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**NAPA COUNTY GRAND JURY
2015-2016**

May 6, 2016

FINAL REPORT

NAPA COUNTY JUVENILE HALL

NAPA COUNTY JUVENILE HALL

SUMMARY

The 2015-2016 Grand Jury inspected Napa County Juvenile Hall (NCJH) and conducted formal interviews with management and staff, and informal interviews with detainees. The mission of NCJH is to remove juvenile offenders from the community and to offer them rehabilitation programs which will enable a successful return to family and community.

The 2015-2016 Grand Jury found that NCJH is well maintained and provides a safe and healthy environment for juveniles with a strong focus on rehabilitation and education. The 2015-2016 Grand Jury was concerned that previously identified problems with video camera surveillance have not been resolved.

BACKGROUND

Each year, as mandated by State Law, the Napa County Grand Jury must physically inspect all jail and detention facilities within Napa County. Napa County Juvenile Hall (NCJH) is one of the detention facilities required to be inspected.

Two previous Grand Juries found and recommended that outdated video surveillance cameras, which produced poor quality and uneven sequencing of images, be replaced. Previous Juries also found that some areas of NCJH are not covered adequately by camera surveillance thus creating "blind spots". This Grand Jury felt that additional investigation into these findings should be explored to confirm that the situation was resolved, as well as ensuring NCJH was following protocol for the safety and well-being of employees and detainees.

METHODOLOGY

A. Interviews Conducted

- Napa County Probation Office
- Two NCJH Supervisors
- Two NCJH Counselors
- Ten NCJH Detainees (informal interviews)

B. Documents Reviewed

- NCJH Grand Jury Reports – 2009-2014
- NCJH Population Statistics – January 2006-December 2015
- NCJH Orientation for Minors
- NCJH Medical Screening Form
- NCJH Classification Assessment
- Napa County Juvenile Justice Center Behavioral Summary
- Napa/American Canyon Peer Court Program
- NCJH Policy and Procedures Manual

NCJH Minor's Grievance Reports, June-December 2015
NCJH Fire, Food, Health, and Safety Reports 2014-2015
Juvenile Hall-Crossroads School Yearly Report, 2014-15
NCJH Organization Chart, 2015
NCJH Probation Division Budget-Juvenile Hall, FY2015-16
Juvenile Justice Commission Annual Inspection Report, 2015

C. Napa County Juvenile Hall Facility Inspection

Sally Port, Holding, and Booking areas
Control Desk, including Observational and Padded Cells for Juveniles at risk
Prospect and Merit Wards, including Cells and Control Desks
Shower Facilities in both Wards
Common Areas in both Wards
Outside Recreation Areas
Kitchen
Library
Family Visiting Area

DISCUSSION

Grand Jury interviews were conducted with counselors, supervisors, superintendents as well as the Chief Probation Officer. During each interview we heard from highly professional, courteous, and well-trained professionals who were dedicated to the successful rehabilitation of the youths they support, and who treat both the youths and one another with respect and courtesy.

The 2015-2016 Grand Jury found the NCJH to be secure and well maintained. Overall, NCJH provides a safe and healthy environment for the detainees and staff. Medical care, counseling, and education programs are provided for each youth with the goal of rehabilitation and successful return to family and community. There is a high level of professionalism, dedication, and respect among the staff at NCJH. The youths are required to treat each other and staff with courtesy and respect. The rules are made clear and good behavior and achievement of goals is rewarded. Work done in cooperation with the Juvenile Probation Department and other community agencies is crucial to successful rehabilitation. The steady decline in census at NCJH and in the number of juveniles on probation in Napa County is testimony to the successful implementation of meaningful programs.

Funding for NCJH comes from the Napa County General Fund and the State of California. The requested budget for FY2016 represents a 4% increase over FY2015 from \$5.323M to \$5.35M. The budget reflects an increase of \$157,524 in salaries and benefits resulting from a three-year labor agreement negotiated in FY2014-15, and an increase in cost for services by the medical service provider, California Forensic Medical Group.

There is a close working relationship between NCJH and the Napa County Juvenile Probation Department. Juvenile probation programs are fundamental to the rehabilitation process as they help facilitate the transition for NCJH detainees as they re-enter the community. The Napa

County Juvenile Probation Department also works in cooperation with local non-profit organizations including the Wolfe Center, the Boys and Girls Club, and ALDEA Children and Family Services. In spite of the fact that approximately 25% of the youth in the Napa juvenile probation system are associated with gangs, the severity of gang activity has lessened in recent years as a result of successful community intervention programs.

Napa County Juvenile Hall can adequately house 50 youths. However, the census has dropped steadily over the past several years as a result of community programs. One program that has significantly contributed to the census decline is the Evening Report Center (ERC). The ERC is a court ordered program and serves as an alternative for wards going through the Court process. Eligible youth are assessed at moderate or high risk to re-offend but do not have prior or pending violent felonies or sex offenses. The ERC provides service during high risk times of the day (3PM-7PM) since most juvenile crime occurs during the hours after school and before parents return home from work. The program lasts 60 days and includes intensive supervision along with cognitive behavioral training, education groups, guest speakers, pro-social activities, and parenting groups. In 2009, when the ERC opened, 736 youths were on probation and the average daily census at NCJH was 44. In 2015, there were 250 youths on Probation and the average daily census at Juvenile Hall was 17.

In 2014, the Napa County Probation Department was awarded the American Probation and Parole Association's President's Award for exemplary community corrections programs. The award recognizes visionary organizations that have implemented innovations which will lead community corrections into the next decade.

The age range for youths held in detention at Juvenile Hall is 13-17 years old. The most common reasons for detention are theft, disturbing the peace, and sex offenses. Homicide and other serious violent crimes are far less common reasons for detention. Seventy to eighty percent of youths who are detained have drug issues. Mental health issues are also prevalent, and it was noted during staff interviews that recently there has been an alarming rise of younger teens in detention with mental health issues.

Medical services are provided under a contract with the California Forensic Medical Group (CFMG). Two RN's from CFMG and two mental health staff from Napa County Health and Human Services provide coverage at Juvenile Hall seven days a week. A psychiatrist from CFMG is on call 24 hours per day. Psychiatric counseling is also available via scheduled teleconferencing. Each youth receives a physical exam by a medical doctor within 24 hours of detention.

Crossroads School, located in classrooms connected to each of the two detention housing units, is operated by the Napa County Office of Education (NCOE). School attendance is mandatory for all youths who have not already received a high school diploma. Crossroads serves a variety of students, many of whom are deficient in high school credits. The academic level, number of credits needed, and special education needs are assessed for each student entering Crossroads. Student transcripts are evaluated to determine subject areas needed to meet graduation requirements. Additional tutoring during and after school hours is available for students who are

Juvenile Probation for visits with siblings or friends. They have limited telephone privileges. They may write letters. Their outgoing correspondence is not censored, and postage is free. They have access to clergy and to attorneys upon request.

In addition, youths are placed in special behavioral programs that address their particular needs. These programs utilize measurable outcomes. The staff uses "Evidence Based Practices" developed by the Carey Group, which have been demonstrated to improve offender outcomes. A behavior modification merit system, which encourages positive behavior and results in privileges such as staying up later and access to special snacks or other items, has also been implemented.

On weekends there are additional programs with community volunteers that may include art classes, language arts, and pet therapy. Movie night and extra recreation can also be part of weekend activities.

Youths may file a grievance report if they experience problems or have a complaint. They are advised that doing so will not result in reprisal. All grievance reports are reviewed within twenty-four hours by counselors who work with the youths to arrive at a mutually agreed upon resolution. Between June and December, 2015, 35 grievances were filed and each was reviewed by the Grand Jury. The majority of grievances were minor. Complaints focused on conflicts with staff or other detainees, or were a result of misinterpretation of the rules. Incidents that involved threatening and/or physical aggression were also reported by staff. In 2015 there were 13 "Youth on Youth", and 3 "Youth on Staff" Incident Reports filed at NCJH.

Some youths reach the age of 18 while detained at NCJH and are not eligible for probation. In 2015, five youths who reached the age of 18 were sent to Youth Camps operated outside of Napa County. None were transferred to Napa County Jail.

Informal interviews with the youths were conducted by the Grand Jury during a lunch break. Generally, the youths were polite, pleasant and responded openly to questions. Although not happy about their circumstances, they felt that they were treated fairly and that they were safe.

CONCLUSIONS

During our facility inspection in October 2015, the 2015-2016 Grand Jury enquired regarding "Findings and Recommendations" from both the 2013-2014 and 2014-2015 Grand Jury investigations. Both previous Grand Juries found and recommended that outdated video surveillance cameras, which produced poor quality and uneven sequencing of images, be replaced. These Grand Juries also found that some areas of NCJH were not covered adequately by camera surveillance, thus creating "blind spots". During our investigation and interviews the 2015-2016 Grand Jury learned that, in spite of previous recommendations, video equipment had not been replaced and additional cameras were not installed to address the blind spots. In the fall of 2015, the Grand Jury was told that funding for the video camera upgrade continued to be delayed due to the strain on the Napa County Budget as a result of the August 2014, earthquake. The Grand Jury was assured by Juvenile Hall management that camera upgrades were scheduled to be made in late 2015 or early 2016. In addition, the Grand Jury learned that two way radios

used by staff had poor quality sound and that there were "dead spots" in a few areas with no reception. In early 2016, new radios were purchased to improve radio communication throughout Juvenile Hall. The Grand Jury was also advised that as of spring 2016, NCJH was in the process of purchasing new camera equipment, but that installation would take time since a decision had been made to update the entire video surveillance system at Juvenile Hall. No completion date for the camera installation and system update was available as of the writing of this report.

The 2015-2016 Grand Jury is satisfied that inconsistent radio communication at Juvenile Hall was addressed in early 2016. However, the Grand Jury is concerned that video surveillance cameras have needed updating for the past several years and, although recommended by the two Grand Juries, upgrades still have not been completed. This issue continues to pose a possible safety risk to both staff and youths at Juvenile Hall.

FINDINGS

F1: The video surveillance cameras are outdated and of poor quality.

