze and apply pertinent federal, state and local laws, rules and regulations.

Perform professional planning work.

Perform basic design and graphics work.

Work on multiple projects simultaneously.

Analyze problems, identify alternative solutions, determine consequences of proposed actions, and make and implement recommendations in support of goals.

Collect, compile and analyze technical, statistical and related information pertaining to planning, zoning and environmental research.

Work in the field independently on a regular basis.

Prepare reports, proposals and written materials of an analytical and technical nature.

Perform mathematical computations with accuracy.

Use computers for word and data processing, spreadsheet preparation and GIS applications.

Communicate clearly and concisely, both orally and in writing.

Speak effectively in public.

Establish and maintain effective working relationships with those contacted in the course of work.

React professionally at all times, dealing with sensitive, political or controversial situations with tact and diplomacy.

Experience:

One year of professional planning experience.

Education:

Graduation from an accredited college or university with a Bachelor's degree in planning, engineering or a closely related field.

Substitution:

A Master's degree in planning, engineering or closely related field may be substituted for the required experience.

Additional Requirements:

Possession of a valid California driver's license.

TYPICAL WORKING CONDITIONS

Work typically is performed in a normal office environment. Occasionally work is performed outdoors, possibly exposing employee to traffic and construction hazards, adverse weather conditions, wetness and humidity, above-average noise, air contaminants, fumes and dust.

TYPICAL PHYSICAL REQUIREMENTS

Requires the ability to sit at desk for long periods of time and intermittently walk, stand, stoop, kneel, crouch and reach while performing office and field inspection duties; lift and/or move objects weighing up to 25 pounds; use hands to finger, handle or feel objects, tools, or controls. Must be able to maintain effective audio-visual discrimination and perception needed for making observations, communicating with others, reading and writing, and operating office equipment. Must be able to use a telephone to communicate verbally and a keyboard to communicate through written means, to review information and enter/retrieve data, to see and read characters on a computer screen.

This class specification lists the major duties and requirements of the job and is not all-inclusive. Incumbents may be expected to perform job-related duties other than those contained in this document.

Benefits to Your Team...

- # Improved Communication
- # Reduced Conflict
- # Increased Understanding
- # Accurate Feedback
- # Productive Action Plans
- # Problem Ownership
- # Accountability
- # Group Support
- # Management Effectiveness

Transform your team through an intentional intervention process that creates specific individual and team strategies to improve communication, reduce conflict, and clarify focus.

Darrol Lyon
2 Kingsbury Court
Chico, California 95926

Does your Team need Transformation?

- If you are tired of training that doesn't last
- Facing the same problems over and over
- Conflicts that won't go away

Then the Team Transformation Process is for you!

Darrol Lyon
(530) 343-8358
Pager: (530) 540-7078

The Team Transformation Process

Description

Our Team Transformation Process provides your work team with a combination of structure for addressing the barriers that prevent effective performance and process for working through the issues without damaging relationships. To achieve this goal, we create a safe, productive environment for an intentional intervention strategy to revolutionize your team. Each team member responds to the PDP (Professional Dynamic Programs™) to determine work style strengths and limitations, energy level, stress factors, pace, and priority. Out of this assessment, a dialogue occurs between the consultant and team members that addresses the core issues of team vision, barriers, strengths, and commitment to change. The commitment to change evolves into specific action plans for each individual and the team as a whole. Implementation begins immediately with regular feedback sessions scheduled to monitor progress and accountability.

Change Your Team

From ...

❖ A Team in Conflict to a Productive Work Unit...Take the initiative to preserve good workers and move beyond differences.

❖ A Team in Transition to a Cohesive Work Group...Get new team leaders and members off to a faster and more productive start that guarantees improved understanding and ability to communicate.

❖ A Management Team to a Group of Exceptional Performers...Take your team to a higher level of interaction and performance.

Phases in the Team Transformation Process

Phase One: Pre-work between the consultant and leadership team determines the scope, strategy, outcomes, and time line for the process intervention.

Phase Two: The consultant meets in one-on-one sessions with each team member to debrief them on their PDP (Professional Dynamic Programs™ Profile). Out of these interviews, core issues, barriers to team performance, and sources of strength are identified. Meetings are then held with selected groups within the team.

Phase Three: Each team member develops and accepts responsibility for implementing specific action plans that will improve individual and team performance.

Phase Four: Consultant and leadership team establish structure for monitoring and adjusting action plans on an on-going basis.

City of Oroville's First Time Home Buyers Program Department of Business Assistance & Housing Development

Reason for Investigation

In November 2006 the Grand Jury received a citizen complaint regarding the completion of a project at her home. The homeowner had purchased her home through the City of Oroville's First Time Home Buyers Program (**FTHBP**). After attempting unsuccessfully to get the problem resolved, the homeowner contacted the Grand Jury. As part of its oversight mandate, the Grand Jury investigated the complaint and began a review of the City of Oroville's Business Assistance and Housing Development Department (**BAHDD**).

Background

The BAHDD was established to provide community services, decent housing and expanded business opportunities to the citizens of Oroville. These services are funded by federal, state, and local grants in addition to other resources, including the Community Development Block Grant, Home Investment Partnerships, Rural Development, Redevelopment Agency Housing Set-Aside, and Redevelopment Agency Taxable Bond Funds, to name a few. For the enrichment of the city, the BAHDD provides business, housing, and public programs and activities in addition to loans and technical assistance. The department employs nine staff members including:

- BAHDD Director
- Management Analyst III
- Housing and Building Supervisor
- Two Administrative/Program Analyst II
- Program Analyst I
- Administrative Assistant
- Building Maintenance Technician
- Staff Assistant

The FTBHP was created in Oroville in 1997 by the Oroville Redevelopment Agency using housing set-aside funds "for families earning up to 120% of area median household income." The program has since been expanded to better assist eligible families. It offers a loan mortgage for mortgage subsidy assistance to Oroville families with qualifying incomes to finance and purchase their first home. This provides an affordable housing opportunity to those who may otherwise be unable to afford it. The annual qualifying household income ranges from \$47,720 to \$80,520, based on family size from one to eight persons respectively. Families earning up to 120% of the area's median income, currently \$50,800 for a family of four, may qualify for a maximum loan of \$50,000. **(Exhibit A)**

The FTHBP mortgage subsidy is a loan for which the loan payments are deferred until the house is sold, transferred, or is no longer owned by the home buyer. The loan may be used for “a down payment, closing costs, and monthly debt service reductions for mortgages originated by primary lenders.” FTHBP applicants must attend a mandatory budgeting workshop and the FTHBP workshop to receive required certification. The applicant must be a first time home buyer, which means that he or she has not owned a home within the past three years. **(Exhibit A)**

With a mortgage subsidy, the home must be in a residentially zoned area within the Oroville city limits, meet Building Code and Lead Based Paint requirements and have a cleared Termite Report with Pest 1 and Pest 2 clearance. The mortgage subsidy loan is secured by a Deed of Trust and does not require monthly payments. The home must be moderately priced and used as a principal residence. While proper routine maintenance is the responsibility of the homeowner, no remodeling can be done without authorization. There are limits regarding the number of residents, excess animals, and extra vehicles. Other restrictions apply as well. **(Exhibit B)**

To begin the process of procuring a mortgage subsidy loan, the applicant makes an appointment with a lender of his or her choice to request a “pre-qualifying interview.” The lender then reviews the employment record, current financial situation and household budget. The lender will decide the amount of the loan for which the applicant qualifies. All of the requested information is then returned to the City of Oroville. The maximum price of the home cannot exceed \$276,000.

After approval of the loan by the BAHDD staff, the paperwork must be notarized and signed by the City Administrator. The applicant must then go through mandatory credit counseling and the FTHB training class. If the home is newly constructed, curbs, driveways, gutters, sewer hook-ups and sidewalks must be completed before escrow closes. After escrow closes, the homeowner takes possession of the property, and the process is complete.

Investigation

The Grand Jury interviewed the following individuals:

- Oroville home buyer who sent the complaint to the Grand Jury
- Director of BAHDD
- Housing Development and Building Maintenance Supervisor
- Two other BAHDD employees

The Grand Jury began the investigation by visiting and inspecting the site with the homeowner who made the complaint. She explained that she had purchased a new home through the FTHBP. Even though the government requirement that

the home have a driveway had not been met, the city told her and her real estate agent to go ahead and close escrow. Escrow closed in February of 2004; the city said the driveway would be poured in early spring of that year. When the driveway was not poured, the homeowner started making phone calls and writing letters to the department. She told the Grand Jury, "I feel the city has breached a verbal contract with me." She went on to say, "The city is receiving federal funding for this program" and is not using it properly.

During our visit and interview, the Grand Jury learned that the homeowner had had several conversations with the Director of the BAHDD and the Housing Development and Maintenance Supervisor regarding the delays in getting the driveway poured. She was first told that the Public Works Division had to finish Americans with Disabilities Act (**ADA**) requirements downtown before they could pour her driveway. She was next told there were contractor problems. She felt that she "got every excuse you could possibly think of." By the fall of 2006 the job still had not been done.

The Grand Jury's next step was to interview the BAHDD Director. Although aware of the problem, the Director believed the job was in progress. After we interviewed the Director, we then interviewed the Business Maintenance Supervisor. The Supervisor explained to the Grand Jury that when the city purchased the house they knew it needed curbs, gutters and sidewalks for ADA compliance. These improvements needed to be in place before the driveway could be finished. He thought these preliminary steps would be done using standard procedures. Then the Public Works Division informed him that the sidewalk and curb work needed engineered drawings. The engineering job was contracted out. The firm that was hired waited 18 months to get the plans back to the Public Works Division. The Supervisor was also frustrated by the long delay and called the engineering firm twice to complain. At the time of the Grand Jury visit to the property, the work had been started. Upon re-inspection of the property in April 2007, the Grand Jury found that the homeowner's driveway had been poured and the issue resolved.

Review of the BAHDD

As stated before, the homeowners complaint led the Grand Jury to a review of the BAHDD. In the course of our interview, the Director disclosed that in April of 2006, the BAHDD was investigated by HUD due to an internal complaint. HUD representatives came out to check the department's files. Allegations in the complaint included improper environmental reports, improper relocation procedures, and improper drawing down of program income. The BAHDD received a notice of what needed to be improved; only two of the three allegations in the complaint were found to be valid. HUD found a few other areas besides the two in the complaint, and all areas of concern have been corrected.

After reviewing the department, the Grand Jury has concluded that the BAHDD does an excellent job of managing the FTHB program. The Director works very hard to obtain grants, and Oroville is a “model” for other cities with similar programs. Starting in 1990 with two grants totaling \$535,000, the BAHDD had since received a total of \$24,783,366 in grant funds by the end of 2005. In its first year the FTHBP provided 60 loans; every year since then approximately 40 loans have been awarded to Oroville homebuyers. So far, in 2007, \$661,300 in loans have been made. At the April 17, 2007, Oroville City Council meeting the Director of BAHDD announced that the department had been awarded \$3,895,400 more in grants, with \$500,000 and \$600,000 awards pending. The Grand Jury has since learned that these grants have been awarded as expected. The department continues to apply for more grant money.

The BAHDD has programs to inspire homeowners to take pride in their homes. One is the Front Yard Landscape Improvement Program. This program was established to “improve neighborhoods, create new private investment and create physical, economic and environmental conditions to remove and prevent blight within the Oroville Redevelopment Project Area.” Each month at the Oroville City Council meeting one homeowner is recognized for his or her effort in creating and maintaining a beautifully landscaped yard. **(Exhibit C)**

The Grand Jury found the department to be very efficient. Employees are enthusiastic about improving the quality of life in Oroville. Some employees are long time residents and very proud of the work the BAHDD has done for their town. One person interviewed commented that she “loves working for the city where she grew up.” The morale in the office is very good, and everyone works well together.

Commendation

1. The Grand Jury commends the BAHDD for its hard work and dedication to the citizens of Oroville, especially for their skill in writing grant applications, which brings needed funds to the FTHBP.

Findings

1. Escrow closed on an Oroville first time home buyer’s property before the required driveway was completed.
2. The completion of the home buyer’s driveway was delayed due to the need for engineered drawings. The drawings were not given a high priority by the engineering firm subcontracting the work; it took 18 months to provide the drawings to the city.

3. The home buyer made repeated complaints for almost three years to the BAHDD and finally felt compelled to write to the Grand Jury before the problem was resolved.
4. Oroville's Business Assistance and Housing Development Department continues to acquire funding to assist Oroville's residents with business and housing needs.

Recommendations

1. The BAHDD should expedite the completion of all requirements prior to escrow closing.
2. The BAHDD should respond to inquiries and/or complaints in a timely manner. Written procedures should be in place to handle complaints.
3. The Public Works Division of the Community Development and Public Works Department should have oversight policies in place to monitor the progress of subcontractors when they are used.

Responses Required (Penal Code 933 & 933.05)

Business Assistance & Housing Development Department Director

Oroville City Administrator

Oroville Community Development & Public Works Director

**City of Oroville's First Time Home Buyers Program
Department of Business Assistance & Housing Development**

Index of Exhibits

Exhibit A: First Time Home Buyer Program brochure

Exhibit B: Regulatory Agreement, Oroville Redevelopment Agency, First Time Home Buyer Program

Exhibit C: Front Yard Landscape Program brochure

Exhibit A

INTRODUCTION

The Oroville Redevelopment Agency (RDA) has created a First Time Home Buyer (FTHB) Program with Housing Set-aside funds for families earning up to 120% of area median household income. The FTHB Program will expand the availability of affordable housing for income qualified families.

- The FTHB Program offers a loan for mortgage subsidy assistance and provides a course of action for the primary financing and purchase of that first time home. The procedure can be overwhelming, especially to the first time homebuyer.

Terms and Conditions

- The City of Oroville will receive a share of the equity (contingent deferred interest) if the unit is sold or the loan becomes otherwise due and payable.

City of Oroville's
Business Assistance and Housing
Development Department 1735
Montgomery Street
Oroville, CA 95965
(530)538-2495
housing@cityoforoville.org

Terms and Conditions cont.

- The total loan amount may not exceed the appraised value of the property. The closing costs are the responsibility of the home buyer.
- The family must be a "first time" home buyer. (Has not owned a home within the past three years)
- The home purchased must be located in a residentially zoned area within the city limits of Oroville.
- The home must meet "Building Code" and "Lead based Paint" requirements, and must have a Termite Report with Pest 1 & 2 clearance.
- A mortgage subsidy loan is secured by a Deed of Trust and does not require monthly payments.
- It is always wise to check with the Business Assistance/Housing Development Department prior to refinancing your home; repayment of the loan may be required in some cases.

Household Income must be less than:

Family annual gross income may not exceed the following:

Family Size	Annual Income	Monthly Income
1	\$42,720	\$3,560
2	\$48,720	\$4,060
3	\$54,840	\$4,570
4	\$60,960	\$5,080
5	\$65,880	\$5,490
6	\$70,680	\$5,890
7	\$75,600	\$6,300
8	\$80,520	\$6,710

- Loans are based on total household income and family size. The maximum loan amount is as follows:
- Families earning up to 120% of area median income may qualify for a maximum loan of \$50,000.
- Area Median income is \$50,800 for a family of four (4).

Exhibit B

After Recording, Return to:
Oroville Redevelopment Agency
Housing Department
1735 Montgomery Street
Oroville, CA 95965
AP:

REGULATORY AGREEMENT

OROVILLE REDVELOPMENT AGENCY FIRST TIME HOME BUYERS PROGRAM

THIS AGREEMENT is made on "Month, Day, Year", by and between "Borrower Name", and all successors and assigns (jointly and severally hereafter referred to as "Owner"), and the Oroville ("Agency").

THE PARTIES AGREE as follows:

1. This Regulatory Agreement is made for the following reasons and based upon the following facts:
 - 1.1. Agency has made a loan to Owner in the amount "[Loan Amount]" AND 00/100 DOLLARS (\$[Amount]) ("Loan") as evidenced by the Promissory Note ("Note") executed by Owner in favor of the Agency and secured by the Deed of Trust (the "Deed of Trust") on real property (the "Property") located in the City of Oroville, County of Butte, State of California, described in EXHIBIT "A" attached to and incorporated in this Regulatory Agreement by this reference, subject to the terms of the Loan Agreement between the parties and dated "Month, Day, Year" (the "Loan Agreement"). In consideration of the Loan Agreement and the Note, Owner and Agency are entering into this Regulatory Agreement with which Owner shall comply with this Regulatory Agreement.
 - 1.2. This Agreement shall be subordinate to the Deed of Trust in the amount of "[Loan Amount]" and 00/100 DOLLARS (\$[Amount]) recorded against the Property for the benefit of the California Housing Finance Agency.
2. Covenants. Owner shall not, without the prior written approval of the Agency:
 - 2.1. Convey, transfer or encumber any of the Property or permit the conveyance, transfer, or encumbrance of such property except as provided in the Note.
 - 2.2. Permit the use of the Property for any purposes except those set forth in this Regulatory Agreement, the Loan Agreement or the Note.
3. Term. Owner agrees that this Regulatory Agreement shall remain in effect for from the date first written above or until Owner repays the loan as required by the Note.
4. Owner shall strictly comply with the following use and maintenance requirements relating to the Property at all times:

4.1. Land Use and Building Type

The Property shall be solely for residential use. No portion of the home or property shall be leased or rented at any time. Each residential lot shall be used solely for the residential use of a single family. No buildings shall be erected, altered, placed or permitted to remain on any lot other than one detached single family dwelling, not to exceed two stories in height, and a private garage for not less than two (2) cars. One storage shed, not to exceed 120 square feet of floor area, shall be permitted provided it complies with all applicable ordinances of the City of Oroville. Storage shed shall be painted and paint color to match the exterior color of the house on the Property.

4.2. Recreational Vehicles and Equipment

No boat, trailer, combination of boat and trailer, motor home, tent trailer, camper, fifth wheel, patio boat, or any other recreational vehicle or equipment similar thereto, whether or not it contains its own motor power, shall be stored or parked or kept on the Property except in accordance with the following:

1. Within a completely enclosed building (garage).
2. On the rear or side portion of the lot behind a site obscuring fence.

4.3. Nuisances

No obnoxious or offensive activities shall be permitted (such as playing loud music that impacts neighbors) nor shall any activity be done, permitted or committed upon which may be or might become an annoyance or interfere with the enjoyment of other neighbors.

4.4. Temporary Structures

No structure of a temporary nature, or any house trailer, tent trailer, shack, garage, barn, basement, cellar, or other outbuildings, or excavation shall be used as a residence, either temporarily or permanently.

4.5. Commercial Activities

No commercial manufacturing, wholesale or retail sales activities of any nature, description or kind shall be permitted at any time. No other types of businesses shall be conducted on the Property, including but not limited to daycare, without prior written consent of the Oroville Redevelopment Agency.

4.6. Livestock and Poultry

No animals, livestock, chickens or poultry of any nature, description, or kind shall be bred, raised or kept except dogs, cats, and any household pet provided that the household pet is not kept for the purpose of breeding, selling, or any other commercial purpose. The aforementioned acceptable domestic animals shall be consistent with applicable ordinances of the

Agency.

4.7. Garbage and Refuse Disposal

The Property shall not be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall be kept in sanitary containers. All equipment and containers for storage or disposal shall be kept in a clean and sanitary condition and not visible from the street.

No weeds, leaves, branches, rubbish, debris, objects or material of any kind shall be placed or permitted to accumulate upon the Property which renders the Property or any portion thereof unsightly, offensive or detrimental to the occupants of another property in the vicinity.

Trash, garbage, rubbish and other waste shall be kept only in sanitary containers. Sanitary containers (trash containers) and storage piles on any property within the property shall be enclosed or fenced in such a manner that the containers and piles will not be visible from any neighboring property or street. Sanitary containers may be set out for the evening before the scheduled trash pick-up time and returned to their appropriate enclosed area after the trash has been picked up on the day of the scheduled pick-up.

4.8. Maintenance

The Property shall be maintained and repaired, at the Owner's cost and expense. All dwelling and appurtenant structures and each portion thereof shall be at all times maintained in good repair and in an attractive, neat, orderly condition (including the replacement thereof when necessary or appropriate) and meet the following minimum standards:

- a. Painting of the residence and appurtenant structures shall be periodically performed so as to maintain all exterior surfaces in a well-painted condition. All exterior paint colors must be compatible with neighboring homes. All exterior paint colors shall match; for example, one primary color and a maximum of two different trim colors.
- b. Roofing shall be maintained so that no deterioration of roofing material is visible.
- c. No windows shall be covered with aluminum foil, blankets, towels, or other such material.
- d. There shall be no accumulation of furniture, collectibles, junk, debris, or other items on the front porch, front or side yard or otherwise visible from the public way.

4.9. Structural Modifications

No structural modifications shall be permitted to the existing structures on the Property whatsoever, including garage modifications, opening of adjoining walls, or structural additions of any kind.

4.10. Landscaping

Owner shall install front-yard landscape within one (1) year time period from date of purchase of property (recording of the Deed of Trust) from Agency. All landscaping shall be installed and maintained in accordance with criteria established in Exhibit "B" entitled Front-Yard Landscaping Requirements, and Exhibit "C" entitled Recommended FTHB Front-Yard Planting List.

Owner shall diligently maintain and care for all front-yard landscaping using generally accepted methods of cultivation, watering, fertilizing, pruning, and watering so as to maintain landscaping, trees and grasses that are green and healthy. Failure to maintain the front-yard landscaping shall place the RDA First Time Home Buyers loan in default and subject to foreclosure proceedings.

5. Default. Upon a breach of any of the provisions of this Agreement by Owner, the Agency may give written notice of such breach to Owner by registered or certified mail. If such violation is not corrected to the satisfaction of Authority within sixty (60) days after the date of such notice is mailed or within such further time as the Agency may reasonably determine is necessary to correct the breach, and without further notice to Owner, Agency may declare a default under the Agreement, and upon such default the Agency may:
 - 5.1. Declare the whole of the indebtedness evidenced by the Note immediately due and payable and then proceed with the foreclosure of the Deed of Trust.
6. Successors in Interest. This Agreement shall bind, and the benefits shall inure to the Owner, all successors in interest and assigns of Owner and to the Agency and its successors for the term of this Agreement.
7. Attorney's Fees. If the services of any attorney are required by any party to secure the performance of this Agreement or otherwise upon the breach of default of another party, or if any judicial remedy or arbitration is necessary to enforce or interpret any provisions of this Agreement or the rights and duties of any person in relation to this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and other expenses, in addition to any other relief to which such party may be entitled. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.
8. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions.
9. Election of Remedies: Events of Default. The remedies of the Owner under this Agreement, the Note, the Deed of Trust, Loan Agreement or any other instrument providing for or evidencing or securing the Loan are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the Owner of any one or more of its other remedies.

10. Waiver by Default. No waiver by the Agency of any breach of or default under this Regulatory Agreement shall be deemed to be a waiver of any other or subsequent breach or default.
11. Notices. Written notices and other written communications by and between the parties shall be addressed as follows and until a party has, in writing, notified the other party of a different address for notice:

Owner: [BorrowerName]
 "[Borrower Address]"
 Oroville, CA [Zip]

RDA: Oroville Redevelopment Agency
 Attn: Dept. Business Assistance and
 Housing Development
 1735 Montgomery Street
 Oroville, CA 95965

EXECUTED in the City of Oroville, the State of California, on the date first written above.

