

Review Of County Government

Reason for the Report

The 2003/2004 Grand Jury received numerous complaints regarding mismanagement of county employees that evolved into an investigation concerning the competence, practices and procedures of all levels of county government.

Scope of the Investigation

People interviewed

- The Board of Supervisors
- Chief Administrative Officer
- Department Directors
- Current and former county employees
- Union local #1 representative
- An outside contractor and supplier
- Information Services representative

Documents reviewed

- Prior Grand Jury reports
- Numerous citizen and employee complaints
- County policy and procedure manuals
- The County/Union Memorandum of Understanding (MOU)
- Purchasing procedures and contracts
- Policies and procedures of other counties

Background

The 1999-2000 Grand Jury concluded in their investigation of County Government that: “Grand Jury investigation of various departments of the El Dorado government indicates department heads (directors) failed to properly direct operations or properly oversee operations within their departments.” Little, if any, progress has been made since that report.

There were repeated allegations to the Grand Jury of incompetence and lack of leadership. It is not clear if the problems were a result of: policy-setting, hiring procedures, misdirected promotions, improper delegation of responsibility, lack of training, or a combination of all of the above. In any case, the issue demands immediate correction.

Facts

1. There is excessive turnover in department directors.
2. There are numerous incidents of general and specific employee abuses, such as: arriving late and leaving early, long lunch hours, incidents of favoritism, wasted assets and wasted time.

3. Management has failed to document policy/procedure violations.
4. Management has failed to discipline documented violations.
5. Management has used flex hours as a reward and punishment tool.
6. There has been improper personal use of county computers, telephones, and vehicles.
7. There is general unrest and uncertainty among county employees and management due to numerous abuses of authority, intimidation, lack of procedures, and duplication of effort through lack of technology.
8. There is a lack of communication and cooperation between managers of various departments and the Human Resources Department.
9. Human Resources has lost its ability to function effectively.
10. Standards of employee performance and behavior are “loose”, nonexistent, or are not enforced.
11. The number of abuses overwhelmingly indicates a lack of leadership and ability to manage.
12. Business operations of El Dorado County are very poorly run, and all problems and lack of management in the county are a direct result of poor leadership from the top down.
13. The county has not taken full advantage of available technology to integrate, streamline and modernize its operation. (see IT report)
14. The county negotiated away employee performance evaluations during county/union contract negotiations.
15. There is lack of training.
16. The county compensation package is inadequate.

Findings

1. There are county employees, at all levels, who do not acknowledge that they are part of the county’s dysfunction.

Response to Finding 1: The respondent disagrees partially with the finding. The issue of county “dysfunction” is not isolated to El Dorado County. In fact, it is systemic throughout California’s fifty-eight counties. County government, in general, is dysfunctional by its very nature, due to the structure of county government finance and broad span of program responsibilities.

In an attempt to address this issue, the legislature and the past three Governors, over the past decade, have commissioned a litany of “blue-ribbon” commissions to unravel local government finance. Until this year no progress has been made to realign, restructure or reprogram financing of local programs. As part of the 2004-05 State Budget a constitutional amendment will be put on the November 2004 ballot that attempts to address this issue. Admittedly, this measure is simply a revenue fence to preclude State raids on local revenues but it does provide stability to counties’ core revenue streams.

By way of background, county government has three distinct service levels: a political subdivision of the State of California providing statewide services, a countywide program responsibility (i.e. sheriff, district attorney, assessor, auditor controller, treasurer, etc.) and municipal services. The funding streams for each area promote categorical financing

and a competitive environment for service delivery. Due to distinct funding streams the departments have fallen into one of two categories; the “haves” and the “have-nots”. Those departments that have the ability to charge for the services delivered, or have State or Federal funding, operate in an environment much different than those who are reliant on the county’s general fund revenues. The stability of outside revenue sources allows departments to plan and implement a program service delivery model that can be sustained over a period of time. Those departments that are subject to the fluctuations of State budgets and/or the State’s ability to raid local revenue streams (i.e. Educational Revenue Augmentation Fund) are operating on makeshift program designs or are simply cut to the point of ineffectuality.

In addition to this layered structure, county government imposes policy direction through an elected Board of Supervisors in the context where there are departments that are managed by elected officials. Some of the elected officials, who are elected on a county-wide basis, have constitutional powers, duties and authority. While this dynamic complicates county government, there is significant cooperation between the Board of Supervisors and the other elected officials in El Dorado County.