F2: Inadequate video surveillance leads to "blind spots" in the recreation yard and at the control desk areas in two detention units

RECOMMENDATIONS

R1: Replace video surveillance cameras with up-to-date technology by December 31, 2016

R2: Place new cameras in areas where blind spots have been identified by December 31, 2016

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

From the following governing body:

Napa County Board of Supervisors: **R1, R2**

From the following individual:

Napa County Chief Probation Officer: **R1, R2**

COMMENDATION

The 2015-2016 Napa County Grand Jury commends the Napa County Chief Probation Officer, the superintendent, assistant superintendent, supervisors, and counselors for their courtesy and professionalism, and for their dedication to successful rehabilitation of the youths at Napa County Juvenile Hall.

DISCLAIMER

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



**NAPA COUNTY GRAND JURY
2015-2016**

May 23, 2016

FINAL REPORT

GANG ACTIVITY IN NAPA COUNTY
The Positive Impact of Pro-Active Measures

GANG ACTIVITY IN NAPA COUNTY

The Positive Impact of Pro-Active Measures

SUMMARY

An investigation was conducted by the 2015-2016 Napa County Civil Grand Jury to determine the nature and extent of gang activity in Napa County with particular emphasis on gang activity in Napa County High Schools. The investigation included interviews with law enforcement at both the County and City levels, Napa Valley Unified School District (NVUSD) administrators and principals, and staff at each of Napa County's high schools. The Grand Jury found that because of the pro-active efforts of Napa Valley law enforcement agencies, school administrators and staff, and the unique characteristics and demographics of Napa County, gang activity generally has been controlled, and overt gang activity in the high schools of Napa County has been reduced to a non-threatening level. Some Napa County high schools have no visible gang activity at all. Where school yard gang activity is present, direct and effective programs have been implemented with strong coordination between all stakeholders—law enforcement and school administrators and staff. Continued vigilance and expansion of successful programs is recommended.

BACKGROUND

The 2008-2009 Napa County Grand Jury conducted an investigation into "Napa Valley Gangs" and published a report detailing the level of gang activity at that time; measures being taken to address such activity; impact of gang activity on local schools; and recommendations for counter-acting gang activity county-wide. Since that time it does not appear that the intervening Napa County Grand Juries have considered the subject of gang activity and the extent of progress or lack thereof in controlling gangs as described by the 2008-2009 Grand Jury and, in particular, the influence of gangs in secondary schools (high schools) of the Napa Unified School District, St. Helena and Calistoga School Districts. The 2015-2016 Napa County Grand Jury undertook to determine the current level of gang activity in the county generally and its impact on Napa County high schools in particular, using the prior Grand Jury report as background and a starting foundation.

METHODOLOGY

The Grand Jury met with law enforcement officials, county school administrators, a school resource officer, high school principals and direct participants in gang diversion programs and classes. Interviews were conducted with:

- Napa County Sheriff's Department
- City of Napa Police Department
- Napa County Unified School District
- Vintage High School
- American Canyon High School
- Napa High School
- St. Helena High School

- Valley Oaks High School
- Calistoga Senior High School

Vintage, American Canyon, Napa and Valley Oaks high schools are all part of the NVUSD.

DISCUSSION

As detailed below, since the 2008-2009 Report, several measures have been taken in the community at large as well as in particular schools that are most vulnerable to gang activity. Those efforts have largely been successful and should be commended and continued. Gang activity has been addressed both by law enforcement agencies and in coordination with local high schools.

There are two major gangs in Napa County—the Nortenos and the Surenos, i.e., the "Northerners" and the "Southerners." (See the 2008-2009 Report for a historical discussion on the origin of these two groups, their affiliations, markings, language, etc.). It is estimated that there are between 50 and 105 adult members from each group active in Napa County at any given time. (Approximately 100 to 200 individuals in total). During 2015, there were 205 police calls in Napa County relating to gang activity, with 76 actual arrests resulting in 12 convictions for adult gang activity. Many, but not all, of Napa County's high schools have individuals belonging to both gangs. In particular, it is estimated that approximately 20 to 30 individuals each at Vintage High School and Napa High School campuses affiliate with each of the two main gangs (i.e., 40 to 60 total gang members per campus).

According to school administrators and senior law enforcement personnel, the level of gang activity in Napa County has declined in both numbers of incidents and seriousness since the 2008-2009 report. As for high schools in particular, every Napa County high school is different. Gang activity is non-existent at some Napa County high schools. Where gang activity is present today, it takes more the form of a social affiliation than a criminal enterprise. School administrators and law enforcement agencies are using varied but different approaches to keep gangs in check. Where gang activity poses a clear and present risk, effective measures are being taken on individual high school campuses to directly engage the gang participants and to draw them away from gangs and toward community acceptable behavior. As second generation Hispanic students become more integrated into the Napa community and schools and as their numbers continue to increase to fifty percent or more (50%) of the school-aged population, there is less reliance on gang membership for personal identity, social interaction, and "protection."

The high school officials whom the Jury interviewed concurred that today gang violence on high school campuses is rare. Use of firearms and weapons on school campuses is very rare, and expulsion from Napa County high schools for gang related activities is non-existent. This has not just occurred by chance. The efforts described below have been calculated, concentrated, continuous, and pursued relentlessly by dedicated individuals who have their students' futures first and foremost in mind.

Moreover, Napa County benefits from certain road geographic limitations which, when exploited by law enforcement, are strong deterrents to gang activity in the County. There is one major roadway leading into and out of Napa County and no quick direct connection with any interstate highway. This limits the ability of a perpetrator to make a quick escape from Napa County, and it gives law enforcement a "bottle neck" in which the perpetrator is likely to be ensnared and apprehended.

In addition, the City of Napa Police Department has proactively placed School Resource Officers (SROs) on some NVUSD campuses. These are regular service police officers who have an interest in facilitating relationships with students and in providing direct security for campuses. There is a full-time SRO at Vintage High School, and Napa High School and Valley Oaks High School share an SRO. SROs can be very effective in enhancing relations between law enforcement and the community. The SRO at Vintage High School, for example, is very involved with the Legacy Program there and interacts extensively with students.

High school officials also mentioned that effective integration into the school curriculum is another effective measure against gang activity. All Napa County schools endeavor to "keep the students busy and engaged" in a relevant and interesting curriculum, including in some instances hands-on shop classes, music classes, heritage classes, and cutting-edge technology classes. All Napa County high schools strongly encourage students to continue their education after high school.

Finally, and of at least as much importance, school administrators informed the Jury that families of gang members and candidates are active in their children's education and willing to meet with school and community representatives in a continuing effort to counter gang influences. School outreach programs have been successful in encouraging families to be involved in their children's education.

Law enforcement cautioned the Jury not to assume that Napa County is "gang free;" it is not. Influence from surrounding counties where gang activity is more serious is a threat. It is unlikely that gangs will ever be entirely eliminated from Napa County. However, successful integration, together with active and effective intervention, is the best answer to preventing gang growth.

School administrators and law enforcement officials agree that gangs primarily target young men from Hispanic families. Most of these gang members and families recently emigrated from Mexico, may or may not be legal residents, and have no heritage or personal stake in Napa County or California. As such, they are adrift from familial bonds and find themselves in a minority position in a foreign community. Gangs offer that missing link through compatriots similarly situated who pledge loyalty and support for each other and for the group as a whole. The individuals no longer need be alone; and, as part of the gang, they enjoy companionship, security, respect and, in some instances, financial support. It has long been the goal of Napa law enforcement and school administrators to break this repeating pattern by showing young Hispanics that they can succeed in Napa County and elsewhere. Education is a centerpiece of this effort—as young Hispanic gang members or candidates for gang membership are attracted away

from gangs and toward educational opportunities, the significance and threat of gangs has and will continue to diminish accordingly.

School administrators and staff recognize that the younger the age at which prospective gang members are dissuaded from engaging in gang activity the better. From school expulsion to a criminal record, law enforcement and school administrators recognize that a single violent gang incident can brand an individual for life and make it virtually impossible for him or her to realize a successful and fulfilling future. Disciplinary experience shows that high school age students are prime candidates for joining and participating in gangs. Left unchecked, high school age gang members are at risk for destroying their ability to pursue higher education and aspire to better jobs and an overall better life. One focus of this investigation was to insure everything that reasonably can be done to identify gang at-risk individuals in Napa County high schools and to attract them away from gang life is being done.

Law Enforcement: Napa County and Napa City law enforcement officials are aware of the potential for gang activity and have taken, and continue to take, consistent actions in response. Based upon self-declared status following arrests, it is believed that there are approximately 100 to 200 actual adult gang members active in Napa County—primarily in and around the City of Napa. There is close coordination between the Napa County Sheriff, the Napa City Police Department, the Napa County District Attorney's Office, and many other stakeholders. A Gang and Youth Task Force meets five times during the year explicitly for the purpose of monitoring, preventing, and counter-acting gang activity in the County. The Gang and Youth Task Force meetings are public, but the level of public attendance is not high.

Approach of NVUSD: Gang members who caused problems in Napa high schools and other malcontents used to be summarily suspended or expelled. That approach did not work well. If anything, it gave more time to actual and potential gang members to engage in mischief. Today very few students are suspended or expelled from the NVUSD. During 2015, for example, only one student was expelled. The goal today of the NVUSD is to keep all students in a mainline high school or a "special" high school that can provide more individual attention for conduct and academics. Students referred for conduct or grossly deficient academics may return to their regular schools at the student's option after demonstrating their ability to perform adequately and appropriately.

Individual case studies:

Vintage High School

With over 2400 students (student to teacher ratio of 22:1), 55% of whom are Hispanic, Vintage High has seen gang violence on campus in the not too distant past. A large fight on campus approximately eight years ago vividly revealed that something needed to be done at Vintage High to protect students and faculty and to safeguard the school's learning environment. (Today there are as many as 60 students who affiliate with one gang or another). To that end, the Legacy

Program was established at Vintage High by the SRO and a teacher/administrator with strong support from the administration. The Legacy Program has been very successful.

