

EL DORADO COUNTY 2017-2018 GRAND JURY

CAMERON PARK COMMUNITY SERVICES DISTRICT

Case 17-01 • June 30, 2018

The Grand Jury investigated multiple claims of employee harassment, disruptive behavior at board meetings, a U.S. Department of Labor investigation and fiscal concerns at the Cameron Park Community Services District.

BACKGROUND

Cameron Park is an unincorporated community in El Dorado County, California, about 30 miles east of Sacramento and 70 miles west of South Lake Tahoe. Located along the US Highway 50 corridor on the western slope of the Sierra Nevada, it covers about nine square miles and has approximately 19,000 residents.

A Community Services District is a form of independent local government providing various services in unincorporated areas of a county. The Cameron Park Community Services District (CPCSD or District) was formed in 1961. It is led by a five-member elected Board of Directors and an appointed general manager. Today, the CPCSD administers fire and emergency services, parks and recreation, lighting and landscaping, solid waste disposal and recycling for residents and enforces covenants, conditions and restrictions (CC&R's) of various homeowners associations.

The CPCSD came to the attention of the Grand Jury when citizens claimed the Board failed to act upon complaints of bullying and harassment of District employees by the General Manager. In March 2017, the District was investigated by the U.S. Department of Labor for failing to properly pay overtime to employees. The Grand Jury looked for significant systemic issues that might continue to hamper the District's ability to govern and provide services to its residents.

METHODOLOGY

- Reviewed prior grand jury reports about this, and other, special districts.
- Interviewed District officials, employees, Cameron Park residents and El Dorado County officials.
- Attended Board meetings and a workshop.
- Examined District facilities.
- Reviewed reports from El Dorado County agencies on specific aspects of CPCSD.
- Reviewed District policies and procedures.
- Reviewed the District Five-year Strategic Plan.
- Reviewed District annual budgets.
- Reviewed District Board of Directors meeting agendas and minutes.
- Reviewed the District website as well as other websites pertinent to the operation of special districts in California.
- Reviewed the U.S. Department of Labor document, *Back Wage Compliance and Payment Agreement*, regarding non-payment of District employees for overtime worked.

DISCUSSION

Overall, the Grand Jury found the district is making progress towards correcting the issues investigated.

Board Meetings

The Grand Jury learned of disrespectful and disruptive behavior by members of the public at Board of Directors meetings. Grand Jurors who attended meetings observed directors maintaining a professional and respectful demeanor despite occasional citizen discord and outbursts.

Board meetings observed by the Grand Jury met California public meeting requirements, including advance posting of board meeting agendas on the District website and allowing public input at meetings. Adopted minutes of prior board meetings are posted on the website. Board meetings were conducted in a professional and organized manner by District directors and staff.

Reports of Sheriff Deputies at board meetings were investigated. An incident where a County Deputy Sheriff was called in response to public disruption at a board meeting in November 2015 was documented. The Deputy removed a disruptive member of the audience. On at least one other occasion Sheriff Deputies were preemptively stationed at a board meeting in anticipation of potential disturbances.

The District recently implemented videotaping of board meetings. Video recordings are available via the District website.

Directors

Some observers maintain that the timing of past director resignations were orchestrated by the Board of Directors to facilitate the appointment of selected individuals to positions on the Board rather than open elections. A review of the election and appointment of District directors since 2000 did not find any unusual patterns of resignations and appointments. Though there were a few appointments, a far greater number of directors were selected through the normal election process, some serving two or more four-year terms.

Two board members resigned in 2017 at about the same time the General Manager resigned. The Grand Jury determined that both resignations were for personal reasons and unrelated to any issues on the board. Two new directors were sought. A public process to solicit and interview applicants was conducted by the District. New directors were appointed in September 2017.

Training

The Grand Jury found formal training or orientation is not provided to new directors upon assuming office. New directors are provided binders containing the District's policies, procedures and information on the District's programs. Although District policy 4090 defines training for elected directors, it is general in nature and only encourages training for directors. It does not require training, nor does it address mandatory ethics and sexual harassment training required under California law.

