

# Grand Jury

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P.O. Box 1819  
Salinas, CA 93902  
(408) 755-5020



August 6, 1997

The Honorable Jonathan R. Price  
Presiding Judge, Superior Court  
County of Monterey  
240 Church Street  
Salinas, CA 93901

Dear Judge Price:

The 1997 Monterey County Civil Grand Jury presents you with its Mid-Year Final Report. The Grand Jury decided to issue a Mid-Year Final Report because a few of its inquiries called for prompt action. In bringing this Report to completion we included those inquiries which were far enough along to justify completing without further study, and there are also less urgent matters herein as well.

One other incentive has led the 1997 Civil Grand Jury to complete and issue these thirteen studies as of August 6, 1997. The provisions of the California Penal Code require that the responses to this Mid-Year Final Report be returned to the Superior Court by early November, hence the present Grand Jury will have the opportunity to read and comment on these responses. As you know, our Jury has worried about the lack of follow-up to past Grand Jury recommendations. This timing will give us the time to study and evaluate the effects of our own work, an opportunity most Grand Juries have not enjoyed.

This letter is being written at the half-way point in our service to Monterey County as Grand Jurors. We are already at work on the dozen or so major inquiries we plan to conclude and report at the end of our term on December 31, 1997. We will save until then our expressions of appreciation to the Superior Court staff and to the many fine people who have helped us in our work. Nevertheless, we all feel it has been a privilege to know and work with many of the executives, managers and other employees who make up the local governments of Monterey County.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "D. Roger Loper".

D. Roger Loper, Foreman  
1997 Monterey County Civil Grand Jury

DRL:elw



**1997 MONTEREY COUNTY GRAND JURY  
MID-YEAR FINAL REPORT**

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MEMBERS OF THE 1997 CIVIL GRAND JURY

OFFICERS

D. Roger Loper, Foreman

Philip C. Nash, Foreman Pro Tem

Kitty M. Douglas, Secretary

Faith O. Eden, Secretary Pro Tem

Alfred Baguio	Salinas
Jay Dee Burton	Salinas
Safa Cicin	Del Rey Oaks
Mahlon M. Coleman	Pebble Beach
James R. Cooney	Carmel
Kitty M. Douglas	Prunedale
Faith O. Eden	Seaside
Geraldine F. Gerbrandt	Salinas
Wallace F. Getz	Pebble Beach
Roy K. Hubbard	Monterey
Robert T. LeFevre	Salinas
D. Roger Loper	Carmel
Philip C. Nash	Monterey
Jerome Nathan	Salinas
Richard J. Nolan	Salinas
Daniel P. Phillips	Marina
George D. Sauter	Carmel
Richard M. Schnal	Carmel
Mel R. Spehn	Carmel Valley



RESPONSE REQUIREMENTS

The Penal Code regulates who must respond to Grand Jury Jury Findings and Recommendations, when the response must be made, and the form the response must take. Please review Penal Code Sections 933 (c) and 933.05 (a) and (b) which govern response to Grand Jury Findings and Recommendations. Excerpts of these sections are provided below. The Penal Code requirements are mandatory; please read and follow them carefully.

RESPONSES DUE:

Pursuant to Penal Code Section 933 (c), responses to the Grand Jury Mid-Year Final Report are due as follows:

ELECTED COUNTY OFFICERS AND COUNTY AGENCY HEADS -

60 DAY RESPONSE PERIOD: Responses by elected County officers and County agency heads are due on or before OCTOBER 7, 1997.

CITIES AND OTHER PUBLIC AGENCIES -

90 DAY RESPONSE PERIOD: Responses by all other public agencies, including cities, are due on or before November 7, 1997.

ADDRESS FOR DELIVERY OF RESPONSE TO THE PRESIDING JUDGE:

Mailing Address

Hon. Jonathan R. Price  
Presiding Judge  
Monterey County Superior Court  
P. O. Box 414  
Salinas, CA 93902

Street Address

Hon. Jonathan R. Price  
Presiding Judge  
Monterey County Superior Court  
240 Church Street  
North Wing, Room 320  
Salinas, CA 93901

PENAL CODE SECTION 933 (c)

"(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommen-





dations pertaining to matters under the control of the governing body, and every elective county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All such comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years."

PENAL CODE SECTION 933.05 (a) and (b)

"Response to Grand Jury Recommendations--Content Requirements; Personal Appearances by Responding Party Grand Jury Report to Affected Agency.

"(a) For purposes of subdivision (c) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

"(1) The respondent agrees with the finding.

"(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

"(b) For purposes of subdivision (c) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

"(1) The recommendation has been implemented, with a summary regarding the implemented action.

"(2) The recommendation has not yet been



implemented, but will be implemented in the future, with a timeframe for implementation.

"(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

"(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor."



## GRAND JURY PROCESS IN MONTEREY COUNTY

### BACKGROUND:

The Grand Jury function as now practiced in Monterey County is a "watchdog" function exercised over all local government organizations in Monterey County. The traditional criminal indictment functions of Grand Juries are not part of the Civil Grand Jury agenda, nor does the Civil Grand Jury have any power to make inquiries into criminal matters.

The Grand Jury is not supposed to have a pre-defined agenda. Its duty is to consider complaints from citizens which are addressed to the Grand Jury and to initiate inquiries into the functioning of any and all local government bodies -- County departments, cities, special districts and joint powers authorities -- operating in Monterey County. As a practical matter, recent Grand Juries have included in their final reports instructions to succeeding Grand Juries to follow up or complete tasks originally undertaken by the preceding Grand Jury.

The 1997 Grand Jury has discussed the following problem areas and has concluded that some simple measures could be undertaken to correct these deficiencies:

The general public is not well informed as to the existence, the function or the responsibilities of the Grand Jury.

The greatest shortfall is the general impression, not only among Grand Jury members, but also among the government employees interviewed, that the recommendations of the Grand Jury simply fade away into obscurity because of the lack of effective follow-up.

### INQUIRY PROCESS:

The plan for study of this inquiry was fourfold:

1. To develop plans for more effective dissemination of information about the Grand Jury with a view to stimulating more inquiries from the public, and attracting a larger number of qualified applicants for service on the Grand Jury.

2. To devise a more effective system of follow-up to make sure the recommendations of the Grand Jury are implemented in compliance with the 1997 Penal Code, Section 933.05(b). See

page iv.

3. In all Grand Jury interviews, no matter what the primary purpose, the person being interviewed was asked what is his or her impression of the effectiveness of Grand Jury recommendations in producing real change and improvement in the operation of local government.

4. The recommendations in the Final Report of the 1996 Grand Jury and the responses to these recommendations from the various responsible agencies or departments of local government were analyzed to assess the effectiveness of the most recent Grand Jury, whose report has received favorable notice in the press and among the public.

ISSUE:

How to make the Grand Jury more effective.

FINDINGS:

1. The exposure of Grand Jury matters to the public occurs about three times a year - once when the Final Report is issued, early in each year; again in the spring when a meeting is held by the Monterey County Board of Supervisors, with members of the immediately preceding and the currently sitting Grand Juries present; and finally, in the late summer when the Office of the Superior Court issues invitations to citizens of the County who might be interested in serving on the next year's Grand Jury. Depending upon the newsworthiness of the Grand Jury Report, the first event may get significant attention, but the other two create a subdued ripple upon public notice.

2. Some witnesses who came before the 1997 Grand Jury pointed out important changes which had been made in the past as a result of Grand Jury inquiries and recommendations. But many of the employees of County, City and Agency organizations had the attitude: "Grand Juries come and Grand Juries go, but we're still here, year after year."

3. The League of Women Voters has indicated concern over lack of follow-up on Grand Jury recommendations and proposes to organize a blue-ribbon Committee to look into the matter and see if some organization of citizens could be effective in getting more meaningful action on Grand Jury ideas.

4. In September of 1994 the Monterey Herald published an article headlined, "The Grand Jury - a Toothless Tiger," which gave examples of useful recommendations which went unheeded for many years or, quite frequently, forever.

5. Analysis of the responses to the 1996 Grand Jury Final

Report show that 28 percent of the Managers or Department Heads who were required by provisions of the Penal Code to respond, did not do so. Exhibit A illustrates the nature of the responses received, both from Monterey County Board of Supervisors and Departments and from all respondents. Exhibit B gives the detail of responses received (or not received in many cases) on each Project and each recommendation in the 1996 Grand Jury Final Report. Only 53 percent of the responses were fully in accordance with the provisions of the 1997 Penal Code, Section 933.05(b), for the handling of Grand Jury recommendations.

6. In view of this poor showing, and with a view toward educating those asked to respond to Grand Jury Reports, the 1997 Grand Jury has written to each respondent, pointing out any shortfalls in the responses when considered against the requirements of the Penal Code.

**RECOMMENDATIONS:**

The 1997 Monterey County Civil Grand Jury recommends that:

1. The County make additional efforts to publicize the Grand Jury and to stimulate interest among the citizens of Monterey County to serve on future panels. The media seems to be receptive to Grand Jury news when it is made available to them.

2. Past Grand Jurors be trained to present the story of the Grand Jury to service clubs and similar community groups, and be listed with the County Speakers' Bureau for this purpose.

3. The Grand Jury and/or the County form a Committee of volunteer former members of past Grand Juries to study and evaluate responses to Grand Jury Final Reports and to propose any follow-up in the way of letters to those who do not respond or whose responses are not in accord with the requirements of Section 933.05 of the Penal Code. To perform these studies and follow-up actions dilutes the effectiveness of the sitting Grand Jury in producing useful inquiries into local government operations.

**RESPONSES REQUIRED:**

**Monterey County Board of Supervisors**

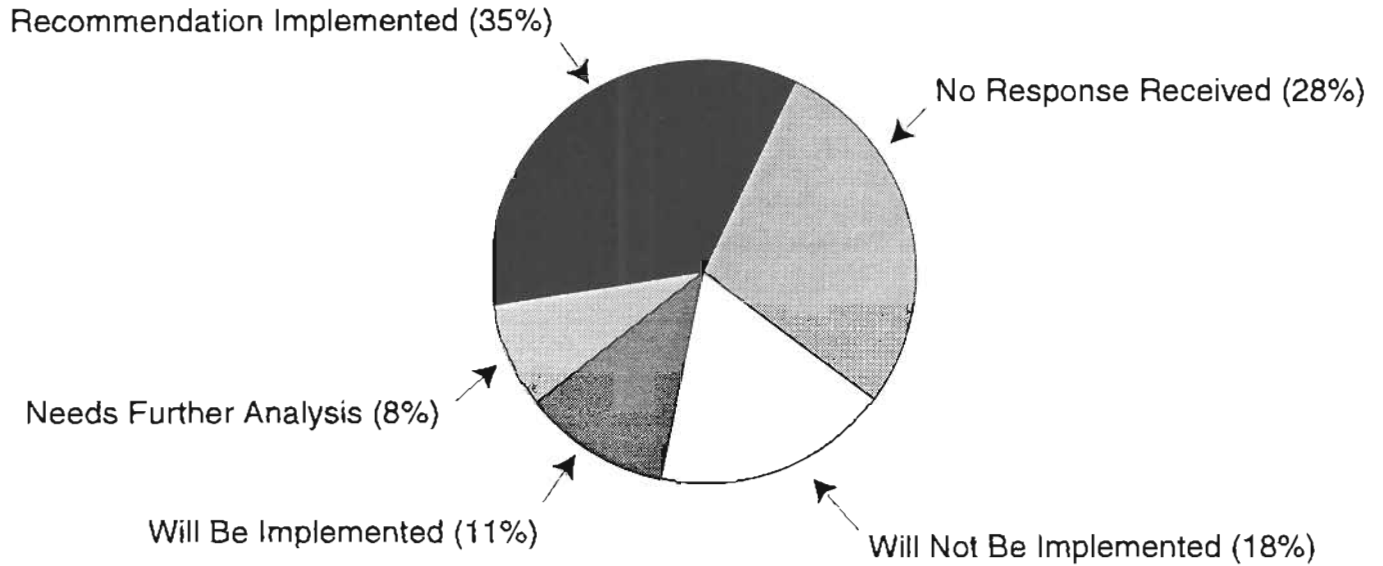
Findings # 1 through 6

Recommendations # 1, 2, and 3

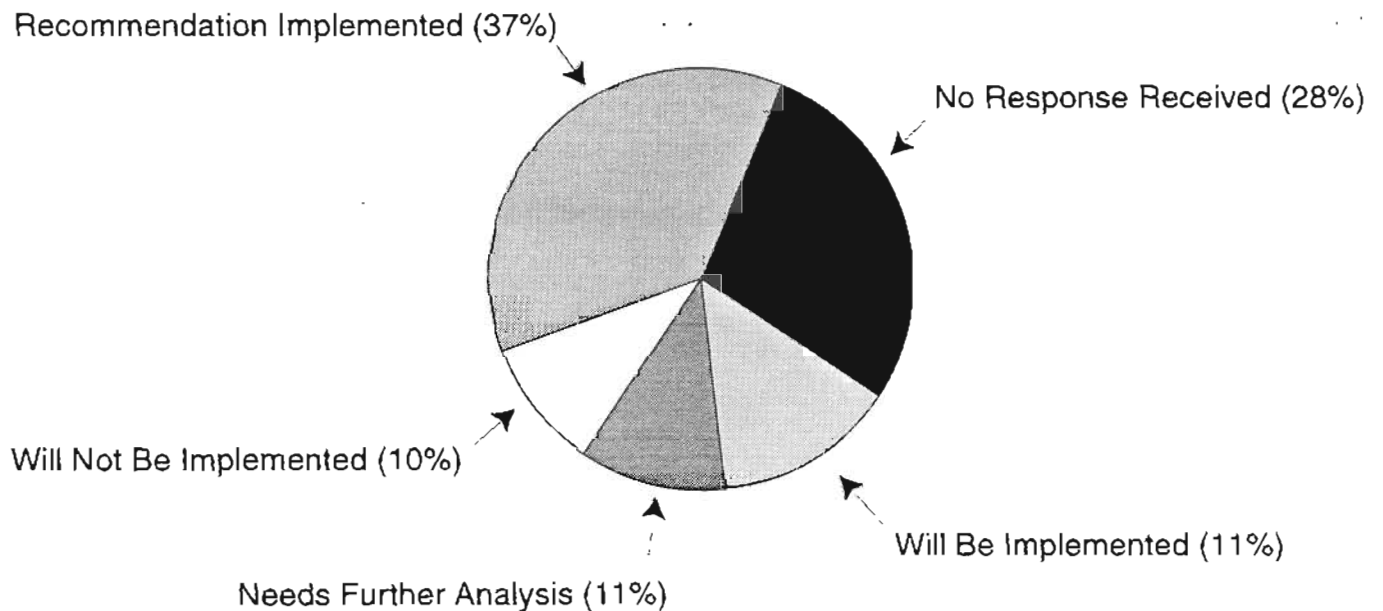
# EXHIBIT A

## CLASSIFICATION OF RESPONSES

ALL RESPONSES INCLUDING MONTEREY COUNTY



RESPONSES FROM MONTEREY COUNTY ONLY  
BOARD OF SUPERVISORS AND COUNTY DEPARTMENT







SUMMARY OF RESPONSES TO 1996 GRAND JURY FINAL REPORT

- Legend:
- 0 Response required, none received
  - 1 Recommendation has been implemented
  - 2 Recommendation will be implemented within a stated timeframe
  - 3 Further analysis required to be completed within six (6) months of the date of the Final Report
  - 4 Recommendation will not be implemented, with reasons

Project and Responder	Recommendations and Responses						
4. Facilities and Construction							
Capital Project Procedures in Monterey County	1	2	3	4	5		
Monterey County Board of Supervisors	1	1	1	2*	2*		
County Administrative Officer	0	0	0	0	0		
Monterey County Probation Department	0	0		0	0		
Support Services - Facilities and Construction	0	0		0	0		
5. Security and Public Safety in Monterey County Courthouses	1	2	3	4	5		
Monterey County Board of Supervisors	2*	2*	2*	2*			
County Administration Officer	0	0		4			
Monterey County Sheriff	2*	2*					
6. City of Salinas Procedures for Making Appointments to Boards and Commissions	1	2	3	4	5	6	7
Mayor of Salinas	1	1	2*	2*	1	1	1
City Council, Salinas	1	1	2*	2*	1	1	1

\* No timeframe was specified.

SUMMARY OF RESPONSES TO 1996 GRAND JURY FINAL REPORT

ATTACHMENT

- Legend: 0 Response required, none received  
 1 Recommendation has been implemented  
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Project and Responder

Recommendations and Responses

Project and Responder	1a	1b	1c	1d	1e	1f	1g	1h
7. Housing for Low-Income Residents of Monterey County	1	1	2	3	3	3	3	3
Monterey County Board of Supervisors								
City Councils:								
Carmel	0	0	0	0	0	0	0	0
Del Rey Oaks	1	1	1	1	1	1	1	1
Gonzales	1	1	1	1	1	1	1	1
Greenfield	4	4	4	4	4	4	4	4
King City	4	4	4	4	4	4	4	4
Marina	2*	2*	2*	2*	2*	2*	2*	2*
Monterey	4	4	4	4	4	4	4	4
Pacific Grove	1	2*	1	2*	2*	3*	4	3*
Salinas	0	0	0	0	0	0	0	0
Sand City	4	4	4	4	4	4	4	4
Seaside	0	0	0	0	0	0	0	0
Soledad	3*	3*	3*	3*	3*	3*	3*	3*
Monterey County Housing Authority	0	0	0	0	0	0	0	0
Local Agency Formation Commission	4	4	4	4	4	4	4	4
Association of Monterey Bay Area Governments	4	4	4	4	4	4	4	4
Fort Ord Reuse Agency	0	0	0	0	0	0	0	0
8. Housing Authority of Monterey County	1	2	3	4	5	6		
Monterey County Board of Supervisors	4	4		4				
Board of Commissioners, Monterey County Housing Authority			1		1	2*		
9. Salinas Union High School District	1	2	3					
Each Trustee of the Salinas Union High School District	1	1	1	1	1	1	1	1 (Not all Trustees replied)
Superintendent of the Salinas Unified High School District	1	1	1					
Monterey County Superintendent of Schools	1	1	1					

\* No timeframe was specified.

