

PUBLIC SERVICES COMMITTEE

Fiscal year 1999-2000 brought several changes to the organizational structure for San Bernardino County employees. During the last year the Public Services Group was renamed Economic Development/Public Services Group and several departments were added that cover many services to the public.

Departments carried over from the Public Services Group include:

- Agriculture/Weights and Measures
- Airports
- Community and Cultural Resources
- Economic and Community Development
- Land Use Services
- Library
- Registrar of Voters
- Transportation/Flood Control/GIMS/Surveyor
- Waste System Division

As a result of reorganization, the following departments were added to the Group:

County Fire
Redevelopment Agency
Special Districts

While subcommittees were established to review limited aspects of selected departments, only the original nine departments were included in this report.

AGRICULTURE/ WEIGHTS AND MEASURES DEPARTMENT

WEIGHTS AND MEASURES DIVISION

BACKGROUND

It has been several years since any Grand Jury looked into the operations of the Agriculture/Weights and Measures Department. A subcommittee was formed to look into several areas of the department.

The Agriculture group and the Weights and Measures group recently were combined, and they are in the process of merging the job classifications of both groups into one journeyman classification. The Agriculture personnel can operate within the Weights and Measures group without any problems. The Weights and Measures personnel have to be licensed, and have five levels of State test certifications.

FINDINGS

Fees are collected from businesses based on the number and type of measuring devices installed. Typical devices include grocery scales, gasoline pumps, taximeters, and mobile home electric, gas, and water meters. Some

fees are billed on an annual basis and others are a one-time initial inspection charge. Any callbacks due to failure may or may not be billed.

The Weights and Measures inspector whom the Grand Jury accompanied conducts about 1,000 inspections annually. Inspections are done on a rotating basis. The inspector relies on information from the administrative group, which tracks new applicants, to keep files updated. The inspector uses his personal home computer to develop a database of clients for the annual inspections. If the inspector is not available and someone else does an initial inspection, a client could "fall through the cracks" and not be checked again. The inspector said when inspectors drive to and from assignments they watch for openings of new gas stations and stores. If not given data on the new operation, an inspector makes a call on the facility to be sure that all permits, inspections, and approvals have been obtained.

A ride-along stop was made at a gas station. This stop was the result of a complaint. The process of sealing and what happens when a seal is broken for repairs, maintenance, or tampering was explained. These require verification and have to be resealed. A pump was found to be out of tolerance. It was shut down, red tagged (sealed off and declared out of service), and the employee on duty was notified. Another dispenser from this cluster was tested and found to be within tolerance.

There is a fee for re-inspection. If not notified that the infraction has been repaired within 30 days, a second visit is made and a warning is issued. If not repaired within 60 days, an order can be issued to take legal action, which could result in administrative, civil, or criminal actions.

The second stop on the ride-along was a routine inspection and testing of a scale at a grocery outlet. Weights were put on the scale in various combinations. The scale was the type that calculates the dollar amount to be charged when a price per pound was entered. Variances allowed were based on weight amounts being tested; the smaller the weight, the smaller the allowable variance. Equipment exceeding tolerances is immediately taken out of service. All calculations were correct.

There are two County inspectors who test grocery store scanners in the valley. Each inspector has about 700-750 clients. The inspector involved in the ride-along relies on a manual 4 x 6-card system for the data listing on his clients.

Grand Jurors accompanied an inspector on a review of a large chain grocery store. At least two items were taken from each aisle. In a large store this would amount to about 40 items. The selection of items was made on a

50/50 basis – sale priced and regular priced items. Of particular interest were displays at the end of aisles and items that were labeled by hand.

A device that scans Universal Product Codes (UPC) was used. It tracks descriptions and prices and produces a tape of the data, item by item, including a bar code. The tape was passed over the scanner at the checkout stand and the information was recorded on the register tape. An item-by-item comparison was made. Deviations were reviewed with the store manager and verified at the shelf. No violations were found and the manager was given a copy of the Scanner Sales Price Report.

Penalties for a violation are based on the severity of the problem. Taken into account are the number of items reviewed, the number of errors, and the dollar amount as a percent of the total over and under charges of the correct total price. There are three levels of penalties: serious, moderate, and minor.

It was noted during both ride-along visits that each of the inspectors had their own record-keeping system. There is yet another system, which is used by administration for billing purposes for annual fees. When the Grand Jury inquired about using one database, we were advised that there is a database, but some in the office felt that it was old and hard to maintain. Others felt comfortable with it as opposed to getting something new and having to learn a new system.

RECOMMENDATIONS

- 00-131 CONSULT WITH THE INFORMATION SERVICES DEPARTMENT ON A DATABASE PROGRAM THAT COULD BE USED FOR AGRICULTURE/WEIGHTS AND MEASURES, ALONG WITH THE ADMINISTRATIVE PROCESS OF ANNUAL BILLINGS. MERGE AND COMPARE EXISTING FILES FOR REVIEW BY MANAGEMENT FOR APPROPRIATE STAFFING LEVELS, WORK ASSIGNMENTS, AND WORK LOCATIONS.

- 00-132 INITIATE A PROGRAM WITH ALL AGENCIES THAT ISSUE BUSINESS LICENSES OR FINAL PERMITS TO NOTIFY THE COUNTY AGRICULTURE/WEIGHTS AND MEASURES DEPARTMENT BEFORE FINAL PERMITS OR APPROVALS TO OPEN A NEW BUSINESS ARE GIVEN.

- 00-133 PROHIBIT COUNTY FILES AND DATA FROM BEING PLACED ONLY ON PERSONAL HOME COMPUTERS.

PESTICIDE REGULATORY DIVISION

BACKGROUND

A review of reports from previous Grand Juries noted that it had been some time since the Agriculture/Weights and Measures Department had been reviewed. Since there are diverse groups within the department, reviews were made of several major areas of activities.

The Pesticide Regulatory Division is responsible for pest management/eradication and pesticide enforcement, and has a pesticide formulation program that has been in existence since 1966. Regulations over environmental concerns about both animals and poisons have reduced the overall mission of this group.

FINDINGS

Current pesticide production includes two rodent baits and the sale of "gas bombs" to eradicate ground squirrels. Annually, 35,000 to 45,000 pounds of bait is produced based on the weather patterns. Rainfall increases rodent population, while dry weather maintains "normal" population. Last year 42,278 pounds of bait were sold. Bait is available in 2½, 5, and 25-pound bags. The smaller size bags are usually sold to homeowners. There are many warnings covering the use of bait and the types of animals to watch for because of the potential affect on endangered species. Anyone purchasing 100 pounds or more must prove they are in the agricultural business.

Cost to make the bait was broken down into package size. A 50 cent (\$.50) per pound fee is sent to the State for the use of the State seal on the product, and is included in the price. The fee covers testing for standard adherence to State mandated formulas. An "overhead" dollar amount calculated by the Auditor/Controller for the Pesticide Group is also included in the price.

	<u>2½ lb. bag</u>	<u>5 lb. bag</u>	<u>25 lb. bag</u>
Product Cost	\$1.27	\$2.34	\$10.19
Administration	\$.80	\$1.49	\$ 6.43
State Surcharge	\$1.25	\$2.50	\$16.50
Total Cost	\$3.32	\$6.33	\$29.12
Sales Price	\$3.25	\$6.25	\$29.00

The Agricultural Commissioner's office calculates the amount owed to the Franchise Tax Board. The sales price includes the tax amount. Selling amounts have been rounded off for simplicity. The Auditor/Controller has accepted this practice.

Baits and gas bombs are stored in a building at the rear of the Agriculture Department at the Rialto Avenue complex in San Bernardino. The baits are controlled substances and access to the storage area is limited. Keys to the storage facility are logged out to the employees. A physical count of the inventory is made every month and is verified by using the formula and the amount of product used.

The main ingredient in the pesticide bait is oat groats (whole grain without hulls). This mill product is purchased in 50-pound bags under a Request for Proposal (RFP). Due to limited availability, the same supplier has been used over the last several years.

These products are usually sold to farmers and ranchers. There are no commercial products they can procure as economically. This provides a benefit to an industry within the County. Most counties no longer make these products. Due to environmental problems, other counties have planned no new facilities. In addition to sales to other counties and cities, the department has a contract with Caltrans to perform their rodent control program on the freeway corridors in Riverside and San Bernardino counties.

Since the formulation of the bait is based on a State mandate, there are no commercial products available with the same formulation. Any commercial package that is similar in composition could cost 4-5 times more than prices charged by the County. Increased costs of development, research, and testing would have to be passed along to consumers.

Drivers of weed control equipment along County highways are assigned to mix the product on days they cannot work on the roads. These are the people who apply the product. As a condition of employment they must have a certificate for "pesticide application." The County does not pay for these certificates.

The storage building is divided into four main areas. Three areas are accessible from a main entry. Mixing of poisons and groats is performed in the first area. Masks, gloves and other safety equipment are provided for use by the employees. A sewing machine used to seal paper sacks is in this area, along with a scale used to measure the product (calibrated by Weights and Measures). Sheets of cardboard placed over the mixer act as a curtain to

capture dust and fumes to be exhausted to the outside. The other two areas are for storage.

A small room contains the smaller packages of product and baits formed into blocks. The larger storage area contains the 50-pound bags of groats and 25-pound bags of bait. The area must be fumigated every other month. There are damage holes in the ceiling. Due to risks related to poisons and fumigation, Facilities Management responds to requests very quickly. When necessary, Risk Management is called upon for assistance. Neither exterior nor interior doors have warning signs regarding poisons.

The fourth storage area is on the south end of the building and has a separate entrance. Gas bombs are placed in this area. Each carton has a warning label that the product is an explosive (Class 1.4). The passage door does not have any warning signs regarding poisons or explosives, and an overhead garage-type door does not fit tightly.

RECOMMENDATIONS

- 00-134 INCREASE PRICING TO COVER ALL COSTS, INCLUDING AMOUNTS PAID TO THE STATE FRANCHISE TAX BOARD, FOR ALL ITEMS BEING SOLD BELOW COST.
- 00-135 INSTALL CLEAR PLASTIC SHEETING AT THE MIXING MACHINE, FOR GREATER VISIBILITY AND FOR CONTROL OVER DUST AND FUMES IN THE WORK AREA.
- 00-136 POST BILINGUAL SIGNS ON ALL EXTERIOR AND INTERIOR DOORS ANNOUNCING THE PRESENCE OF POISONS AND EXPLOSIVES FOR THE SAFETY OF ALL EMPLOYEES, ESPECIALLY EMERGENCY RESPONSE PERSONNEL.
- 00-137 ASSURE REQUIREMENTS FOR THE STORAGE OF EXPLOSIVES ARE FOLLOWED.

CHINO AIRPORT WASTE MANAGEMENT BOND

BACKGROUND

In June 1996 San Bernardino County issued two revenue bonds (Series A for \$25,390,000 and Series B for \$90,000,000). The bonds were waste management bonds and the funds were to be used for completion of landfill site closures and the expansion of landfills. Security for the two issues was the Chino Airport. The 1998-99 Grand Jury noted that *"Federally funded portions of the airport, such as runways, taxiways and control towers are inappropriately included in the encumbrance."*

FINDINGS

In July 1999 a letter was sent to the Federal Aviation Administration (FAA) requesting that it review the documents relating to the bond issues as to the County's compliance with Federal Assurances, and requested any corrective action needed in the event the County may have failed to comply with those Assurances. The FAA responded that to remedy the compliance problem, the County must unencumber the airport. In August 1999 the County considered several alternatives to resolve the matter. Subsequently, it was concluded that the best alternative was a combination of collateral substitution for the Series A issue and a refinancing of the debt using different collateral for the Series B issue.

In September 1999 approval by the Board of Supervisors resolved the matter as to the remaining \$17,020,000 of Series A bonds by releasing the Chino Airport property and substituting certain County-owned property, identified as the Glen Helen Rehabilitation Center, the Glen Helen Academy, and 469 acres. All other terms remained unchanged, including the maturity in the year 2003. The only cost to the County was the policy of title insurance, estimated to be no more than \$25,000.

In November 1999 approval by the Board of Supervisors was given to refinance the entire \$92,000,000 Series B tax-exempt, fixed-rate bond with a new taxable, variable-rate issue with the same year 2016 maturity, using the Mid-Valley Landfill as the security, and releasing the Chino Airport property. The reason given for refinancing a tax-exempt issue with a taxable issue is to meet current Internal Revenue Service requirements. Because interest rates have declined since 1996, the new taxable, variable-rate is projected to reduce

the total principal and interest outlay over the life of the bond, thereby saving the County an estimated \$10,000,000. In addition, the taxable issue series is approximately \$92 million compared to \$107 million for a tax-exempt issue and by using a taxable issue, the proceeds can now be used by Solid Waste for any project within the system.

The estimated costs associated with the refinancing are shown below. None of the providers of services shown below were involved in the original bond issue, except for Seidler-Fitzgerald Public Finance, which is the County's financial advisor.

<u>Payee Name</u>	<u>Purpose of Obligation</u>	<u>Est. Cost</u>
Letter of Credit Bank (HVB)	Expenses	\$10,000
Letter of Credit Bank (HVB)	Legal Expenses	35,000
Standard & Poor's	Rating Agency Fee	30,000
Moody's	Rating Agency Fee	30,000
U.S. Trust	Trustee	6,000
Quint & Thimmig	Disclosure Counsel Fee	25,000
Quint & Thimmig	Special Counsel Fee	154,000
Seidler-Fitzgerald Public Finance	Financial Advisor	95,000
Merrill Corporation	POS and NOS Printing	30,000
California Municipal Statistics	Overlapping Debt Statement	500
Lawyer's Title	Title Insurance	40,000
Appraiser	Appraisal	32,000
Grant Thornton	Verification	<u>8,000</u>
	TOTAL	\$495,500

Because interest rates have declined since 1996, the County expects to save an estimated \$10 million over the life of the Series B bond. Even though the costs to refinance the Series B bond are less than normal, the whole matter of improperly using airport property as bond collateral raises the question of accountability.

It was reported that the original plan was to use the landfills as collateral for the bonds, but at the last minute Financial Securities Assurance didn't want to use the landfill as collateral. At no place in the original bond issue documentation presented to the Board of Supervisors was the collateral identified by name. This allowed the collateral to be switched without the Board of Supervisors, County staff or the public being made aware of the conflict. That was when the former County Administrative Officer (CAO) decided to use the Chino Airport property. A representative from the CAO's office was clearly informed that airport properties had Federal Assurances which restricted placing a lien on it. In fact, the Director of Airports was unaware that a lien had ever been placed on Chino Airport until mid-1999. As

a matter of sound business practice, the lien on collateral should always tie to the purpose or use of the borrowed funds.

There were no recorded FAA deed restrictions on the Chino Airport property. The County Counsel reviews the documents as to form; the financial advisor looks at it from a financial perspective; bond counsel is there to provide a tax opinion only; and the underwriter's counsel is there to protect the bondholders. The policy of title insurance did not note any restrictions as a result of it being airport property.

RECOMMENDATIONS

- 00-138 REQUIRE COUNTY COUNSEL TO HAVE GREATER ACCOUNTABILITY FOR THE TERMS, CONDITIONS, COLLATERAL AND DOCUMENTATION OF ANY FUTURE BOND OFFERINGS.
- 00-139 RECORD A DOCUMENT WHEREIN THE FEDERAL ASSURANCES, WHICH PLACE RESTRICTIONS ON EACH COUNTY AIRPORT PROPERTY, ARE ACKNOWLEDGED AS A MATTER OF PUBLIC RECORD.
- 00-140 REQUIRE THAT COLLATERAL PLEDGED FOR FUTURE BOND ISSUES BE DIRECTLY RELATED TO THE USES OF THOSE BORROWED FUNDS.
- 00-141 RESEARCH WHETHER ANY OF THE PARTIES INVOLVED IN THE INITIAL BOND ISSUE HAVE A RESPONSIBILITY UNDER THEIR PROFESSIONAL LIABILITY INSURANCE TO REIMBURSE THE COUNTY FOR THE COSTS OF REFINANCING.
- 00-142 IDENTIFY THE PROPERTY BEING PLEDGED AS SECURITY FOR ALL BOND ISSUES WHEN DOCUMENTATION IS SENT TO THE BOARD OF SUPERVISORS FOR THEIR APPROVAL.

COMMUNITY AND CULTURAL RESOURCES DEPARTMENT

GLEN HELEN BLOCKBUSTER PAVILION

BACKGROUND

In 1992 the County approved a 25-year lease with Amphitheater Entertainment Corporation to operate an entertainment pavilion at Glen Helen Regional Park. Construction of the pavilion and certain infrastructure was completed in June 1993 and was financed using Certificates of Participation (COP). Construction of a freeway overpass was financed using Certificates of Participation and was completed in 1995.

Previous Grand Jury reports (1996-97 and 1997-98) cited the County's unsatisfactory history of attempting to generate revenue sources by entering into commercial business ventures. Because of these reports, the Grand Jury investigated the present status and future outlook of the Glen Helen Blockbuster Pavilion.

FINDINGS

The original Amphitheater Entertainment Corporation (now Pavilion Partners) lease has been amended twice to reflect different ownership as the companies have merged. The fixed minimum annual rent in the lease agreement is based on a sliding scale beginning at \$300,000 per year in year 1 and increasing to \$1,400,000 in year 19. In lieu of the fixed minimum rent, the lessee pays 7.75 percent of annual ticket sales, if that exceeds the fixed minimum rent. For the year 2000, ticket sales would have to be over \$9.67 million for the percentage rent to exceed the \$750,000 fixed minimum rent. Since inception in 1994, the highest ticket sales year was \$5,960,000.

The lessee also pays as additional rent, 25 percent of the total Other Revenue (concessions, parking, merchandise sales, etc.) that exceeds a sliding schedule in the lease document. For the year 2000, total Other Revenue would have to be over \$3,450,000 before the County would receive additional rent from this source. Since inception in 1994, the highest Other Revenue year was \$3,273,000.

The County provided the past history of lease income and expenses as shown below:

<u>Fiscal Year</u>	<u>Fixed Minimum Annual Rent</u>	<u>Actual Annual Rent</u>	<u>Actual Other Revenue</u>	<u>Actual Annual Expenses</u>	<u>Cash Flow Gain(Loss)</u>
1993	0	0	2,026,604 *	0	2,026,604
1994	300,000	458,083	296,199	0	754,282
1995	350,000	350,000	2,320,165 *	2,106,517	563,648
1996	400,000	400,000	122,794	2,016,251	-1,493,457
1997	450,000	461,951	208,094	1,847,121	-1,177,076
1998	500,000	500,000	45,068	1,852,415	-1,307,347
1999	700,000	700,000	17,014	2,023,102	-1,306,088

* Special payments by the lessee of \$2,000,000 each in 1993 and 1995 per the lease contract.

Actual performance shows that the fixed minimum annual rent was paid in four of the previous seven years. In the other three years, the rent paid exceeded the fixed minimum annual rent. The actual expenses represent variable interest and principal repayment on the three COPs in the original amount of \$26,330,000. During the past four years, the annual negative cash flow to the County has averaged \$1,320,000.

Using data provided by the County Administrative Office, the projected performance for the next ten years is estimated as follows, assuming no significant changes in the operation or the lease by either the County or the lessee:

<u>Fiscal Year</u>	<u>Fixed Minimum Annual Rent</u>	<u>Expected Annual Rent</u>	<u>Expected Other Revenue</u>	<u>Estimated Annual Expenses</u>	<u>Cash Flow Gain(Loss)</u>
2000	750,000	750,000	0	1,906,600	-1,156,600
2001	800,000	800,000	0	1,904,100	-1,104,100
2002	850,000	850,000	0	1,905,300	-1,055,300
2003	900,000	900,000	0	1,899,900	-999,900
2004	1,000,000	1,000,000	0	1,908,300	-908,300
2005	1,050,000	1,050,000	0	1,904,400	-854,400
2006	1,100,000	1,100,000	0	1,904,000	-804,000
2007	1,150,000	1,150,000	0	1,901,800	-751,800
2008	1,200,000	1,200,000	0	1,897,700	-697,700
2009	1,250,000	1,250,000	0	1,901,700	-651,700

10 year loss \$8,983,800

The above estimates show the County will take a loss each year for the next ten years totaling nearly \$9.0 million. The assumption is made that the only income received will be the fixed minimum annual rent because it is unlikely ticket sales will increase sufficiently to have the 7.75 percent of ticket

sales exceed the minimum. For the County to receive Other Revenue, the level of sales would have to more than double compared to the past three years. It is assumed the variable interest rate will remain as it was in March, 2000.

The annual cash outlay by the County includes payment of both principal and interest on the COPs. The amount of principal being repaid will equal or exceed the annual cash flow loss of about \$750,000, beginning in the year 2007.

Paid attendance figures since inception are:

<u>Fiscal Year</u>	<u>Paid Attendance</u>
1994	225,294
1995	187,159
1996	161,882
1997	254,363
1998	74,804
1999	71,723
2000 (thru Oct. 99)	149,237
Average Annual Attendance	160,637

At the onset of this amphitheater project, documentation stated that *“the facility, when constructed, will provide a recreational service to the public and generate revenue for the County.”* Further, it was stated *“the estimated average annual revenue to the County General Fund over a twenty-five (25) year period will be \$280,000, producing \$7,000,000 in total additional revenue to the County through the term of the lease. This is over and above the annual debt service associated with repayment of the bonds utilized to construct the facility and infrastructure improvements. The total project budget is \$15 million.”*

Hindsight shows the initial projections for attendance, income, sales, etc. were wildly optimistic.

Since the fixed minimum annual rent stated in the lease agreement is increasing and the threshold of Other Revenue is increasing, it is likely the only source of future income will come from the fixed minimum rent. Annual attendance would now have to be in the range of 450,000 to 500,000 to generate sufficient ticket sales such that the percentage rent would be greater than the current fixed minimum rent. This is about double the highest yearly attendance since inception.

Article 6 of the lease agreement states *“Operator agrees to operate and manage the services and facilities offered in a professional, businesslike manner. Operator shall appoint an Operating Manager who shall be the person with whom the County, through the Director, shall deal on a regular basis regarding the use and operation of the Premises by the Operator. Any person selected by Operator as its Operating Manager shall be skilled in management of businesses similar to the amphitheater. In the event the Operating Manager shall fail, to any material degree, to meet the reasonable expectations of County with respect to this lease, County shall notify Operator of such shortfalls and Operator shall take reasonable action to remedy such shortfalls.”* The lessee has not met the reasonable expectations of the County with respect to the lease.

In the past, the County has considered a sale of the facility to rid itself of the large annual cash flow drain. The lease can only be terminated for nonpayment of the rent, so a sale of the facility could only be made if it was sold to the current lessee or was sold subject to the existing lease. The County owes about \$25.7 million on the COPs used for the improvements. Additionally, the County owns the underlying land (parks land) and occasionally uses the facility for County-sponsored functions.

In March 1999 the County contracted with a consulting company, AC Consulting LLC, to attempt to renegotiate the Blockbuster Pavilion lease. An initial payment of \$15,000 was made but there is no evidence that any change to the lease contract will be forthcoming.

RECOMMENDATIONS

- 00-143 EVALUATE PERIODICALLY WHETHER THE THREE CERTIFICATES OF PARTICIPATION CAN BE REFINANCED AT TERMS MORE FAVORABLE SO AS TO REDUCE THE INTEREST RATE AND ANNUAL CASH OUTLAY.

- 00-144 NOTIFY THE LESSEE THAT PAST PERFORMANCE HAS NOT MET THE REASONABLE EXPECTATIONS OF THE COUNTY AND THE LESSEE SHALL TAKE REASONABLE ACTION TO REMEDY SUCH SHORTFALLS AND TO INCREASE THE USE OF THE FACILITY.

- 00-145 REMAIN ALERT TO ANY REASONABLE OFFER TO SELL THE FACILITY SO THE COUNTY COULD RID ITSELF OF INVOLVEMENT IN A SPECIALIZED ENTREPRENEURIAL BUSINESS.

00-146 DETERMINE WHAT VALUE, IF ANY, THE COUNTY RECEIVED FOR THE \$15,000 SPENT ON THE AC CONSULTING LLC CONTRACT AND WHETHER ANY OF THIS MONEY SHOULD BE RETURNED TO THE COUNTY.

ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

RENAISSANCE VILLAGE PROJECT

BACKGROUND

The purpose of this investigation was to follow-up on the suggestion of the prior Grand Jury to monitor the progress of the rehabilitation at the Renaissance Village housing complex project. The County has substantial monies dedicated to the project located at 220 North Glenwood Avenue in Rialto.

Renaissance Village was formerly a complex called Glenwood Avenue Apartments, which consisted of 160 units of four-plexes owned by absentee landlords. The complex was neglected and allowed to deteriorate to the point where units were not rentable. The complex fell into foreclosure. Only nine units remained occupied, and transients primarily inhabited those.

In partnership, the County, the City of Rialto, the Southern California Housing Development Corporation (SCHDC), area financial institutions, and local residents designed and implemented a comprehensive strategy to renovate and revitalize the Glenwood Avenue Apartments. The name was changed to Renaissance Village. The plan was to increase the supply of decent, safe and sanitary housing by creating attractive residential units with one, two and three bedrooms, available at affordable rents. The primary purpose was to provide housing to eligible households earning 80 percent, or less, of the area median income as established by the Department of Housing and Urban Development (HUD).

During the renovation process all buildings were completely gutted and stripped, including roofs. Debris was cleared away and the grounds

completely landscaped and gated. The buildings were painted, inside and out, and new appliances were installed. The total number of units was reduced to 144.

San Bernardino County contributed \$536,000 toward the total cost of \$7.5 million to complete the project, which included acquisition of land and dwelling units, rehabilitation of all units, marketing and general administration.

FINDINGS

In November 1999 Grand Jurors visited Renaissance Village and found it to be an attractive and pleasant-looking neighborhood, complete with perimeter fencing and security gate. The complex now has 24-hour security. The grounds are professionally landscaped and maintained. There are covered carports, swimming and wading pools, playgrounds, basketball court, and laundry facilities. Tenants have access to a spacious community center where numerous activities and self-development classes are held. The Rialto City Parks and Recreation Department provides after school activities for children aged 5 to 17, with games and arts and crafts. Teen after-school tutoring began on the same day of the Jury's visit. There were JTPA (Job Training Partnership Act) classes last summer, and there are plans for a job resource center, with computers, in the near future.

All units are four-plexes. While renovation was underway, a small remnant of tenants was temporarily relocated, then moved back during the first phase after completion. Tenants pay for gas and electricity. Water and sewer fees are included in the rent. Each unit is equipped with built-in appliances, forced air heating and air conditioning. Units were not available for interior inspection as all units were occupied, and there is a waiting list.

Renaissance Village is under the direction of Southern California Housing Development Corporation (SCHDC). The full-time on-site staff includes office manager, assistant office manager, leasing agent, three maintenance people (supervisor, technician, and groundskeeper), and security person. Tenants are members of an association, and their input is encouraged.

While touring the grounds, the Jury found them to be well maintained. Several buildings needed exterior painting of wood siding and/or fascia boards which showed peeling paint. Maintenance scheduling and priorities were being reviewed to get painting done before winter rains began.

The Jurors were shown a video that pictured "before" and "after" views of the complex. Renaissance Village is an excellent model of successful

neighborhood revitalization, and SCHDC received the National Association of Counties Community and Economic Development award in 1996. Renaissance Village turned a blighted slum area into a clean, attractive neighborhood, for a minimum County investment.

RECOMMENDATIONS/COMMENDATIONS

- 00-147 MAINTAIN REGULAR COUNTY CONTACT WITH SOUTHERN CALIFORNIA HOUSING DEVELOPMENT CORPORATION AND CONDUCT PERIODIC ON-SITE INSPECTIONS AT THE RENAISSANCE VILLAGE COMPLEX TO INSURE THE APARTMENTS ARE APPROPRIATELY MAINTAINED.
- 00-148 CONTINUE THIS PROGRAM WHEN OTHER OPPORTUNITIES BECOME AVAILABLE TO THE COUNTY THROUGH THE HOME INVESTMENTS PARTNERSHIPS (HOME) PROGRAM.

SENIOR HOME REPAIR PROGRAM

BACKGROUND

Previous Grand Juries have looked into operations within the Economic and Community Development Department. Background investigations have not mentioned the Senior Home Repair Program. This program provides a one-time grant of up to \$3,500 to help eligible homeowners correct code violations and/or health and safety problems. The Grand Jury investigated the effectiveness and acceptance of this program.

Telephone calls to clients were made, rather than field visits. If repairs or problems had been corrected to the client's satisfaction and the problem did not reoccur or create more problems, it was considered completed satisfactorily.

A list of questions regarding the program was compiled. Exceptions to these questions would generate a field visit by the committee.

FINDINGS

All clients contacted lived within the areas served by the program.

Information regarding the program came from mixed sources that included newspapers, owners or managers of mobile home parks, friends, a real estate seminar, and a referral from the Gas Company.

Repairs were widely varied:

Leaky kitchen sinks	Replace cracked/broken windows
Smoke alarms	Steps to mobile homes
Water heater	Wall heater (w/thermostat)
Carbon monoxide detector	Roof repair
Sliding doors	Port supports replaced/repared
Showerhead (w/hose)	Install ramp (for wheelchair access)
Repair toilet	Repair electric space heater
Repair roof and ceiling leaks	Kitchen flooring

No follow-up field investigations were required. Comments resulting from the calls made follow:

- When asked if the cost of repairs was known, the clients responded no.
- Work completed was based upon immediate needs and/or safety issues.
- Most clients surveyed requested additional work.
- One client did make note of the excessive time it took from processing the request to the actual start of the work.

It should be noted that all persons contacted by the Grand Jury had praise for the employees they dealt with.

RECOMMENDATIONS

- 00-149 IMPROVE COMMUNICATION WITH PROGRAM CLIENTS. PROVIDE A BETTER EXPLANATION OF THE ONE-TIME GRANT PROGRAM.
- 00-150 PROVIDE A DETAILED ESTIMATED COST OF EACH REQUESTED ITEM SO CLIENT COULD MAKE CHOICES ON WHICH REPAIRS WOULD BE PERFORMED.

00-151 REVIEW WITH EACH CLIENT THE TIMING FROM PROGRAM APPLICATION TO THE START OF THE PROJECT. PROVIDE CLIENT WITH INFORMATION ON PROJECT START DATE AND MAKE THEM AWARE OF ANY PROJECT DELAYS.

COUNTY LIBRARY

BACKGROUND

The San Bernardino County Library System consists of 28 libraries, 13 of which are owned by the County and 14 of which are leased. A new program of cooperation with school districts has been developed at Kaiser High School in Fontana where a new library was recently opened. The Library furnishes books, periodicals, tapes, videos and Internet access to the public. The bookmobile program is available to aid residents who are unable to travel to the library.

The Library system is completely computerized. All transactions are entered on the computer system. The branches are linked and on the Internet. Sixteen (16) branches allow Internet access to the public, free of charge. The larger libraries make deposits of funds received daily and the smaller libraries make deposits at least every two days. Each transaction is entered into the computer system daily and reconciled at the main office monthly.

FINDINGS

The County Librarian expressed a preference for Library ownership of buildings over leasing, for efficiency in managing the branches. There is no building fund for County libraries, which makes it necessary to seek funds from bonds or grants, neither of which has been available. Cities have impact fees to offset the cost of growth. The County does not have these fees. Because the County does not have building funds available, it is difficult, or impossible, to utilize grant programs such as the one that Proposition 14 stipulates.

Proposition 14, approved on the March 2000 ballot, provides \$350 million statewide for libraries on a 65/35 percent cost sharing basis between the State and the library district. It is anticipated that the County Library will apply for some of these funds.

Funding for the Library is a combination of a percentage (about 1.4%) of the County tax base and monies raised through fines, fees, and rentals charged by the libraries. In 1999 the Library received \$300,000 from the County General Fund. A \$500,000 supplement had been recommended by the 1996-97 Grand Jury. This recommendation was prompted by the reevaluation of property, which started in 1993. This reevaluation lowered the tax base and reduced the monies available to the Library budget by about 40 percent. According to the County Librarian the budget is the biggest problem and, especially, the lack of building improvement funds.

The Historical Records Commission and two previous Grand Juries (1995-96 and 1997-98) have recommended that the Archives be transferred to the County Recorder instead of being the responsibility of the County Librarian. When the Archives was established, it was placed under the Library without recognizing the added cost to the Library. Later, studies determined that the Archives should be under the direction of the County Recorder. Neither the County Recorder nor the County Librarian objects to the move, which has yet to be accomplished.

The County Librarian sees the need for a Library Advisory Board. Because the County is so large, volunteers focus more on other local needs. An advisory board would be able to furnish community input, which is now lacking in the system.

RECOMMENDATIONS

- 00-152 ESTABLISH A BUILDING FUND FOR THE COUNTY LIBRARY SYSTEM.
- 00-153 MOVE THE ARCHIVES FUNCTION FROM THE COUNTY LIBRARY TO THE COUNTY RECORDER'S CONTROL, AS PREVIOUSLY RECOMMENDED BY PRIOR GRAND JURIES AND THE HISTORICAL RECORDS COMMISSION.
- 00-154 ESTABLISH AN ADVISORY BOARD FOR THE LIBRARY.

REGISTRAR OF VOTERS

BACKGROUND

Due to the large number of elections held this year, greatly restricting the Registrar's time, Grand Jury members considered it more appropriate to interview the Registrar through a number of written questions. The Registrar responded promptly and with considerable detail.

All committee members were involved in this year's election process, including poll workers, official observers of the ballot counting, and observers of the election certification process. The actual ballot counting procedure was observed in the computer room. A great number of computer checks are made before and after the actual count, to verify computer accuracy. Grand Jury members observed these checks.

FINDINGS

High school students are used at polling locations. They are selected by the schools and paid at the same rate as other workers. Inspectors at locations where student workers are used report satisfactory results.

Grand Jurors were official observers at recent elections. Members noted an efficient, well-run process for receiving and counting ballots at the Rialto Avenue location. The use of student volunteers was noted, and those in charge expressed satisfaction with the work performed. Members present at the Rancho Cucamonga remote processing location noted a lack of training/preparation of student workers at that location.

A major problem in the election process is obtaining adequate polling places. Many polling places are in public schools. The school locations do not charge the County. Normally, \$50 is paid to those providing a polling site.

Grand Jurors have observed that school locations allow adults to enter the school campus without supervision. This opens the possibility of someone wishing harm to children having unlimited access to school grounds on Election Day. Concern for the safety of children is real.

It was noted that a large number of duplicate names and names of deceased voters were listed in the *Roster of Voters*, which could lead to voter fraud.

Grand Jurors are concerned about the number of vehicles rented from outside vendors for each election. The Registrar of Voters states that these vehicles are not available from County Vehicle Services. Further investigation confirms that Vehicle Services does not have the needed vehicles available and verifies that they should be secured from an outside vendor. In addition, Central Stores trucks run defined routes that would prohibit them from delivering inspector training materials prior to elections.

RECOMMENDATIONS

- 00-155 CONTINUE THE USE OF STUDENT AND VOLUNTEER WORKERS. IMPROVE VOLUNTEER TRAINING TO MAKE STUDENT PARTICIPATION IN THE VOTING PROCESS MORE EFFICIENT.
- 00-156 DISCONTINUE THE USE OF PUBLIC SCHOOL LOCATIONS AS POLLING SITES, WHERE UNKNOWN PERSONS HAVE FULL ACCESS TO SCHOOL GROUNDS DURING SCHOOL HOURS.
- 00-157 INCREASE COMPENSATION TO INDIVIDUALS, CHURCHES, AND BUSINESSES THAT PROVIDE ADEQUATE POLLING SITES, TO OFFSET THE LOSS OF SCHOOL POLLING SITES.
- 00-158 PURGE DUPLICATE NAMES AND NAMES OF DECEASED VOTERS FROM THE ROSTER OF VOTERS PRIOR TO EACH ELECTION.

WASTE SYSTEM DIVISION

WASTE MANAGEMENT

BACKGROUND

The 1989-90 session of the California Legislature added Division 30 (commencing with Section 40000) to the Public Resources Code, relating to solid waste. Section 41780 mandated that:

- (1) The city or county will divert 25 percent of all solid waste from landfill or transformation facilities by January 1, 1995 through source reduction, recycling, and composting activities.
- (2) The city or county shall divert 50 percent of all solid waste from landfill or transformation facilities by January 1, 2000 through source reduction, recycling, and composting activities.

In 1997 the Legislature, realizing that many cities and counties in California may not meet the January 1, 2000 mandate of 50 percent reduction, amended Section 41785 of the Public Resources Code. The amendment authorized the California Integrated Waste Management Board (CIWMB) to grant one or more single or multi-year time extensions from the diversion requirements, if the city or county made specified demonstrations to the Board.

FINDINGS

The CIWMB reviews waste reduction every two years. The Grand Jury was advised that a review of the amount of waste reduction to the County landfills for 1997 and 1998 had not been conducted for the jurisdictions in San Bernardino County. It is anticipated the figures will be available in August of 2000.

Following is a table provided to the Grand Jury by CIWMB showing the percentage of solid waste diversion rates for 1995 and 1996:

COUNTY / CITIES	1995	1996
County-Unincorporated	44%	44%
San Bernardino City	23	35
Barstow	25	33
Chino	24	37
Chino Hills	34	41
Grand Terrace	30	38
Montclair	28	39
Needles	24	24
Ontario	17	17
Twentynine Palms	40	39
Upland	23	29
Victorville	22	22
Yucaipa	38	31
Yucca Valley	58	64

By the figures provided, it is noted that the majority of the cities, as well as the County, did meet the first mandate of 25 percent reduction by January 1, 1995.

The CIWMB advised the Grand Jury that *"...the 50% diversion requirement is for calendar year 2000, specifically by the end of that year, and a jurisdiction's report containing their 2000 diversion rate is due August 1, 2001. There is currently no requirement for a jurisdiction to request an extension if the jurisdiction's diversion rate is below 50% at that time. However, the board is currently conducting workshops around the state to obtain input from cities and counties on the process to be followed for jurisdictions that voluntarily request an extension to the 50% goal for 2000. Current legislation allows for multiple extensions, but unless a jurisdiction meets the definition of a "rural" jurisdiction, the extension may not go beyond 2006."*

Public Resources Code Section 41813(a) states, *"After conducting a public hearing pursuant to Section 41812, the board may impose administrative civil penalties of not more than ten thousand dollars (\$10,000) per day on any city or county ... which fails to submit an adequate element or plan in accordance with the requirements of this chapter."* The CIWMB provided the following circumstances in which it would assess the \$10,000 a day fine: *"The board will conduct a biennial review, possibly considering the years 1999/2000, or 2000/2001, to determine whether adequate diversion programs have been implemented to achieve the 50% goal. As a result of that biennial review, current statute requires the Board to first issue to a*

jurisdiction a compliance order if it determines the jurisdiction has not adequately implemented diversion programs for achieving the 50% goal for 2000. By the ending date of that compliance order, the Board is required to hold another hearing to consider whether the jurisdiction has complied with the order, or has made a good faith effort to comply with the order to achieve the diversion goals of AB 939. If the Board determines the jurisdiction has failed to comply with the order, the Board may consider levying a fine of up to \$10,000 a day against the offending jurisdiction."

Based on interviews conducted, it is unlikely that many of the cities will meet the required reduction of 50 percent by January 1, 2000. They have active programs to reduce, and continue to provide a good faith effort to reduce the flow of waste to the landfills.

Comments were made to the Grand Jury that an added way to encourage recycling and to make the program more effective is to place greater emphasis in the schools, especially at the elementary school level, on the importance of recycling and the effect recycling has on the environment.

Advertising is a tool in educating the public on the importance of recycling. In some areas, such as the high desert, booklets are provided informing citizens on how to recycle. Classes on composting are also available.

In Hesperia there is a Material Recycling Facility (MRF) that processes 175 to 180 tons of material a day at a cost of \$24-25 per ton for 18,000 residential customers. All waste arrives at the MRF before going to the landfill. The waste material received in the Hesperia MRF has not been sorted for recyclable material. Of the total tonnage received, 27 percent is recycled and diverted from the landfills.

The waste material received in the Victorville MRF has already been sorted for recyclable material. All other waste goes directly to the landfill and the tonnage received does not reflect the total waste tonnage generated by households within the community. The MRF in Victorville processes 80 to 100 tons per day at a cost of \$37 per ton for an estimated 42,500 households. Of the total tonnage received, 75 percent is recycled.

There is small demand for recyclable materials due to the limited number of companies using these materials.

RECOMMENDATIONS

- 00-159 ENCOURAGE WASTE MANAGEMENT COMPANIES TO PROVIDE GREATER INFORMATION TO ELEMENTARY SCHOOLS ON THE ADVANTAGES OF RECYCLING.

- 00-160 PROVIDE ADVERTISING ON PUBLIC ACCESS TELEVISION (CABLE PROVIDERS) AND RADIO TO INFORM THE PUBLIC OF CURRENT WAYS TO RECYCLE AND ENCOURAGE THEIR PARTICIPATION.

- 00-161 DEVELOP POLICIES TO ENCOURAGE MORE COMPANIES IN SAN BERNARDINO COUNTY TO USE RECYCLABLE MATERIALS.