



EL DORADO COUNTY GRAND JURY 2010 - 2011

OPERATIONS REVIEWS AND THE POTENTIAL FOR PUBLIC/PRIVATE PARTNERSHIPS

Case Number GJ010-018

REASON FOR REPORT

Grand Jury investigations and reports on El Dorado County government have produced a recurring picture. Though there is an increasing need for government to become more efficient and effective at less cost, there has been a lack of initiative and due diligence in assessing and evaluating the operations and performance of county government.

The functions and operations of county government, the mechanics of actual governance, have not been reviewed or updated, to the point where it is now out-of-step with the need and demand for change.

The County should show a willingness to utilize relevant experience and expertise from outside county government...from the various sectors of business, education, professional services, non-profits, even the general public...to participate in much needed operations reviews of departments, functions, systems, operations and processes. Such an outreach effort could provide valuable perspectives and relevant knowledge when properly focused.

This investigation reveals that relevant and needed experience and expertise exists in abundance among the citizenry of El Dorado County, and is just waiting to be tapped and incorporated in long overdue operations reviews of county government.

BACKGROUND

Grand juries are charged with the responsibility to be a citizen watchdog on county government. In so doing they regularly investigate and report on various aspects of county government. All one has to do is visit the Grand Jury website and peruse a series of reports over the years that point with regularity to inefficient and ineffective county operations. But grand juries were not designed to perform the actual practical function of county governance in an ongoing manner, and cannot supplant the work that needs to be done under the auspices and control of the county.

The last several decades have produced enormous changes in how we conduct business, utilize the Internet, produce and purchase products, and radically changed how services are accessed by and provided to the public. Changes in what we do, and how and why we do it, are being substantially driven by the need to conserve resources and provide better products and services at less cost.

El Dorado County government has experienced significant change as well, especially in the last three budget cycles. But the changes have been substantially negative in their nature and signify more of a retrenchment than a rethinking of what county government does and how it does it.

Amid all of this dramatic change, the Grand Jury has repeatedly and frustratingly discovered that the way in which El Dorado County government functions and conducts business, how it provides services to the public, is too-often outmoded, perhaps even hidebound, and substantially resistant and unresponsive to the increasingly desperate need to be even more, not less, responsive.

Some of the reasons for this lack of positive change at the county level are certainly attributable to diminishing financial and personnel resources. But this is far from the only reason...indeed it may not even be the primary reason explaining...why policies, operations, procedures and practices have not kept up with the times.

What seems to have been lacking in county government in substantial part is a serious and consistent effort to improve the operations of actual day-to-day governance.

The evaluation and assessment of legal authority, governing missions, organizational structure and working relationships, systems, functions, operations and processes seem a perfect sleep aid to many if not most people. But it is the stuff of which government is made. It is how services or deliverables are constructed and provided. It is how the proverbial pothole is filled. Assessments and evaluations of county government – why and what is done and how well it is done - may address issues involving a key service function, a departmental mission, management, staff, administrative system, policy, operation or process.

What are summarily referred to in this report as “operations reviews” actually encompass organizational, procedural and workload assessments and evaluations of what, whether and/or how work is currently being performed. Specific recommendations to improve efficiency and effectiveness, products and deliverables to and for the public, are the intended result of such reviews. Some may refer to this type of process as trying to get a “bigger bang for the buck,” or simply identifying ways government can operate more efficiently and at less cost. Others may think of these processes as also including ways to make government more accountable and user-friendly to the public.

The vast majority do not know and may not care about such details...until there is a direct impact upon them. We lack the time and energy to engage...unless perhaps we are directly affected. Yet, if the functions and services of our county government are not working, and not working well, each and every one of our lives, our businesses, our communities, are adversely affected. We may be among the first to complain, vote in frustration and anger, or, sadly, simply throw up our hands, give up and tune out.

During the 2009-2010 El Dorado County Grand Jury session, a report was produced that addressed the need for a significant restructuring and consolidation of county administrative services. Over two million dollars of annual cost savings was identified. Among the recommendations was the need to establish an internal management auditor function in the County Administrative Office. This official would be charged with the objective of evaluating operations and processes and acting to make them more efficient and effective. But the official County response to the report was extremely brief and even dismissive.

When evaluating and assessing how functions are performed, the Grand Jury frequently discovers not only the lack of any internal review and action to improve service delivery, but also the lack of an approach or practice of incorporating experienced members from the private sector with relevant expertise as part of any operations review. There has been no serious and concerted effort to systematically identify and bring in to long overdue reviews of county operations members of the public who have something to bring to the table, and who have deep and even recent and relevant experience and expertise. The Grand Jury has developed a concern that valuable and useful perspectives and advice are not only going unheeded, they have been largely unsolicited, even disdained.

But there are several reasons why the time is ripe for a new and fresh approach to review and renew county government operations:

- The public is increasingly and justifiably concerned about the ability of county government to spend tax dollars in the most efficient and productive manner.
- The Board of Supervisors, according to highly placed public and private county sources, is increasingly receptive to new ways of doing business.

- El Dorado County has a new Chief Administrative Officer ready and able to provide leadership.
- A new process has just begun involving “action teams” to review certain high priority county operations and functions designated by the CAO, and
- The general downturn in the economy places an added emphasis on doing more with less.

The Grand Jury asked those interviewed for this report, among other wide-ranging questions, to specifically respond to a proposal to establish a registry or clearinghouse containing a list of individuals from outside county government who were qualified and experienced with relevant knowledge, skills and abilities in certain areas of need. For example, various professional services come to mind such as engineering, human resources, accounting, contracting, purchasing, legal, educational, marketing, and various levels of administrative management. The idea was to reach out to members of the El Dorado County community and perhaps beyond to obtain information concerning individuals in a position to lend their expertise who would be willing to participate as part of a review team that would carefully assess and evaluate county operations.

At the same time the basic idea of the equivalent of a registry or clearinghouse function was suggested, interviewees were invited to propose alternative mechanisms to accomplish the same end. In actuality, there could be many ways for a CAO to implement such an idea. Looking at the county organization chart one can readily identify the kinds of experience and expertise, the knowledge, skills and abilities that could be utilized by county government. These needs could be categorized. Those with relevant experience and expertise could be listed and their qualifications vetted. But first they would have to be asked to participate.

In recognition of the need for a timely and serious review of what is done in county government, and how it is done, the Grand Jury has discovered a wealth of expertise and experience just waiting to be tapped throughout the county. Fresh eyes and experienced perspectives could be included on a review or action team otherwise comprised of county directors and/or staff. A mixed review team composed of participants representing a balance of public and private sector experience and expertise would result. Fresh insights, experience, contacts, and perspectives would be brought to bear on what is done and how and why it is done. A creative dynamic would be initiated whereby policies, operations and processes could be compared and contrasted. An existing monopoly of history, data and contacts would compete with private sector counterparts. Government processes, even at relatively low and operational levels, could be re-thought and recreated. At the very least, even if a particular process could not be improved upon, everyone engaged in attempting to make it more efficient and effective would know why it was apparently operating at optimal levels.

According to the March 17, 2011 article, “Taming Leviathan, A Special Report on the Future of the State,” in the Economist magazine, “In the surveys that measure people’s happiness, decent government is as important as education, income and health (all of

which are themselves dependent on government). To business, government can make an enormous difference. Even if government were to cost the same but produce more, the effect on private sector productivity would be electric.”

METHODOLOGY

Interviews have been conducted with a wide variety of community organizations and groups. Documentation has been referenced from prior Grand Jury reports, and relevant studies, articles and websites.

The Grand Jury interviewed officials from county government and the following community organizations:

- Chief Administrative Officer, El Dorado County
- Staff, Chief Administrative Office, El Dorado County
- Executive Director, El Dorado Community Foundation, an umbrella agency over a substantial number of non-profit organizations.
- Past President, League of Women Voters
- Director, Economic Development Advisory Committee
- Chief Executive Officer, El Dorado County Chamber of Commerce
- Director of Governmental Relations, Parker Development Company, El Dorado Hills
- President, Folsom Seniors in Retirement (SIR), with approximately one-third of the membership of this 180 plus member organization residing in El Dorado County.

Particular documentation referenced included recent Grand Jury reports such as the following:

2008-2009 El Dorado County Grand Jury:

- El Dorado County Charter Review
- El Dorado County Adult Protective Services
- El Dorado County Zones of Benefit
- El Dorado County Roadside Memorials

2009-2010 El Dorado County Grand Jury:

- Energy Conservation and Cost Savings
- Administrative Services Consolidation Cost Savings and Efficiencies
- Purchase of the Animal Control Shelter Property
- Fee Waivers

The 2010-2011 El Dorado County Grand Jury reports include a variety of findings and recommendations, including this particular report, that directly concern the operations of county government.

In addition, other documentation was referenced for this report, including:

- The Economist Magazine, “Taming Leviathan, A Special Report on the Future of the State,” March 17 and 19, 2011 Edition.
- The Economic Development Advisory Committee, (EDAC) El Dorado County, website. (April 10, 2011)
- El Dorado County Board of Supervisors, January 10, 2011 Agenda and Minutes
- EDAC Presents: Recommendations for Regulatory Reform through a review of the General Plan and Other Regulations
- El Dorado County Economic and Demographic Profile, 2007-2008, Center for Economic Development, California State University, Chico
- El Dorado County Chamber of Commerce website, Clubs and Organizations, (April 10, 2011)
- The website for “CatchaFire,” a non-profit business model that facilitates matching business start-ups with experienced and expert volunteers.

FINDINGS

1. The new Chief Administrative Officer for El Dorado County has identified four top priority county functions warranting review and improvement:
 - Information Technology
 - Human Resources
 - Management
 - Financial Accounting

These four functional areas are being reviewed at a department head level and have broad affects throughout all county operations.
2. There is an increasing recognition that county government operations are behind the times, insular in outlook, and stagnating from lack of competition...or at least the competition of new ideas. According to one prominent county official, “The County has a monopoly on the provision of certain services. We are lacking public feedback. We are discovering that the county is pretty good at compliance, but not so good at service delivery.”

3. As evidenced most recently by the use of the Economic Development Advisory Committee (EDAC), the clear potential exists to mobilize volunteer resources available in the wider community. El Dorado County has a diverse, rich and deep skill set of those who are still working or who recently worked in professions and occupations directly relevant to county operations. Whether it was a business, non-profit, social or charitable group, private association or community group surveyed during this report, there was a uniform and clear consensus that substantial experience and expertise exists and could be made available to meaningfully participate as part of a review team focused on improving a particular segment of county operations. In several instances the Grand Jury received comments like, “Nobody from the county has ever asked for our help.”
4. Every representative of a group interviewed for this report immediately and forthrightly stated that there would be “no problem” in obtaining volunteers from the community to assist in the conduct of operational reviews. Not one person interviewed for this report indicated otherwise. In one instance a prominent private sector individual in El Dorado County volunteered on the spot to participate as a member on a review team comprised of county officials and qualified individuals from the private sector.

There was a clear consensus among those groups contacted for this report that there would be two key areas of vulnerability for a proposed mechanism to produce qualified individuals for participation on review teams. Those two areas were either a lack of leadership from the County Administrator’s Office and/or a lack of willingness of individuals to volunteer their time and expertise for their county. A third area of vulnerability endangering potential success would be lack of acceptance of the review group at a departmental level.

5. A major determinant of success for the establishment and good use of public/private review teams was how the CAO reached out to and invited the meaningful participation of the public.
6. Participation on operations review teams could entail very different levels of commitment ranging from a few weeks to six to twelve months. This did not cause any party interviewed for this report to change their assessment about the potential participation of individuals from outside county government.
7. There was a strong recognition by everyone interviewed for this report that it would be very important to understand that county government exists to protect and further the greater good or public interest. Review teams could not be comprised of individuals or representatives from an interest group whose primary or exclusive reason for participating was to enhance their own or their own group’s interest at the expense of everyone else’s interest. One interviewee perhaps put it best when they said, “The greater the private interest, the greater the

risk.” This concern pointed to the need for clear standards to avoid conflicts of interest by participating members of a review team.

8. A significant benefit of such collaboration between public officials and private individuals (between the local public and private sectors) would be to foster a greater understanding of the professional environment, the unique challenges and demands, and yes, the inherent differences in operational flexibility, accountability, and speed of the sectors and how each may function. The rhetorical if not the practical clash of cultures between the public and private sectors could be diminished with greater cooperation, collaboration and communication focused on a specific and tangible need and objective. Mutual benefit would be the preferred goal of such reviews, with both government employees and members of the public seeking and obtaining a “win-win” of less cost, less time, greater productivity, and enhanced service delivery, with ultimate benefits to both a renewed faith in the ability of local government to function as well as an improved local economy.

RECOMMENDATIONS

1. The CAO should clearly express and publicize an operating principle and preferred method for county government operations reviews. The stated policy or operating principle should make clear a strong preference for a balanced approach that incorporates both internal and external personnel (public and private sector participants) on any significant operational, procedural, functional or systemic review of county government. Such a commitment would signal the value of outside perspectives as well as the likely benefit of comparing and contrasting public and private sector initiatives focused on improving the efficiency and effectiveness of county operations.
2. An emphasis needs to be placed on the deliberate and careful selection of participating members of review teams. Among the qualities expected for participating members would be their experience and expertise, as well as their ability to work as part of a team with a specific charge and within specified timeframes. There would need to be openness to information that contrasted with one’s own experience and perceptions, a willingness to compare and contrast information in general, and the ability to “roll up their sleeves” and engage in the sometimes laboriously detailed information used to find their way toward considered and deliberate recommendations for change.
3. Operations review teams should seek and incorporate in their deliberations relevant information from all primary stakeholders, public or private.

4. Operations review teams should be charged with making their findings and recommendations advisory to both the CAO and the Board of Supervisors with concurrent reports going to each entity.
5. The CAO should identify and generally prioritize the need for operations reviews to include at least all large and medium size departments and key functions and systems across county departments.
6. The Chief Administrative Officer's office itself should be among the first to be the subject of an operations review. This would serve as an example to other county departments and underscore the commitment of the CAO to achieve meaningful and beneficial results.
7. Various methods could be employed to initially identify top priority departments or functions for operations reviews. Undoubtedly the CAO will give due consideration to the factors governing prioritization of such reviews. However, at least four key elements are important considerations for a prioritization of operations reviews:
 - Size of the department or pervasive impact of the function or system on county government operations
 - Impact of the department or function on the county budget
 - The potential for establishing workable public/private partnerships in the construction of a product or delivery of a service, and the
 - Impact of the department or function on the local economy
8. The CAO should establish a workable mechanism for obtaining, listing and utilizing private sector members for operations review teams based upon their experience, particular expertise, and overall ability to function as a productive member of such a team. The registry or clearinghouse concept is but one option to be considered as a workable structure or process.
9. The El Dorado County Board of Supervisors should support and encourage the CAO in the pursuit of a balance of public and private sector membership and participation on operations review teams and should seriously consider the findings and recommendations of such teams when approving changes in policy or process.

It is time for county government to reach out and incorporate in a very practical way the substantial and relevant experience and expertise of the very community it is intended to serve.

RESPONSES

Responses to both numbered findings and recommendations in this report are required in accordance with California Penal Code §933 and §933.05. Address responses to: The Honorable Suzanne N. Kingsbury, Presiding Judge of the El Dorado County Superior Court, 1354 Johnson Blvd., South Lake Tahoe, CA 96150.

This report has been provided to the El Dorado County Chief Administrative Officer, Auditor/Controller, and the Chairperson of the Board of Supervisors for response. Elected officials under statute are given 60 days to respond, and non-elected officials are provided a 90-day response period from the release date of this report.