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PLACER COUNTY GRAND JURORS 2008–2009

Foreman:	Rick Morgan	Lincoln
Pro Tempore:	Roy Hamlin	Roseville
Office Manager:	Hal Kalkwarf	Lincoln
Secretary:	Jeannie Lera	Roseville
	Joseph Bales	Roseville
	Larry Birch	Auburn
	Kevin Brady	Auburn
	Winfield Gredvig	Roseville
	Ken Hession	Lincoln
	Rae James	Loomis
	Hazel Johnson	Loomis
	Richard Kaiser	Lincoln
	Bud Knudtson	Granite Bay
	Ed Lehman	Granite Bay
	Nancy Rawlinson	Rocklin
	Bob Robinson	Rocklin
	Earl Walker	Auburn
	Al Wharton	Penryn
	John Wilhelm	Rocklin

2008–2009 PLACER COUNTY GRAND JURY

Photo by Win Gredvig



Back Row (L to R): Rick Morgan, Winfield Gredvig, Ed Lehman, Al Wharton, Richard Kaiser, Joseph Bales, Bud Knutson, Earl Walker, Kevin Brady, Larry Birch, Hal Kalkwarf. Front Row: Bob Robinson, Nancy Rawlinson, Hazel Johnson, John Wilhelm, Ken Hession. Seated: Jeannie Lera, Rae James.

Not shown: Roy Hamlin

FINAL REPORT SUMMARIES

Blue Bag Recycling Program Assessment

Four jurisdictions in Placer County utilize a voluntary Blue Bag Recycling Program. These are the cities of Auburn and Lincoln, the Town of Loomis, and unincorporated areas of Placer County. Residents and businesses place clean and dry recyclables in blue bags that are commingled with regular trash and transported to the Western Placer Waste Management Authority's Materials Recovery Facility for processing at a later date. The 2008–2009 Grand Jury agrees with last year's Jury in its recommendation that all Blue Bag Programs be eliminated. Because of the responses received from the cities of Lincoln and Auburn, this Grand Jury reinvestigated the program and determined the residents' time, effort and expense were of marginal value to any of the jurisdictions' recycling programs while additional costs were incurred in processing intact bags.

Child Abuse Reporting Procedures within Placer Co. School Districts

Teachers are often the first to witness symptoms of child abuse. The Grand Jury investigated child abuse reporting procedures at three schools in Placer County. The school staff interviewed during the investigation were found to be knowledgeable and well trained in matters involving reporting suspected child abuse. They were aware of their responsibilities as mandated child abuse reporters which are required by the State of California Child Abuse and Neglect Reporting Act.

Placer County Emergency Call Centers

Emergency call centers are typically accessed in the United States by dialing 9-1-1. These centers serve as the first point of contact between a pending emergency and local police, fire fighters, or health services. Advanced technology and human resource practices greatly impact the responsiveness and effectiveness of a 9-1-1 system—a system that often determines the outcome of life or death situations.

The 2008–2009 Grand Jury toured and evaluated the following dispatch call centers: Auburn, Lincoln, Rocklin and Roseville. Additionally, call centers within the Sheriff's Department located in Auburn and Tahoe City were inspected and reviewed.

Jurors found that all call center operations within Placer County reflect the changing technology in the industry. Currently, 9-1-1 calls originating from cell phones in California can be directly routed to local call centers. All call centers in Placer County plan to implement this service by the end of 2009. This technology is an important improvement from past years when 9-1-1 cell phone calls had to be routed through the California Highway Patrol (CHP). This enhanced communication technology is resulting in improvements in the way all emergency calls are handled and tracked.

A Survey of Cemetery Districts within Placer County

Placer County's six public cemetery districts are assets belonging to its citizens. The Grand Jury found that these districts appear to be managed and operated well. They are positioned to serve the County's needs well into the future.

Thunder Valley Casino: Mitigating Costs to Local Governments

The presence of Thunder Valley Casino in Placer County has resulted in both financial benefits and costs to the County and some of its cities. The municipalities and the Casino have generally worked well together to establish agreements and processes to help mitigate any costs. Based on evaluations from the County and the three cities closest to the Casino (Lincoln, Rocklin and Roseville), the Grand Jury determined that there are currently no known significant adverse financial impacts on these governments and their agencies resulting from the operation of the Casino. Additional analysis should be done to confirm this, however, by Rocklin and Roseville.

Some local government agencies use grant money to partially mitigate their Casino-related costs. Grant availability is not guaranteed for the future, so more permanent funding sources should be found if those costs will be ongoing. In addition, the County committee that awards these grants should improve its procedures to ensure that money is spent as intended.

The Grand Jury did not investigate the complex area of assessing the mitigation of any costs to residents, businesses or non-governmental agencies in these communities that may be caused by the presence of the Casino. This investigation focused only on costs to local governments.

Placer County Auburn Animal Shelter

The Placer County Grand Jury conducted an inspection in November 2008 of the Placer County Animal Services Facility in Auburn. The facility, although old and somewhat deteriorated on the exterior, appeared to be adequate. The cages and animal enclosure areas were found to be small, but clean and well maintained with fresh water available. Volunteers and regular staff handle dogs on a frequent basis to maintain sociability of the animals.

Jurors concluded that the Placer County Animal Services Division is doing a satisfactory job considering the limitations of the facility.

Placer County is currently working with the cities of Roseville, Rocklin and Lincoln with respect to planning, funding, design, construction and operation of a new animal shelter to serve South Placer County.

The demolition and replacement of the Auburn site, according to the current timeline, is scheduled to be completed by August 2013. However, this is contingent on the new South Placer facility being built and operational. The replacement of the Auburn Animal Shelter had been discussed in Grand Jury reports as early as 2001. It is the hope of this Grand Jury that the County and its partners adhere to the current timeline for the projects.

Refinancing School District Bonds

School districts often use general obligation bonds to provide financing for various capital projects. These bonds require voter approval when they are originally issued. However, school boards may replace them with new issues without voter approval under certain conditions. Some Placer County school districts, and many more throughout the state, have refinanced their bonds in recent years in a way that has produced additional money for their capital projects beyond what was produced by the original issues. The California Attorney General recently released an opinion saying this practice, called cash out refunding, is unconstitutional because it creates new debt without first obtaining approval from the voters.

However, refinancing an outstanding general obligation bond without taking cash out is constitutional and may be a good decision under the right market conditions.

Refinancing has the potential to significantly lower total costs to taxpayers over the life

of a bond issue. When this is done, however, it must be accomplished using appropriate controls and adequate public disclosure.

Annual Inspection of the Placer County Juvenile Detention Facility

The 2008–2009 Placer County Grand Jury conducted its annual inspection of the Placer County Juvenile Detention Facility in October 2008. The current Grand Jury is in agreement with the 2006–2007 and 2007–2008 Grand Jury recommendations that the installation of additional surveillance cameras is needed for the protection of juvenile detainees and facility staff.

During its inspection and a follow-up investigation, the 2008–2009 Grand Jury became aware that little or no progress had been made on the procurement and installation efforts of the surveillance cameras. The installation of additional surveillance cameras with recording equipment cannot be completed as proposed by June 2009. The Grand Jury is concerned about this lack of progress and recommends the Probation Department provide documentation, including a valid timeline, to show evidence of the progress on the camera installation.

Annual Inspection of the City Of Auburn Police Department

The Grand Jury conducted its annual inspection of the Auburn Police Department (PD) and holding facilities on September 9, 2008. The Jurors were satisfied with the operations and conditions they observed throughout the facility.

Annual Inspection of the City Of Lincoln Police Department

In October 2008, the Grand Jury conducted its annual inspection of the City of Lincoln Police Department holding area. Jurors were satisfied with the operations and the conditions they observed throughout the facility.

Annual Inspection of Placer County Main Jail

The Grand Jury conducted its annual inspection of the Placer County Main Jail in Auburn at the Dewitt Center. The Placer County Sheriff's Department operates the Main Jail which includes a minimum security facility.

The Grand Jury was concerned by the amount of staff overtime usage and recommends further analysis be done. Jurors found the Main Jail to be operated by a highly professional, well-trained and motivated staff.

Annual Inspection of the City of Rocklin Police Department

The Grand Jury conducted its annual inspection of the City of Rocklin Police Department's holding area in August 2008. The Grand Jury is satisfied with the conditions and maintenance of the facility.

Annual Inspection of the City of Roseville Police Department

The Grand Jury conducted its annual inspection of the Roseville Police Department (PD) and holding facilities on August 25, 2008. The Grand Jury was satisfied with the operations and conditions it observed throughout the facility.

Annual Inspection of the Placer County Sheriff's Department at the Burton Creek Facility

The Grand Jury conducted its annual inspection of the Placer County Sheriff's Burton Creek Facility in September 2008. Jurors are concerned about the facility's age and limitations, and feel the building should be replaced. However, they were satisfied with the operations they observed.

Inspection of the Bill Santucci Justice Center

In April 2009, the Grand Jury conducted its first inspection of the Placer County Superior Court holding facility at the Bill Santucci Justice Center in Roseville. The facility opened in July 2008. Prior to the inspection of the holding facility, Jurors were given a tour of the Justice Center. Jurors were impressed with the outstanding design of the courtrooms and the state-of-the-art security system. The Grand Jury found the holding facility to be well organized and maintained.

INSTRUCTIONS FOR RESPONDENTS

The legal requirements affecting respondents and responses to Grand Jury Findings and Recommendations are contained in California Penal Code Section 933.05. The full text of the law is provided below.

Each respondent should become familiar with these legal requirements and, if questions arise, should consult legal counsel prior to responding.

TIME TO RESPOND, WHERE AND TO WHOM TO RESPOND

Section 933(c) of the Penal Code provides for two different response times and to whom one must respond, depending on the nature of the respondent:

1. Public Agency: The governing body of any public agency must respond within ninety (90) days. The response must be addressed to the Presiding Judge of the Superior Court.
2. Elective Office or Agency Head: All elected officers or heads of agencies who are required to respond must do so within sixty (60) days, to the Presiding Judge of the Superior Court, with an information copy provided to the Board of Supervisors.

Respondents must provide two originals of their responses, one to the Presiding Judge of the Placer County Superior Court and one to the Placer County Grand Jury at the addresses listed below.

When responding to more than one report, respondents must respond to each report separately.

- The Honorable Alan V. Pineschi
Presiding Judge of the Superior Court
County of Placer
P.O. Box 619072
Roseville, CA 95661
- Placer County Grand Jury
11490 C Avenue
Auburn, CA 95603

CALIFORNIA 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:
 - i. The Respondent agrees with the finding.
 - ii. The Respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

- b) For purposes of subdivision (b) of Section 933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following actions:
 - i. The recommendation has been implemented, with a summary regarding the implemented action.
 - ii. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementations.
 - iii. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame 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 time frame shall not exceed six months from the date of publication of the Grand Jury report.
 - iv. 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 that 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.

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 (2) 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.

HISTORY AND FUNCTIONS OF THE GRAND JURY

HISTORY

Juries stem from the eleventh century. In 1215, the concept of a jury had become a pledge expressed in the Magna Carta, that no free man would be “imprisoned or dispossessed or exiled or in any way destroyed . . . except by the lawful judgment of his peers . . .”

In 1635, the Massachusetts Bay Colony impaneled the first grand jury to consider cases of murder, robbery and wife-beating. The U.S. Constitution’s Fifth Amendment and the California Constitution call for grand juries. Grand Juries were established throughout California during the early years of statehood. As constituted today, criminal and civil grand juries are a part of the judicial branch of government, arms of the court system.

The criminal grand jury may conduct hearings to determine whether there is sufficient evidence to bring an indictment charging a person with a criminal offense. However, the district attorney usually empanels a separate jury drawn from the petit (regular trial) jury pool to bring criminal indictments. Civil and criminal grand juries have the power to subpoena.

FUNCTIONS

The grand jury is an investigatory body created for the protection of society and the enforcement of the law. The grand jury in California is unusual because its duty includes investigation of county government as provided by statutes passed in 1880. Only a few other states require grand jury investigation beyond alleged misconduct of public officials. Although the jury responsibilities are many and diverse, the three predominant functions include:

➤ ***Civil Watchdog Responsibilities*** - This is the major function of present day California grand jurors and considerable effort is devoted to these responsibilities. The

grand jury may examine all aspects of county and city government and special districts to ensure they are serving the best interests of Placer County residents. The grand jury reviews and evaluates procedures, methods and systems used by county government for efficiency and economy. The grand jury is also authorized to:

- Inspect and audit books, records and financial expenditures to ensure that public funds are properly accounted for and legally spent.
- Inspect financial records of special districts in Placer County.
- Inquire into the conditions of jails and detention centers.
- Inquire into charges of willful misconduct in office by public officials or government, district or agency employees.

Most grand jury “watchdog” findings are contained in reports describing problems they discover and their subsequent recommendations for solutions. To accomplish the county watchdog functions, the grand jury normally establishes several committees. During its term, the grand jury issues final reports on government operations in Placer County.

After a final report is published, the official or governing body of an agency or government covered in the report must respond to the grand jury within a given period of time, as prescribed by California law. Officials must respond within 60 days; governments or agencies must respond within 90 days. The following year’s grand jury publishes the responses to the final report.

➤ ***Citizen Complaints*** - As part of the civil function, the grand jury receives complaints from residents alleging official mistreatment, suspicious conduct, or governmental inefficiencies. The grand jury investigates reports from residents for their validity. All such requests are kept confidential until a final report is published. In fact, the complainant is not told whether or not the grand jury will investigate a complaint until the report is issued.

➤ ***Criminal Investigations*** – Upon occasion, the district attorney asks the grand jury to hold hearings to determine whether evidence presented by the district attorney is sufficient to indict an individual, who would then stand trial in court. A minimum of 12 grand jurors must vote for an indictment in any criminal proceeding.

QUALIFICATIONS

Prospective grand jurors must possess the following qualifications (Penal Code Section 893):

- Be at least 18 years old.
- Be a resident of California and Placer County for at least one year immediately prior to selection.
- Be in possession of his or her natural faculties, of ordinary intelligence, of sound judgment and fair character.
- Possess sufficient knowledge of the English language to communicate both orally and in writing.

A person is NOT competent to act as a grand juror if any of the following apply:

- The person is serving as a trial juror in any California court.
- The person has been discharged as a grand juror in any California court within one year of the beginning date of service, July 1.
- The person has been convicted of malfeasance in office or any felony or other high crime.
- The person is serving as an elected public official.

Desirable qualifications for a grand juror include the following:

- Be in good health.
- Be open-minded with concern for the views of others.
- Have the ability to work with others.
- Have genuine interest in community affairs.
- Have investigative skills and an ability to write reports.
- Have modest computer and Internet communication skills.

SELECTION

In the spring of each year the presiding Judge selects residents at random from the list of applicants. Applicants should expect that a criminal records check will be conducted. Applications are reviewed and an interview is scheduled with the presiding Judge, the foreperson of the outgoing grand jury, and perhaps the presiding Judge's assistant.

After the interview process, prospective applicants are requested to appear for the final selection, held in a Placer County Superior Court courtroom. At this time, with outgoing grand jurors in attendance, 19 names are drawn randomly by the court clerk. Another

12 names are drawn and ranked to form a list of alternate jurors. The new 19 grand jury members are sworn in and given a description of their duties and responsibilities by the Presiding Superior Court Judge. The jurors begin a one- year term on July 1.

COMMITMENT

Persons selected for grand jury service can expect to serve 25 to 30 hours per month for a period of one year, July 1 through June 30.

REMUNERATION

Grand jurors receive a nominal payment for meetings they attend, and they are reimbursed for mileage to attend meetings, training, and possibly other minor expenses.

ORIENTATION

New jurors are encouraged to attend an orientation program about grand jury functions, and on county, city and special district governments.

WHY BECOME A GRAND JUROR?

Those who volunteer and are accepted for grand jury service should feel privileged to be selected. They enter this service with interest and curiosity to learn more about the administration and operation of Placer County government. Serving as a grand juror requires many hours and serious effort, and reflects a generous commitment to public service.

REPORTS OF THE GRAND JURY

The Placer County Courts maintains web pages for the Grand Jury on the Placer Courts website. Past and present final reports, and responses to those final reports, may be found on the Placer County Superior Court website: <http://www.PlacerGrandJury.org>

HOW TO APPLY FOR OR CONTACT THE GRAND JURY

Placer County residents are encouraged to volunteer for Grand Jury service. This may be done by visiting the Grand Jury website listed below and filling out the Application for Service.

Residents of Placer County are encouraged to write or contact the Placer County Grand Jury in one of the following ways:

- Placer County Grand Jury
11490 C Avenue
Auburn, CA 95603

- Grand Jury website: <http://www.PlacerGrandJury.org>

- Grand Jury e-mail address: grandjury@placer.ca.gov

- Telephone: 530-886-5200
Fax number: 530-886-5201

REQUEST FOR GRAND JURY ACTION FORM INSTRUCTIONS

- I. Submit a Grand Jury Citizen Complaint Form only after you have tried all other options to correct a problem or concern and they have proved unsuccessful.

- II. Instructions for preparing the Citizen Complaint Form:
 - a. **The complaint is against:**
 - 1) Include the name of the individual(s) or organization(s) the complaint is against.
 - 2) Check for correct spellings of names and organizations.
 - 3) If the complaint is against an individual within an organization, include the individual's title or position on the organization.
 - 4) Provide the individual's or organization's physical address (not a P.O.Box), city and zip code.
 - 5) Provide the telephone number of the individual(s) or organization(s) cited, including the area code.

 - b. **My complaint against the above-named person or agency is:**
 - 1) Describe the problem in your own words. Be as concise as possible. Provide dates, times, and names of individuals involved.
 - 2) Cite specific instances rather than broad generalizations.
 - 3) Attach any available photographs, correspondence or documentation that supports your complaint.
 - 4) If more room is required, attach extra sheets and include their number on the last line of the first sheet, e.g., "three (3) additional sheets are attached."

 - c. **Complainant:**
 - 1) Include your name, street address, city, zip code, telephone number and area code.
 - 2) **Your name will be held in strictest confidence. All grand jury documents are secret and cannot be subpoenaed in court or revealed to the public.**

Mail this complaint form to the address shown on the front.

Please sign your complaint. You may file an anonymous complaint if you wish; however, the grand jury is less likely to investigate anonymous complaints because they will not be able to contact you for clarification and follow-up. The jury is also less likely to get to the truth of the matter if it does choose to investigate.

- III. The grand jury will respond to your complaint and acknowledge its receipt. The grand jury may contact you directly during its inquiries.

REQUEST FOR GRAND JURY ACTION

Placer County Grand Jury
DeWitt Center
11490 C Avenue, Auburn, CA 95603

Notice: This form and any supplemental material will be treated confidentially. The Grand Jury is prohibited by law from disclosing any aspect of an inquiry prior to issuing a final report. For various reasons the Grand Jury cannot investigate all requests for action, therefore you may wish to pursue other avenues.

