

RESPONSE TO GRAND JURY REPORT

Report Title: Is Measure Z Measuring Up

Report Date: 06/27/2018

Response by: Board of Supervisors, County of Humboldt

FINDINGS

1. The Board agrees with findings F1, F2, F6-F12
2. The Board disagrees wholly or partially with findings F3, F4, F5 and F13.

RECOMMENDATIONS

1. Recommendations have been implemented: R2, R7, R8
2. Recommendations has not been implemented, but will be implemented in the future: R1
3. Require further analysis:
4. Will not be implemented: R3, R4, R5, R6

Date: _____ Signed: _____

Number of pages attached: _____

FINDINGS AND RECOMMENDATIONS SUMMARY STATEMENT

FINDINGS

F3. The Humboldt County Civil Grand Jury finds that before the November 2014 vote on Measure Z, the public was told Measure Z would be subject to annual independent audits, but no such audits have taken place to date which compromises transparency and public trust.

Response: Disagree

All county funds are subject to independent, third-party audit on an annual basis, including Measure Z funds, and audits have been conducted each year since 2014. Those audits take random samples of the county budget to inspect. Measure Z funds have been subject to those audits. In addition, as stated in the Measure Z ballot language, those funds are always open for public review by citizens as well as the Citizens' Advisory Committee on Measure Z Expenditures. In the FY 2018-19 budget, the Board of Supervisors authorized an audit specifically on Measure Z funds and that audit will take place later this year. This is in addition to regular audits describe above, consistent with transparent and accountable Measure Z expenditures as detailed at humboldt.gov/MeasureZ.

F4. The Humboldt County Civil Grand Jury finds the failure of the Board of Supervisors to perform independent audits of over \$50M in Measure Z funds allocated to date contributes to a lack of transparency.

Response: Disagree

All county funds are subject to independent, third-party audit on an annual basis, including Measure Z funds, and audits have been conducted each year since 2014. Those audits take random samples of the county budget to inspect. Measure Z funds have been subject to those audits. In addition, the county has been proactive in publicly displaying contracts, invoices, budgets and an interactive budget on its website in order to keep the public apprised of Measure Z spending. The County has an award-winning approach to informing and engaging the public on these matters. In the FY 2018-19 budget, the Board of Supervisors authorized an audit specifically on Measure Z funds and that audit will take place later this year.

F5. The Humboldt County Civil Grand Jury finds there is no current means of measuring or comparing the effectiveness of expenditures made with Measure Z funds, although "weigh[ing] the value of the various proposals" is one of the Measure Z Citizens' Advisory Committee's stated purposes.

Response: Disagree

Each outside agency that receives Measure Z funds is required to submit quarterly reports to the County Administrative Office detailing the effectiveness of their program(s). Those reports are distributed to the Citizens' Advisory Committee on Measure Z Expenditures

and posted on the county's website. The advisory committee takes those reports in to account when weighing the funding proposals of future years.

F14. The Humboldt County Civil Grand Jury finds that the Measure Z Citizens' Advisory Committee has not been included in the Board of Supervisors process of allocating secondary funds, which is detrimental to transparency and accountability.

Response: Disagree

The advisory committee submits a list of projects it recommends for funding, and a secondary list of projects to be funded if additional funding allows. Those secondary projects are ranked. The Board of Supervisors refers to that secondary list to choose projects to fund. This process is efficient and ensures advisory committee input, while respecting the time of the committee, which is made up of volunteers.

RECOMMENDATIONS

R1. The Humboldt County Civil Grand Jury recommends the Board of Supervisors instruct the County Administrative Office to enter a contract with an outside firm to perform an annual independent audit of all Measure Z expenditures. The County Administrative Office should enter this contract no later than December 31, 2018.

Response: This recommendation has not been implemented, but will be implemented in the future.

Each year that Measure Z has been in effect the county has performed audits of the county budget, to which Measure Z funds are subject. However, in order to provide an even greater level of transparency the Board allocated funds for a Measure Z-specific audit in FY 2018-19. Staff anticipates entering in to a contract by the recommended date with the same independent auditor who audits they county budget, which will provide familiarity with county operations.

R2. The Humboldt County Civil Grand Jury recommends the Board of Supervisors fund the independent annual audits recommended in R1.

Response: This recommendation has already been implemented.