SUMMARY OF RESPONSES TO 1996 GRAND JURY FINAL REPORT

Legend: 0 Response required, none received  
 1 Recommendation has been implemented  
 2 Recommendation will be implemented within a stated timeframe  
 3 Further analysis required to be completed within six (6) months of the date of the Final Report  
 4 Recommendation will not be implemented, with reasons

Project and Responder Recommendations and Responses

10.	Graves School District	1	2	3	4	5	6	7
	Graves School Board	0	0	0	0	0	0	0
	Principal/Teacher	0	0	0	0	0	0	0
	Monterey County Superintendent of Schools	1	1	1	1	1	1	3*
11.	Health Care in Monterey County - Problems for Consumers and Taxpayers	1	2	3	4	5		
	Monterey County Board of Supervisors	3*	3*	3*	3*	3*		
	Natividad Medical Center Board of Trustees	3*	3*	3*	3*	3*		
	Board of Trustees, Salinas Valley Memorial Hospital	4	4	4	4	4		
12.	Domestic Violence in Monterey County	1	2	3	4	5	6	
	Monterey County Board of Supervisors	1	2*	3*	2*	1	1	
	Sheriff's Department	1	2*	3*	2*	1	1	
	All Monterey County Police Departments:							
	Carmel	1	1		2	1	1	1
	Del Rey Oaks	1	1		1	1	1	1
	Gonzales	1	1		1	1	1	1
	Greenfield	1	1		1	1	1	1
	King City	1	1		1	1	1	1
	Marina	1	2*		4	2*	1	1
	Monterey	1	1		1	1	1	1
	Pacific Grove	1	1		1	1	1	1
	Salinas	0	0		0	0	0	0
	Sand City	1	1		1	1	1	1
	Seaside	0	0		0	0	0	0
	Soledad	1	2*		4	1	1	1

SUMMARY OF RESPONSES TO 1996 GRAND JURY FINAL REPORT

ATTACHMENT

- Legend: 0 Response required, none received  
 1 Recommendation has been implemented  
 2 Recommendation will be implemented within a stated timeframe  
 3 Further analysis required to be completed within six (6) months of the date of the Final Report  
 4 Recommendation will not be implemented, with reasons

Project and Responder	Recommendations and Responses				
	1	2	3	4	5
13. Efforts of Monterey County to Deal with the Homeless Problem Monterey County Board of Supervisors Fort Ord Reuse Agency Monterey County Department of Health, Mental Health Div.	1 3*	2 0	3 1	4 1	5 1 0
14. Management of the Monterey County Department of Social Services Monterey County Board of Supervisors Director, Monterey County Department of Social Services County Administrative Officer	1 1 0	2 1 0	3 1 0	4 1 0	5 1 0 0
15. Complaint Concerning Wellington M. Smith Juvenile Hall Monterey County Board of Supervisors Monterey County Chief Probation Officer	1 1	2 1	3 1	4 1	5 1 0
16. Monterey County Sheriff's Dept. Monterey County Board of Supervisors Monterey County Sheriff	1a 1	1b 1	1c 1	1d 1	3 2* 2*

\* No timeframe was specified.



## VETERANS SERVICES OFFICE

### BACKGROUND:

Monterey County spends a large amount from General Revenue Funds for the Monterey County Veterans Services Office (VSO). The Grand Jury wanted to find out why this expenditure is necessary.

### INQUIRY PROCESS:

The 1997 Monterey County Civil Grand Jury interviewed employees of the Veterans Services Office, a number of veterans, veterans' dependents, and officers of veterans' organizations. The committee contacted representatives of the Veterans Administration and the Veterans Administration (VA) hospitals in the San Francisco Bay Area that are utilized by Monterey County veterans. Information pamphlets on veterans' services were studied as well as the recent policy changes by the Veterans Administration which expanded eligibility to VA hospital care. The California State Veterans and Military Code, especially Section 970, was perused. Policies of the United States Department of Veterans Administration, the California Department of Veterans Affairs, and the California Association of County Veterans Services Officers were noted. Several other County VSO programs were also contacted for program comparison.

### ISSUE:

1. Are there unmet veterans' needs in Monterey County?
2. Is there a need for a VSO in Monterey County?
3. Are services provided by the VSO a responsibility of Monterey County? Might these services be obtained from other sources?
4. Is the cost to the taxpayer of veterans' services provided by Monterey County justified?

### FINDINGS:

1. The VSO is a discretionary office authorized by Section 970 of the Military and Veterans Code of the State of California.

2. Needs of veterans in Monterey County are for assistance in filing claims for benefits, transportation to medical facilities, and survivors' assistance aid.

3. The number of veterans served in Monterey County is approximately one percent (1%) of the County population. (Data from 1990 census, the U. S. Department of Veterans Affairs, and the Monterey County Veterans Services Office Report for 1996.)

4. The current budget, year 1996-1997, is \$333,339.00 which provides for five employees. In this budget \$58,318.00 is anticipated from the California Department of Veterans Affairs. Monterey County pays \$275,021 which is a five to one (5 to 1) County to State ratio. Additionally, some other County Departments provide services to the VSO from their budgets.

5. There is a disproportionate imbalance of funding for the VSO. The five to one (5 to 1) supplement (sometimes referred as an overmatch) from County General Revenue Funds is unusual compared with other County Departments.

6. Veterans' benefits are primarily the responsibility of Federal Agencies.

7. The VSO has transported veterans between Monterey County and Bay Area hospitals since 1991, and in that time about 20,000 one-way trips have been provided. At the present time, two vans are used for this service. About 3100 such trips were provided in 1995 and 3200 in 1996. (Data from VSO workload figures 1991 - 1996.)

8. Veterans in need of VA hospital services can apply for reimbursement for transportation. Many veterans' medical services can now be obtained through the VA clinic located at the former Fort Ord. This clinic offers services in 11 medical specialties and came on line in 1995.

9. Upon closure of Fort Ord, the VSO assumed the Survivors Assistance Program which had been provided by the Casualty Assistance Officer at Fort Ord. The nearest such office is now located at Fort Irwin, California.

10. Most California counties provide veterans' services. Several California counties have merged VSOs to more adequately provide services to veterans. However, not all VSOs provide veterans' services to the extent that Monterey County does.

11. Some of the services provided to veterans in Monterey County are available from other sources such as veterans' organizations (44 in Monterey County), Veterans Administration Offices, California Veterans Affairs Offices, Social Security Offices, Employment Offices of the State, Military Units, and the Congressional or Legislative Offices.



12. The VSO is currently renting office space under a 3-year lease for \$2,448.00 plus \$436.00 maintenance, or \$2,884.00/month. This is 10.4% of the VSO budget.

13. Other space is now or can be available from County properties to house the VSO.

**RECOMMENDATIONS:**

The 1997 Monterey County Civil Grand Jury recommends that:

1. By December 31, 1998 the County cease using General Funds to supplement the budget of the VSO by either:

a. Offering only those veterans' services that can be paid for by the State's contribution to the VSO; or,

b. Finding other ways to supply or pay for the services the State does not pay for. Some examples:

- (1) Veterans Administration supplies or pays for transportation services.
- (2) Veterans Administration supplies or pays for electronic claim processing.
- (3) Department of Defense processes survivors' assistance claims.
- (4) Users pay fees for services.

2. By December 31, 1998 the County relocate the VSO to County-owned facilities. (Alternatively, a possible location could be the former Fort Ord property.)

**RESPONSES REQUIRED:**

**Monterey County Board of Supervisors**

Findings # 1 through 13

Recommendations # 1 and 2

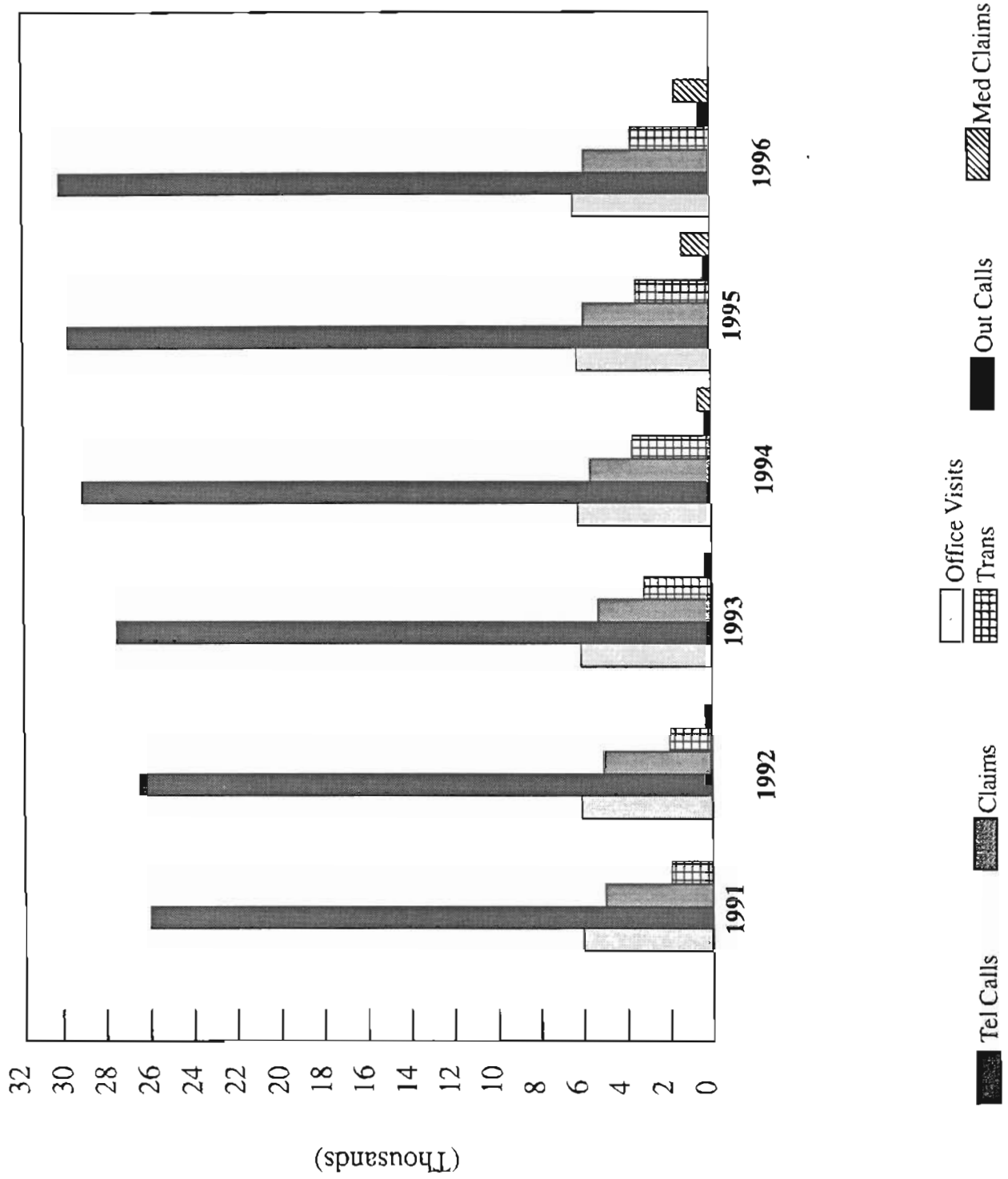
Monterey County Board of Supervisors to arrange for separate responses from:

**Monterey County Veterans Services Officer**

Findings # 1 through 13

Recommendations # 1 and 2

# MONTEREY COUNTY VETERANS SERVICES WORKLOAD



## VIOLENCE ON SCHOOL CAMPUSES

### BACKGROUND:

Throughout the Monterey County community, there exists a genuine concern regarding violence in our schools and for the safety of our students.

The presence of weapons (knives, guns, etc.) and illegal substances (alcohol and drugs) on campus, the influence of gangs, and physical attacks on students and staff are all problems which have a negative impact on the educational process at schools. With this in mind, the 1997 Grand Jury inquired into how schools in the County are addressing these problems.

Schools in California are required to report incidents of school violence to the State Department of Education. Beginning with the 1995-96 school year, the California Safe School Assessment Program annually prepares a report based on the data reported by schools throughout the State. On February 27, 1997, the Salinas Californian published a table which summarized the information reported by 26 School Districts in the County.

### INQUIRY PROCESS:

The Grand Jury selected ten County School Districts, some of which had reported higher rates of incidence of school violence, and some of which had reported lower rates. The Superintendent of each of the selected Districts was sent a questionnaire containing sixteen questions about how schools within the District are addressing the problem of school violence. Two of the selected schools did not respond. The jury interviewed officials from some City Police Departments within the County, (Gonzales, Greenfield, King City, Monterey, Pacific Grove, Salinas, Seaside, Soledad, and Marina), and from the Sheriff's Department, to get their views of the problem of school violence. The jury wanted to learn how they are cooperating with school officials in addressing the problem. The results of the questions asked of each Superintendent and the Law Enforcement Agencies are shown in Exhibit A.

### ISSUE:

How is Monterey County coping with violence on school

campuses?

**FINDINGS:**

1. In general, schools within Monterey County are conscientiously addressing the problem of school violence. However, the problem still exists, and continuing attention to it is required.

2. There is a good degree of cooperation between school officials and law enforcement officials in addressing the problem. Again, continuing attention to this aspect of the problem is necessary.

3. Parental involvement must be an integral part of every school's program to address school violence. Some Districts require each student and his/her parents to enter into a written contract which spells out what is expected of the school, the student, and the parents. The jury was particularly impressed by the contract being used by the Salinas Union High School District.

4. Law Enforcement Agencies have been pro-active in establishing a positive relationship with students and school authorities. A few examples of their involvement are the D.A.R.E. program, Healthy Start Program, School Resource Officers on campuses, Police Explorer Program, Citizen Academy and Police Activity League.

5. The ten Law Enforcement Agencies either have or plan to have a School Resource Officer assigned to the schools. Resource Officers already on campuses have been training school authorities in the areas of recognizing gang affiliations of students and recognizing different drugs used by students.

6. As shown in Exhibit A, individual School Districts are using various methods to address the issue of school violence. It is unlikely that there is a single recipe that will be most effective for every School District. It is the responsibility of each District Board to determine what combination of methods will be most effective for its schools.

**RECOMMENDATIONS:**

The 1997 Monterey County Civil Grand Jury recommends that:

1. Superintendents in each School District review Exhibit A and interact with their counterparts in other Districts and at other schools to familiarize themselves with methods that other Districts are finding to be effective in addressing school violence. Each District should then determine additional methods to incorporate into the District's safe school program.

2. A full-time School Resource Officer position be created before the end of 1997 in each of the ten Law Enforcement Agencies to deal with school violence and related problems.

3. Each of the 13 Law Enforcement Agencies in the County review successful programs and measures utilized by their fellow Law Enforcement Agencies, and consider the feasibility of incorporating these measures in their own jurisdiction.

**RESPONSES:**

**Board of Trustees of each Monterey County School District to arrange for responses from Superintendents:**

Alisal Union School District  
Bradley Union School District  
Carmel Unified School District  
Chualar Union School District  
Gonzales Unified School District  
Gonzales Union School District  
Gonzales Union High School District  
Graves School District  
Greenfield Union School District  
King City Joint Union High School District  
King City Union School District  
Lagunita School District  
Mission Union School District  
Monterey Peninsula Unified School District  
North Monterey County Unified School District  
Pacific Grove Unified School District  
Pacific Unified School District  
Salinas City School District  
Salinas Union High School District  
San Antonio Union School District  
San Ardo Union School District  
San Lucas Union School District  
Santa Rita Union School District  
Soledad Unified School District  
Spreckels Union School District  
Washington Union School District

Findings # 1 through 6

Recommendation # 1

**Mayors of the Cities in Monterey County to arrange responses from the Police Departments as follows:**

Carmel Police Department  
Del Rey Oaks Police Department  
Gonzales Police Department  
Greenfield Police Department  
King City Police Department

Marina Police Department  
Monterey Police Department  
Pacific Grove Police Department  
Salinas Police Department  
Sand City Police Department  
Seaside Police Department  
Soledad Police Department

Findings # 1 through 6

Recommendations # 2 and 3

**Monterey County Sheriff**

Findings # 1 through 6

Recommendations # 2 and 3

EXHIBIT "A"  
SCHOOL DISTRICT RESPONSES

	<i>SALINAS</i>	<i>CARMEL</i>	<i>GREENFIELD</i>	<i>N. MONTEREY COUNTY</i>	<i>PACIFIC GROVE</i>	<i>MONTEREY PENINSULA</i>	<i>ALISAL</i>	<i>SOLEDAD</i>
Zero Tolerance	x			x		x		
Uniform							x	
Verbal Judo	x	x			x			
No Gang Colors Symbols/Caps	x							
Dress Code			x			x		
Closed Campus	x		x	x	x	x	x	
Identify Gangs			x		x	x		x
Contract or Manual	x	x	x					
Gangs on Campus	x					x	x	
<b>POLICE</b>								
Guidelines When Calling PD	x		x	x	x	x	x	
PD Relations Good	x	x	x	x	x	x	x	x
PD Relations Poor								
SRO or PD on Campus	x			x	x	x	x	x
<b>CAMPUS ORGANIZATIONS</b>								
SHO	x							
CSSA			x			x	x	
DARE	x	x					x	
ADAPT	x							
Peace Builders	x						x	
2nd Chance	x		x		x		x	
Barrios Unidos			x					
GATE			x					
VIPC	x							
Sunrise House	x							
Youth Alternative to Violence					x			
District Attorney					x			
Probation					x	x		
Boy Scouts of America							x	
Explorer Scouts	x			x				
YMCA							x	x
Big Brothers							x	
CATS								x
GREAT		x						





## CERTIFICATES OF PARTICIPATION

### BACKGROUND:

Certificates of Participation (COPs) are debt instruments for financing capital projects by the local government. They were developed in response to the difficulties encountered by local government bodies in obtaining voter approval for the issuance of general obligation bonds. In California, these difficulties were sharply increased with the passage of Proposition 13 in 1978; Proposition 13 required voter approval by a two-thirds majority of those voting to authorize the local government bodies to issue general obligation bonds. This large majority has become increasingly difficult to obtain as public debt at the State, County and City level has continued to grow.

COPs do not require voter approval. In Monterey County the issuance of COPs can be authorized by a majority vote (3 of 5 voting) of the Board of Supervisors. The arrangement differs from a bond issue, in that a non-profit Corporation is given the legal right to the revenue developed by the new facility up to the level required to pay the interest and the amortized principal sum of the borrowing. This legal right to a share of the revenue is usually (but not always) expressed in the form of a lease with the Corporation, the lessor, and the government body, the lessee. The Corporation, in turn, sells shares in this revenue stream to individual or commercial investors. The government body sponsoring the new facility leases it back from the Corporation; the government body also guarantees the return of the principal and interest. In effect, the facility is paid for by its own revenue, but to make the deal possible, the government body must guarantee the required revenue to pay off the loan. Thus, if the costs of the project exceed original estimates or the planned revenue streams do not meet expectations, the taxpayers must ultimately make up the shortfall.

Naturally, the use of COPs was tested in the California courts and in an important 1942 lawsuit, *City of Los Angeles v. Offner*, the Supreme Court of California concluded that a lease is not a debt, and if it is not a debt it does not require voter approval.

Monterey County and several of the Cities continue to use COPs to finance their capital projects. The most recent use by the County has been the funding of the Natividad Medical Center Expansion. This project is running late and there is

considerable concern that the final costs will be significantly above original estimates and that revenues now foreseen may not meet the increased requirement for debt service plus amortization of a significantly larger capital cost.

The electorate, too, seems to be increasingly concerned about exercising its right to endorse or reject public projects at the ballot box. Proposition 218 received a significant majority at the last election and further constrains the raising of money by local government without specific voter approval. A local measure on the Monterey Peninsula was narrowly defeated in the spring of 1997; it would have required voter approval for any water project costing more than \$1 million. In the most recent elections held in Monterey County in the Spring of 1997, two important bond issues for schools failed to attain the required two-thirds majority.

In light of Monterey County's recent heavy investment in COPS as debt instruments for the Natividad Medical Center, and in the light of changing public attitudes toward voter approval of capital projects, the Grand Jury elected to take another look at the matter and to update the 1994 Grand Jury recommendation urging caution in the further use of COPS.