Given this context of county government in general, the finding that there are county employees, at all levels, who do not acknowledge that they are part of the county’s dysfunction, may be true. It is probably equally true that there may be a level of acceptance as employees acknowledge these structural barriers. It is important to note however that most El Dorado County employees have committed and dedicated their lives to public service in spite of these structural obstacles. The challenge for county administration is to develop and manage a workplace environment that promotes cooperation and professionalism to ensure that the public receives the services it demands.

2. County departments generally operate as separate entities with little regard or communications with other departments.

Response to Finding 2: The respondent disagrees partially with the finding. The response to finding number one addresses the structural aspect of this finding. Until the State of California and its counties have structural financial reforms there will continue to be competition for service delivery dollars. In recognition of this structural “confederacy of independent states”, the challenge for county administration is to facilitate communication. The Chief Administrative Officer has enacted some strategies to improve communications and coordination: re-institute monthly department head meetings, power-point presentation of the proposed budget reflecting functional groupings of departments and numerous reorganizations to improve inter-departmental service delivery.

3. The office of the Chief Administrative Officer has not always had strong support from all department directors and the Board of Supervisors.

Response to Finding 3: The respondent agrees with the finding. The Chief Administrative Officer has not always received strong support on recommendations as they relate to change. The infusion of change in an institution such as local government requires time and persistence to satisfy the concerns of all affected parties. The organization's health is really reflected in the open dialogue related to these types of issues and that the affected parties are participating in the process of reviewing "business as usual" service delivery systems.

4. Department directors are not meeting regularly to discuss and resolve interdepartmental and county-wide issues.

Response to Finding 4: The respondent disagrees wholly with the finding. Over the past year, department heads have continued to meet, at the Chief Administrative Officer's request, monthly to discuss issues of county-wide concern. In addition, the Department Heads meet for lunch one a month to air issues. With 25 department heads, the challenge is not discussing issues but resolving them.

5. The Human Resources Department does not have a strong labor relations commitment.

Response to Finding 5: The respondent disagrees wholly with the finding. On March 14, 2004, the Board of Supervisors adopted its goals for 2004. One of the goals was to "Develop opportunities to enhance the relationship between the County and its employees". A strong labor relations program is essential to meeting this goal. One illustration of the Board's commitment to employee relations is the Board's participation in a two-day training for "interest based negotiations" with labor representatives. The purpose of this training was to establish the framework within which the new memorandum of understanding with Local 1 will be negotiated in good faith. All members of the Board of Supervisors were present, as well as the Chief Administrative Officer and several department heads.

We anticipate that the addition of a new Human Resources Director, expected in November, 2004, will further enhance the county's ability to maintain its commitment to labor relations.

6. Without regular meaningful performance evaluations, the county lacks the ability to evaluate employees for promotion and discipline. Evaluations would also provide feed back to the employees.

Response to Finding 6: The respondent disagrees partially with the finding. While many departments make earnest efforts to regularly evaluate employees, the practice has been inconsistent across departments. The Board of Supervisors feels strongly that employee evaluations play a vital role in establishing a healthy workplace/organization, and has been working with the Chief Administrative Officer to address this issue for some time. Recently, the CAO received computer analysis listing all employees by department, hire date and the last evaluation. This information has been shared with

department heads , and they have been given the direction to bring their evaluation lists up to date by the end of the calendar year.

7. Training is often neglected due to budget limitations.

Response to Finding 7: The respondent disagrees partially with the finding. The Board of Supervisors views training as a vital component of meeting the program service demands in an environment of limited staff and resources. Training gives the employees the tools to increase performance and promotes internal efficiencies and savings of tax payer dollars. In recognition of the value of a trained workforce, the county 2004-05 proposed budget includes over \$200,000 for staff training.

In spite of this investment, the training efforts in the county have become very limited due to budget constraints. For example, the Human Resources department has a room full of training materials for departments to access but there is no formal training program. In addition, the departments and programs that receive training are those with other revenue sources than the county general fund. To address this issue, the addenda budget recommends that an additional \$100,000 be included for the implementation of a training program through the Human Resources Department.

Also, the Information Technology department has embarked on an extensive Lotus Notes training program as the county has established an e-mail standard.

8. The Human Resources Department leadership, along with other county department leaders, are not enforcing policies and procedures. This lack of leadership fosters violations and misconduct by county employees.

Response to Finding 8: The respondent agrees with the finding. The vacancy in the Human Resources Director position has lead to an erosion in enforcement of policies and procedures. In addition, many of the policies and procedures have not been updated for over a decade. There needs to be a concerted effort made by county administration, with the support and cooperation of departments, to revise policies, procedures, and ordinances. If reasonable, clear policies exist, departments will be better able and willing to enforce them.

The Board of Supervisors is optimistic that the new Human Resources Director, expected to start in November, 2004, will be a catalyst for change.

9. The County does not attract sufficient qualified applicants due to lack of positive working environment and competitive compensation policies.

Response to Finding 9: The respondent disagrees partially with the finding. The work environment may have suffered due to employees' perception that they have not received an increase in take-home pay in the past few years. The employees have received salary increases through bargaining agreements but have, in many cases, had an offsetting share of costs related to health premium increases. This unfortunate situation has resulted from

the combination of astronomic increases in health care costs across the country, and shrinking economic support for local governments at the state and federal levels. Despite this common perception in the workforce, there are a significant number of employees who continue to work overtime and weekends to get the job done. The county, for example, has employees who deferred their planned retirements to finish capital projects, employees who return to service with a cut in pay, and employees who deliver the services in the face of budget and staffing cuts.

With respect to competitive compensation policies, the Board of Supervisors has commissioned a Compensation Study through the firm of Fox Lawson and Associates. The results of this Compensation Study are to be presented to the Board of Supervisors in the summer of 2004. Financing the results of the study will be the challenge.

10. Electronic technology is not being utilized to its fullest.

Response to Finding 10: The respondent disagrees partially with the finding. While it is difficult to respond to the concept of “fullest” there is always certainly room for improvement. Generally, the county is faced with an aging computer infrastructure (Windows 95 systems) that needs to be upgraded or replaced.

As noted in the fiscal year 2003/2004 Proposed Budget, the IT department’s accomplishments were listed as follows:

1. Reviewed and proposed alternative funding methodologies to cover the costs of IT including Network cost-applied charges based on the number of network-attached devices implemented while examining more cost-effective ways to provide data storage and data processing.
2. Provided Web applications for multiple departments and county-wide for data access to the public.
3. Major enhancements to the County’s internal Property System.
4. Converted jobs that previously produced dot matrix output on the line printers utilizing special forms, to print on the Xerox laser printer on plain paper and conversion of paper reports to file (data) distribution.
5. New and on-going maintenance of Web Pages and Web sites (multiple pages) for County departments.
6. Established guidelines for Web and technical standards including ADA implementation.
7. Implemented upgrades on most vendor supplied enterprise applications as well as major upgrades to enterprise server system.
8. Developed and implemented many new departmental applications
9. Provided Business Analyst for consulting and guidance within County departments.
10. Moved the entire County network to Ethernet
11. Implemented new security hardware and software schemas to protect County technology assets.
12. Implemented new software and database systems to stay current in meeting departmental needs.

13. Increase the effectiveness and timeliness of County technology and telecommunications billings.
14. Reduced telecommunications costs to County in excess of \$100,000.

In addition, in June of 2004, the Board of Supervisors established Lotus Notes as the county e-mail standard. The Information Technology (IT) Department is in the process of installing this system on a department by department basis accompanied with various levels of training. In addition, the IT department is developing a strategic plan for Board consideration in September 2004.

11. Workplace values, such as pride, respect, responsibility, and professionalism are not always held in high regard.

Response to Finding 11: The respondent disagrees partially with the finding. Workplace values are critically important to service delivery and employee job satisfaction. The Board of Supervisors and county administration foster positive approaches to the workplace as stewards of the public trust. While there will always be a few employees that don't fully embrace the duty and responsibility of the public servant, the Board believes that these values are supported and demonstrated, certainly by the Chief Administrative Officer, as well as by most department heads and employees, on a daily basis. Any given employee, on any given day, may experience a lapse in one of these values, but that does not support the generalization implied by this finding.

Recommendations

1. For anything to change, there must first be a county-wide recognition and acknowledgement of the county dysfunction. Employees at all levels must critique themselves for improvement.

Response to Recommendation 1: The recommendation will not be implemented because it is not warranted. The County Administrative Office is planning on improving the regular and meaningful evaluation process for all employees.

2. The Board of Supervisors and department directors must provide strong support for the Chief Administrative Officer in consolidating and streamlining county government.

Response to Recommendation 2: The recommendation has been implemented. The Board of Supervisors and several department heads have shown support in the multiple reorganizations put forward by the administration. In addition, departments were very supportive through all of the budget reductions that occurred over the past eighteen months.

3. The Chief Administrative Officer and department directors must meet monthly to set goals, make plans, review progress, and establish priorities.

Response to Recommendation 3: The recommendation has been implemented. The Chief Administrative Officer has enacted some strategies to improve communications and coordination: re-institute monthly department head meetings, power-point presentation of the proposed budget reflecting functional groupings of departments and numerous reorganizations to improve inter-departmental service delivery.

4. The Board of Supervisors must direct the Chief Administrative Officer to establish a strong labor relations program.

Response to Recommendation 4: The recommendation has been implemented. On March 14, 2004, the Board of Supervisors adopted its goals for 2004. One of the goals was to “Develop opportunities to enhance the relationship between the County and its employees”. A strong labor relations program is essential to meeting this goal. One illustration of the Board’s commitment to employee relations is the Board’s participation in a two-day training for “interest based negotiations” with labor representatives. The purpose of this training was to establish the framework within which the new memorandum of understanding with Local 1 will be negotiated in good faith. All members of the Board of Supervisors were present, as well as the Chief Administrative Officer and several department heads.

We anticipate that the addition of a new Human Resources Director, expected in November, 2004, will further enhance the county’s ability to maintain its commitment to labor relations.

5. Meaningful performance evaluations must be done regularly. Each department director must establish standards and goals that actually measure the effectiveness of their department with time frames to meet these requirements.

Response to Recommendation 5: The recommendation has not yet been implemented, but will be implemented in the future. While many departments make earnest efforts to regularly evaluate employees, the practice has been inconsistent across departments. The Board of Supervisors feels strongly that employee evaluations play a vital role in establishing a healthy workplace/organization, and has been working with the Chief Administrative Officer to address this issue for some time. Recently, the CAO received computer analysis listing all employees by department, hire date and the last evaluation. This information has been shared with department heads, and they have been given the direction to bring their evaluation lists up to date by the end of the calendar year.

6. Provide training programs for newly hired, recently promoted, and present employees. Training must include department basics, leadership, and communications.

Response to Recommendation 6: The recommendation has not yet been implemented, but will be implemented in the future. The Board of Supervisors views training as a vital component of meeting the program service demands in an environment of limited staff and resources. Training gives the employees the tools to increase performance and

promotes internal efficiencies and savings of tax payer dollars. The Board will be considering approximately \$300,000 in staff training in the FY 2004-2005 budget.

7. County-wide codes of behavior, conduct and dress must be developed by Human Resources with cooperation of the union officials. Empower the Human Resources Department to enforce these rules and provide these rules to employees.

Response to Recommendation 7: The recommendation has not yet been implemented, but will be implemented in the future. The Chief Administrative Office will put before the Board a county ordinance for adoption of a county code of ethics.

8. Explore and develop a clear policy for employee promotion.

Response to Recommendation 8: The recommendation has been implemented. County Personnel Management Resolution 228-84, Section 6 outlines the process for promotion.

9. Review and upgrade compensation policies to allow the county to be competitive.

Response to Recommendation 9: The recommendation has been implemented. The Board of Supervisors has commissioned a Compensation Study through the firm of Fox Lawson and Associates. The results of this Compensation Study are to be presented to the Board of Supervisors in the fall of 2004.

10. Major software companies should be consulted to review county operations and make recommendations for improvement. See IT report for additional recommendations.

Response to Recommendation 10: The recommendation will not be implemented because it is not reasonable. The county is in continuous communication with vendors of all types in the computer industry. The cost associated for a “major software company” to review county operations would be prohibitive particularly that the conclusions drawn would likely include the purchase of their products. The Information Technologies Department is in the process of reviewing and updating the county’s Information Technologies Strategic Plan. Naturally, as a part of this process, the qualified, knowledgeable county staff working on this project are reviewing county operations and making recommendations for improvement.

11. The Board of Supervisors, department directors and employees, must support important workplace values, such as pride, respect, responsibility, and professionalism.

Response to Recommendation 11: The recommendation has been implemented. The Board of Supervisors emphatically supports workplace values such as pride, respect, responsibility, and professionalism. While there will always be a few employees that don’t fully embrace the duty and responsibility of the public servant, the Board believes that these values are supported and demonstrated, certainly by the Chief Administrative Officer, as well as by most department heads and employees, on a daily basis.