Initially, the Legacy Program was intended to deal with identified "problem" gang members. Certain students were told that they "would be attending" the Legacy Program. Attendance was mandatory but without academic credit. That has changed. Today the Legacy Class is a voluntary part of the Vintage High curriculum, in which attendees receive academic credit. It is open to both men and women and it is typically over-subscribed. In many respects, the Legacy Program is an identity exploration for those searching to belong. The approach of the Legacy Program is to educate students on their own Hispanic heritage—where they came from geographically and socially. Students "discover" their heritage and create pride and respect for themselves and others. Individual grades of Legacy students generally improve, and students are encouraged to pursue their education beyond high school at either two or four year colleges. Actual and prospective gang members have been redirected from destructive activities and attitudes to productive efforts. The Legacy Program has been a salvation to many students who otherwise would have been left behind academically, with no self-respect and a criminal future. Eighty percent of Legacy students improve their grades overall. Fifty-five percent improve their grades by a full grade point or more. All Legacy students graduate. Recently, the Legacy Program has been expanded into Silverado Middle School, but it has not been expanded to other Napa County high schools. The greatest impediment to expanding the Legacy Program is funding.

Other high schools rely on the AVID Program. The AVID program (Advancement Via Individual Determination) is directed at first generation English speakers whose parents did not attend high school. The AVID Program provides individualized oversight and academic help for these students. The AVID Program has also been successful in advancing the academic growth of students at risk because of deficient language skills.

Napa High School

With over 1800 students (student to teacher ratio of 23:1), 50% of Hispanic backgrounds, Napa High is keenly aware of Hispanic gangs and their potential to adversely impact the academic and social goals of the school. There are approximately 40 to 60 total gang members at Napa High. Napa High relies on its AVID program to provide needed additional attention to language deficient students—many of whom are at greatest risk for gang activities. Napa High staff are active in the Gang Task Force, as are staff from the other high schools; and Napa High administrators vigilantly monitor the number and activities of gang members on and off the Napa High School campus. Napa High does not offer the Legacy Program.

American Canyon High School

The student body of the newest high school in the NVUSD is comprised of 1500 students (student to teacher ratio of 24:1) including a relatively small proportion of Hispanics (30%) by comparison to Vintage and Napa high schools. American Canyon High School has a very strict dress code that prohibits the wearing of head coverings and gang affiliation colors. The only time

that gang activity impacts American Canyon High School is when students from other schools, primarily those in Vallejo, visit the American Canyon High School campus. Usually those unauthorized students are readily identified because they are wearing head gear or gang colors in which case they are told to leave the campus. American Canyon High School does not offer the Legacy Program; but it does support the AVID Program for second language students needing additional attention.

Valley Oak High School

Valley Oak High School has a student body of 150 students (student to teacher ratio of 20:1) with 73% Hispanic and a high proportion of males. Whenever it becomes apparent at either Napa High or Vintage High that a student is too deficient in his or her academic progress to graduate on time, that student will be transferred to Valley Oak. There the student will receive direct attention and counseling designed to accelerate the student's academic growth. Some of the referred students are gang members, and there is a gang presence at Valley Oak. The low student to teacher ratio and Hispanic staff presence at Valley Oak appears to mitigate the risk of disruptive or dangerous gang activity. Valley Oak does not offer the Legacy Program but it does offer and use the AVID Program.

St. Helena High School

Although not part of the NVUSD, the Grand Jury members felt it important to investigate the impact of gangs "up valley." St. Helena High has approximately 485 students (student to teacher ratio of 16:1), of which 50% are Hispanic. The administration of St. Helena High is very diligent at prevention. For example, all students attending school sponsored social events, like dances, are required to take a breathalyzer test upon arrival at the event. Chaperones are present and visible at all social events. In addition, drug sniffing dogs visit St. Helena High School several times during the year to walk the locker and common areas. As a result, St. Helena High has not experienced significant gang activity. One student was expelled last year for vandalism that was not gang related.

Calistoga Senior High School

Calistoga High School has 240 students (student to teacher ratio of 16:1). It has the largest percentage of Hispanic students in the county (about 90 percent) and the least evidence of gang activity. The low student to teacher ratio and high expenditures per student, which are the highest in the County, allow Calistoga High School to attract excellent teachers. Calistoga High School has the benefit of an broad, modern curriculum, including an extensive AVID Program, supported by state-of-the-art facilities and creative classes to engage students and prepare them to continue their education. Most students come from low income homes—they also work after school, thereby limiting free-time hours. Families do participate in the education process at Calistoga High School as a result of a conscious outreach program that has created strong peer-pressure to participate.

FINDINGS

Based upon the foregoing, we make the following findings:

- F1:** Efforts of law enforcement to address gang activity in Napa County have been successful in limiting its impact.
- F2:** Efforts of administrators and staff at NVUSD and at St. Helena High School to address gang activity on high school campuses have been successful in limiting its impact.
- F3:** Significant gang activity remains in Napa County generally and in Vintage High School, Valley Oaks High School and Napa High School.
- F4:** Gang Activity on the campuses of Vintage High School, Valley Oaks High School and Napa High School is more akin to social affiliation than a violent organization or criminal enterprise.
- F5:** Efforts at Vintage High School with the Legacy Program have been particularly successful in attracting gang members and potential gang members and in dissuading them from following a gang lifestyle. However, the success of the Legacy Program is limited to Vintage High School and likely due to the individuals involved in establishing and running the Program there.
- F6:** Napa High School is nearest to Vintage High School on a demographic analysis.
- F7:** It is uncertain whether the Legacy Program could be effectively established at other campuses.
- F8:** Gang activity is not a present danger at American Canyon High School.
- F9:** Gang Activity is not a present danger at St. Helena High School.
- F10:** Gang activity is not a present danger at Calistoga High School.

RECOMMENDATIONS

- R1:** Continue and expand the use of SROs at all Napa County public high school campuses.
- R2:** Continue the Legacy Program at Vintage High School and use as a model for other high schools, in particular Napa High School and Valley Oak High School.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the Grand Jury requests responses as follows: From the following governing body:

Napa Valley Unified School District Board of Education: **F7, R2**

From the following individual:

Napa Valley Unified School District Superintendent: **F7, R2**

DISCLAIMER

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**NAPA COUNTY GRAND JURY
2015-2016**

May 24, 2016

FINAL REPORT

**NAPA COUNTY'S WEBSITE
NEEDS IMPROVEMENT**

NAPA COUNTY'S WEBSITE NEEDS IMPROVEMENT

SUMMARY

The County's website has become a significant interface with the public and is important to providing service to county citizens and enhancing the productivity of county departments and divisions. The Grand Jury decided to investigate how well it is being used and how it could be improved. The Jury found the county website to be adequate in some respects and a useful resource. However, the Jury's investigation quickly revealed that the features and functionality of the website vary widely from department to department. The Jury also discovered that, in some cases, information provided on the website was out-of-date or inaccurate. Documents that are supposed to be available, either on the website or in the Napa County Public Library, were not where they were supposed to be. Links to documents do not always go to the current versions, and some documents do not exist at all. The Jury found that the responsibility for the website's content management lies with department and division managers, and the duties for monitoring and updating the content are part time assignments for administrators with a wide range of interest and ability. Although the county provides training and support to these people, the results are not uniform. Some department's web pages are quite good, but others are not. The Jury recommends that the county establish standards for content, format, and features, and that it form a user group of departmental systems people to share ideas and best practices. Besides the lack of standards, the Jury found that searches for documents and other information are hampered by the website's weak search function. The Jury recommends that the county invest in a more robust search engine. The Jury found further that the county website is not capable of performing basic transactions, such as making appointments, submitting applications, and scheduling inspections, as other counties' websites currently are. To improve service to county residents and raise departments' productivity, the jury recommends that the county establish a centralized web development team with sufficient resources to make the county's website fully functional for its users.

BACKGROUND

Senior county managers said that the widespread use of smart phones and ready access to the internet have made the county website the primary interface between county departments or divisions and citizens. Although county managers report that some people still call or visit in person for information or services, the county website is by far the preferred source for most people. Because it is so important to providing service to the public and productivity to the county, the Grand Jury elected to investigate how well the county website is being utilized and how it could be improved.

While investigating other county operations, the Grand Jury found the website to be adequate in some respects and useful. However, the Jury also found an alarming amount of inaccurate and incomplete information. Some documents were hard to find; some information was not where it was supposed to be; and statements on some web pages were no longer true. Because the Jury recognized the potential of the website to improve service and productivity and to be a great source of information for county residents, the Grand Jury initiated an investigation into how the county's website can be made more effective.

METHODOLOGY

The Jury made extensive use of the website during its investigations into other aspects of county government and gained a good understanding of its strong points and shortcomings. The Jury's investigation started with a review of the content administrators' user guide and the training and support the county makes available to content administrators. The Jury then conducted interviews with senior department managers to discuss the website content for which they are responsible and their assessment of the website in general. The Jury interviewed managers from the following departments:

- Assessor
- Auditor-Controller
- Health and Human Services
- Information Technology Services
- Napa County Library
- Planning, Building, and Environmental Services
- Public Works
- Recorder-County Clerk

Documents Reviewed

Napa County Content Contributor User Guide.

DISCUSSION

As the Grand Jury investigated various county matters, it made heavy use of the county website. While the Jury found the website useful, it identified several aspects that needed improvement.

Lack of Standard Formats and Features

Jury members using the county website discovered that searches were hampered by inconsistency in the techniques used to store and locate data. Some departments have links under "Documents" and others do not. Also, there is no standard way that reports and other documents are referenced. Some document names start with the year being reported, some start with acronyms like "COB," "CMT," "Fiscal," or "FY," and others start with the name of the document. The methods used to name documents vary widely from department to department, and even within a single department—the Auditor/Controller for example—depending on who posted documents to the web page. These issues and the website's relatively weak search function make some documents very difficult to locate, unless the reader knows what naming convention was used to post those documents. Formats for titles, column headings, and labels on graphs also vary widely from department to department. The Jury also found that some departments, like Public Works, provide useful aids on their sites, like organizational charts. This informs residents and others what the departments do and who is responsible for what. Unfortunately, this tool is used by very few other departments.

Inaccurate and Out of Date Information

The Jury used the county website as a primary source to gather information about county functions. During this information gathering process it quickly became evident that the content on many department web pages was out of date. Links to documents went to old versions, and the new ones couldn't be found. Some reports that were supposed to be available on-line or in the county library weren't where they were supposed to be. For instance, in the case of the County Executive Office, the Recommended Budget was only available for six of the past ten years and the Comprehensive Annual Financial Reports and the Five Year Financial Plans were not available at all. The county executive office's web page said that Performance Measurement Books are available, but the link goes to a 2011-2012 report, with no indication that a report had been changed from a fiscal year to a calendar year or that the report for 2013 had been published. The Jury was unable to find that 2013 report until provided the web page URL by the county executive's office. Other departments had similar issues. It became clear to the Jury that many departments are lax in maintaining their web pages, and that they are thereby compromising the effectiveness of the website. Some institutions use interns to perform this type of clean up work.