#### INQUIRY PROCESS:

The Grand Jury asked all Cities and the County Treasurer for information on all COPS still outstanding. Results are tabulated in Exhibit A. County personnel involved in project financing were interviewed. Several underwriters were interviewed to get their expert opinions. Information from other Counties was assembled.

#### ISSUES:

Are COPS a cost-effective way to finance capital projects?

Why can't the responsible local government bodies gain the approval of the voters before committing them to large expenditures?

Is it necessary and/or cost effective to insure against inability to meet the debt service and amortization payments from revenues generated by the investment facilities?

Are the consulting fees for legal and financial services reasonable?

#### FINDINGS:

1. Although it is difficult to compare costs of recently

negotiated COP financed projects with older more conventionally financed arrangements, the Grand Jury concluded that general obligation bonds are less costly than COPs. The best recent comparison is between two issues in 1994. General obligation bonds were issued by the Monterey Regional Water Pollution Control Agency in the amount of \$10 million at a total interest cost of 5.42%. In the same year Monterey County raised \$5.4 million with COPs at 6.15%. An older comparison, in the Roma reports on County needs for new facilities, a study completed in 1989, reported the costs of COPs were higher than general obligation bonds as follows:

**COMPARISON OF FINANCING COSTS  
FOR UPDATING MONTEREY COUNTY FACILITIES  
JUNE 1989 ESTIMATES  
(Millions of Dollars)**

<u>GO BONDS</u>		<u>COPS</u>	
Annual Payment	Total Cost	Annual Payment	Total Cost
3.7	111.0	4.4	131.10

2. The 1994 Grand Jury Final Report really aimed at the question of citizen support for new capital projects, and the Board of Supervisors agreed with it. The Grand Jury Recommendation read as follows:

"Notwithstanding the technical legality of the County's ability to use COPs as a financing device, the Grand Jury believes that the Board of Supervisors should provide more than the usual publicity in letting the public know of its intentions to bind the County for additional debt when it next considers their use."

The response of the Board of Supervisors to this recommendation was to express agreement that public disclosures concerning debt issues are important. They agreed to give such public disclosures high priority in the future.

However, in 1996, the Board authorized another borrowing of \$9 million, secured by COPs. All legally required notice of the plan for this additional borrowing was provided, and the required public hearings advertised and held. The Grand Jury cannot find any record of any extraordinary effort on the part of the Board of Supervisors to provide more than the usual amount of publicity for this action.

3. In 1993, after the first portion of funds for the hospital in the amount of \$5.4 million had been raised using COPs, the County introduced a new element into this type of financing. They sought and obtained Public Mortgage Insurance (PMI) to provide for payment of additional COPs needed for the Natividad Expansion should revenues fall short. Although the

Board was quoted in the 1994 Grand Jury Final Report as never intending to fall back on this insurance, they expended a further \$1.169 million for this protection. The Grand Jury thinks the Bond Counsel retained by the County required this further protection for the lenders in order to sell the COPs to investors. It should be noted that this insurance is primarily intended for protection for the lenders, not the taxpayers. In order for the insurance to become payable, the County must have failed financially.

4. It is not clear whether Monterey County has planned and managed the retention and use of legal and financial counsel for best overall economy. For example, the County retained two rating services in preparing to offer three issues of COPs; it would seem that a single rating service, properly selected, would suffice and have saved \$33,000. The City of Carmel paid substantial legal and financial counsel fees on their COPs, amounting to 7.3% of the amount raised on one issue, and 8.2% on another. Costs seem to vary widely, and not necessarily in proportion to the size of the lending. Bond Counsel costs paid in Monterey County for the Natividad Expansion COPs illustrate this diversity:

	<u>Face Value of COP</u>	<u>Bond Counsel Costs</u>	
		<u>Dollars</u>	<u>% of COP</u>
	\$ 5,400,000	\$ 36,290	0.67
	\$ 16,975,000	\$ 62,325	0.37
	\$ 28,375,000	\$ 86,387	0.30
	\$ 41,340,000	\$103,259	0.25
	\$ 9,000,000	\$ 45,714	0.51
	<hr/>	<hr/>	
TOTAL:	\$101,090,000	\$333,975	0.33

5. In connection with other inquiries, the Grand Jury has learned that the Capital Projects Planning Division of the County Administration Department is expert in the preparation of Requests for Information (RFIs) and Requests for Proposals (RFPs) for technical and consulting services. Their services would be useful in the planning and recruitment of expert counsel for future borrowings, whether secured by COPs or by general obligation bonds.

**RECOMMENDATIONS:**

The 1997 Monterey County Civil Grand Jury recommends that:

1. Monterey County stop issuing Certificates of Participation without voter approval.
2. The Board of Supervisors of Monterey County develop a

program to market its capital projects to the registered voters for their approval. With voter approval, either general obligation bonds or COPs can be used as is most economical.

3. The Board of Supervisors plan for and solicit expert counsel for the financial and legal advice required for borrowing for capital projects, using the Capital Projects Planning Division of the Administration Department.

4. The Board of Supervisors launch a program to educate the public on methods available to raise funds for public works projects. This program should deal with costs, legal requirements, precedents and other information to assist voters to understand the options available and to know that the best of these options are being offered by the local government.

**RESPONSES REQUIRED:**

**Monterey County Board of Supervisors**

Findings # 1 through 5

Recommendations # 1 through 4

EXHIBIT A

OUTSTANDING CERTIFICATES OF PARTICIPATION (COPs)  
as of June 1997

<u>Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Ins.</u>	<u>Term</u>	<u>T.I.C.*</u>	<u>Rating</u>	<u>Underwriter Cost</u>
Carmel	11/90	\$ 850,000	No	10 yrs.	7.53%	A	\$ 62,000+/-
	12/88	950,000	No	10 yrs.	7.21	a+	
King City	7/89	5,000,000	No	15 yrs.	7.5	N/A	
Sand City	4/95	1,630,000	No	10 yrs.	8.74	N/A	\$ 43,000
Soledad	793	2,465,000	No	41 yrs.	4.5	N/A	Not supplied
Marina**	8/88	5,000,000	No	23 yrs.	6.75 and 7.125		\$100,000
Monterey County	10/87	3,925,000	No	12 yrs.	5.75 to 8.3	N/A	\$ 16,370
	6/93	5,400,000	No	34 yrs.	5.9 to 6.1	N/A	\$ 78,290
	9/93	16,975,000	Yes	24 yrs.	2.5 to 5.25		\$ 62,325
	3/94	28,375,000	Yes	23 yrs.	6.15	AAA	\$131,387
	10/94	41,340,000	Yes	35 yrs.	6.60	AAA	\$163,259
	11/96	9,000,000	Yes	35 yrs.	5.71	AAA	\$ 95,714

\* True interest Cost

\*\* Retired in 1990

**REVIEW OF CERTIFIED AUDITS  
FISCAL YEARS 1993, 1994, 1995 AND 1996**

**BACKGROUND:**

Monterey County is required, by law, to retain a Certified Public Accounting Firm to perform a yearly financial audit and render an opinion on the financial statements of the County as of the fiscal year end. During the audit it is normal that internal control, administrative and operational problems are found and are included in the audit report to management in a manner that generally reflects the gravity of the problem. Included in the audit report are recommendations for resolving these issues.

The Grand Jury reviewed the audit reports prepared by the CPA Firm for the Fiscal Years 1993, 1994, 1995 and 1996 discovering that (1) in each of the four years a **qualified** opinion was rendered and (2) a number of internal control, administrative and operating problems have been carried over from year to year and are still not resolved.

**INQUIRY PROCESS:**

Copies of the Monterey County financial statements were reviewed for Fiscal Years ending June 30: 1993, 1994, 1995 and 1996. In addition, representatives of Deloitte & Touche, the former audit firm, and Brown, Armstrong, Randall & Reyes, the current audit firm, were interviewed. The Grand Jury also interviewed employees of the County's Auditor-Controller's Office, Treasurer's Office, and Administrative Office.

**ISSUES:**

1. Why have items appearing as "qualified" not been corrected by the County?
2. Why have the questionable internal procedures not been addressed by the Auditor-Controller?

**DISCUSSION:**

1. **Qualified opinion:**

It is unusual for a government or commercial entity to have a qualified opinion rendered by its audit firm. A qualified opinion means the auditor cannot state without exception that the financial statements present fairly in all material respects the financial position of the entity. The qualification often has a negative effect on an organization's credit rating and impacts the cost of borrowing operating capital. If the organization happens to be a publicly listed company, there would also be a significant negative impact on the value of the company's stock.

Both auditors (past and present) have qualified their opinion because the financial statements do not include the "general fixed assets account group," which is required to conform with generally accepted accounting principles. The "general fixed assets account group" represents property and equipment that is owned by the County and has significant value - usually a minimum of \$3,000 per item - and a useful life of more than one year.

The reason the County does not include this account group in the financial statements is that they have not maintained detailed records of the cost and description of fixed assets owned by the County. It is the Grand Jury's understanding that it is highly unusual for any county not to maintain these records.

## **2. Internal control, administrative and operating problems.**

During our review we noted the auditors categorize these problems as (1) **reportable conditions** which involve matters relating to significant deficiencies in the design and operation of the internal control structure and (2) **other matters** arising from internal control deficiencies.

### **a. Reportable conditions.**

The matters represented by this category are directly related to the administration of the County's federal financial assistance programs and the Natividad Medical Center (NMC).

The federal financial assistance programs that were mentioned in the FY 1996 audit report as having reportable conditions were also mentioned in FY 1995, FY 1994 and FY 1993 as having the same or other problems. The federal assistance programs affected are the Job Training Partnership Act (JTPA), Family/Child Support programs and Foster Care and Food Stamps. These are major programs, and according to the FY 1996 audit report, "Reportable conditions involve matters coming to our attention ... that, in our judgment, could adversely affect the County of Monterey's ability to administer federal financial assistance programs in accordance with applicable laws and regulations." The FY 1996 audit report also mentioned that there is a risk that the JTPA program may not have complied with the General Requirements applicable to federal financial assistance



programs.

NMC has had a significant turnover in finance personnel at all levels in the past year. The current staff has improved finance department operations based on the reduced number of reportable conditions in FY 1996 when compared to the prior three fiscal years. The deficiencies reported in FY 1996 have to do with matters related to documenting and reconciling NMC accounts to the County Auditor-Controller records and accounts.

**b. Other Matters.**

(1) The Auditor-Controller's Office does not have a policies and procedures manual. This was not reported in audits reviewed prior to FY 1996, but obviously a manual did not exist in those years.

(2) The payroll register does not agree with the County's on-line accounting system. This deficiency was reported in each of the four years reviewed.

There were other internal control deficiencies reported in FY 1996 for the first time. These are being addressed by the appropriate County Administrative Offices.

**FINDINGS:**

1. There is inadequate care by the management of the County to put procedures in place that require formal detailed records of the County's fixed assets that interface with the County's on-line accounting system. This deficiency would also indicate a serious internal control problem related to the County's assets. Nor is management concerned that the County of Monterey is one of the few, if not the only County, whose financial statements carry a qualified opinion every year.

2. Our review of Letter Reports prepared by past and current auditors found a number of deficiencies in the County's financial assistance programs and the Natividad Medical Center. Although the same problems did not always appear in each of the four years reviewed, these two areas were mentioned prominently in each of the four years.

3. Other notable deficiencies that have received little attention are (1) the lack of a policy and procedure manual in the Auditor-Controller's Office and (2) the payroll register-accounting system interface problem.

**RECOMMENDATIONS:**

The 1997 Monterey County Civil Grand Jury recommends that:

1. The Board of Supervisors require the appropriate administrative departments to prepare a plan that will outline, describe and schedule the actions required to complete a General Fixed Asset Account Group that will satisfy the County's external auditors. A General Fixed Asset Account Group should be in place prior to the fiscal year ending June 30, 1998.

2. The Board of Supervisors require the appropriate administrative departments to prepare a plan that will outline, describe and schedule the actions required to resolve the internal control, systems and procedure deficiencies that have placed financial assistance programs at risk.

3. The Board of Supervisors require the Chief Financial Officer at the Natividad Medical Center to submit a written plan and schedule to resolve the issues included in the FY 1996 audit report as reportable conditions.

**RESPONSES REQUIRED:**

**Monterey County Board of Supervisors**

Findings # 1 through 3

Recommendations # 1, 2, and 3

**Board of Trustees of the Natividad Medical Center arrange for responses from:**

Chief Financial Officer, Natividad Medical Center

Finding # 2

Recommendation # 3

**Monterey County Auditor-Controller**

Findings # 1 through 3

Recommendations # 1, 2, and 3

## INVESTMENT OF PUBLIC FUNDS

### BACKGROUND:

Substantial monies are held by the local governments - County, Cities, Agencies and Districts - both for day-to-day use and for longer term needs. The question arises whether these funds are invested for maximum return, considering all factors, such as prudent investment, needs for ready cash and statutory constraints on management of public funds.

### INQUIRY PROCESS:

The Grand Jury reviewed the practices of the County Treasurer/Tax Collector's Office, and they were found to be proper, with funds invested prudently and at reasonable rates of return, considering the legal constraints. In order to gain a broader understanding of the management of public funds, the twelve incorporated Cities in Monterey County were queried as to their practices and the status of their investments as of January 31, 1997. The survey asked for the location of available funds, the amounts in each account and the interest rate being earned by deposited funds.

### ISSUE:

Are the funds in the hands of the twelve Cities in Monterey County prudently invested while earning the maximum return consistent with reasonable liquidity and the statutory constraints on the handling of public funds?

### FINDINGS:

1. There has not been a Grand Jury report on cash management or investment practices by the Cities in the decade of the 90's.
2. The County practices were found to be proper, with funds invested prudently and at reasonable rates of return considering the legal constraints.
3. The institutions and arrangements under which City funds are invested seem to be conservative.

4. 96.5% of the funds in the hands of the Cities are invested at 5.00% to 6.63%, the median rate being 5.58%.

5. 2.4% of the funds invested at interest by the Cities is earning under 4.5%. If the return on these funds could be increased to 4.5%, the Cities would receive an additional \$54,400 in interest income per year.

6. Interest rates being earned by the various Cities vary widely, particularly for checking accounts. Those Cities which are not earning a return on checking accounts may be able to improve the returns on this money by renegotiating arrangements or changing banks. Arrangements by the Cities of Gonzales and Pacific Grove were the most attractive. See Exhibit A, Table 1.

7. As of the end of January 1997, there was a total of \$2,335,886 in the hands of the twelve Cities which was deposited in commercial institutions and was not receiving any interest earnings. While this is only about 1.1% of the funds in the hands of the Cities, if it could be on deposit at a mere 2.00% it would earn an additional \$46,700 per year. See Exhibit A, Table 2.

8. Since this inquiry dealt with the County and the incorporated Cities only, it seems reasonable to suppose that a critical study of the investment practices of the remaining 126 Districts (including the School Districts) and Agencies which make up local government in Monterey County would produce additional possibilities for improved returns on funds entrusted to these bodies.

#### RECOMMENDATIONS:

The 1997 Monterey County Civil Grand Jury recommends that:

1. Each of the Cities having funds which are not earning any interest invest their funds in interest earning accounts.

2. Those Cities having funds invested at 1.01% to 4.03% interest review these arrangements and if possible, improve the rates of interest.

3. The County Treasurer make a written offer of assistance to each of the 126 Districts and Agencies which, together with the County and the twelve Cities, make up the local government of Monterey County. This offer might include a copy of this report, or some further expansion of its points together with a brief description of the types of assistance the Treasurer's office might offer in making sure funds are invested to best economic effect.

4. The Boards of Directors or Commissioners of the Districts and Agencies of Monterey County inquire into the cash

management practices of the group under its supervision, and urge the use of the County Treasurer's advice should this be needed.

**RESPONSES:**

**Monterey County Treasurer**

Findings # 2 and 8

Recommendation # 3

**Mayors of all 12 Monterey County Cities:**

Carmel  
Del Rey Oaks  
Gonzales  
Greenfield  
King City  
Marina  
Monterey  
Pacific Grove  
Salinas  
Sand City  
Seaside  
Soledad

Findings # 3 through 7

Recommendations # 1 and 2

Responses are not required from the Agencies and Districts, but they are urged to consult the Monterey County Treasurer for advice on investments for funds in hand.

**EXHIBIT A**  
As of January 31, 1997

**Table 1**  
Interest Rates on Investment Accounts (Percent)

City	CD	Checking	Savings	Local Agency Investment Acct.	Monterey County	Other
Carmel		6.05		5.55		
Del Rey Oaks		1.01		5.57		
Gonzales	5.65	4.03/5	2.0	5.58		
Greenfield			2.0	5.58	5.50	
King City	5.4-5.6		3.0	5.58	5.75	
Marina				5.60		
Monterey				5.50	6.10	
Pacific Grove		5.07				
Salinas	5.36	0.01**		5.58	*	
Sand City						No response
Seaside				5.58	***	
Soledad				5.58		5.0

- \* \$ 639,524 @ 4.84% - on demand + \$947,723  
\$635,554 in Treasury Bonds
- \*\* \$ 118,235 @ 2.02% - Bank of Salinas Redip Reserve
- \*\*\* \$2,198,280 @ 2.25% - Transamerica

**Table 2**  
Funds NOT in Interest-Bearing Accounts

Carmel	\$ 66,000	Wells Fargo Bank
Del Rey Oaks	26,915	1st National Bank
King City	61,432	Bank of Salinas
Marina	11,369	
Monterey	207,529	
	124,687	Scholze Investment - Cash Portion
	82,841	Wells Fargo
Pacific Grove	20,000	Union Bank
Salinas	377,670	Bank of Salinas
	130,740	Condemnation Deposits
Seaside	93,009	Bank of America
Seaside Redevelopment	165,626	Bank of America
	150,851	First Trust National Association
Soledad	783,220	Bank of America
<b>Total</b>	<b>\$2,235,886</b>	

## PURCHASING

### BACKGROUND:

Outside purchasing is a multi-million dollar exercise for Monterey County - Cities, School Districts, Natividad Medical Center (NMC), Special Districts and the Sheriff's Department, etc. The Grand Jury wanted to find out whether the "best price" and/or "best value" was being obtained by the users.

### INQUIRY PROCESS:

A survey was sent to 26 School Districts and to 12 Cities. A response was received from 19 School Districts and 8 Cities.

Not all responses were complete since some accounting systems could not furnish data in the format requested.

### ISSUE:

Is purchasing being done in a timely and cost-effective manner?

### FINDINGS:

1. None of the respondents are using the services of the Monterey County Central Purchasing Department (MCCPD).

2. Authorization limits and procedures appeared to be adequate. Since this was not studied in depth, reliance was based on comments made on the survey.

3. Approximate totals of purchasing done by the respondents are:

	<u>Supplies</u>	<u>Equipment</u>	<u>Professional Services</u>
School Districts	\$12,481,000	\$5,649,000	\$9,184,000
Cities	\$17,942,000	\$6,048,000	\$3,983,000

The total of Supplies and Equipment is \$42,120,000. If there were consolidation and use of a "professional" purchasing

department vs. small individual efforts, substantial savings could accrue to the participants.

Even savings of 1%, on average, would generate a figure more than sufficient to fund two additional positions which MCCPD estimates would be necessary to handle the additional workload.

One example reviewed by the Grand Jury indicated a 3% savings was achieved when MCCPD became involved after the efforts of a local department proved inadequate.