OROVILLE REDEVELOPMENT AGENCY:

OWNER:

By: Sharon L. Atteberry, Executive Director

By: "[Borrower Name]"

By: [Co-Borrower Name]

APPROVED AS TO FORM:
/S/ Dwight L. Moore, Agency Attorney

Exhibit C

INTRODUCTION



The Oroville Redevelopment Agency's Front Yard Landscape Improvement Program has been established to improve neighborhood, create new private investment, and create physical, economic, social, and environmental conditions to remove and prevent the recurrence of blight within the Oroville Redevelopment Agency Project Area.

City of Oroville's Department of Business Assistance and Housing Development
Phone:(530) 538-2495 Fax:(530) 538-2539
Email: housing@cityoforoville.org
Website: www.cityoforoville.org

Income Requirements

Family Size	Maximum Income
1	\$41,250
2	\$47,100
3	\$53,000
4	\$58,900
5	\$63,600
6	\$68,300
7	\$73,050
8	\$77,748



SPECIAL CONDITIONS

The property must be within the Oroville Redevelopment Project Area or areas outside the project area located within the City limits or Oroville. The Front Yard Landscape Improvement Program is restricted to single-family, owner-occupied units and duplex units with individual ownership.

REPAYMENT

Loans shall become due and payable upon the transfer or sale of the borrower's interest in the property, change of use from residential to commercial, a non-compliance with the Oroville Redevelopment Agency Plan and Housing Development Program, or if the property is no longer occupied by the borrower and/or is being rented.

The loan evidenced by a Promissory Note executed by a Deed of Trust.

No interest, deferred payment, with a loan term not to exceed (15) years.

A well-designed front yard, adds to the property's resale value and enhances your community. Landscape design involves much more than placing trees, shrubs and other plants on the property. It is an art which deals with conscious arrangement or organization of outdoor space for human satisfaction and enjoyment. Some of its major goals include:

- Organizing and developing the site for maximum use and pleasure.
- Creating a visual relationship between the house and the site.
- Reducing landscape maintenance to a practical level.

The City of Oroville provides equal consideration to all applicants. The City of Oroville does not discriminate with regard to race, color, religion, national origin, gender, marital status,



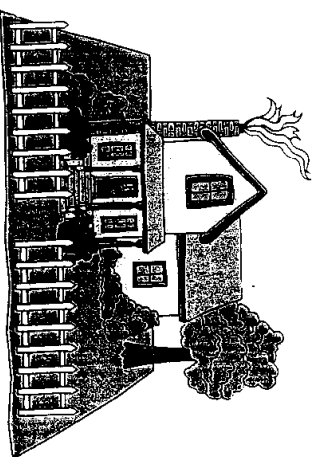
City of Oroville
Business Assistance and
Housing Development
1735 Montgomery Street
Oroville, CA 95965

City of Oroville

Department of Business Assistance
and Housing Development

Front Yard Landscape Improvement Program

OROVILLE REDEVELOPMENT AGENCY



Feather River Recreation & Park District

Reason for Investigation

The 2006-07 Grand Jury focused on the Feather River Recreation and Park District (**FRRPD**) because the response provided by the FRRPD Board of Directors to the findings and recommendations of the 2005-06 Butte County Grand Jury raised concerns. Also, there were three formal complaints filed by concerned citizens.

Background

The District is an independent special district governed by a five-member Board of Directors elected by the community to four year terms. Some recent elections have been for two year terms to replace directors who resigned early. The two year terms will keep the entire board from being up for election at the same time. In accordance with California statute, an unopposed candidate for a board position does not appear on the ballot; the sole candidate wins by default. The Board of Directors must approve all issues of District policy, including any contracts or leases entered into by the District. Although the FRRPD has chosen to use county services for some of their financial operations, they are in fact an independent entity, not accountable to county or city governments.

The January 29, 2007 roster shows ten full time staff including the two salaried employees; the General Manager and the Finance Manager. There is a large cadre of about fifty part time staff including the lifeguards, sports officials, instructors, and maintenance workers. The General Manager reports to the Board and is also the Secretary to the Board. The Finance Manager reports to the General Manager. An organization chart appears as **Exhibit A**.

A good recent description of the FRRPD is available in the *Butte County Local Agency Formation Commission (LAFCO) Municipal Service Review of Recreation and Park Services* dated September 1, 2005. It is available on line at: http://buttelafco.org/common/mod_resource.asp?p=142&f=178. The following description is summarized from that document.

The District covers 735 square miles, including the City of Oroville and the unincorporated communities of Berry Creek, Palermo, Honcut, Bangor, Forbestown, Clipper Mills, and surrounding unincorporated rural areas. First established in 1952, the District is the largest recreation district in Butte County. Taken together, the District has some ownership or lease participation in more than 20 parks. The District's purpose is to provide a diversity of leisure services and facilities that satisfy

the varying recreational needs and desires of the populace.

Population within District boundaries is increasing from the 48,313 reported in the year 2000 to a projected level of about 60,000 in 2015, and about 70,000 in 2025. The four communities of Oroville, Palermo, South Oroville, and Thermalito comprise approximately two-thirds of the District's population.

The September 1, 2005, LAFCO review also commented on the FRRPD finances, noting that the District had significant financial difficulties. The review noted that the District had exhausted its reserves and was relying on the County Treasurer to cover expenses until tax installments became available. The LAFCO report also noted that the District does not have adopted policies covering reserve requirements or capital outlays. The 2005-06 Grand Jury investigation revealed that, despite the poor financial condition reported on at the end of 2005, the FRRPD committed to capital expenditures for which no funds were available.

Investigation

The Grand Jury conducted interviews as follows:

DATE	INTERVIEWS
December 13, 2006	Former employee
December 14, 2006	Citizen complainant
January 25, 2007	Resident of the Park District
February 5, 2007	Citizen complainant Citizen complainant
February 22, 2007	Former General Manager Former Board Member
March 8, 2007	Former Board Member Former Board Member
March 15, 2007	Former attorney for the Park District Current General Manager
March 21, 2007	Current Board Member Current Financial Manager
March 22, 2007	Current Board Chairman
March 29, 2007	Butte County Treasurer's Office
April 4, 2007	Butte County Auditor-Controller's Office

In addition to the fourteen exhibits which appear at the end of this report, we obtained and reviewed the following documents.

1. *2005-06 Butte County Grand Jury Report*
2. *FRRPD letter response to the 2005-06 Butte County Grand Jury Report*; August 9, 2006
3. *"PHASE 1 MASTER PLAN – Final System Inventory and Conditions Report"*; January 2006; prepared for Feather River Recreation and Park District; ESA/205260
4. *Municipal Service Review of Recreation and Park Services*: Butte County Local Agency Formation Commission; September 1, 2005
5. *FRRPD's Financial Statements with Auditor Reports with attached Management Letters for the Fiscal Years Ended June 30, 2004 & 2005* Robert A. Gustafson, CPA, Paradise, California
6. *ENGINEER'S REPORT FRRPD Park Maintenance and Recreation Improvement District; Fiscal Year 2002-03*; July 2002; Engineer of Work: Shilts Consultants, Inc., Fairfield, California
7. *ENGINEER'S REPORT FRRPD Park Maintenance and Recreation Improvement District; Fiscal Year 2005-06*; June 2005; Engineer of Work: Shilts Consultants, Inc., Fairfield, California
8. *ENGINEER'S REPORT FRRPD Park Maintenance and Recreation Improvement District*; June 2006; Engineer of Work, SCI Consulting Group, Fairfield, California
9. *FRRPD Policy and Procedures Handbook*; undated but stated to have been adopted by the Board of Directors on September 15, 2006
10. *FRRPD Personnel Policy Manual*; Adopted by the Board of Directors; December 8, 1981, Resolution No. 81-22; Amended November 15, 1983, resolution No. 83--41
11. Former FRRPD board member's personal binder, including:
 - a. *FRRPD Budget*: 1995-1996
 - b. *FRRPD Financial Reports*; 1995
 - c. *FRRPD Board Handbook*; adopted January 12, 1985, updated periodically through February 6, 1995
 - d. *FRRPD Conflict of Interest Policy* addendum to the Board Handbook
 - e. *FRRPD Master Plan 1984-1994*; August 10, 1984
12. Statements of Economic Interest (California Form 700):
 - a. FRRPD Director John Allen; March 24, 2007
 - b. FRRPD Director Monique Gurr; February 28, 2007
 - c. FRRPD Director Loren Gill; April 2, 2007
 - d. FRRPD Director Jan Hill; March 1, 2007
 - e. FRRPD Director Vene Thompson Jr.; March 1, 2007
 - f. FRRPD General Manager; March 19, 2007
13. FRRPD Income Statement – Government Funds; for the Period Ending February 28, 2007
14. Feather River Recreation, Inventory – All Items; as of March 26, 2007

15. Citizen letter of complaint to the Grand Jury; October 23, 2006
16. Petition to the Grand Jury signed by 20 residents of the FRRPD; August 1, 2006
17. Letter to the Grand Jury from a greater Oroville organization; January 9, 2007
18. Minutes of the FRRPD Board Meetings; (selected) 2005 forward
19. FRRPD Board of Directors Resolution 820-02 (Establishing the Benefit Assessment District); July 24, 2002; and accompanying letters and documents:
 - a. Letter of transmittal to Butte County Auditor's Office; July 29, 2002
 - b. Proposition 218 Certification of Tax Bill Levy
 - c. Property Tax Bill Data Form; August 14, 2002
 - d. Certification of Tax Bill Levy; August 19, 2002
20. Certificates of Coverage; California Association for Park and Recreation Insurance; June 21, 2006; February 1, 2007
21. FRRPD Employee Contact List; January 29, 2007
22. Feather river recreation Fixed Assets by Dept. Thru 6/0/2007; January 29, 2007
23. FRRPD Income Statement for the Period Ending December 31, 2006

Members of the Grand Jury also attended a number of FRRPD Board of Directors meetings as is described later in this report.

The following sections discuss the background and investigation related to twelve specific issues. The numbered findings and recommendations are compiled after discussion of the last issue.

Issue: Policy and Procedure Manual

Background: The 2005-06 Grand Jury recommended that the FRRPD "further develop a comprehensive and clear Personnel Policy and Procedure Manual." The District response promised that a new manual would be in place by October 2006. We wanted to determine whether the new manual was available and adequate.

Investigation: The *FRRPD Policies & Procedures Handbook* was provided on January 24, 2007, in response to a subpoena. This handbook is undated and carries no revision date or number, but the General Manager and the Board Chairman stated that it had been adopted by an FRRPD Board resolution on September 15, 2006. Although they met the October 2006 deadline set by the 2005-06 Grand Jury, the document supplied is not the Personnel Policy and Procedure manual that was requested.

Upon review, the Grand Jury found the supplied handbook deficient in many ways:

- o As noted above, it is undated and carries no revision or amendment information.
- o The handbook is incomplete. For example, the section dealing with compensation of directors has no content.
- o The handbook deals with some fundamental issues only by referencing state law. There are no specifics for the responsibilities for day-to-day operating procedures; for example, there are no substantive guidelines for director ethics.
- o The handbook was obviously put together by haphazardly cutting and pasting of pieces of other park districts' handbooks. For example, there is a very lengthy section dealing with "handling public disturbances at Board Meetings," yet there were important basic issues such as "Compensation of Directors" that were missing.

In the course of our investigation, a former board member provided us an earlier FRRPD Directors Handbook and addenda, originally dated January 12, 1984, and revised periodically through February 6, 1995. This document, although now twelve years out of date, is much more complete and balanced. In our interviews with two current Board members, we learned that the current board was unaware of the earlier handbook. When questioned, they verified that the new version had, in fact, been assembled by patching together segments from other park districts' handbooks. See Finding 1 and Recommendation 1 which appear at the end of this report.

Issue: Personnel Manual

Background: The 2005-06 Grand Jury recommendations included the recommendation that the FRRPD "further develop a comprehensive and clear Personnel Policy and Procedure Manual." The District's response promised that a new manual would be in place by October 2006. We wanted to check that the new manual was available and adequate. Additionally, there was a formal citizen complaint involving two aspects of personnel policy.

Investigation: The Grand Jury subpoenaed the *Policies and Procedures Handbook* which was supplied on January 24, 2007. The handbook did not include personnel related policy or procedures but incorporated by reference a separate *Personnel Policy Manual*. This was supplied on request by the FRRPD Board Chairman on March 29, 2007.

This *Personnel Policy Manual*, which was adopted December 8, 1981, by board resolution No. 81-22 and most recently amended November 15, 1983, by resolution No 83-41, was reviewed by members of the Grand Jury. In addition to being out of date, the document is incomplete in some respects; i.e. the classification guide, though listed in the index, is not present. The FRRPD clearly has not responded to the 2005-06 Grand Jury recommendation.

A citizen complaint dated October 23, 2006, was received by the 2006-07 Grand Jury which raised two issues about district personnel practices. The first issue is whether persons with driving under the influence (**DUI**) records should be, or are, permitted to drive district vehicles. The second issue is whether persons with felony convictions involving molestation or abuse should be permitted to hold positions that put them in proximity to children who use the parks.

We interviewed the complainant and discussed these issues in our interviews with past and current Board members and with the current and former General Managers. The current Board members were unaware of the issues and surprised by the questions. Others interviewed told the Grand Jury that these two issues were being dealt with by the District, for both employees and volunteers, through a common practice of Department of Justice and Department of Motor Vehicles inquiries. The lack of a written policy for either issue makes the District vulnerable to misunderstandings and inconsistent actions, with the potential of exposing the District to embarrassment and liability. See Findings 2, 3, 4, 5, 6, 7 and Recommendation 2 which appear at the end of this report.

Issue: General Management - Staffing

Background: During Grand Jury interviews with citizen complainants, all expressed concern with the staffing situation at FRRPD. The concerns included the recent rapid turnover, the lack of appropriate education and background, and the unfilled positions.

Investigation: The organization chart and a list of staff was subpoenaed and received on January 24, 2007. We discussed the staffing issues with Board members and with the General Manager during our interviews. The Organization Chart (**Exhibit A**) that was supplied was essentially meaningless. Many of the positions shown are not filled. According to the General Manager and the board chairman, there is no current intention of filling most of the vacant positions. Moreover, the Board has changed most of the job titles for the office staff. Witnesses who had day-to-day dealings with the District complained that they had to deal with a different person each time they approached the front office.

There has been a high turnover in office staff since the current General Manager took office in 2006. No clear reason for this has emerged; some witnesses suggested that the General Manager was forcing out staff not "loyal" to him and replacing them with staff who would support him. The Grand Jury was advised

that the staff member who had the best credentials and experience in recreation programs was summarily dismissed, although the record indicated nothing but positive reactions to her work. There is currently no one on staff who has a degree in recreation or the equivalent education and experience. We were told that one assistant to the Finance Manager was also suddenly dismissed by the General Manager. This second dismissal is now being contested.

One notable empty position is that of Park Superintendent; the General Manager, who was the former Park Superintendent, claims he now fills both positions. This was described by the Board members as an economy measure. Our investigations into the various management issues reported elsewhere in this report, as well as discussions with the Board members and the General Manager himself, indicate that he has extensive supervisory experience but does not have the education, experience, or temperament for general management. The assumption of the Park Superintendent duties in addition makes the problem much worse.

Each position requires specialized experience and educational background. The responsibilities with each job title require that one is up-to-date on all current legal changes in their area of focus. An organization as large as FRRPD cannot afford ineffective management. One example of the sort of difficulty that results from ineffective management is shown in a recent stop work order from the City of Oroville, in which the FRRPD General Manager is ordered to cease grading operations at Riverbend Park because the necessary permits were not obtained. The letter also indicates that the General Manager had been informed of the permitting requirements prior to the initiation of work. **(Exhibit B)**

Another example of ineffective management is found in the Audited Financial Statement for fiscal year 2006 **(Exhibit C)**. The November 7, 2006 letter accompanying the statement reports that "the Feather River Recreation and Park District has not presented management's discussion and analysis that the Government Accounting Standards Board has determined is necessary to supplement although not required to be part of the basic financial statements." A letter from the FRRPD General Manager **(Exhibit D)** which was issued after the Financial Statement was published provides the management discussion and analysis that should have accompanied the auditor's report. However, the letter characterizes the audit as an audit of "government activities," presumably an attempt to justify the fact that the debt to the Bank of the West (about \$500,000 at the time of the audit) does not appear in the audited financial statements. See Findings 8, 9 and Recommendations 3, 4, 5 which appear at the end of this report.

Issue: General Management – Master Plan

Background: The Grand Jury expected to better understand the operations and management of the district by examining the current FRRPD Master Plan. A former Board Member supplied us with a copy of an earlier Master Plan covering the ten year period from 1984 to 1994. Although quite complete, it is of course out of date.

Investigation: The January 24, 2007, subpoena response included a document entitled “Phase One Master Plan (Final System Inventory and Conditions Report)” dated January 2006. This document is very well executed and represents a complete first step towards a master plan. However it is not a master plan. In our discussions with the current Board members, we learned that no further funding of the consulting firm that produced the Phase One report has occurred and that none is currently planned because the cost is thought to be prohibitive.

There is an ad hoc committee of the FRRPD Board of Directors called the Master Plan Committee. At every Board meeting attended by representatives of the Grand Jury, this ad hoc committee reported no activity.

The Chairman of the FRRPD Board, when asked about the absence of a Master Plan or any long term plan, offered instead the “2007 FRRPD Park and Facility Goals” (**Exhibit E**) that the Board had adopted for the current year. This document turns out to be a one page “to do” list, e.g. “fix restroom doors.” This is not a Master Plan.

One of the current Board members, when asked about the Master Plan issue, stated that “our Master Plan is to try and survive for another year.” See Finding 10 and Recommendation 6 which appear at the end of this report.

Issue: Financial Management – Debt and Cash Flow

Background: This investigation is a part of the Grand Jury’s response to a petition signed by 20 citizens requesting an audit of the Park District’s books. The report published by last year’s Grand Jury discussed FRRPD’s difficulty in managing its cash flow. Essentially Butte County was “covering” current park district obligations until the twice-yearly tax receipts were available to pay back the County. This informal short term borrowing, although expedient, is not sound financial practice; it had been going on for many years and was the subject of a number of formal complaints to the FRRPD by the Butte County Treasurer and Auditor-Controller.

In an ideal situation, an organization such as the FRRPD would have enough working capital, or reserves, to smooth out the irregularities in tax receipts by covering payroll and other current expenses until the tax receipts were available.

Then the reserve account would be restored. The working capital, when not being used for this purpose, would earn interest for the district.

If an organization does not have enough working capital to finance the delays in receipt of income, it can use short term borrowing to smooth over the shortages. This can be done by establishing a line of credit at a lending institution and then drawing on it as needed and paying it back as the funds become available. This borrowing and payback would result in no carry over of debt from one year to the next. This approach has the disadvantage that interest is paid, but only during the times of year when there is an outstanding balance. It should be used to finance current operations and should not create a long term debt.

Investigation: We learned of the line of credit in our first interview of a current board member. It was stated that it was for \$1,000,000, half of which had been drawn immediately. When we interviewed the Finance Manager, the existence of the line of credit was confirmed, and the current outstanding balance was estimated at around \$900,000. The Finance Manager's understanding was that the full line of credit (\$1,000,000) would be outstanding by the end of the fiscal year in June 2007, but that a second line of credit was in the works.

The Chairman of the FRRPD Board of Directors, when interviewed on March 22, 2007, confirmed that the outstanding balance on the line of credit was over \$900,000. The Chairman testified that there was no second loan in the works and that the Board had budgeted for a debt retirement process to begin paying down the balance. The Grand Jury requested a copy of the loan document which the Chairman supplied on March 29, 2007. **(Exhibit F)**

The line of credit was originally established on May 31, 2006, at \$1,000,000. It was amended on January 30, 2007, to increase the maximum to \$2,000,000. The variable interest on the outstanding balance is set by the LIBOR (London Interbank Offered Rates) index, currently around 4.5%. There is no specific collateral mentioned in the loan documents, but there are a number of requirements including the reporting of any encumbrance of district assets, and that the district provide an annual budget showing that the interest will be paid. The Grand Jury interpretation of the collateral situation is that the bank has a claim against all FRRPD assets in case of default. The line of credit is good for ten years; thus it must be fully repaid by May 2016.

At an outstanding balance over \$900,000, with an interest rate of about 4.5%, it is costing the district over \$40,000 a year just to pay the interest on this debt. If no more is drawn from the line of credit, it would take an annual payment of about \$224,000 to pay off the loan over the next five years. That amount is a substantial drain on the annual revenue of the district which is about \$2,000,000. If the FRRPD fully utilizes the \$2,000,000 line of credit, they will be in a situation where they will need to allocate nearly \$500,000 per year, or about one quarter of their income, to pay down the debt over a five year period. In the May 1, 2007,

Special Board Meeting, the FRRPD drew additional funds from the line of credit, bringing the total debt to approximately \$1,200,000. The ability of the District to operate and properly maintain the park facilities has been compromised to the extent that money is diverted to debt service.

In the interviews with the County Treasurer's office and with the Auditor-Controller and some of his staff, we learned that the General Manager of the FRRPD had agreed to provide a monthly update of the district's financial status. Copies of this correspondence were made available to the Grand Jury. One letter from the General Manager dated February 1, 2007, **(Exhibit G)** states that "...the District has used these borrowed funds to pay project costs associated with Riverbend of \$303,554, Bedrock Skate and Bike Park of \$188,752, sponsored projects intended to create revenue...." Thus a major use of the line of credit was to pay off unfunded capital commitments. We note that the Credit Agreement which implements the Line of Credit **(Exhibit F)** states, in section 2.1.1, that "Proceeds of the Line of Credit shall be used to finance various maintenance projects in the district."

Other aspects of the District's financial situation are discussed in another section, but it should be noted that this borrowing took place in an environment where neither the Board, nor the General Manager, nor the new Finance Manager could possibly have a clear and current understanding of the District's financial situation. The knowledgeable staff had all been fired or had resigned. Also, the old accounting system was replaced with a new system which was not fully operational. See Findings 11, 12, 13, 14, 15 and Recommendations 7, 8, 9, 10, 11, 12 which appear at the end of this report.

Issue: Financial Management - Planning

Background: The petition from 20 concerned citizens received by the Grand Jury on August 1, 2006, specifically asked that our investigation include "projected maintenance costs." The concern is that the recent increases in capital assets such as Riverbend and the Skate and Bike Park, and the recent need to devote current income to debt service will leave the FRRPD without the necessary funds to maintain the parks and recreation facilities. Also, as the debt situation became clear to the Grand Jury, we wanted to understand the plan for debt management and retirement. A long term financial plan for the district would clarify both of these issues.

Investigation: Records produced in response to our subpoena yielded nothing resembling a financial plan. Interviews with the Financial Manager, the General Manager, and current Board members all indicated that there is no long-term financial plan. The District operates on an annual budget, required by law, which is prepared each spring for the following fiscal year which begins on July 1 and is submitted to the County Auditor-Controller. There is no planning document that looks beyond next year's budget.

