

# Grand Jury Report

## RESPONSE FORM

**Grand Jury Report Title:** [Covering your Asphalt](#)

**Report Dated:** [June 6, 2011](#)

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**Response Form Submitted By:**

[Lloyd Weer, Assistant Auditor Controller](#)

**Response *MUST* be submitted, per Penal Code §933.05, no later than:**

[August 23, 2011](#)

***I have reviewed the report and submit my responses to the FINDINGS portion of the report as follows:***

{ FORMCHECKBOX } I (we) agree with the Findings numbered:

[4,5,12,13,21,22,25,26,28,29,30,31,32](#)

{ FORMCHECKBOX } I (we) disagree wholly or partially with the Findings numbered below, and have **attached, as required**, a statement specifying any portion of the Finding that are disputed with an explanation of the reasons therefore.

[3,6,10,11,23,24,27,33](#)

***I have reviewed the report and submit my responses to the RECOMMENDATIONS portion of the report as follows:***

{ FORMCHECKBOX } The following Recommendation(s) have been implemented and **attached, as required**, is a summary describing the implemented actions:

[5,6,15](#)

{ FORMCHECKBOX } The following Recommendation(s) have not yet been implemented, but will be implemented in the future, **attached, as required** is a time frame for implementation:

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{ FORMCHECKBOX } The following Recommendation(s) require further analysis, and **attached as required**, is an explanation and the scope and parameters of the planned analysis, and a time frame for the matter to be prepared, discussed and approved by the officer and/or director of the agency or department being investigated or reviewed: (This time frame shall not exceed six (6) months from the date of publication of the Grand Jury Report)

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{ FORMCHECKBOX } The following Recommendations will NOT be implemented because they are not warranted and/or are not deemed reasonable, **attached, as required** is an explanation therefore:

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*I have completed the above responses, and have attached, as required the following number of pages to this response form:*

Number of Pages attached: 4

*I understand that responses to Grand Jury Reports are public records. They will be posted on the Grand Jury website: { HYPERLINK "http://www.co.mendocino.ca.us/grandjury" }. The clerk of the responding agency is required to maintain a copy of the response.*

*I understand that I must submit this signed response form and any attachments as follows:*

First Step: E-mail (word documents or scanned pdf file format) to:

- The Grand Jury Foreperson at: { HYPERLINK "mailto:grandjury@co.mendocino.ca.us" }
- The Presiding Judge: sally.nevarez@mendocino.courts.ca.gov
- The County's Executive Office: angeloc@co.mendocino.ca.us

Second Step: Mail all originals to:

Mendocino County Grand Jury  
P.O. Box 939  
Ukiah, CA 95482

Printed Name: Lloyd Weer

Title: Assistant Auditor Controller

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

### ***Findings - General***

3. Revenues come from State and Federal gas taxes, a voter-approved road tax collected through property tax, and State and Federal grants, which require some matching funds.

*Auditor-Controller Response: The County Road System was originally supported by a property tax for highway purposes levied by the Board of Supervisors pursuant to the Streets and Highway Code. Following the passage of Proposition 13 in 1978, the County Road System was precluded from receiving any portion of the 1% property tax. The County Road Fund currently receives discretionary revenue from the General Fund of approximately \$3.3 million annually.*

6. In 2006 MCDOT was awarded \$6.5 million from Proposition 1b, which was received in three un-equal payments; the final payment of \$3.1 million was received in 2010. These funds are restricted to road projects and must be used within three years of receipt.

*Auditor-Controller Response: The last payment of \$2,887,975.40 was received on May 17, 2010.*

10. The budget units for MCDOT include: Road Maintenance, Storm Damage, Administration, Federal and State projects, Little River and Round Valley airports, Solid Waste, and Landfill Closure.

*Auditor-Controller Response: The budget units for MCDOT include:*

*1910-Land Improvement*

*3010-Administration and Road Maintenance*

*3030-Storm Damage*

*3041-Federal & State Projects*

*3050-Round Valley Airport*

*3060-Little River Airport*

*3080-R.V. Airport – Special Aviation*

*3090-L.R. Airport – Special Aviation*

*4510-Solid Waste*

*4511-Landfill Closure*

11. Solid Waste, an enterprise fund, was recently privatized; however, MCDOT remains responsible for maintaining the closed landfills. The Solid Waste and the Landfill Closure budgets are funded by franchise fees paid by the private waste haulers.

*Auditor-Controller Response: Other Solid Waste funding sources include the City of Fort Bragg, the Road Fund, and some interest earnings.*

### **Findings - Purchasing**

23. Department heads can make and sign for purchases up to \$25,000.

*Auditor-Controller Response: Department Heads can sign personal and professional service contracts up to \$25,000.*

24. The Purchasing Agent for MCDOT can make and sign for purchases up to \$50,000. The BOS must approve and sign for purchases or contracts over \$50,000. County Counsel must approve all contracts.

*Auditor-Controller Response: The County's Purchasing Agent or designee signs all personal and professional service contracts over \$25,000. The BOS signs all personal and professional service contracts over \$50,000. County Counsel reviews and approves all contracts.*

27. Only one P-Card is issued per department. The P-Card for MCDOT is held by the Senior Department Analyst; this arrangement makes it difficult when an emergency develops.

*Auditor-Controller Response: General Services Purchasing Agent or designee can make P-Card purchases for MCDOT during emergency situations.*

### ***Findings – Accounting***

33. The CAMS system has a tutorial component that senior management has failed to utilize effectively.

*Auditor-Controller Response: The Auditor's office is not aware that the CAMS system has a "tutorial component".*

### ***Recommendations***

The Grand Jury recommends that:

5. The Mendocino County General Services Agency justify the 13% internal support charge for processing P-Card payments. The inter-departmental charge back fee must reflect the true cost, not percentage based or flat fee for these services, (Finding 28)

*Auditor-Controller Response: Once a year, General Services analyzes their costs associated with processing all departments' P-Card purchases including reconciling them to the monthly statements. A percentage fee is then calculated and used to charge departments for their P-Card purchases during the following year.*

6. The Mendocino County Department of Transportation management and staff become proficient in the operation of the Cost Accounting Management System, (Findings 31-33)

*Auditor-Controller Response: If necessary, additional CAMS training should be made available to all MCDOT Administration employees who use CAMS.*

9. The Mendocino County Board of Supervisors, in conjunction with the Chief Executive Officer, initiates an independent internal review of the operations at the Mendocino County Department of Transportation, (Findings 34-49)

*Auditor-Controller Response: The decision to initiate an independent internal review at MCDOT will be made by the Board of Supervisors and the CEO.*

15. The Mendocino County Auditor-Controller, Chief Executive Officer, General Services Agency, and Human Resource Department, foster a professional and healthy relationship between each department and with the Mendocino County Department of Transportation, (Findings 20,34, 39-40, 46, 48)

*Auditor-Controller Response: The Auditor-Controller's Office will continue to maintain a professional relationship with all County departments including MCDOT.*