4. Our survey also revealed a pattern (by some respondents) of spending in the last month or two of the fiscal year that suggests a "use it or lose it" philosophy. This can lead to poor value and poor judgment in what is ordered and possible conflicts since a normal bidding process is sometimes ignored in the haste to spend funds.

Seven School Districts and two Cities supplied month-by-month data which contained "the appearance" of last minute frenzy spending.

Major Spending in June (May in two cases)  
(June is last month of fiscal year.)

Percentage to annual total spent by category was:

Supplies - 16 to 27% in 6 respondents;  
Equipment - 13 to 43% in 7 respondents; and  
Professional Services - 17 to 62% in 8 respondents.

Two flagrant examples noted were:

a. Salinas City Elementary School District - spent \$463,948 (27% of total) on supplies in June 96 and \$781 in July. They spent \$144,851 (21%) on equipment in June vs. \$4,866 in July.

b. The City of Seaside spent \$88,065 (28%) on supplies in June 96 vs. \$71 in July. They also spent \$264,656 (25%) for Professional Services in June 96 vs. \$1,993 in July.

RECOMMENDATIONS:

The 1997 Monterey County Civil Grand Jury recommends that:

1. There be an examination of "last minute" spending and, if necessary, establishment of procedures to change this practice.

2. School Districts, Cities, and other local government agencies within Monterey County consult with the MCCPD to achieve



savings available by central fund purchasing to taxpayers.

**RESPONSES REQUIRED:**

**Board of Supervisors**

Findings # 1 and 4

Recommendations # 1 and 2

**Mayors of Monterey County Cities:**

Carmel  
Del Rey Oaks  
Gonzales  
Greenfield  
King City  
Marina  
Monterey  
Pacific Grove  
Salinas  
Sand City  
Seaside  
Soledad

Findings # 1, 3, and 4

Recommendations # 1 and 2

**Board of Trustees of all School Districts within Monterey County:**

Alisal Union School District  
Bradley Union School District  
Carmel Unified School District  
Chualar Union School District  
Gonzales Unified School District  
Gonzales Union School District  
Gonzales Union High School District  
Graves School District  
Greenfield Union School District  
King City Joint Union High School District  
King City Union School District  
Lagunita School District  
Mission Union School District  
Monterey Peninsula Unified School District  
North Monterey County Unified School District  
Pacific Grove Unified School District  
Pacific Unified School District  
Salinas City School District  
Salinas Union High School District  
San Antonio Union School District

San Ardo Union School District  
San Lucas Union School District  
Santa Rita Union School District  
Soledad Unified School District  
Spreckels Union School District  
Washington Union School District

Findings # 1, 3, and 4

Recommendations # 1 and 2

Responses are not required from the Agencies and other Districts, but they are urged to consult the Monterey County Purchasing Department for advice on possible benefits from centralized purchasing.

## ROOF OF THE MONTEREY SPORTS CENTER

### BACKGROUND:

In 1991 the City of Monterey completed the construction of a new Sports Center. The Center opened for use by the citizens on July 1, 1991. The roof began to leak in the fall of 1992. Problems with the roof continued until, in 1997, the City solicited bids to replace the original roof. These bids indicated the contract cost would be about \$44,000 and total cost about \$50,000 to replace the original roof. Responding to a report in the press, the Grand Jury began an inquiry into this matter.

### ISSUE:

Were proper warranties negotiated and enforced in the design and construction of the Monterey Sports Center?

### INQUIRY PROCESS:

The Grand Jury asked for a meeting with City officials working on the Sports Center roof problem. This took about two weeks to arrange, and in these two weeks certain meetings and correspondence developed which, by the time the meeting with the Grand Jury occurred, gave considerable direction toward the equitable solution of the roof problem. In the meeting between the Grand Jury Audit and Finance Committee and Monterey City officials, there was a complete review of the history of the Sports Center roof problem. A principal element in the review was a chronological summary of the recurring problems with the roof, which was prepared by the Sports Center maintenance craftworker as shown in Exhibit A. This summary showed that the roof leaks were frequent over a period of five years; that both the roofing subcontractor and the main building contractor for the Sports Center had been advised of the problem on many occasions, and that no satisfactory solution had been forthcoming.

In addition to the chronological account of roof problems, the Grand Jury team saw the original roof warranty, the Sports Center building contract and proposals by various roofers and roofing experts suggesting new roofing designs for the building.

**FINDINGS:**

1. Contractual warranties on the Sports Center roof gave assurance of good performance for only a two-year period.

2. Defects in the roof appeared well within the two-year warranty period and were never properly addressed. Leaks in the roof also caused damage to the interior of the Sports Center.

3. Conventional warranties for properly designed roofs are frequently much longer than two years. Twenty-year warranties are not uncommon in the roofing business.

4. A properly designed roof for commercial buildings frequently has special walking surfaces installed to permit safe access to vents, antennas, chimneys, skylights and other appurtenances requiring maintenance and cleaning. The Sports Center roof design did not provide adequately for maintenance access.

5. The Sports Center maintenance craftworker did not get adequate support from the Project Management team or from the building contractor or his roofing subcontractor in dealing with the continuing deficiencies of the new Sports Center roof.

6. With attention focused on the problem, the contractor and subcontractor proposed solutions to extend the life of the existing roof, and these plans have been implemented.

**RECOMMENDATIONS:**

The 1997 Monterey County Civil Grand Jury recommends that:

1. The Public Works Department of the City of Monterey follow up on the solutions proposed by the building contractor and roofing subcontractor to be sure that all steps needed are taken to extend the life of the Sports Center roof.

2. The Public Works Department of the City of Monterey revise its practices and procedures for contracting and project management to be sure that warranties being offered for materials, workmanship and equipment are negotiated during the purchasing or contracting for facilities to be fully equal to or better than the usual commercial warranties available.

3. The Public Works Department of the City of Monterey revise its project management procedures to make it clear that one important aspect of a project manager's performance is to follow up on vendors and contractors to make sure their warranty obligations are fulfilled.

4. The Board of Supervisors, presently working on rules for better definition, planning and supervision of County capital

projects, should include the definition of the duty of project management to obtain the best warranties commercially available. The project management should also follow up after the new facilities are in operation to be sure warranty obligations are fulfilled.

**RESPONSES REQUIRED:**

**Mayor of the City of Monterey to request responses from:**

City of Monterey Public Works Department

Findings # 1 through 6

Recommendations # 1, 2, and 3

**Monterey County Board of Supervisors**

Recommendation # 4

EXHIBIT A

(PWD-Public Works Department)

TO: Public Works Director  
Construction Manager

FROM: Building Maintenance Craftsworker

DATE: February 20, 1997

RE: History of Sports Center Gym Roof: 1992 - Present

Listed below is the entire chronology of maintenance work on the Sports Center Gym Roof:

8/13/92 Check roof - 4 pieces tile broken; Replaced

9/22/92 Meeting - Warranties problem (roof) with Public Works Department (PWD)

10/16/92 Front desk roof leak - Called contractor window leak too! - Fixed

10/29/92 Swim pool roof leak - Called PWD and roofer

10/30/92 Called City Inspector, about roof leak in gym and pool area

10/30/92 Inspector called me, the roofer will come

12/03/92 Called inspector, as I did a month ago; this was second call

12/07/92 Inspector was here, inquiring whether anybody showed up from roofer - Nobody had.

12/07/92 I checked out gym roof leaks

12/08/92 Inspector told me roofers working at the Aquarium would be coming about 3:45 p.m.

4:15 p.m.: Two workers from roofer were here checking the leaks

12/09/92 Roofer was here repairing the gym roof

01/04/93 Monday, 8:00 a.m. - Roof leak again! Called Inspector and PWD

01/07/93 Called Contractor. Foreman also called Inspector about lobby and gym leak

01/08/93 Roof Contractor pulled up bridge wood stand on gym roof and found door insulation problem. Called again.

01/11/93 Called me, letting me know the roofers would come the next day

01/12/93 Roofer workers found new "cut" under the walk-way on gym roof

01/15/93 Cleaned gym roof gutters

02/26/93 Pool roof leak!

04/01/93 Gym roof leak! PWD called by Sports Center Manager

04/07/93 Warranties problem paperwork was faxed to PWD

04/13/93 Contractor was here about leak problems

05/26/93 Insulated roof access door

06/16/93 Gym roof moisture lead - West corner

07/22/93 Gym roof leak! (Drainer left side)

12/13/93 Cleaned up roof gutters and repaired tile

12/14/93 Gym roof leaks!

01/25/94 Gym roof drain unplugged

02/18/94 Gym roof leaks again, left message for PWD

03/31/94 I repaired gym roof

06/28/94 Gym roof leak - West corner

12/08/94 Checked roof on gym - found a few leaks

01/18/95 I did some roof patch-up work

03/10/95 Gym roof had two leaks, pool roof one leak, and the Aerobic Room had three leaks. I called PWD

11/10/95 Gym roof inspection with local contractor (name ?)

11/14/95 Gym roof inspection with another roofing contractor

12/14/95 Tried to find new leaks on gym roof

01/18/96 Found one new crack on gym roof, fixed immediately

01/24/96 Found another new crack on gym roof and fixed same day

01/29/96 Found another new crack

02/20/96 "John" from contractor was here to check on duct leak, tot room leak and gym roof leak

11/18/96 Cleaned up gym roof gutters

11/19/96 Patched a leak on the gym roof

11/21/96 Put buckets and tarp on gym roof over leaking area

12/10/96 Gym roof and pool roof have NEW leaks.  
Roofer came to check roof leaks

12/11/96 More NEW leaks on gym roof

12/20/96 Bidder called for consultation about leak(s) problem

01/03/97 Called Bidder in Los Gatos for consultation

01/08/97 Called Bidder for consultation

01/13/97 Roofer representatives and myself found 15 new cracks/leaks on gym roof

01/15/97 Fax received from Bidder

01/16/97 Completed bids for gym roof repairing job

01/22/97 Sent Bidder offer to PWD



## PUBLIC CEMETERIES IN MONTEREY COUNTY

### BACKGROUND:

Monterey County owns and operates nine public cemeteries. The requirement for these is found in Sections 8890 - 9225 of the Health and Safety Code. Noting a budget commitment of \$413,336 for the maintenance of these cemeteries in fiscal year 1995-1996, the Grand Jury authorized an inquiry into the condition of these facilities.

### ISSUE:

1. Is the operation of these cemeteries necessary to the public being served?
2. Is the operation of the cemeteries efficient and cost effective?
3. Could their operations be improved or consolidated?

### INQUIRY:

A general survey was sent to all nine cemetery districts in Monterey County. Some follow-up correspondence was needed. Most of the districts responded adequately.

A telephone survey of privately operated cemeteries was made to determine the relative costs of private versus County-operated cemetery services.

The Grand Jury visited eight of the sites, omitting only the Cholame site at Parkfield which averages only two interments per year.

### FINDINGS:

1. The physical condition of all but one of the cemeteries was acceptable and well presented. The cemetery at Gonzales had beautiful and well cared for roses. The Soledad Cemetery was unacceptable in appearance, weedy, poorly mowed and gave a depressing feeling. Most equipment seemed in reasonable condition although there was a leaking well pump at the Pajaro site.

2. In general the cemetery sites are poorly marked, and some are quite hard to find. Signs identifying the cemetery locations at Greenfield and Castroville were satisfactory, but none of the others were well marked. The San Ardo location is in a very out-of-the-way place served by unmarked dirt roads. Even the office staff at the Pajaro location could not give proper directions for finding the Pajaro Valley Cemetery.

3. The terms of office of the Boards of Directors have not been well planned. Only two of the districts had plans for terms of the Directors which left the Board with experienced Directors at all times. The other seven could lose the entire Board over a one-year or two-year time span.

4. One of the offices, marked to be open from 9:00 a.m. to 1:00 p.m., was not staffed at 10:30 a.m. on the April week-day when the Grand Jury visited.

5. A statistical summary of the Monterey County Public Cemetery operation:

<u>District</u>	<u>Average Yearly Interments</u>	<u>Staffing</u>	<u>Plot</u>	<u>Fees</u>	
				<u>Endowment</u>	<u>Open or Close</u>
Castroville	35/40	2	\$550	\$125	\$407
Cholame Valley	2	?	---	No Response	---
Gonzales	22	1	400	100	275
Greenfield	30	1 1/2	300	100	200
King City	66	1	200	100	200
Pajaro Valley	200	4	200	90	140
San Ardo	6	*	200	100	200
San Lucas	No Response	**	75	0	0
Soledad	35	1	400	90	250

\* Part time

\*\* Part time, contracted

6. Based on data supplied by telephone from four private cemeteries, their costs run as follows:

<u>Plot</u>	<u>Endowment Care</u>	<u>Open or Close</u>
\$900 to \$2100	Included to \$300	\$380 to \$530

Santa Cruz County's cemetery charges an all-inclusive fee of \$620, with liner.

7. Operating costs of the Monterey County cemeteries exceed revenues and must be met in large measure from a subsidy from the taxpayers. As might be expected from the wide range of fees used in the Monterey County public cemeteries, some require considerable subsidy, while others require much less. Seven of the cemeteries provided the required data to permit the Grand Jury to

calculate the subsidy for these seven which was \$413,336 for the calendar year 1996. Without the subsidy the cemeteries would have lost \$307,317, i.e., revenues fall this far short of expenses.

8. While the sample of information on costs in private cemeteries taken by the Grand Jury is much too small to permit sweeping conclusions, one can say that if fees were raised to the low end of the private rates, the income would be dramatically increased. Revenues for seven of the nine public cemeteries in 1996 totaled \$724,967 including the subsidy or \$311,631 in fees (does not include endowment fees.) If plot ownership were raised to the lower end of the range quoted by the private cemeteries (\$900.00) and open/close fees to \$380.00 on the same basis, the increased revenue would be about \$861,568 per year, 2.08 times the subsidy provided by taxpayers in 1996.

Note:  $\$724,967 - \$413,336 = \$311,631 = \text{fee income};$   
 $\$311,631 \times \frac{1280}{340} = \$1,173,199$   
 $\$1,173,199 - \$311,631 = \$861,558 \text{ or } 2.08 \text{ times}$   
the taxpayers' subsidy.

9. From the above analysis it can be seen that fees in the public cemeteries need only be raised to about two-thirds of the low-end cost of private cemetery services to eliminate the need for taxpayer subsidies altogether.

#### RECOMMENDATIONS:

The 1997 Monterey County Civil Grand Jury recommends that:

1. The Monterey County Board of Supervisors require an analysis of the management of the public cemeteries to answer the many questions arising from the above findings, including possible consolidation of some of the little used facilities.

2. The Monterey County Board of Supervisors increase cemetery fees for plot, endowment and opening/closing of graves to be somewhat below the rates required in private cemeteries in the immediate vicinity, and to make sure fees are adjusted semi-annually to follow the low end of competitive costs. The purpose of the increase is to eliminate the subsidy.

3. The Monterey County Board of Supervisors arrange for a review of management practices at the County cemeteries so that grounds are neatly kept, signs are placed to assist visitors in locating the cemeteries, and that offices are kept open during agreed regular business hours. This review should also provide modification in the rules for interment which would permit two burials per grave.

4. The Monterey County Board of Supervisors review the arrangements for overlapping terms for Cemetery District Directors, so there will always be a majority of Directors who

have had at least one year of service on the Board.

5. The Monterey County Board of Supervisors establish liaison with the cities and settlements served by these County facilities to see if some volunteer assistance by service clubs, youth groups, church groups or other civic-minded groups in the community might undertake some of the services needed by these cemeteries.

**RESPONSES REQUIRED:**

**Monterey County Board of Supervisors**

Findings # 1 through 9

Recommendations # 1 through 5

**Chairman of the Board of Directors of each of the nine  
Public Cemeteries:**

Castroville Cemetery District  
Cholame Valley Cemetery District  
Gonzales Cemetery District  
Greenfield Cemetery District  
King City Cemetery District  
Pajaro Valley Cemetery District  
San Ardo Cemetery District  
San Lucas Cemetery District  
Soledad Cemetery District

Findings # 1 through 9

Recommendations # 1 through 5

## ELECTRIC POWER

### BACKGROUND:

The Public Utilities Commission (PUC) of California has advanced the timetable on the competitive bidding process for electrical users. This could result in substantial savings to homeowners, business, industry and government.

An article from the May 19th issue of Forbes Magazine states English Commercial/Industrial users of gas and electric have enjoyed average savings of 14-22% in their energy cost since Great Britain deregulated the industry in 1989.

### FINDINGS:

1. Monterey County does not buy its power on a single contract. Each separate County facility has its own meter and is separately billed.

2. The Grand Jury estimates there are 40,000 separate power users in Monterey County. Pacific Gas and Electric advises its net revenue in Monterey County is \$227 million per year or about \$688 per person resident in the County.

3. The City of Palm Springs has entered into a tentative arrangement with Portland General Corporation for power supply to local government, industrial, commercial and residential customers in the City. The utility has guaranteed the City a lower rate than now being charged by Southern California Edison.

4. Natividad Medical Center is negotiating for a reduction in natural gas prices, but there is no coordinated effort in Monterey County to assess the opportunity provided by the new competitive environment for power supply.

### RECOMMENDATION:

The 1997 Monterey County Civil Grand Jury recommends that:

1. The Board of Supervisors immediately set up a Task Force - possibly headed by the Association of Monterey Bay Area Governments - to form a Buyers' Consortium comprised of all Cities and the County representing unincorporated areas to present a single negotiating entity for the purchase of

electrical power.

**RESPONSE REQUIRED:**

Monterey County Board of Supervisors

Findings # 1 through 4

Recommendation # 1

FORT ORD REUSE AUTHORITY (FORA)  
ROADS AND BRIDGES

BACKGROUND:

The Grand Jury inquiry into the approved Fort Ord Reuse Authority (FORA) Plan indicated that there are many economic impacts which seriously affect Monterey County and the cities neighboring Fort Ord. The total long-term impact of the FORA Plan on the County is at this time unknown.

However, the impact of the Plan considering the infrastructure alone -- roads, water, sewers, police and fire protection, etc., is enormous. Because of the complexity of the issues, the Grand Jury decided to study only one aspect of the infrastructure: the construction and maintenance of the roads and bridges that the Fort Ord development will necessitate between now and the ultimate buildout date of the year 2015.

ISSUE:

1. Who will take responsibility for the construction and maintenance of the various local streets, interconnecting roads and regional highways and bridges within the area impacted by the planned development of Fort Ord?
2. How will this construction and maintenance be paid for?

INQUIRY PROCESS:

The 1997 Monterey County Civil Grand Jury interviewed representatives from the Cities of Marina, Seaside, Del Rey Oaks, and Monterey, and representatives of the California State University Monterey Bay (CSUMB), Fort Ord Reuse Authority (FORA), the Transportation Authority of Monterey County (TAMC) and of the Association of Monterey Bay Area Governments (AMBAG). Also, a complete review of all FORA Board minutes was made. This included minutes from FORA's inception. The Grand Jury reviewed SB899 and SB1600, and the 1996 FORA plan and all changes to the 1997 Reuse Plan.

## DISCUSSION:

There are three types of transportation projects that we are concerned with:

1. "Local Streets" that are contained within a particular jurisdictional area of Fort Ord. For example, the streets within CSUMB's area.