District staff advised the Grand Jury that training on public meeting laws, requirements for elected public officials, good governance and other related topics would be useful to both new and existing directors.

The District has access to a variety of training opportunities. Membership in the California Special Districts Association (CSDA) includes a Special District Leadership Academy session on essential governance responsibilities. The District scheduled a series of public workshops on special district governance and operations starting in early February 2018. They will be attended by District board members and staff and are open to the public. The initial workshop was conducted with the assistance and support of CSDA staff.

Public Outreach/Community Involvement

The General Manager resigned in April 2017 amid citizen claims that the board failed to act upon complaints of bullying and harassment of district employees by the General Manager.

The District conducted a public workshop in Fall 2017 to obtain community input regarding the selection of a new general manager. Input from this meeting was used to help determine the desirable qualifications and characteristics used in the recruitment. Recruitment was conducted with the assistance of a professional executive recruitment firm. A new General Manager was found and subsequently hired in November 2017.

Employee Morale

The Grand Jury investigated poor employee morale and loss of long term employees in key positions. Employee morale clearly declined under the previous general manager. A U.S. Department of Labor investigation initiated by a CPCSD employee, found that District employees were due significant back pay for overtime worked. Employee complaints prompted the District to hire a firm specializing in employment law to investigate the complaints. While the nature of those complaints are confidential personnel matters and not subject to grand jury investigation, it appears that employee turnover seems to have been a symptom of a greater organizational morale problem. Recent indications show that employee morale is improving under new management.

Recordkeeping

District finances are somewhat in disarray. More than two years elapsed without an audit by an independent certified public accountant as required by district policy. An audit was underway at the time that this investigation was conducted by the Grand Jury.

Separate from the regular financial audit process, the District hired a certified public accounting firm to perform forensic accounting to determine and correct problems and uncertainties with past financial records. While the Grand Jury did not delve into the details of this process, the accounting firm has been working on financial records since July 2017 and continues as of the writing of this report. The Board took a major step toward improving financial record-keeping when they approved hiring a Finance Director / Human Resources Manager at the January 17, 2018 board meeting. The position was subsequently filled in March.

Revenue

Revenue is a continuing challenge as it is with many government agencies. Most revenue comes from sources beyond the District's control such as property taxes. One source that can be influenced is rental of District facilities for public use. The District website has a facilities rental page identifying the many facilities available for rent along with complete rental information and an application.

Additional revenue comes from district programs and activities fees. The District publishes a brochure of programs and activities that is delivered to residents, as well as publicizing the programs and activities via its website, social media and local print media. The calendar shows the programs and activities offered are robust and varied.

Strategic Plan

The District adopted a five-year Strategic Plan in February 2016. It provides a roadmap for policy and decision making over a five-year period. It identified nine strategic elements where the District would focus time and resources over the next five years and to provide a roadmap for decision making.

- A. Optimize Reserve Programs
- B. Increase Revenues
- C. Increase Participation in Programs and Facilities Usage
- D. Continue to Follow Existing Top-Level Plans
- E. Maintain and Improve Fire Service
- F. Enhance Our Relations with the County and the Community
- G. Strengthen Community Partnerships
- H. Address Deferred Maintenance Needs
- I. Stay Ahead of Best Practices for Administration of the District

The Grand Jury determined that the plan might provide a reasonable guide for good governance, administration, policy and decision making. However, there is little evidence that it has been widely followed, considered or referenced by the board and staff since it was adopted.

Website

Review of the Strategic Plan led the Grand Jury on a partially successful journey through the District website, www.cameronpark.org, to find reports and documents referenced in the Strategic Plan. While the website was updated with professional contract assistance in the recent past, it is still missing links to important documents. The website is current on things like board meeting agendas and minutes, district budgets, financial audit information and other matters of public interest. The District does not have an employee with training and skills in website design and administration to keep the website up to date.