R3. The Humboldt County Civil Grand Jury recommends the Board of Supervisors instruct the County Administrative Office and Measure Z Citizens' Advisory Committee to form an ad hoc committee to create an ongoing process for increasing accountability and transparency in the tracking and monitoring of all Measure Z expenditures. This instruction should be made by October 1, 2018.

Response: This recommendation will be not be implemented because it is redundant, and therefore inefficient.

The county already uses an institutionalized process for monitoring and tracking Measure Z expenditures. In addition, there are details on the county's website detailing

expenditures of all Measure Z funds, along with contracts, quarterly reports, advisory committee agendas, applications for funding, and Measure Z-specific news.

The Measure Z Citizens' Advisory Committee is a volunteer board, and the members spend hundreds of hours over a few short months each year to weigh proposals and stay up to date on Measure Z. While the Board is committed to increasing transparency with regard to Measure Z funding, forming an ad hoc committee would unduly burden this dedicated committee with redundant duties. The county will continue to publicly provide information on spending and news related to Measure Z. In addition, once the aforementioned audit is performed the results of that audit will be made publicly available.

R4. The Humboldt County Civil Grand Jury recommends the Board of Supervisors instruct the County Administrative Office and Measure Z Citizens' Advisory Committee to form a second ad hoc committee to develop criteria and a procedure to measure effectiveness of the funds allocated. This instruction should be made by October 1, 2018.

Response: This recommendation will not be implemented because it is not warranted.

The Measure Z Citizens' Advisory Committee is a volunteer board, and the members spend hundreds of hours over a few short months each year to weigh proposals and stay up to date on Measure Z. Therefore, forming a second ad hoc committee would unduly burden this dedicated committee. However, the Board is committed to providing information related to the effectiveness of programs funded by Measure Z and CAO staff will require on reporting and application forms that recipients and applicants provide information that measure their program's success, or lack thereof. In addition, this would assign additional duties to the CAO staff, which is the same size it was in 2007 and has never received any Measure Z resources for staffing. Finally, the county's website details expenditures of all Measure Z funds, along with contracts, quarterly reports, advisory committee agendas, applications for funding, and Measure Z-specific news.

R5. The Humboldt County Civil Grand Jury recommends the Board of Supervisors assign the tracking and monitoring of expenditure responsibilities to an outside entity and an ad hoc Measure Z Citizens' Advisory Committee. This group should supplement the County Administrative Office and Auditor-Controller Office by January 2, 2019.

Response: This recommendation will not be implemented because it is not warranted.

The Measure Z Citizens' Advisory Committee is a volunteer board, and the members spend hundreds of hours over a few short months each year to weigh proposals and stay up to date on Measure Z. Therefore, forming a third ad hoc committee would unduly burden this dedicated committee. CAO and Auditor staff will continue to track expenditures. It would be up to the Citizens' Advisory Committee to recommend to the Board whether it would like to fund tracking and monitoring on an ongoing basis by an outside entity.

R6. The Humboldt County Civil Grand Jury recommends the Board of Supervisors instruct the Measure Z Citizens' Advisory Committee to identify two members to provide input to

the entity developing future Measure Z ballot language. These instructions should be made by September 1, 2019.

Response: This recommendation will not be implemented because it is not warranted.

Measure Z funding, and the renewal of this measure, must address priorities of Humboldt County citizens rather than a small group. Therefore, the Board earlier this year authorized public opinion research to determine the community's priorities. The research was conducted with 500 community members and concluded the following were top priorities: volunteer fire fighters, 24-hour sheriff's patrols, 911 emergency response, providing services for victims of child abuse, rural ambulance services, repairing deteriorating roads, and providing mental health services for children. The ballot statement approved by the Board and submitted to the Elections Office reflects these priorities.

R7. The Humboldt County Civil Grand Jury recommends the Board of Supervisors instruct the County Administrative Office to post new information regarding tracking, monitoring, and audits on the Measure Z web page by January 2, 2019.

Response: This recommendation has already been implemented.
This information has been online since the measure was first passed in 2014.

R8. The Humboldt County Civil Grand Jury recommends the Board of Supervisors instruct the County Administrative Office to substantively include Measure Z Citizens' Advisory Committee input for mid-year spending of unspent and unallocated funds.

Response: This recommendation has already been implemented.

The advisory committee submits a list of projects it recommends for funding, and a secondary list of projects to be funded if additional funding allows. Those secondary projects are ranked. The Board of Supervisors refers to that secondary list to choose projects to fund. This process is efficient and ensures advisory committee input, while respecting the time of the committee, which is made up of volunteers.