2. "Interconnecting Roads" which are contained in Fort Ord but run through one or more jurisdictional areas. For example, North-South road that runs the length of Fort Ord.

3. "Regional Highways" that run to and from Fort Ord from other parts of the Peninsula and are affected by the amount of development planned for Fort Ord. For example, Highway 1 at Seaside/Sand City, Highway 68 - Bypass Freeway, Reservation Road, etc.

There are two kinds of governmental entities that are involved in the allocation of costs:

1. FORA jurisdictions that own property within Fort Ord. Included here are the cities of Marina, Monterey, Seaside, and Del Rey Oaks, the County of Monterey, and various public benefit grantees: CSUMB, Monterey Peninsula College, the Homeless Coalition, etc. (See Exhibit A).

2. FORA jurisdictions that do not own property within the boundaries of Fort Ord but have been voting members of FORA and are affected by FORA decisions. These are the cities of Carmel, Pacific Grove, Salinas and Sand City.

## FINDINGS:

1. TAMC estimates the total costs for all surface transportation improvements that have any "nexus" with the planned development of Fort Ord and that will have to be made from now to the year 2015 is \$856,551,064\* (See Exhibit B).

2. Only \$208,780,000\* of the total costs will come from dedicated or "expected" funding. That leaves \$647,771,064\* of necessary costs that are "unfunded" having, at this time, no known way to cover them.

3. Of the \$647,771,064\* unfunded costs \$368,529,179\* are attributable to the development that will go on in the next 18 years at Fort Ord and the surrounding impacted areas. All FORA jurisdictions (those who own property within Fort Ord and those which do not) agree to the estimates contained in Exhibit B.

\*Estimates in 1993 dollars



4. It was estimated that 90% of the existing Fort Ord local streets and interconnecting roads are not up to County standards.

5. The Army will not upgrade or improve streets or roads prior to conveyance.

6. The cities of Marina, Seaside, Del Rey Oaks, and the County of Monterey have no additional funds to assume the maintenance of local streets being conveyed to their jurisdiction. Conveyances of local streets contain covenants requiring that streets be brought up to County standards.

7. Some regional projects, though they are expenses the County must assume, are not even being totaled as expenses against the Fort Ord development. For example: the Prunedale Bypass, Highway 156 widening, and the Hatton Canyon project.

8. There are no projects currently scheduled by developers which would pay for local streets and interconnecting roads, much less for regional highways.

9. When FORA is disbanded the most vital mechanism for cooperation among the jurisdictions will be gone; therefore, time is of the essence for this enormous problem.

10. Some County managers and political leaders have suggested to the Grand Jury that modest increases in the sales tax and/or regular contributions from the County's general funds might be used to make up this shortfall. A study of Exhibit B plus some simple figures concerning the County's economy make it clear that such ideas are not feasible. Exhibit B tells us that the impact on regional highway projects of the reuse of Fort Ord will cost about \$540 million dollars.

Turning first to the sales tax proposal, the County's recent taxable sales have been \$2,911 million in 1993; \$2,981 million in 1994. In the first half of 1995, the sales increased about 4% over the similar period in 1994 - i.e., about the same as inflation. A sales tax increase of one-half of one per cent would produce about \$15 million incremental income per year, providing the needed \$540 million in 36 years. A one per cent increase would provide this sum in 18 years. But to get such an increase, and to be able to reserve 100% of it for County roads and bridges, seems highly unlikely.

11. Similarly, contributions from the County's general fund seem poorly fitted to this enormous task. To provide the incremental \$540 million by the year 2015 -- the target year for the TAMC forecasts -- would require about half of the discretionary money available to the County each year or some \$30 million a year for 18 years.

12. Either of the above proposals indicates that raising this large sum of money from traditional sources is unlikely, and

if it could be raised it would only meet the regional roads and bridge needs consequent to the planned development of Fort Ord. The Grand Jury conclusion is that no one in Monterey County has any realistic ideas about where these large amounts of money will come from.

**RECOMMENDATIONS:**

The 1997 Monterey County Civil Grand Jury recommends that:

1. Each FORA jurisdiction receiving local streets and using the interconnecting roads within Fort Ord should immediately prepare a plan to fund their individual share of the costs of construction, rehabilitation and maintenance of these streets and roads.

Until such funding is assured, no further conveyances of property should be made.

2. All affected FORA jurisdictions (the eight cities and the County) agree on a Regional Transportation Plan such as the 2015 Fort Ord Regional Transportation Study and agree on the allocation of the costs of Regional Highway Projects.

3. All affected FORA jurisdictions agree to an equitable allocation to Public Benefit Grantees of the costs of local, interconnecting and regional roads.

**RESPONSES REQUIRED:**

**Monterey County Board of Supervisors**

Findings # 1 through 12

Recommendations # 1, 2, and 3

**Mayor of City of Marina**

Findings # 1 through 12

Recommendations # 1, 2, and 3

**Mayor of City of Seaside**

Findings # 1 through 12

Recommendations # 1, 2, and 3

**Mayor of City of Del Rey Oaks**

Findings # 1 through 12

Recommendations # 1, 2, and 3

**Mayor of City of Salinas**

Findings # 1 through 12

Recommendations # 2 and 3

**Mayor of City of Pacific Grove**

Findings # 1 through 12

Recommendations # 2 and 3

**Mayor of City of Monterey**

Findings # 1 through 12

Recommendations # 2 and 3

**Mayor of City of Carmel**

Findings # 1 through 12

Recommendations # 2 and 3

**Mayor of City of Sand City**

Findings # 1 through 12

Recommendations # 2 and 3

**President of California State University Monterey Bay**

Findings # 1 through 12

Recommendations # 1, 2, and 3



# FORT ORD REUSE PLAN

## Fort Ord Reuse Authority (FORA)

**Land Planning**  
 EDAY, Inc.  
 EMC Planning Group, Inc.  
 Sadevy Kohn Mouchy Group

**Market Analysis**  
 Transportation Engineering  
 JHK and Associates

**Civil Engineering**  
 Refiner Associates

**Fiscal Analysis**  
 Angus McDonald Associates

**Habitat Planning**  
 Zander Associates

**Public Communications**  
 The Impire Group


**Community Development**  
 Resource Corps International

### LEGEND

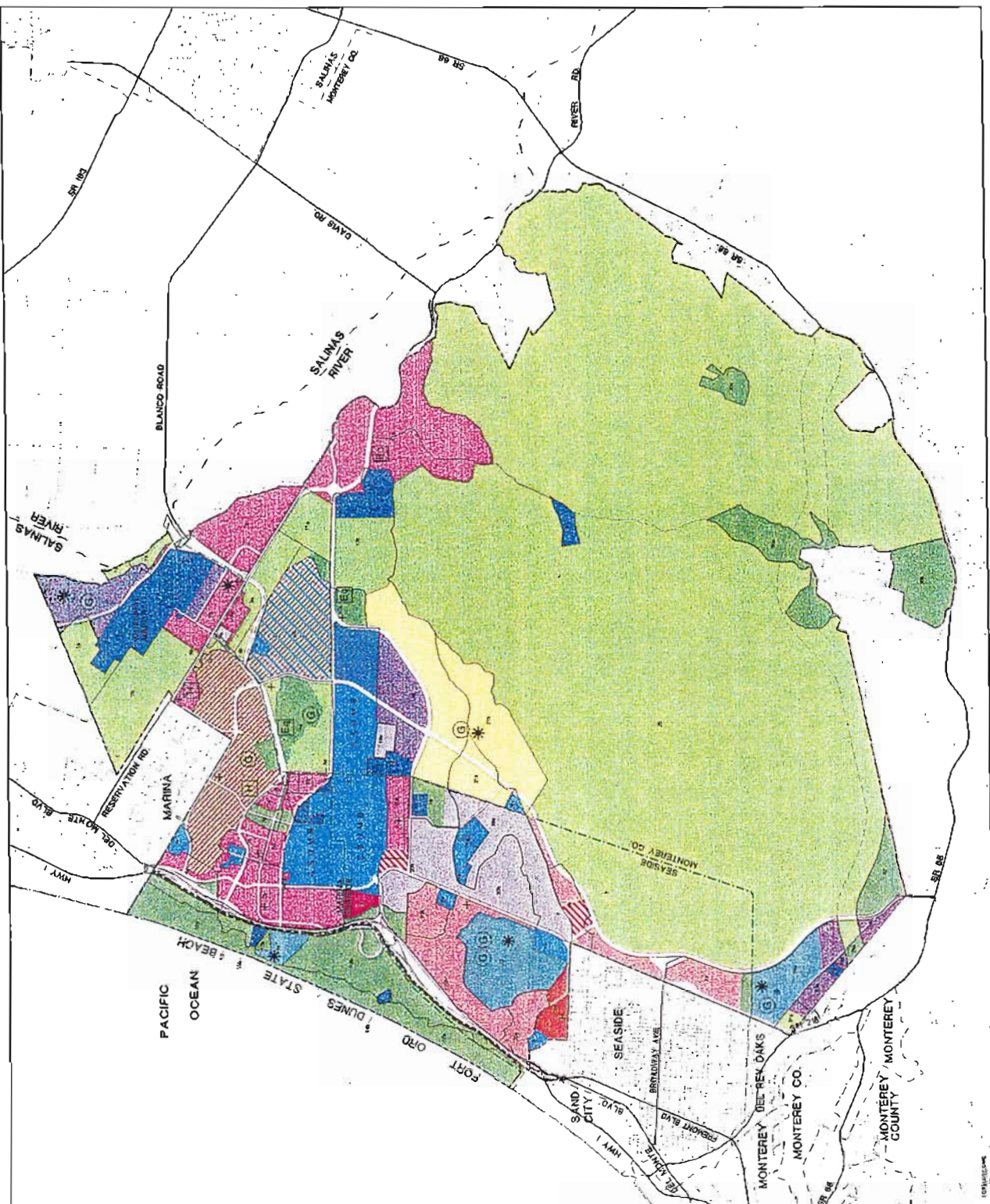
- SFD Low Density Residential
- SFD Medium Density Residential
- MFD High Density Residential
- Residential with Opportunities
- Planned Development Mixed Use District
- Business Park/Light Industrial District
- Convenience Retail
- Neighborhood Retail
- Regional Retail
- Visitor Service
- Golf Course Opportunity Site
- Hotel Opportunity Site
- Equestrian Center Opportunity Site
- Open Space/Recreation
- Habitat Management
- School/University
- University Medium Density Residential
- Alternative High School Sites
- Public Facility/Institutional
- Military Base

SHEET TITLE

**DRAFT  
 LAND USE CONCEPT:  
 ULTIMATE DEVELOPMENT**


  
 NORTH  
 0 100 200 300 400 500 Feet

PROJECT: Fort Ord Reuse Authority  
 DRAWING: Land Use Concept  
 SHEET: 3-3-1  
 DATE: 12/14/2011











**HOLDING FACILITIES FOR PRISONERS WAITING TO  
APPEAR IN COURT AT THE MONTEREY COUNTY  
COURTHOUSE IN SALINAS**

**BACKGROUND:**

The old Monterey County Jail was constructed in the thirties on a site just west of the present Salinas Courthouse, facing on West Alisal with the rear of the building opening up to what was then Howard Street. This very substantial four-story building provided County Jail Facilities for many years, and was modernized and expanded in 1963 to house the steadily growing requirements for incarceration of County prisoners.

In 1977 the first section of the present County Jail facility on Natividad Road was built, and the incarceration of prisoners moved to this location. Over the intervening years the Old Jail Building on Alisal has been used less and less until for the last ten years or more it has been used for the single purpose of holding prisoners during the day so that they may be produced promptly when required in the Courtrooms. As many as 100 prisoners may be held at this location at one time, and this population is random as to sex, race or street gang relationships. Included in this population may be people who could shortly go to court and be acquitted of any offense!

For reasons not known (or, more probably, which no one chooses to recall) the main portions of the original building have been allowed to deteriorate for lack of cleaning and maintenance, and the only part now considered safe and healthful enough to serve as a working environment for staff or as holding facilities for prisoners is the eastern portion of the ground floor of the building - approximately one-tenth of the total space originally developed for and used by the Sheriff's Department for its Correctional Division. A small office at street level on the west side of the building is used by the Facilities and Construction Division of the Administration Department. Also, there is some space in the Old Jail building devoted to records storage.

There are many objections to continuing the use of the Old Jail Building, even for its present limited function as a holding facility:

1. It is too small, too crowded on most days, and does not provide facilities for secure handling of prisoners.

2. It is dirty and not readily maintainable in a clean and healthful state to the standards required for County staff activities.

3. The degree of privacy afforded the separate sexes falls far below community standards of decency.

4. The movement of prisoners from the Sheriff's buses into the holding facility and from the holding facility to the Courtrooms is done in the open, with members of the public who may happen by at any particular time becoming freely intermingled between groups of shackled prisoners.

The unused portions of the building are almost as significant a problem, as they are occupied by birds and vermin and no cleaning of any kind is undertaken in these areas.

The Grand Jury saw this whole situation as completely unacceptable for a variety of reasons, and therefore proposed an inquiry, which is the basis for this report and the resulting recommendations.

#### INQUIRY PROCESS:

The Grand Jury visited the Old Jail Building and inspected the presently used areas, including the eating space, the cells, the sanitary facilities and the facilities for processing prisoners in and out of the facility. The Grand Jury was not allowed into the unused parts of the building which are deemed unsafe and unsanitary areas for members of the public; this in itself is an ominous indication that the condition of the building is far below acceptable standards.

The Grand Jury or teams of members of the Law Enforcement Committee interviewed various members of the County Administration Office, the Sheriff's Department and the County Health Department, in order to learn more of the history and functioning of the operations now centered in the Old Jail Building.

The Grand Jury delegated a small team of its members to review the drawings of the Old Jail Building.

#### ISSUES:

1. Is the present system of movement of prisoners from the existing Correctional Facility on Natividad Road to the Courthouse by bus, holding them in the Old Jail under present conditions, and moving them into the courtrooms across open spaces sufficiently safe for the public and for the prisoners themselves?

2. What would be done if the Old Jail Building was condemned as unsafe and unsanitary for its present use?

3. What can be done to upgrade the present holding facilities to make them secure and to provide a healthful working environment?

4. Who is legally responsible for the condition of the Old Jail Building?

5. Is the Old Jail Building itself, or the property upon which it is sited, included in the County's long-range plans for facilities?

6. Who would be liable should members of the County staff, the public or the prisoners be able to demonstrate damages to their persons as a result of conditions in the Old Jail Building?

7. Who would be liable should members of the County staff, the public or the prisoners be able to demonstrate damages to their persons as a result of the lack of security in the present methods in use for transportation, holding and delivering prisoners between the Correctional Facilities and the Courtrooms?

#### REFERENCES:

There are no references to the Old Jail Building in any of the Grand Jury reports written in the years 1990-1996 inclusive. The 1996 Grand Jury Final Report includes within its inquiry on Courthouse Security, (pp. 34-35, 1996 Grand Jury Final Report), the following statements:

"Many individuals accused or convicted of violent crimes are brought from the County Jail into the North Wing of the Salinas Courthouse for court appearances. From a holding area they are escorted through an open area to the Courthouse. Even though these individuals are "secured" with chains or handcuffs or both, they are vulnerable to attack while in the open area. Since their route is well known, it has been reported that friends have planted weapons and drugs within reach as the prisoners walk to the Courthouse."

"Recommendation 4. The Sheriff's Department promptly develop a plan, along with a cost analysis, which will avoid the necessity of bringing prisoners into the North Wing of the Salinas Courthouse except when absolutely necessary under current legal requirements. The plan should be presented to the Board of Supervisors for review at the earliest possible date."

Responses from the Sheriff and the Board of Supervisors at their April 15 meeting were as follows:

**SHERIFF RESPONSE:**

"There is no present way to eliminate bringing inmates into the North Wing of the Salinas Courthouse. In order to meet our commitments to the courts in the criminal justice system, we must continue the present process until a secure courthouse, along with new holding facilities are developed within Monterey County. We will continue to work with the Courts and the Administrative Officer to expedite a Courthouse Wing only. At the present time, the Sheriff's Department does not move any inmates into the North Wing that are not absolutely necessary for Court related purposes."

**BOARD RESPONSE:**

"Agree with this recommendation. Expansion of the video arraignment process to the Salinas and Monterey Courts is expected to significantly reduce the need to bring inmates to the Courthouse. If establishment of a high security court at the jail is deemed feasible a further reduction may be possible. Given the layout of County facilities, it does not appear feasible that the need to bring some inmates to the Courthouse can be eliminated."

From these responses it can be seen that neither the Board of Supervisors nor the Sheriff plans any improvement in the present situation until a wholly new Courthouse complex can be designed and built -- i.e., the present unsatisfactory state of affairs will continue for some years.

**FINDINGS:**

Findings are presented in two parts:

The Old Jail Building as a holding facility for prisoners awaiting Court appearances; and

The Old Jail Building as a property of Monterey County.

**A. The Old Jail Building as a Holding Facility for Prisoners:**

1. The size of the space available for holding prisoners is far too small for the large number - up to 100 - of prisoners now being accommodated from time-to-time.

2. When the facility is crowded some prisoners are kept standing in the prisoners' side of the old visiting area. This is a narrow, airless hall with no ventilation and no sanitary facilities. The smell of this room pervades the entire facility and gives mute testimony that prisoners waiting in this area relieve themselves on the floor all too frequently.

3. There is only one door out of the facility, located in about the center of the usable area. There is no emergency exit in case of fire or other need for hurried egress.

4. The holding cell for female prisoners is at the end of the corridor past three holding cells used for male prisoners. Sanitary facilities for all are freely visible through open bars from the hallway.

5. Sheriff's Department staff use the sanitary facilities in the nearby West Wing of the Courthouse.

6. Because of the cramped quarters, security for staff and prisoners alike is marginal while co-existing in this facility.

7. Several of the officers and staff working in the Old Jail Building expressed the opinion that the State of California Corrections Department would shut this facility down immediately if they ever made the required annual inspection.

8. The problem of moving prisoners in and out of the facility to the North Wing of the Courthouse remains as described in the 1996 Grand Jury Final Report as set out above in the Issues section of this report, i.e., fundamentally unsafe.

**B. The Old Jail Building as a Property of Monterey County:**

9. Study of the drawings reveals that the Old Jail Building at 142 West Alisal Street is a very sturdy and competent building. Since it was designed and built as a prison, its conversion to other uses is a bit difficult, particularly because of the limited number of windows.

10. The building has been essentially abandoned for about twenty years.

11. In 1989 the Board of Supervisors authorized a study to determine the best possible use of the 142 West Alisal Building. The recommendation of the firm employed to make the study was to raze the building, at a cost of \$312,000. Administration Department staff said they thought the present cost of tearing the building down would be considerably more, perhaps twice as much.

12. The building has not had a fire inspection for many years. An interview with a County Health Department executive indicated the Health Department has inspection reports for the year 1993-1996 inclusive which recognize the following shortcomings:

- a. All cells lack hot water supply.

b. Cell 1 has low cold water pressure; cell 2 has no cold water supply.

c. All cells need to be repainted to cover/remove graffiti, and the paint around the toilets is bubbled.

d. The lights in all cells are inoperative.

e. The ventilation system is inoperative.

f. The heater ducts contain pigeon feces, feathers, and dirt. The filters are clogged.

g. The staff reports that the upper floors are rat infested (no access available for inspection).

h. The roof/ventilation ducts leak when it rains.

i. Some of the windows are broken allowing access to birds.

j. The former visiting area is used as a medical holding area.

k. The former visiting area has exposed electrical wiring.

l. The former visiting area has no plumbing facilities.

m. The former visiting area lacks heat/ventilation.

n. The former visiting area light covers are missing.