Weak Search Function

The Jury found that the county's website search function is inadequate. Even after listing desired documents several different ways, the search function was unable to link to them. For instance, when the Jury was looking for the Performance Measurement Reports mentioned above, Jury members entered the report title several different ways. But the search function did not provide the location of the 2013 Performance Measurement Report and the Jury assumed it did not exist. However, the report did, in fact, exist and was available on-line, but the search function didn't identify it.

Collateral Duty Content Administrators

Through its interviews, the Jury found that the responsibility for managing website content resides with the department and division heads. The personnel who actually monitor and maintain the content have a wide range of qualifications for and interest in this part of their jobs, typically a small fraction of their total responsibilities. Therefore, it is not surprising that maintenance and development of the website does not always get the emphasis it requires. The webmaster offers open houses and voluntary training sessions for these people to hone their website skills, but these programs have mixed results, depending on the receptivity and ability of the content administrators. A comment was made by one interviewee that the people who need the training the most are the least likely to attend the training sessions. Some find it interesting and challenging, while others are intimidated by the technical aspects of content management. The responsibility for developing new website features, like on-line processing of building permit applications, falls largely on line managers, who don't have the resources at their disposal to do website development. For instance, the Health and Human Services technology team is focused on maintaining the department's four primary systems and installing a data mart to combine the data from all four systems in a single location. HHS doesn't have the additional resources at present to also develop it's portion of the county website as an efficient client interface for its four primary systems, as it would like to do. Information Technology Services

maintains the website framework and does offer some technical support for security and compatibility of software, but does not have the resources to support robust website development. Line managers said that they are virtually on their own for adding website features and functions. In addition, the county has not used all its available tools to evaluate and optimize website usage. It was not until the Jury asked for the number of website “hits” on specific documents that the activity tracking feature was turned on.

Waiting In Line Rather Than On-line

The Jury interviewed several senior managers who had worked for other counties before transferring to Napa County. Those managers voiced their opinions that the Napa County website is well behind those other counties in supporting online transactions. They are well aware of the improvement in both service and productivity that can be achieved with website enhancements. One of them commented that they “would much rather have their customers wait on-line than in line.” However, they all stated that such improvements are not likely to happen soon, because of limited resources and conflicting priorities. Planning, Building, and Environmental Services is interested in on-line permit applications to its portion of the website, but its IT resources are allocated to more immediate needs.

FINDINGS

- F1:** Lack of Standards – The Jury found that although all departments use a standard web page design, there is a wide range of formats and features from department to department. Document naming conventions are not consistent, frequently making documents difficult or impossible to find. Some departments include helpful information, like organizational charts, but others do not. Website users would benefit from more uniform formats and features.
- F2:** Content Out of Date or Wrong – The Jury found that content on the site is not current. Some links to documents do not go to current versions of those documents. Some reports that are referenced don’t exist. Some reports cannot be found through website searches and can only be accessed if readers already know the location. Documents that are supposed to be available elsewhere, i.e., at the county library, are not there. Regular reviews of website content are not being done.
- F3:** Search Function is Weak – The search function on the county website is inadequate.
- F4:** Website Content Not a Priority – Managing website content is a line manager responsibility, and it is clear that it is not a priority for some departments. In most cases, monitoring and updating website content make up a small fraction of the jobs of the administrators who are assigned those duties, and those people have widely varying ability and interest in the task. The technical challenges of maintaining the site are intimidating for some. The website is not getting sufficient attention to make it an important communication and customer service tool.
- F5:** Site Not Living Up to Full Potential – Although the website is a useful resource and has

become a primary source of county information, it has not lived up to its potential to be an effective tool for providing service and efficiency. In addition to having inaccurate and hard to find data, the site does not support even basic transaction capability, such as scheduling appointments and submitting applications, functions that are available on the websites of other counties. The current organizational structure relies on part time content administrators and puts the responsibility for website maintenance and development on the shoulders of line managers, who in many cases do not have the necessary resources to do that. Information Technology Services does have some systems development capability, but also has limited resources and does not have the responsibility for driving process enhancements in county departments and divisions. As a result, the website falls well short of the functionality it could and should have.

RECOMMENDATIONS

- R1:** In response to finding F1, establish County wide standards for formats, document naming conventions, and best practice content features.
- R2:** In response to finding F2, clean up the website and keep it current. Verify that information is accurate, up-to-date, and easy to find.
- R3:** In response to finding F3, the county should upgrade the website search function.
- R4:** Based on findings F4 and F5, the Jury recommends that the county form an expert user group to share best practices and new web functionality among divisions.
- R5:** In response to findings F4 and F5, recognize the website's importance as a communication, productivity, and service tool, by providing sufficient up front resources to department/division managers and to Information Technology Services to be able to implement all systems enhancements that can be cost justified through improvements in productivity and customer service.
- R6:** In response to Finding F5, the Board of Supervisors should challenge department and division managers to identify opportunities to improve productivity and/or customer service through the use of technology and provide the necessary up front resources to implement those opportunities that can be justified based on cost/benefit analyses.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the Grand Jury requests responses as follows:

From the following governing bodies:

Board of Supervisors: **F1, F2, F3, F4, F5, R1, R2, R3, R4, R5, R6**

From the following Individuals:

County Executive Officer: **F1, F2, F3, F4, F5, R1, R2, R3, R4, R5, R6**

INVITED RESPONSES

From the following individuals:

Library Director: **F1, F2, R1, R2, R4**

Chief Information Officer: **F3, F5, R3, R5, R6**

DISCLAIMER

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



**NAPA COUNTY GRAND JURY
2015-2016**

May 24, 2016

FINAL REPORT

**IS NAPA COUNTY
FINANCIALLY HEALTHY?**

IS NAPA COUNTY FINANCIALLY HEALTHY?

SUMMARY

The Grand Jury investigated the Financial Health of Napa County and how financial information is made available to county residents. To narrow its investigation of county finances, the Jury chose to focus on the general fund structure and the balance sheet. The analysis began with the study of ten year trends of several key financial indicators. The “The 6 things you should know about Napa County’s finances and budget” a page on the County Executive Office’s section of the county website, provided the framework of the investigation.

Napa County has achieved the highest Standard and Poors’ rating available to a government entity; this gives the county access to financing at the lowest available interest rates. The Jury found that the county has a rigorous budgeting process and is diligent in adhering to a set of conservative financial management practices that help the county maintain a sound financial position. The county also maintains adequate reserves for emergencies. However, the Jury found that many of the documents which are intended to communicate the county’s financial condition are not where they are supposed to be, according to the county website, and some do not exist at all. The Jury recommends that these documents be made available to the public when and where they are supposed to be.

The Jury found that the county’s practice of including multi-year project budgets in the county’s current year financial reporting generates artificial variances, which obscure the county’s true financial condition. The Jury recommends that the county adopt a capital projects schedule, which would document the county’s multi-year project commitments and explain this complication in the county’s current year financial reporting.

The Jury found further that there is a lack of accountability for the goals which county divisions submit as part of the annual budget process. Progress on goals set in one year is not consistently reported the following year. The Jury recommends that, as part of the budget process, divisions be required to report on goals they set the previous year, with explanations if they were not completed or carried over to the next year.

The Jury learned that there may be a significant financial advantage in setting aside funds in an IRS Code Section 115 irrevocable trust to pay down the unfunded pension liabilities. (See footnote on page 9.) The Jury recommends that the county consider doing so.

GLOSSARY

BOS	–	Board of Supervisors
BPMR	–	Budget Performance Measurement Report
CAFR	–	Comprehensive Annual Financial Report
CalPERS	–	California Public Employees' Retirement System
CEO	–	County Executive Officer
FEMA	–	Federal Emergency Management Agency
FY	–	Fiscal Year

FYE	–	Fiscal Year Ending
GASB	–	Government Accounting Standards Board
GFOA	–	Government Financial Officers Association
OPEB	–	Other Post-Employment Benefits
PMR	–	Performance Measurement Report
S & P	–	Standard and Poors' Bond Rating Service

BACKGROUND

The 2015-2016 Grand Jury began its inquiry by reviewing the 207 page FYE June 30, 2014 CAFR. It became obvious that understanding the complete County of Napa financial structure would not be possible over a single Grand Jury one-year term. The Grand Jury initially chose to focus on the General Fund structure and Balance Sheet. Since evaluating one year's information only provides the Grand Jury with a limited view of the County of Napa Financial situation, the Grand Jury researched historical data and created a series of graphs that represent salient features of the County's finances over the last ten years. The ten-year history for Cash and Investments (Appendix 2), Net Assets (Appendix 3), Unrestricted Funds (Appendix 4), and Net Position (Appendix 5) by category provided a starting place to begin to interview members of the County Management.

METHODOLOGY

During the investigation the Grand Jury found a webpage on the County of Napa website that identified, in 2012, the "The 6 things you (county residents) should know about Napa County's finances and budget." These 6 issues along with the Budgetary Comparison Schedule General Fund for FYE 2014 became the basis for the Grand Jury's initial investigation. During the process of the investigation a number of other paths of inquiry became evident. Additional investigations were conducted into the Napa County website and the use of performance measures in managing divisional efforts. These additional investigations were deemed to be sufficiently important by themselves to be documented in separate reports. The Grand Jury believes separating these reports will provide better understanding of the County of Napa's financial condition to Napa County residents.

The Grand Jury met with many county officials, both elected and appointed to understand the complexity of the financial structure. It was important to understand how management perceived certain aspects of the reporting process.

DISCUSSION

The Jury was interested in taking a close look at the fiscal condition of Napa County and the financial management practices followed by county leadership. This review was facilitated by a document on the County Executive Office website entitled "The 6 things you should know about Napa County's finances and budget." This document credits the county's rigorous financial management practices and the maintenance of substantial reserves with the county's ability to achieve an AA+ bond rating, the highest available to California counties. This document also mentions that the county BOS stays on a sound financial track by utilizing periodic 5-year fore-

casts, fiscal status reports, fiscal contingency plans, and a long range financial strategic plan. In addition, this document mentions that performance measures are included as part of the budgeting process. It also stresses that transparency of financial information is important and claims that budgets and other financial documents are available on-line, at the county administrative building, and in the county libraries.

Napa County uses a rigorous process to define and refine financial needs and budgets throughout the year. Each year, specific budget policies are adopted to customize and fine-tune county procedures based upon current economic, social and regulatory factors. Recommended budgets are prepared at the start of each fiscal year, Adopted Budgets are approved and updated throughout the year as required. Reserves and Contingency Funds are maintained to provide flexibility to effectively respond to changes in economic conditions or to deal with natural disasters. Strategic financial plans provide overall guidance to the process.

The Jury's investigation was focused on verifying these claims.

Sound Financial Management Practices

In FY 2012, the BOS documented formal written budget policies used to govern the development of county budgets. Based on actual financial performance over the past several years, the policies appear to control costs and support decisions that protect the county's financial health. It is evident from these reports that the county budgets conservatively. Tax revenue is routinely underestimated and General Fund expenses are routinely overestimated. The resulting positive variances have been placed in Capital and Reserves and increased the county's "Net Asset Position" from \$238 Million in FY 2005 to \$426 Million in FY 2014, an increase of 79% (See Appendix 5).

In addition, the county policies follow other conservative practices, such as not "backfilling" shortfalls in funding for state programs with county tax dollars and not approving projects unless dedicated funding sources have been identified. Controls are in place to prevent overspending of any budget without the allocation of additional funds from reserves or elsewhere.

Fund Sourcing

Napa County has a number of sources for revenue. To best understand the complexity of sourcing funds and allocating them in the budgeting process, funds can simply be divided in to two categories:

Unrestricted Funds (Appendices 4 and 5) are monies received by the county, basically from taxes and fees. The county uses this money for payroll, utilities, operating expenses, and capital projects. The amount of "Unrestricted Funds" varies each year from a high in 2012 of \$134 Million to a low of \$96 Million in 2005. These variances depend on economic conditions and previous years' expenditures. Proper management of "Unrestricted Funds" allows the county to maintain services during difficult times. It should be noted that during the downturn of 2008, the county did not reduce head count and services. Since the county does not authorize projects and programs that are not fully funded, there are funds that are

committed within "Unrestricted Funds" by the BOS. These funds can be reallocated depending on current priorities.

Restricted Funds (Appendix 5) are monies that are specifically designated for individual projects and programs. "Restricted Funds" have grown from \$66 Million in 2005 to \$152 Million in 2014, an increase of 130%. These are funds that must be spent on specific projects and programs required by the funding source. A great deal of accuracy is required in reporting how, where, and when these funds are used.

Healthy Reserves and Contingencies

County budget policy requires that 3% of the General Fund appropriation be placed in an Operating Contingency Fund. Policy also requires that reserves be maintained at a level equal to at least 20% of the General Fund. This commitment to retain at least 23% of the General Fund appropriation in reserves and contingencies far exceeds the GFOA's recommended standard of 16.7%. The county has consistently met this 23% commitment in recent years, except in FY 2015, when reserves and contingencies fell to 17.65% (still over the GFOA standard) due to expenses associated with recovery from the August 2014 earthquake. It should be noted that the county is placing repayments of these expenses from FEMA and insurance into reserves and contingencies.

Financial Results Masked by "Aid from Other Governments"

Although conservative financial management practices appeared to have contributed significantly to the county's financial performance, that performance has been masked by artificial variances associated with the budget line item "Aid from other governments." This line item includes money that is received from the state, the federal government, or other funding sources for capital projects. The county's policy of requiring new programs or projects to be "fully funded" before they are approved has led to the practice of including the total appropriated budget amount for capital projects in the current year budget, even though those projects may take several years to complete. At the end of a given fiscal year, only the money received for the projects that year will appear as actual funds received. False negative variances are thus generated on the revenue side of the ledger. Likewise, on the expense side of the ledger, departments budget total budgets for multi-year projects in the current fiscal year. False positive variances are generated when they only incur expenses for the current year. In FY 2014, the negative variance in "Aid from other governments," the revenue side, was \$7.2 Million. The favorable variance in expenditures for projects was \$8.3 Million. These large artificial variances skew the county's financial performance figures and mask the true budget performance.

Goals and Accomplishments

Since the BOS committed to establishing a set of Budget Performance Measures in 2007, divisions have prepared a set of annual goals. These were originally included in the annual BPMR and in 2014 became part of the annual Recommended Budget. Because the division's goals are submitted with their annual budget requests, the Jury found that there is an implied connection

between the divisions' accomplishments and the funds spent in a given year. However, until the instructions went out for the FY 2017 budget, the divisions were not accountable for reporting the status of those goals, let alone achieving them, the following year. Goals are frequently dropped or carried over to subsequent years without explanation. For instance, the 57 divisions established a total of 262 goals in FY 2015. Of those, only 102 (39%) got any sort of mention the following year, accomplished or not. 79 (30%) were carried over to the following year, without explanation, and 81 (31%) were dropped, also without explanation.

Long range Strategic Planning

The 5-year forecast is identified by the county as one of the key documents for long range strategic financial planning. The Jury agrees that the 5-year forecast would be extremely useful in understanding the future impact of financial decisions made by the BOS. However, the Jury found that the 5-year forecast, after being completed in FY 2012 was not produced again until 2016.

Availability of Financial Documents

The county recognizes the importance of transparency in making a wide range of financial documents available to the public. The county states on its website that budgets and other financial documents are available on-line, at the county administrative building, or in the county libraries. But, the jury found that many of these documents are not where they are supposed to be. For example, the Recommended Budget was only available for six of the last 10 years, and the CAFR and the 5-year Financial Forecasts were not available at all in the Main Library.

Financial Responsibility

A key factor in having sound financial control is the ability to provide accurate, transparent financial information. Napa County's Financial Report, CAFR, although not easily understood by the general public, has received the Certificate of Achievement for Excellence in Financial Reporting from GFOA for the past ten years. The requirement for government financial reporting is complex and annually the hundreds of pages of documentation are only understood by a small number of county residents, who are mostly senior county employees.

Unfunded Pensions

The Jury also inquired about the status of unfunded pensions and other payroll benefits. We found that CalPERS calculates the required payments for the unfunded pensions and benefits based on the performance of its investment portfolio and the amount and timing of the county's obligations, with certain "smoothing" functions. According to GASB 68, the county's unfunded pension liability is \$155 Million and its OPEB obligation is \$43 Million. It should be noted that the pension obligation and OPEB for the Napa County Superior Court employees are included in this number. These annual payments are the responsibility of the State of California. In the future these obligations will be separated, making the County of Napa obligation clearer. Under the current structure, paying down obligations will also pay down state obligations. That would not be in the interest of Napa County. Over the past ten years, the county has made the required

payments, consistently meeting its obligation to CalPERS. However, the Jury did discover a provision that would allow the county to make payments in excess of those calculated by CalPERS, if it chose to do so. CalPERS estimates that for every \$1 Million in excess payments, the county could reduce obligations by \$5 Million over 25 years.

There is an opportunity for Napa County to become more flexible in managing pension and OPEB obligations by forming an IRS Code Section 115 irrevocable trust.¹ The trust is a place to designate funds for pension obligations that are not constrained by the investment policies of CalPERS. Money placed in the trust can be invested at more favorable rates than current CalPERS achieves. This money can be used in two ways: first, to pay down obligations once the Superior Court obligations have been separated; and second, to make annual payments in years where economic conditions restrict cash flow.

FINDINGS

F1: The County of Napa has been very diligent in maintaining Fiscal Policies that achieved the highest possible Bond Rating from S&P.

F2: The BOS have established a series of Budget Policies that call for holding the line on spending and using a Fiscal Contingency Plan to prepare for the future. The BOS have consistently maintained the County of Napa budgeting and spending within the limits that were established in 2011.

F3: The Grand Jury finds that the financial documentation in the CAFR for “Aid from other governments” on the Budgetary Comparison Schedule is confusing. The schedule overstates “Inflow” and Capital Works Project anticipated expenditures.

F4: The BOS has maintained an impressive position in Contingencies and Reserves that provides the County of Napa with a healthy financial future.

F5: Napa County uses divisional “Goals” to support the request for funding on an annual basis. However, they have not require reporting divisions to provide progress or completion of “Accomplishments” as follow-up in the next year.

F6: The County Executive Office did not prepare on an annual basis a Five-Year Financial Forecast from 2012 to 2015.

F7: The County of Napa has maintained exceptional Financial Reporting (CAFR) as recognized by GFOA.

F8: The County of Napa has maintained the appropriate payments to CalPERS for the Pension Plan and OPEB, but has not taken advantage of using Fund Balances to pay down Unfunded Pension and OPEB obligations.

RECOMMENDATIONS

R1: As the result of **F3**, the Grand Jury recommends that Napa County institute a schedule in the Management’s Discussion and Analysis Section of the CAFR that explains the negative variance from “Actual Amount (Budgetary Basis)” and “Variance with Final Budget” in “Aid from other governments.” The Grand Jury believes that including the information outlined below will clarify the actual situation for the average citizen.

Explanation of Aid from other governments						
County Capital Project no.	County Project Description	Date Project Initiated	Total Amount Budgeted	Actual Amount Realized in Previous Years	Actual Amount Realized This Year	Amount Carried Forward
The amount carried forward for the total of all projects will be the same as the Negative Variance in Aid from other governments						

R2: As the result of **F8**, the Grand Jury recommends that the BOS consider using some positive Fund Balances each year to begin to pay down the Unfunded Pension and OPEB by establishing an 115 Irrevocable Trust.¹

R3: As the result of **F5**, the Grand Jury recommends that the BOS and the CEO must require every division to report current status of every Goal that was prepared to support the previous years Recommended Budget.

¹This type of trust is authorized by Section 115 of the Internal Revenue Code solely for the purpose of funding post-employment benefit for workers and cannot be revoked by the employing agency. The timing of the utilization of funds is determined by the employing agency.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

From the following individuals:

County Executive Officer **F1, F5, F6, F8, R1, R3**
Auditor Controller **F3, F7, R1**

From the following governing bodies:

Board of Supervisors **F2, F3, F4,R1, R2, R3**

DISCLAIMER

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

APPENDIX 1

Documents Reviewed

2016 Performance Measurement Guidelines

2015 Performance Measurement Guidelines

6 things you should know about Napa County's budget and finances

County of Napa California Comprehensive Annual Financial Report for the Fiscal Year
Ended June 30, 2014

County of Napa California Comprehensive Annual Financial Report for the Fiscal Year
Ended June 30, 2013

County of Napa California Comprehensive Annual Financial Report for the Fiscal Year
Ended June 30, 2012

County of Napa California Comprehensive Annual Financial Report for the Fiscal Year
Ended June 30, 2011

County of Napa California Comprehensive Annual Financial Report for the Fiscal Year
Ended June 30, 2010

County of Napa California Comprehensive Annual Financial Report for the Fiscal Year
Ended June 30, 2009

County of Napa California Comprehensive Annual Financial Report for the Fiscal Year
Ended June 30, 2008

County of Napa California Comprehensive Annual Financial Report for the Fiscal Year
Ended June 30, 2007

County of Napa California Comprehensive Annual Financial Report for the Fiscal Year
Ended June 30, 2006

Performance Measurement Training Manual, August 15, 2013 County of Napa California
Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005

County of Napa, Performance Measurement Report, January 2013

County of Napa, Performance Measurement Report, January 2014

County of Napa, State of California, Budget Performance Measurement Report, Fiscal Year 2009/2010

County of Napa, State of California, Budget Performance Measurement Report, Fiscal Year 2010/2011

County of Napa, State of California, Budget Performance Measurement Report, Fiscal Year 2011/2012

County of Napa, State of California, Recommended Budget, Fiscal Year 2015/2016.

Napa County 2020 Strategic Financial Plan, January 5, 2016

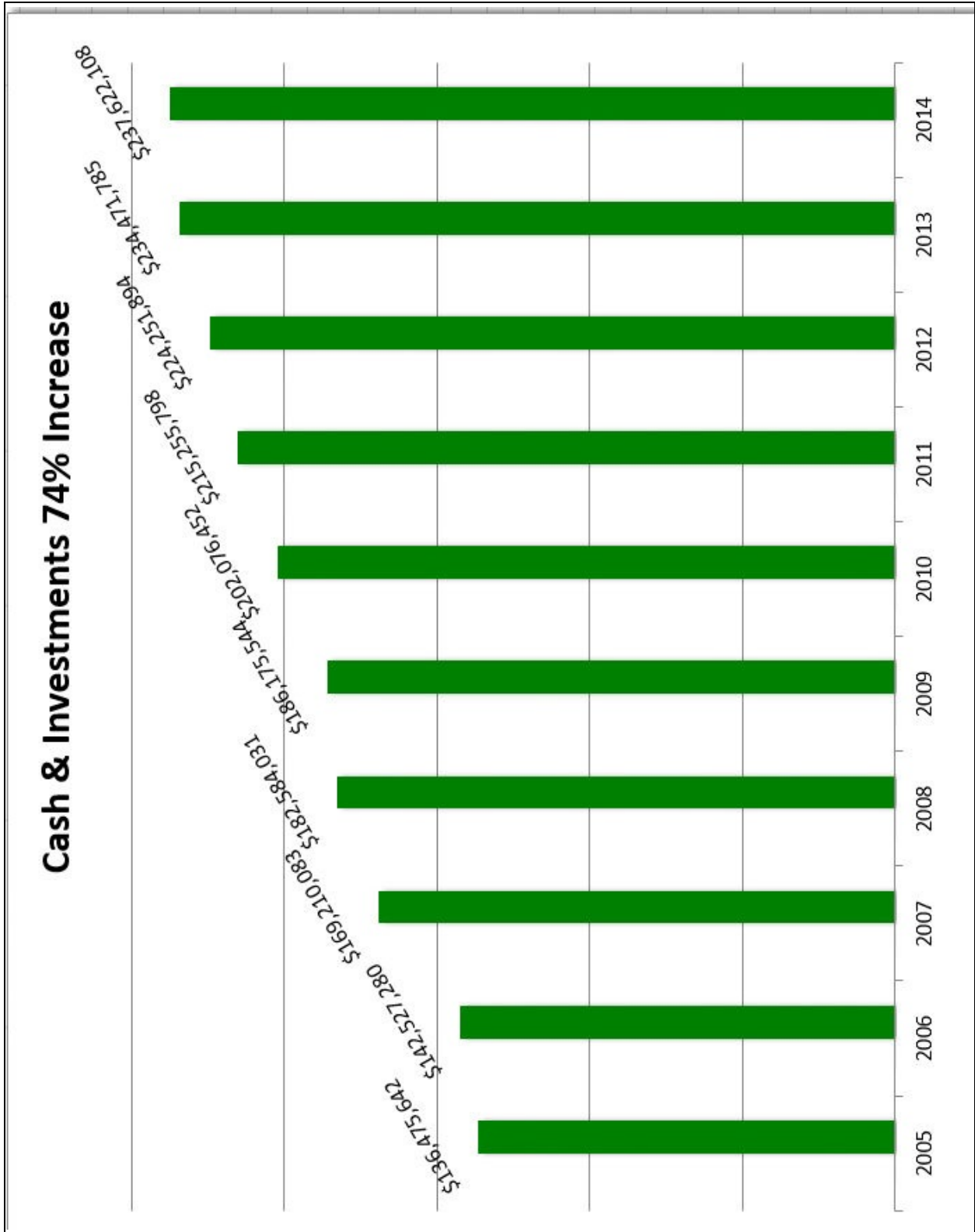
Napa County Budget Policies, Fiscal Year 2016-2017

Napa County Department of Corrections, Senate Bill 863 Jail Construction Project, Updated Jail Inmate Population Projections, March 2015

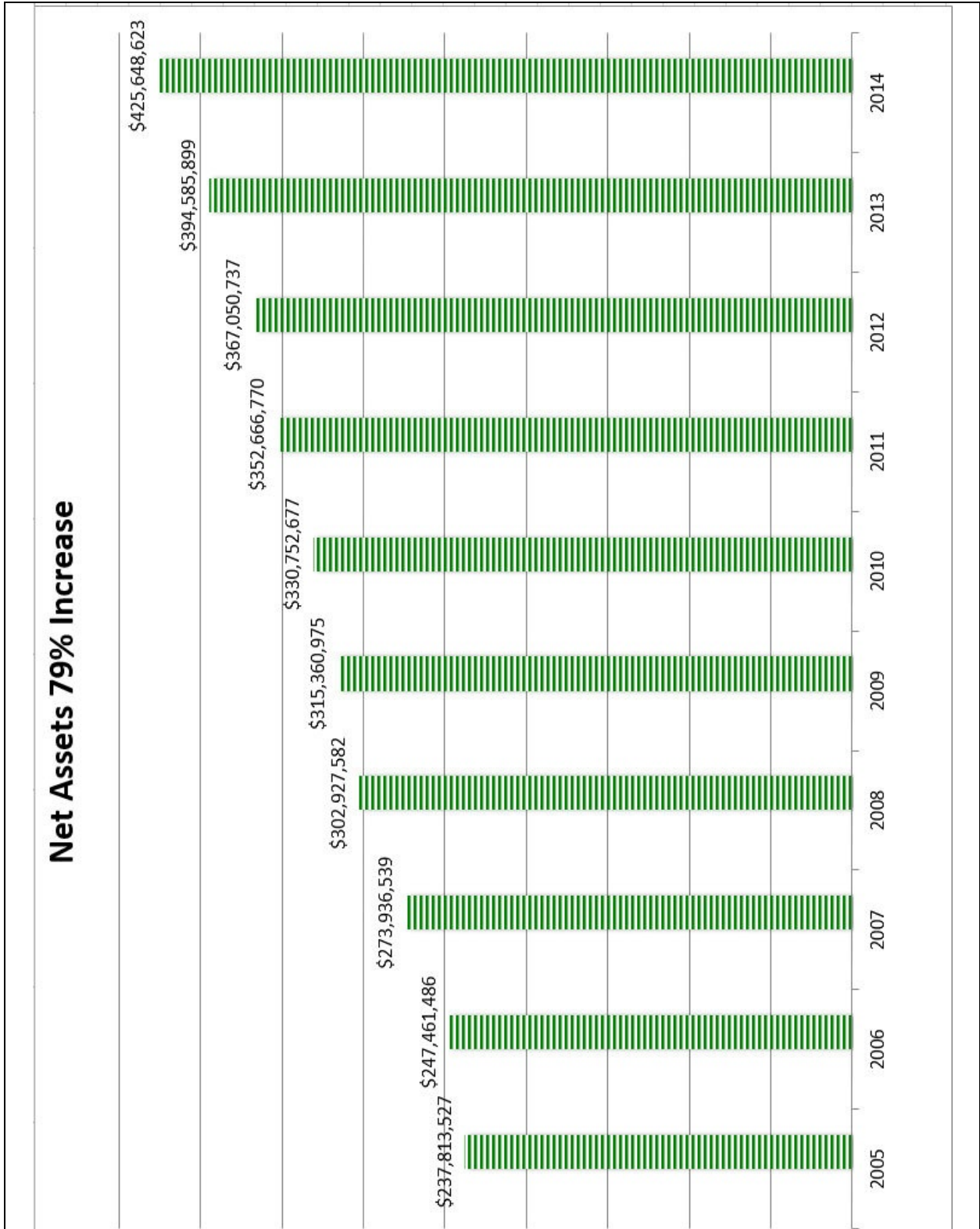
Board of Supervisor's Budget Policy FY 2011-2012

<http://countyofnapa.org/Pages/DepartmentContent.aspx?id=4294976068>

APPENDIX 2

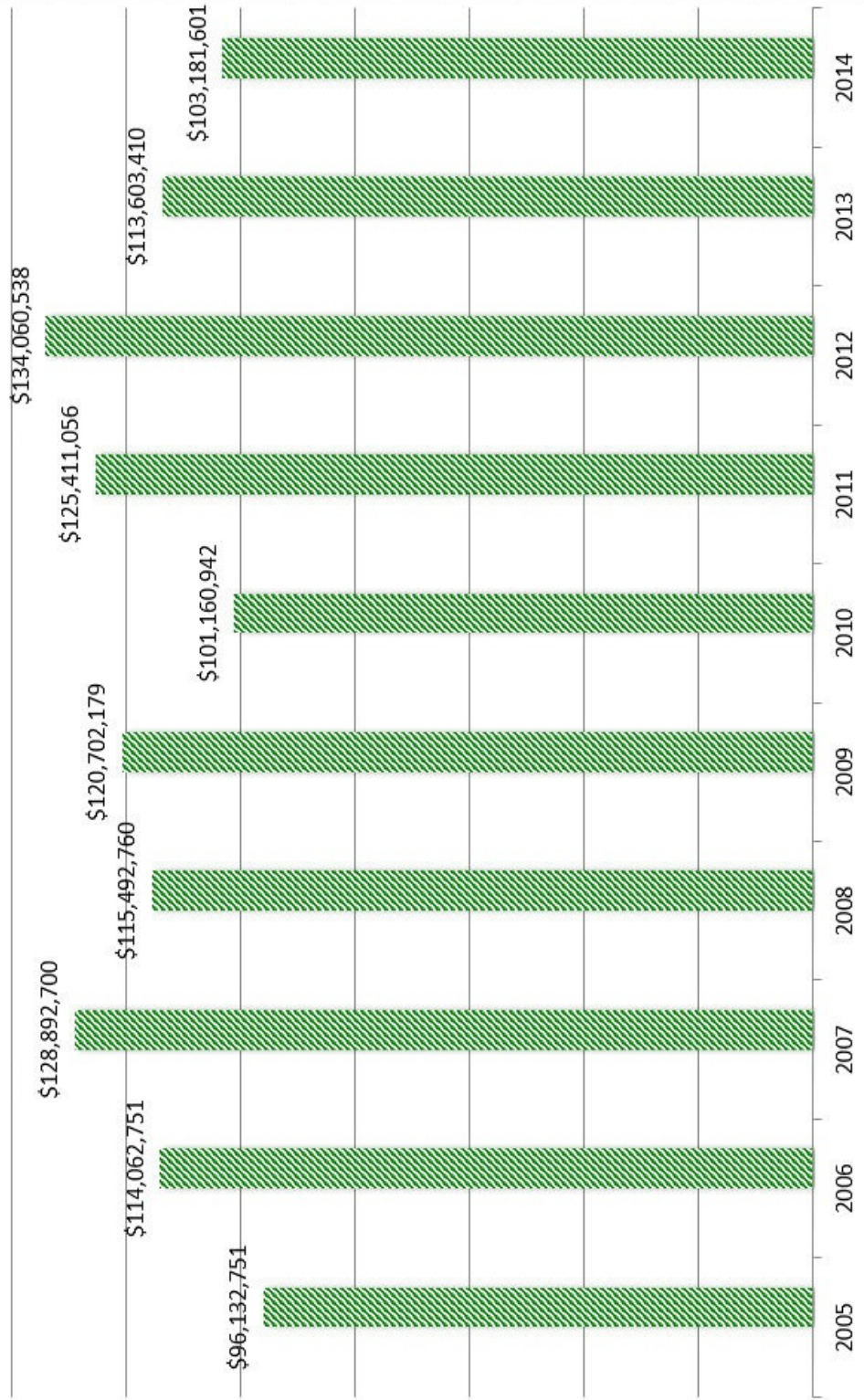


APPENDIX 3

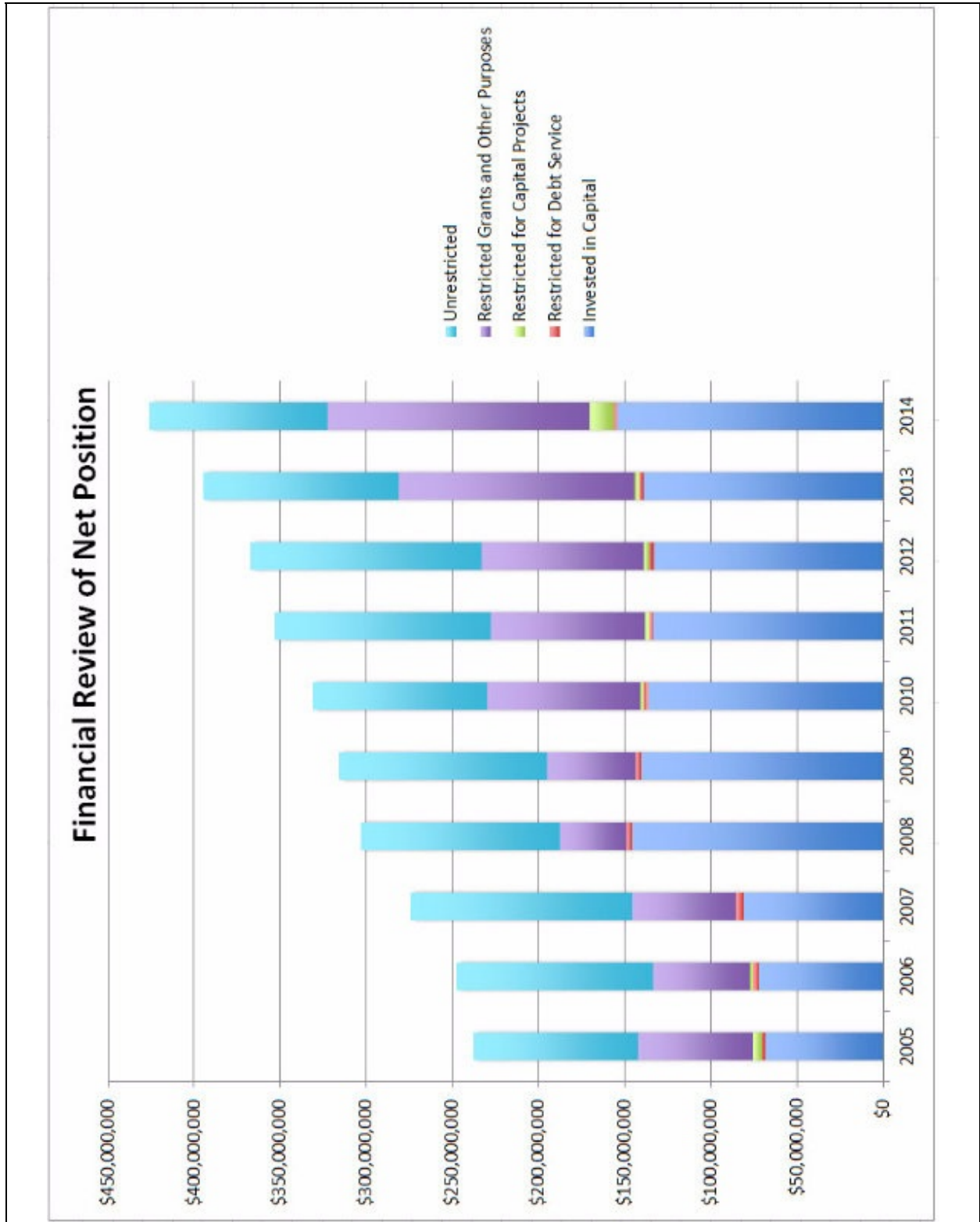


APPENDIX 4

Unrestricted Funds



APPENDIX 5





**NAPA COUNTY GRAND JURY
2015-2016**

May 24, 2016

FINAL REPORT

**NAPA COUNTY PERFORMANCE
MEASUREMENTS**

NAPA COUNTY PERFORMANCE MEASUREMENTS

SUMMARY

While investigating the county's finances, the Grand Jury became aware of the county's Performance Measurement Reports (PMRs). These annual reports include division by division trends of key activities performed by the county government. They also include measures of productivity and service levels within every division. The jury recognizes the importance of monitoring these factors in all well run organizations, so it initiated an investigation into their use in the county. Through numerous interviews, the Jury found that the county management team thoroughly understands the value of tracking activity, productivity, and service levels; and each manager regularly reviews those factors with his or her direct reports. However, these measurements were developed by county managers for their own use and have nothing to do with the measurements published in the PMR.

Because the PMR's, which were intended to help managers establish meaningful productivity and service level goals, are not used by those managers for that purpose, the jury questioned the value of producing the PMRs. Although the key activities reported for each division are of interest for historical trends, they are too out of date by the time the PMR's are published to be of practical use in budgeting or allocating resources. The performance and service level measurements included in the PMR are only a handful of those actually used to run the divisions and are not particularly representative of the work done by those divisions. In addition, some of the productivity and service level measurements don't really measure productivity or service. The managers interviewed by the jury said that they submit the PMR because they are required, not because the report is of any use to them, other than giving an overview of division functions. It is clear to the Jury that producing the PMR has become a rote exercise, with few changes from year to year, except for a few sentences in an otherwise "boiler plate" narrative and inclusion of the most recent, already out-of-date, performance figures.

The cost to produce the 300 page report is estimated to be about \$60,000 per year, or about \$420,000 over the seven editions since it first appeared for Fiscal Year 2008-2009. Because of its significant cost and its questionable value, the jury recommends that the PMR be discontinued in its current form, with the Fiscal Year 2014-2015 edition, published in January 2016 being the last published. The jury also recommends that the reporting of key activity trends by division, the so called "Community Indicators," be switched to the county website, were they can more easily be distributed and kept current.

BACKGROUND

When the Grand Jury began its investigation into Napa County's finances, it examined the budget information in the county's Budget Performance Measurement Reports (BPMR's), starting with fiscal year 2008-2009. While the jury's primary reason for reviewing these reports was to obtain financial information, jury members found that these reports also included performance measurements for each division. These measurements included activity levels, productivity measurements, and service level measurements. Knowing the importance of monitoring these factors for any well run organization, the jury elected to investigate how the county uses them.

The jury immediately questioned the value of this reporting when the activity figures appeared to be too delayed (July 1, 2014 to June 30, 2015 reported in January of 2016) to be of any use other than establishing historical trends. They were far too out of date to be of any use in budgeting or managing divisions on a day-to-day basis, one of the original goals of the BPMR's. Similarly, the jury questioned the productivity and service level measures, many of which did not appear to actually measure either productivity or levels of service. As a result, the jury initiated an investigation to assess the value of the annual Performance Measurement Report to the county and whether or not that value justifies the cost of producing it.

METHODOLOGY

The Grand Jury began its investigation by examining the performance measurements included in the Performance Measurement Report (PMR) (Budget Performance Report before FY 2012) from FY 2008/2009 through FY 2014/2015. No report was published for FY 2013-2014 because performance measurements were under review and because staff time was limited due to recovery efforts following the August 2014 earthquake. The jury also reviewed the Performance Measurement Training Manual to determine if divisions established performance measurements that were consistent with the directions they had been given for doing so. See the Appendix for a list of documents reviewed.

When it became clear to the jury that the value of the PMR was in doubt, because of delayed reporting of activity volumes and questionable productivity and service level measurements, the jury included questions about the PMR in several interviews with county managers. The purpose of these questions was to assess their use of activity tracking and productivity/service levels in general, and how they use the PMR, if at all, in that effort.

DISCUSSION

During the budget hearings in June 2007, the Board of Supervisors asked that staff hold a workshop with the Board to look at ways to improve performance measurement efforts. In response to that request, on September, 25, 2007 an all-day workshop was held with Board members, department heads, and key fiscal staff. The result was the production of a "Budget Performance Measurement Report," which first appeared in Fiscal Year 2008/2009.

After reviewing these initial performance measurements, it appeared to the jury that the county was well intentioned and off to a good start. Divisions were directed to establish a small number of measurements, two or three, emphasizing quality over quantity. They were to identify factors that were "valid, timely, and focused on controllable facets of performance."

Unfortunately, the annual Performance Measurement Report, in its current form, does not appear to adhere to those standards.

Activity Tracking Not Timely

The first category of performance measures, “What/How Much We Do,” consists of output or workload measures, designed to give the Board and the public a sense of whether a division’s or program’s workload is increasing or decreasing, and whether or not appropriate resources have been allocated to it. These figures provide a comprehensive picture of various services and programs and how that activity has trended over the past several years. Examples include the number of aircraft operations at the county airport, the number of miles in the county maintained road system, and the number of eligible voters in the county. However, according to the managers interviewed by the jury, these data are reported far too late to be of any real use other than establishing long term trends. They are of no use in budgeting or running the divisions on a day-to-day basis. For instance, activities from July 1, 2014 to June 30, 2015 were not reported until January 2016, too out-of-date to be useful in allocating resources or in preparation for the FY 2017 budget. The timeliness of earlier reports was even worse. The Budget Performance Measurement Report for Fiscal Year 2011-2012 reflected actual activity only through June 30, 2011, a year and a half before the report was published.

Some Productivity Measures Don’t Measure Productivity

The second category of performance measures, “How Well We Do It,” are efficiency or effectiveness measures, designed to give the Board and the public a sense of the cost effectiveness of the divisions and programs. However, many of these productivity measures do not meet the county’s standard to be “focused on controllable facets of performance.” Many are instead focused on factors that are controlled by outside factors that have nothing to do with the divisions’ performance. For instance, the Roads Division in Public Works includes a measurement on the cost per square foot of paving material, a figure determined more by the market for petroleum byproducts than the efficiency of the division or its crews. The Elections Division includes a measurement on the percentage of eligible citizens registered to vote, an interesting statistic, but a measure more of voter interest than division productivity. The airport includes as one of its productivity measures the percentage change in aircraft operations count, a pure activity factor which has nothing to do with efficiency.

Some Service Level Measures Don’t Measure Service

The third category of performance measures, “Is Anyone Better Off,” are effectiveness or outcome measures, designed to give the Board and the public a sense of what impact the division or program has had on the community or the county organization. Once again, many of these measures do not appear to be valid measures of service. For instance, the Assessor’s office includes the percentage of taxes collected going to county, schools, cities/towns, and special districts, which seems to be more a matter of revenue allocation than level of service. The Elections Division includes the number of registered voters who voted in the last election, seemingly more a matter of voter interest than service provided by the division.

County Managers Don't Use the Performance Measurement Report

All of the managers interviewed by the Grand Jury said that they closely monitor activity levels within their departments and divisions. They also said that productivity measures make up an important part of their management processes. Many said that they monitor activity on a daily or weekly basis and allocate resources accordingly. Each manager to whom the jury spoke had a set of performance or service level measurements for each of his or her subordinates, and reviewed those measures at least quarterly. However, these managers said that the performance measures they report in the Performance Measurement Report are of no use to them and are not indicative of their division's actual performance.

The Performance Measurement Report Has Become a Rote Exercise

Many of the managers whom the jury interviewed indicated that the PMR is just something they have to do every year. They said it is not useful to them and they are not sure if it is useful to anyone else. In most cases, nothing changes in these reports from year to year, except for a sentence or two in the narrative and updating the figures to include the most recent, belated data. A review of all the PMRs indicates that the measurements have not changed significantly over the years and certainly have not become more meaningful. In addition, the jury could find no evidence that there has been a cost-benefit analysis of the PMR. It appears that it is being produced every year without regard to its value or cost.

The Cost of the PMR is Substantial, Its Value is Questionable

The PMR averages a little over 300 pages in length, and the county currently prints 45 copies. The County Executive Office estimates that the cost to prepare and publish the PMR is conservatively \$60,000 per year. Therefore, the seven editions of the PMR have cost county taxpayers approximately \$420,000. The departments and divisions all find it to be of little or no value. The activity trends are too out-of-date to be of practical use, and many of the productivity measures do not appear to be meaningful. Therefore, the jury did not find justification for that level of expenditure.

Conclusion

Monitoring activity trends, productivity, and service levels is an important part of managing any well run organization, and the interviews conducted by the Grand Jury indicate that the county management team universally employs those tools in its management practices. However, those measurements were developed by county managers for their own use and have nothing to do with the PMR. It is clear to the Grand Jury that the Performance Measurement Reports which are intended to help county managers develop and employ performance metrics and inform the Board of Supervisors and the public about the activities of the county government aren't living up to expectations. Activity levels reported in the PMR are too delayed to be of any use other than establishing long term trends. Many of the productivity and service level measurements do not measure either productivity or service. Preparation of the PMR has come to be a rote task for divisions and departments, completed because it is a required task, not because it is of any use to them, other than providing the Board of Supervisors some summary level information

about their operations. Given an annual cost to produce the report of about \$60,000, the jury questions the justification for continuing the report in its current form.

FINDINGS

- F1:** “The Community Indicators” or activity trend section of the Performance Measurement Reports is too outdated to be of any use to department and division managers, but may be of interest to residents and elected officials. The Grand Jury recognizes the value of this information, but questions its distribution as part of the PMR. The Napa County Website seems to be a better tool for distributing important up-to-date activity levels.
- F2:** The Grand Jury finds that the standards for establishing performance measurements that were found in the August 15, 2013 Budget Performance Measures Training manual to be a valuable resource. Unfortunately, the current version of the PMR does not adhere to the best practices outlined in that manual, particularly in identifying measures that are timely and focused on controllable factors.
- F3:** The Grand Jury found that the process to produce and publish the PMR is expensive and largely futile. The over 300 pages of material contains mostly rote information that changes little from year to year other than entering the most current year’s figures. Narratives seldom change significantly.
- F4:** The timing and frequency of the PMR build in delays that make it of no practical use other than providing long term activity trends. The report is of no use to budget analysts, who must have more current data for forecasting and budgeting, or to line managers who must have current data to allocate resources.
- F5:** Given the significant time and effort required to produce the PMR, and its limited usefulness, the Grand Jury finds that the cost of this report far exceeds its value and therefore concludes that there is no fiscally sound reason to continue producing the report in its current form.

RECOMMENDATIONS

- R1:** Discontinue publication of the Performance Measurement Report in its current form. If the Board of Supervisors finds the activity tracking and/or division overviews useful, produce them in a more condensed and efficient way. Use the website to do so whenever possible.
- R2:** Post key activity levels (“Community Indicators”) on the county website annually, or more frequently if data are available, and no later than 60 days following the end of the period being reported.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the grand jury requests responses as follows:

From the following governing bodies:

Napa County Board of Supervisors: **F1, F2, F3, F4, F5, R1, R2**

DISCLAIMER

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

APPENDIX

DOCUMENTS REVIEWED

2016 Performance Measurement Guidelines

6 things you should know about Napa County's budget and finances

<http://www.countyofnapa.org/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=4294976067>

County of Napa, Performance Measurement Report, January 2013

<http://www.countyofnapa.org/WorkArea/DownloadAsset.aspx?id=4294979564>

County of Napa, Performance Measurement Report, January 2014

<http://www.countyofnapa.org/WorkArea/DownloadAsset.aspx?id=4294981033>

County of Napa, Performance Measurement Report, January 2016

http://www.countyofnapa.org/uploadedFiles/Departments/County_Executive_Office/Documents/2016PerformanceMeasurementReportFINAL.pdf

County of Napa, State of California, Budget Performance Measurement Report, Fiscal Year 2008/2009

http://www.countyofnapa.org/uploadedFiles/Departments/County_Executive_Office/Documents/0809PerfMeasureBook.pdf

County of Napa, State of California, Budget Performance Measurement Report, Fiscal Year 2009/2010

<http://www.countyofnapa.org/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=4294970795>

County of Napa, State of California, Budget Performance Measurement Report, Fiscal Year 2010/2011

<http://www.countyofnapa.org/WorkArea/DownloadAsset.aspx?id=4294972455>

County of Napa, State of California, Budget Performance Measurement Report, Fiscal Year 2011/2012

<http://www.countyofnapa.org/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=4294974523>

County of Napa, State of California, Recommended Budget, Fiscal Year 2015/2016.

<http://countyofnapa.org/workarea/downloadasset.aspx?id=4294984031>

Napa County 2020 Strategic Financial Plan, January 5, 2016

<http://services.countyofnapa.org/AgendaNet/DownloadDocument.aspx?type=BOS&doctype=ATTACHMENT&id=37110>

Napa County Budget Policies, Fiscal Year 2016-2017

<http://services.countyofnapa.org/AgendaNet/DownloadDocument.aspx?type=BOS&doctype=ATTACHMENT&id=37111>

Performance Measurement Training Manual, August 15, 2013