Your Name		
Your Mailing Address	City	Zip Code
Home Telephone	Work Telephone	

PERSON / AGENCY YOU ARE REPORTING

Name		
Address	City	Zip Code
Telephone		

Please use space on back of form for a brief narrative of key events.
Attach any correspondence or documents about the subject.

LIST OTHER OFFICIALS / AGENCIES YOU HAVE CONTACTED ABOUT THIS SUBJECT

Official / Agency	Address	Approximate date of contact

PAST OR PENDING LAWSUITS

Explain what you know of past or pending lawsuits related to this matter

Your Signature:	Date:
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Please mail completed form to the Placer County Grand Jury Foreperson at the above address.
For Official Use Only. Do not write in the space below.

Number:	Date Received:	Date Considered:
Disposition:		

BLUE BAG RECYCLING PROGRAM ASSESSMENT



Photo by Win Gredvig

BLUE BAG RECYCLING PROGRAM ASSESSMENT

Summary

Four jurisdictions in Placer County utilize a voluntary Blue Bag Recycling Program. These are the cities of Auburn and Lincoln, the Town of Loomis, and unincorporated areas of Placer County. Residents and businesses place clean and dry recyclables in blue bags that are commingled with regular trash and transported to the Western Placer Waste Management Authority's Materials Recovery Facility for processing at a later date. The 2008–2009 Grand Jury agrees with last year's Jury in its recommendation that all Blue Bag Programs be eliminated. Because of the responses received from the cities of Lincoln and Auburn, this Grand Jury reinvestigated the program and determined the residents' time, effort and expense were of marginal value to any of the jurisdictions' recycling programs while additional costs were incurred in processing intact bags.

Background

The 2007–2008 Grand Jury, in response to questions from residents concerning the effectiveness of the Western Placer County recycling program, conducted an investigation of the Western Placer Waste Management Authority's (WPWMA) Materials Recovery Facility (MRF, pronounced "Murf") in January 2008. That Grand Jury found the MRF to be well managed and using state-of-the-industry equipment and technology. The recyclable materials commingled with the other trash and garbage were easily and efficiently sorted, collected and packaged for sale.

The California Integrated Waste Management Act of 1989 (AB 939) mandated that 25% of refuse be recoverable by 1995 and 50% by 2000. Soon after, some Placer County jurisdictions started Blue Bag Programs that allowed citizens to voluntarily place clean recyclable items in blue plastic bags that were commingled with trash container contents. The bags were pulled off the sorting lines at the MRF and saved for later processing.

The 2007–2008 Grand Jury found the Blue Bag Program contributing marginally, if at all, to the overall recycling program. Because the MRF processes all commingled refuse so efficiently, that Grand Jury recommended the jurisdictions eliminate the Blue Bag Programs.

Opposition responses from the cities of Auburn and Lincoln caused the 2008–2009 Grand Jury to reopen the investigation into the viability of the Blue Bag Programs.

Investigation Methods

On October 17, 2008, Jurors met at the MRF, listened to a presentation by Eric Oddo, WPWMA Senior Civil Engineer, asked questions and completed a tour of the entire facility. It began on the receiving floor where the trucks dumped the loads, then proceeded up to the next level where the receivables were sorted and recyclables collected. The tour ended where the refuse materials had been collected and readied for the landfill and recyclables compressed and packaged for sale. Jurors returned to the MRF in December to specifically follow the blue bags' path from the receiving floor and along the sorting line conveyor belts.

Jim Durfee, Executive Director of WPWMA, and Jim Estep, Lincoln City Manager, were interviewed in January 2009. Mr. Estep was accompanied by staff members, John Pedri and Steve Ambrose. Jurors asked about Blue Bag Program costs and its contribution to the recyclable recovery efforts.

Facts

In their written responses to last year's Grand Jury report, the cities of Lincoln and Auburn disagreed with the 2007–2008 Grand Jury's recommendation to eliminate the Blue Bag Programs. Lincoln administrators stated the program elimination would require a substitution, such as a third can for recyclables, to meet its goals. Auburn's Mayor, Keith Nesbitt, stated, "The blue bag is a valuable educational tool that allows our citizens to participate in the recycling process at their home which naturally increases their awareness of waste issues." Jim Durfee indicated, in his written response, that the WPWMA would maintain a neutral position and process blue bags as long as jurisdictions elected to continue their programs.

In a January 2009 Grand Jury interview, Lincoln officials maintained the Blue Bag Program's elimination would require it to be replaced with an alternative program.

The WPWMA's addition of the MRF in the 1990's and its updating with the latest equipment and technology available in mid 2000's has increased its recycling capability and efficiency. The present processing system is effective and nearly all recyclables commingled with regular trash can be retrieved.

Within Western Placer County there are four jurisdictions presently implementing voluntary Blue Bag Programs. The programs began in the early 1990's prior to the modernization of the MRF, when resident participation was needed to separate recyclables from other trash. All four jurisdictions require recyclable items placed in the bags to be clean and dry, including various paper products, plastic/glass bottles and aluminum/tin cans.

The MRF processes the refuse collected from all of Placer County west of the City of Colfax. The Town of Loomis, City of Auburn and unincorporated areas of Placer County utilize the Auburn Placer Disposal Service (APDS) to pick up and transport refuse. The City of Lincoln collects its own trash and delivers it to the MRF. The Town of Loomis and City of Auburn provide residents blue bags at no charge and APDS delivers them. Lincoln residents are provided free bags, costing the City \$26,000 per year. Blue bags must be picked up at City Hall. Unincorporated area residents of Western Placer County must purchase blue bags at grocery stores. The filled bags are expected to be placed inside the container. Otherwise, the APDS driver will exit the cab to retrieve blue bags placed alongside a full container. The City of Lincoln requires filled blue bags to be placed inside the garbage container.

Blue bags comprise only a very small percentage of the total volume of processed refuse at the MRF. A large portion of the blue bags do not make it to the sorting lines in a retrievable condition. They are often ripped open by the sheer weight of the contents, items in the bag, sharp objects, compaction in the truck, etc. The bags provided to the residents for no charge tend to be made of thinner plastic than the purchased types and are torn open very easily. The blue bags themselves are presently not recyclable and are sent to the landfill.

Jurors observed the blue bags in various conditions when they started the path from the receiving floor to the sorting lines. Employees may retrieve an intact or partially damaged blue bag containing recyclables at any point after it reaches a sorting line belt

Although they said they had not determined the requirements of the California Integrated Waste Management Board (CIWMB), the officials again mentioned a third can program as a replacement or the possibility of using a facility other than the existing MRF.

Mr. Durfee testified to this Grand Jury that the benefits of the Blue Bag Programs are marginally positive and are cost neutral to Placer County. The participating jurisdictions and the public bear the costs. As he stated previously, the WPWMA maintains a neutral position and will process blue bags as long as programs exist.

The CIWMB recently approved the 2006 Diversion Rates and Lincoln achieved 60% by implementing 35 programs. In comparison, Rocklin achieved 58% implementing 31 programs and does not have a Blue Bag Program. There are 63 potential diversion programs listed by CIWMB. All jurisdictions in Placer County exceeded the State-mandated 50% Diversion Rate except the Town of Loomis. It received a board approved good faith effort of 48%.

Roseville and Rocklin, the two largest cities in Placer County, do not have Blue Bag or any other curbside sorting programs. Green waste is placed in a separate container.

The MRF in Placer County is classified as a “dirty MRF” waste processing facility and accepts refuse as a mixed solid stream. This type of treatment technology accepts waste and recyclable materials mixed together. All the garbage comes into the facility and a combination of mechanical methods, including shakers, screens, magnets, etc., is used to sort and collect materials. In addition, workers manually sort and collect recyclables from the trash as it moves along on the conveyor belt lines. Separation occurs within the plant rather than at the source or curbside. After all the recyclables are collected, the remaining waste material is transported to the landfill for disposal.

At the curbside or other collection point, a commingled refuse container is dumped into a collection truck, hauled to the MRF and the contents dumped onto the receiving floor. When blue bags reach the sorting lines, employees are instructed to retrieve the blue bags and drop them in a separate bin. At a later time, after sufficient numbers of bags have been accumulated, the filled bins are returned to the receiving floor and the bags are run through the same process as regular trash. The employees tear open the bags and shake the contents out onto the belts. The belt speed is reduced to a very slow pace so all recyclables can be retrieved.

and before it drops off the end of the line. In general, the bags can be categorized in the following ways:

- Bags are not retrievable and are treated as regular garbage:
 - Bags are badly damaged with no contents.
 - Bags are damaged and all contents fall out when grabbed by a sorter.
 - Bags are partially intact and all contents may be dislodged with a little shaking.
- Bags are retrievable and saved for sorting at a later date:
 - Bags are damaged but some or all the contents remain after it is grabbed.
 - Bags are not damaged at all.

Jurors had been told that all retrievable bags would be removed from the belts, saved and processed later. However, Jurors observed that some retrievable bags passed every worker on the line, dropped off the end of the belt and the unrecovered recyclables went to the landfill.

One benefit resulting from the programs served by APDS is that bags are allowed to be placed alongside a full trash container, making space available inside for additional trash.

Findings

1. The MRF, with its updated equipment and use of technology, is a very well managed and efficient recycling facility. Its recyclable recovery program is improved marginally, if at all, by the Blue Bag Programs.
2. Making residents aware of the value of recycling is beneficial. However, Jurors found no evidence the time, effort or money spent on the Blue Bag Programs by residents contributed anything significant toward achieving the recycling goals of the jurisdictions.
3. Since the MRF is classified as “dirty”, any handling of separated recyclables, such as filled blue bags, adds to processing costs. Jurors found the blue bags added to the total cost of recycling programs in at least three ways.
 - a) The bags cost the residents money either directly by purchase or indirectly through town or city purchase.
 - b) Extra time and labor are required to retrieve bags placed alongside full containers.
 - c) Extra time and labor are required to process saved bag contents at a later time.

4. One negative aspect to eliminating the Blue Bag Program is that in some jurisdictions residents will lose the benefit of placing blue bags next to the full container. The extra space can save residents money by allowing more trash to be disposed of without paying for an additional container.

Recommendations

1. Due to the recyclable recovery efficiency at the MRF, all Blue Bag Programs within Western Placer County should be eliminated.
2. All Western Placer County jurisdictions with Blue Bag Programs should notify their residents that their time, effort and expense marginally increase, if at all, the amount of materials recycled. The notice should educate the public on the effectiveness of the recycling process and the collection of comingled materials at the MRF. The notification could be a direct mailing or inclusion in the billing.

Request for Responses

- Spencer Short, Mayor / #'s 1, 2 - Due by September 1, 2009
City of Lincoln
600 Sixth Street
Lincoln, CA 95648
- Mike Holmes, Mayor / #'s 1, 2 - Due by September 1, 2009
City of Auburn
1225 Lincoln Way
Auburn, CA 95603
- F. C. "Rocky" Rockholm, Chair / #'s 1, 2 - Due by September 1, 2009
Placer County Board of Supervisors
175 Fulweiler Avenue
Auburn, CA 95603
- Walt Scherer, Mayor / #'s 1, 2 - Due by September 1, 2009
Town of Loomis
6140 Horseshoe Bar Road, Suite K
Loomis, CA 95650
- Jim Durfee, Executive Director / #'s 1, 2 - Due by October 1, 2009
WPWMA
11476 C Avenue
Auburn, CA 95603

CHILD ABUSE REPORTING PROCEDURES WITHIN PLACER COUNTY SCHOOL DISTRICTS



CHILD ABUSE REPORTING PROCEDURES WITHIN PLACER COUNTY SCHOOL DISTRICTS

Summary

Teachers are often the first to witness symptoms of child abuse. The Grand Jury investigated child abuse reporting procedures at three schools in Placer County. The school staff interviewed during the investigation were found to be knowledgeable and well trained in matters involving reporting suspected child abuse. They were aware of their responsibilities as mandated child abuse reporters which are required by the State of California Child Abuse and Neglect Reporting Act.

Background

In the 2007–2008 Grand Jury Final Report, the Jury made recommendations designed to correct what they found to be deficiencies in staff’s knowledge of child abuse reporting requirements at some schools. The 2007–2008 Grand Jury made the recommendation that: “...all Placer County Schools have consistent policies and procedures for reporting child abuse available for any mandated reporter to review. All new school employees should be trained and current employees annually updated on child abuse reporting...”

The 2008–2009 Grand Jury decided to do a follow-up investigation into the child abuse reporting process with several schools in Placer County.

Investigation Methods

Jurors were divided into teams. Team members visited unannounced, randomly selected schools, on the same day, at approximately the same time. Schools were selected in three different districts within Placer County. Each team had the same list of prepared questions regarding child abuse reporting procedures. The schools visited were Twelve Bridges Elementary School (located in Western Placer Unified School District), Rocklin High School (located in Rocklin Unified School District), and Quail Glen Elementary School (located in Dry Creek Elementary School District).

Each team asked to see the principal, or if the principal was off-campus, whoever was in charge. After explaining the reason for the visit, Jurors asked to speak to two relatively new teachers in private and one at a time. The same pre-determined questions were asked during each meeting. The goal was to assess teacher training and knowledge of child abuse reporting responsibilities when child abuse is suspected.

Facts

The requirements for the reporting of suspected child abuse are contained in Penal Code Sections 11164–11174.3, The Child Abuse and Neglect Reporting Act. The Act identifies, among others, all school personnel as “mandated reporters”. It requires that suspected child abuse be reported to the proper authorities within 36 hours of receiving information concerning the incident.

The procedures used by each of the schools, while differing in both content and format from school to school, provide guidelines for reporting suspected cases of child abuse to the authorities. Of the three schools visited, all had the State mandated reporting forms readily available. Two of the schools had reference materials also available in the classrooms.

Each teacher interviewed had received training early in the school year regarding the process for reporting cases of suspected child abuse. They knew where the abuse reporting instructions and forms were located at their school and they understood their mandated reporting responsibilities.

Findings

1. The Grand Jury found that the teachers, principals, and vice-principal interviewed had knowledge of what they should do in order to properly report any case of suspected child abuse.
2. Although the written procedures used by each of the schools varied, the materials provided the needed information that would guide a mandated reporter of suspected abuse through the reporting process.

Conclusion

The Grand Jury was satisfied with the knowledge exhibited by all of those interviewed. Based on those interviews, the Grand Jury concluded that these schools demonstrated an understanding of the proper reporting procedures under The Child Abuse and Neglect Reporting Act.

Request for Responses

None

Copies Sent To

- Jeremy Lyche, Principal
Twelve Bridges Elementary School
2450 Eastridge Drive
Lincoln, CA 95648
- Michael Garrison, Principal
Rocklin High School
5301 Victory Lane
Rocklin, CA 95765
- Tracy Robinson, Principal
Quail Glen Elementary School
1250 Canevari Drive
Roseville, CA 95747
- Gayle Garbolino-Mojica
County Superintendent of Schools
Placer County Office of Education
360 Nevada Street
Auburn, CA 95603
- Western Placer Unified School District
Board
600 Sixth Street
Lincoln, CA 95648
- Rocklin Unified High School District
Board
2615 Sierra Meadows Dr.
Rocklin, CA 95677
- Dry Creek Joint Elementary School
District Board
9707 Cook Riolo Road
Roseville, Ca 95747

PLACER COUNTY EMERGENCY CALL CENTERS



City of Roseville Call Center



Photos by Win Gredvig

PLACER COUNTY EMERGENCY CALL CENTERS

Summary

Emergency call centers are typically accessed in the United States by dialing 9-1-1. These centers serve as the first point of contact between a pending emergency and local police, fire fighters, or health services. Advanced technology and human resource practices greatly impact the responsiveness and effectiveness of a 9-1-1 system—a system that often determines the outcome of life or death situations.

The 2008–2009 Grand Jury toured and evaluated the following dispatch call centers: Auburn, Lincoln, Rocklin and Roseville. Additionally, call centers within the Sheriff's Department located in Auburn and Tahoe City were inspected and reviewed.

Jurors found that all call center operations within Placer County reflect the changing technology in the industry. Currently, 9-1-1 calls originating from cell phones in California can be directly routed to local call centers. All call centers in Placer County plan to implement this service by the end of 2009. This technology is an important improvement from past years when 9-1-1 cell phone calls had to be routed through the California Highway Patrol (CHP). This enhanced communication technology is resulting in improvements in the way all emergency calls are handled and tracked.

Background

The Grand Jury may decide at its discretion to inquire into or investigate government programs it thinks would be of interest to the general public. The 2008–2009 Grand Jury sought to obtain an understanding of how call centers handle the transition from a landline system to one that accommodates the growing use of cell phone technology.

Investigation Methods

The Grand Jury contacted each call center manager and sent a follow-up confirmation letter making arrangements for a facility tour. Standard questions were posed in the confirmation letter to ensure responses could be gathered and assessed in advance of the inspection. During each visit, Jurors asked additional questions to assist in comparing operations across all call centers.

As a follow-up to information received from call center management, Jurors also conducted Internet research to obtain historical references.

Facts

General

Call centers in California are regulated by the State government through the California 9-1-1 Emergency Communications Office (CECO). By regulation, CECO is responsible for monitoring all emergency communication systems related to the delivery of 9-1-1 calls ensuring compliance with Federal and State standards. CECO also has the authority to audit and request data from any call center funded from the State. CECO is supported through surcharges applied to each landline and cell phone owner in California.

Since 1970, Californians have relied on a 9-1-1 landline system for fast, lifesaving responses from police, fire, and emergency medical services. This basic system was improved by providing the landline caller's address and telephone number on dispatcher monitors. It soon became evident that the increasing use of cell phones for 9-1-1 calls created the need for an enhanced system that handles emergency calls from cell phones. In 1993, the Federal government mandated that cellular carriers provide database information creating an enhanced 9-1-1 system that would be phased in over future years. An enhanced 9-1-1 system allows a dispatcher to identify the exact location of the cellular caller as well as the phone number.

Eventually all call centers in Placer County will assume responsibility for responding directly to all 9-1-1 calls whether made by a landline or a cell phone.

According to CECO, the ability for local jurisdictions to take 9-1-1 calls directly reduces response time and can save lives. Until recently, the CHP responded to all cell phone calls. CECO reports that in 2003 the CHP had average wait times of over 17 seconds for 9-1-1 service provided to the Sacramento Region. This exceeds the State goal of ten seconds. In the 2006 California State Auditor Report, it was noted that unfilled CHP dispatcher positions contributed to longer wait times and to significant overtime costs.

Of the approximately 23 million 9-1-1 calls received in California in 2007, 50% were from cell phones. According to CECO, as call centers assume responsibility for wireless calls, the public will greatly benefit from an improved response time.

Largely due to government regulations, there are certain factors and elements which are common to all call centers within Placer County. CECO has established the following mandatory standards for each California call center:

- Centers must have phone operating systems pre-approved.
- Centers must have an emergency procedure in the event of a community disaster and/or loss of the ability to process 9-1-1 calls.
- Ten seconds is the maximum amount of time in which 9-1-1 calls should be answered.
- Centers funded by the State must provide 9-1-1 call service 24 hours per day.
- Dispatchers must remain on the line with a caller until the response unit arrives.
- Dispatchers must pass the Peace Officer Standards and Training Basic Dispatcher Academy within one year of hire.

Placer County call centers are located within each city's police department and the Sheriff's Department. There are six call centers in Placer County: Auburn, Lincoln, Rocklin, Roseville, and the two facilities run by the Placer County Sheriff's Department operating in Auburn and Tahoe City. The City of Colfax and the Town of Loomis are linked to the Sheriff's call center for dispatch services.

Call centers in Placer County use Computer Aided Dispatch (CAD), a desk top screen which enables the dispatcher to see caller identification details. CAD allows the dispatcher to enter incident history, access records, and keep a running log of each incident to aid in report writing. Because of call volume and budgetary constraints, call centers in Placer County differ in the amount of equipment used and the capability to accept cellular 9-1-1 calls.

All Placer County call centers have a public outreach program to educate callers on the appropriate use of 9-1-1.

What follows is a discussion of individual call centers' unique features and operations:

City of Auburn

Staffing: The City of Auburn Call Center has six full-time employees and one part-time employee. Through an agreement, the City of Roseville answers calls on Saturday and Sunday during Auburn's non-operational hours.

Facility: The dispatch center has two stations with two monitors each. One monitor allows the dispatcher to enter incident information and the second monitor displays the CAD system. Currently, the City of Auburn does not accept cell phone calls. However, according to the City of Auburn Police Chief, the Auburn call center plans to begin accepting cell phone calls sometime in 2009.

Operations: If a dispatcher determines that the 9-1-1 call is an emergency, it is routed directly to the appropriate patrol officer. If the call is a medical emergency, the dispatcher will also contact an emergency medical service. All fire calls are transferred to Cal-Fire (formerly known as the California Department of Forestry and Fire Protection). If incoming calls exceed the ability of the dispatcher to answer, the dispatch center will automatically transfer incoming calls to the Roseville Police Department or the Placer County Sheriff's Department.

City of Lincoln

Staffing: The City of Lincoln Call Center has a total of seven full-time employees.

Facility: The call center has four stations, each having four monitors. One monitor allows the dispatcher to enter incident information, the second accesses the CAD system, the third is a television monitor and the fourth is a security monitor for the Department's interior facility.

Operations: The call center dispatches fire, police, medical, and other emergency services. Medical calls are immediately dispatched to the City of Lincoln Fire Department. If dispatchers determine that the police may be of assistance, they have the discretion to have the officer respond.

According to call center management, the call center will begin accepting cell phone calls sometime in 2009. In the event that the numbers of incoming calls exceed capacity, calls are transferred to the City of Rocklin under an existing contractual agreement.

City of Rocklin

Staffing: The City of Rocklin Call Center has a total of twelve full-time positions.

Facility: The 9-1-1 system has recently been upgraded to receive 9-1-1 calls directly from cell phones. Using advanced Global Positioning System (GPS) technology, the dispatcher can view both topical and aerial maps to assist in the call assignment.

Operations: The call center dispatches fire, police, medical, and other emergency services. Once the dispatcher determines the nature of a call, it is assigned to the closest available patrol unit or appropriate resource.

Since it began accepting cell phone calls, the call center has seen a substantial increase in call volume.

City of Roseville

Staffing: The City of Roseville Call Center has a total of twenty-one full-time employees and four supervisors.

Facility: The call center is equipped with ten stations, each containing six monitors. Two monitors are connected to the 9-1-1 system, two are CAD, one is an administrative computer, and the final monitor is a television. Dispatchers explained that had they been able to view what thousands of callers were describing during the September 11, 2001 terrorist attacks, the television would have been an invaluable aid.

Operations: Roseville dispatchers communicate directly with patrol officers until they arrive at the incident location. When staff takes a call determined to be a medical emergency, the center has the ability to simultaneously call for a police officer and emergency medical assistance. Roseville began accepting cellular calls in 2008. Over half of the calls originated from cell phones.

The call center participates in Project Lifesaver International (PLI), a non-profit organization founded by public safety officers. PLI utilizes electronic technology to locate missing persons. The technology is available free of charge to those afflicted with Alzheimer's disease, autism, or have other special needs. Patients are outfitted with an electronic bracelet which has a unique radio frequency. This program allows a caregiver

to call 9-1-1 where victim information and location is immediately accessed. If needed, a patrol officer is dispatched to retrieve the individual. The average search time of a missing person without PLI is approximately 3 ½ hours. With PLI it is, on average, less than thirty minutes. The program is funded completely through grants. Monthly maintenance is provided by Police Department volunteers.

Placer County Sheriff's Call Center

Staffing: The Sheriff's call center in Auburn has eighteen full-time dispatchers and two dispatcher trainees. The Sheriff's call center in Tahoe City has a staff of four dispatchers.

According to the center's Lieutenant, the center has higher than desired staff turnover due to difficulty getting trainees through the training process. Center management re-evaluated the training program and implemented an in-house Basic Dispatcher and Basic Fire Dispatch Academy for trainees prior to their on-the-job training. Since then, there has been a significant increase in the successful pass rate for trainees.

Facility: The Placer County Sheriff's new call center in Auburn has twelve stations, each with four monitors. Two are dedicated to CAD, the third is the phone/caller monitor and the fourth is the radio/officer monitor. Two stations have a fifth monitor dedicated to an Electronic Tracking System. To assist law enforcement, the Electronic Tracking System uses a specialized computer chip that aids in solving burglaries and tracking items of interest.

The facility in Tahoe City (Burton Creek) is a substation that contains the same monitor configuration as the call center in Auburn. However, it does not have an Electronic Tracking System.

Operations: The Sheriff's Department uses two types of dispatchers — call takers and radio dispatchers. Call takers are the initial public contact. They determine the appropriate response required and hand off the call to the radio dispatcher. The radio dispatcher will listen in and make the direct contact with a patrol officer.

The call taker will maintain contact with the caller until the deputy, medical or fire unit arrives. According to the center's management, this is common practice in high volume call centers.

In August 2008, the Sheriff's Department started receiving 9-1-1 calls directly from cell phones.

The center's management indicated that the completion of an in-depth dispatch study is anticipated in 2009. The results of the study will set the course for future policies and plans within the center.

Findings

1. The Grand Jury found that all Placer County call centers are adapting to the increased impact of cell phone technology on dispatch operations. Budget constraints have slowed but not stopped the conversion to this technology.
2. All call centers appear to be dedicated to making 9-1-1 emergency communications more efficient.

Conclusions

1. The technological changes required by all call centers to directly receive 9-1-1 calls originating from cell phones are in a state of transition. Call centers within Placer County have developed comprehensive and effective dispatch operations despite budgetary limitations.
2. The Grand Jury commends the dedication of call center employees who make life and death decisions every day.

Request for Responses

None

Copies Sent To

- Edward Bonner, Sheriff, Coroner, Marshall
Placer County Sheriff Department
2929 Richardson Drive
Auburn, CA 95603
- Valerie Harris, Chief of Police
Auburn Police Department
1215 Lincoln Way
Auburn, CA 95603
- Placer County Board of Supervisors
175 Fulweiler Avenue
Auburn, CA 95603
- Auburn City Council
1225 Lincoln Way
Auburn, CA 95603

- Brian Vizzuzi, Chief of Police
Lincoln Police Department
770 Seventh Street
Lincoln, CA 95648
- Mark Siemens, Chief of Police
Rocklin Police Department
4080 Rocklin Road
Rocklin, CA 95677
- Mike Blair, Chief of Police
Roseville Police Department
1051 Junction Blvd.
Roseville, CA 95678
- Lincoln City Council
600 Sixth Street
Lincoln, CA 95648
- Rocklin City Council
3970 Rocklin Road
Rocklin, CA 95677
- Roseville City Council
311 Vernon Street
Roseville, CA 95678

A SURVEY OF CEMETERY DISTRICTS WITHIN PLACER COUNTY

Auburn Cemetery

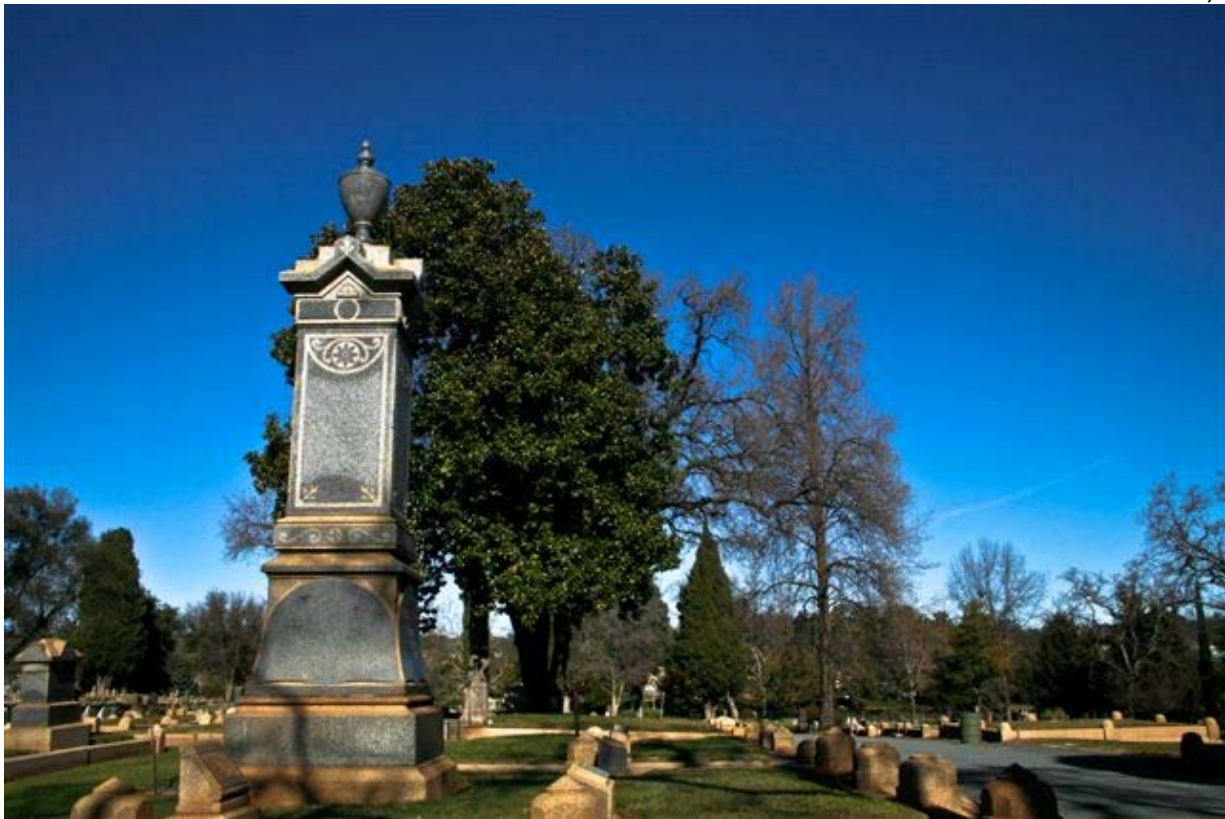


Photo by Win Gredvig

A SURVEY OF CEMETERY DISTRICTS WITHIN PLACER COUNTY

Summary

Placer County's six public cemetery districts are assets belonging to its citizens. The Grand Jury found that these districts appear to be managed and operated well. They are positioned to serve the County's needs well into the future.

Background

An important function of the Grand Jury is to inform the public about the quality and range of the services being provided to them by various city and county agencies. Many times these services go unnoticed by the public or are not appreciated for the value they provide. Each year, the Grand Jury examines certain agencies to determine how well they are operating and learn whether they are encountering any issues that would benefit from public disclosure and scrutiny. Publishing the results of those examinations can then enlighten the public about how well they are being served.

Placer County's public cemetery districts had not recently been reviewed for this purpose. Accordingly, the 2008–2009 Placer County Grand Jury decided to conduct such a review of these districts in order to inform the public about the operations, management and general conditions of cemetery districts in Placer County.

Investigation Methods

The Grand Jury sent letters to each cemetery district operating in Placer County to request information and documentation covering a broad range of subjects dealing with their operations and practices. The Jury sent follow-up letters to clarify some of the financial information received.

The Grand Jury conducted on-site tours of four cemeteries: the Colfax District Cemetery, the Lincoln Cemetery, the New Auburn Cemetery and the Roseville Cemetery. These tours included in-depth discussions with cemetery managers on a variety of topics.

The Grand Jury examined the manuals and other materials used in daily operations. We examined board meeting minutes to see if issues were being dealt with effectively. We also inquired about the status of equipment, buildings and other facilities with regard to their current and future usability. The visits made by the Jury to four cemeteries included a visual check for any apparent maintenance issues.

The Jury asked for documentation of all customer complaints received since January 2007 along with descriptions of their resolutions. We wanted to see if there were any patterns of problems and if complaints seemed to be dealt with appropriately. We also examined board meeting minutes for signs of board involvement in any recurring or major issues.

Statutes covering the activities of public cemetery districts are included in California Health and Safety Code Sections 9000–9093. The Jury reviewed these laws to understand how the legislature intended districts to be formed and operated.

Facts

Cemetery districts are a type of special district. This term refers to entities found throughout the United States set up to perform a wide variety of governmental services. Other types of special districts include fire, water, community service, air pollution control, sanitary, recreation, waste management, transit, etc. These can be single function or multi-function districts (providing two or more services). Many are enterprise districts in that most or all of their funding comes from charges paid by those who use their services. Non-enterprise districts rely on revenue primarily generated through property or sales taxes. Some of these may have an enterprise component such as a park district that charges for pool use. Cemetery districts are non-enterprise districts with an enterprise component. They use fees and other sales to supplement revenue from property taxes.

Special districts all have in common the fact that they are not for profit and are created by legislation or court action. Their primary objective is to serve the needs of residents within the geographic boundaries of the district. Governance is provided by boards of directors, trustees, commissioners or supervisors. Most districts have their own governing boards, but some (called dependent districts) use other bodies such as county boards of supervisors for their governance.

There are six cemetery districts within Placer County. Each is an independent district with its own board of trustees. These boards have between three and five members each, all appointed by the County Board of Supervisors. Five of the six boards meet monthly in public sessions. The sixth (Colfax) meets quarterly and as needed.

Another formal Placer County organization exists that oversees a public cemetery. The Gold Run Cemetery Committee consists of seven members serving two-year terms. All are appointed by the County Board of Supervisors. The committee meets as needed and coordinates groups of volunteers to handle cemetery maintenance, supervise burial arrangements, and other activities relating to the small Gold Run Cemetery. This is not a regular cemetery District, however, and the Grand Jury did not include its operations in this review.

Placer County's cemetery districts are responsible for the management of one to four cemeteries apiece. Below is a list of the districts with the cemeteries for which they are responsible and the land currently available to each.

Placer County Cemetery Districts and Their Cemeteries

District/Cemetery Name	Location	Land (acres)	
		Developed	Undeveloped
Auburn Public Cemetery District			
Old Auburn Cemetery	Fulweiler Road, Auburn	16.0	0
New Auburn Cemetery	Collins Drive, Auburn	22.1	66.9
Colfax Cemetery District			
Colfax District Cemetery	North Canyon Way, Colfax	6.3	0
Colfax Indian Cemetery *	Iowa Hill Road, Colfax	.5	0
Newcastle Rocklin Gold Hill Cemetery District			
Newcastle Cemetery	Taylor Road, Newcastle	20.0	24.0
Rocklin Cemetery	Kannasto Street, Rocklin	15.5	12.5
Gold Hill Cemetery	Gold Hill Road, Newcastle	3.0	0
Ophir Cemetery	Boot Hill Lane, Newcastle	2.0	2.0
Placer County Cemetery District #1			
Lincoln Cemetery	First St., Lincoln	10.0	0
Manzanita Cemetery	Manzanita Road, Lincoln	16.0	2.0
Sheridan Cemetery	Ranch House Road, Sheridan	3.4	0
Santa Clara Memorial Park	Santa Clara Way, Lincoln	3.1	4.2
Roseville Public Cemetery District			
Roseville Cemetery	Berry Street, Roseville	25.8	23.6
Union Cemetery	Watt Avenue, Roseville	3.0	0
Tahoe City Cemetery District			
Trails End Cemetery	Fairway Drive, Tahoe City	1.4	1.3

* - Owned but not operated by Colfax Cemetery District

Financial Health and Prospects

The financial conditions of the six districts vary widely, although each is financially solvent. All of the districts rely primarily on property taxes for their revenue. For the financial periods covered by this review, these taxes ranged from roughly 50% to 80% of a district's gross revenue. Fees from customers for burial services; sales of graves, vaults, niches, etc.; together with endowment care normally make up the next largest revenue source. Each district has an endowment fund into which fees collected from the sale of each interment right are deposited to provide for the future maintenance of the graves and the grounds. The other major revenue source for most of the districts is interest earned from investing the cash reserves of the district.

Cemetery districts must prepare audited financial statements each year (unless given a waiver by the County allowing them to be done every two years) and provide them to the County Auditor-Controller's office. They also prepare a yearly budget and submit it to the County. The following table displays the most recent major financial information that was available for each district.

Financial Summaries

(Dollars in thousands)

	<u>Auburn+</u>	<u>Colfax*</u>	<u>Newcastle</u>	<u>Placer Co.+</u>	<u>Roseville</u>	<u>Tahoe City*</u>
<u>Revenues</u>						
Property taxes	\$447	\$133	\$1,229	\$1,283	\$2,069	\$40
Services & sales	280	25	188	133	108	4
Endowment care	50	3	106	13	29	1
Interest	94	7	273	274	257	9
Other	<u>4</u>	<u>0</u>	<u>11</u>	<u>58</u>	<u>61</u>	<u>0</u>
Total	\$875	\$168	\$1,807	\$1,760	\$2,524	\$54
<u>Expenditures</u>						
Salaries & benefits	\$469	\$69	\$516	\$350	\$524	\$0
Services & supplies	214	31	179	1,055	365	32
Capital outlay	27	31	566	588	153	0
Other	<u>0</u>	<u>0</u>	<u>53</u>	<u>0</u>	<u>0</u>	<u>6</u>
Total	\$710	\$131	\$1,313	\$1,994	\$1,042	\$38
<u>Net assets</u>						
Capital invest. (net)	\$1,736	\$108	\$2,014	\$1,614	\$5,359	\$71
Restricted reserves	626	94	697	212	517	8
Unrestricted reserves	<u>1,260</u>	<u>84</u>	<u>5,463</u>	<u>5,149</u>	<u>5,419</u>	<u>182</u>
Total	\$3,621	\$286	\$8,173	\$6,976	\$11,295	\$260

Notes:

- All data final for fiscal year ending (FYE) 6/30/08 except as noted:
* - FYE 6/30/07, + - Preliminary 6/30/08
- Totals may not add up due to rounding

Perhaps the most important function of each Board is fulfilling its fiscal responsibility to ensure a healthy financial future for the district. In addition to the task of maintaining a cash flow adequate to handle day-to-day needs, this includes developing an appropriate amount of financial reserves. For the most part, these accumulate each year from an excess of revenue over expenses. Each district is also legally required by State statute to collect fees that go into the endowment fund, also considered to be part of a district's reserves.

Restricted reserves are accounted for separately and are specifically designated for future needs such as the planned purchase of land, upgrades to buildings and grounds, endowment, etc. Unrestricted reserves are funds that have not yet been designated for a clearly identified need. At a minimum, they serve as a "rainy day fund." They often are targeted by the board for an anticipated future need such as the purchase or development of cemetery land, renovation of buildings, etc. As plans for these funds become more concrete, a board resolution changes them on the financial books from unrestricted to the restricted category.

Three of Placer's cemetery districts have large amounts of unrestricted reserves, amounts that are proportionally larger than the other districts. In the above table, Newcastle, Placer County #1 and Roseville have unrestricted reserves that range from 3.7 to 7.9 times one year's operating expenses. These reserves seemed unusually high to the Grand Jury, so each district was asked for further information about them. The Jury confirmed that these three districts have existing plans for the unrestricted reserves. Also, board processes are in place to ensure regular review of the reserve accounts and, when appropriate, move funds to the restricted category.

Two districts are particularly small. Colfax and Tahoe City each have net assets of less than \$300,000. While the Tahoe City District's reserves are high relative to its annual operating expenses, they are still low in absolute terms. The Colfax District's reserves are small by both measures, representing less than one year's cost of operation.

Fees and Charges

Charges for customer services vary widely among the six districts. Some of this is caused by pricing decisions that are driven by such things as preference, history, physical conditions in a particular cemetery, etc. Size of the district, though, is also a factor, particularly as it relates to the amount of reserves. Reserves of each district are invested through the County Treasurer's office in a pool of conservative financial instruments. This produces interest earnings each year that are used to supplement revenue from property taxes and customer fees. Colfax and Tahoe City have fairly low levels of reserves and therefore relatively little interest is available to them. This contributes to the situation whereby their customer fees tend to be the highest in the County.

California Health and Safety Code Sections 9060 and 9061 describe the persons who are eligible for interment in public cemeteries. In general, someone must be a current or past resident or property taxpayer of the district to qualify for interment and thus be charged "in-district" rates. Otherwise, a person must be a family member of a resident or property taxpayer to be eligible. (Some other exceptions also apply.) These people may be interred but are charged additional, out of district rates.

Public cemeteries are prohibited from performing embalming or cremation services, and cannot sell products such as caskets, monuments, markers, rose trees, etc. Mortuaries, monument companies and florists provide these services.

Shown below are examples of the rates being charged today by Placer County’s cemetery districts.

Some Representative Charges for Services (may vary by cemetery within district)

	<u>Auburn</u>	<u>Colfax</u>	<u>Newcastle</u>	<u>Placer Co.</u>	<u>Roseville</u>	<u>Tahoe City</u>
In-district charges						
Adult burial:						
Single grave (flat marker)	\$250-450	\$500-600	\$260-400	\$500	\$235	\$200
Opening & closing	325	600	260	450	200	0
Vault (includes tax)	483	625	535	536	290	NA
Other required fees	0	0	0	0	0	1075
Endowment care	200	150	260-380	150	125	100
Cremation burial:						
Cremation grave (flat marker)	150	200	*260-400	200	105	100
Opening & closing	160	200	130	200	150	0
Other required fees	0	0	0	0	0	575
Endowment care	100	50	260	50	47	60
Out of district surcharges						
Adult burial	350	400-600	260	300	400	300
Opening & closing	325	200	260	0	0	0
Cremation burial	150	75	*260-400	300	100	100
Opening & closing	160	100	130	0	0	0

* - In Newcastle, up to six cremains may be placed in one regular gravesite
 Note: additional fees may apply based on services provided

Operations and Customer Service

The Jury confirmed that there were no apparent issues or concerns with maintenance of grounds, buildings or equipment. Additionally, the few customer complaints received were addressed appropriately.

Other Areas of Interest

Each of Placer County’s cemetery districts has its own history and individual characteristics. Below is information that is unique to each district and is not covered above.

Auburn Public Cemetery District

This District averages 240 burials per year, thirty of which are in the Old Cemetery and 210 in the New. The Old Auburn Cemetery was established in the late 1800s by the Odd Fellows, and was acquired by the District in 1935. The New Auburn Cemetery was acquired in 1960 and expanded in 1962 and 1996. The undeveloped land owned by the District should be sufficient for burials for many years in the future.

In 2008, Sue Burkett, District Manager, received the “Manager of the Year” award from the California Association of Public Cemeteries.

An ongoing challenge in this District is the use of false addresses by those out of the District who wish to be buried in Auburn.

Colfax Cemetery District

The Colfax District Cemetery was established in 1917. The District serves a population of approximately 1700 residents. This cemetery performs approximately forty-five burials a year. It owns enough land to serve the community for the next six or seven years. The District has an interest in expanding the cemetery by purchasing adjacent parcels.

The Colfax Indian Cemetery is located approximately one-half mile south of the Colfax Cemetery. About eighty burials have been performed at this site over the past forty-five years. Approximately forty plots are still available. The property was donated to the District in the early 1960’s specifically for Indian family burials. A local tribe had performed all burials in this cemetery. The District receives no revenue from this cemetery, yet incurs some expense, such as irrigation and liability. Recent liability concerns caused the District to exercise greater control over the property and offer the property for sale to users of the Cemetery.

Newcastle Rocklin Gold Hill Cemetery District

The granite formations within the grounds of Newcastle Cemetery limit the area available for necessary expansion. The trustees are solving the problem with a project to excavate the granite and install pre-burial vaults. They expect this work to be completed no later than the summer of 2009.

Rocklin Cemetery has an abundance of underground rocks that make use of the land difficult. Pre-burial vaults could also work in Rocklin, but further study by the District is needed. Maintenance and storage facilities will need to be expanded in the near future.

Gold Hill and Ophir Cemeteries are dry cemeteries. This means that the cemeteries are not watered, but the lands are mowed, with trimming and other clean-up performed routinely.

At Gold Hill fewer than ten gravesites remain for sale. Once these sites are sold the District will continue maintaining the cemetery as needed.

Ophir Cemetery is an unofficial historical site that has no records of interment, but headstones date back to the 1850's. Burial locations are restricted by the few remaining markers. The District limits plot use to cremains only.

Placer County Cemetery District #1

The District was formed in 1925, although its oldest cemetery (Manzanita) dates from 1850. It covers Sheridan, the City of Lincoln, and a large portion of the unincorporated area of western Placer County. The District is currently developing the Santa Clara Memorial Park, scheduled to open in the spring of 2009.

The District performs about seventy burials a year. It has not increased its service charges for the last two years.

The Grand Jury is aware of a recently filed lawsuit that names the District as a defendant. It involves a planned move of a body from the Lincoln Cemetery to a cemetery in Auburn. When the attempt was made to disinter the body, which had been buried in 1947, no body was found. The Grand Jury made no further investigation into this matter because of the pending litigation.

Roseville Public Cemetery District

The Roseville Cemetery includes the largest developed area of any of the public cemeteries in Placer County. The earliest burial in the cemetery occurred in 1861. The District performs about 200 burials each year. It believes that it has sufficient land and other facilities to meet demand for at least the next fifteen to twenty years.

The Union Cemetery originated as a family cemetery. The oldest graves date to the 1860's. The Cemetery was deeded to the District in 1951. It handles six to ten burials a year.

The District covers the City of Roseville, part of Granite Bay, a small area of Rocklin, and a large unincorporated area of western Placer County.

Tahoe City Cemetery District

Tahoe City Cemetery District was established in 1965. The District's Trail's End Cemetery is the smallest cemetery operated by the six Placer County cemetery districts.

The Cemetery averages five to six burials a year and is only open during the summer months. During the winter season, alternate arrangements must be made. The Cemetery is operated and maintained by volunteers and independent contractors.

Findings

1. All of the cemetery districts in Placer County appear to be serving the public well and operating in an acceptable manner.
2. Based on the Jury's review of each district's policies and practices, the Jury was satisfied that unrestricted reserves are being controlled properly.
3. Two districts (Colfax and Tahoe City) are very small with few reserves and small incomes. This makes them vulnerable to future unexpected problems. It also results in customer fees that are the largest in the County.
4. The Colfax District's ownership of the Indian Cemetery exposes the District to potential liability issues.

Recommendation

The Colfax District should investigate its options relative to ownership of the Colfax Indian Cemetery.

Request for Response

- Craig Ballenger, Superintendent - Due by October 1, 2009
Colfax Cemetery District
P.O. Box 231
Colfax, CA 95713

Copies Sent To

- Sue Burkett, District Manager
Auburn Public Cemetery District
P.O. Box 4357
Auburn, CA 95604-4357
- Peter Barmettler, Manager
Placer County Cemetery District #1
P.O. Box 546
Lincoln, CA 95648

- Bill Emerson, Superintendent
Newcastle Rocklin Gold Hill
Cemetery District
850 Taylor Road
Newcastle, CA 95658
- Linda Roberts, Superintendent
Roseville Public Cemetery District
P.O. Box 729
Roseville, CA 95678
- Judy Friedman, Secretary
Tahoe City Cemetery District
P.O. Box 1528
Tahoe City, CA 96145

THUNDER VALLEY CASINO: MITIGATING COSTS TO LOCAL GOVERNMENTS

Thunder Valley Casino



Photo by Win Gredvig

THUNDER VALLEY CASINO: MITIGATING COSTS TO LOCAL GOVERNMENTS

Summary

The presence of Thunder Valley Casino in Placer County has resulted in both financial benefits and costs to the County and some of its cities. The municipalities and the Casino have generally worked well together to establish agreements and processes to help mitigate any costs. Based on evaluations from the County and the three cities closest to the Casino (Lincoln, Rocklin and Roseville), the Grand Jury determined that there are currently no known significant adverse financial impacts on these governments and their agencies resulting from the operation of the Casino. Additional analysis should be done to confirm this, however, by Rocklin and Roseville.

Some local government agencies use grant money to partially mitigate their Casino-related costs. Grant availability is not guaranteed for the future, so more permanent funding sources should be found if those costs will be ongoing. In addition, the County committee that awards these grants should improve its procedures to ensure that money is spent as intended.

The Grand Jury did not investigate the complex area of assessing the mitigation of any costs to residents, businesses or non-governmental agencies in these communities that may be caused by the presence of the Casino. This investigation focused only on costs to local governments.

Background

Thunder Valley Casino, owned by the United Auburn Indian Community (UAIC, or “the Tribe”), has been operating on Tribal lands within unincorporated Placer County since 2003. While the presence of the Casino has provided local jobs to the economy, it has also created additional costs to local government. These areas of actual or potential costs include law enforcement, fire protection, emergency medical services, water, sewer, roads and bridges, traffic, pollution, addiction management and other human services.

Now that the Casino has been in operation for several years, the Grand Jury decided to look at the extent to which those additional costs were being identified and mitigated, and what processes were in place to deal with those costs as they changed over time. The Jury felt that Placer County taxpayers should understand how the presence of the Casino is affecting their local governments financially.

The Casino's presence in the County results in many complex economic and social impacts. Some jobs and businesses are created or helped while others are damaged as a result of the Casino's operation. Some people are strongly opposed to gambling of any type and object to its presence in the County. Others welcome the increased entertainment and dining opportunities it provides. Some individuals and families are hurt by problem gambling or by crimes that have some association with the Casino. Other people – some members of the tribe as well as others – benefit financially as a direct or indirect result of the Casino's presence. Attempting to identify these and other effects accurately is extremely difficult and often subjective. Quantifying the financial impacts on individuals and on society as a whole is even more problematic.

Complicating the societal effects still further is the current political reality of Indian gaming in general, and the UAIC specifically. Federal legislation authorized the operation of tribal casinos and has given tribes sovereign nation status. For Placer County, this has resulted in the existence of a very large business operation in the County that operates without much transparency. The UAIC is also attempting to exercise an increasingly large amount of political influence to advance and protect its interests. While understandable from a business perspective, this has caused some people to wonder if the UAIC always acts like a good neighbor.

The Casino is a fact of County life and appears to be here for the foreseeable future. Identifying its impacts on society with any reasonable amount of accuracy and completeness is a complex task probably best suited to academics and other professionals. Accordingly, the Grand Jury limited the focus of this review to considering whether or not Casino-related costs to local governments were being properly identified and compensated.

Investigation Methods

The Grand Jury sent letters to the County Executive Officer and the City Managers of the cities of Lincoln, Rocklin and Roseville asking for a wide range of information and documentation relating to their costs from the Casino and the mitigation of those costs.

Responses were received from all parties and all the material provided was reviewed in detail. The City Managers for Rocklin and Roseville testified to the Jury to expand on several portions of their responses.

The County participates with the Tribe and others in two gaming-related committees: the Tribal County Advisory Committee and the Placer County Indian Gaming Local Community Benefit Committee. Letters were sent to the offices of the County Executive and the Board of Supervisors asking for meeting minutes, copies of relevant reports, and other pertinent information about the operations of those committees. The designated County contacts for these committees provided testimony to the Jury about specific pieces of this information.

California Government Code Sections 12710–12718 deal with the establishment and operations of a Local Community Benefit Committee in each county in which Indian gaming is conducted, including procedures for distributing grants to local government agencies impacted by gaming. The Jury reviewed those Government Code Sections and the manner in which they have been implemented in Placer County. Jurors also reviewed the California State Auditor’s report, published in July 2007, on the Indian Gaming Special Distribution Fund that was set up by this Government Code. This was a statewide audit with Placer being one of six counties selected to receive a more detailed review. The Jury used this report both for general knowledge about the grant creation process and the results of the audit as it pertained to grants awarded in Placer County.

The Jury reviewed archived newspaper articles to better understand the history of Thunder Valley Casino and related issues in Placer County. We obtained information about the amount paid by the Tribe to the County from the offices of the Auditor-Controller and the County Executive Officer.

The Jury made no independent attempt to identify or quantify any specific costs to governments resulting from the Casino. We relied on officials from the County and its cities to provide any cost estimates and to give their evaluations of the degree to which those costs have been mitigated. The Jury also did not attempt to determine any costs or benefits to individuals, businesses or non-government agencies that may result from the presence of the Casino in the County.

Facts

A Brief History of the Casino

In 1991, the United Auburn Indian Community was organized by remnants of two Native American bands, the Maidu and Miwok, which had been living on land near Auburn provided to them by the federal government in 1917. Federal recognition was restored to the Tribe in 1994 through legislation, along with the right to procure other land for a reservation in Placer County.

As has been done many times elsewhere in the country, the Tribe decided to build a casino to provide revenue for its members. They chose Station Casinos Inc., a Nevada-based casino management company, to select the land for the Tribe, help develop plans for the Casino and operate the casino during the first seven years after opening. An agreement with the State was signed in 1999 that allowed the Tribe to operate the planned Casino.

After first exploring a site near Penryn for the Casino and being met with strong local opposition, the Tribe settled on a site in the Sunset Industrial Park on County land near Lincoln. A Memorandum of Understanding (MOU) was negotiated between the Tribe and Placer County and signed in January 2000. Through this MOU, three parcels were placed in trust for the Tribe, including a large parcel to be used for the Casino and gaming-related activities. The MOU also describes commitments made by the Tribe for payments and other actions to mitigate a variety of costs that the operation of the Casino would create for the County and local communities.

The cities of Rocklin and Roseville, along with a group called Citizens for Safer Communities, filed a lawsuit in April 2002 seeking to stop the casino. Their primary claim was that the federal government did not fully take into account any adverse effects of the casino on the surrounding communities. In September 2002, a federal court dismissed the case. The cities appealed, but the United States Court of Appeals for the District of Columbia Circuit upheld the dismissal in a ruling November 14, 2003.

The Tribe had earlier made several offers to the cities of Rocklin and Roseville to contribute to the cities and community organizations as a way to mitigate any adverse impacts from the casino if the cities would drop the suit. But the cities refused to accept the offers. After the final ruling on the appeal upheld the dismissal of the suit, the Tribe's

attorney was quoted as saying that the Tribe was not likely to repeat those offers to the cities that had challenged the casino in court.

Thunder Valley Casino opened for business in June 2003 as one of the largest casinos in the State. In June 2007, the Tribe announced plans for a \$1 billion expansion that includes a 23-floor hotel, a performing arts theater and a convention center. Construction was well underway when the Tribe halted work in November 2008 to reevaluate the project in light of uncertainties surrounding the difficult economic conditions at the time. In February 2009, the Tribe announced that the expansion would restart in April, but would be scaled back in several areas, including reducing the hotel from 23 floors to 15.

Placer County

The MOU between the County and the Tribe has been amended once, in July 2003, primarily to expand the level of fire and emergency services to the Casino property. The current agreement as amended includes the following:

- defraying all of the costs of adding five deputy positions and a patrol vehicle in the Sheriff's department
- building a fire station on the Casino's land and paying the County an amount to compensate for three-person staffing of the station 24 hours per day
- constructing or improving certain roads impacted by the Casino
- improving infrastructure for water and sewer services to be obtained from the City of Lincoln
- contributing to organizations dealing with problem gambling
- contributing to the newly-established Placer Legacy, a program created to protect open space in Placer County
- reimbursing the County and local districts for any revenue lost from the removal of the trust lands from tax rolls, including in lieu payments for property tax, sales tax and transient occupancy tax (commonly called the "hotel tax")
- making a commitment to adhere to the use of Uniform Building Codes for any structure constructed on the trust lands and to comply with County general and community plans.



Photo by Win Gredvig

The MOU allows for future amendments, provides for an annual inflation-based adjustment on many of the specified amounts, and allows for adjustment of compensation for actual costs incurred by the County.

During the fiscal year of July 1, 2007, through June 30, 2008, the Tribe paid the County approximately \$12 million as a direct result of the MOU. Over \$5.5 million was for ongoing services. This should approximate the amount that will be paid in the current fiscal year. Payments in future years can be expected to be higher still due to the in lieu hotel taxes that will be paid once the new hotel at the Casino begins operation. Here are the MOU-related payments made by the UAIC to the County in the 2007–2008 year:

<u>Purpose</u>	<u>Amount</u>
Sheriff's Services	\$1,194,568
Fire/Emergency Services	1,348,080
Sales Tax In Lieu	400,448
Property Tax In Lieu	2,454,798
Placer Legacy Program (received 7/2/08)	<u>125,000</u>
Subtotal	\$5,522,894
Public Works Department (expansion project)	<u>6,527,935</u>
Total	\$12,050,829

In his written response to the Grand Jury, the County Executive Officer, Thomas Miller, said that in his judgment the costs to the County resulting from the Casino are being adequately mitigated. Mr. Miller stated the “financial impact of the Casino [on the County] has been mostly revenue neutral, with some areas trending positive. The Tribe pays for identified cost impacts per the MOU. The Tribe has also made various voluntary contributions to charitable causes in the County.” He also cited the positive impact that Casino customers have on local businesses. While the Casino’s expansion project could present some issues in the future, he said the County will monitor that project and adjust as needed.

Tribal County Advisory Committee

The County MOU calls for the establishment of a permanent nine-person Tribal County Advisory Committee. It is comprised of two representatives from the County Board of Supervisors, one from the Sheriff’s department, one from a community organization addressing the local impacts of gambling, and five representatives from the Tribe. The

Advisory Committee is designed to deal with questions related to implementation of the MOU and concerns about any matter within the scope of the agreement.

The Grand Jury determined that this committee meets only twice a year rather than quarterly as is called for by the MOU and appears to be casually managed with few significant issues discussed. This initially concerned the Jury. However, in practice, questions or issues dealing with subjects relating to the MOU have been dealt with routinely outside of this committee. Issues have not been saved for future meetings. This committee has served largely as a means of periodic formal communication between the Tribe and County about projects of mutual interest. Normally, no significant actions have been taken during committee meetings.

City of Lincoln

In July 2008, the City of Lincoln and the Tribe signed an agreement designed to mitigate costs to the City resulting from operations of the Casino, including specifically the expected costs resulting from the planned Casino expansion. Among other elements, the MOU calls for:

- improvements to water and sewer service for the Casino
- \$2 million as a contribution by the Tribe toward the cost of the Ferrari Ranch Road and Highway 65 interchange
- a contribution toward the cost of widening the Twelve Bridges interchange and bridge over Highway 65
- a contribution to the cost of widening Fiddymont Road
- annual payments for fire protection and law enforcement services
- annual contributions to City-sponsored youth recreational activities
- a contribution to the Western Placer Education Foundation Outdoor Learning Environmental Project for the education of youth regarding Native American culture
- annual contributions to the Lincoln library for the development and expansion of a Native American book collection
- an annual contribution to the City of Lincoln for economic development in the City.

The City of Lincoln has tracked certain law enforcement costs to the City linked to the Casino. Police incidents over a nearly two year period were documented along with the staff time required to investigate them, write reports, testify, etc. The City Manager of Lincoln, Jim Estep, acknowledges that not all costs have been identified or quantified. Still, he believes that the current MOU “provides for sufficient funding to the City to

cover all financial impacts on the community as a result of the Casino.” When the Casino expansion is completed and is put into use, the expansion may have a possible impact on local fire services. Other than that, the Lincoln City Manager anticipates no further issues relating to the Casino.

City of Roseville

The City of Roseville has no formal agreement with the Tribe. While the City has documented some Casino-related incidents handled by the police department and looked at statistical and anecdotal information, it has not quantified actual costs of the Casino to the City. The City Manager, Craig Robinson, believes that those costs exist. On the other hand, he said that the City has received three grants from the Indian Gaming Special Distribution Fund (see next page) that were intended to help mitigate costs to the police department. Mr. Robinson stated that the Casino has made two “generous” contributions to community agencies unrelated to any mitigation of Casino cost impacts. Mr. Robinson additionally testified that on balance, there has been no significant net impact to Roseville as a result of the Casino.

Discussions have begun between Roseville fire and police department staffs and Thunder Valley staff to begin the creation of a written agreement dealing with emergency response. These were prompted by the emergence of plans for expansion of the Casino. The intent is to provide for compensation in cases where Roseville personnel respond to an emergency at the Casino. The City Manager feels confident such an agreement can be worked out.

City of Rocklin

The City of Rocklin also has no agreement with the Tribe. The City Manager, Carlos Urrutia, stated, “the City of Rocklin has not tried to quantify the actual or potential service costs resulting from [the Casino]”. However, Mr. Urrutia stated that there has been a net increase in costs. He feels these would be difficult to quantify. Negotiations with the Tribe had been underway several years ago. When Rocklin opposed the Casino and joined in the lawsuit to prevent it, those negotiations ceased and have never been restarted. The City Manager was uncertain what the response would be from the Tribe if Rocklin were to seek a cost-mitigation agreement. However, Mr. Urrutia stated that the City enjoys a “cooperative relationship with the tribe and has not ruled out the possibility that, in the future, some sort of an agreement may be reached.”

Rocklin has received some grants from the Indian Gaming Special Distribution Fund (see next page) dealing with public safety. The Tribe has also provided money for improvements to public infrastructure that benefit the City, and has contributed money to charitable organizations not related to Casino cost mitigation.

Placer County Indian Gaming Local Community Benefit Committee

California Government Code Sections 12710–12718 calls for the creation of a seven-person Indian Gaming Local Community Benefit Committee (LCBC) in Placer County. It is currently comprised of two members of the Board of Supervisors; one person each from the cities of Lincoln, Rocklin and Roseville, and two representatives from the Tribe. The primary purpose of the LCBC is to establish and implement policies and procedures dealing with grants to be made from the State Indian Gaming Special Distribution Fund.

Money in this fund is a percentage of gross revenues certain tribes earn from gaming operations. (These are tribes with which the State had entered into compacts in 1999.) The UAIC is not one of those tribes. Therefore, no money goes into this fund as a result of gaming in Placer County. However, all counties in the State in which Indian gaming is conducted may receive portions of the fund each year. The money allocated to counties from the fund (less an allowed 2% deduction by each county for administrative costs) is to be awarded by the LCBC in grants that will help mitigate the cost impacts of tribal gaming. Actual amounts available for grants vary from year to year.

The amounts of money available to the County through this fund can be significant. The first year Placer County had money available from the Fund to distribute for grants was 2004. Annual amounts beginning then were:

2004 \$332,426.40
2005 \$383,346.76
2006 \$765,127.93
2007 \$326,729.11
2008 Zero



For reasons that are unclear to the Grand Jury, but apparently are linked to chronic shortfalls in a different fund (the Indian Gaming Revenue Sharing Trust Fund) that takes priority over the Special Distribution Fund, no money was allocated for grants to be made in 2008. However, notification has been received that approximately \$290,000 will be available for Placer County in 2009. It is important to understand that the availability

of money for grants is not guaranteed each year. Recipients cannot count on this source as a remedy for Casino-related costs. Also, the state legislation creating the LCBC and the Special Distribution Fund contains a sunset clause (Section 12718) calling for it to expire on January 1, 2010. This could be extended, and has already been done at least once. This feature reinforces the lack of permanence of the grants.

In the fall of each year, the County receives a letter from the State Controller's office providing the amounts to be available for grants the following year. The Placer County LCBC normally receives grant applications in March and makes the final allocations by April or May. Grants are available only to local governmental agencies, not private organizations. Government Code Section 12715(g) defines the priorities for the receipt of grant money. The list begins with law enforcement, fire services, emergency medical services and environmental impacts. All grants must be for a purpose that mitigates in some way the impact of casino gaming. A report must be provided to the State by October 1 of each year giving high-level details of the grants that have been made by each county's committee.

The Jury examined reports of grant decisions made by the committee in 2007. Some examples of grants awarded in 2007 are:

- \$55,000 to the County Health and Human Services Children's System of Care program to help prevent addictive behaviors
- \$35,500 to the County Sheriff for a Stolen Property Tracking System
- \$100,000 to the City of Rocklin Police Department to help with start-up expenses relating to a regional Vehicle Theft Task Force
- \$35,000 to the Placer County District Attorney to help offset criminal prosecution expenses related to crimes from the Casino.

An audit is performed by the State every three years. The most recent audit was published in July 2007. Among other areas of focus, the audit evaluated the use of the grants and the processes in place in six counties for the 2006 grant awards. Placer County was selected to be one of the six. The audit found that "none of the six counties consistently used the grant funds solely for projects that mitigate the impacts of casinos." In Placer County, the audit determined that two grants totaling \$127,885 did not address a casino impact. The Grand Jury did not examine those grants or pursue the validity of those findings. However, in September 2008, the legislature approved AB

158 that added language to the Government Code saying that grants can be used only to mitigate impacts from casinos.

Once the October reports were made to the State, no further action was taken by the LCBC to verify that the money was spent as the committee intended. The LCBC had not set up a procedure to enable it to determine, for example, if an agency had spent only part of the grant money on an approved project and the rest elsewhere, or had not spent the grant on the project at all. The desirability of instituting such verification steps was brought up in at least two LCBC meetings, but no action was taken to put those into effect. The County contact for this committee confirmed that no such procedures exist.

Findings

1. The County and the City of Lincoln have worked proactively with the Tribe to create MOUs that mitigate costs to those governments resulting from the operation of the Casino.
2. While representatives of the cities of Rocklin and Roseville feel the cities are incurring some additional costs resulting from the Casino, they have not taken adequate steps to identify and quantify those costs in order to determine if any formal agreements with the Tribe would be appropriate.
3. The LCBC is serving the basic role called for by statute in awarding grants for Casino cost mitigation. The 2007 grants awarded appeared to be reasonable in type and amount for the purposes described. They all had a logical link to Casino cost mitigation and fit with the priorities described in the statute.
4. The LCBC is not performing a basic fiduciary responsibility in verifying that grant money is spent in the manner that was intended.

Recommendations

1. The cities of Rocklin and Roseville should regularly (e.g., annually) identify, document and quantify any adverse financial impacts the Casino has had on their government operations. Where appropriate, overtures should then be made to the Tribe to reach or modify agreements that would mitigate any of these actual costs.
2. Local government agencies that incur costs resulting from Casino operations should seek financial resources other than grants from the Indian Gaming Special Distribution Fund in order to help mitigate those costs. That fund should not be considered to be permanent or otherwise available each year.

3. The LCBC should immediately develop and implement procedures to ensure that recipients spend grant money only for intended purposes. At a minimum, this should include requiring statements and documentation from grantees at the end of the fiscal year supporting the appropriate use of the grant money. It might also include a requirement that such documentation be received and approved by the LCBC before any grant money is disbursed for each project.

Request for Responses

- Peter Hill, Mayor / #1- Due by September 1, 2009
City of Rocklin
3970 Rocklin Road
Rocklin, CA 95677
- Gina Garbolino, Mayor/ #1 - Due by September 1, 2009
City of Roseville
311 Vernon Street
Roseville, CA 95678
- Thomas M. Miller, County Executive Officer / #3 - Due by October 1, 2009
County of Placer
175 Fulweiler Avenue
Auburn, CA 95603

Copies Sent To

- Spencer Short, Mayor
City of Lincoln
600 Sixth Street
Lincoln, CA 95648
- Placer County Board of Supervisors
175 Fulweiler Avenue
Auburn, CA 95603

PLACER COUNTY AUBURN ANIMAL SHELTER



Photos by Win Gredvig

PLACER COUNTY AUBURN ANIMAL SHELTER

Summary

The Placer County Grand Jury conducted an inspection in November 2008 of the Placer County Animal Services Facility in Auburn. The facility, although old and somewhat deteriorated on the exterior, appeared to be adequate. The cages and animal enclosure areas were found to be small, but clean and well maintained with fresh water available. Volunteers and regular staff handle dogs on a frequent basis to maintain sociability of the animals.

Jurors concluded that the Placer County Animal Services Division is doing a satisfactory job considering the limitations of the facility.

Placer County is currently working with the cities of Roseville, Rocklin and Lincoln with respect to planning, funding, design, construction and operation of a new animal shelter to serve South Placer County.

The demolition and replacement of the Auburn site, according to the current timeline, is scheduled to be completed by August 2013. However, this is contingent on the new South Placer facility being built and operational. The replacement of the Auburn Animal Shelter had been discussed in Grand Jury reports as early as 2001. It is the hope of this Grand Jury that the County and its partners adhere to the current timeline for the projects.

Background

The primary goal of the Animal Services Division, a unit of the County's Health and Human Services Department, is to serve the residents of the County through active animal care and control programs. The Animal Services Division operates the Auburn and Tahoe animal shelters. Having received complaints about the shelter condition and operation in Auburn, the Grand Jury investigated that facility.

Investigation Methods

The Grand Jury inspection of the Placer County Animal Services Facility in Auburn occurred on November 6, 2008. Accompanied by Program Manager Mike Winters, Jurors inspected the buildings and grounds that house the separate areas for dogs, cats, rabbits, and horses. Quarantine areas were also observed. Subsequent information was requested and received from Dr. Richard Burton, Health Officer/Health and Human Services Director, and from facilities management.

Facts

Placer County is currently in negotiations with the cities of Roseville, Rocklin and Lincoln with respect to planning, funding, design, construction and operation of a new animal shelter to serve South Placer County. The site, yet to be determined, will be provided by the City of Roseville. The facility is to be constructed under a Memorandum of Understanding among the three cities and the County. The Society for the Prevention of Cruelty to Animals (SPCA) is slated to operate the shelter.

The Auburn facility, built in 1973, is slated to be demolished and rebuilt at its current site beginning in the summer of 2012 after the South Placer shelter becomes operational. The current timeline for both projects was provided by Placer County and is attached to this report.

As early as 2001, in their response to that Grand Jury's findings, the Board of Supervisors and the County Executive Officer acknowledged the need for replacing the Auburn shelter. Since 2001, several Placer County Grand Juries have expressed concerns with the condition of the Auburn Animal Shelter Facility and have recommended its replacement. To date, little has been accomplished beyond the planning stage. However, a timeline has been created calling for the rebuilt Auburn shelter to be completed by August 2013.

During the inspection of the Auburn Shelter, Jurors observed that the exterior of the facility was in need of repair. Paint was peeling and the siding on the temporary office trailer had separated. Jurors also observed that the animal cage areas inside the facility were small.



Photos by Win Gredvig



On the blacktop courtyard were several 10' x 10' chain link pens. Later, in response to Jurors' follow-up questions regarding the use of the pens, Dr. Burton replied that the pens containing "igloo" dog houses allow staff to move dogs outside when cleaning their inside runs and increase holding capacity when needed.

Findings

1. Despite the building's condition, the shelter appears to be well run, and the animals appear to be well cared for.
2. Past Grand Juries have repeatedly recommended the replacement of the Auburn Shelter, but to date little has been accomplished. The start of the Auburn facility construction is contingent on the completion of the South Placer facility which is now only in its planning stages. Therefore, this Grand Jury is concerned that the replacement of the Auburn Shelter may be delayed.

Conclusion

Given the condition and limitations of the facility, the Placer County Animal Services Division is doing a satisfactory job.

Recommendation

The timetable for demolition and replacement of the Auburn Shelter should proceed as outlined in the attached project timelines.

Request for Responses

None

Copies Sent To

- Thomas Miller, County Executive Officer
Placer County
175 Fulweiler Avenue
Auburn, CA 95603
- Placer County Board of Supervisors
175 Fulweiler Avenue
Auburn, CA 95603
- Mike Winters
Program Manager
11251 B Avenue
Auburn, CA 95603
- Dr. Richard J Burton, Health Officer &
Health and Human Services Director
379 Nevada Street
Auburn, CA 95603
- Dr. Mark Starr, Director
Community Health and Clinics
1184 B Avenue
Auburn, CA 95603

Attachments

South Placer Animal Shelter Preliminary Schedule
Auburn Replacement Animal Shelter Preliminary Schedule

South Placer Animal Shelter

RECEIVED

Project Budget: \$16,000,000 to \$20,000,000

MAR 24 2009

Delivery Method: Design/Build

Placer County Grand Jury

Preliminary Schedule:

Dated March 11, 2009

Master Architect – Contract Negotiations	March 2009
Board of Supervisors – Contract Approval	April 2009
Architectural Space Programming	May 2009 – July 2009
Design/Build Request for Qualifications	July 2009 – September 2009
Development of Performance Specification & Design Criteria	August 2009 – October 2009
Design/Build Request for Proposals	October 2009 – March 2010
Board of Supervisor’s Award (JPA)	April 2010
Design/Build Contract	April 2010 – April 2012
Move - In	March 2012
Warranty	March 2012 – March 2013

Auburn Replacement Animal Shelter

Project Budget: \$5,000,000

Delivery Method: Design/Bid/Build (traditional method)

Preliminary Schedule:

Dated March 11, 2009

Initial Project Planning	December 2009 – January 2010
Environmental Process Documentation	January 2010 – December 2010
Architectural Consultant Contract Approval	July 2010
Needs Assessment & Space Programming	July 2010 – September 2010
Building Design, Site Design & Specifications/Construction Drawings	October 2010 – September 2011
Building Permit Process	October 2011 – November 2011
Board of Supervisor's Approval to Bid	December 2011
Bidding	January 2012
Construction Contract Approvals	February - March 2012
Move Operations to New South Placer	March 2012
Construction	April 2012 – July 2013
Move – In	August 2013
Warranty	August 2013 – August 2014

REFINANCING SCHOOL DISTRICT BONDS

Placer County Finance Administration Office



Photo by Win Gredvig

REFINANCING SCHOOL DISTRICT BONDS

Summary

School districts often use general obligation bonds to provide financing for various capital projects. These bonds require voter approval when they are originally issued. However, school boards may replace them with new issues without voter approval under certain conditions. Some Placer County school districts, and many more throughout the state, have refinanced their bonds in recent years in a way that has produced additional money for their capital projects beyond what was produced by the original issues. The California Attorney General recently released an opinion saying this practice, called cash out refunding, is unconstitutional because it creates new debt without first obtaining approval from the voters.

However, refinancing an outstanding general obligation bond without taking cash out is constitutional and may be a good decision under the right market conditions. Refinancing has the potential to significantly lower total costs to taxpayers over the life of a bond issue. When this is done, however, it must be accomplished using appropriate controls and adequate public disclosure.

Background

The 2007–2008 San Mateo County Grand Jury investigated the practice of “cash out refunding” of general obligation (GO) bonds by school districts in its county. This term refers to the refinancing of an original bond issue in a way that generates additional cash that may be used by the district for its capital program. Unlike the original bond issue, which requires voter approval, the refinancing issue requires approval only by the school board. It does not require any voter approval, or any specific voter notification, even though additional public debt is generated through the process. After publishing its final report, the San Mateo Grand Jury sent copies to all grand juries in the state, suggesting that this subject might be a worthwhile area for each jury to look into.

The Placer County Grand Jury determined that the practice of cash out refunding had been used in recent years in some County school districts. The Jury decided to investigate these situations to determine how and why they had been done and what considerations were appropriate in this area for the future. In the course of the

investigation, the Jury broadened its scope from cash out refunding to include school district GO bond refinancing in general.

Investigation Methods

To begin the investigation, the Grand Jury contacted the office of the County Treasurer–Tax Collector to identify all instances of cash out refunding that had taken place in the County in recent years. Based on the information they had at the time, four cases were found: three in the Tahoe Truckee Unified School District (two bond issues in 2001 and one in 2004) and one in the Placer Union High School District (2005). They also identified three cases in which GO bond refinancing had taken place with apparently no additional cash being taken out, the objective being to use all of the net proceeds from the new bond issue to pay off the original bonds and lower the interest costs to taxpayers. These cases involved one issue each in the Dry Creek Joint Elementary School District, the Tahoe Truckee Unified School District and the Western Placer Unified School District.

The Jury sent written requests to all the involved school districts to collect data and background information. It then interviewed key personnel in the districts that engaged in cash out refundings and in two of the districts that apparently engaged in a regular refinancing. Follow-up letters were sent to districts involved with cash out refunding to examine public disclosure and school board discussions surrounding the decisions.

When the investigation began, the Jury was aware of a pending request to the California Attorney General for an opinion on the practice of cash out refunding. Accordingly, the Grand Jury asked Placer County Counsel for any information on the status of the request and any other information that would bear on the legality of that type of refinancing. The Attorney General issued his decision in January 2009. The Jury obtained and reviewed his decision, along with follow-up comments that the County Counsel also sent to the Jury.

Testimony was taken from the Placer County Treasurer-Tax Collector, Jenine Windeshausen, on the roles she and her office play in GO bond refundings and original issues. She also provided the Jury with data maintained by her office about all outstanding GO bond issues in the County.

Facts

General Obligation Bonds – In General

A GO bond is a type of municipal bond that is commonly used for financing capital needs of governmental agencies, such as school districts. This is very similar to a mortgage used by a homeowner to finance construction projects. When a GO bond is issued, bond buyers loan the district the principal amount – the full face value of the bond – which the district then uses for its building project. The district repays the bond's principal and interest (its "debt service") over the life of the bond through a tax levied on assessed property within the district (called an "*ad valorem* tax"). GO bonds are generally long-term, often issued with a maximum date to maturity of 25 years.

The California constitution requires that the original issuance of a GO bond be approved by voters. School construction bonds traditionally have required a two-thirds vote, but under an amendment to the constitution in 2000 (Proposition 39), a 55% approval is all that is needed under certain conditions. There are also statutory requirements for the issuance of these bonds. These are described in California Education Code Sections 15000–15425. Because the issuance of new GO bonds requires the approval of a supermajority of voters, school districts often find it difficult to procure financing for projects in this way. If that happens, they must then either use other methods of financing, or else abandon, defer or significantly reduce in scope their construction projects.

GO bonds may be issued in different forms. Current interest bonds have their interest paid to bondholders regularly, normally every six or twelve months. This occurs until their maturity date, when the face value is repaid to the bondholder. Capital appreciation bonds accrue interest from the date of issue, but no payment is made until the maturity date of the bond when the face amount and all the accrued interest are paid to the bondholder. A given bond issue may consist of many sets of each of these types of bonds, each having different maturity dates and interest rates. Some bonds are issued with a provision that they may be redeemed ("called") by the district before the maturity date of the bond by repaying the principal owed and any accrued interest. If bonds are called early, the terms of the issue often require the district to pay a premium to the bondholder, especially during the first few years after issuance. Other bonds have provisions saying they cannot be redeemed at all before the maturity date.

Refinancing General Obligation Bonds

Over the life of a bond issue, conditions change. General levels of interest rates applicable to municipal bonds fluctuate in the market over time, and may drop significantly from the rates available at the time of a bond's original issuance. Additionally, the financial condition of a school district may improve or deteriorate, or the assessed tax base within a district may change substantially, thus changing the perception of investors of the risk involved with purchasing the district's bonds.

When conditions are appropriate, a district may determine that it makes financial sense to redeem the outstanding bonds and issue replacement bonds to produce the funds needed to do so. This may make sense even with the extra expenses required of paying bondholders a premium for early redemption and paying the often-substantial costs of creating and selling a new bond issue. As mentioned above, some bond issues include bonds with non-callable provisions. In these cases, districts may still find it advantageous to refinance with a new issue. They do this by placing a portion of the proceeds from the new issue into an escrow account, then using that money to buy financial instruments with guaranteed interest rates which will produce enough money over time to pay off the old bonds when they mature or otherwise become callable. (This technique was used at least three times in recent Placer County refinancings.)

Under statutes found in California Government Code Sections 53550–53569, GO bonds may be refinanced without voter approval when the legislative body (the school board) determines it is “required” based on “prudent management of the fiscal affairs” of the district. (The board can choose to seek voter approval if it wishes.) These statutes lay out several conditions for the refinancing and associated processes. One of the conditions is that the total debt service of the new bonds cannot exceed the total debt service of the remaining old bonds at the date the new bonds are issued.

Cash Out Refunding

In recent years, with the encouragement of some investment bankers and bond counsels, a number of school districts throughout the state began using the practice of “cash out refunding” when replacing existing bond issues. When doing so, a district would construct a new bond issue in such a way that, when sold, it produced enough money to pay off the original issue, pay the issuance costs for the new issue, reduce the debt service owed by taxpayers and deposit the remaining amount into the district's capital project fund. Some bond companies claimed that this practice was legal, and represented a way to produce additional money for building projects without going to the

voters for approval (because only school board approval is required for a refinancing) while still lowering the total costs to the taxpayers compared to that required by the original bond issue.

A commonly used method for generating the extra money used for a cash out portion of a bond refinancing was to set the interest rate of the new bonds at a rate above that of the current market, but still under the rate of the original bonds. This resulted in the issue being sold in the market at a premium over the face value of the bonds. That premium was then used to pay the additional cash destined for the building fund along with other costs. The bond companies argued that the premium did not need to be considered in the statutory calculations above that defined the conditions under which refinancing could take place.

The practice of cash out refunding can result in large amounts of money being generated. For example, a portion of a bond issue in the San Jose Unified School District was refinanced in 2005 and generated over \$20 million in additional cash for the district plus \$2 million to reduce property tax rates. There appears to have been little discussion in the school board meeting that approved those bonds, or in other public forums, about the plan to generate that much additional money from the refinancing. Many smaller examples (one bond lawyer estimated “scores”) currently exist throughout the state.

The Government Code Sections referred to above do not speak directly to the subject of cash out refunding. It is unclear whether or not the legislature intended to allow the practice. Some bond companies interpreted the statutes as allowing cash out refunding. In agreement with this view were some school districts which felt that cash out refunding of existing bonds could generate cash they very much needed for their capital projects, while reducing (or at least not increasing) the debt service already committed to by taxpayers. But some groups in the state became concerned about the practice. While no lawsuits have yet been filed to challenge it, a San Jose citizens group took a strong position against it, as did the California Association of Treasurers and Tax Collectors. Some other people working in the field of GO bonds became quite vocal in their opposition.

As a result of these concerns and debates, a State Senator representing the San Jose area filed a request with the California Attorney General in 2006 for an opinion on several related questions regarding the legality of this practice.

Attorney General’s Opinion on Cash Out Refunding

On January 9, 2009, the Attorney General released his opinion on the practice. In brief, he said that cash out refunding is unconstitutional because it results in new debt being created without the required two-thirds or 55% voter approval. New debt is created because some of the proceeds from the refunding bonds are used for a purpose other than paying off the existing bonds. Constitutionally, voter approval is needed for issuing the new debt and levying the required *ad valorem* tax to repay it. Although the Government Code statutes might be interpreted in ways that could support the practice, the opinion said that statutes cannot be written that would override any constitutional issues.

The opinion points out that challenges to bond issues must normally be brought within 60 days after the authorizing of the bonds. Some existing bonds that were issued with cash out provisions could be difficult to attack legally. However, some other legal approaches could be possible that might result in invalidating a bond issue. Another result of a legal challenge might be a court determination that the interest paid on the refunding bonds is not tax exempt because the bonds were not properly authorized. In any case, the consequences to a school district that has used this practice could be very harmful if a legal challenge were to be made and be successful.

It is significant, though, that the opinion states specifically that “pure refunding bonds — that is, bonds issued solely for the purpose of refunding existing debt — do not require additional voter approval under the constitutional debt limit.”

The Attorney General’s opinion is just that at this time — an opinion. Court cases may well be required to confirm or change the judgment about the legality of the practice. Until and unless that happens, though, this opinion is expected to carry a great deal of weight as school districts consider their financing options. Former advocates of cash out refunding no longer appear to be encouraging the practice.

Cash Out Refunding in Placer County

Based on information obtained from the County Treasurer, it appeared that just two Placer County school districts had engaged in cash out refunding of four general obligation bond issues. The Tahoe Truckee Unified School District did a partial refunding of two 1999 bonds in 2001 (for their School Facilities Improvement Districts Nos. 1 and 2), and fully refunded a 1993 bond in 2004. The Placer Union High School

District did a partial refunding of a 1999 bond in 2005. The Jury contacted those districts and asked for detailed information about the bond issues. Here are the specifics of those four cash out refundings:

<i>(Dollars in thousands)</i>	Tahoe Truckee <u>SFID #1 2001</u>	Tahoe Truckee <u>SFID #2 2001</u>	Tahoe Truckee <u>USD 2004</u>	Placer <u>UHSD 2005</u>
<u>Original bond</u>				
Remaining principal	\$22,995	\$17,150	\$4,120	\$8,540
Remaining interest	<u>18,420</u>	<u>13,744</u>	<u>3,687</u>	<u>4,106</u>
Remaining debt service	\$41,415	\$30,894	\$7,807	\$12,646
<u>Refunding bond</u>				
New principal	\$21,155	\$15,835	\$4,080	9,140
New interest total	<u>16,555</u>	<u>12,308</u>	<u>3,680</u>	<u>3,484</u>
Total new debt service	\$37,710	\$28,143	\$7,760	\$12,624
Change in debt service	(\$3,705)	(\$2,751)	(\$47)	(\$22)
New issue premium	\$999	\$699	\$762	\$671
From debt service fund	577	431	0	0
Gross proceeds	22,732	16,965	4,842	9,811
Repay original bonds	22,037	16,448	4,479	9,422
Issue costs	344	249	132	189
Amount to building fund	351	268	231	200

Notes:

- Amounts shown for the “original bond” are those applicable only to the portion being refunded
- Gross proceeds include the face value of the new bonds, issue premiums/discounts and transfers from the debt service fund of the prior issue (if any)
- Issue costs include underwriter’s fee, insurance premium and other costs of issuance
- Totals may not add up due to rounding

Note the high levels of premium for each of the above refunding bond issues. That premium was extra cash that helped pay for the amount deposited in the district’s building fund, plus the issuance costs and any premium due for early redemption of the old bonds.

According to records from the County Treasurer-Tax Collector’s office, three school districts had refinanced general obligation bonds in the recent past but taken no additional money for their building fund. The Grand Jury contacted those districts and obtained detailed information about those issues comparable to that obtained for the cash out refunding issues above. However, upon careful review of the material received from the Western Placer Unified School District (WPUSD), and after several additional communications with the District, the Jury determined that their 1999 partial refinancing of a 1993 bond was, in reality, a cash out refunding transaction as well.

Current WPUSD personnel were not involved with this refinancing project when it took place over ten years ago. When they dug into their archives to develop answers to the Jury's questions, they found that the District's 1999 issue was part of a complicated arrangement that involved the district selling its refinancing bonds, along with those of four other school districts, to an investment group working through a Joint Powers Authority (JPA). On December 2, 1997, the District board approved a resolution authorizing this arrangement, a type of financing covered by the Marks-Roos Local Bond Pooling Act of 1985. The transaction involved the investment group putting money into escrow in January 1998, over a year in advance of the issuance of the new bonds, and using it to purchase a portfolio of federally insured financial obligations. When the new bonds were issued in April 1999, those funds in escrow had increased and were enough to pay for purchasing each district's bonds plus the costs of issuance, insurance commitment fees, and other costs. Those funds also paid for a predetermined "authority fee" for each district. That amounted to the purchase of rights to enter into this arrangement. WPUSD's share of the authority fee was \$132,997 and that amount was deposited into the District's capital projects fund when the deal closed. The authority fee thus amounted to a cash out refunding.

The school board resolution which authorized this refinancing said it was for the purposes of "realizing financial savings to the District and to the property tax payers." The written records say nothing, however, about how this was to happen or how much savings would be created for whom. The board minutes refer to "extensive questions" about the proposal. Despite the benefits that were purported to exist for all, one "no" vote was cast against the plan.

Here are the specifics for this 1999 refinancing of a 1993 bond issue in the Western Placer Unified School District:

(Dollars in thousands)

<u>Original bond</u>	
Remaining principal	\$15,024
Remaining interest	<u>13,810</u>
Remaining debt service	\$28,834
 <u>Refunding bond</u>	
New principal	\$15,052
New interest total	<u>13,629</u>
Total new debt service	\$28,681
Change in debt service	(\$152)
Gross proceeds	\$15,185
Repay original (to escrow account)	15,027
Accrued interest to debt service fund	17
Unaccounted for by WPUUSD	9
Issue costs	NA
Amount to building fund	133

Notes:

- Amounts shown for the “original bond” are those applicable only to the portion being refunded
- Totals may not add up due to rounding

The amounts shown above that were destined to pay off the original bonds went into an escrow account which earns interest. Over half of the outstanding bonds from the 1993 issue were capital appreciation bonds. Those could not be called before their maturity dates, which ranged from 2009 through 2019. As the bonds become due, the County Treasurer will draw from that escrow account to pay them off.

Because they were not present when this was done, current Western Placer Unified School District personnel could not speak authoritatively about what the motivation of the District might have been to enter into their 1999 arrangement. But both Tahoe Truckee Unified and Placer Union High School Districts told the Grand Jury that they considered their refinancings to be wins for all concerned. The districts received money they felt they needed for their building projects and the taxpayers received at least somewhat lower *ad valorem* tax rates. Tahoe Truckee said that they did not feel they would have done their 2004 refinancing if they could not have taken cash out for their building fund. The project required a great deal of time to be spent by district personnel. Placer UHSD felt they would have refinanced even without the cash out capability in order to benefit the taxpayers.

On the other hand, the current Assistant Superintendent for Business & Support Services for the Western Placer Unified School District was adamant in her statement to the Grand Jury that she would never consider doing a cash out refunding because she

felt it would be unethical. The County Treasurer also said she was strongly opposed to the practice for the same reason. They both felt that all savings from a bond refinancing should go to the taxpayers.

It is unclear to the Grand Jury where the initial ideas for these refundings originated. These took place at least four years ago, and the business officers who were directly involved are no longer employed in each district. It should be noted that the same bond counsel was used for four of the five of these cash out refundings in Placer County (all but WPUUSD's).

Non-Cash Out Refunding in Placer County

The Grand Jury confirmed that two school districts have refinanced GO bonds in the recent past and used the proceeds exclusively for the retirement of the original bonds. In 1998 the Tahoe Truckee Unified School District did a partial refinancing of a 1993 bond. In 2007 the Dry Creek Elementary District partially refinanced a 1995 bond. Here are the specifics of those bond issues:

<i>(Dollars in thousands)</i>	Tahoe Truckee <u>USD 1998</u>	Dry Creek <u>Elementary 2007</u>
<u>Original bond</u>		
Remaining principal	\$6,130	\$6,740
Remaining interest	<u>6,190</u>	<u>4,866</u>
Remaining debt service	\$12,320	\$11,606
<u>Refunding bond</u>		
New principal	\$6,855	\$7,465
New interest total	<u>5,227</u>	<u>3,715</u>
Total new debt service	\$12,082	\$11,180
Change in debt service	(238)	(426)
Issue premium (discount)	(57)	140
Gross proceeds	6,798	7,605
Repay original	6,606	7,419
Issue costs	192	186

Notes:

- Amounts shown for the “original bond” are just those applicable to the portion being refunded
- Gross proceeds may include, besides face value of the new bonds, issue premiums/discounts and transfers from the debt service fund of the prior issue
- Issue costs may include underwriter’s fee, insurance premium and other costs of issuance
- Totals may not add up due to rounding

Note the much smaller issue premiums for these two issues compared to the cash out refundings. One issue even produced a discount. Also note the substantial issue costs for each. Still, even with those costs, at the time the new bonds were issued market

conditions were such that each district was able to refinance the original bonds at better terms, thus saving money for taxpayers.

Bond issuance and refinancing is a lucrative business for bond companies. Underwriter fees, bond insurance and other issuance costs for the seven bond issues the Jury reviewed in detail ranged from \$132,000 to \$344,000 (from 1.6% to 3.2% of the principal amounts). Because of the stringent approval requirements for GO bonds and resistance from some taxpayers to take on new debt, school districts have often had difficulty gaining voter approval for new bonds. So the refinancing market has been attractive to some bond companies as a source of revenue.

Disclosures to the School Boards and the Public

Most of these seven bond refinancings were completed several years ago. As a result, first-hand information about discussions at school board meetings and with the public regarding the pros and cons of these issues was not always available. Still, from the documentation of board resolutions and minutes the Grand Jury received, and the recollections of some of the people who attended the board meetings, the Grand Jury came to the following determinations about what happened:

- The cash out refunding bond proposals were presented to the boards as being beneficial to both the district and the taxpayers.
- Each board resolution for the cash out refunding proposals attested to the legality of the plan.
- The regular refunding bond proposals were presented as opportunities to take advantage of lower rates and reduce the remaining debt service of the original bonds to benefit the taxpayers.
- No evidence appeared of any involvement by the public in the board discussions regarding refinancing outside the regular agenda and public meeting process.
- No evidence was presented to the Grand Jury that either the school boards or the districts made any particular effort to communicate these refinancing decisions to the public once they were made beyond the normal distribution of board meeting results.
- No legal challenges were made by any member of the public to any of these decisions within the required statutory 60-day limit.

Future Refinancing Opportunities

Changes in interest rates, credit status of the school district and other market conditions can all create opportunities for significant reductions in debt service. It is in the interest of the taxpayers for GO bonds to be refinanced when the sum of the total debt service

of the new bonds (principal and interest over the life of the bonds), plus the cost of creating and selling the new issue, is less than the outstanding debt service of the old issue. Government Code Section 53552 specifically allows the face value of the new bonds to be higher than that of the old if these conditions are met.

If a district can justify refinancing bonds while taking additional cash out for their building fund, that same refinancing will clearly make financial sense if the cash out money is instead used to reduce further the debt service paid by taxpayers. If no other changes were made to the issue terms for the four non-JPA cash out refundings described above except to direct the cash out money to the debt service fund, debt service would have been reduced by an additional \$200 to \$351 thousand. However, those four issues were constructed in ways designed to maximize the additional cash proceeds for the new issues. It is possible that if interest rates for those issues had been set closer to market rates, the total interest due on the new issue would have decreased by more than the cash out amount. That approach could have lowered the total debt service for taxpayers even further.

Even with taking over \$600,000 of cash out of the proceeds from the new issues, the two Tahoe Truckee refundings in 2001 produced a large reduction in debt service – nearly \$6.5 million. That savings was produced by performing a refinancing less than two years after the original bonds were issued. Had the cash not been taken out, the debt service reduction would have been at least \$7.1 million, a 10% reduction from the prior outstanding amount. This is a good example of the benefits to taxpayers that can result from refinancing GO bonds.

Placer County has 16 separate school districts and one community college district. Six of those have no outstanding GO bonds (Ackerman Charter, Alta-Dutch Flat, Auburn Union, Colfax Elementary, Foresthill Union and Placer Hills Union). The other eleven districts currently have outstanding collectively 48 separate GO bond issues with an original face (par) value of over \$663 million. Over \$1.1 billion remains in debt service to be paid over the life of those bonds — \$491 million in face value and \$634 million in interest. Here is a summary of the outstanding general obligation bonds as of December 2008 in Placer County school and community college districts:

(Dollars in millions)

<u>District</u>	<u>Issues</u>	<u>Issue Dates</u>	<u>Maturity Dates</u>	<u>Par Issued</u>	<u>Remaining Par</u>	<u>Remaining Interest</u>
Dry Creek Joint Elem.	4	1997-2008	2022-2032	\$54	\$40	\$43
Eureka Union	3	1993-1997	2018-2022	16	7	16
Loomis Union	2	1998-2000	2023-2024	9	7	3
Newcastle Elementary	1	1998	2013	0.7	0.3	0.1
Placer Union High	4	2000-2005	2015-2033	51	38	83
Rocklin Unified	7	1991-2003	2016-2028	111	81	175
Roseville City	3	1992-2004	2017-2028	49	35	48
Roseville Joint Union High	8	1992-2007	2017-2031	130	104	111
Sierra Joint. Comm. College	4	2005-2007	2029-2032	79	76	73
Tahoe Truckee Joint Unified	11	1993-2006	2010-2030	148	93	70
Western Placer Unified	<u>1</u>	1999	2028	<u>15</u>	<u>9</u>	<u>12</u>
Totals	48	1991-2008	2010-2033	\$663	\$491	\$634

Note:

- Totals may not add up due to rounding

The Placer County Treasurer did a cursory analysis of these outstanding bonds. From what she could determine, it appeared that three of them might benefit from refinancing in the current market. Because of other considerations that might apply to these issues, such as early call premiums, more detailed analysis would be required to determine if at this time refinancing would really be beneficial for those issues – or others. This analysis could be done regularly by each school district on each of its outstanding bonds to ensure that the best interests of the taxpayers are being served based on then-existing conditions. While it can be time consuming and requires up-to-date, in-depth information about the municipal bond market, this is the kind of analysis that the bond companies who have worked with these districts can do to determine if opportunities exist. Placer County’s school districts could take advantage of these companies’ expertise and natural vested interest to see if mutually beneficial, non-cash out refinancings might make sense. When market conditions and other terms are appropriate, it is clear that non-cash out refinancings of existing bonds can benefit taxpayers.

Role of the County Treasurer in GO Bond Issues

The County Treasurer is required by statute (Education Code Section 15145) to play a minimal role in the issuance of new bonds. This simply involves signing certain documents, however, and comes into play only late in the process after virtually all of the analysis and planning has been completed by the school district. The office has no

required role at all to play, though, in the issuance of bonds for refinancing purposes. Responsibilities for that decision belong to each district school board and superintendent. Accordingly, the Treasurer may become aware of a refinancing bond issue only well after it has already been marketed, if at all.

The Treasurer normally handles the funds relating to a bond, acting as the “banker”, and keeps track of interest payments and the outstanding bond balances. But that is not required, and some school districts may choose to handle those functions in other ways. So the Treasurer’s records for school district GO bonds may not reflect the actual current status of these bonds in the County, or represent a complete picture of the key provisions of a bond issue. For example, for the 1999 Western Placer Unified School District refinancing issue described above, the Treasurer’s files consisted of a single piece of paper describing the basic facts of the issue. For comparison, complete paperwork for a bond issue can easily fill several binders.

The Treasurer appears to be in a position to offer objective, worthwhile advice and counsel to a school district considering either a new bond issue or a refinancing effort. This is the case even though no State statute requires the Treasurer to perform these functions.

Findings

1. The Attorney General’s recently published opinion makes it unlikely that any future cash out refundings will take place, unless case law develops from future lawsuits, or legislation, that overrides that opinion.
2. Even if the Attorney General’s opinion had not been issued, it is at best legally questionable for additional money for a capital project to be taken out of a bond refinancing beyond what was approved by voters.
3. Voters and taxpayers received virtually no communication from the school districts in the seven cases of bond refinancing examined by the Grand Jury, either before or after the decisions were made other than publicly noticed agendas.
4. Refinancing decisions may involve millions of dollars, but no requirement exists for communicating these decisions to taxpayers beyond minimal legal notice.
5. Especially because the documentation involved in refinancing a bond issue does not normally disclose explicitly the details about the bond proceeds and what is done with the money, refundings present a high potential for abuse. This can include cash being taken out of the transaction without being authorized, excessive fees

being charged for issuance, taxpayer savings being much less than expected when the effort was approved, etc.

6. No timely, reliable State oversight exists for the refinancing process. School boards generally accept the recommendations of district personnel, and these are generally guided significantly by the investment bankers and bond counsels whose opinions can be, by their nature, self-serving.
7. Existing State law does not require the office of the Treasurer to be involved early in the process of issuing GO bonds, or to be involved at all in bond refinancings. However, the Treasurer can provide valuable services to school districts regarding their proposed bond issues. The Treasurer's office can offer an impartial viewpoint on alternatives and provide access to others in the financial community with different points of view. The Treasurer can help structure the many variables of a bond offering to be in the best interests of the district. The Treasurer can help evaluate the fee structure to ensure issuance costs are not excessive, and can help make sure that the terms of the proposed issue are well understood and do not include cash out provisions or other inappropriate features. A school district and its property taxpayers would benefit from taking advantage of the Treasurer's knowledge, experience and capabilities. In the absence of any State statutes that require this communication to take place, this arrangement may best be established by mutually voluntary agreement.
8. The currently outstanding GO bonds in Placer County school districts represent a significant potential opportunity for taxpayers to benefit from refinancing those bonds when market conditions permit.

Recommendations

1. School districts should do no cash out refundings in the future without voter approval.
2. School districts should regularly survey their outstanding bond issues in light of then-current market decisions to determine if refinancing the bonds could benefit taxpayers. The districts should make use of their various bond company contacts as appropriate to obtain analysis and counsel regarding market conditions as they apply to their existing bonds.
3. When a potential bond refinancing is being considered by a school district (and it will not go before the voters for a decision), the district should make a special effort to disclose the costs and benefits to the public. It should actively seek public input before and during the board meeting at which the decision is to be made. Once a

decision is made to refinance, the decision and its rationale should be disclosed and communicated to the public.

4. Each school district should voluntarily provide the Treasurer's office with all relevant documentation for future bond refinancings in the same manner as for original bond issues.
5. Each of the school districts with currently outstanding refinanced bond issues should work with the Treasurer's office to ensure that the documentation on file for those issues is complete.
6. The County Treasurer should establish an annual program to communicate with County school districts to remind them about the potential benefits and costs of refinancing GO bonds depending on market conditions. The communication should include a request that the districts voluntarily review with the Treasurer's office in advance the plans for any new issues and refinancing being considered.

Request for Responses

- Mark Geyer, Superintendent / #'s 2, 3 and 4 - Due by October 1, 2009
Dry Creek Joint Elementary School District
9707 Cook Riolo Road
Roseville, CA 95747

- Tim McCarty, Superintendent / #'s 2, 3 and 4 - Due by October 1, 2009
Eureka Union School District
5455 Eureka Road
Granite Bay, CA 95746

- Paul Johnson, Superintendent / #'s 2, 3 and 4 - Due by October 1, 2009
Loomis Union School District
3290 Humphrey Road
Loomis, CA 95650

- Kathleen Daugherty, Superintendent / #'s 2, 3 and 4 - Due by October 1, 2009
Newcastle Elementary School District
8951 Valley View Drive
Newcastle, CA 95658

- Bart O'Brien, Superintendent / #'s 2, 3, 4 and 5 - Due by October 1, 2009
Placer Union High School District
P.O. Box 5048
Auburn, CA 95604-5048

- Kevin Brown, Superintendent / #'s 2, 3 and 4 - Due by October 1, 2009
Rocklin Unified School District
2615 Sierra Meadows Drive
Rocklin, CA 95677
- Richard L. Pierucci, Superintendent / #'s 2, 3 and 4 - Due by October 1, 2009
Roseville City School District
1050 Main Street
Roseville, CA 95678
- Tony Monetti, Superintendent / #'s 2, 3 and 4 - Due by October 1, 2009
Roseville Joint Union High School District
1750 Cirby Way
Roseville, CA 95661
- Dr. Leo E. Chavez, / #'s 2, 3 and 4 - Due by October 1, 2009
Superintendent/President
Sierra Joint Community College District
5000 Rocklin Road
Rocklin, CA 95677
- Stephen Jennings, Superintendent / #'s 2, 3, 4 and 5 - Due by October 1, 2009
Tahoe Truckee Joint Unified School District
11839 Donner Pass Road
Truckee, CA 96161
- Scott Leaman, Superintendent / #'s 2, 3, 4 and 5 - Due by October 1, 2009
Western Placer Unified School District
600 Sixth Street, Fourth Floor
Lincoln, CA 95648
- Jenine Windeshausen, / #'s 5 and 6 - Due by September 1, 2009
Treasurer-Tax Collector
County of Placer
2976 Richardson Drive
Auburn, CA 95603

Appendix

- Link to Attorney General decision on cash out refunding:
http://ag.ca.gov/cms_attachments/opinions/pdfs/o482_06-1102.pdf -
[xml=http://search.doj.ca.gov:8004/AGSear](http://search.doj.ca.gov:8004/AGSear)
- Link to Government Code Sections covering refinancing:
<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=gov&group=53001-54000&file=53550-53569>

Copies Sent To

- Marilyn Gilbert, Superintendent
Ackerman Charter District
13777 Bowman Road
Auburn, CA 95603
- Michele Schuetz, Superintendent
Auburn Union School District
255 Epperle Lane
Auburn, CA 95603
- Jim Roberts, Superintendent
Foresthill Union School District
24750 Main Street
Foresthill, CA 95631
- Jim Roberts, Superintendent
Alta-Dutch Flat School District
34050 Alta Bonnybrook Road
Alta, CA 95701
- Jon Ray, Superintendent
Colfax Elementary School District
24825 Ben Taylor Road
Colfax, CA 95713
- Fred H. Adam, Superintendent
Placer Hills Union School District
16801 Placer Hills Road
Meadow Vista, CA 95722

ANNUAL INSPECTION OF THE PLACER COUNTY JUVENILE DETENTION FACILITY



ANNUAL INSPECTION OF THE PLACER COUNTY JUVENILE DETENTION FACILITY

Summary

The 2008–2009 Placer County Grand Jury conducted its annual inspection of the Placer County Juvenile Detention Facility in October 2008. The current Grand Jury is in agreement with the 2006–2007 and 2007–2008 Grand Jury recommendations that the installation of additional surveillance cameras is needed for the protection of juvenile detainees and facility staff.

During its inspection and a follow-up investigation, the 2008–2009 Grand Jury became aware that little or no progress had been made on the procurement and installation efforts of the surveillance cameras. The installation of additional surveillance cameras with recording equipment cannot be completed as proposed by June 2009. The Grand Jury is concerned about this lack of progress and recommends the Probation Department provide documentation, including a valid timeline, to show evidence of the progress on the camera installation.

Background

Penal Code Section 919(b) requires the Grand Jury to conduct annual inspections of detainee holding facilities, which includes the Juvenile Detention Facility (JDF).

During its investigation, the 2006–2007 Grand Jury noted the need for additional surveillance cameras to better monitor activities within the JDF. Some locations for the cameras included the dining hall, open air recreation room, and classrooms. JDF officials responded, “Probation will meet with Facilities Services and Placer County Office of Education to determine how and where surveillance cameras might best be installed”.

During its investigation, the 2007–2008 Grand Jury concluded, “Having cameras in place would provide invaluable data in any investigation of detainee complaints or injuries, staff safety and any legal matters raised with Placer County at this facility”.

It is important to note that the 2006–2007 and 2007–2008 Grand Juries had addressed the need for additional surveillance cameras, with recording devices, in their Final Reports. The required responses to the 2007–2008 Grand Jury Final Report received from officials of the JDF indicated that the surveillance camera project was in process and cameras would be installed by June 2009.

Investigation Methods

The Grand Jury completed its annual inspection of the JDF on October 15, 2008, accompanied by Tom Haydon, Assistant Superintendent; Michael Cholerton, Assistant Chief Probation Officer; and Greg Chinn, JDF Superintendent. The inspection included the booking, holding, control room, recreation, and kitchen/dining areas. During and after the inspection, Jurors were given an opportunity to ask questions regarding the operations of the facility including the status of the new surveillance cameras' installation.

At a later date, the following Placer County officials testified regarding the procurement process: Rob Unholz, Capital Improvements Manager; Bob Veerkamp, Senior Project Manager of the Capital Improvements Division; and Stephen Pecor, Chief Probation Officer.

Additional information was obtained through emails and/or letters.

Facts

Jurors observed the JDF to be clean with all detainees supervised. A medical status assessment is conducted within 72 hours of arrival. Ongoing education is provided to the juveniles and recreation areas are available for physical activities. The kitchen and dining areas appeared orderly and clean, and meals are planned by a nutritionist.

At the time of the inspection, Jurors noted that new surveillance cameras recommended by previous Grand Juries had not been installed.

Each response received from Stephen Pecor and Greg Chinn to the 2007–2008 Grand Jury recommendation to install additional surveillance cameras by the end of 2008 was, "Our intent is to see the project through to completion as soon as possible, but no later than June 30, 2009". In addition, Mr. Chinn stated, "[He] is pursuing the [above] objectives and has obtained bids to install new equipment that would improve our

surveillance capabilities. He is also obtaining additional bids and evaluating various alternatives”.

During the inspection on October 15, 2008, Mr. Cholerton was asked what the Grand Jury could do to expedite the [camera installation] process. He said to contact Bob Veerkamp (Senior Project Manager in the Capital Improvements Division for Facilities Services) who is in charge of procurement. Mr. Cholerton stated, “The ball is basically in his court.”

On November 19, 2008, Jurors interviewed Bob Veerkamp, who explained the requisition process:

- Projects are initiated with a Capital Outlay Program. This is where the project scope is initially defined and potential funding sources are explored.
- To get a project started, the requesting department must complete a CP1 form. The CP1 is provided to the County Executive Officer whose analysts prepare presentations to the Capital Improvements Committee. The committee must approve the project based on the CP1 before the project can move forward.
- The Capital Improvements Division oversees the bidding process and the construction effort.

Mr. Veerkamp testified to Jurors that he had been in contact with JDF officials regarding camera installation “about a month ago.” He said neither Greg Chinn nor Tom Haydon could define the scope of the project. Bob Veerkamp also stated that he offered to help with the CP1 form, but had not heard from them since then.

On December 18, 2008, Stephen Pecor testified to the Grand Jury, “cameras are necessary in five areas—the dining room, the sports court, central control, day rooms, and the exterior field”. Mr. Pecor stated that he was working with Bob Veerkamp to scope the project and obtain estimates.

In a memo dated February 10, 2009, Rob Unholz stated he had received approval from the County Executive’s Office to proceed with a professional services agreement with an engineer [consultant] to assist Facilities in scoping out JDF’s proposed camera installation and to develop cost estimates for the preparation of a CP1 proposal.

As of April 3, 2009, a surveillance camera project for the JDF was not on the Capital Projects List.

Findings

1. In compliance with Penal Code Section 919(b) the Grand Jury inspected the Juvenile Detention Facility and found it to be clean and well maintained.
2. The Grand Jury is concerned that the JDF has placed too low a priority on installation of additional surveillance cameras with recording devices, because:
 - a. Little or no progress has been made toward the effort to procure and install the cameras in the facility,
 - b. JDF officials appeared not to know the process by which to procure the surveillance cameras and equipment,
 - c. JDF officials gave inaccurate statements in their response to the 2007–2008 Grand Jury Final Report by indicating bids had been received, funds allocated, and the cameras would be installed by June 2009, and
 - d. Because the CP1 form had not been completed by April, the installation of cameras cannot be completed by the intended June 2009 date.

Conclusions / Recommendations

The Grand Jury is concerned about the lack of progress being made in the Juvenile Detention Facility surveillance camera installation project.

1. The Probation Department shall provide the Grand Jury with a copy of the approved official CP1 form for the camera project.
2. The Probation Department shall provide to the Grand Jury a valid timeline of the additional surveillance camera project showing the status on the procurement and installation effort.

Request for Responses

- Stephen Pecor, Chief Probation Officer / #'s 1 & 2 - Due by October 1, 2009
Auburn Justice Center
2929 Richardson Drive, Suite B
Auburn, CA 95603
- Thomas Miller, County Executive Officer / #'s 1 & 2 - Due by October 1, 2009
County of Placer
175 Fulweiler Avenue
Auburn, CA 95603

Copies Sent To

- Greg Chinn, Superintendent
Placer County Juvenile Detention Facility
Auburn Justice Center
2929 Richardson Drive, Suite B
Auburn, CA 95603
- Jim Durfee, Director
Department of Facility Services
11476 C Avenue
Auburn, CA 95603
- Placer County Board of Supervisors
175 Fulweiler Avenue
Auburn, CA 95603



ANNUAL INSPECTION OF THE CITY OF AUBURN POLICE DEPARTMENT



Photo by Win Gredvig

ANNUAL INSPECTION OF THE CITY OF AUBURN POLICE DEPARTMENT

Summary

The Grand Jury conducted its annual inspection of the Auburn Police Department (PD) and holding facilities on September 9, 2008. The Jurors were satisfied with the operations and conditions they observed throughout the facility.

Background

The Grand Jury is required each year to review the conditions of its public prisons, jails and holding facilities within the county, in accordance with California Penal Code Section 919(b).

Investigation Methods

On September 9, 2008, Jurors conducted an inspection of the Auburn PD. Led by Chief Valerie Harris, the inspection included the booking and holding areas as well as facility maintenance, security and administrative offices. Subsequent to the tour, follow up contact was made to Chief Harris to answer additional Juror questions.

This report reflects the observations made by Grand Jury members during the on-site tour and responses from Chief Harris.

Facts

Located in a former elementary school building, the Auburn PD is a Type 1 facility, which means it can hold prisoners for a maximum of 96 hours. An arrestee typically spends less than thirty minutes in Department custody at the facility. The vast majority are taken directly to the Placer County Main Jail. An ongoing financial agreement with the County gives the Auburn PD use of its booking and jail facilities.

In high call volume situations, the Department relies heavily on assistance provided through mutual agreements with Placer County and the City of Roseville. If necessary,

the Auburn PD has the ability to use the County's emergency call center dispatchers as back up.

Additionally, the Department continues to share its expertise and staff with the Placerville PD under the Foothills Integrated Regional Swat Team agreement.

The computer center for the Department's crime and administrative databases is located adjacent to its emergency dispatch center. It is secured in a separate room that contains a basic water-based, fire extinguisher system. Water fire suppression systems can cause great damage to computer systems.

Findings

1. Grand Jurors found that, if activated, the existing overhead fire extinguishers in the computer center would largely destroy critical Department database information. The City of Auburn has commissioned a disaster recovery plan which is due in 2009 that will address the Department's fire suppression needs.
2. As required by Penal Code Section 919(b), the Grand Jury completed its inspection and found the Auburn PD's holding facilities to be organized and well maintained.

Recommendation

The Grand Jury strongly recommends that the Department expedite the acquisition of a more sophisticated and permanent fire suppression system.

Request for Responses

None

Copies Sent To

- Valerie Harris, Chief of Police
Auburn Police Department
1215 Lincoln Way
Auburn, California 95603
- Auburn City Council
1225 Lincoln Way
Auburn, California 95603

ANNUAL INSPECTION OF THE CITY OF LINCOLN POLICE DEPARTMENT



ANNUAL INSPECTION OF THE CITY OF LINCOLN POLICE DEPARTMENT

Summary

In October 2008, the Grand Jury conducted its annual inspection of the City of Lincoln Police Department holding area. Jurors were satisfied with the operations and the conditions they observed throughout the facility.

Background

The Grand Jury is required each year to inspect and report on the conditions of the public prisons, jails and holding facilities within Placer County as stated by Penal Code Section 919(b).

Investigation Methods

The Grand Jury met with Chief Brian Vizzusi and was briefed on police department statistics. Jurors inspected the facilities including the holding area and communications center. The Communication Supervisor joined the inspection to assist and to answer specific questions.

Facts

The Lincoln Police Department is a Type 1 facility which means prisoners cannot be held for more than 96 hours. In most instances, the detainees are taken directly to the Placer County Jail.

There is a holding area that can be used to process and interview detainees. This holding area contains three stools designed to restrain the detainee with handcuffs. When detainees are transported to the Department, officers must use a card key access system to enter the holding area. Officers must secure their weapons in their vehicles before entering because the Department does not have weapons lockers. The holding area is under surveillance by cameras that record movement of officers and prisoners. Juveniles are kept separate from adults.

At the time of the tour, the Department indicated progress in updating and relocating certain administrative services to the former Lincoln City Hall. Additionally, the Department has constructed a state-of-the-art call center as part of its Capital Improvement Program.

The Lincoln Police Department has a new license scanning system called “Platescan” currently installed on one vehicle. This system allows the patrol vehicle with a mounted camera to scan and read license plates while traveling or parked and can alert the officer to stolen vehicles or outstanding warrants. The Department has identified funding, including grants, for the purpose of installing cameras in additional vehicles. The bidding process is underway. Chief Vizzusi stated he would like to expand this system in the future to include fixed cameras at the entrances to the City.

Findings

1. Jurors found that past Grand Jury concerns regarding the condition of the facility and deferred maintenance have largely been addressed.
2. As required by Penal Code Section 919(b), the Grand Jury completed its inspection. It found the Lincoln Police Department’s holding facilities to be satisfactory.

Conclusions / Recommendations

None

Request for Responses

None

Copies Sent To

- Brian Vizzusi, Chief of Police
Lincoln Police Department
770 Seventh Street
Lincoln, CA 95648
- Lincoln City Council
600 Sixth Street
Lincoln, CA 95648

ANNUAL INSPECTION OF THE PLACER COUNTY MAIN JAIL



Photo by Win Gredvig

ANNUAL INSPECTION OF THE PLACER COUNTY MAIN JAIL

Summary

The Grand Jury conducted its annual inspection of the Placer County Main Jail in Auburn at the Dewitt Center. The Placer County Sheriff's Department operates the Main Jail which includes a minimum security facility.

The Grand Jury was concerned by the amount of staff overtime usage and recommends further analysis be done. Jurors found the Main Jail to be operated by a highly professional, well-trained and motivated staff.

Background

The Grand Jury is required each year to inspect and report on the conditions of the public prisons, jails and holding facilities within Placer County as stated by Penal Code Section 919(b).

Investigation Methods

The Placer County Main Jail was inspected on November 12 and November 13, 2008.

Jurors were provided an orientation by Cpt. George Malim and Sgt. Debbie Padilla. The meeting with Cpt. Malim included a brief history of the jail, capacity issues and prisoner early release policies.

The inspections consisted of a “walk-through” and review of policies and procedures governing jail operations. Jurors had the opportunity to ask questions of the on-duty staff members during the inspections.

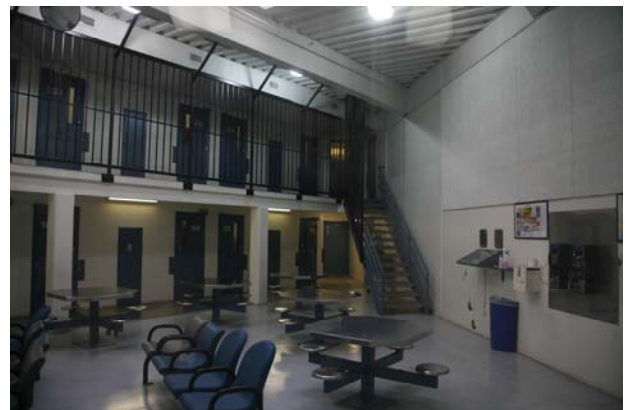


Photo by Win Gredvig

Facts

The existing Placer County Main Jail was opened in July 1985, with additional improvements completed in 1992 and 2003. It is the only Type II jail for receiving, processing and housing inmates in Placer County. A Type II jail holds prisoners awaiting arraignment or trial, and those inmates sentenced to serve up to one year.



The dorm style minimum-security facility located across the street from the Main Jail, typically houses work release or work furlough inmates. The present capacity of the Main Jail and minimum-security facility is 648 beds. The average inmate count ranges from 580 to 600 of which approximately 15% are women.

The Main Jail and minimum security facility have been operating under a federal consent decree since 1990. The decree requires the release of inmates when 100% of capacity is reached. However, the decree also allows the Sheriff to begin an early release of inmates when the facilities reach 90% of capacity. The facilities keep an overall operational vacancy of approximately 10% in order to balance the needs of incoming inmates and maintenance of the facility.

Placer County has experienced a population growth over the last five years and has remained one of the fastest growing areas of California. A consequence of this growth has contributed to early release of non-violent sentenced prisoners to meet federal capacity guidelines. Placer County is one of the top early-release jurisdictions in the State. In 2007 more than 2,100 sentenced prisoners were released early.

Faced with a jail capacity problem, Placer County Supervisors, in August 2008, authorized its top law enforcement officers to expand mandatory work release, mandatory home detention, and electronic monitoring to ease jail overcrowding. Placer County is also committed to building a new \$75 million complex, with 300 to 500 beds, at the Bill Santucci Justice Center in Roseville by the end of 2012. This will be in addition to the current space at the Placer County Main Jail in Auburn.

While inmate population continues to increase, both the jail and the minimum security facility staffing levels have remained virtually the same for several years. Cpt. Malim

stated that staffing levels require a substantial amount of overtime use. This situation was noted in a recent *Auburn Journal* article dated February 11, 2009.

Findings

1. In compliance with Penal Code Section 919(b) the Grand Jury inspected the Placer County Main Jail and found it to be organized and well maintained.
2. The amount of overtime usage suggests that staffing levels require further review by the Sheriff's Department.

Conclusions / Recommendations

1. Despite the challenging working conditions, staff displayed a high level of professionalism and commitment towards their responsibilities.
2. The Grand Jury recommends that an analysis be undertaken to evaluate staff overtime use and to provide the results of that evaluation to the Grand Jury.

Request for Response

- Edward Bonner, Sheriff-Coroner-Marshall / #2 – Due by September 1, 2009
Placer County
2929 Richardson Drive
Auburn, CA 95603

Copies Sent To

- Placer County Board of Supervisors
175 Fulweiler Avenue
Auburn, CA 95603
- Thomas M. Miller, County Executive Officer
County of Placer
175 Fulweiler Avenue
Auburn, CA 95603

ANNUAL INSPECTION OF THE CITY OF ROCKLIN POLICE DEPARTMENT

Rocklin Police
Department



Photo by Win Gredvig

ANNUAL INSPECTION OF THE CITY OF ROCKLIN POLICE DEPARTMENT

Summary

The Grand Jury conducted its annual inspection of the City of Rocklin Police Department's holding area in August 2008. The Grand Jury is satisfied with the conditions and maintenance of the facility.

Background

Annually the Grand Jury inspects the conditions and management of all public prisons and arrestee holding areas within Placer County as required by Penal Code Section 919(b).

Investigation Methods

Jurors conducted an on-site assessment of the Rocklin Police Department facilities. The tour was led by Lt. Lon Milka. He conducted a thorough briefing on procedures for processing arrestees, facility security measures, and staff training. The inspection included the booking and holding areas. The inspection also included the twenty-four hour emergency call center and the Department's modern indoor firing range. Lt. Milka provided a wealth of information regarding the facility and Departmental procedures for handling arrestees.

Facts

The Rocklin Police Department moved into a new 40,000 square foot facility in June 2005. The building features an emergency operations center, a temporary custody area, an indoor firing range, and a fitness training room. The Department also maintains a breathalyzer for measuring blood alcohol level.

The Department is a Type 1 facility which means it cannot hold arrestees more than 96 hours. Arrestees are typically transferred within six hours to the Placer County Main Jail. When the new detention center in Western Placer County is built, it will become more cost effective to transport arrestees to that location.

Juvenile arrestees are processed separately from adults and are normally released to the custody of their parents within a couple of hours.

In 2007 the Rocklin Police Department pursued and received accreditation from the Commission for the Accreditation of Law Enforcement Agencies of Fairfax, Virginia. This accreditation provides law enforcement agencies an opportunity to voluntarily demonstrate that they meet an established set of professional standards. Only five percent of law enforcement agencies seek and receive this prestigious accreditation.

Finding

In compliance with Penal Code Section 919(b), the Grand Jury inspected the Rocklin Police Department and found the methods for dealing with the processing and holding of persons in custody to be satisfactory.

Conclusions / Recommendations

None

Request for Responses

None

Copies Sent To

- Mark Siemens, Chief of Police
Rocklin Police Department
4080 Rocklin Road
Rocklin, CA 95677
- Rocklin City Council
3970 Rocklin Road
Rocklin, CA 95677

ANNUAL INSPECTION OF THE CITY OF ROSEVILLE POLICE DEPARTMENT



Photo by Win Gredvig

ANNUAL INSPECTION OF THE CITY OF ROSEVILLE POLICE DEPARTMENT

Summary

The Grand Jury conducted its annual inspection of the Roseville Police Department (PD) and holding facilities on August 25, 2008. The Grand Jury was satisfied with the operations and conditions it observed throughout the facility.

Background

The Grand Jury is required each year to review the conditions of the public prisons, jails and holding facilities within the county as stated by Penal Code Section 919(b).

Investigation Methods

On August 25, 2008, Jurors conducted an inspection of the Roseville PD. Led by Lori Benitez, Jail Supervisor, the inspection included the booking/detention facilities, administrative offices, conference rooms, dispatch center and a tour of the indoor shooting range.

Facts

The Roseville PD is a Type 1 facility, which means it can hold prisoners for a maximum of 96 hours. Generally, the holding time does not exceed 48 hours. The detainees are either transferred to the Placer County Jail in Auburn for “Booking”, or released. The Roseville PD holding facility has 12 cells that can accommodate two detainees each. The holding facility has an “AT&T Language Line” available for non English-speaking detainees.

The processing of juveniles and the juvenile holding cells are separate from those for adults. Juveniles do not associate with adult detainees at any time. Because the holding time is generally so short, only “snack foods” are provided to detainees.

During the inspection, jurors observed the installation of new cameras. The new cameras include “audio” capabilities throughout the facility. The system was completed in October 2008.

In 2007, the Roseville PD entered into an agreement with “Partners For A Safer America” to install bail bond bulletin boards in the cells. Partners For A Safer America is a non-profit organization, providing manufacturing, marketing and administration of the jail advertising signboard program for the bail bond agents and the local jail commanders. Bail bond companies pay for the advertising space and participating companies are awarded advertising space via lottery. In the first year of the program, the Roseville PD received \$10,500.

The inspection of the shooting range revealed a program that generates additional revenue via recycling of lead and spent shell casings.

Findings

1. As required by Penal Code Section 919(b), the Grand Jury completed its inspection and found the Roseville PD’s holding facilities to be organized and well maintained.
2. The installation of the video system adds security for both detainees and officers.
3. The shooting range recycling and bail advertising boards are creative programs for generating revenue.

Conclusion

The Grand Jury is favorably impressed with the facility and Roseville PD’s innovative methods of generating additional revenue.

Request for Responses

None

Copies Sent To

- Mike Blair, Chief of Police
Roseville Police Department
1051 Junction Blvd.
Roseville, CA 95678
- Roseville City Council
311 Vernon Street
Roseville, CA 95678

ANNUAL INSPECTION OF THE PLACER COUNTY SHERIFF'S DEPARTMENT AT THE BURTON CREEK FACILITY



Photo by Win Gredvig

ANNUAL INSPECTION OF THE PLACER COUNTY SHERIFF'S DEPARTMENT AT THE BURTON CREEK FACILITY

Summary

The Grand Jury conducted its annual inspection of the Placer County Sheriff's Burton Creek Facility in September 2008. Jurors are concerned about the facility's age and limitations, and feel the building should be replaced. However, they were satisfied with the operations they observed.

Background

The Grand Jury is required each year to inspect and report on the conditions of public prisons, jails and holding facilities within Placer County as stated by Penal Code Section 919(b).

Investigation Methods

The Jurors conducted an inspection of the Sheriff's Department Burton Creek Facility located in Tahoe City. At the scheduled appointment, Jurors inspected the facility and interviewed personnel. Cpt. Jeff Granum led the tour, joined by Lt. Alan Carter. Due to limited space inside the facility, a question and answer session was held in the parking lot prior to the tour.

Facts

Burton Creek is a Type I facility which requires that detainees be held no longer than 96 hours. Because of limited staffing, detainees are not held overnight. Through a contractual agreement, detainees are transferred to Nevada County jail in Truckee at night and on weekends. The Burton Creek Facility contains jail cells, courts, dispatch and offices for the district attorney, coroner and administrative services.

The Burton Creek Facility is antiquated. Lacking disabled access to the second floor, the facility is not compliant with the Americans with Disabilities Act. However, the

parking lot has been recently renovated with a ramp to enable wheelchair access to the facility's first floor. A new facility is proposed in the County's long-term building program.

Finding

In compliance with Penal Code Section 919(b), the Grand Jury inspected the Burton Creek Facility and found the methods for dealing with the processing and holding of persons in custody to be satisfactory.

Recommendation

As noted in previous Grand Jury reports, this facility is antiquated and should be replaced.

Request for Responses

None

Copies Sent To

- Edward Bonner, Sheriff, Coroner, Marshall
Placer County Sheriff Department
2929 Richardson Drive
Auburn, CA 95603
- Placer County Board of Supervisors
175 Fulweiler Avenue
Auburn, CA 95603

INSPECTION OF THE BILL SANTUCCI JUSTICE CENTER

Detainees awaiting legal proceedings are transported daily to the Santucci Center.



Photo by Win Gredvig

INSPECTION OF THE BILL SANTUCCI JUSTICE CENTER

Summary

In April 2009, the Grand Jury conducted its first inspection of the Placer County Superior Court holding facility at the Bill Santucci Justice Center in Roseville. The facility opened in July 2008. Prior to the inspection of the holding facility, Jurors were given a tour of the Justice Center. Jurors were impressed with the outstanding design of the courtrooms and the state-of-the-art security system. The Grand Jury found the holding facility to be well organized and maintained.

Background

The Grand Jury is required each year to review the conditions of the public prisons, jails and holding facilities within Placer County as stated by Penal Code Section 919(b).

Investigation Methods

On April 16, 2009, Jurors toured the administrative offices and courts at the Bill Santucci Justice Center and followed with an inspection of the holding facility located on the bottom level. The main tour was led by Bob Schell who was later joined by Sgt. Kelly Leitzell for the holding facility inspection. Jurors were given an overview of the inmate transfer process, the surveillance and monitoring equipment used in the cell areas, and the procedures for inmate transfers between the cells and a specific courtroom.

Facts

The Bill Santucci Justice Center opened on July 15, 2008 and is located in the City of Roseville on 72 acres. The courthouse and office building constitute Phase I of the center's development. As of January 2009, Family Services and the Probation Department have relocated to the center along with the District Attorney offices. Phase II of the center, scheduled for completion by 2012, will include a 980 bed correctional facility, a Sheriff substation and other County support services.

The courthouse is a three level facility. There are nine courtrooms, several judicial chambers, research law facilities and a secured holding facility as well as County administrative offices. Each courtroom is equipped with advanced audiovisual recording systems.

The holding facility and Court security are controlled by the Placer County Sheriff Department. Inmates awaiting legal proceedings are not kept overnight in the holding facility, but are transported daily from the Main Jail in Auburn. The holding facility, located on the bottom floor, contains eighteen cells with a centrally located officer operations pod. The cells allow for the separation of inmates by age, gender, gang affiliation, special needs and alleged charges. All cells have water and toilet facilities.

The holding facility has an elevator at each end to transfer inmates to and from the courtrooms above, thereby limiting contact with the public. The holding facility's elevators and cells are controlled from the operations pod. However, a secured control room on the first floor has overriding control of the holding facility.

Finding

As required by Penal Code Section 919(b), the Grand Jury completed its inspection. Jurors found the Bill Santucci Justice Center's holding facility to be well organized and maintained.

Conclusion

The Grand Jury was impressed with the Bill Santucci Justice Center's state-of-the-art courtroom design and security system, and the holding facility's operational efficiency.

Request for Responses

None

Copy Sent To

- Edward Bonner, Sheriff-Coroner-Marshall
Placer County Sheriff Department
2929 Richardson Drive
Auburn, CA 95603