13. The Grand Jury noticed that the external appearance of the building is still quite attractive, and in good architectural harmony with its neighboring building, the West Wing of the Courthouse (see photographs Exhibit B.)

14. Since the fate of the building since 1989 has been assumed to be dismantling, the Administration Department has stopped cleaning and maintaining the building except for those small areas on the ground floor which are still in use.

#### RECOMMENDATIONS:

The 1997 Monterey County Civil Grand Jury recommends that:

1. The Monterey County Board of Supervisors terminate the use of the holding facility in the Old Jail Building immediately.

2. The Monterey County Board of Supervisors instruct the Administration Department to determine costs and feasibility of cleaning and upgrading the ground floor of the Old Jail Building to provide a proper working environment for the County staff and as a holding facility for prisoners awaiting appearance in a Courtroom.

3. The Monterey County Board of Supervisors arrange for an updated study of the best disposition of the building including a properly planned future use for the building and/or the site if razing the building turns out to be the favored solution.

4. Among the alternatives to be studied should be the possibility of selling the building and/or the site for commercial use.

**RESPONSES REQUIRED:**

**Monterey County Board of Supervisors**

All Findings and Recommendations.

**Monterey County Board of Supervisors arrange for County Departments to respond as follows:**

**Monterey County Administrative Officer**

Findings # 9 through 14

Recommendations # 2 and 3

**Monterey County Health Director**

Findings # 2 and 12

Recommendation # 2

**Monterey County Sheriff**

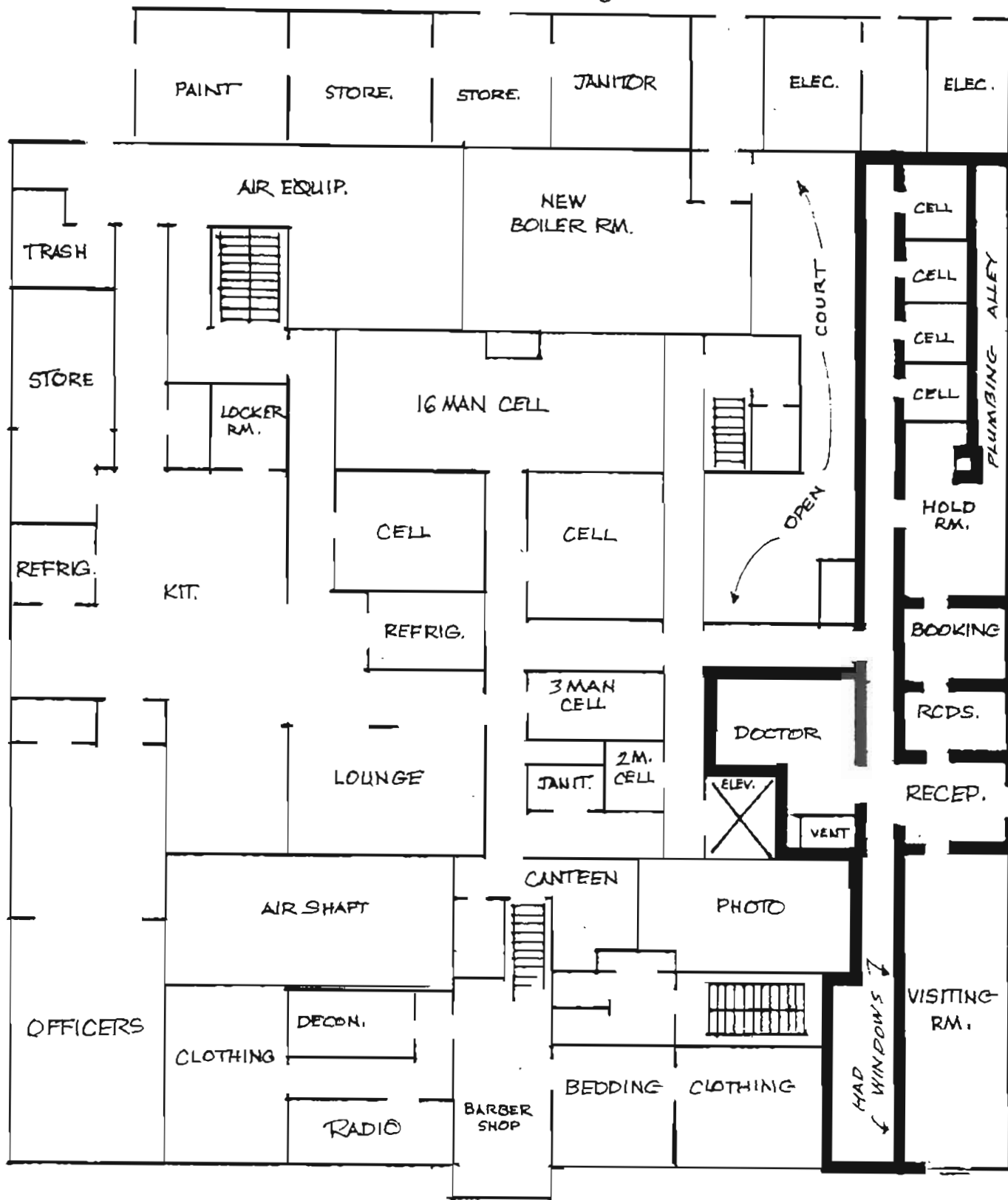
Findings # 1 through 8

Recommendations # 1 and 2



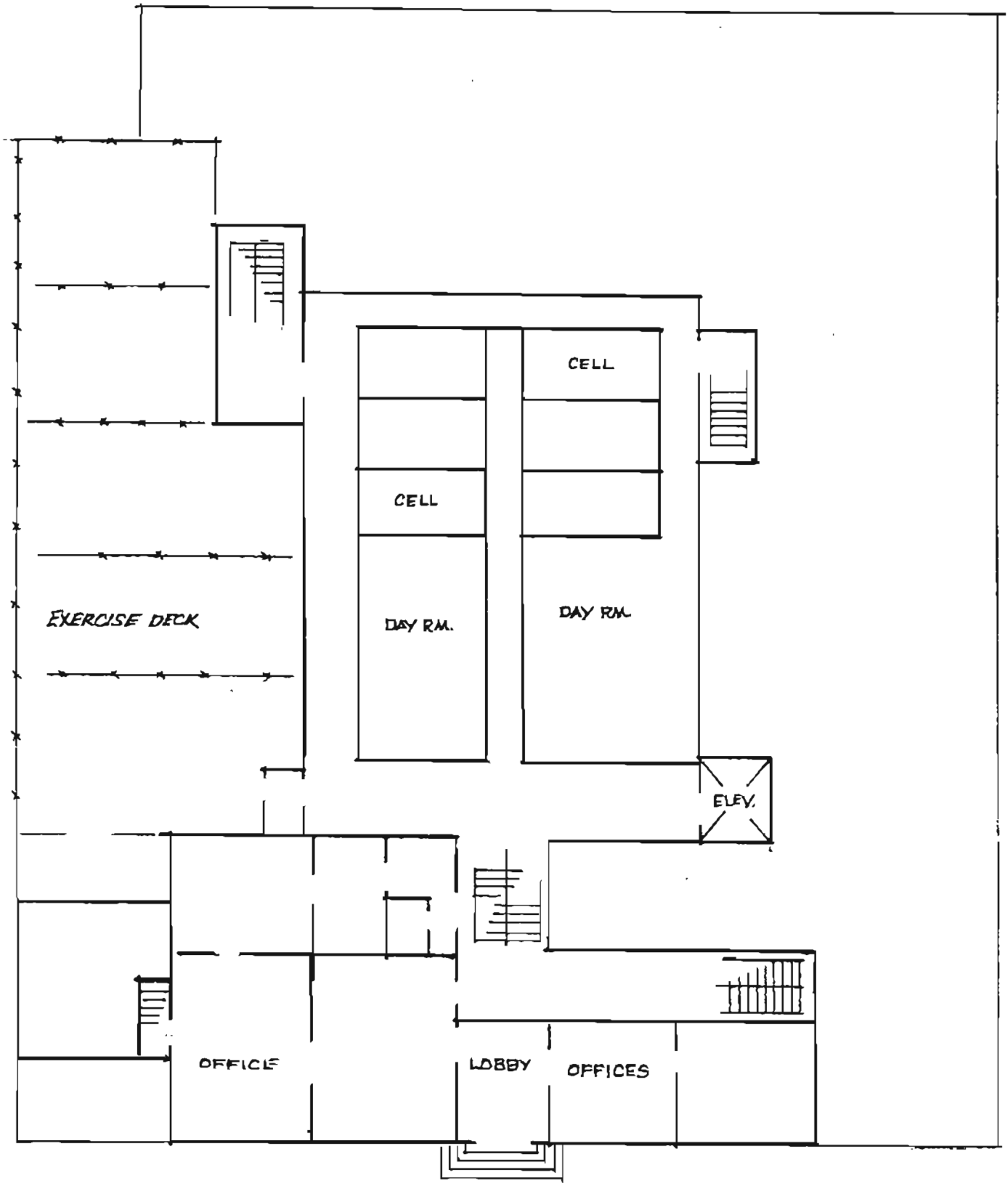


EXHIBIT A  
Old Jail Building



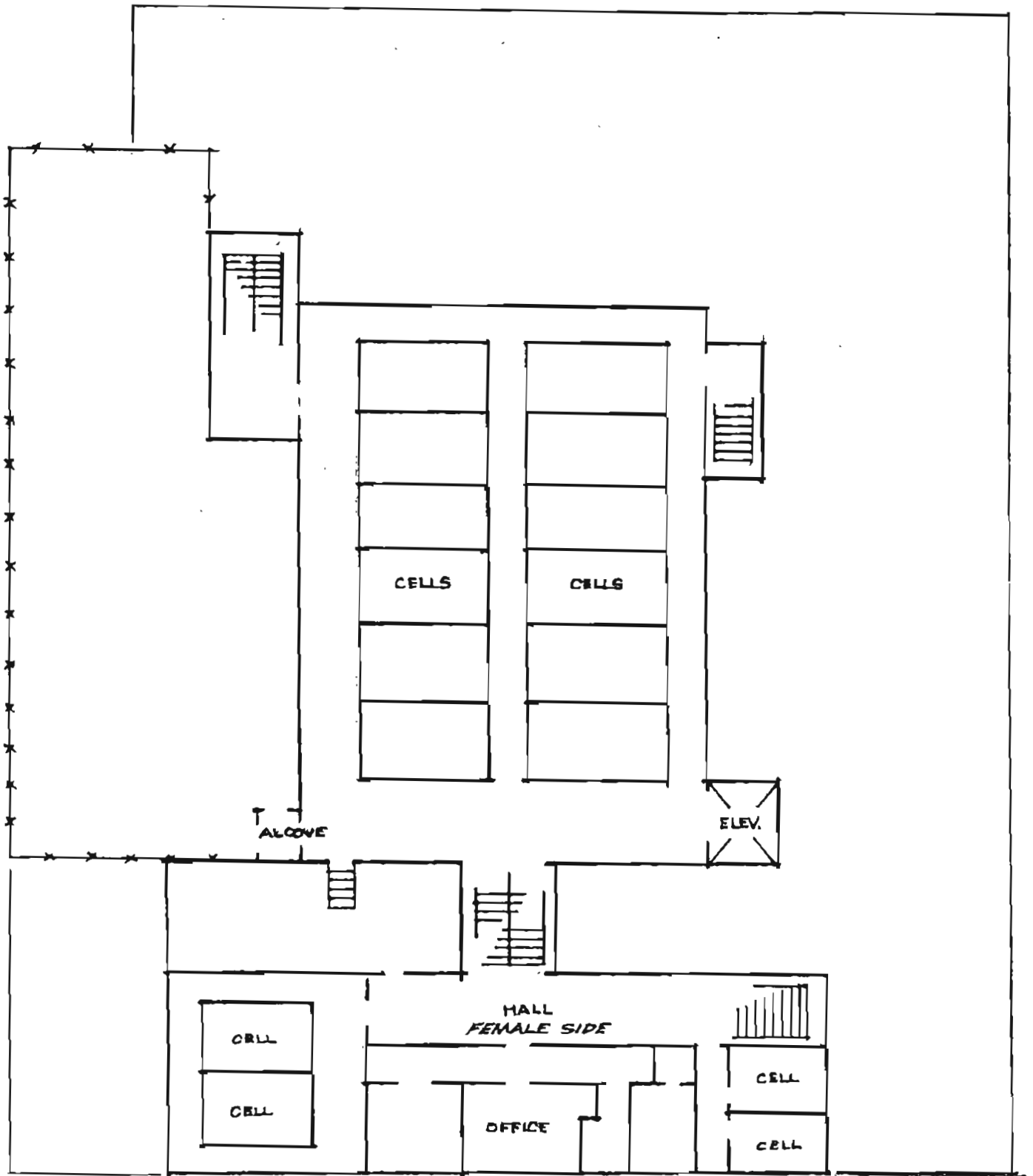
First Floor, Ground Floor  
 = Area Viewed By Jury