In our interview with the Butte County Auditor-Controller, we learned that his office is concerned regarding the District's financial health and lack of a long term financial plan. The Auditor-Controller's Office had suggested that FRRPD seek professional guidance to establish a plan for repayment of the amounts borrowed, but no action from the District has been taken. The Auditor-Controller and the Treasurer's Office also requested a monthly financial status report which the District agreed to provide. To date the County has received essentially letters of assurance from the District describing its plans and achievements. No comprehensive financial reports have been provided.

The District has made some attempts to increase revenue. They have reviewed their fee structure by a comparison study with other park districts and have increased program and facility use fees accordingly. The District is negotiating with the City of Oroville to implement the collection of impact fees for the District from within the city limits. The General Manager described a number of longer term construction projects at FRRPD parks in cooperation with developers and schools which could generate future income. However, there is no organized assessment of the realism, timing, or amounts that might be generated. We could not find any estimate of the amount of front-end money and effort required from the District for these proposed projects.

During the interview with the General Manager, he responded to our question about required maintenance expense for the District with an estimate which was several hundred thousand dollars per year less than that required in previous years, even though the District has more facilities to maintain. No documentation or explanation was offered to support his estimates. See Finding 16 and Recommendation 13 which appear at the end of this report.

Issue: Financial Management – Staffing

Background: In the course of our investigation of the various financial issues concerning the District, the Grand Jury noted that the financial management was in disarray. We focused on the financial management staffing to see if that might be part of the problem.

Investigation: The Financial Manager (**FM**) was most cooperative in our interview. During the interview we learned that the FM had some relevant experience and was currently working towards a degree in accounting. There was a sense that the FM was overwhelmed partly because of the newness of the job, but also because the former staff members who held any corporate knowledge of how things worked had either quit or been fired. Also, the lack of appropriate support staff required that the FM do the day-to-day tasks such as posting payments to the correct accounts and delivering daily receipts to the County Treasurer's Office. This impeded progress in getting the books organized.

When we inquired about the obviously incorrect balance sheet **(Exhibit H)** submitted in response to subpoena, we learned that the new accounting software had not yet been set up, so it was not possible to produce a meaningful financial picture. This was still true at the time of the interview (March 21, 2007) although a few weeks later the Board Chairman, after being questioned about the financial situation, sent to the Grand Jury an updated balance sheet **(Exhibit I)** which included the missing liability entry for the debt to the Bank of the West. However, it appeared that the balance sheet had been corrected manually, so it does not necessarily signify that the new software is fully operational.

At every FRRPD Board meeting attended by Grand Jury members, in March, April and May, presentation of a financial report was on the agenda. Each time, the FM offered an apology for being unable to present a financial report.

Our interview with representatives of the Butte County Auditor-Controller's Office, who work with the FRRPD FM on a day-to-day basis, confirmed our impression that the FRRPD is inadequately staffed to handle their financial affairs. The Auditor-Controller's office recommended that the FRRPD contract with a professional financial advisor to get things in order, but no action has been taken on that advice. The Auditor-Controller's Office also supplied copies of correspondence (both internal and with the FRRPD) which delineated a number of situations in which funds were not handled properly. For example, **(Exhibit J)** in January 2007 the District drew approximately \$250,000 from the line of credit established with the bank and then did not use the money for several months and lost track of it. This caused not only confusion but also resulted in an unnecessary interest expense estimated at about \$5000. See Findings 17, 18, 19 and Recommendations 14, 15, 16 which appear at the end of this report.

Issue: Public Service and Relations - Conduct of Board Meetings

Background: The Grand Jury received a letter complaining about the conduct of the FRRPD Board meetings. The complaint noted that the FRRPD had changed the time of the meetings to 3:30 in the afternoon, which is much less conducive to citizen participation than the evening meetings which were the earlier practice. The letter went on to report that at a recent Board meeting, the Board members were huddled around a conference table so that members of the public could not make eye contact with the Board members, nor could they easily hear the Board member discussion. When a complaint was made, they were told by a Board member "it works for us." The letter goes on to state that one Board member, the same member who had argued earlier for even more severe limits on public comments at the meeting, filibustered the meeting by reading magazine articles aloud to use up the time remaining. This was viewed as another technique to limit public comment and input.

Investigation: The details of the written complaint were confirmed during interviews with the authors; the Board member who had argued for limits in public input and then had filibustered the meeting was identified as Director Thompson. One complainant had attended the FRRPD Board meetings regularly for many years, but had recently stopped because of the Board's apparent policy of discouraging public participation.

When interviewed, the Board chairman denied that the Board had adopted a policy of discouraging public attendance and participation at Board meetings. The meeting time change was described as a cost cutting measure; the District would not have to pay extra to hourly employees if their presence was required. In a follow up letter (**Exhibit K**), the Chairman said that the local newspaper had been contacted and would publicize the Board meetings, but as of this writing in early June, no such notice has been observed.

In order to better understand the issue, members of the Grand Jury attended a number of FRRPD Board meetings as follows:

February 28, 2007	Two Grand Jury members attended
March 14, 2007	Three Grand Jury members attended
March 28, 2007	Two Grand Jury members attended
April 11, 2007	Three Grand Jury members attended
May 9, 2007	Four Grand Jury members attended

The Grand Jury members attended as members of the public and wore no identifying badges. There was no advance notice to the Board; the Grand Jury members did not ask to speak at any of the meetings; they were there only to observe.

All of the meetings, except one, were held in the room adjacent to the gymnasium in the Oroville Municipal Auditorium. A movable partition separates this room from the gymnasium. The FRRPD headquarters and offices are in this same building. The acoustics in the meeting room are terrible. Many of the Board members are soft-spoken, so it is difficult for the audience to hear what they are saying. This problem is much worse when there is a noisy athletic event in progress in the adjacent gym as was often the case. There is no audio system. It is questionable whether the narrow entry doors provide access for the disabled. The one meeting that was held at a different site was no better. The site was outdoors at Riverbend Park. The ability to hear what was said by the Board members was even worse than at the Municipal Auditorium.

The new Policies and Procedures Handbook, supplied by the District in response to subpoena, states that the Board meetings will normally be held at the Oroville City Council Chambers. The change to the present location evidently became a standard practice in the fall of 2006. All of the meetings we attended were in fact held in the afternoon. The Board Chairman testified that the meetings had been

held in the evening until the fall of 2006 when the Board changed the regular meeting time to 3:30 pm.

The only notice of meetings is a posting on the front door of the FRRPD office. Although the regular meetings are scheduled at the same times each month, the Board has been holding many special meetings which, by law, require even less advance notice (24 instead of 72 hours). For example, the special Board meeting held on January 5, 2007, had no other purpose than to approve the increase in the line of credit with the Bank of the West from \$1,000,000 to \$2,000,000. Because this increase did not actually take place until January 30, the approval could have been done at the regular meeting five days later on January 10. During the week of April 23, 2007, the FRRPD held three Board meetings as follows:

Monday, April 23	Special Meeting	(Budget discussion)
Wednesday, April 25	Regular Meeting	
Thursday, April 26	Special Meeting	(To approve impact fee letter)

The public is not well served if important discussions and actions take place in special meetings. It should be noted that the regular Board meetings are scheduled twice a month.

We observed that members of the audience were treated appropriately at those meetings where Director Thompson was absent. When he was present, the Grand Jury observed that Director Thompson exhibited hostile and verbally abusive behavior towards the audience. Some examples are:

- o According to the minutes of the April 11th meeting, Director Thompson spoke as follows: "...informed them that he wanted to discuss something that had not been approved by the board, nor did they have any prior knowledge of it. He stated that he didn't like there [sic] Gestapo tactics and believes they are on the verge of harassment for frequent appearances at our Board meetings. He would like to know what they are investigating. He also stated that he is preparing a letter to be sent to the Attorney General with a list of Grand Jury members' names from this year and last year and he does not understand the witch hunting." **(Exhibit L)**
- o At the meeting on May 9th, Director Thompson conspicuously photographed the Grand Jury members in attendance, both inside and outside the building. During the Pledge of Allegiance, he added the words "and to the Grand Jury" into his recitation. Later, Director Thompson made an insulting reference to the "members of the Gestapo present" while gesturing towards the audience.
- o One of the Grand Jury members attending the March 28th meeting was interfered with by another member of the audience who sat next to the Grand Jury member and suggested that she had no

business taking notes because she did not understand what was going on. The interference was continued by talking directly into the Grand Jury member's ear, so that it was very difficult for her to hear what was being said in the meeting. The offending person was later identified as the spouse of an FRRPD Director.

Director Thompson's expressed lack of familiarity with Grand Jury responsibilities and procedures is especially bizarre because he once served on a Butte County Grand Jury.

The new Board policy is effectively discouraging public participation; the Grand Jury members were usually the only public attendees. The District lawyer was briefly present at one meeting. A consultant to the District was present at another. A member of the Citizens Oversight Committee was present at one meeting. On two other occasions we observed two other community groups that sent representatives to a meeting. See Findings 20, 21 and Recommendations 17, 18, 19 which appear at the end of this report.

Issue: Public Service and Relations - Citizens Oversight Committee

Background: In 2002 the residents of the FRRPD voted to approve a benefit assessment district supported by an annual tax added to their real estate tax bills. The tax is collected by Butte County and disbursed to the Park District as a separate fund for maintenance of FRRPD facilities. The former General Manager testified that the District, in the promotional literature encouraging voters to support the benefit assessment, promised to set up a Citizens Oversight Committee to oversee the allocation and utilization of the benefit assessment funds.

This committee was formed. When the Grand Jury studied the district's web site in March 2007, an advertisement was found seeking citizen volunteers to fill vacancies on the Citizens Oversight Committee; the advertisement gave an October of 2006 deadline for submittal of applications. The advertisement was many months out of date.

Investigation: When the Grand Jury began to attend the Park District Board meetings, we learned from the discussions that the Oversight Committee had more than one vacancy, had not been able to achieve a quorum to support a meeting for several quarters; and that there had been essentially no recruiting activity since the web site advertisement had been placed in the summer of 2006.

When we interviewed the Board Chairman on March 22, 2007, she expressed some surprise at the fact that the web site advertisement was out of date. In a letter to the Grand Jury following the interview (**Exhibit K**), the Chairman stated

that the web site notice would be updated; it subsequently was updated to eliminate the long past October 2006 deadline for applications.

At the May 9, 2007, Board meeting, the most recently attended as of this writing, the issue was further discussed. It was suggested that candidates would be interviewed and new members for the Oversight Committee selected just prior to the next regular board meeting. See Finding 22 and Recommendation 20 which appear at the end of this report.

Issue: Programs for Seniors

Background: In our review of the FRRPD Website, the Grand Jury noticed that the District is working with only one of the two senior citizen organizations in the greater Oroville area. Complainants who were interviewed indicated a lack of senior programs.

Investigation: We interviewed representatives of one senior citizen organization at length. We also questioned past and present Board members about the adequacy of programs oriented towards participation by seniors. Everyone agreed that there were too few offerings. The Board members attributed this to lack of funds.

In our review of past and present FRRPD Activity Guides (**Exhibits M and N**), we found an overall reduction in program offerings in all age categories. In the offerings for seniors, we found that FRRPD no longer offers trips and tours, many of which were heavily attended by seniors. Social dances have also been eliminated. These cuts may have been made as a result of declining enrollment and participation, but as with any programming, there needs to be promotion. Representatives from the senior community have attended board meetings to express their desire for more offerings, but to date, their concerns have not been adequately addressed.

The former General Manager provided us with the history of the FRRPD working relationship with senior organizations. He also said that there had been efforts to work cooperatively with both seniors organizations in Oroville, but that these past efforts had proved unsuccessful, due to personality conflicts. See Findings 23, 24 and Recommendations 21, 22 which appear at the end of this report.

Issue: Conflict of Interest Incident

Background: Two citizen complainants indicated during their interviews that an FRRPD Director voted at a Board meeting to award a contract to a firm owned by a close relative of the Board member. In a situation of this sort, the proper procedure is that the Board member disclose the conflict of interest, then recuse himself from the discussion and abstain from the vote on the contract award.

Investigation: The Grand Jury interviewed the Board member involved who admitted that the incident had indeed occurred and stated that it was now recognized by that Board member to have been improper. The vote came up soon after the election of the Board member and before receiving ethics training.

We reviewed the subpoenaed FRRPD Policies and Procedures Handbook received on January 24, 2007. The Handbook gives no substantive guidance to Board members on any ethics issue. The Handbook incorporates the standard Conflict of Interest Code by reference, but gives no summary of its provisions. This leaves a new director or employee in a potentially awkward situation with no guidance at hand.

The Grand Jury also reviewed the FRRPD Directors Handbook, originally dated January 12, 1984, and revised periodically through February 6, 1995. We obtained this document from a former FRRPD Board member. The current Board seems to be unaware of this earlier Handbook. The earlier handbook has appended to it a succinct summary of the ethics obligations of a Board member. If this handbook were still in use, a new Board member would have a convenient and timely way to become informed on avoiding conflict of interest situations. See Finding 25 and Recommendation 23 which appear at the end of this report.

Issue: Skate & Bike Park Funding

Background: The 2005-06 Grand Jury investigated and reported on the funding of the Skate & Bike Park. They found that funds were committed without the required Board approval. In the formal response to the 2005-06 Grand Jury report, the FRRPD stated that the funds had been properly approved at a Board meeting, but that the records of that meeting had been destroyed.

The FRRPD directed the General Manager to conduct an investigation of the Skate and Bike Park funding and report to the Board. The General Manager responded with a "time line" showing the dates on which all of the required funding approvals had occurred. The Board formally accepted the General Manager's report and declared that the issue was settled as described in the Board minutes of December 13, 2006:

**"B. RESOLUTION 928-06 ADOPTING TIMELINE IN REGARDS TO
AUTHORIZATION MADE BY THE BOARD OF DIRECTORS FOR THE
FEATHER RIVER RECREATION AND PARK DISTRICT SKATE AND
BIKE PARK**

GM Sharkey read the timeline. Chairman Gurr read the resolution. Director Allen thanked GM Sharkey for the through [sic] timeline. The District's Attorney, Jessica Miller, stated that if further information is requested regarding the funding or any other issue surrounding the Bedrock Skate and Bike Park, she will respond with a letter and this

resolution. If she deems it necessary, she will have a Director who was present at the time period in question write a letter attesting to the validity of what the timeline states.

Director Gill motioned to approve Resolution 928-06. Director Hill seconded the motion and it passed by the following vote:

Ayes: Directors Allen, Gill, Hill, Thompson, and Chairman Gurr

Noes:

Absent:"

The published minutes do not include the wording of the resolution.

Investigation: The Grand Jury interviewed two former Board members and the former legal counsel to the Board. All three were involved in Board activities at the time in question. They were in agreement that the funding had not been approved at a Board meeting, and that the minutes had not been destroyed; rather, they never existed because there had been no approval and no Board meeting at which an approval occurred. We also reviewed in detail the report of the prior Grand Jury and the extensive records kept by a former member of the Board who was familiar with district activities at the time. We noted that the investigation requested by the Board was conducted by the General Manager who was implicated by the 2005-06 Grand Jury in the alleged mishandling of funds. See Finding 26 and Recommendation 24 which appear at the end of this report.

Findings

1. The FRRPD management has lost track of, or has chosen to ignore, the established Directors Handbook for the district and has instead hastily assembled an inadequate and incomplete *Policies and Procedures Handbook*.
2. The FRRPD management is remiss in not following the 2005-06 Grand Jury recommendation that an updated Personnel Policy document be provided to facilitate the operation of the District.
3. The FRRPD Personnel Policy Manual has not been updated since November 15, 1983.
4. Personnel practices are not well documented or well understood by the FRRPD Board and General Manager.
5. The Personnel Manual does not contain a written policy consistent with state law regarding screening of employees in proximity to children.
6. The Personnel Manual does not contain a written policy regarding DUI, Live Scan and Department of Justice screening(s).
7. The Personnel Manual does not include the "Classification" list referred to in its index.

8. The current General Manager is unsuited to his job and is over committed in his dual assignment as General Manager and Park Superintendent.
9. No one on the FRRPD staff has a degree in recreation.
10. The FRRPD has no Master Plan, nor any other form of long range plan, nor is there any current effort to produce a long range plan.
11. The FRRPD Board and General Manager have mishandled District financial affairs; by doing so they have placed the District in a position of debt from which it will be difficult to recover.
12. The lack of a functional accounting system makes it impossible for the Board to exercise the appropriate oversight.
13. The FRRPD will finish the current fiscal year in June 2007 owing more than \$1,000,000 on the \$2,000,000 line of credit that it has established.
14. The borrowed money was used in part to pay off obligations created by a capital project for which there were not sufficient funds.
15. The interest and principal payments required to service and retire this debt impose a substantial burden on the FRRPD finances. If the District continues to borrow against the line of credit, the burden will grow proportionately.
16. The FRRPD General Manager and Board have not provided long term financial planning for the District.
17. The General Manager and the Board of Directors have failed to provide the FRRPD with the staff necessary to handle day-to-day financial affairs of the District. There is neither enough experience nor enough staff.
18. There is no regular reporting of financial status at Board Meetings.
19. The accounting software is not fully operational.
20. The FRRPD is actively discouraging public participation in the affairs of the district, most particularly in meetings of the Board of Directors.
21. Director Thompson is discouraging public participation in FRRPD Board meetings by persistent harassment of some attendees. The remainder of the Board tolerates this behavior without public comment.
22. The FRRPD Board and General Manager have not actively recruited members for the Benefit Assessment District Citizens Oversight Committee. The Oversight Committee was promised to the voters when the Benefit Assessment District was being promoted.
23. The FRRPD does not adequately serve the senior citizens in the District.
24. Currently the FRRPD is working cooperatively with only one of the two senior citizen organizations in the greater Oroville area.

25. The FRRPD Board and General Manager are remiss in not providing timely guidance to new Board members on their conflict of interest responsibilities.
26. Credible testimony from knowledgeable witnesses concerning the appropriation of funds for the Skate and Bike Park contradicts the account given by the FRRPD Board in their response to the 2005-06 Grand Jury Report. The FRRPD Board's investigation into the appropriation process was conducted by the General Manager who, as a principal in the situation, would appear to be biased.

Recommendations

1. The FRRPD Board should further develop a more relevant, comprehensive and concise *Policies & Procedures Handbook* that includes adoption and amendment dates. The handbook should be reviewed by the District's legal counsel and in place by October 2007.
2. The FRRPD Board should revise and update the Personnel Manual to assure that all policies and procedures are clearly stated, especially those related to pre-employment and periodic screenings. The manual should include job descriptions for each full or part time employee, as well as volunteer positions which document the duties and typical tasks related to each position and which set forth the minimum education and experience required for each position. The Personnel Manual should be completed by October 2007 and reviewed by the District's legal counsel.
3. The FRRPD Board should hire a General Manager with strong management experience and qualifications.
4. The FRRPD Board should hire a Park Superintendent.
5. The FRRPD Board should hire a Recreation Director with an appropriate degree or equivalent experience.
6. The FRRPD Board should immediately resume the commitment to produce an up-to-date long range plan for the District. It should be completed before June 2008.
7. The FRRPD Board should hire a General Manager with appropriate financial management expertise.
8. The FRRPD Board should ensure that it has competent financial management expertise available either in its own financial manager or by hiring a financial management consultant.
9. The FRRPD Board should assure that the accounting system is made operational.
10. The FRRPD Board should review the District's balance sheet and cash flow in detail each month.

11. The FRRPD Board and management should use the line of credit only for cash flow management.
12. The FRRPD Board should budget to pay off the incurred debt well in advance of the ten year limit.
13. The FRRPD Board should arrange to have a long term financial plan prepared before October 2007. It should cover at least the next five years. In addition to the usual cash flow projections the plan should pay detailed attention to:
 - a. The maintenance part of operating costs
 - b. A schedule for debt retirement
 - c. An independent evaluation of the amount, timing, and likelihood of extraordinary income items, such as re-licensing payments, concession income from Riverbend Park, and development venture income
 - d. The FRRPD investment required to pursue the potential income items above
14. The FRRPD Board should arrange to have a financial staff of between two and three full time equivalents, including the FM.
15. The FRRPD Board should ensure that the financial manager position be filled by a degreed professional with some years of appropriate experience.
16. The FRRPD Board should see that the accounting software is set up and running so that a monthly formal report can be made to the Board of Directors. If the existing staff cannot complete the setup work by August 1, 2007, the work should be contracted out to a financial consulting firm.
17. The FRRPD Board should adopt a resolution affirming the Board's commitment to public attendance at, and participation in, the Board meetings.
18. The FRRPD Board should change the logistics and conduct of the Board meetings so as to facilitate public participation:
 - a. Change the time of all meetings back to the evening.
 - b. Change the venue back to City Council Chambers or some other location that has adequate acoustics, an audio system, accessibility for the disabled, and is not impacted by external noise.
 - c. Require that all Board members treat attendees with respect.
 - d. Provide 72 hour prior public notice of the meetings by arranging for publication in the local newspaper and by keeping the District website current.
 - e. Publish the agenda and minutes on the website at least 72 hours prior to a regularly scheduled meeting and at least 24 hours prior to a special meeting.
 - f. Restrict the use of special board meetings to emergency situations.

19. The FRRPD Board should adopt a resolution which formally recognizes that Board Member Thompson's behavior has become an embarrassment to the FRRPD and to the community, and which requests his immediate resignation from the Board.
20. The FRRPD Board should fulfill its election commitment by assuring that the Citizens Oversight Committee has sufficient members and performs its duties.
21. The FRRPD Board and General Manager should explore ways to increase their offerings for seniors. This should be a focus area for a qualified Recreation Director, once hired.
22. The FRRPD Board and General Manager should work cooperatively with both greater Oroville senior organizations to arrange facilities and programs for seniors.
23. The FRRPD Board and General Manager should include in the revision of the Policies and Procedures Handbook (recommended elsewhere in this report) a summary of the conflict of interest related obligations of Board members and other designated officials of the District.
24. The Butte County District Attorney should conduct an investigation into the alleged mishandling of funds for the Skate and Bike Park project and into the possibly biased Board-requested investigation of the appropriation process to see if criminal charges should be brought against the Board and the General Manager.