FINDINGS

- F1. District Board meetings were conducted in a professional manner, even when confronted with disruptive and disrespectful behavior from members of the community.
- F2. The Grand Jury determined that there were no unusual patterns in the resignations and appointments of directors.
- F3. District Policy 4090 about training is inadequate in that it does not require training for directors, even for topics where California State law requires training.
- F4. The California Special Districts Association Leadership Academy is a valuable training opportunity for newly-appointed or elected district officers and newly-appointed general managers.
- F5. The District has taken a number of positive steps to enhance public outreach and encourage community involvement.
- F6. Employee morale is improving under the new leadership in District staff and the Board.
- F7. There are significant deficiencies with the District's financial record keeping.
- F8. There may be opportunities to increase revenue-generating use of District facilities.
- F9. The District Strategic Plan is not being used to guide policy decisions.
- F10. The District website is missing links to important district documents.

RECOMMENDATIONS

- R1. The District should amend Policy 4090 no later than October 31, 2018 to mandate training for directors and managers. Mandatory training should, at a minimum, include the topics on ethics and harassment required by State law.
- R2. Newly-appointed directors and the general manager should attend the California Special Districts Association Leadership Academy no later than December 31, 2018.
- R3. District staff should develop a written plan by October 31, 2018, designed to increase rental revenue from district facilities.
- R4. The Board should review and update the Strategic Plan as needed by October 31, 2018.
- R5. No later than October 31, 2018, the District should provide resources and training for staff to update and maintain the district website.

ATTACHMENTS

- A. CPCSD Policy 4090 – *Training, Education and Conferences.*
- B. U.S. Department of Labor *Back Wage Compliance and Payment Agreement.*

REQUEST FOR RESPONSES

This Grand Jury report is an account of an investigation or review. It contains findings and recommendations, and names those who should respond to each finding and each recommendation pertaining to matters under the respondent's control.

In accordance with California Penal Code §933 and §933.05 responses to Findings F3, F7, F8, F9 and F10 and all Recommendations are requested from The Cameron Park Community Services District Board of Directors.

The written response of each named respondent will be reprinted in a publication to the citizens of El Dorado County. Each must include the name of the Grand Jury report along with the name and official title of the respondent.

California Penal Code Section 933.05 mandates specific requirements for responding to grand jury reports. You are advised to review the Penal Code sections and carefully read the pertinent provisions included below before preparing your official response. Each respondent must use the formats below for each separate finding and recommendation identified above.

Please pay attention to required explanations and time frames. Incomplete or inadequate responses are likely to prompt further investigative inquiries by the grand jury and/or the court.

Response to Findings

Finding F# *[Retype the text of the finding as written in the Grand Jury report, # is the finding number in the report.]*

Response: *[Review California Penal Code section 933.05 (a) (1) and (2). Respondents must specify one of three options – a) Respondent agrees with finding, b) Respondent disagrees wholly with finding or c) Respondent disagrees partially with finding. If respondent uses option b or c then the response shall specify the portion of the finding that is disputed and shall include an explanation.]*

IMPORTANT NOTE ABOUT GRAND JURY FINDINGS

Grand Jury Findings are derived from testimony and evidence. All testimony and evidence given to the Grand Jury is confidential by law, and it is the Grand Jury's responsibility to maintain it. California Penal Code §929 provides "... the name of any person, or facts that lead to the identity of any person who provided information to the grand jury, shall not be released." Further, 86 Ops. Cal. Atty. Gen. 101 (2003) prohibits grand jury witnesses from disclosing anything learned during their appearance including testimony given. This is to ensure the anonymity of witnesses and to encourage open and honest testimony.

Response to Recommendations

Response R# *[Retype the text of the recommendation as written in the Grand Jury report, # is the recommendation number in the report.]*

Response: *[Review California Penal Code section 933.05 (b) (1) - (4). Respondents must specify one of four options – a) recommendation has been implemented, b) recommendation has not been implemented but will be implementing noting a timeframe, or c) recommendation requires further analysis or study noting a timeframe not to exceed six months from date Grand Jury Report was issued or d) recommendation will not be implemented because it is not warranted or reasonable, with an explanation.]*

Response Times

The California Penal Code specifies response times.

PUBLIC AGENCIES

The governing body of any public agency (also referring to a department) must respond within 90 days from the release of the report to the public.

ELECTIVE OFFICERS OR AGENCY HEADS

All elected officers or heads of agencies/departments are required to respond within 60 days of the release of the report to the public.

Failure to Respond

Failure to respond as required to a grand jury report is a violation of California Penal Code Section 933.05 and is subject to further action that may include further investigation on the subject matter of the report by the grand jury.

Where to Respond

All responses must be addressed to the Presiding Judge of the El Dorado County Superior Court.

Honorable Suzanne N. Kingsbury
Presiding Judge of the El Dorado County Superior Court
1354 Johnson Blvd, Suite 2
South Lake Tahoe CA 96150

Response via Email to courtadmin@eldoradocourt.org is preferred.

The Court requests that you respond electronically with a Word or PDF document file to facilitate economical and timely distribution.

California Penal Code Section 933

933.

(a) Each grand jury shall submit to the presiding judge of the superior court a final report of its findings and recommendations that pertain to county government matters during the fiscal or calendar year. Final reports on any appropriate subject may be submitted to the presiding judge of the superior court at any time during the term of service of a grand jury. A final report may be submitted for comment to responsible officers, agencies, or departments, including the county board of supervisors, when applicable, upon finding of the presiding judge that the report is in compliance with this title. For 45 days after the end of the term, the foreperson and his or her designees shall, upon reasonable notice, be available to clarify the recommendations of the report.

(b) One copy of each final report, together with the responses thereto, found to be in compliance with this title shall be placed on file with the clerk of the court and remain on file in the office of the clerk. The clerk shall immediately forward a true copy of the report and the responses to the State Archivist who shall retain that report and all responses in perpetuity.

(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 elected 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 of these 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.

(d) As used in this section "agency" includes a department.

California Penal Code Section 933.05

933.05

(a) For purposes of subdivision (b) 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 (b) 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 head 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.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decisionmaking authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

(f) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report

Cameron Park Community Services District

POLICY HANDBOOK

POLICY TITLE: Training, Education, and Conferences

POLICY NUMBER: 4090

4090.1 Members of the Board of Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Hence, there is no limit as to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

4090.1.1 "Junkets" (a tour or journey for pleasure at public expense), however, will not be permitted.

4090.2 It is the policy of the District to encourage Board development and excellence of performance by reimbursing expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state and national conferences associated with the interests of the District. Cash advances or use of District credit cards for these purposes is not permitted.

4090.2.1 The Business Manager is responsible for making arrangements for Directors for conference and registration expenses, and for per diem. Per diem, when appropriate, shall include reimbursement of expenses for meals, lodging, and travel. All expenses for which reimbursement is requested by Directors, or which are billed to the District by Directors, shall be submitted to the Finance Division Manager, together with validated receipts.

4090.2.2 Attendance by Directors of seminars, workshops, courses, professional organization meetings, and conferences shall be approved by the President of the Board of Directors prior to incurring any reimbursable costs.

4090.2.3 Expenses to the District for Board of Directors' training, education and conferences should be kept to a minimum by utilizing recommendations for transportation and housing accommodations put forth by the General Manager and by:

4090.2.3.1 Utilizing hotel(s) recommended by the event sponsor in order to obtain discounted rates.

4090.2.3.2 Directors traveling together whenever feasible and economically beneficial.

4090.2.3.3 Requesting reservations sufficiently in advance, when possible, to obtain discounted air fares and hotel rates.

ATTACHMENT A

4090.3 A Director shall not attend a conference or training event for which there is an expense to the District if it occurs after they have announced their pending resignation, or if it occurs after an election in which it has been determined that they will not retain their seat on the Board. A Director shall not attend a conference or training event when it is apparent that there is no significant benefit to the District.

4090.4 Upon returning from seminars, workshops, conferences, etc., where expenses are reimbursed by the District, Directors will either prepare a written report for distribution to the Board, or make a verbal report during the next regular meeting of the Board. Said report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office to be included in the District library for the future use of other Directors and staff.

Wage and Hour Division
Federal Building
2800 Cottage Way
Room W-1836
Sacramento, CA 95825-1886
916-978-6123
916-978-6125

IN THE MATTER OF: _____ :
Cameron Park Community Services District
Case ID 1804805

This agreement is entered into March 08, 2017 by and between the Secretary of Labor, United States Department of Labor, (hereinafter referred to as "the Secretary"), and Cameron Park Community Services District dba Cameron Park Community Services District (hereinafter referred to as "the employer").

The Secretary, through Investigator De La Torre of the Wage and Hour Division, United States Department of Labor, conducted an investigation of the employer's business under FLSA. The investigation covered the employer's operations from 01/20/2015 to 01/19/2017.

As a result of that investigation monetary violations were found resulting in 5 due back wages in the amount of \$15,372.12.

In order to resolve this matter, the parties to this Agreement stipulate and agree to the following:

1. The employer represents that it is presently in full compliance with all applicable provisions of the FLSA, and will continue to comply therewith in the future.
2. The employer agrees to pay the back wages due the employees in question in the amounts shown for the periods indicated on the Summary of Unpaid Wages attached hereto and made a part hereof.
3. Cameron Park Community Services District agrees to pay directly to the employees the amounts due (less legal payroll deductions) on or before 03/24/2017 and to deliver to the Secretary's representative by 03/31/2017 evidence of payment including any signed WH-58 receipt forms the Employer has received at that time.
4. The Employer agrees to provide the Secretary's representative with a listing of all unlocated employees, their last known address, social security number (if possible), and their gross and net amounts due no later than 04/23/2017. The District Office will notify the Employer when a person has been located to issue a check.
5. In the event that any employees cannot be located, or refuse to accept the back wages, the employer agrees to deliver to the Secretary's representative a cashier's or certified check, payable to "Wage and Hour Division - Labor" to cover the total net due all such employees on or before 06/22/2017. After three years, any monies which have not been distributed because of inability to locate the proper persons or because of their refusal to accept payment shall be covered into the Treasury of the United States as miscellaneous receipts.
6. The employer agrees to provide the Secretary's representative no later than 06/22/2017 any

ATTACHMENT B

remaining signed WH-58 receipt forms not yet provided to Wage and Hour or a cancelled check (or some reasonable facsimile) for every person the employer has paid per this agreement.

7. The employer hereby waives all rights and defenses which may be available by virtue of statute of limitations, including but not limited to section 6 of the Portal-to-Portal Act (29 U.S.C. 255).
8. Any defaulted balance shall be subject to the assessment of interest and penalty interest at rates determined by the U. S. Treasury as required by the Debt Collection Improvement Act of 1996 (Public Law 104-134) published by the Secretary of the Treasury in the Federal Register and other delinquent charges and administrative costs shall also be assessed.
9. In the event of default, the Department intends to pursue additional collection action that may include, but is not limited to, administrative offset, referral of the account to credit reporting agencies, private collection agencies, and/or the Department of Justice.
10. Any rights to challenge or contest the validity of this Agreement are hereby waived.
11. By entering into this agreement, the Wage Hour Division does not waive its right to conduct future investigations under the Fair Labor Standards Act and to take appropriate enforcement action, including assessment of civil money penalties, with respect to any violations disclosed by such investigations.

Approved by the following parties

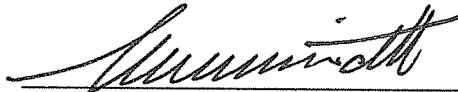
Cameron Park Community Services District
BY ITS OFFICER

UNITED STATES DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION

Name: Don Cahill

Title: General Manager

Dated: 3/8/17



Richard E. Newton

District Director

Dated: 3/8/2017

EL DORADO COUNTY GRAND JURY 2017-2018

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