EXHIBIT A  
Old Jail Building



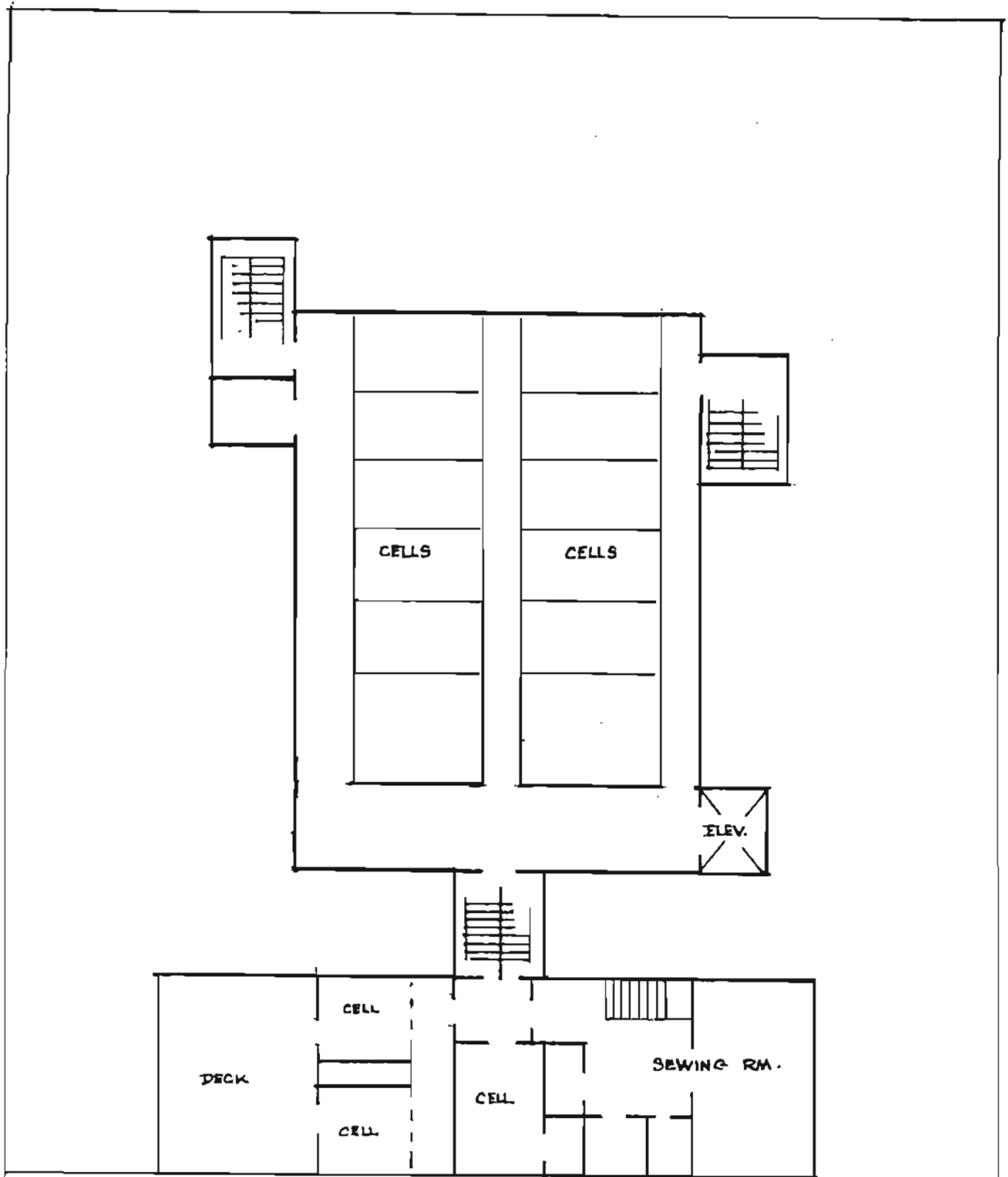
Second Floor

EXHIBIT A  
Old Jail Building



Third Floor

EXHIBIT A  
Old Jail Building



Fourth Floor

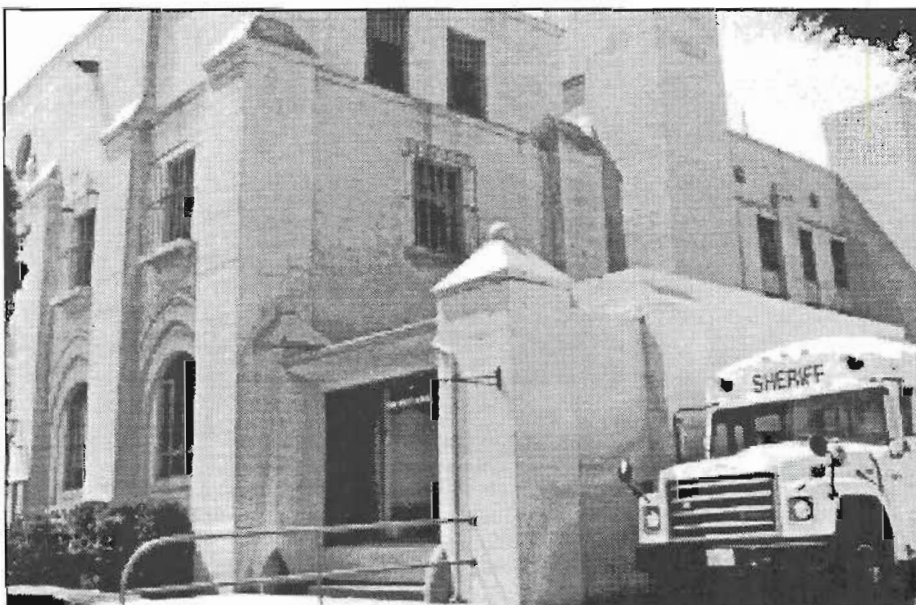


EXHIBIT B  
Old Jail Building -  
Exterior Views

*Main Entrance (Not in use.)*

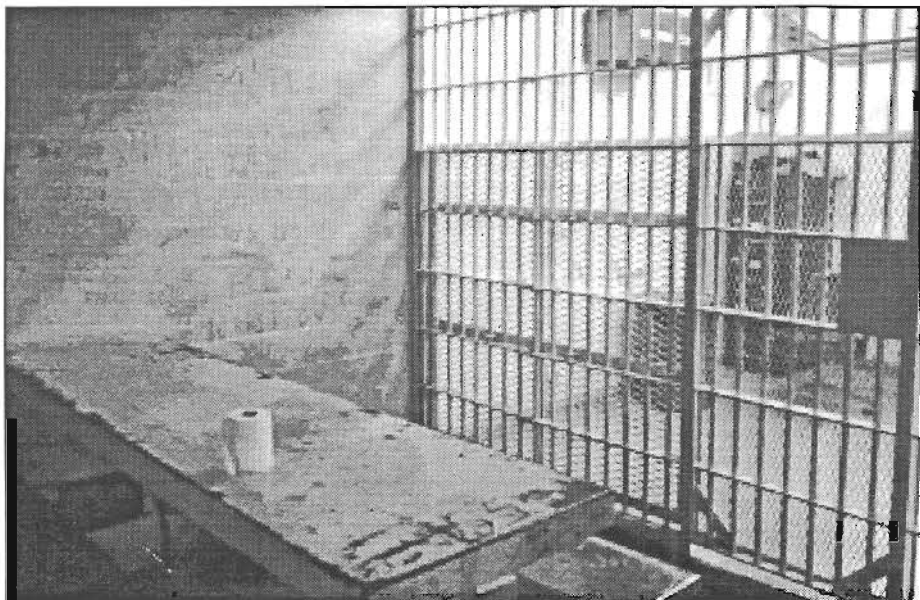


*West side of old jail building.*



*East side of old jail building.*

EXHIBIT B  
Old Jail Building -  
Interior Views



*Inside cell, looking out.*

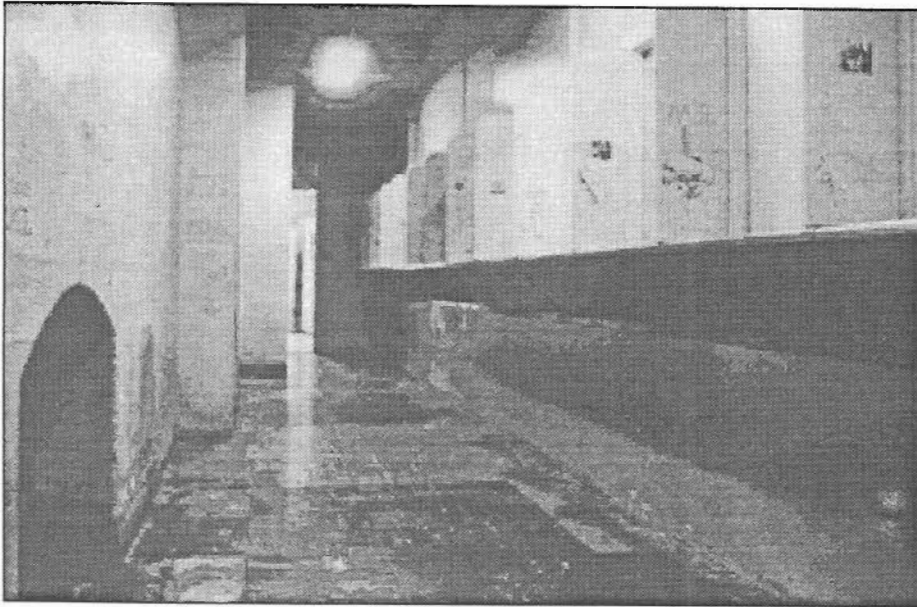


*Corroded cell door.*

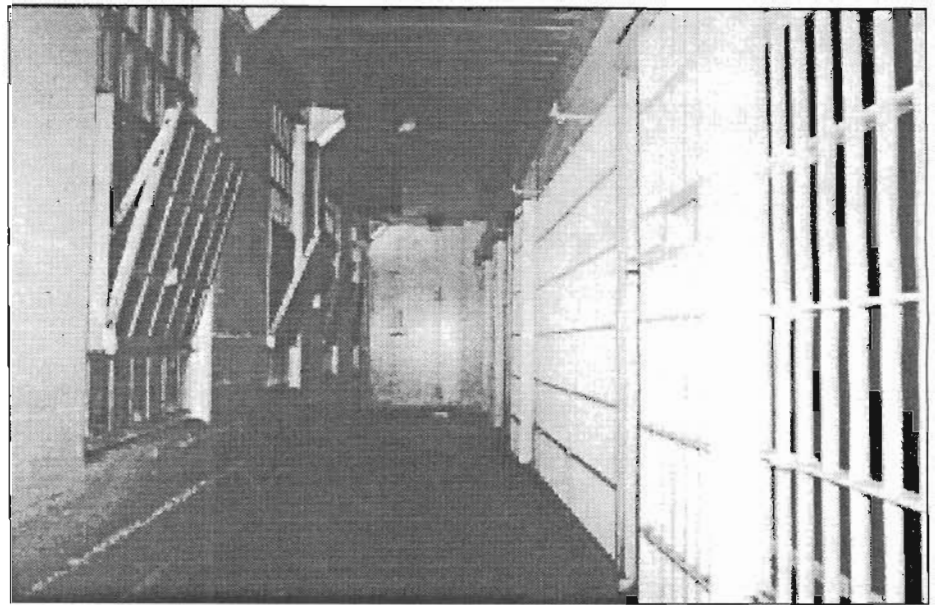


*Typical cell block.*

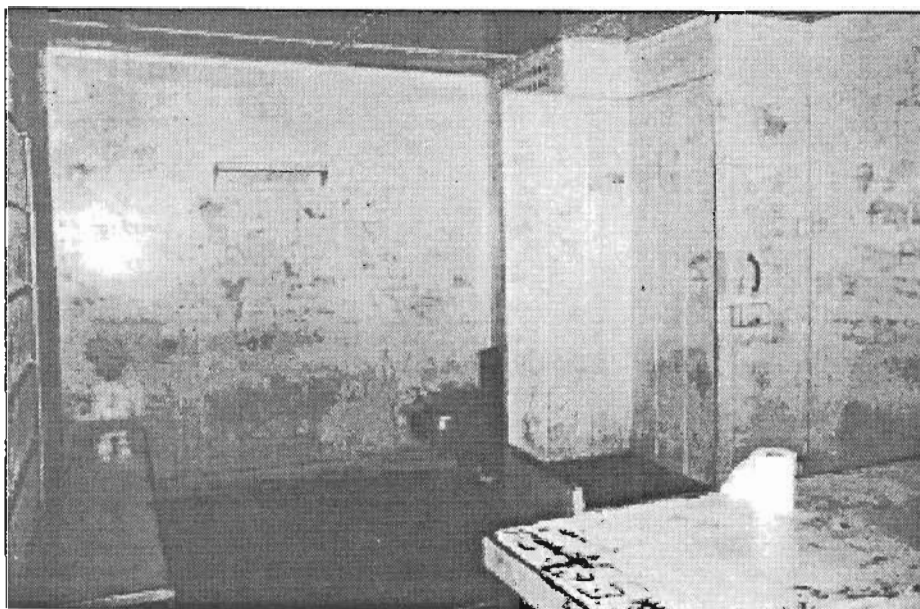
EXHIBIT B  
Old Jail Building -  
Interior Views



*Prisoner's side of visiting room.*



*Corridor fronting cell blocks.*



*Sanitary facilities open to corridor.*





PRISONS IN MONTEREY COUNTY

The California Penal Code Section 919(b) requires each Grand Jury to visit and inspect the prisons situated in the County of the Jury's jurisdiction. Accordingly, the 1997 Grand Jury visited the three prisons in Monterey County as follows:

Salinas Valley State Prison Soledad (SVSP)	February 6, 1997
Correctional Training Facility Soledad (CTF)	April 29, 1997
Sheriff's Headquarters and County Jail, Salinas (MCJ)	April 17, 1997

SALINAS VALLEY STATE PRISON:

SVSP is a new facility which first began receiving inmates in May, 1996. It is a clean, light, relatively open facility, generally "state of the art" in design, function and organization. Although 60% of the staff is in the probationary period (new employees being considered on Probation for the first nine months of employment) the supervision seemed well-seasoned and competent. The nominal capacity of the prison is 2200 men based on one inmate per cell. But from the start, SVSP like other prisons in the California Corrections Department system, was equipped with two beds per cell. At the date of the Grand Jury visit the inmate count was 3899 men; ultimate capacity on the two-per-cell basis is 4046 prisoners. Budget appears to be under control. The capital cost of the facility was \$238 million, and the Grand Jury was informed this was slightly under the initial budget. Annual operating cost is \$86 million or about \$21,500 per inmate.

Food service appears adequate, serving three meals per day (two hot meals and a sack lunch) containing at least 2400 calories and costing an average of \$2.41 per man per day. The kitchen was clean and efficient and the Grand Jury saw a meal being served out consisting of chicken, rice and corn, which appeared generous and appetizing. SVSP has a management and staff totalling 1050 people, i.e., a ratio of 3.8 inmates per staff person. Management appeared competent and caring, and the officer personnel met by the Grand Jury have the bearing and presence expected of officers.

CORRECTIONAL TRAINING FACILITY, SOLEDAD:

The CTF was constructed in three major projects, one in 1946, one in 1951 and one in 1958. Although an old facility, with the largest inmate population of any prison in Monterey County, the overall atmosphere in the prison was much less tense than at SVSP. The Grand Jury suggests three reasons for this:

- \* Inmates in the California Correctional institutions are classified as to potential for violence. Level 1 includes inmates with the lowest potential, level 4 includes those considered most likely to exhibit violent behavior. The CTF prison population is classified as levels 1 and 2. Both SVSP and the County Jail have all four levels of potential for violence;
- \* The CTF has the largest percentage of its population active in vocational training, vocational work or education of the three prisons visited; and
- \* The staff of the CTF and the County Jail are more mature and more seasoned than the staff at SVSP.

The Grand Jury was favorably impressed with the vocational and educational activity at CTF. A couple of these programs deserve special mention -- there is a program called Computers for Schools which engages 75 to 100 inmates at CTF. In this program about 30 inmates are being trained in computer repair, and about 50 graduates of this training are engaged in rebuilding used computers which are then supplied free of charge to schools in need of such equipment. The program is underway in 13 institutions among the California Corrections Department. Used computers are collected from industry by the Detwiler Foundation and supplied to the prisons for this purpose. At CTF alone, almost 2000 reconditioned computers have been supplied to schools under this program.

Among the other 24 types of vocational training and services being offered at CTF, the manufacture of office furniture also deserves special mention. Good quality desks, bookcases, office chairs, and office cabinets are manufactured at CTF and supplied to State or local government at reasonable prices which recover the costs for materials and low paid prison labor. This program has been going on for some years, beginning back in the earlier years when CTF had levels 1, 2 and 3 rated inmates. Even with this higher potential for violence among inmates, it was decided to convert a warehouse in the furniture factory area into a large dormitory and expand the prison capacity accordingly. Some 375 men live in this large warehouse, rigged as a dormitory with two-high bunk beds. The life has sufficient attraction that good behavior is readily achieved; there is a long waiting list of inmates eager to replace a prisoner who breaks the rules and has to return to the ordinary prison life.

CTF makes positive contributions to Monterey County communities. In addition to the computers for schools, the CTF landscaping group provides plants for community parks and erosion control. The CTF Fire Department consisting of one supervisor from the prison staff and the rest of the team all inmates, is available and responds to call outs from nearby Fire Departments under Mutual Aid agreements. Inmates also do roadside clean-up, assist with sand dune rehabilitation, and perform other work benefiting local communities.

CTF also has programs to bring all inmates to the educational level of eighth grade, and a GED program for earning a high school certificate. All-in-all, some 2000 of the 7175 inmates at CTF are engaged in these vocational or educational programs. The Grand Jury felt that the somewhat less tense atmosphere at CTF was due in considerable degree to the availability of these programs. Unfortunately, there is a long waiting list for most of these programs, and additional capacity is limited by lack of funds and lack of space. Of course, there is a large portion of the inmates who are too cynical to undertake these programs, but there are many willing to do so who cannot be accommodated.

The CTF population is 7175 inmates in a facility designed to house 2981. There are 1390 full-time staff people and the budget is \$103,219,000 per year. As at SVSP, food is supplied as two hot meals and a sack lunch, providing at least 2400 calories per man per day, and costing an average of \$2.41 per man per day. The Grand Jury was given the regularly issued sack lunch supplemented by a hot beverage (which the inmates do not get). The basic lunch was filling and appetizing. The kitchen is very large, and we saw the evening meal being prepared -- the entree being 7175 frozen beef pot pies!

Although the prison is old, it is quite clean and well-managed with recreation yards planted to grass and recreational facilities supplied to a reasonable level.

#### MONTEREY COUNTY JAIL

The Monterey County Jail was built in 1977, much of it to Federal designs and standards, which required some modification almost immediately after being put into service, and which is still the subject of some dissatisfaction among the officers assigned to the jail division. The facility also includes a Rehabilitation Center for both sentenced and unsentenced inmates. The capacity of the total facility is about 1050 people, about 10% females. The jail is used by all cities in the County as well as the unincorporated areas of the County. Inmates may be housed for any period from overnight to as long as one year under a sentence to be served in County jail. For the longer term prisoners a classification system is in place as for the State Prisons, but many inmates are not there long enough to be

segregated by classification. The result of this fact is that the potential for violence cannot be used for segregation of prisoners as reliably as in the State Prisons. The jail staff does try to segregate gang members in order to minimize gang violence within the jail. The staff in the Corrections Division of the Sheriff's Department total 194 people and the 1996 budget was \$15,835,000. There is a rapid turnover of inmates -- 18,940 bookings in 1996. The staff appeared to be capable and well-trained with many of the officers having upwards of 15 years of service in the Sheriff's Department. Kitchens looked clean and efficient, and the Grand Jury enjoyed a fine buffet lunch. Cost of feeding averages \$2.85 per person per day.

#### CITY HOLDING FACILITIES:

The Law Enforcement Committee of the Grand Jury visited the holding cells in Marina City Police Department and Monterey City Police Department stations. Monterey City Police Department is certified to hold prisoners overnight. All other Monterey County cities use the County Jail for overnight incarceration. The Committee reported these City facilities as satisfactory. However, at Marina, the Grand Jury noted the cells were on a floor level below the station offices, with no officers on duty. The cells are under observation by TV cameras monitored on a different floor. Response time in case of emergency could be quite slow.

In the Monterey City Jail, the surveillance of the open bar cells occupied by female prisoners may be by male or female officers. All the cells, including those in the female section, are monitored by closed circuit TV with the viewing screen in the booking office, allowing no privacy for female prisoners.

The Grand Jury also obtained reports on these City facilities from the inspection made in January 1997 by the California Department of Corrections, which reports were generally favorable.

#### REFERENCES:

Since the inspection of the prisons is the only specific duty of each Grand Jury as spelled out in the Penal Code, there are reports in each of the Final Reports of these visits for each year in the 90's except the 1996 Final Report. However, the visits were made in 1996 as required. Most of the recommendations in these reports are directed toward the County Jail, as the State Prisons are nominally outside the jurisdiction of the Monterey County Civil Grand Jury.

FINDINGS:

1. Overall treatment of inmates at all three prisons appears to be rigorous but humane.

2. Rumors of comfortable living in the prisons, which are reported from time-to-time in the press, are certainly unfounded in any of the prisons in Monterey County.

3. The standard condition of overcrowding which is accepted as a simple fact of life at each prison is a major element in the rigor of daily life in the prisons. Unfortunately, the predictions of growth of the populations in the prisons of California and of the nation are almost always too low. In the California Corrections System in 1997, there are 147,000 prisoners, 9961 more than one year ago. The existence of a rigorous prison life does not seem to have been a deterrent to the commitment of crimes.

4. Whatever the solution to the growth in crime and the consequent growth in prison population, it is not likely to be found among the people held responsible for the management of the prisons. In general, they are too close to the hard facts of day-to-day life in close contact with hardened and dangerous criminals to speculate as to the root causes of the ruined lives they supervise.

5. One source of increased prison population seems to be the mentally ill. In both State facilities the Grand Jury visited, the medical staff was firmly of the opinion that the reduced ability of the State mental hospitals to deal with the mentally ill had caused many of these people to drop into the prison system. For example, at SVSP there were 160 men who were so seriously ill mentally that they were maintained in locked quarters under the supervision of a Conservator. In addition, there were 500 inmates under Continuing Correctional Care Management (CCCM) who suffer from major mental illnesses which can be kept in remission by medication. The medical staff at SVSP estimated that when the prison reached full capacity there would be 700 to 800 people in the CCCM group, i.e., about 20% of the prison population.

6. Medical care at all three prisons seemed to be very good. The State Prison medical staff people said they thought inmates probably received significantly better medical care than the average citizen of the nation.

7. The Grand Jury agreed that the greatest evil of the prison life as they observed it, was that most prisoners had quite literally nothing to do for most of their waking hours. Those institutions which provided the most work seemed to be the least "up tight." But even in the best of the three only about 15% of the inmates are actually busy for several hours each day.

8. The Grand Jury noted that the County of Monterey has little or no jurisdiction over the two California Correction Department prisons near Soledad. About the only direct effect of these prisons on the County is their requirement for infrastructure. They need to draw water, power and waste disposal services from the broader surroundings, and the traffic generated for their activities uses the roads supplied by the County. On overall balance, the prisons are seen as economically desirable, each one providing several hundred civilian jobs in the nearby community. That this is true is probably best illustrated by the fact that the City of Soledad chose to annex the prisons in 1990, and Soledad was the fastest growing City in Monterey County last year, probably because of the startup of the new prison.

9. Response to an emergency arising in a cell in the Marina Police Department jail could take too long. Surveillance of female prisoners in the Monterey City Jail is frequently by male officers.

#### RECOMMENDATIONS:

The 1997 Monterey County Civil Grand Jury recommends that:

With respect to all prisons:

1. Every effort should be expended by the prison managements and every assistance offered by surrounding communities to bring work and educational opportunities into the prisons.

2. Considering the total cost of the California Department of Corrections is \$3.6 billion per year, assemble a competent team of sociologists, psychologists and other qualified professionals fully engaged in research as to the causes and possible social remedies for escalating prison populations.

With respect to the Salinas Valley State Prison:

3. The problem of delivering hot food to those cell blocks lacking reheating facilities is urgent and should receive high priority.

4. The educational and vocational facilities were not very readily available at the time of the Grand Jury visit. The full implementation of the facilities and the staffing required to make them effective should receive top priority.

5. The landscaping of the recreation yards and the provision of sports equipment and playing fields should be completed as soon as possible. The Grand Jury witnessed some very lackadaisical work being done by inmates, but it seemed there were hundreds of people with nothing to do who could be turned to on these tasks and wrap them up in record time.

With respect to the City prisons:

6. Marina Police Department revise duty assignments so that an officer is on duty on the floor when prisoners are being held in cells.

7. Monterey Police Department revise duty assignments so that female officers be used for surveillance of female prisoners.