Required Responses (Penal Code §933 & §933.05)

Feather River Recreation & Park District Board of Directors
Butte County District Attorney

Feather River Recreation & Park District

Index of Exhibits

- A. FRRPD Organizational Chart (Revised 9/15/06); supplied January 2007
- B. Letter (Stop Work Order) from the City of Oroville to the FRRPD General Manager; May 8, 2007
- C. *Financial Statements with Auditor's Report for the Fiscal Years Ended June 30, 2006 FRRPD, Oroville, California*; Robert A. Gustafson, CPA, Paradise, California
- D. Letter from FRRPD to Robert A. Gustafson, CPA dated November 15, 2007.
- E. *2007 FRRPD PARK AND FACILITY GOALS*; not dated; supplied by FRRPD Board Chairman on March 22, 2007.
- F. Credit Agreement dated May 31, 2006 between Bank of the West and FRRPD; with First Amendment to Credit Agreement dated January 30, 2007
- G. Letter from FRRPD to Butte County Tax Collector and Butte County Auditor concerning use of Bank of West loan funds; February 1, 2007
- H. FRRPD Balance Sheet; December 31, 2006
- I. FRRPD Balance Sheet – Governmental Funds; February 28, 2007
- J. *UPDATE OF FRRPD FINANCIAL SITUATION*; internal e-mail dated January 19, 2007; Butte County Auditor/Controller's Office
- K. Letter from FRRPD Board Chairman to the Butte County Grand Jury; March 29, 2007; Follow-up on March 22 interview
- L. *04/11/07 Regular Board Meeting Minutes, FEATHER RIVER RECREATION AND PARK DISTRICT, 1200 MYERS STREET, OROVILLE, CA 95965*
- M. FRRPD Activities/Facilities Listing (from previous rec. guide); marked 2006
- N. FRRPD Activities/Facilities Listing (Revised); undated – presumed to be 2007

Organizational



Chart (Revised 9/15/06) *still coming*

BOARD OF DIRECTORS

District General Manager

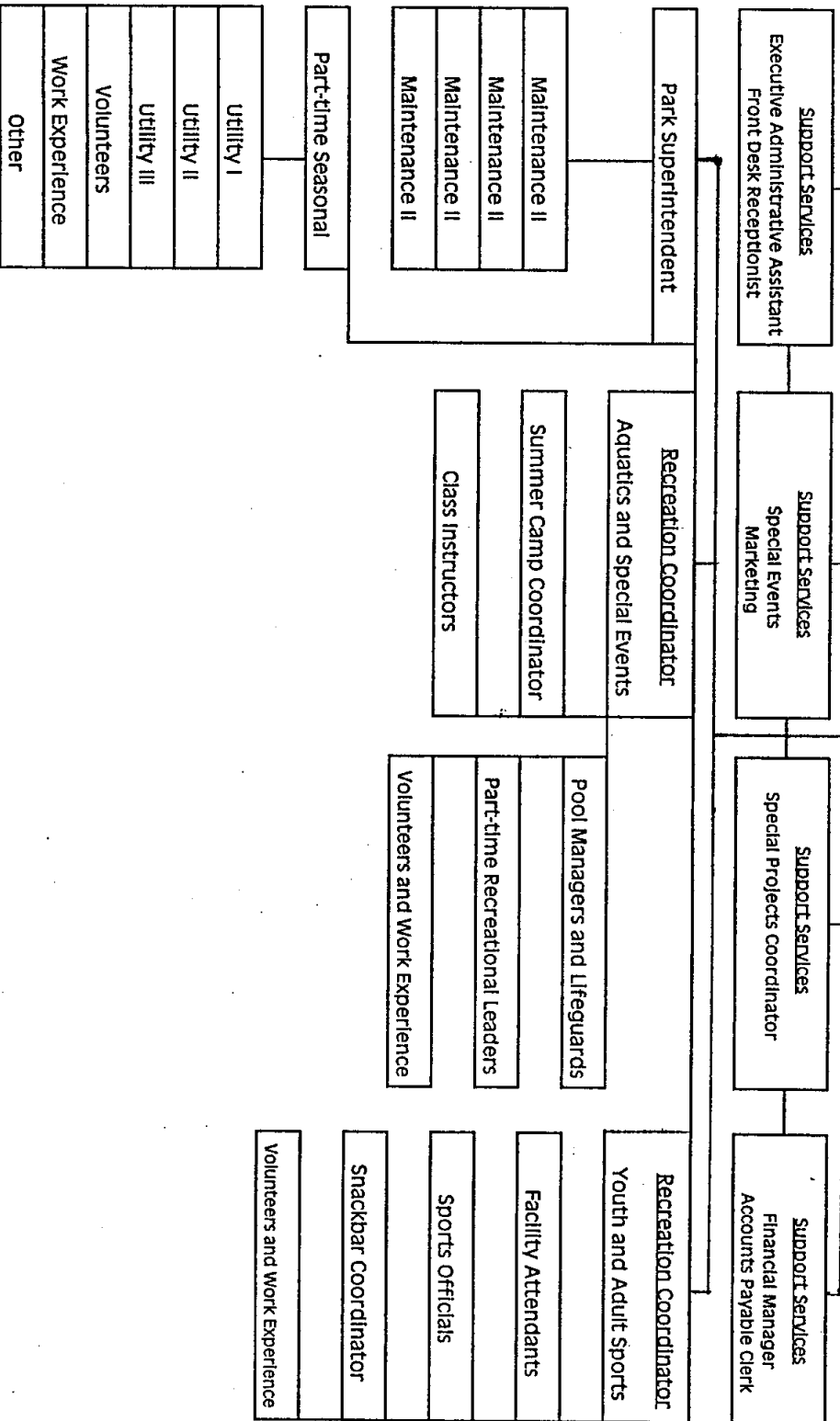


Exhibit A

Exhibit B**CITY OF OROVILLE**

DEPARTMENT OF COMMUNITY DEVELOPMENT
AND PUBLIC WORKS
1735 MONTGOMERY STREET • OROVILLE, CA 95965-4897

530-538-2401
Fax 530-538-2426

May 8, 2007

Mr. Robert Sharkey
Feather River Recreation and Park District
1200 Meyers Street
Oroville, California 95965

**RE: STOP WORK ORDER
RIVERBEND PARK GRADING OPERATIONS**

Mr. Sharkey:

This is to advise you that pursuant to Oroville Municipal Code Section 9B-10 you are ordered to immediately stop the grading operations that are currently taking place at the Riverbend Park. This order is due to the fact that the Feather River Recreation and Park District (District) has yet to secure an approved grading permit from the City of Oroville as required by City Code Sections 9B-1 and 9B-5. In addition to the requirement to secure an approved grading permit from the City, the District was previously advised during a meeting held at City Hall of the additional requirements outlined below.

- Submittal of a Feather River 100-year floodwater rise evaluation for the grading operations as required by National Flood Insurance Program regulations. This analysis needs to be signed by a California Registered Civil Engineer.
- Submittal of a Stormwater Pollution Prevention Plan for the project as required by the State Water Resources Control Board's "General Permit for Storm Water Discharges Associated With Construction Activity".
- Submittal evidence of permit compliance (or statements of non-jurisdiction for this phase of work) from U.S. Army Corps of Engineers, United States Department of Interior Fish and Wildlife Service, California Department of Fish and Game and the Central Valley Regional Water Quality Control Board (Water Quality Certification).

If you have any questions regarding these matters, feel free to call me at (530) 538-2422

Sincerely,

Eric M. Teitelman, P.E.
Director of Public Works

cc: Sharon Anderson

Building & Fire Safety
Division
530-538-2425

Code Enforcement
Division
530-538-2435

Engineering
Division
530-538-2420

Operations & Maintenance
Division
530-538-2490

Planning
Division
530-538-2430

Exhibit C

FEATHER RIVER RECREATION & PARK DISTRICT
OROVILLE, CALIFORNIA

FINANCIAL STATEMENTS
WITH AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2006

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Feather River Recreation and Park District
Oroville, CA 95965

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Feather River Recreation and Park District as of the fiscal year ended June 30, 2006. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

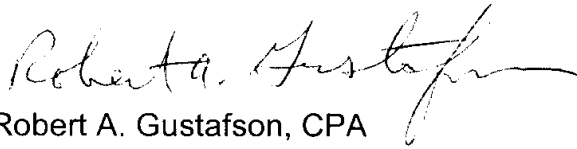
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States.

Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Feather River Recreation and Park District as of June 30, 2006, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund, the Benefit Assessment Fund and the River Bend Park Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The Feather River Recreation and Park District has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement although not required to be part of the basic financial statements.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, reading "Robert A. Gustafson". The signature is written in dark ink and is positioned above the printed name.

Robert A. Gustafson, CPA
Paradise, California
November 7, 2006

Feather River Recreation & Park District
Statement of Net Assets
June 30, 2006

	Governmental-type Activities
ASSETS	
Cash in County Treasury	\$ 436,046
Reserved Cash in County Treasury	114,003
Petty cash	856
Accounts receivable	668,332
Interest receivable	81,249
Capital assets:	
Land	529,494
Other capital assets, net of accum. depr.	8,480,737
Total Assets	10,310,717
LIABILITIES	
Accounts payable	403,553
Due to other funds	313,618
Warrants payable	121,874
Payroll payable	35,145
Noncurrent liabilities:	
Notes payable	
Due within one year	9,236
Due in more than one year	25,518
Liability for compensated absences	
Due in more than one year	26,128
Total Liabilities	935,072
NET ASSETS	
Investment in capital assets - net of related debt	8,116,977
Restricted for Impact and Development	114,003
Unrestricted	1,144,665
Total Net Assets	\$ 9,375,645

The accompanying notes are an integral part of this statement.

Feather River Recreation & Park District
Statement of Activities
For the year ended June 30, 2006

Functions/Programs	Program Revenues				Net (expense) Revenue
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities: Recreation	\$ 2,480,009	\$ 202,484	\$ -	\$ 3,654,931	\$ 1,377,406
			Governmental Activities		
Changes in net assets: Net (expense) revenue			\$ 1,377,406		
General revenues:					
Taxes			1,066,706		
Impact and Development Fees			29,088		
Unrestricted investment income			19,692		
Other revenue			499,974		
Changes in net assets			2,992,866		
Net assets, beginning			\$ 6,382,779		
Net assets, ending			\$ 9,375,645		

The accompanying notes are an integral part of this statement.

Feather River Recreation & Park District
Governmental Funds - Balance Sheet
Year Ended June 30, 2006

	General Fund	Major Funds		Other Governmental Funds	Total Governmental Funds
		Benefit Assessment	River Bend Park		
<u>Assets and Other Debits</u>					
Cash in County Treasury	\$ 306,422	\$ 98,696	\$ (7,790)	\$ 38,718	\$ 436,046
Reserved Cash in County Treasury	114,003				114,003
Petty cash	856	-	-	-	856
Accounts receivable	156,481	-	336,705	175,146	668,332
Interest receivable	3,744	821	76,363	321	81,249
Total Assets and Other Debits	<u>\$ 581,506</u>	<u>\$ 99,517</u>	<u>\$ 405,278</u>	<u>\$ 214,185</u>	<u>\$ 1,300,486</u>
<u>Liabilities</u>					
Liabilities:					
Accounts payable	\$ 403,553	\$ -	\$ -	\$ -	\$ 403,553
Due to other funds	170,571	-	46,642	96,405	313,618
Payroll Payable	35,145	-	-	-	35,145
Warrants payable	121,874	-	-	-	121,874
Total Liabilities	<u>731,143</u>	<u>-</u>	<u>46,642</u>	<u>96,405</u>	<u>\$ 874,190</u>
<u>Fund Balances</u>					
Fund balances:					
Reserved for petty cash	856	-	-	-	856
Reserved for general	10,000	-	-	-	10,000
Reserved for Impact and Development	114,003	-	-	-	114,003
Unreserved:					
Designated for special purposes					
Undesignated	(274,496)	99,517	358,636	117,780	301,437
Total Fund Balances	<u>(149,637)</u>	<u>99,517</u>	<u>358,636</u>	<u>117,780</u>	<u>426,296</u>
Total Liabilities and Fund Balances	<u>\$ 581,506</u>	<u>\$ 99,517</u>	<u>\$ 405,278</u>	<u>\$ 214,185</u>	<u>\$ 1,300,486</u>

The accompanying notes are an integral part of this statement.

Feather River Recreation and Park District
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets

Year Ended
June 30, 2006

Total fund balances – governmental funds	\$426,296

In governmental funds, only current assets are reported.
In the statement of net assets, all assets are reported,
including capital assets and accumulated depreciation.

Capital assets at historical cost	10,663,331	
Accumulated depreciation	(1,653,100)	
		9,010,231

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities are reported. Long-term liabilities relating to governmental activities consist of:

Liability for compensated absences	(26,128)

Notes payable	<u>(34,754)</u>

Net assets of governmental activities	<u><u>\$9,375,645</u></u>

The accompanying notes are an integral part of this statement.

Feather River Recreation & Park District
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2006

	General Fund	Major Funds		Other Governmental Funds	Total Governmental Funds
		Benefit Assessment	River Bend Park		
Revenues:					
Taxes:					
Current secured property taxes	\$ 927,116	\$ -	\$ -	\$ -	\$ 927,116
Current supplemental property taxes	67,837	-	-	-	67,837
Current unsecured property taxes	43,433	-	-	-	43,433
Prior property taxes	1,882	-	-	-	1,882
Miscellaneous taxes	5,489	-	-	-	5,489
Reserved for Impact and Development	29,088	-	-	-	29,088
Interest income	6,265	3,134	9,300	993	19,692
Aid from other governmental agencies:					
State: Homeowners' property tax relief	20,949	-	3,400,420	-	20,949
Intergovernmental revenue	-	-	-	320,633	3,721,053
Charges for current services	202,484	-	-	-	202,484
Other revenue	262,248	191,945	16	45,765	499,974
Total Revenues	1,566,791	195,079	3,409,736	367,391	\$ 5,538,997
Expenditures:					
Salaries and benefits	751,086	66,826	3,199	-	821,111
Services and supplies	507,152	72,454	-	1,678	581,284
Contributions to Other Agencies	4,660	-	-	-	4,660
Taxes and assessments	1,305	-	-	-	1,305
Fixed assets	755,015	6,646	3,395,408	277,744	4,434,813
Debt service principal	-	9,236	-	-	9,236
Debt service interest	-	3,515	-	-	3,515
Rebates and refunds	24,928	-	-	-	24,928
Total Expenditures	2,044,146	158,677	3,398,607	279,422	5,880,852
Excess (deficiency) of revenues over expenditures	(477,355)	36,402	11,129	87,969	(341,855)
Fund balances at beginning of year	327,818	58,648	347,507	34,178	768,151
Prior year adjustment	(100)	4,467	-	(4,367)	-
Undesignated fund balance at end of year	\$ (149,637)	\$ 99,517	\$ 358,636	\$ 117,780	\$ 426,296

The accompanying notes are an integral part of this statement

Feather River Recreation and Park District
Governmental Funds
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of
Government Funds

	Year Ended June 30, 2006
Net Change in Fund Balances – Total governmental funds	\$(341,855)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalizable assets added back to fund balances	3,499,199
Depreciation	(118,993)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end.	
6/30/2005 accrual	(66,122)
6/30/2006 accrual	0
Repayment of debt principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	9,236
Increases in accumulated employee sick and vacation pay are recorded as expense when earned in the statement of activities	<u>11,401</u>
Change in Net Assets of Governmental Activities	<u><u>\$2,992,866</u></u>

The accompanying notes are an integral part of this statement.

Feather River Recreation & Park District
General Fund
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes (note 5):				
Current secured property taxes	\$ 865,000	\$ 865,000	\$ 927,116	\$ 62,116
Current supplemental property taxes	45,000	45,000	67,837	22,837
Current unsecured property taxes	40,000	40,000	43,433	3,433
Prior property taxes	1,500	1,500	1,882	382
Miscellaneous taxes	8,000	8,000	5,489	(2,511)
Reserved for Impact and Development	-	-	29,088	29,088
Interest income	1,000	1,000	6,265	5,265
Aid from other governmental agencies:				
State: Homeowners' property tax relief	21,254	21,254	20,949	(305)
Intergovernmental revenue	-	-	-	-
Charges for current services	174,000	174,000	202,484	28,484
Other revenue	23,676	23,676	262,248	238,572
Total Revenues	<u>1,179,430</u>	<u>1,179,430</u>	<u>1,566,791</u>	<u>387,361</u>
Expenditures:				
Salaries and benefits	863,156	863,156	751,086	(112,070)
Services and supplies	387,979	387,979	507,152	119,173
Contributions to other agencies	4,410	4,410	4,660	250
Taxes and assessments	1,000	1,000	1,305	305
Fixed assets	40,000	40,000	755,015	715,015
Appropriation for contingencies	160,000	160,000	-	(160,000)
Debt service principal	-	-	-	-
Debt service interest	-	-	-	-
Rebates and refunds	-	-	24,928	24,928
Total Expenditures	<u>1,456,545</u>	<u>1,456,545</u>	<u>2,044,146</u>	<u>587,601</u>
Excess (deficiency) of revenues over expenditures	(277,115)	(277,115)	(477,355)	(200,240)
Fund balances at beginning of year	327,818	327,818	327,818	-
Prior year adjustment	-	-	(100)	(100)
Fund balance at end of year	<u>\$ 50,703</u>	<u>\$ 50,703</u>	<u>\$ (149,637)</u>	<u>\$ (200,340)</u>

The accompanying notes are an integral part of this statement.

Feather River Recreation & Park District
Major Fund - Benefit Assessment
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes:				
Current secured property taxes	\$ -	\$ -	\$ -	\$ -
Current supplemental property taxes	-	-	-	-
Current unsecured property taxes	-	-	-	-
Prior property taxes	-	-	-	-
Miscellaneous taxes	-	-	-	-
Reserved for Impact and Development	-	-	-	-
Interest income	6,000	6,000	3,134	(2,866)
Aid from other governmental agencies:				
State: Homeowners' property tax relief	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for current services	-	-	-	-
Other revenue	184,000	184,000	191,945	7,945
Total Revenues	190,000	190,000	195,079	5,079
Expenditures:				
Salaries and benefits	66,826	66,826	66,826	-
Services and supplies	76,674	76,674	72,454	(4,220)
Contributions to other agencies	-	-	-	-
Taxes and assessments	-	-	-	-
Appropriation for contingencies	30,000	30,000	-	(30,000)
Fixed assets	62,978	62,978	6,646	(56,332)
Debt service principal	10,000	10,000	9,236	(764)
Debt service interest	1,500	1,500	3,515	2,015
Rebates and refunds	-	-	-	-
Total Expenditures	247,978	247,978	158,677	(89,301)
Excess (deficiency) of revenues over expenditures	(57,978)	(57,978)	36,402	94,380
Undesignated fund equity at beginning of year	58,648	58,648	58,648	-
Prior year adjustment	-	-	4,467	4,467
Fund balance at end of year	\$ 670	\$ 670	\$ 99,517	\$ 98,847

The accompanying notes are an integral part of this statement.

Feather River Recreation & Park District
Major Fund - River Bend Park
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2006

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Taxes:				
Current secured property taxes	\$ -	\$ -	\$ -	\$ -
Current supplemental property taxes	-	-	-	-
Current unsecured property taxes	-	-	-	-
Prior property taxes	-	-	-	-
Miscellaneous taxes	-	-	-	-
Reserved for Impact and Development	-	-	-	-
Interest income	-	-	9,300	9,300
Aid from other governmental agencies:				
State: Homeowners' property tax relief	-	-	-	-
Intergovernmental revenue	746,739	746,739	3,400,420	2,653,681
Charges for current services	-	-	-	-
Other revenue	-	-	16	16
Total Revenues	<u>746,739</u>	<u>746,739</u>	<u>3,409,736</u>	<u>2,662,997</u>
Expenditures:				
Salaries and benefits	-	-	3,199	3,199
Services and supplies	-	-	-	-
Contributions to other agencies	-	-	-	-
Taxes and assessments	-	-	-	-
Fixed assets	1,069,770	1,069,770	3,395,408	2,325,638
Debt service principal	-	-	-	-
Debt service interest	-	-	-	-
Rebates and refunds	-	-	-	-
Total Expenditures	<u>1,069,770</u>	<u>1,069,770</u>	<u>3,398,607</u>	<u>2,328,837</u>
Excess (deficiency) of revenues over expenditures	(323,031)	(323,031)	11,129	334,160
Undesignated fund equity at beginning of year	<u>347,507</u>	<u>347,507</u>	<u>347,507</u>	-
Fund balance at end of year	<u>\$ 24,476</u>	<u>\$ 24,476</u>	<u>\$ 358,636</u>	<u>\$ 334,160</u>

The accompanying notes are an integral part of this statement.

FEATHER RIVER RECREATION & PARK DISTRICT
Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Feather River Recreation & Park District provides recreation services to residents of the Oroville area of Butte County. The District is an autonomous Special District of the State of California formed under Section 5780-5791 of the Public Resources Code Article V, and is governed by a five-member Board of Directors elected by the voters of the District. A salaried District Manager administers the operations of the District in accordance with policies adopted by the Board of Directors. These financial statements encompass all fiscal activities conducted by the District.

The District's basic financial statements include the operations of all organizations for which the Board of Trustees exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability of fiscal matters.

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying basic financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No.39.

B. Basis of Presentation

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-wide Statements

The Statement of Net Assets and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall District government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational need of a particular program, and (c) fees, grants, and contributions that are restricted

FEATHER RIVER RECREATION & PARK DISTRICT
Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the District's major governmental funds are identified and presented separately in the fund financial statements.

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures equal to ten percent of their fund-type total. The General Fund is always a major fund.

The District reported the following major governmental funds in the accompanying financial statements:

General Fund

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the District.

Benefit Assessment Fund

This fund is a special revenue fund that accounts for assessment revenues collected and expenditures paid by the District.

River Bend Park Fund

This fund is a special revenue fund that accounts for donations and grants collected and expenditures paid by the District.

D. Basis of Accounting

The government-wide financial statements are reported using *the economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

FEATHER RIVER RECREATION & PARK DISTRICT
Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgements, and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services.

E. Budgetary Principles

The District prepares and legally adopts a final operating budget on or before October 1 each fiscal year. Until the adoption of this final budget, operations are governed by the proposed budget approved by the Board in July. The Board then adopts the final budget by August 1, and submits it to Butte County. Butte County adjusts the budget to reflect their most current estimates of tax revenue. These adjustments are automatically accepted by the Board.

F. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The District's policy is to capitalize all capital assets with costs exceeding a minimum threshold of \$2,000.

The purpose of depreciation is to spread the cost of capital assets equitable among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the cost of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The District has assigned the useful lives listed below to capital assets.

Structures	40 Years
Improvements	40 Years

FEATHER RIVER RECREATION & PARK DISTRICT

Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

Equipment	7 Years
Office furniture and equipment	3-7 Years

G. Property Taxes

The District receives property taxes from Butte County (County), which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. The District's property taxes are levied each July 1, on the assessed values as of the prior January 1, for all real and personal property located in the District. Property sold after the assessment date (January 1) is reassessed and the amount of supplemental property tax levied is prorated. Secured property taxes are due in two installments on November 1, and February 1, and are delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

The District participates in the County "Teeter Plan" method of property tax distribution and thus receives 100% of the District's apportionment each fiscal year, eliminating the need for an allowance for uncollectible taxes. The County, in return, receives all penalties and interest on the related delinquent taxes. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not collections, according to the following schedule: 55 percent in December, 40 percent in April, and 5 percent as the end of the fiscal year.

H. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(2) CASH AND INVESTMENTS

A. Investment Policy

The District maintains a cash and investment pool that is available for use by all funds. California statutes authorize Districts to invest idle or surplus funds in a variety of credit instruments as provided for in California Government Code Section 53601, Chapter 4 – Financial Affairs.

The Government Code allows investments in the following instruments:

- Securities of U.S. Government, or its agencies
- Small Business Administration Loans

FEATHER RIVER RECREATION & PARK DISTRICT

Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan associations
- Negotiable Certificates of Deposit
- Bankers' Acceptances
- Commercial paper and medium term corporate notes
- Local Agency Investment Fund (State Pool) Demand Deposits
- Repurchase Agreements (Repos)
- Passbook Savings Account Demand Deposits
- Reverse Repurchase Agreements

B. Collateral and Categorization Requirements

Pooled Cash

All pooled cash is entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits.

The District may waive collateral requirements for deposits, which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

Credit Risk, Carrying Amount, and Fair Value

Cash is classified in three categories of credit risk as follows:

- Category 1 – Insured or collateralized with securities held by the District or by its agent in the District's name;
- Category 2 – collateralized with securities held by the pledging financial institution's trust department or agent in the District's name; and
- Category 3 – uncollateralized.

Investments are also classified in three categories of credit risk as follows:

- Category 1 – Insured or registered, with securities held by the District or its agent in the District's name;
- Category 2 – uninsured and unregistered, with securities held by the counterparty's trust department or agent in the District's name; and

FEATHER RIVER RECREATION & PARK DISTRICT

Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

Category 3 – uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the District's name.

Investments in pools managed by other governments or in mutual funds are not required to be categorized.

The District's investments by category as of June 30, 2006 are as follows:

	<u>Category</u>			<u>Fair Value/ Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Pooled Investment with County of Butte (net of warrants payable)	\$ -	\$ -	\$ -	\$ 428,175
Total Investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,175</u>

C. Marking Investments to Fair Value (GASB Statement No. 31)

The District has adopted Governmental Accounting Standards Board Statement No. 31, which requires that the District's investments be carried at fair value instead of cost. Under GASB Statement No. 21, the District must adjust the carrying value of its investments to reflect their fair value at each fiscal year end, and it must include the effects of these adjustments in income for that fiscal year.

GASB Statement No. 31 applies to all District investments, even if they are held to maturity and redeemed at full face value. Since the District's policy is to hold all investments to maturity, the fair value adjustments required by GASB Statement No. 31 result in accounting gains or losses (called "recognized" gains or losses) which do not reflect actual sales of the investments (called "realized" gains or losses). Thus, recognized gains or losses on an investment purchased at par will now reflect changes in its value at each succeeding fiscal year-end, but these recognized gains or losses will net to zero if the investment is held to maturity. By following the requirements of GASB Statement No. 31, the District is reporting the amount of resources which would actually have been available if it had been required to liquidate all its investments at any fiscal year-end.

(3) CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2006 was as follows:

FEATHER RIVER RECREATION & PARK DISTRICT
Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Land	\$ 534,494	\$ -	\$ -	\$ 534,494
Depreciable capital assets	6,634,638	3,499,199	-	10,133,837
Less: accumulated depreciation	(1,534,107)	(118,993)	-	(1,653,100)
Net depreciable capital assets	5,100,531	3,380,206	-	8,480,737
Net capital assets	<u>\$ 5,635,025</u>	<u>\$ 3,380,206</u>	<u>\$ -</u>	<u>\$ 9,015,231</u>

Depreciation expense for the fiscal year ended June 30, 2006, was \$118,993 and has been recorded in the General Fund in the Statement of Activities.

(4) LONG-TERM DEBT

Compensated Absences

This represents the liability that the district would have to pay its employees if the District ceased to conduct business on the balance sheet date.

Notes Payable

The District has borrowed \$65,000 from Tri Counties Bank on February 2, 2002. The note bears variable interest currently at 7.0% per annum. Twice yearly payments are \$4,618 plus interest. Maturities for the next five years are as follows:

<u>For Year End</u>	
6/30/2007	9,236
6/30/2008	9,236
6/30/2009	9,236
Thereafter	7,046
	<u>\$ 34,754</u>

Changes in long-term debt

Long-term debt activity for the fiscal year ended June 30, 2006 was as follows:

FEATHER RIVER RECREATION & PARK DISTRICT

Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Notes payable	\$ 43,990	\$ -	\$ 9,236	\$ 34,754

(5) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

There is no claims liability to be reported based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount for the loss can be reasonably estimated.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverage for each of the past three years.

The District has obtained general liability, auto liability, and property insurance through the California Association for Park and Recreation Insurance (CAPRI).

The Worker's Compensation Insurance is carried through PARDEC (Park And Recreation District Employee Compensation).

The coverage amounts follow:

Coverage Period >>>>>>	<u>4/05 - 6/06</u>
General Liability - \$1,000 deductible	\$10 million
Public Officials Liab. - \$1,000 deductible	\$10 million
Auto Liability - \$1,000 deductible	\$10 million
Public Officials & Employee Liability	\$10 million
Property Insurance	\$50 million
Earthquake & Flood	\$5 million
	<u>FY 2005/06</u>
Workers Compensation Insurance	\$ 2 million

FEATHER RIVER RECREATION & PARK DISTRICT

Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

(6) NET ASSETS AND FUND BALANCES

A. Net Assets

Net assets are the excess of all the District's assets over all its liabilities, regardless of fund. Net assets are divided into three captions under GASB Statement No. 34. These captions apply only to net assets, which is determined only at the government-wide level, and are described below.

Invested in capital assets, net of related debt describes the portion of net assets which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the District cannot unilaterally alter.

Unrestricted describes the portion of net assets that do not meet the definition of "invested in capital assets net of related debt" or "restricted".

B. Fund Balances, Reserves, and Designations

In the governmental funds financial statements, fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditure.

Designation

Portions of fund balance have been designated for specific purposes as follows:

General Reserve – Amount held by the District for future special purposes.

Reserve

Petty cash – Amounts available in the petty cash fund.

(7) REVENUE LIMITATION IMPOSED BY CALIFORNIA PROPOSITION 218

Proposition 218, which was approved by the voters in 1996, will regulate the District's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

FEATHER RIVER RECREATION & PARK DISTRICT
Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

(8) DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN)

A. Plan Description

The Feather River Recreation and Park District contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS annual financial report may be obtained from their Executive Office – 400 P Street, Sacramento, CA 95814.

B. Funding Policy

The District makes the contributions required of District employees on their behalf and for their account. The rates are set by statute and therefore generally remain unchanged from year to year. The present actuarially determined rates of annual covered payroll is as follows:

Category	Member Rates as a Percentage of Wages
Local Miscellaneous members	7.0%

The contribution requirements of the plan members are established by State statutes and the employer contribution rate is established and may be amended by Cal PERS.

Annual Pension Cost

For fiscal year 2005/06, the District's annual pension cost of \$37,671 for PERS was equal to the District's required and actual contributions. The required contribution for fiscal year 2005/06 was determined as part of the June 30, 2003 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members; and (c) no cost-of-living adjustment. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of the District's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period depending on the size of the investment gains and/or losses.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2004	\$ -	100.0%	\$0
6/30/2005	\$ 10,719	100.0%	\$0
6/30/2006	\$ 37,671	100.0%	\$0

FEATHER RIVER RECREATION & PARK DISTRICT
Fiscal Years Ended June 30, 2006

NOTES TO THE FINANCIAL STATEMENTS

Required Supplementary Information
Funded Status of Plan Risk Pool

Valuation Date	Accrued Liabilities	Actuarial Assets	Unfunded Liabilities (UL)	Funded Ratio	Annual Covered Payroll	UL As a % of Payroll
6/30/2003	2,596,966,545	2,372,879,034	224,087,511	91.4%	725,020,458	30.9%
6/30/2004	2,746,095,668	2,460,944,656	285,151,012	89.6%	743,691,970	38.3%
6/30/2005	2,891,460,651	2,588,713,000	302,747,651	89.5%	755,046,679	40.1%

(9) DEFERRED COMPENSATION PLAN

In addition to the standard social security coverage, the District offers its employees a deferred compensation retirement plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by California Public Employees Retirement System.

All full-time employees are eligible for inclusion in the plan. The plan allows for the employee to contribute to the plan up to an amount as allowed by current law.

(10) FUND DEFICITS

The following funds had expenditures in excess of revenue for the fiscal year:

General Fund	\$477,355
Bedrock Tennis Court	989

The following fund had a negative fund balance at June 30, 2006:

General Fund	\$149,637

(11) LEASES

The District leases a copier from Canon Financial Services, Inc. Future rentals for the following years are as follows:

<u>For Year Ended</u>	
6/30/07	\$2,162
6/30/08	\$2,162
6/30/09	\$1,982

Feather River Recreation & Park District
Nonmajor Governmental Funds - Special Revenue Funds
 Combined Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 2006

	Boating and Waterways	Bedrock Tennis Court	Nelson Park Addition	Prop 12	Skate/Bike Park	Prop 40	Totals
Assets:							
Cash in County Treasury	\$ 61	\$ 2,036	\$ 23,575	\$ 4,224	\$ 8,312	\$ 510	\$ 38,718
Accounts receivable	-	-	-	8,045	167,101	-	175,146
Interest receivable	1	26	222	32	-	40	321
Total Assets	\$ 62	\$ 2,062	\$ 23,797	\$ 12,301	\$ 175,413	\$ 550	\$ 214,185
Liabilities:							
Due to other funds	-	-	-	8,045	88,360	-	96,405
Total Liabilities	-	-	-	8,045	88,360	-	96,405
Fund Equity:							
Unreserved:							
Undesignated	62	2,062	23,797	4,256	87,053	550	117,780
Total Liabilities and Fund Equity	\$ 62	\$ 2,062	\$ 23,797	\$ 12,301	\$ 175,413	\$ 550	\$ 214,185
Revenues:							
Interest	\$ 2	\$ 109	\$ 849	\$ (101)	\$ 35	\$ 99	\$ 993
Intergovernmental revenue	-	-	-	2,333	-	318,300	320,633
Other revenue	-	-	-	-	87,457	(41,692)	45,765
Total Revenues	2	109	849	2,232	87,492	276,707	367,391
Expenditures:							
Salaries and benefits	-	-	-	-	-	-	-
Services and supplies	-	1,098	-	-	580	-	1,678
Debt service principal	-	-	-	-	-	-	-
Debt service interest	-	-	-	-	1,035	276,709	277,744
Fixed Assets	-	-	-	-	-	-	-
Total Expenditures	-	1,098	-	-	1,615	276,709	279,422
Excess (deficiency) of revenues over expenditures	2	(989)	849	2,232	85,877	(2)	87,969
Fund equity at beginning of year	60	3,051	22,948	6,491	1,176	452	34,178
Prior year adjustment	-	-	-	(4,467)	-	100	(4,367)
Fund balance at end of year	\$ 62	\$ 2,062	\$ 23,797	\$ 4,256	\$ 87,053	\$ 550	\$ 117,780

The accompanying notes are an integral part of this statement.



Exhibit D

FEATHER RIVER RECREATION & PARK DISTRICT

OROVILLE, CALIFORNIA 95965

MUNICIPAL AUDITORIUM, 1200 MYERS STREET

PHONE: (530) 533-2011 • FAX: (530) 533-2724

November 15, 2006

Robert A. Gustafson, CPA
7076-A Skyway
Paradise, CA 95969

Dear Mr. Gustafson:

We are providing this letter in connection with your audit of the financial statements of Feather River Recreation & Park District as of June 30, 2006 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Feather River Recreation & Park District and the respective changes in financial position in conformity with U.S. generally accepted accounting principles.

We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal controls, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of November 15, 2006, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included by the financial reporting entity.
2. We have made available to you all –
 - a. Financial records and related data.
 - b. Minutes of the meetings of our Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:

Management,

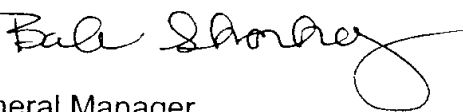
Employees who have significant roles in internal control, or

Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
10. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the District is contingently liable.
 - c. All accounting estimates, including fair value measurements, that could be material to the financial statements, including key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable under the circumstances, consistently applied, and adequately disclosed.

11. We are responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
12. There are no –
 - a. Violations or possible violations of budget ordinances, laws, and regulations, including those pertaining to adopting, approving, and amending budgets, provision of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a gain for recording a loss contingency.
 - b. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, and we have not consulted a lawyer concerning litigation, claims, or assessments.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d. Reservations or designations of fund equity that were not properly authorized or approved.
13. As part of your audit, you prepared the drafted financial statements and related notes. We have designated a competent employee to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
14. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
15. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
16. The financial statements include all component units, as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

17. The financial statements properly classify all funds and activities.
18. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
19. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
20. Provisions for uncollectible receivables have been properly identified and recorded.
21. Expenses have been appropriately classified in or allocated to the functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
22. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
23. Inter-fund, internal, and intra-entity activity and balances have been appropriately classified and reported,
24. Special and extraordinary items are appropriately classified and reported.
25. Deposits and investment securities are properly classified as to risk.
26. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
27. Required supplementary information (RSI) is measured and presented within prescribed guidelines.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signature: 

Title: General Manager

Date: November 15, 2006

Exhibit E

2007 FRRPD PARK AND FACILITY GOALS

Bedrock Park

Letter requesting that the City of Oroville deed the last portion of Bedrock Park over to the District.
Find agreement with City of Oroville regarding bike path responsibilities.
Manage invasive weeds, followed by native plant establishment within the riparian corridor.

Municipal Auditorium

Repair ceiling: essential for both Auditorium and Prospect Conference Room.
Redesign plaza removing tree and adding a water feature and tables for outdoor seating.
Renovate lobby to enhance customer service area.

Playtown Park

Replace chain-link fence on the west side of park (5th Avenue) or entire fence. Improve security lighting, add tables and fix drinking fountain.

Gary Nolan Sports Complex

Separate PG&E metering for irrigation and lighting systems to facilitate accurate billing to each user group.

Martin Luther King Jr. Park and Amphitheater

Lower the wattage on security lighting. It is brighter than needed; actually is encouraging park use in non-park hours.
Reduce from 1,000 watts.
Fix restroom doors.
Expand and enhance playing field to accommodate soccer games for fall of 07.

Nelson Sports Complex

Develop and improve pathway connections around the whole complex, particularly between ball fields, restrooms and concession stands. Establish path connections to the bleachers for visitors. Improve accessibility so that visitors don't have to walk on grass. New Dinosaur for the play area.
Expand softball Field #1 #2 #3 to increase demand for the playfield, improve competitive play, green monsters.

Palermo Park and Pool

Fix restroom doors. Modify the tot lot surface from sand materials to wood-fiber. Review contracts and update.

Forbestown Community Park and Charles Lynnds Hall / Berry Creek-Harts Mill

Review contracts and possible acquisition.

Riverbend Park

Develop North end of park to accommodate soccer fields by grading, sprinklers and turf. Solicit SBF fund for one million dollars to complete soccer fields. Acquire 150 acres from Fish & Game.

Park- and Facility-Wide Issues

Want to see a strategic approach to facilities management, whether it is a phased approach or focusing on a single park at a time.

Develop a Zero Tolerance Policy for graffiti on FRRPD facilities and parks. Consider a 48-hour timeframe for removal.
Create a new logo for FRRPD to go along with the new mission statement (letterheads, envelopes, uniforms, logo wear, etc.).

Take a more realistic approach to what it takes to maintain each facility in terms of materials and supplies. At present, we (the District) are not working with an accurate baseline.
Recommend doing a line item budget, because when cuts have been made it does not reflect what is being done on the ground.

All playgrounds need safety surfaces. Currently have \$3,000/year budget for wood-fiber materials. However, this material deteriorates and settles, in order to maintain a minimum level of depth and good upkeep, \$3,000/year is not sufficient. Staff would like to allocate \$5,000/year.

Exhibit F

FIRST AMENDMENT TO CREDIT AGREEMENT

This FIRST Amendment to Credit Agreement (the "Amendment") is made and entered into as of January 30, 2007, by and between BANK OF THE WEST (the "Bank") and FEATHER RIVER RECREATION AND PARK DISTRICT (the "Borrower") with respect to the following:

This Amendment shall be deemed to be a part of and subject to that certain Credit Agreement dated as of May 31, 2006, as it may be amended from time to time, and any and all addenda and riders thereto (collectively the "Agreement"). Unless otherwise defined herein, all terms used in this Amendment shall have the same meanings as in the Agreement. To the extent that any of the terms or provisions of this Amendment conflict with those contained in the Agreement, the terms and provisions contained herein shall control.

WHEREAS, the name of the Borrower was incorrectly identified in the Agreement and the Borrower and the Bank mutually desire to amend and/or modify the Agreement to correct this error.

NOW THEREFORE, for value received and hereby acknowledged, the Borrower and the Bank agree as follows:

1. **Correction of Borrower Name.** Each occurrence of the Borrower's name in the Agreement, which is incorrectly identified as "FEATHER RIVER PARK AND RECREATION DISTRICT" is hereby modified and amended to read "FEATHER RIVER RECREATION AND PARK DISTRICT".
2. **Change in Line of Credit Dollar Amount.** The dollar amount for Line of Credit provided for in Section 2.1.1 of the Agreement shall be changed to \$2,000,000.00.
3. **Representations and Warranties.** The Borrower hereby reaffirms the representations and warranties contained in the Agreement and represents that no event, which with notice or lapse of time, could become an Event of Default, has occurred or is continuing.
4. **Confirmation of Other Terms and Conditions of the Agreement.** Except as specifically provided in this Amendment, all other terms, conditions and covenants of the Agreement unaffected by this Amendment shall remain unchanged and shall continue in full force and effect and the Borrower hereby covenants and agrees to perform and observe all terms, covenants and agreements provided for in the Agreement, as hereby amended.
5. **Governing Law.** This Amendment shall be governed and construed in accordance with the laws of the State of California to which jurisdiction the parties hereto hereby consent and submit.
6. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Loan Extension/Amendment 000000007620118



1050211842 34 FEATHER RIVER PARK

IN WITNESS WHEREOF, this Amendment has been executed by the parties hereto as of the date first hereinabove written.

BANK:

BANK OF THE WEST

BY: David Glasser
NAME: David Glasser, Vice President

BORROWER:

**FEATHER RIVER RECREATION AND PARK
DISTRICT**

BY: Robert Sharkey
NAME: Robert Sharkey, General Manager and
Secretary

BY: Monique Gurr
NAME: Monique Gurr, Chairman

ADDRESS:

1200 Meyers Street
Oroville, CA 95965

CREDIT AGREEMENT

(LINE OF CREDIT)

This Agreement (the "Agreement") is made and entered into as of May 31, 2006, by and between BANK OF THE WEST (the "Bank") and FEATHER RIVER PARK AND RECREATION DISTRICT (the "Borrower"), on the terms and conditions that follow:

SECTION

1

DEFINITIONS

- 1.1 **Certain Defined Terms:** Unless elsewhere defined in this Agreement, the following terms shall have the following meanings (such meanings to be generally applicable to the singular and plural forms of the terms defined):
- 1.1.1 **"Advance":** shall mean an advance to the Borrower under the credit facility (ies) described in Section 2.
 - 1.1.2 **"Business Day":** shall mean a day, other than a Saturday or Sunday, on which commercial banks are open for business in California.
 - 1.1.3 **"Environmental Claims":** shall mean all claims, however asserted, by any governmental authority or other person alleging potential liability or responsibility for violation of any Environmental Law or for Discharge or injury to the environment or threat to public health, personal injury (including sickness, disease or death), property damage, natural resources damage, or otherwise alleging liability or responsibility for damages (punitive or otherwise), cleanup, removal, remedial or response costs, restitution, civil or criminal penalties, injunctive relief, or other type of relief, resulting from or based upon (a) the presence, placement, discharge, emission or release (including intentional and unintentional, negligent and non-negligent, sudden or non-sudden, accidental or non-accidental placement, spills, leaks, Discharges, emissions or releases) of any Hazardous Material at, in, or from property, whether or not owned by the Borrower, or (b) any other circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.
 - 1.1.4 **"Environmental Laws":** shall mean all federal, state or local laws, statutes, common law duties, rules, regulations, ordinances and codes, together with all administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any governmental authorities, in each case relating to environmental, health, safety and land use matters; including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Solid Waste Disposal Act, the Federal Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Emergency Planning and Community Right-to-Know Act, the California Hazardous Waste Control Law, the California Solid Waste Management, Resource, Recovery and Recycling Act, the California Water Code and the California Health and Safety Code.
 - 1.1.5 **"Environmental Permits":** shall have the meaning provided in Section 4.11 hereof.

- 1.1.6 **"ERISA"**: shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, including (unless the context otherwise requires) any rules or regulations promulgated thereunder.
- 1.1.7 **"Event of Default"**: shall have the meaning set forth in Section 6.
- 1.1.8 **"Expiration Date"**: shall mean June 1, 2016, or the date of termination of the Bank's commitment to lend under this Agreement pursuant to Section 7, whichever shall occur first.
- 1.1.9 **"Hazardous Materials"**: shall mean all those substances which are regulated by, or which may form the basis of liability under, any Environmental Law, including all substances identified under any Environmental Law as a pollutant, contaminant, hazardous waste, hazardous constituent, special waste, hazardous substance, hazardous material, or toxic substance, or petroleum or petroleum derived substance or waste.
- 1.1.10 **"Indebtedness"**: shall mean, with respect to the Borrower, (i) all indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which the Borrower is liable, contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which the Borrower otherwise assures a creditor against loss and (ii) obligations under leases which shall have been or should be, in accordance with generally accepted accounting principles, reported as capital leases in respect of which the Borrower is liable, contingently or otherwise, or in respect of which the Borrower otherwise assures a creditor against loss.
- 1.1.11 **"LIBOR Advance"**: shall have the respective meaning as it is defined for each facility under Section 2, hereof.
- 1.1.12 **"LIBOR Interest Period"**: shall have the respective meaning as it is defined for each facility under Section 2, hereof.
- 1.1.13 **"LIBOR Rate"**: shall have the respective meaning as it is defined for each facility under Section 2, hereof.
- 1.1.14 **"Line Account"**: shall have the meaning provided in Section 2.2 hereof.
- 1.1.15 **"Line of Credit"**: shall mean the credit facility described as such in Section 2.
- 1.1.16 **"Obligations"**: shall mean all amounts owing by the Borrower to the Bank pursuant to this Agreement including, but not limited to, the unpaid principal amount of any loans or advances.
- 1.1.17 **"Ordinary Course of Business"**: shall mean, with respect to any transaction involving the Borrower or any of its subsidiaries or affiliates, the ordinary course of the Borrower's business, as conducted by the Borrower in accordance with past practice and undertaken by the Borrower in good faith and not for the purpose of evading any covenant or restriction in this Agreement or in any other document, instrument or agreement executed in connection herewith.
- 1.1.18 **"Permitted Liens"**: shall mean: (i) liens and security interests securing indebtedness owed by the Borrower to the Bank; (ii) liens for taxes, assessments or similar charges not yet due; (iii) liens of materialmen, mechanics, warehousemen, or carriers or other like liens arising in the Ordinary Course of Business and securing obligations which are not yet delinquent; (iv) purchase money liens or purchase money security interests upon or in any property acquired or held by the Borrower in the Ordinary Course of Business to secure

Indebtedness outstanding on the date hereof or permitted to be incurred herein; (v) liens and security interests which, as of the date hereof, have been disclosed to and approved by the Bank in writing; and (vi) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of the Borrower's assets.

- 1.1.19 **"Prime Rate"**: shall mean an index for a variable interest rate which is quoted, published or announced by Bank as its prime rate and as to which loans may be made by Bank at, above or below such rate.
- 1.2 **Accounting Terms**: All references to financial statements, assets, liabilities, and similar accounting items not specifically defined herein shall mean such financial statements or such items prepared or determined in accordance with generally accepted accounting principles consistently applied and, except where otherwise specified, all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.
- 1.3 **Other Terms**: Other terms not otherwise defined shall have the meanings attributed to such terms in the California Uniform Commercial Code as in effect on July 1, 2001 and from time to time thereafter.

SECTION

2

CREDIT FACILITIES

2.1 THE LINE OF CREDIT

- 2.1.1 **The Line of Credit**: On terms and conditions as set forth herein, the Bank agrees to make Advances to the Borrower from time to time from the date hereof to the Expiration Date, provided the aggregate amount of such Advances outstanding at any time does not exceed \$1,000,000.00 (the "Line of Credit"). Within the foregoing limits, the Borrower may borrow, partially or wholly prepay, and reborrow under this Section 2.1. Proceeds of the Line of Credit shall be used to finance various maintenance projects in the district..
- 2.1.2 **Making Line Advances**: Each Advance shall be conclusively deemed to have been made at the request of and for the benefit of the Borrower (i) when credited to any deposit account of the Borrower maintained with the Bank or (ii) when paid in accordance with the Borrower's written instructions. Subject to the requirements of Section 3 and provided such request is made in a timely manner as provided in Section 2.1.5 below, Advances shall be made by the Bank under the Line of Credit .
- 2.1.3 **Repayment**: On the Expiration Date, the Borrower hereby promises and agrees to pay to the Bank in full the aggregate unpaid principal amount of all Advances then outstanding, together with all accrued and unpaid interest thereon.
- 2.1.4 **Interest on Advances**: Interest shall accrue from the date of each Advance under the Line of Credit at the following rate as quoted by the Bank:
- (i) **LIBOR Advances**: A fixed rate quoted by the Bank for 1, 2, 3, or 6 months or for such other period of time that the Bank may quote and offer (provided that any such period of time does not extend beyond the Expiration Date) (the "LIBOR Interest Period") for Advances in the minimum amount of \$100,000.00. Such interest rate shall be a percentage approximately equivalent to the Bank's LIBOR Rate which is that rate determined by the Bank's Treasury Desk as being the

arithmetic mean (rounded upwards, if necessary, to the nearest whole multiple of one-sixteenth of one percent (1/16%)) of the U. S. dollar London Interbank Offered Rates for such period appearing on page USD (or such other page as may replace page USD) of the Bloomberg Financial Markets screen at or about 10:00 a.m. (New York time) on the second Business Day prior to the first days of such period (adjusted for any and all assessments, surcharges and reserve requirements) minus .50% (the "LIBOR Rate"). An Advance based upon the LIBOR Rate is hereinafter referred to as a "LIBOR Advance".

Interest on any Advance shall be computed on the basis of 360 days per year, but charged on the actual number of days elapsed.

The Borrower hereby promises and agrees to pay interest in arrears on Variable Rate Advances and LIBOR Advances on December 1st and June 1st beginning December 1, 2006.

If interest is not paid as and when it is due, it shall be added to the principal, become and be treated as a part thereof, and shall thereafter bear like interest.

- 2.1.5 **Notice of Borrowing:** Upon written or telephonic notice which shall be received by the Bank at or before 2:00 p.m. (California time) on a Business Day, the Borrower may borrow under the Line of Credit by requesting a LIBOR Advance. Notice of any LIBOR Advance shall be received by the Bank no later than two Business Days prior to the day (which shall be a Business Day) on which the Borrower requests such LIBOR Advance to be made.
- 2.1.6 **Prepayment:** The Borrower may prepay any Advance in whole or in part, at any time and without penalty, provided, however, that: (i) any partial prepayment shall first be applied, at the Bank's option, to accrued and unpaid interest and next to the outstanding principal balance; and (ii) during any period of time in which interest is accruing on any Advance on the basis of the LIBOR Rate, no prepayment shall be made except on a day which is the last day of the LIBOR Interest Period pertaining thereto. If the whole or any part of any LIBOR Advance is prepaid by reason of acceleration or otherwise, the Borrower shall, upon the Bank's request, promptly pay to and indemnify the Bank for all costs, expenses and any loss (including loss of profit resulting from the re-employment of funds) deemed sustained by the Bank as a consequence of such prepayment.

The Bank shall be entitled to fund all or any portion of its Advances in any manner it may determine in its sole discretion, but all calculations and transactions hereunder shall be conducted as though the Bank actually funded all Advances through the purchase of dollar deposits bearing interest at the same rate as U.S. Treasury securities in the amount of the relevant Advance and in maturities corresponding to the date of such purchase to the Expiration Date hereunder.

- 2.1.7 **Indemnification for LIBOR Rate Costs:** During any period of time in which interest on any Advance is accruing on the basis of the LIBOR Rate, the Borrower shall, upon the Bank's request, promptly pay to and reimburse the Bank for all costs incurred and payments made by the Bank by reason of any future assessment, reserve, deposit or similar requirement or any surcharge, tax or fee imposed upon the Bank or as a result of the Bank's compliance with any directive or requirement of any regulatory authority pertaining or relating to funds used by the Bank in quoting and determining the LIBOR Rate.
- 2.1.8 **Conversion from LIBOR Rate to Prime Rate:** In the event that the Bank shall at any time determine that the accrual of interest on the basis of the LIBOR Rate (i) is infeasible because the Bank is unable to determine the LIBOR Rate due to the unavailability of U.S. dollar deposits, contracts or certificates of deposit in an amount approximately equal to the

amount of the relevant Advance and for a period of time approximately equal to relevant LIBOR Interest Period or (ii) is or has become unlawful or infeasible by reason of the Bank's compliance with any new law, rule, regulation, guideline or order, or any new interpretation of any present law, rule, regulation, guideline or order, then the Bank shall give telephonic notice thereof (confirmed in writing) to the Borrower, in which event any Advance bearing interest at the LIBOR Rate shall thereupon immediately accrue at the Prime Rate.

- 2.2 **Line Account:** The Bank shall maintain on its books a record of account in which the Bank shall make entries for each Advance and such other debits and credits as shall be appropriate in connection with the credit facilities granted hereunder (the "Line Account"). The Bank shall provide the Borrower with a statement of the Borrower's Line Account, which statement shall be considered to be correct and conclusively binding on the Borrower unless the Borrower notifies the Bank to the contrary within 30 days after the Borrower's receipt of any such statement which it deems to be incorrect.
- 2.3 **Authorization to Charge Account(s):** The Borrower hereby authorizes the Bank, if and to the extent payment owed to the Bank under this Agreement is not made when due, to charge, from time to time, against any or all of the Borrower's deposit accounts with the Bank any amount so due.
- 2.4 **Payments:** If any payment required to be made by the Borrower hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable rate during such extension. All payments required to be made hereunder shall be made to the office of the Bank designated for the receipt of notices herein or such other office as Bank shall from time to time designate.
- 2.5 **Late Payment:** In addition to any other rights the Bank may have hereunder, if any payment of principal or interest or any portion thereof, under this Agreement is not paid within 5 days of when due, a late payment charge equal to five percent (5%) of such past due payment may be assessed and shall be immediately payable.

SECTION

3

CONDITIONS PRECEDENT

- 3.1 **Conditions Precedent to the Initial Extension of Credit:** The obligation of the Bank to make the initial Advance or the first extension of credit to or on account of the Borrower hereunder is subject to the conditions precedent that the Bank shall have received before the date of such initial Advance or such first extension of credit all of the following, in form and substance satisfactory to the Bank:
- (i) **Authority to Borrow.** Evidence that the execution, delivery and performance by the Borrower of this Agreement and any document, instrument or agreement required hereunder have been duly authorized, including but not limited to certified copies of the minutes from the Borrower's Board meeting authorizing the line of credit from the Bank
 - (ii) **Legal Opinion.** A legal opinion from the Borrower's general counsel in form and substance satisfactory to the Bank, in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

- (iii) **Fees.** A fee of \$1,000.00, such fee to be deemed to be fully earned upon payment and payment of all of the Bank's out-of-pocket expenses in connection with the preparation and negotiation of this Agreement.
- (iv) **Miscellaneous.** Such other evidence as the Bank may request to establish the consummation of the transaction contemplated hereunder and compliance with the conditions of this Agreement.

3.2 **Conditions Precedent to All Extensions of Credit:** The obligation of the Bank to make each Advance or each other extension of credit, as the case may be, to or on account of the Borrower (including the initial Advance or the first extension of credit) shall be subject to the further conditions precedent that, on the date of each Advance or each extension of credit and after the making of such Advance or extension of credit:

- (i) **Reporting Requirements.** The Bank shall have received the documents set forth in Section 5.1.
- (ii) **Subsequent Approvals.** The Bank shall have received such supplemental approvals, opinions or documents as the Bank may reasonably request.
- (iii) **Representations and Warranties.** The representations contained in Section 4 and in any other document, instrument or certificate delivered to the Bank hereunder are true, correct and complete.
- (iv) **Event of Default.** No event has occurred and is continuing which constitutes, or with the lapse of time or giving of notice or both, would constitute an Event of Default.

The Borrower's acceptance of the proceeds of any loan, Advance or extension of credit or the Borrower's execution of any document or instrument evidencing or creating any Obligation hereunder shall be deemed to constitute the Borrower's representation and warranty that all of the above statements are true and correct.

SECTION

4

REPRESENTATIONS AND WARRANTIES

The Borrower hereby makes the following representations and warranties to the Bank, which representations and warranties are continuing:

- 4.1 **Status:** The Borrower's correct legal name is as stated in this Agreement and the Borrower is a autonomous special district duly organized and validly existing under the laws of the state of California pursuant to Sections 5780-5791 of Article 5 of the Public Resources Code and with its chief executive office in the state of California and is properly licensed and is qualified to do business and in good standing in, and, where necessary to maintain the Borrower's rights and privileges, has complied with the fictitious name statute of every jurisdiction in which the Borrower is doing business.
- 4.2 **Authority:** The execution, delivery and performance by the Borrower of this Agreement and any instrument, document or agreement required hereunder have been duly authorized and do not and will not: (i) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having application to the Borrower; (ii) result in a breach of or constitute a default under any material indenture or loan or credit agreement or other material

agreement, lease or instrument to which the Borrower is a party or by which it or its properties may be bound or affected; or (iii) require any consent or approval of its stockholders or violate any provision of its articles of incorporation or by-laws.

- 4.3 **Legal Effect:** This Agreement constitutes, and any instrument, document or agreement required hereunder when delivered hereunder will constitute, legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.
- 4.4 **Fictitious Trade Styles:** There are no fictitious trade styles used by the Borrower in connection with its business operations. The Borrower shall notify the Bank not less than 30 days prior to effecting any change in the matters described herein or prior to using any other fictitious trade style at any future date, indicating the trade style and state(s) of its use.
- 4.5 **Financial Statements:** All financial statements, information and other data which may have been or which may hereafter be submitted by the Borrower to the Bank are true, accurate and correct and have been or will be prepared in accordance with generally accepted accounting principles consistently applied and accurately represent the financial condition or, as applicable, the other information disclosed therein. Since the most recent submission of such financial information or data to the Bank, the Borrower represents and warrants that no material adverse change in the Borrower's financial condition or operations has occurred which has not been fully disclosed to the Bank in writing.
- 4.6 **Litigation:** Except as have been disclosed to the Bank in writing, there are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or the Borrower's properties before any court or administrative agency which, if determined adversely to the Borrower, would have a material adverse effect on the Borrower's financial condition or operations or on the Collateral.
- 4.7 **Title to Assets:** The Borrower has good and marketable title to all of its assets (including, but not limited to, the Collateral) and the same are not subject to any security interest, encumbrance, lien or claim of any third person except for Permitted Liens.
- 4.8 **ERISA:** If the Borrower has a pension, profit sharing or retirement plan subject to ERISA, such plan has been and will continue to be funded in accordance with its terms and otherwise complies with and continues to comply with the requirements of ERISA.
- 4.9 **Taxes:** The Borrower has filed all tax returns required to be filed and paid all taxes shown thereon to be due, including interest and penalties, other than such taxes which are currently payable without penalty or interest or those which are being duly contested in good faith.
- 4.10 **Margin Stock.** The proceeds of any loan or advance hereunder will not be used to purchase or carry margin stock as such term is defined under Regulation U of the Board of Governors of the Federal Reserve System.
- 4.11 **Environmental Compliance.** The operations of the Borrower comply, and during the term of this Agreement will at all times comply, in all respects with all Environmental Laws; the Borrower has obtained all licenses, permits, authorizations and registrations required under any Environmental Law ("Environmental Permits") and necessary for its ordinary course operations, all such Environmental Permits are in good standing, and the Borrower is in compliance with all material terms and conditions of such Environmental Permits; neither the Borrower nor any of its present property or operations is subject to any outstanding written order from or agreement with any governmental authority nor subject to any judicial or docketed administrative proceeding, respecting any Environmental Law, Environmental Claim or Hazardous Material; there are no Hazardous Materials or other conditions or circumstances existing, or arising from operations prior to the date of this Agreement, with respect to any property of the Borrower that would reasonably be expected

to give rise to Environmental Claims; provided, however, that with respect to property leased from an unrelated third party, the foregoing representation is made to the best knowledge of the Borrower. In addition, (i) the Borrower does not have any underground storage tanks that are not properly registered or permitted under applicable Environmental Laws, or that are leaking or disposing of Hazardous Materials off-site, and (ii) the Borrower has notified all of their employees of the existence, if any, of any health hazard arising from the conditions of their employment and have met all notification requirements under Title III of CERCLA and all other Environmental Laws.

SECTION

5

COVENANTS

The Borrower covenants and agrees that, during the term of this Agreement, and so long thereafter as the Borrower is indebted to the Bank under this Agreement, the Borrower will, unless the Bank shall otherwise consent in writing:

- 5.1 **Reporting and Certification Requirements:** Deliver or cause to be delivered to the Bank in form and detail satisfactory to the Bank:
- (i) Not later than 210 days after the end of each of the Borrower's fiscal years, a copy of the annual audited financial report of the Borrower for such year, prepared by a firm of certified public accountants acceptable to Bank and accompanied by an unqualified opinion of such firm.
 - (ii) Not later than 90 days after passing the Borrower's budget, a certification by the Borrower's chief financial officer that sufficient funds have been appropriated in the Borrower's budget for all payments of principal and interest on the Line of Credit due in any year.
 - (iii) Promptly upon the Bank's request, such other information pertaining to the Borrower, the Collateral or any guarantor hereunder as the Bank may reasonably request.
- 5.2 **Preservation of Existence; Compliance with Applicable Laws:** Maintain and preserve its existence and all rights and privileges now enjoyed; and conduct its business and operations in accordance with all applicable laws, rules and regulations.
- 5.3 **Merge or Consolidate:** Not liquidate or dissolve, merge or consolidate with or into, or acquire any other business organization.
- 5.4 **Maintenance of Insurance:** Maintain insurance in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower operates and maintain such other insurance and coverages as may be required by the Bank. All such insurance shall be in form and amount and with companies satisfactory to the Bank.
- 5.5 **Payment of Obligations and Taxes:** Make timely payment of all assessments and taxes and all of its liabilities and obligations including, but not limited to, trade payables, unless the same are being contested in good faith by appropriate proceedings with the appropriate court or regulatory agency. For purposes hereof, the Borrower's issuance of a check, draft or similar instrument without delivery to the intended payee shall not constitute payment.

- 5.6 **Inspection Rights and Accounting Records:** The Borrower will maintain adequate books and records in accordance with generally accepted accounting principles consistently applied and in a manner otherwise acceptable to Bank, and, at any reasonable time and from time to time, permit the Bank or any representative thereof to examine and make copies of the records and visit the properties of the Borrower and discuss the business and operations of the Borrower with any employee or representative thereof. If the Borrower shall maintain any records (including, but not limited to, computer generated records or computer programs for the generation of such records) in the possession of a third party, the Borrower hereby agrees to notify such third party to permit the Bank free access to such records at all reasonable times and to provide the Bank with copies of any records which it may request, all at the Borrower's expense, the amount of which shall be payable immediately upon demand.
- 5.7 **Transfer Assets:** Not, after the date hereof, sell, contract for sale, convey, transfer, assign, lease or sublet, any of its assets (including, but not limited to, the Collateral) except in the Ordinary Course of Business and, then, only for full, fair and reasonable consideration.
- 5.8 **Budget.** Cause the annual budget of the Borrower to provide for sufficient funds to pay interest and principal on the Line of Credit when due.
- 5.9 **Change in Nature of Business:** Not make any material change in its financial structure or the nature of its business as existing or conducted as of the date hereof.
- 5.10 **Maintenance of Jurisdiction:** Borrower shall maintain the jurisdiction of its organization and chief executive office, or if applicable, principal residence, as set forth herein and not change such jurisdiction name or form of organization without 30 days prior written notice to Bank.
- 5.11 **Compensation of Employees:** Compensate its employees for services rendered at an hourly rate at least equal to the minimum hourly rate prescribed by any applicable federal or state law or regulation.
- 5.12 **Notice:** Give the Bank prompt written notice of any and all (i) Events of Default; (ii) litigation, arbitration or administrative proceedings to which the Borrower is a party; (iii) other matters which have resulted in, or might result in a material adverse change in the financial condition or business operations of the Borrower.
- 5.13 **Environmental Compliance:** The Borrower shall conduct its operations and keep and maintain all of its property in compliance with all Environmental Laws and, upon the written request of the Bank, the Borrower shall submit to the Bank, at the Borrower's sole cost and expense, at reasonable intervals, a report providing the status of any environmental, health or safety compliance, hazard or liability.

SECTION

6

EVENTS OF DEFAULT

Any one or more of the following described events shall constitute an event of default (an "Event of Default") under this Agreement:

- 6.1 **Non-Payment:** Any Borrower shall fail to pay the principal amount of any Obligations when due or interest on the Obligations within 5 days of when due.
- 6.2 **Performance Under This Agreement:** The Borrowers shall fail in any material respect to perform or observe any term, covenant or agreement contained in this Agreement or in any document,

instrument or agreement relating to this Agreement or any other document or agreement executed by the Borrowers with or in favor of Bank and any such failure shall continue unremedied for more than 30 days after the occurrence thereof.

- 6.3 **Representations and Warranties; Financial Statements:** Any representation or warranty made by the Borrower under or in connection with this Agreement or any financial statement given by the Borrower or any guarantor shall prove to have been incorrect in any material respect when made or given or when deemed to have been made or given.
- 6.4 **Other Agreements:** If there is a default under any agreement to which Borrower is a party with Bank or with a third party or parties resulting in a right by the Bank or by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness.
- 6.5 **Insolvency:** The Borrower or any guarantor shall: (i) become insolvent or be unable to pay its debts as they mature; (ii) make an assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its properties and assets; (iii) file a voluntary petition in bankruptcy or seeking reorganization or to effect a plan or other arrangement with creditors; (iv) file an answer admitting the material allegations of an involuntary petition relating to bankruptcy or reorganization or join in any such petition; (v) become or be adjudicated a bankrupt; (vi) apply for or consent to the appointment of, or consent that an order be made, appointing any receiver, custodian or trustee, for itself or any of its properties, assets or businesses; or (vii) in an involuntary proceeding, any receiver, custodian or trustee shall have been appointed for all or substantial part of the Borrower's or guarantor's properties, assets or businesses and shall not be discharged within 30 days after the date of such appointment.
- 6.6 **Execution:** Any writ of execution or attachment or any judgment lien shall be issued against any property of the Borrower and shall not be discharged or bonded against or released within 30 days after the issuance or attachment of such writ or lien.
- 6.7 **Suspension:** The Borrower shall voluntarily suspend the transaction of business or allow to be suspended, terminated, revoked or expired any permit, license or approval of any governmental body necessary to conduct the Borrower's business as now conducted.
- 6.8 **Material Adverse Change:** If there occurs a material adverse change in the Borrower's business or financial condition, or if there is a material impairment of the prospect of repayment of any portion of the Obligations, or if a Borrower who is a natural person shall die.
- 6.9 **Change in Ownership:** There shall occur a sale, transfer, disposition or encumbrance (whether voluntary or involuntary), or an agreement shall be entered into to do so, with respect to more than 10% of the issued and outstanding capital stock of the Borrower.

SECTION

7

REMEDIES ON DEFAULT

Upon the occurrence of any Event of Default, the Bank may, at its sole and absolute election, without demand and only upon such notice as may be required by law:

- 7.1 **Acceleration:** Declare any or all of the Borrower's indebtedness owing to the Bank, whether under this Agreement or any other document, instrument or agreement, immediately due and payable, whether or not otherwise due and payable.

- 7.2 **Cease Extending Credit:** Cease making Advances or otherwise extending credit to or for the account of the Borrower under this Agreement or under any other agreement now existing or hereafter entered into between the Borrower and the Bank.
- 7.3 **Termination:** Terminate this Agreement as to any future obligation of the Bank without affecting the Borrower's obligations to the Bank or the Bank's rights and remedies under this Agreement or under any other document, instrument or agreement.
- 7.4 **Non-Exclusivity of Remedies:** Exercise one or more of the Bank's rights set forth herein or seek such other rights or pursue such other remedies as may be provided by law, in equity or in any other agreement now existing or hereafter entered into between the Borrower and the Bank, or otherwise.

SECTION

8

MISCELLANEOUS

- 8.1 **Amounts Payable on Demand:** If the Borrower shall fail to pay on demand any amount so payable under this Agreement, the Bank may, at its option and without any obligation to do so and without waiving any default occasioned by the Borrower having so failed to pay such amount, create an Advance under this Agreement in an amount equal to the amount so payable, which Advance shall thereafter bear interest as provided hereunder.
- 8.2 **Default Interest Rate:** If an Event of Default, or an event which, with notice or passage of time could become an Event of Default, has occurred or is continuing, the Borrower shall pay to the Bank interest on any Indebtedness or amount payable under this Agreement at a rate which is 3% in excess of the rate or rates then in effect under this Agreement.
- 8.3 **Reliance and Further Assurances:** Each warranty, representation, covenant, obligation and agreement contained in this Agreement shall be conclusively presumed to have been relied upon by the Bank regardless of any investigation made or information possessed by the Bank and shall be cumulative and in addition to any other warranties, representations, covenants and agreements which the Borrower now or hereafter shall give, or cause to be given, to the Bank. Borrower agrees to execute all documents and instruments and to perform such acts as the Bank may reasonably deem necessary to confirm and secure to the Bank all rights and remedies conferred upon the Bank by this agreement and all other documents related thereto.
- 8.4 **Attorneys' Fees:** Borrower shall pay to the Bank all costs and expenses, including but not limited to reasonable attorneys fees, incurred by Bank in connection with the administration, enforcement, including any bankruptcy, appeal or the enforcement of any judgment or any refinancing or restructuring of this Agreement or any document, instrument or agreement executed with respect to, evidencing or securing the indebtedness hereunder.
- 8.5 **Notices:** All notices, payments, requests, information and demands which either party hereto may desire, or may be required to give or make to the other party hereto, shall be given or made to such party by hand delivery or through deposit in the United States mail, postage prepaid, or by facsimile delivery, or to such other address as may be specified from time to time in writing by either party to the other.

To the Borrower:

FEATHER RIVER PARK AND
RECREATION DISTRICT
1200 Meyers St.
Oroville, CA 95965
Attn: _____

To the Bank:

BANK OF THE WEST
201 North Civic Dr.
Walnut Creek, CA 94596
Attn: David Glasser

FAX: (925) 979-9161

FAX: () -

- 8.6 **Waiver:** Neither the failure nor delay by the Bank in exercising any right hereunder or under any document, instrument or agreement mentioned herein shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder or under any other document, instrument or agreement mentioned herein preclude other or further exercise thereof or the exercise of any other right; nor shall any waiver of any right or default hereunder, or under any other document, instrument or agreement mentioned herein, constitute a waiver of any other right or default or constitute a waiver of any other default of the same or any other term or provision.
- 8.7 **Conflicting Provisions:** To the extent the provisions contained in this Agreement are inconsistent with those contained in any other document, instrument or agreement executed pursuant hereto, the terms and provisions contained herein shall control. Otherwise, such provisions shall be considered cumulative.
- 8.8 **Binding Effect; Assignment:** This Agreement shall be binding upon and inure to the benefit of the Borrower and the Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Bank. The Bank may sell, assign or grant participation in all or any portion of its rights and benefits hereunder. The Borrower agrees that, in connection with any such sale, grant or assignment, the Bank may deliver to the prospective buyer, participant or assignee financial statements and other relevant information relating to the Borrower and any guarantor.
- 8.9 **Jurisdiction:** This Agreement, any notes issued hereunder, the rights of the parties hereunder to and concerning the Collateral, and any documents, instruments or agreements mentioned or referred to herein shall be governed by and construed according to the laws of the State of California without regard to conflict of law principles, to the jurisdiction of whose courts the parties hereby submit.
- 8.10 **Waiver of Jury Trial:** TO THE EXTENT PERMITTED BY LAW, THE BORROWER AND THE BANK EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. THE BORROWER AND THE BANK EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

Judicial Reference Provision. In the event the above jury trial waiver is unenforceable, the parties

elect to proceed under this judicial reference provision. With the exception of the items specified below, any controversy, dispute or claim between the parties relating to this Agreement or any other document, instrument or transaction between the parties (each, a Claim), will be resolved by a reference proceeding in California pursuant to Sections 638 et seq. of the California Code of Civil Procedure, or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to reference. Venue for the reference will be the Superior Court in the County where real property involved in the action, if any, is located, or in a County where venue is otherwise appropriate under law (the Court). The following matters shall not be subject to reference: (i) nonjudicial foreclosure of any security interests in real or personal property, (ii) exercise of self-help remedies (including without limitation set-off), (iii) appointment of a receiver, and (iv) temporary, provisional or ancillary remedies (including without limitation writs of attachment, writs of possession, temporary restraining orders or preliminary injunctions). The exercise of, or opposition to, any of the above does not waive the right to a reference hereunder.

The referee shall be selected by agreement of the parties. If the parties do not agree, upon request of any party a referee shall be selected by the Presiding Judge of the Court. The referee shall determine all issues in accordance with existing case law and statutory law of the State of California, including without limitation the rules of evidence applicable to proceedings at law. The referee is empowered to enter equitable and legal relief, and rule on any motion which would be authorized in a court proceeding, including without limitation motions for summary judgment or summary adjudication. The referee shall issue a decision, and pursuant to CCP §644 the referee's decision shall be entered by the Court as a judgment or order in the same manner as if tried by the Court. The final judgment or order from any decision or order entered by the referee shall be fully appealable as provided by law. The parties reserve the right to findings of fact, conclusions of law, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial if granted, will be a reference hereunder. AFTER CONSULTING (OR HAVING THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, EACH PARTY AGREES THAT ALL CLAIMS RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT A JURY.

- 8.11 **Counterparts:** This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.
- 8.12 **Headings:** The headings herein set forth are solely for the purpose of identification and have no legal significance.
- 8.13 **Entire Agreement and Amendments:** This Agreement and all documents, instruments and agreements mentioned herein constitute the entire and complete understanding of the parties with respect to the transactions contemplated hereunder. All previous conversations, memoranda and writings between the parties pertaining to the transactions contemplated hereunder not incorporated or referenced in this Agreement or in such documents, instruments and agreements are superseded hereby. This Agreement may be amended only by an instrument in writing signed by the Borrower and the Bank.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first hereinabove written.

BANK:

BANK OF THE WEST

BY: David Glasser
NAME: David Glasser, Vice President

BORROWER:

FEATHER RIVER PARK AND RECREATION
DISTRICT

BY: Robert Sharkey
NAME: Robert Sharkey, General Manager and
Secretary

BY: Monique Gurr
NAME: Monique Gurr, Chairman

CERTIFIED CORPORATE RESOLUTION TO BORROW

See attached resolution from Borrower

LOAN DISBURSEMENT INSTRUCTIONS

Line of Credit

Date: May 31, 2006

The undersigned hereby instructs BANK OF THE WEST to disburse the proceeds of this loan as shown below:

DISBURSEMENT	AMOUNT
1. Credited to the following account: All Advances to be credited to Account Number <u>128006749</u>	<u>\$ 499,000.00</u>
2. Paid directly to the Borrower as follows: _____ _____	\$ _____
3. Pay off the following loan with BANK OF THE WEST: _____ _____	\$ _____
4. Pay off the following loan: _____ _____	\$ _____
5. Paid to the following third party as indicated: _____ _____	\$ _____
6. Paid as follows: <u>Bank of the West</u> <u>Loan Fee</u>	<u>\$ 1000.00</u>
7. Paid as follows: _____ _____	\$ _____
8. Paid as follows: _____ _____	\$ _____

TOTAL: \$ 500,000.00

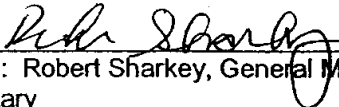
(Authorizing signatures appear on attached page entitled
"AUTHORIZING SIGNATURES FOR LOAN DISBURSEMENT INSTRUCTIONS")

AUTHORIZING SIGNATURES FOR LOAN DISBURSEMENT INSTRUCTIONS

The following signature(s) authorize disbursement of loan proceeds as set forth in the preceding instructions consisting of 1 page(s).

BORROWER:

FEATHER RIVER PARK AND RECREATION DISTRICT

BY: 
NAME: Robert Sharkey, General Manager and
Secretary

BY: 
NAME: Monique Gurr, Chairman

Exhibit G



FEATHER RIVER RECREATION & PARK DISTRICT

OROVILLE, CALIFORNIA 95965

MUNICIPAL AUDITORIUM, 1200 MYERS STREET

PHONE: (530) 533-2011 • FAX: (530) 533-2724

February 1, 2007

2-7-07 Copy mailed to Dick
2-7-07 cc: Ken Wiley

Mr. Dick Puelicher
Butte County Tax Collector
25 County Center Drive
Oroville, CA 95965

Mr. David Houser
Butte County Auditor
25 County Center Drive
Oroville, CA 95965

Dear Misters Puelicher and Houser:

As you are aware, last May, the Feather River Recreation and Park District borrowed \$1,000,000 from Bank of the West in order to alleviate dry tax allocation periods. This was a direct result of past management leaving the District with a \$500,000 shortfall in funds.

Since that time, the District has used those borrowed funds to pay project costs associated with Riverbend of \$303,554, Bedrock Skate/Bike Park of \$188,752, sponsored projects intended to create revenue for the District such as expanding the Aquatics program, purchasing revenue-generating equipment, billboards, etc. in the amount of \$24,538, updating existing program buildings in the amount of \$19,155, and general operating costs in the amount of \$368,000.

The loan provided us with valuable aid in maintaining District business without having to ask for assistance from the County, which was one of our goals. In addition, the District Board of Directors has worked diligently to understand, plan, and implement its strategic master plan, with a major focus on financial health. We are being thoughtful and judicious on how funds are spent. One example of this is the Finance Committee now meets twice a month to monitor and advise the staff on spending.

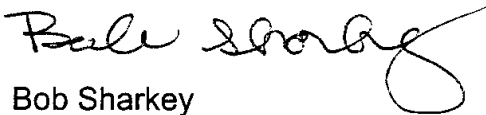
We realize that implementing the vision we have for the District will take time, and that we are investing now in what we are confident will be a self-sustainable fiscal future. The following are some of the steps we are taking to ensure that we no longer have dry allocation periods:

- We are investigating several state and federal grants in a proactive way.
- We are exploring various forms of revenue generation at Riverbend Park, and Nelson Sports Complex e.g. retail, sports equipment rental, etc.
- We are discussing, with other agencies, the possibility of a Science and Research Center at Riverbend Park.
- We have dedicated staff committed to creating and sustaining programs that generate revenue (see enclosed Activity Guides). All staff is kept aware of budget considerations and their own individual responsibility in regard to spending.
- We are attempting to implement Developer Impact Fees in the City of Oroville's sphere of influence.
- Effective March 1, 2007, we will be implementing new park and facility fees. The fees will be increased to rates comparable to similar parks and facilities

We would all like our envisioned changes to happen rapidly, but that is not a realistic outlook. We are confident that we are heading in the direction of a financially sound and transparent future. We take seriously the responsibility that the tax-payers of our District have entrusted us with.

The District appreciates your oversight and input. We will make every effort to provide you with monthly reports on our progress.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bob Sharkey", with a stylized, looping flourish at the end.

Bob Sharkey
General Manager

Balance Sheet
December 31, 2006

Exhibit H

Feather River Recreation and Park District
Balance Sheet - Governmental Funds
February 28, 2007

ASSETS	General Fund F - 2600	Benefit Assess. District F - 2610	Impact/ Developer Fees F2620	Boating & Waterways F - 2625	Flood Damage F - 2630	Prop. 40 Bond Act F - 2635	Bedrock Tennis Courts F - 2640	Nelson Soccer Complex F - 2650	Riverbend Park F - 2660	Prop. 12 Bond Act F - 2670	WCG Grant F - 2680	Skate/Bike Park F - 2690	Totals
Current Assets													
Treasury Cash	\$508,354.99	\$107,278.65		\$165.19		\$555.62	\$2,082.12	\$24,249.31	\$23,025.99	\$4,305.73		\$8,874.25	\$678,991.85
Imprest Cash	856.00												856.00
Parkland/Facilities Devel.			19,075.79										19,075.79
Public Use Facilities			66,535.61										66,535.61
Aquatic Center Facilities			65,858.61										65,858.61
Due from Other Funds													0.00
Accounts Receivable													0.00
Total Assets	\$509,210.99	\$107,278.65	\$151,470.01	\$165.19	\$0.00	\$555.62	\$2,082.12	\$24,249.31	\$23,025.99	\$4,305.73	\$0.00	\$8,874.25	\$831,217.86
LIABILITIES													
Accounts Payable													(904,040.38)
Notes Payable (Bank of the West)													0.00
Due to Other Funds													(42,147.15)
Warrants Payable													(151,470.01)
Trust Obligations													(1,097,657.54)
Total Liabilities	(946,187.53)		(151,470.01)										
FUND BALANCE													
Unavailable Fund Balance													(856.00)
Imprest Cash Reserve													(10,000.00)
General Reserve													0.00
ACO Reserve													(10,856.00)
Total Unavail. Fund Balance	(10,856.00)												
Available Fund Balance	447,832.54	(107,278.65)		(165.19)		(555.62)	(2,082.12)	(24,249.31)	(23,025.99)	(4,305.73)		(8,874.25)	277,295.68
Total Available Fund Balance	447,832.54	(107,278.65)		(165.19)		(555.62)	(2,082.12)	(24,249.31)	(23,025.99)	(4,305.73)		(8,874.25)	277,295.68
Total Liabil. & Fund Balances	(\$509,210.99)	(\$107,278.65)	(\$151,470.01)	(\$165.19)	\$0.00	(\$555.62)	(\$2,082.12)	(\$24,249.31)	(\$23,025.99)	(\$4,305.73)	\$0.00	(\$8,874.25)	(\$831,217.86)

Exhibit I

Exhibit J

Wiley, Kenneth

From: Wiley, Kenneth
Sent: Wednesday, February 07, 2007 5:00 PM
To: Houser, David; Puelicher, Dick
Cc: Limper, Thomas; Barnes, Linda; Bottini, Colleen
Subject: RE: Feather River Rec & Park

Update to all -

Linda sent me a copy of the letter from FRRPD dated 2/1/07 and asked me if I had received a copy. I told her that I hadn't. The letter didn't address the 2nd loan of \$ 1 million mentioned below. I called Bob this afternoon for clarification.

Per Bob -

- (1) Letter was hand delivered to both the Treasurer's Office and the Auditor's Office last Friday.
- (2) The Bank of The West has now approved the 2nd \$ 1 million Line of Credit/loan -- but the district doesn't plan on using any of it -- just keep it as an emergency backup. The second LOC is a 10 year payback.
- (3) They do intent to make one more draw down on the 1st LOC and make a final payment on Phase I of Riverbend Park and 2 final payments of \$ 19k to pay off Altman Construction for the Skate Park.
- (4) They believe that they have enough money in F-2510 (Benefit Assessment) to cover their expenditures from F-2500 thru April tax distribution and believe the April tax distribution to F-2500 and F-2510 will more than cover them until next December. They don't believe there is ANY worry about negative fund balances the 4th Monday in April. He will make sure that Susan moves the money.
- (5) Because of the perception of some of Vene Thompson's remarks last April "I believe we should build the facilities and worry about how to pay for them later", it is expected that Mr. Thompson will be resigning from the Finance Committee (NOT the board) and will be replaced by Monique Gurr who will serve with Jan Hill on the Finance Committee. This is expected to take place at the next board meeting.

Bob feels that they are in good financial position and working toward greater stability. He promised to keep sending monthly updates.

FYI Ken

-----Original Message-----

From: Wiley, Kenneth
Sent: Friday, January 19, 2007 11:07 AM
To: Houser, David; Puelicher, Dick
Cc: Limper, Thomas; Barnes, Linda; Bottini, Colleen
Subject: Feather River Rec & Park

UPDATE OF FRRPD FINANCIAL SITUATION

FYI -

After the "flap" that FRRPD caused yesterday afternoon when they tried to "un-deposit" a \$ 250k check drawn on their credit line bank account, both Colleen and I had some concerns. During a conversation with Susan Marin (FRRPD Finance Manager) this morning, I took the opportunity and followed up by discussing it (the "flap") with her to determine: (1) why it happened and, (2) get some insight into the district's finances. After talking with Susan, I talked to Bob Sharkey (General Manager).

(1) They apparently they drew down \$ 283k in Aug. in anticipation of paying \$ 250k to BCM Construction -- but Susan forgot to enter that draw-down amount into their Bank of the West checking account register. The \$ 250k was moved from the LOC to the bank account. Yesterday, when Susan wrote a check for \$ 250k on the bank account to deposit into their general fund in the Treasury, she notified the bank that they wanted to transfer \$ 250k from the credit line to the bank account in order to pay BCM part of the remaining money owed on Phase I of Riverbend Park construction, they told her the line didn't have that much left on the LOC. She then discovered that the \$ 283k was still sitting in the bank account and would cover the \$ 250k check she had just written and deposited. -- so the emergency ended and she notified us that everything was OK. (She didn't have to make the draw against the LOC.)

The problem (as I see it) is that we (the County) were told that they were only going to draw down and use \$ 500k of the \$ 1M LOC and leave the rest for emergencies and dry period financing. They have now expended all but \$ 68k of the LOC and \$28k in the bank account (\$ 96k total).

Other misc facts: (A) they still owe BCM another \$ 250k for the completed Phase I construction. (B) they didn't pay off Altman Construction out of the 1st \$ 500k draw down like they said they were going to. There are still 3 monthly payments of \$ 16,700 = \$ 50,100. (C) There is about \$ 109K in F-2610 (the benefit assessment fund - from the Dec distribution). (D) Their operating expenses (excluding capital exp) are about \$ 170k per month -- their revenue is about \$100k per month -- a shortfall of \$ 70k per month. (E) They are looking at Phase II of Riverbend Park that will cost \$

Please
and return

1.5M. No contracts signed yet - all of it will be recovered from the State in the form of a grant. (F) Bob said that they expected to get a \$ 1M Federal grant to increase their programs (next year).

I talked with Bob Sharkey and he said that they were working closely with their Finance Committee and believe everything is "on track" (even though they have spent almost all of the \$ 1M LOC). They have been working with Bank of the West about increasing the LOC from \$ 1M to \$2M-- and he said the bank is in favor of it and that it will go through.

Several months ago, I asked him about the plan the district had to hire an independent CPA to oversee the district's monthly operations -- and he said that Steve Norman was busy and had turned them down. They were going to talk to Bob Gustafson (their audit CPA) about doing the monthly oversight (and disclosing it on the audit report). This morning, I again asked Bob Sharkey about that oversight and he said that "they were intending to hire Bob Gustafson do it sometime in the future" -- I told him that I believed the oversight would have been very beneficial from last April -- and thought that they needed it now rather than "in the future". He didn't have a comment. I contacted Bob Gustafson this morning and he said FRRPD hadn't spoken to him about doing the monthly oversight but that he wouldn't accept it because he didn't believe the "independence issues" would allow it (even if disclosed in the audit report). Although Bob Sharkey said that FRRPD was contracting with Bob Gustafson for the FY 05/06 audit, Gustafson said they hadn't contracted with him yet.

I asked Bob Sharkey if he would write an update letter to you (Dave & Dick) about what the financial plans of the district were and how they were going to deal with funding them. He said that he was meeting with the Finance Committee the middle of next week and would be sending you a letter within two weeks.

The intent of this memo is to inform you of what the situation appears to be so that you can decide if you want to keep a closer eye on it to prevent a reoccurrence of what happened last March and April. While we aren't responsible for the finances of the district, we may need to be ready to deal with how they impact the Treasury and bill paying.

If you get any other information or when you receive a copy of the letter, I'd appreciate a copy and your direction as to whether you feel that we need to take any action.

Thanks,

Ken Wiley

Kenneth G. Wiley, Internal Auditor
County of Butte, Office of the Auditor-Controller
25 County Center Drive, Oroville, CA 95965-3383
Phone (530) 538-6775
FAX (530) 538-7693
e-mail KWiley@ButteCounty.net



Exhibit K

FEATHER RIVER RECREATION & PARK DISTRICT OROVILLE, CALIFORNIA 95965

MUNICIPAL AUDITORIUM, 1200 MYERS STREET
PHONE: (530) 533-2011 • FAX: (530) 533-2724

March 29, 2007

Butte County Grand Jury
1 County Center Drive
Oroville, CA 95965

Ladies and Gentlemen:

Please note that the Policies and Procedures of the Feather River Recreation and Park District also serve as the District's By-Laws.

As of this date, all employees, including those who have been fingerprinted in the past, have been given new Live Scan forms and been asked to complete the fingerprinting process. Results of the scans will be made available online to us and will be reviewed by the District Manager for follow-up, if necessary.

In addition, DMV has been contacted requesting an update on the District's requester filing and all employees who drive company vehicles will be asked to sign release forms by April 12, 2007 so that all files are up-to-date, regardless of whether they have previous releases on file.

The Mercury-Register was contacted, this date, to include District Board meeting dates and times in the section called "What's Happening."

The District's web site is being updated as of Monday, March 26, 2007, to include a current calendar, events, Board agendas, and Board minutes. We are discussing with 72-Online, our internet provider, changes regarding the Benefit Assessment District's membership openings. We hope to have that completed shortly.

Last, but not least, we are enclosing several items requested by yourselves that include the following:

Updated Balance Sheet
Complete Inventory (Assets) List
Complete Events/Programs List

+ BANK OF THE WEST INFORMATION *MG*

Sincerely,

Monique Gurr

Monique Gurr
Board Chairman
cc: File

Exhibit L

04/11/07 Regular Board Meeting Minutes

FEATHER RIVER RECREATION AND PARK DISTRICT
1200 MYERS STREET, OROVILLE, CA 95965
(530) 533-2011

DISTRICT BOARD MEETING

Regular Board Meeting

April 11, 2007

MINUTES 3:30 P.M.

The public portion of the meeting is tape recorded.

1. CALL MEETING TO ORDER

The meeting was called to order at 3:30 p.m.

2. ROLL CALL

Director Allen, Director Gill, Director Hill, Vice Chairman Thompson
Chairman Gurr was not present

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Anyone wishing to speak on items on this agenda may do so at the time the item is called and the chairman opens discussion to the public. When you wish to speak, you must wait to be recognized by the chairman and, prior to addressing the issue, give your name and address for the record. You may be limited to five (5) minutes.

5. RECOGNITION AND AWARDS - None

6. CONSENT AGENDA

A. APPROVAL OF THE MINUTES OF THE MARCH 28, 2007 REGULAR MEETING OF THE FEATHER RIVER RECREATION AND PARK DISTRICT'S BOARD OF DIRECTORS - minutes attached

B. PROPOSED TIMELINE FOR TASKS REQUIRED FOR THE FISCAL YEAR 2007/08 BENEFIT ASSESSMENT DISTRICT

C. RATIFICATION OF WARRANTS - ACCOUNTS PAYABLE AND PAYROLL

Approval of checks:

Director Gill made a motion to approve the consent agenda, the motion was seconded by Director Allen. The motion was approved by the following vote:

Ayes: Director Allen, Director Gill, Director Hill, Vice Chairman Thompson

Noes:

Abstain:

Absent: Chairman Gurr

7. REGULAR AGENDA

A. PUBLIC HEARING FOR THE INSTALLATION OF LIGHTS AT MARTIN LUTHER KING PARK ON NORTH TURF OF MULTI-USE FIELD OPEN PUBLIC HEARING

Vice Chairman Thompson opened the public hearing.

Judy Johnson stood first and stated her name and address. She is in favor of the lights but feels that there are some other concerns about the park maintenance that need to be addressed. The Lawn is bare in some areas, the grass in the parking lot landscape needs some attention and the sign has deteriorated and needs some attention. Vice Chairman Thompson expressed concern about whether Judy was talking about street lights or lights for the field. Judy clarified that she was talking about lights on the field.

Dan Briggs, President of Oroville Youth Soccer stood next, stated his address and involvement with this project. He feels that this donation of lights is a sizeable donation (\$45,000) and is a great opportunity for our community as it grows. He feels everyone in the community will benefit from this project by having not only a place for OYS to practice and play, but added security for the surrounding neighborhood and a place for any members of the community to use the field.

Bob Sharkey asked Dan if he could tell Judy what his plans were for the areas that she had concerns about.

Dan said that he has volunteers coming in to seed and revamp the turf. The sprinklers will also be fixed and a lot of people will use this park when it is completed.

Bob informed everyone that he had recently met with Pastor Adrian Hills and they had discussed the sidewalks on Wyandotte and they have been started.

Vice Chairman Thompson asked Bob to hold his comments until the Public hearing was over.

Roland Strang stood next. He is an electrical contractor and has been working with Dan on this project. He said they are pulling everything together to work with PG & E and everything is coming along very well. The power that will be there will be for future use.

Dan then stated that he has talked with PG & E and they may also donate the time and work for drilling the holes. A lot of the work has now become a community project with a lot of people involved.

CLOSE PUBLIC HEARING- With no further comments from the public, Vice Chairman Thompson closed the public hearing.

Bob then began reiterating the statement he had previously started. He said that Pastor Adrian Hills and he had discussed some improvements in front of the park and they have some good ideas of what can be done conceptually.

They are going to meet again soon and discuss this further. Next, Bob narrated that security in the area around the park has been a concern for many years and it will also be great to have this field so close to the schools.

Director Gill questioned the lenses of the lights and whether they would affect the surrounding neighbors.

Dan Briggs said that the lights are directional and will be directed onto the field. While there will be a glow from the lights it should not be disturbing. Also, there are trees that help with blockage and a fence that he would like to have repaired to help with the light.

Director Hill then stated her concern that the neighbors may be concerned.

An unknown lady then stated that if she were a neighbor, she would like the added security.

Director Hill asked who would be responsible for turning the lights on and off?

Bob said that either OYS or the user of the facility would be responsible.

Dan stated that there will be a large box there to control the lights and we could possibly set up a separate account for them. Even though the lights were a donation, they still cost around \$60 an hour to operate. OYS and the District would both have keys to the box.

Bob then said that these are 1,000 watt lights and are good for both lighting up the area for sports, but also the security again. He thinks that we should install a separate light to leave on to keep the park lit up more than it is now.

Dan closed with a reminder that this is a huge donation and there are a lot of steps that have to be completed but as our town grows we need more places like this. It will add to the legacy of the park.

B. REQUEST FOR INSTALLATION OF LIGHTS AT MARTIN LUTHER KING PARK ON NORTH TURF OF MULTI-USE FIELD

Director Hill made a motion to approve the installation of lights at Martin Luther King Park on the North Turf of multi-use field; the motion was seconded by Director Gill. It passed with the following vote:

Ayes: Director Allen, Director Gill, Director Hill, Vice Chairman Thompson

Noes:

Abstain:

Absent: Chairman Gurr

C. REQUEST BY LYNDEE CAPUT TO SPEAK

Lyndee Caput stood and expressed the gratitude from the members of GOCO for the opportunity to present their proposal and work with FRRPD in this collaboration. She then introduced the Board of GOCO:

Lyndee Caput, President

Irene Poe, Vice President

Margaret Deacon, Secretary

Sharon Hitton, Treasurer.

Lyndee then read a letter she had prepared to introduce the GOCO's ideas for their proposal. Following her letter, Lyndee introduced some community volunteers that are partnering with GOCO. Margaret Deacon, Maragarite Marseniak, Daniel Freedman, Shirley Abel, Floyd and Rufus all presented their ideas for programs that would benefit this community and that our community needs.

D. DISCUSS KIOSKS AT RIVERBEND PARK

General Manager, Bob Sharkey stated that in the Prop 12 Per Capita fund, Feather River Recreation and Park District has a remaining balance of \$12,977.00. When he spoke to Dave Smith, State Parks Project manager for Butte County, Dave informed Bob that the remaining money needed to be spent or we may lose it. Also, Bob informed the Board that with this project, the District will pay for the costs required and at the completion of the project, will file for reimbursement. Bob then stated that the three Kiosks proposed would be used for an Informational Booth and rentals of bicycles, kayaks, canoes or other recreational related sporting equipment and can also be rented out for use. He said there is a genuine need for information about historic downtown Oroville and what this town has to offer.

Lyndee Caput stated the GOCO may be able to provide volunteers to run the booths some of the time.

Director Allen made a motion to authorize staff to apply for a new Prop 12 Per Capita Project at Riverbend Park for 3 kiosks at Riverbend Park with a total cost of \$12,977.00; the motion was seconded by Director Hill. Item D Passed with the following vote:

Ayes: Director Allen, Director Gill, Director Hill, Vice Chairman Thompson

Noes:

Abstain:

Absent: Chairman Gurr

8. COMMITTEE, DIRECTOR'S AND MANAGER'S REPORTS

A. Finance/Capital Development – no meeting

B. Personnel Committee – no progress

C. Parks and Recreation Committee – Director Gill reported about the Wildflower/Nature Festival. He stated that all the comments he heard were positive but some things will be different next year. He also discussed the check presented to the District from the Oroville Pageant Riders for the pony rides they offered at the Wildflower/Nature Festival for \$250.00. Director Allen discussed Easter at Riverbend. He thinks that next year we need more eggs (2,500 eggs weren't enough) and estimated there were 1,000 kids at the egg hunt. Also, Playtown has a new fence and snack bar and it looks great. Lastly, the new Nelson sign is done and looks great.

D. Supplemental Benefit Committee – Vice Chairman Thompson stated that the guidelines should be decided by the 4 p.m. meeting on April 12, 2007.

E. Benefit Assessment Committee – They will be attending the next budget meeting.

F. Director's Reports

a. Director Allen – None

b. Director Gill – None

c. Director Hill – She and Bob attended the meeting with Ralph Torres, Director of DWR. We are looking for money in

the future and it is looking favorable. Also, she helped out with the pony rides at the Wildflower/Nature Festival and it was great. Lastly, she talked with some people from out of town that had a picnic at Riverbend. They told Jan that the park "is as beautiful as Hawaii."

d. Vice Chairman Thompson – He stated that he had a personal issue to discuss. He welcomed the members of the Grand Jury and informed them that he wanted to discuss something that had not been approved by the board, nor did they have any prior knowledge of it. He stated that he didn't like there Gestapo tactics and believes they are on the verge of harassment for frequent appearances at our Board meetings. He would like to know what they are investigating. He also stated that he is preparing a letter to be sent to the Attorney General with a list of Grand Jury members' names from this year and last year and he does not understand the witch hunting.

e. Chairman Gurr- absent

Ad Hoc Committee

A. Master Plan – The fence at Playtown is complete and it should be checked off our goals list.

B. Finance Manager's Report – No formal report.

C. General Manager's Report – Bob informed the Board that we started another goal today (April 11, 2007). The lobby in the office is under construction and when finished it will be a much better venue than before. Also, the fountain in front of the Municipal Auditorium has a target date of May 5th, 2007. We will invite the public to have lunch in the plaza for the first look at the completed fountain and kick-off Feather Fiesta Days. Director Hill asked if the Board would still receive staff reports. Bob told her yes and it will occur at the second meeting of every month and the staff will attend those meetings.

9. CORRESPONDENCE-None

10. ITEMS FROM THE FLOOR

Persons wishing to speak on items not on the agenda may request to do so at this time or when the Chairman opens the meeting for items from the floor. State law prohibits the Board from taking action on any item presented, if it is not listed on the agenda, except under special circumstances as defined in the Government Code. You may be limited to five (5) minutes.

Lyndee Caput stated that she did not feel that Vice Chairman Thompson's comment about the Grand Jury was in good taste and his comment changed that attitude of everyone in the audience. This is not the place to do it and she left it at that.

11. BOARD ITEMS FOR NEXT AGENDA

Director Hill requested that the Volunteer list be located and brought to the next meeting to be looked over.

12. EMERGENCY SITUATIONS

Pursuant to Government Code 54954.2 and 54956.5 the Board may take action on items not listed on the agenda when emergency situations as defined by these codes.

13. CLOSED SESSION

A. Pursuant to Government Code 54954.2 – Legal Counsel, Possible Exposure to Litigation

Board convened to a closed session at 4:37 p.m. and reconvened at 5:10 p.m.

No action was taken; direction was given to staff.

14. ADJOURNMENT

The Board meeting was adjourned at 5:14 p.m.

The next regular Board meeting is scheduled for April 25, 2007. Regular Board meetings occur on the second and fourth Wednesdays of every month at 3:30 p.m.

at the Feather River Recreation and Park District, 1200 Myers Street, Oroville, CA.

Attest: Vene Thompson, Vice Chairman

Attest: Bob Sharkey, Secretary

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Exhibit M

Feather River Recreation and Park District

File

Activities/Facilities Listing (from previous rec. guide)

Adaptive Recreational Activities:

Do-It-Leisure

Tot Activities:

Rythyn for Tiny Tots

Youth Activities:

Baby Sitting

Beg. Tap & Ballet Combo for 5-7 Year Olds

~~Beginning Watercolors~~

~~Break Dance~~

~~Hip Hop Dance~~

Hunter Safety Course

Intermediate Tap & Ballet combo for 6-8 Year Olds

Intermediate Tap & Ballet combo for 9-11 Year Olds

Jaxx for 8-11 Year Olds

Kids That Cook

Pre-Dance for 4-5 Year Olds

~~Summer Theatre Production~~

Tap & Ballet combo for 8-11 Year Olds

Tee Ball Time

Teen Concerts

Sailing/Canoeing/Youth Sports:

~~Elevation Basketball Camp~~

Indoor Youth Soccer League

Introduction to Canoeing

Introduction to Sailing

Introduction to Sea Kayaking

Introduction to Sit-on Top Kayaking

Sunset/Moonlight Paddle

Summer Aquatics:

Parent/Tot (Infant & preschool w/parent)

Tadpoles (2 years old) (Pre-beginner)

Starfish (3-4 years old) (Beginner)

Turtle (Level 1) Introduction to Water Skills

Guppy (Level 2) Fundamental Skills

Stingray (Level 3) Stroke Development

Swordfish (Level 4) Stroke Improvement

Dolphin (Level 5) Stroke Refinement

Shark (Level 6) Skill Proficiency

Lessons:

Adult Swim Lessons

Introduction to Competitive Swimming - Nelson

Junior Lifeguard Class - Nelson

Private Swim Lessons

Water Aerobics - Nelson

Aquatic Special Events:

Aquatic Adventure Camp

Adult Lap Swim - Nelson Pool

Family Swim - Palermo Pool

Flick and Float

FRRPD Community Swim Meet

Summer Concerts at the Pool

Youth & Teen Activities:

~~Bedrock Summer Tennis Camp~~

Beginning Skateboard Lessons

~~Intermediate Skateboard Lessons~~

~~BXM/Freestyle Lessons~~

Bear Rock Day Camp (Riverbend):

Monday - Friday, Ages 6-12, 7:30 a.m. - 5:30 p.m.

Adult Dance Classes

Beginning Tap

Belling Dancing

Belly Dancing Choreography

Intermediate/Advanced Tap

Jazz

Line Dancing - Days

Line Dancing - Evenings

Adult Classes:

Basic Dog Obedience

~~Focaccia Bread-making~~

~~Pet Massage for Dogs~~

Pilates

Walk Then Run

~~We Be Jammin'~~

Adult Sports:

Adult Softball (Fall Co-ed & Men's Slowpitch)

FRRPD's Open Gym

~~Hard Ball League~~

Soccer League

Sunday Volleyball Open Gym

Adult Trips & Tours:

Apple Hill Trip

~~Classical Italy~~

~~Fiddler on the Roof~~

~~Great Train Robbery~~

Great Trains and Grand Canyon

~~Italian Festival~~

San Francisco Giants

Smokey Joe's Café

South Pacific

~~Vina Monastery Trip & Tour~~

Feather River Recreation and **Park District**

Activities/Facilities Listing
(from previous rec. guide)

Community Events:

Antique Show
Barn Dance
Berry Creek Berry Festival
Feather Fiesta Days
Forbestown Daze, Living History
FRRPD Community Swim Meet
Kiwanis "Hooked on Fishing, Not on Drugs"
Oroville Piecemakers Quilt Guild
Oroville Summer Concerts in the Park
Peddler's Faire, Downtown
Volunteer Opportunity Faire
YMCA Resident Camp

Health:

Basic First Aid
CPR - Cardiopulmonary Resuscitation
Lifeguard Training
Water Safety Instructor

Seniors:

AARP Driver Safety Class for Seniors
Digital Photography 101
~~Potlucks, Guest Speakers, Crafts, & Games~~
Tai Chi

Facility Rentals:

Facilities:

Municipal Auditorium

Softball Fields:

Gary Nolan Sports Complex
Nelson Softball Complex

Biking:

Feather River Parkway

Tennis:

Bedrock Tennis Courts

Parks:

Bedrock Park
Forbestown Park & Museum
Martin Luther King Jr. Park
Palermo Park
Playtown Park
Riverbend Park

Specialty Facilities:

Martin Luther King Jr. Amphitheatre
Bedrock Park Amphitheatre
Palermo Park Gazebo
Riverbend Park Gazebos

Pools:

Nelson Pool
Palermo Pool

Other:

Bangor Hall
Forbestown Hall

Activities/Facilities Listing
(Revised)**Exhibit N****Staff:**

Bob Sharkey, General Manager
 Lisa Vaught, Administrative Assistant
 Deanna Simmons, Administrative Assistant

Shawn Brandt, Rec. Supervisor; Adult/Youth Sports
 Kaylee Hunter, Rec. Supervisor; Aquatics/Special Events
 Stephanie Owens, Accounts Payable

Adaptive Recreational Activities:

Special Olympics Tournament

Adult Classes:

Pilates

Adult Dance Classes

Beginning Tap
 Belly Dancing
 Intermediate/Advanced Tap
 Jazz
 Line Dancing - Days
 Line Dancing - Evenings

Adult Sports:

Battlin' for Madeline Coed Softball Tourn. (Aug 11-12)
 BJ Hobb's Men's & Coed Softball Tourn. (Apr 21-22)
 Bocce Ball 1/21-2007
 Coed & Men's Fall Ball (Aug-Oct)
 Coed & Men's Softball (Apr-Jul)
 Disc Golf Tournaments
 FRRPD's Open Gym Basketball (Tues & Thurs)
 FRRPD's Open Gym Women Only (Wed)
 LP High School JV Softball Tournament (Mar 16-17)
 LP High School Varsity Softball Tournament (Mar 2-3)
 Matt Dailey Men's Softball Tournament (June 23-24)
 Men's Fast Pitch Tournament (June 17-18)
 Soccer League

Adult Trips & Tours:

San Francisco Giants
 San Francisco Shopping Trip

Aquatic Special Events:

Adult Lap Swim - Nelson Pool
 Aquatic Adventure Camp
 BBQ's @ the pool
 Family Swim - Palermo Pool
 Flick and Float
 Movies at the Pool
 Night Swim - Nelson Pool
 Recreation Swim
 Summer Concerts at the Pool

Aquatics - Summer:

Parent/Tot (Infant & preschool w/parent)
 Tadpoles (2 years old) (Pre-beginner)
 Starfish (3-4 years old) (Beginner)
 Turtle (Level 1) Introduction to Water Skills
 Guppy (Level 2) Fundamental Skills
 Stingray (Level 3) Stroke Development
 Swordfish (Level 4) Stroke Improvement
 Dolphin (Level 5) Stroke Refinement
 Shark (Level 6) Skill Proficiency

Community Events:

Groundhog Day (Feb 2, 07)
 Joni Morris Concert (Feb 17, 07)
 Battle of the Bands (March 2, 07)
 Kids Art Day (March 17, 07)
 Wildflower/Nature Festival (March 31 & April 1, 2007)
 Easter at Riverbend (April 7, 07)
 Feather Fiesta Days (May 3-12)
 Carnival @ Riverbend Park (May 3-6, 07)
 Bike Race & Rodeo (May 4, 07)
 Big Dam Race (May 5, 07)
 Floating Light Parade (May 5, 07)
 Family Fun Day (May 6, 07)
 Disc Golf Tournament (May 6, 07)
 Boat Show (May 12, 07)
 School's Out for Summer Party @ Nelson (Jun.9, 07)
 Luau & Floating Light Parade (June 16, 07)
 Independence Day at the Beach (July 4, 07)
 Salmon Festival Carnival (Sept)
 Oktoberfest (Oct 6, 07)
 Bridal Show (Oct 14, 07)
 Veteran's Dinner & Dance (Nov 11, 07)
 White Christmas Community Talent Show (Dec 15, 07)
 New Year's Ball (Dec 31, 07)
 Antique Show
 Barn Dance
 Berry Creek Berry Festival
 Big Fish Contest
 Concerts at the Park
 Forbestown Daze, Living History
 Kiwanis "Hooked on Fishing, Not on Drugs"
 Oroville Piecemakers Quilt Guild
 Peddler's Faire, Downtown
 Volunteer Opportunity Faire

Activities/Facilities Listing
(Revised)

Day Camp (Riverbend):

Mon-Fri, Ages 6-12, 7:30am - 5:30pm (April 2-6)

Facility Rentals:**Biking:**

Feather River Parkway

Facilities:

Municipal Auditorium

Parks:

Bedrock Park
Forbestown Park & Museum
Palermo Park
Playtown Park
Martin Luther King Jr. Park
Riverbend Park

Pools:

Nelson Pool
Palermo Pool

Softball Fields:

Gary Nolan Sports Complex
Nelson Softball Complex

Specialty Facilities:

Bedrock Park Amphitheatre
Martin Luther King Jr. Amphitheatre
Palermo Park Gazebo
Riverbend Park Gazebos

Tennis:

Bedrock Tennis Courts

Other:

Bangor Hall
Forbestown Hall

Health:

Basic First Aid
CPR - Cardiopulmonary Resuscitation

Lessons:

Adult Swim Lessons
Introduction to Competitive Swimming - Nelson
Junior Lifeguard Class - Nelson
Lifeguard Training-Butte @ Nelson
Orcas/Mini Orcas
Private Swim Lessons
Water Aerobics - Nelson

Seniors:

AARP Driver Safety Class
Senior Center- 2 Events per month (For example: St. Patrick's Day Lunch or a guest speaker)
Senior Fitness
Senior Softball League/Tournaments
Tai Chi

Tot Activities:

Rhythm for Tiny Tots

Youth Activities:

Beg. Tap & Ballet Combo for 5-7 Year Olds
Hunter Safety Course
Intermediate Tap & Ballet combo for 6-8 Year Olds
Intermediate Tap & Ballet combo for 9-11 Year Olds
Jazz for 8-11 Year Olds
Pre-Dance for 4-5 Year Olds
Summer Theatre Production
Tap & Ballet combo for 8-11 Year Olds
Teen Dances (1/26, 2/9, 3/23, 4/27, 6/22)

Youth Classes:

Driver's Education Course

Youth Sports:

Basketball (K-5th grades, Feb-Mar)
Boys Basketball (5/6th grades, Jan-Mar)
Boys Basketball (7/8th grades, Oct-Dec)
Cross Country (5-8th grades, Sept-Oct)
Flag Football (5-8th grades, Sept-Oct)
Girls Basketball (5/6th grades, Oct-Dec)
Girls Basketball (7/8th grades, Jan-Mar)
Indoor Youth Soccer League (K-5th grades, June-Aug)
Mighty Mites Track & Field (K-3rd grades, Apr-May)
Sunset/Moonlight Paddle
T-Ball (3-5 years old, July-Aug)
Volleyball (5-8th grades, Sept-Oct)

Appendix I

Summary of Required Responses

Report	Respondents
Auditor-Controller's Office	Butte County Auditor-Controller Butte County Chief Administrative Officer Butte County Human Resources Director
Review of the Butte County Assessor's Office	Butte County Assessor Butte County Chief Administrative Officer Butte County Board of Supervisors Butte County Human Resources Director
Department of Development Services	Butte County Board of Supervisors Butte County Development Services Director
Butte County Clerk-Recorder	None Required
Human Resources	Butte County Board of Supervisors Butte County Chief Administrative Officer Butte County Human Resources Director
Information Systems	None Required
Butte County Library System	Butte County Library Director Butte County Board of Supervisors Butte County Library Advisory Board Butte County Facilities Services
Small Rural School Districts	PUESD Superintendent/Principal PUESD School Board BUSD Superintendent/Principal BUSD School Board FFUESD Superintendent/Principal FFUESD School Board GFUSD Superintendent/Principal GFUSD School Board Feather River Recreation & Parks District Board of Directors
Palermo Drainage Ditch	Butte County Board of Supervisors Butte County Public Works Director
Domestic Violence/Own Recognizance Program	Butte County District Attorney Butte County Chief Probation Officer
Butte County Law Enforcement Agencies	Oroville City Council Oroville Chief of Police Oroville City Community Development & Public Works Director

	Oroville City Administrator Oroville Human Resources Manager Butte County Board of Supervisors Butte County Sheriff-Coroner
Law Enforcement Formal Complaint System	Chico City Council
The Planning Process in the City of Chico	Chico City Council Chico City Manager City of Chico Planning Commission City of Chico PSD Planning Director
Chico City Plaza Project	Chico City Council Bidwell Park and Playground Commission City of Chico General Services Director Chico City Manager
Old Humboldt Road Wagon Trail Revisited	Chico City Council City of Chico Planning Commission Bidwell Park and Playground Commission City of Chico General Services Director
Planning in the City of Oroville	Oroville Community Development & Public Works Director Oroville City Administrator Oroville City Council
City of Oroville's First Time Home Buyers Program	Business Assistance & Housing Development Department Director Oroville City Administrator Oroville Community Development & Public Works Director
Feather River Recreation & Park District	Feather River Recreation & Park District Board of Directors Butte County District Attorney

Appendix II

Comments Regarding Responses to the 2005-2006 Grand Jury Final Report

Effective January 1, 1997, state law requires that all agencies and public officers promptly submit responses to Grand Jury final reports, and to address every finding and recommendation pertaining to that agency or officer. (Penal Code §933.05, see beginning pages of this Final Report for Penal Code excerpts.)

The 2006-2007 Grand Jury received most responses requested in the 2005-2006 Grand Jury Final Report. The 2005-2006 Grand Jury evaluated those responses and determined that most met the basic requirements for responding to the findings and recommendations. In determining the adequacy of the responses, the 2006-2007 Grand Jury considered the following questions:

1. Did the agency's response address the subject of the findings?
2. Did the agency attempt to avoid the issue(s) raised by criticizing the Grand Jury or by offering excuses?
3. Did the agency's response indicate that it would take the necessary action to correct the problem?
4. Did the agency provide a specific date by which it would take the necessary corrective action?
5. Did the agency use the correct format?

The 2006-2007 Grand Jury has published the responses to the findings and recommendations of the 2005-2006 Grand Jury Final Report, and they are available for public review online at the Butte County Website.

(<http://www.buttecounty.net/grandjury/>)

The 2006-2007 Grand Jury wishes to thank those who responded to last year's Final Report and recognizes their contribution to the community and to the Grand Jury process. The time and effort taken to review the 2005-2006 Grand Jury Final Report and to prepare and submit responses to the presiding judge are greatly appreciated.

Appendix III

Conflict of Interest

This Grand Jury recognizes that a conflict of interest may arise in the course of its investigations. Individual Grand Jury members are required to abstain from participation and voting on investigations in which they have such conflict.

Reports in which a Grand Juror abstained are:

- Butte County Law Enforcement Agencies
- Department of Development Services
- Domestic Violence/Own Recognizance Program
- Feather River Recreation & Park District
- Law Enforcement Formal Complaint System