**RESPONSES REQUIRED:**

**Monterey County Board of Supervisors**

Findings # 1 through 9

Recommendations # 1 and 2

**Monterey County Sheriff**

Findings # 1 through 9

Recommendations # 1 and 2

**Warden of Salinas Valley State Prison**

Findings # 1 through 9

Recommendations # 1, 2, 3, 4, and 5

**Warden of Correctional Training Facility, Soledad**

Findings # 1 through 9

Recommendations # 1 and 2

**Mayor of Soledad**

Findings # 3, 5, and 7

Recommendations # 1

**Mayor of Carmel**

Findings # 3, 5, and 7

Recommendations # 1 and 2

**Mayor of Monterey**

Findings # 3, 5, 7, and 9

Recommendations # 1, 2, and 7

**Mayor of Pacific Grove**

Findings # 3, 5, and 7

Recommendations # 1 and 2

**Mayor of Seaside**

Findings # 3, 5, and 7

Recommendations # 1 and 2

**Mayor of Marina**

Findings # 3, 5, 7, and 9

Recommendations # 1, 2, and 6

**Mayor of Sand City**

Findings # 3, 5, and 7

Recommendations # 1 and 2

**Mayor of Salinas**

Findings # 3, 5, and 7

Recommendations # 1 and 2

**Mayor of King City**

Findings # 3, 5, and 7

Recommendations # 1 and 2

**Mayor of Greenfield**

Findings # 3, 5, and 7

Recommendations # 1 and 2

**Mayor of Del Rey Oaks**

Findings # 3, 5, and 7

Recommendations # 1 and 2

**Mayor of Gonzales**

Findings # 3, 5, and 7

Recommendations # 1 and 2



## RANCHO CHUALAR II DEVELOPMENT PROJECT

### BACKGROUND:

The Rancho Chualar II Development Project (RCII) is a proposed development in the community of Chualar which could add as many as 900 homes to the community, approximately triple the present population, and add as many as 1500 students to a school with present facilities for 350 students. Rancho Chualar I (RCI), a previous development by the same developer as RCII approved by the Monterey County Board of Supervisors (BOS) in 1990, added about 80 homes to the community and filled the Chualar school to its capacity. The BOS has not yet acted on the RCII proposal. Chualar is in County Service Area 75 (CSA75) and Supervisorial District 3 (SD3). Chualar is an unincorporated community dependent upon Monterey County for local government services.

### INQUIRY PROCESS:

The Grand Jury's inquiry was triggered by a letter from the Superintendent of the Chualar Union School District (Superintendent), which appeared in The Californian on February 18, 1997. The Superintendent expressed his concern that inadequate attention was being paid to developing adequate infrastructure, particularly provision of sufficient school facilities, to accommodate the proposed RCII project. The Grand Jury's inquiry initially focused on potential inadequacies in school facilities; it was later expanded to include current, and potential future, shortcomings in the infrastructure of the Chualar community and the process leading to approval of the RCI project. As part of its inquiry, the Grand Jury interviewed County officials involved in this project, two members of the CSA75 Advisory Committee, and representatives of the Monterey County Health Department also involved in this project. The Grand Jury also inspected the County's file on RCI to determine by whom and by what process it was approved and on what conditions the approval was dependent.

### ISSUES:

1. Has the County taken the necessary steps to assure that sufficient infrastructure improvements (including schools) to support RCII are provided for before it is approved by the Board of Supervisors (BOS)?

2. Should the County General Plan be amended to require that adequate infrastructure improvements (including schools) be provided for before any proposed development can be approved by the BOS?

3. Was the established County process for approval of development projects followed in the case of RCI?

4. Did the County take the steps necessary to ensure that the conditions attached to the approval of RCI were met?

5. Why has the County been so slow in bringing the Chualar water supply and sewage system up to acceptable standards?

6. Does the BOS provide sufficient oversight to ensure that issues it refers to the staff are reported back in an adequate and timely fashion?

#### DISCUSSION:

It could be said that the residents of Chualar are being "held hostage" to the approval of the RCII project. In promoting RCI among the residents of Chualar, the developer promised the residents that it would provide, among other things, low-income housing, a new water supply, and an improved sewage treatment system. It is apparently now making similar promises about RCII. That is, the developer is promising to do in RCII things that it committed to do in RCI.

As originally proposed and approved by the BOS, RCI was to consist of 99 single family homes (SFHs) and a 64 unit apartment complex. This was later changed to 84 SFHs; the apartment complex, which presumably would have contributed the bulk of the low-income housing, was eliminated. The Grand Jury was told that only 13 of the RCI SFHs were "low cost" units; the rest of the SFHs sold for prices from \$100,000 to \$140,000, above the affordability of most low-income families. De facto low-income housing has resulted from many of the SFHs of RCI being occupied by two or three families, resulting in additional pressure on the Chualar school, water supply, and sewage treatment facility. In addition, because of the additional on-street parking, it may not be possible for fire fighting equipment to reach a fire rapidly in parts of RCI.

The County sewage treatment facility, which was nearing its capacity before the start of construction of RCI, was destroyed by the floods of 1995. Money from the federal government (FEMA) allowed it to be rebuilt to its pre-flood condition but not improved. The developer paid approximately \$175,000 to Monterey County as a connection fee for the homes of RCI, but has not provided the promised improved sewage treatment facility. The Grand Jury was told that the facility is now operating at 175% of its rated capacity.

The Chualar water supply is contaminated with nitrates, largely the result of runoff of agricultural fertilizers and pesticides. Prior to the construction of RCI, the nitrate level was in the 38 to 42 ppm range (1 ppm = 1 mg/liter). The nitrate standard for safe drinking water is 45 ppm. In May 1996, Monterey County advised Chualar residents that nitrate concentrations had risen to the point where it was no longer safe to drink this water. The nitrate content varies with the seasons: in August 1997 it was 58 ppm. Since 1996, many residents and the school district have relied on bottled water, costing the school district about \$1000 per month. The increased pumping demands due to the addition of RCI to the water distribution system is undoubtedly a major reason for the increase in nitrate concentrations to unsafe drinking levels. The RCI developer has done nothing to improve either the quantity or quality of the Chualar water supply.

The developer has made similar promises about the proposed RCII project: provision of low-income housing and correction of the current water supply and sewage treatment problems. When residents of the Chualar area have asked about the correction of these problems, some members of the County staff have told them that they would be resolved by RCII. This implies a predisposition for approval of RCII.

In September, 1997, the Planning Department recommended that the BOS not approve the RCII project because it would be too large for the Chualar area, would take prime agricultural land out of production, and would put local schools in a bind. In October 1997, the Planning Commission voted unanimously to recommend to the BOS that it not approve RCII. The Commission cited the inadequacy of the Chualar infrastructure to support such a large addition to the area's population. Also in October 1997, the BOS declared a local emergency because of the potential health and safety hazards posed by the contaminated water supply. This will allow the County to bypass normal bidding and purchasing requirements in providing a safe water supply. The County has applied for state grants and loans to obtain the funds necessary, about \$700,000, to drill a new well. If granted, these funds would be available no sooner than early 1999, so water from the well would not be available for about two years. In the meantime, the County is trucking clean water into Chualar. Other shorter term means for supplying safe water are also available, such as treating the output of the existing well by ion exchange, reverse osmosis, or electrodialysis. In any event, if the County provides a new well, it would excuse the developer from an obligation it agreed to as a condition on the approval of RCI.

Last year Chualar, a community of about 1000 people, had 70 felonies reported, a high rate for this population. Several teen-age gangs are active in the Chualar area. Police protection is provided by the County Sheriff's Department, but deputies must come from Salinas or King City. Typically they respond rapidly

only in life threatening situations. The relatively large number of felonies may be due in part to the absence of significant after school hours recreational programs and facilities in Chualar. These problems are symptomatic of communities in unincorporated areas which have to all intents been abandoned by the County. One County Supervisor stated to the Grand Jury that the Chualar situation was not his/her problem.

**FINDINGS:**

1. The Chualar school currently is filled to capacity. As presently proposed, the RCII development will require building a complete new school with facilities for as many as 1500 new students. There appear to be no public funds available for this, so the school or the funds for the school must be provided by the developer. There have been extensive negotiations between the school district and the developer, but the offers of land and money by the developer so far have been inadequate for the resulting school to satisfy State legal standards.

2. Numerous school district superintendents and the County Superintendent of Schools have requested that the BOS amend the County General Plan. This amendment would require an agreement between any proposer of a new residential development and the affected school district(s) regarding school mitigation fees before the County can approve the development. On November 21, 1995, the BOS directed the staff to prepare a proposed amendment for its consideration. A proposed policy and General Plan amendment was presented to the BOS by the County Counsel on April 30, 1996. Among the provisions of the proposed policy were:

"2.01 New residential development in the County shall not be approved unless adequate public school facilities are or will be available to serve such residential development at the time the development is sending children into the school system."

2.02 To the extent legally feasible, requests for adjudicatory actions [e.g., actions by the County approving subdivision maps or granting building permits which allow for residential development] which would allow for residential unit planned development shall not be approved by the County unless the conditions set forth in policy 2.01 are met."

Among the provisions of the proposed General Plan amendment was the following:

"... when the affected school district indicates that it is unable to provide adequate school facilities, each applicant for new residential construction ...

shall submit a mitigation plan approved by the affected school district ... explaining how the development for which the permit is applied is participating in a plan to provide school facilities within the district. No new residential development shall be approved unless and until the applicant has complied with this Section."

This package was referred by the BOS to the Planning Department for review. It has apparently been bouncing back and forth between the Planning Department and the County Counsel since then, and has not been returned to the BOS. It has been in County Counsel's hands since early 1997.

3. In requesting that the staff prepare the requested General Plan proposed amendment, the BOS did not specify a due date for the staff's response. Apparently, this is often the case for the BOS's requests for staff actions. Only recently has the County Administrative Officer (CAO) begun to keep a list of pending staff responses to BOS requests.

4. An Environmental Impact Report (EIR) on the Rancho Chualar II development, prepared by the developer, has recently been published. According to the Superintendent of the Chualar School District, this EIR adequately states the need for the developer to provide all aspects of an expanded infrastructure (e.g., water supply, sewage treatment system, police and fire protection) except schools.

5. The Advisory Committee for CSA75 is supposed to consist of five members. Currently (as of the time of this report) there are only three sitting members, appointed by the BOS. As a result, the Committee does not have a quorum for many of its meetings. The Committee is the principal practical means for citizens of Chualar to express any concerns they may have about the RCI and RCII developments.

6. In reviewing the records for the approval of RCI, the Grand Jury found that established procedures for approving such proposed developments were followed. However:

a. Although the Planning Department recommended that an Environmental Impact Report be prepared for RCI, the BOS ruled that one was not required before approval of the project.

b. In approving RCI, the BOS imposed 35 specific conditions on the developer. Among other things, the developer was required to (and agreed to) provide a new water supply (a new well) and an expanded sewage treatment facility which satisfied all applicable health and safety regulations.

c. There is no evidence that the County made any attempt to verify, by inspection, that the conditions in fact have been met. There is clear evidence that some of the

conditions have not been met.

d. Whether conditions imposed on the developer of RCI were reviewed and approved by the County or not, the fact is the project left unfulfilled necessary improvements in the infrastructure.

7. Condition 10 for the approval of RCI is, "A permanent, agricultural conservation easement shall be dedicated to the County on all farmland adjoining the developed property." This was originally approved by the BOS in October 1990 as a 510 acre easement. In June 1995 the BOS approved an agreement with the property owners to change this condition to the dedication of two separate agricultural conservation easements, one of 387 acres and a second of 151 acres. The BOS further agreed not to accept the dedication of the second easement if the BOS approved, within a ten-year period, a development on the 151 acres. The effect of this decision was to designate 151 acres of dedicated agricultural easement for future development if such development occurs before the year 2005. This is the land on which the developer, a relative of one of the property owners, proposes to build RCII. The BOS approval was via a routine Consent Calendar action; no public notice or hearing was held. Such a hearing is customary for an action of such significance.

8. The CSA75 Advisory Committee has been told by County staff that some \$70,000 has been transferred out of the CSA75 sewage treatment reserve fund, but the staff was unable to tell the Committee to where the money was transferred. The Grand Jury learned that these funds were transferred in error in November 1996. At the urging of the CSA75 Advisory Committee this error was investigated by the County and funds transferred back in June 1997. The Advisory Committee was also told that \$24,000 of the funds previously reported by the staff as received from FEMA for repair of the Chualar sewage treatment facility had in fact not been received. To make up for the resulting shortage in the reserve fund, the staff proposed a 64% increase in the sewer fees for residents of CSA75. Notices in English only of the proposed fee increase were sent to residents, about 97% of whom are Spanish speaking. Even so, there were enough protests by the residents that the proposed fee increase was withdrawn.

9. As originally conceived, the RCII project was to have two components, the residential development referred to above and a commercial-industrial development on the other side of Highway 101. The EIR for RCII was prepared on that basis. Since then, the commercial-industrial development has been dropped.

10. If the BOS approves RCII, the developer will presumably satisfy its RCI commitments as part of RCII. If the BOS disapproves RCII, since the County has already agreed that the developer has met all the commitments of RCI, the County will have to provide the new water supply and the improved sewage treatment facility, plus any other shortcomings in the infra-

structure, for which the developer was responsible as part of RCI.

11. There is a crucial need for development of adequate low-cost housing for low-income agricultural workers, and for low-income workers in all sectors of the County's economy.

**RECOMMENDATIONS:**

The 1997 Monterey County Civil Grand Jury recommends that:

1. The Board of Supervisors withhold serious consideration and approval of RCII until all the commitments for improvements in the Chualar infrastructure as agreed for RCI have been fulfilled; and until presently recognized deficiencies in the water supply and sewage disposal system have been corrected.

2. The BOS instruct the Planning Department and the County Counsel to agree, no later than December 31, 1997, on a General Plan amendment which provides that no proposed new residential development project shall be approved unless and until (1) adequate resources are available to provide any necessary new school facilities or (2) an agreement has been reached between the developer and the superintendent of any school district(s) affected by the development which assures the provision of such resources. This amendment must be approved by the Planning Commission and the County Superintendent of Schools before it is acted upon by the BOS.

3. Whenever the BOS requests an action by the staff, it specify (a) a date certain by which the staff is to respond to the BOS and (2) a particular person or department who is responsible for the staff's timely response. The CAO should maintain a current list of the Board's requests, the date when each response is due, and the party responsible for the response. The CAO has recently started a partial list of the BOS requests.

4. The County take whatever steps are necessary to provide, as soon as possible, a public water supply and sewage treatment facility for the Chualar community which satisfies all applicable health and safety standards. Since these are obligations of the developer, the County must also take the steps necessary to ensure that the developer reimburses the County for whatever expenses it incurs in providing the water supply and sewage treatment facility.

5. The BOS maintain a full complement of members on the CSA75 Advisory Committee. [The Grand Jury has just learned that the Supervisor for SD3 has nominated several persons to fill these vacancies.] The BOS also should promptly fill all current vacancies on other County Service Area Advisory Committees as well as any future vacancies.

6. If the County disagrees with a request for an EIR for any development project it is considering, it publicize its reason(s) for not requiring an EIR.

7. The County certify that a developer has fulfilled all of the conditions attached to the approval of the development, and verify, by physical inspection, that the conditions have in fact been fulfilled. These inspections are to be performed by the appropriate County Department (i.e. Public Works for roads and sewers, County Superintendent of Schools for education, etc.) and coordinated by the County Planning and Building Inspection Department.

8. The County determine whether a revised EIR for the RCII project is required as a result of the dropping of the originally conceived commercial-industrial component. The reasons for its determination should be made public.

9. When acting on changes to the conditions under which it has approved a proposed development, the County follow the same procedure it used in approving the original conditions. At a minimum, this would mean public notice, in English and other languages as appropriate for the residents of the affected area(s), and public hearings.

10. The County conduct an investigation to determine:

a. Why money was erroneously transferred from the CSA75 sewage treatment reserve fund, who authorized the transfer, why was the transfer made, and to what other fund or account it was transferred.

b. If all the money from FEMA that the County is entitled to for repair of the Chualar sewage treatment facility was actually received and if not, why not, who was responsible for seeing that the FEMA funds were received, and how the remaining money the County is entitled to can be obtained.

11. If the BOS approves RCII, it publicize the reasons it rejected the recommendations of the Planning Department and the Planning Commission. If the BOS disapproves RCII, the County take whatever steps are appropriate to require the developer to (1) satisfy the commitments the developer agreed to in receiving approval of RCI or (2) recover from the developer whatever costs the County incurs in satisfying these commitments for the developer.

12. In the future, upon approval of a new development, the developer be required to post an irrevocable performance bond of adequate size to cover the cost of complying with the imposed conditions. The bond shall be maintained in the County's favor until all conditions have been fulfilled as verified by inspection per Recommendation 7 above. Final release of the bond shall be approved by the BOS.



RESPONSES REQUIRED:

Monterey County Board of Supervisors

Findings # 2, 3, 4, 5, 6, 7, 8, 10, and 11

Recommendations # 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12

Monterey County Administrative Officer

Findings # 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11

Recommendations # 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12

Monterey County Superintendent of Schools

Findings # 1 and 2

Recommendation # 2

Superintendent of the Chualar School District

Findings # 1 and 4

County Counsel

Findings # 2 and 10

Recommendations # 2, 10, 11, and 12

Planning Department

Findings # 1, 2, 6, 9, and 11

Recommendations # 2, 7, and 9

Planning Commission

Recommendation # 2

(Response requirements follow this report.)

## RESPONSE REQUIREMENTS

The Penal Code regulates who must respond to Grand Jury Jury Findings and Recommendations, when the response must be made, and the form the response must take. Please review Penal Code Sections 933 (c) and 933.05 (a) and (b) which govern response to Grand Jury Findings and Recommendations. Excerpts of these sections are provided below. The Penal Code requirements are mandatory; please read and follow them carefully.

### RESPONSES DUE:

Pursuant to Penal Code Section 933 (c), responses to the Grand Jury Mid-Year Final Report are due as follows:

#### ELECTED COUNTY OFFICERS AND COUNTY AGENCY HEADS -

60 DAY RESPONSE PERIOD: Responses by elected County officers and County agency heads are due on or before JANUARY 26, 1998.

#### CITIES AND OTHER PUBLIC AGENCIES -

90 DAY RESPONSE PERIOD: Responses by all other public agencies, including cities, are due on or before FEBRUARY 23, 1998.

### ADDRESS FOR DELIVERY OF RESPONSE TO THE PRESIDING JUDGE:

#### Mailing Address

Hon. Robert M. Hinrichs  
Presiding Judge  
Monterey County Superior Court  
P. O. Box 414  
Salinas, CA 93902

#### Street Address

Hon. Robert M. Hinrichs  
Presiding Judge  
Monterey County Superior Court  
240 Church Street  
North Wing, Room 320  
Salinas, CA 93901

### PENAL CODE SECTION 933 (c)

"(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of

the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elective county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All such comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years."

PENAL CODE SECTION 933.05 (a) and (b)

"Response to Grand Jury Recommendations--Content Requirements; Personal Appearances by Responding Party Grand Jury Report to Affected Agency.

"(a) For purposes of subdivision (c) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

"(1) The respondent agrees with the finding.

"(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

"(b) For purposes of subdivision (c) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

"(1) The recommendation has been implemented, with a summary regarding the implemented action.

"(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

"(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

"(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor."