

THIS LAND IS YOUR LAND

A REPORT ON THE SONOMA COUNTY OPEN SPACE DISTRICT

June 27, 2006

Summary

What would you do if you were given \$300 million and told to save the beauty of Sonoma County for your grandchildren?

That was the challenge the county government faced when voters approved a sales tax measure in 1990 to provide funds for that purpose.

And what do the taxpayers of Sonoma County have to show for the more than \$200 million in sales taxes paid over the past 15 years?

This report will describe and evaluate the framework put in place to meet that challenge and the results that have been achieved to date.



Saddle (Bear) Mountain Acquisition
Courtesy of Open Space District

In 1990 the voters in Sonoma County passed a measure creating the Sonoma County Agricultural Preservation and Open Space District. This district was formed to implement the

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Agricultural and Open Space Elements of the 1989 General Plan by permanently preserving the agricultural heritage and the scenic open space lands of Sonoma County..

What is meant by “Agricultural Preservation” and “Open Space”?

Agricultural Preservation can be defined as the preservation of those properties within the county that are now maintained and used by agricultural enterprises. This preservation is usually accomplished through the purchase of agricultural easements. Such easements are contracts between a willing property owner and the district in which the owner agrees to restrict the future use of that land to agricultural purposes. The property owner is compensated for the easement based on the reduction in the market value of the property.

Open Space as defined in the original tax measure includes the following:

- Community Separators – tracts generally located between cities, providing visual relief from urbanization
- Scenic Landscape Units – areas of high visual quality
- Critical Habitat Areas – environment sensitive areas such as wetlands, rare and endangered species locations, and streams and watercourses
- Areas of Biotic Significance – other areas that may be adversely affected by urban development.

This grand jury investigation was designed to evaluate the policies and procedures that have been adopted by the district to:

- Identify those tracts of land whose purchase would best accomplish their goals
- Preserve these tracts at a reasonable cost, and
- Provide for their continued preservation.

The jury found that considerable effort on the part of the district staff and interested public parties has gone into developing an Acquisition Plan that is used by the district to set land acquisition priorities and evaluate properties under consideration for purchase. This plan identifies four categories of acquisitions that comprise the framework for the land selection process:

- Agriculture – farms, dairies, livestock ranches, vineyards, and other agricultural lands
- Greenbelts – community separators and scenic landscape units
- Natural Resources – forestlands, oak woodlands, wetlands, areas containing threatened and endangered species, fish spawning streams, and other areas of biotic significance
- Recreation – areas suitable for parks, preserves, or public access projects.

The current Acquisition Plan, which replaced an early plan in 2000 and is itself now in the process of being updated, is the result of a collaborative effort by the district staff, the Open Space Authority, and a citizens’ advisory committee. Considerable input was received from outside sources as technical workshops brought together agricultural representatives as well as local biologists, botanists, wetland ecologists, urban planners, and recreational providers.

Comprehensive appraisals by independent real estate appraisers are used to determine the current market value of properties being considered for an easement or for purchase. This appraised value is set as the upper limit for the purchase price during negotiations with the landowner, thus ensuring that the final agreed upon price will be in line with the true market value of the property.

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Once an easement or title to a property is acquired, the district assumes responsibility to ensure that the terms of the easement are followed, or that the property is properly maintained. Funds are set aside for this purpose and adequate procedures have been established to accomplish this. In many cases arrangements have been made for public access to lands owned by the district.

Over the past 15 years the Open Space District has protected approximately 70,000 acres of land within Sonoma County through agricultural easements or the purchase for fee of certain properties. A list of all of these properties is included in Exhibit One following this report.

In summary, the grand jury found that the policies and procedures put in place by the district adequately ensure that the funds that are available to the district are being used in an effective manner to preserve the scenic beauty and the agricultural heritage of Sonoma County.

Reason for Investigation

Although purchases of large tracts of land by the district are often well publicized by local newspapers and other media, the grand jury believed that the general public is not fully cognizant of the full scope of the district's operation and the extensive effort that goes into selecting properties suitable for an easement or for purchase. The jury also believed that the public is generally unaware of the location of properties that have been protected.

For these reasons the jury believed that it was in the best interests of the citizens of Sonoma County to better inform the public of the work and accomplishments of the Open Space District.

Background

As noted above, the Open Space District was created by a ballot measure passed by the voters of Sonoma County in 1990. At the same time the Board of Supervisors passed a measure creating the Agricultural Preservation and Open Space Authority. This Open Space Authority is to act as a taxing body to collect taxes. By a separate ballot measure the voters approved a 1/4% sales tax within Sonoma County. This tax is collected by the Open Space Authority which, by contract provides the funds necessary for the Open Space District to accomplish its goals.

This sales tax was limited to a 20-year period and will expire in 2011. A measure possibly will be placed on the ballot in November of 2006 to extend the tax beyond that date. Under current California law, a 2/3rds majority vote will be required for this measure to pass.

The Board of Directors of the Open Space District consists of the five members of the Sonoma County Board of Supervisors. The Board of Directors of the Open Space Authority consists of five members – one appointed by each Supervisor – and one alternate. In addition to these two Boards there is a Citizens' Advisory Committee of 17 members, also appointed by the Supervisors – two of which are representatives of each of the five Districts in the County, three of which are representatives of the cities in the County, and one each are representatives of agriculture, real estate, business and the environment.

The 18 employees of the district are responsible for the selection and acquisition of properties to be preserved as agricultural land or as open space. This preservation is accomplished in one of two ways. Under one method an easement that prohibits the use of the land for any purpose other than agriculture is purchased. Another method entails the outright fee purchase of the property. Both methods have proved effective in maintaining the agricultural heritage and the scenic beauty of Sonoma County.

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The Open Space District does not have the power to acquire lands by eminent domain. It must rely on finding a willing seller if it wishes to acquire an easement on a particular property or to purchase that property and it must arrive at a mutually agreed upon price with that seller. The district also is restricted in that it legally cannot pay more than the current market value of an easement or property.

The primary function of the Open Space Authority is to provide the funds that the district needs to accomplish its goals. As noted, this is done through the sales tax that currently provides about \$17 million a year for this purpose. The authority reviews and approves property appraisals and sets the range of prices for negotiations. The authority also approves the annual budget for the district including amounts for both acquisitions and for operating expenses.

The Citizens' Advisory Committee provides advice to the district in establishing goals and priorities in the Acquisition Plan. Its primary function is to provide a conduit by which input from the general public is made available to the district.

Investigative Procedures

To understand and evaluate the policies and procedures of the district the grand jury undertook an examination of one land purchase transaction from the time of initial contact with the prospective seller to the final closing of escrow and the transfer of title. The property chosen for this examination was the Saddle Mountain tract that was purchased in April of this year.

The Saddle Mountain acquisition was an important one for the district as it prevented the development of an extensive ridgeline tract immediately adjacent to the city of Santa Rosa. Because of the scenic beauty of this property and the availability of easy access from nearby urban areas, it is prime land for use as a public park.

The County originally approved this development back in 1979, but it was delayed by a lawsuits filed by concerned citizens. As this suit made its way through the courts in the nineteen nineties, the district approached the landowner and expressed interest in acquiring the property to convert it to recreational uses. The lawsuits were finally settled in 2002 clearing the way for the housing development to proceed.

After further discussions between the district and the landowner, an application for acquisition was filed with the district in May of 2003. At this point a preliminary review including mapping and a site visit confirmed the scenic beauty of the area as well as its abundance of natural resources, and its close proximity to and easy access from urban areas. As a result of this review, the property was deemed desirable for both its natural resources and as a greenbelt property. Its great potential as a recreational area only added to its desirability.

Following this review, the district staff recommended to the Board of Directors that the project be accepted and, upon review of the recommendation, the Board approved the project. It was then assigned to a Conservation Program Manager for processing.

After a review of the title to the Saddle Mountain property, a letter of intent was obtained from the owner and work began to determine the offering price. An independent professional appraiser was selected from a list of such appraisers that had been qualified by the staff.

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This appraiser completed his work in August of 2003 and provided a detailed appraisal report. Because the property had been approved for development, the current market value of the property was basically based on the values obtained for recently developed properties of this nature within Sonoma County. The appraised value of the property consisting of 960 acres was placed at \$9.213 million.

This appraisal report was reviewed by a professionally trained in-house real estate appraiser on the district staff and then presented to the authority for their approval. After approving the appraisal, the authority established an offering price for the property and final negotiations with the landowner were initiated.

Negotiations with the landowner proceeded from this point, but were not concluded until after the Board of Supervisors gave final approval to the development in June of 2005. At that time at least one board member expressed the hope that the property could be acquired by the county as open space.

Shortly thereafter a purchase price of \$9.213 million was agreed upon with the landowner. The purchase was approved by the authority in December of 2005, and by the Board of Supervisors in January of 2006. Final escrow on the property was closed in April of 2006.

In the course of our study of this purchase the grand jury examined the following documents:

1. "Narrative Appraisal Report", Bowman and Associates, August 2003
2. "Bear (Saddle) Mountain Project Summary"
3. "County of Sonoma Board of Supervisors 11/10/05 Agenda Item Summary Report"
4. "Closing Checklist – Saddle Mountain", April 14, 2006
5. "Property Purchase Agreement and Joint Escrow Instructions"
6. "Acquisition Plan 2000", Sonoma County Agricultural Preservation and Open Space District ("Sonoma County APOSD").

The grand jury interviewed the following persons:

1. General Manager, Sonoma County APOSD
2. Assistant General Manager, Sonoma County APOSD
3. Vice-chairman, Sonoma County Open Space Authority
4. Chair Pro-Tem, Sonoma County Open Space Authority
5. Chairman, Sonoma County Board of Supervisors
6. In House Counsel, Sonoma County APOSD
7. Conservation Program Manager, Sonoma County APOSD
8. Executive Assistant, Sonoma County APOSD
9. Stewardship Coordinator, Sonoma County APOSD
10. Bookkeeper, Sonoma County Open Space Authority
11. Treasurer, Friends of the Mark West Watershed

While there were certainly many unique elements in the Saddle Mountain purchase, the grand jury believes that the procedures followed by the district were typical of those followed in other purchases and that our examination of this purchase provided a reasonable basis for answering the following three questions:

1. How are properties selected for purchase?
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2. How is the price to be paid for properties determined?
3. How are properties maintained after purchase?

Findings

- F1. The key element in the selection process employed by the Open Space District is the Acquisition Plan. The plan currently in use – Acquisition Plan 2000 - establishes four basic criteria by which properties are evaluated. These are agriculture, greenbelts, natural resources, and recreation. Maps of Sonoma County outlining key areas for land use in each of the categories are contained in the plan and the extent to which a property is located in one or more of these areas is used to establish a priority for that property. The plan is well founded and an excellent means of selecting potential acquisitions.
- F2. Procedures to be followed by the district in processing applications are well established and documented. Examples of this documentation are given by the flowcharts shown in Exhibit Two following this report.
- F3. The use of an independent professional appraiser to determine the current market value of properties under consideration ensures that the district will not pay more than a fair price for an easement or for a property purchase.
- F4. Under the measure that was passed in 1990 all funds collected from the sales tax were to be used to purchase easements and properties. There was no provision per se for funds to be used for the maintenance of purchased easements or properties. The district has, however, developed an effective stewardship program that involves the use of volunteers and other concerned citizen organizations.
- F5. At the time the original measure creating the district was passed in 1990, California law required a 2/3rds majority vote to pass any tax measure adopted by the county. However, by establishing the authority as an independent taxing agent, the sales tax measure passed with a simple majority vote. Since that time California law has been changed to eliminate this possibility so that today there is no advantage in having a separate authority. The county itself could levy the sales tax if approved by the voters and thus provide the funds needed by the district.
- F6. In the early years, much of the activity of the district was centered on the obtaining of agricultural easements. In recent years, as the value of property in Sonoma County has escalated, more property owners have been interested in the outright sale of their holdings and the emphasis has shifted to the buying of property.
- F7. The Citizens' Advisory Committee was originally designed to give the general public a voice in directing the operations of the district. However, over the years its role has been greatly diminished so that today it is viewed simply as a conduit by which public opinion can be relayed to the district.
- F8. Members of the Board of Directors of the Open Space Authority are appointed to a four-year term and are generally reappointed for successive terms. Some current members of the board have served since its inception 15 years ago.

Conclusions

Based on our findings in this investigation, the grand jury is satisfied that the procedures put in place for evaluating properties being considered for purchase ensure that funds which are

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available to the district are being used in an effective manner to preserve the scenic beauty and the agricultural heritage of Sonoma County.

Commendations

The grand jury would like to thank all those persons who gave their time and effort to enable us to conduct this investigation.

Recommendations

- R1. The Board of Supervisors should consider merging the Open Space Authority into the district. It served a purpose in getting voter approval of the sales tax in 1990, but that purpose no longer exists. From a purely financial standpoint the County Treasurer and Tax Collector could easily take over the role now performed by the authority. The only reason to perpetuate the authority would be for its function as an oversight agency approving the work of the district.
- R2. The Board of Supervisors should consider restructuring the Citizens' Advisory Committee to give it greater responsibility for overseeing the work of the district. If this were done, the committee could assume the role now given to the authority. To do this it would probably be necessary to reduce the size of the committee to make it more workable.
- R3. If the Open Space Authority is retained, there should be a two-term limit imposed on board members. Eight years is long enough for one individual to serve in this capacity.

Required Responses to Findings

None

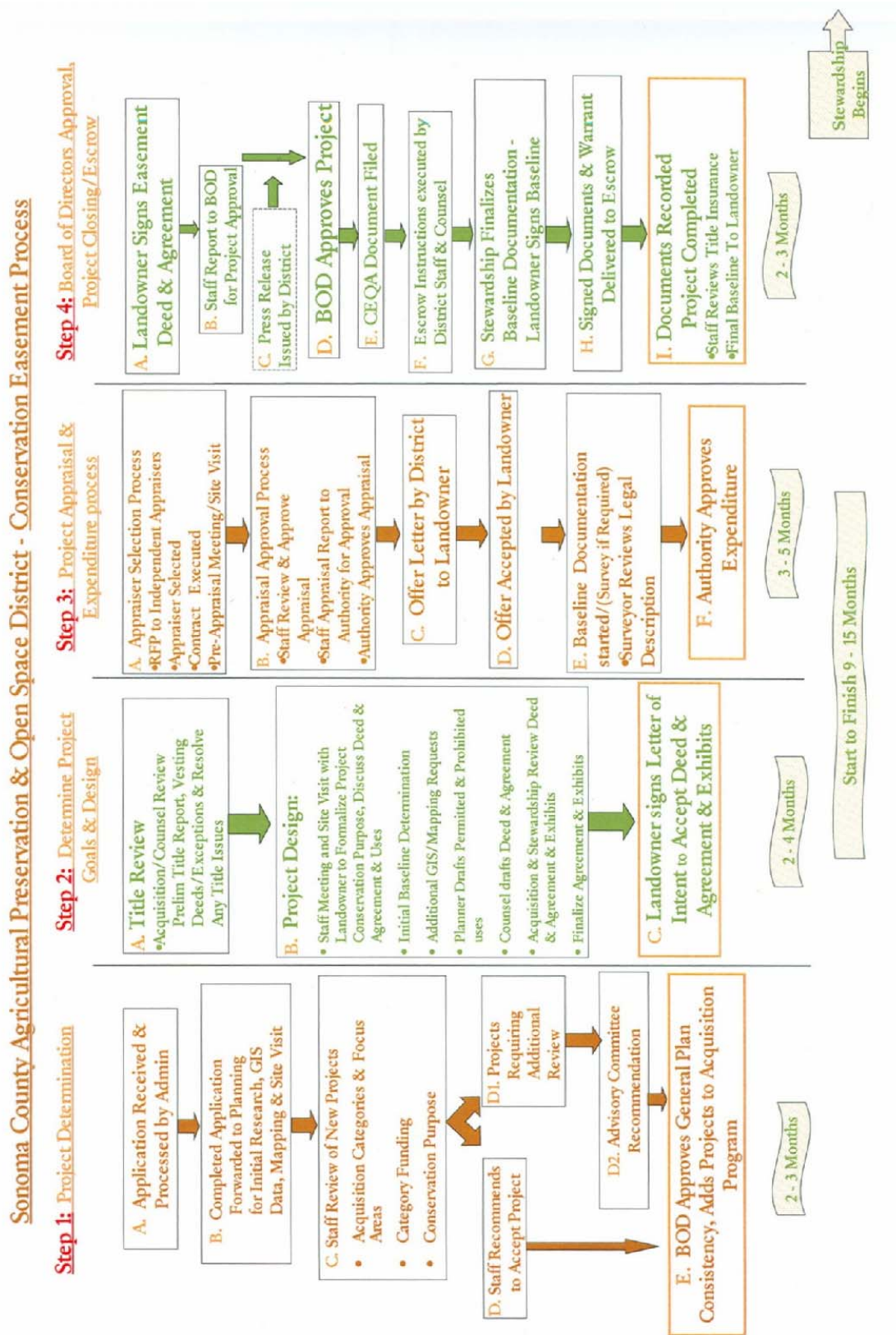
Requested Responses to Recommendations

None

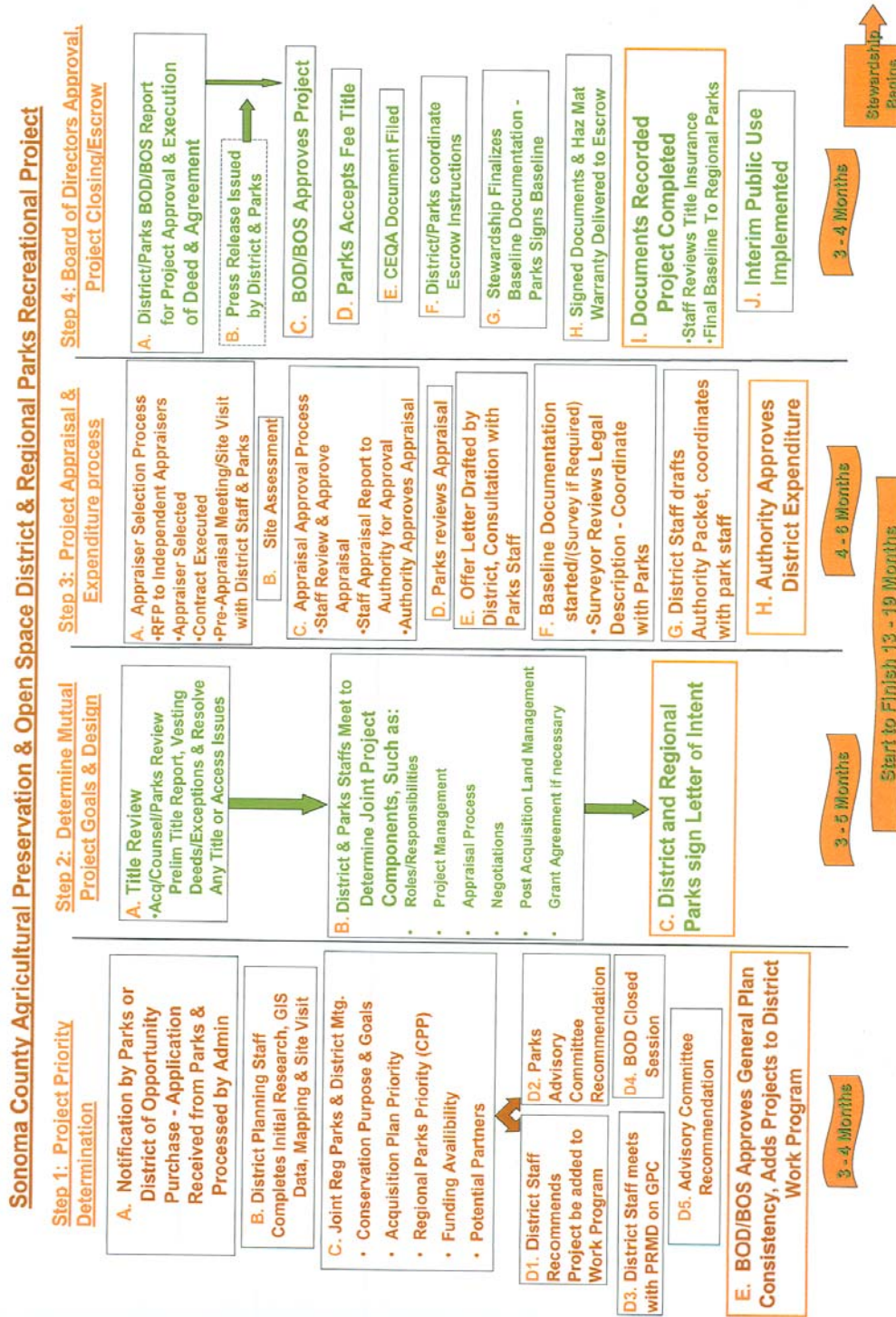
Required Responses to Recommendations

Board of Supervisors – R1, R2, R3

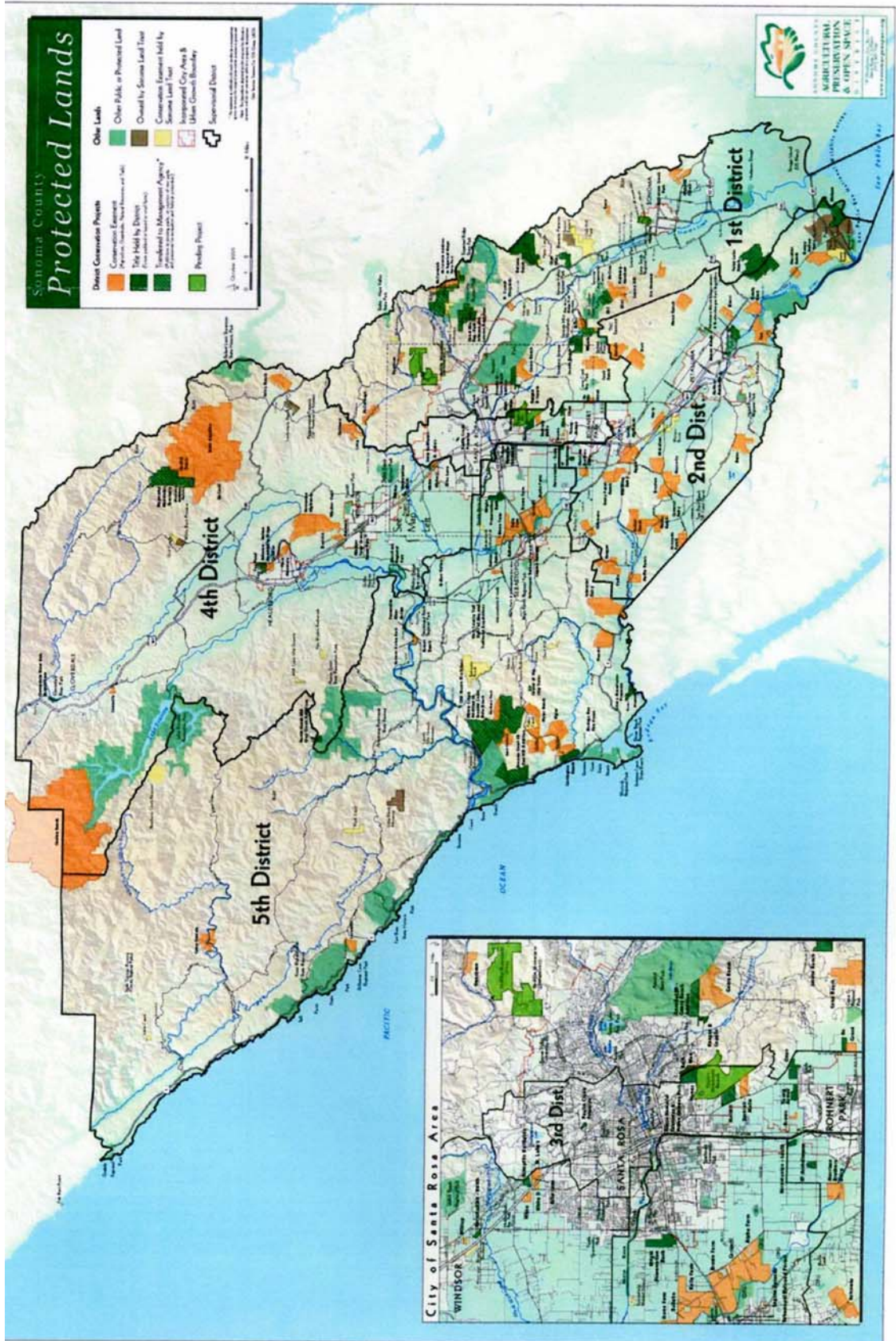
Open Space District Work Process Flow Chart
 Courtesy of Open Space District



Open Space District Work Process Flow Chart
 Courtesy of Open Space District



Lands protected by the Open Space District
Courtesy of Open Space District



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OPEN SPACE DISTRICT ACQUISITION INVENTORY

Project Name	Type	Acres	Price	Category*	Location
<u>Fiscal Year 1992-1993</u>					
Marty	Easement	223	495,000		Meachem Hill, Highway 101, Petaluma/Rohnert Park
McCord	Easement	3,053	700,000		Mayacamas/Alexander Valley Northeast of Healdsburg
Cloudy Bend	Easement	368	100,000		Lakeville Highway, SE of Petaluma
<u>Fiscal Year 1993-1994</u>					
Sebastapol Railroad	Easement	8	20,000		Between Highway 12 and Bike Path, Sebastopol
Doerksen	Easement	120	107,000		St. Helena Road, Santa Rosa
Alba Lane	Fee	31	635,000		Santa Rosa/Larkfield, Highway 101
White	Easement	41	448,000		Santa Rosa/Larkfield, Highway 101
St. Francis Vineyards	Easement	92	875,000		Highway 12 at Sonoma Creek, Kenwood
Vasila	Easement	200	125,000		Bloomfield Road
Brown	Easement	14	190,000		Horn Avenue, Santa Rosa/Rohnert Park
Burns	Easement	560	425,000		Spring Hill Road, West Petaluma
St. Luke's	Fee	33	\$660,000		Old Redwood Highway, Santa Rosa/Larkfield
Dougan	Easement	376	350,000		Bloomfield Road
Cotati Highlands	Easement	317	2,080,000		Meachem Hill Highway 101, Santa Rosa/Rohnert Park
<u>Fiscal Year 1994-1995</u>					
San Francisco Archdiocese	Fee	28	133,000		Whittier Ave., Santa Rosa
Lorenzini	Easement	221	500,000		Between Salt Point SP and Stillwater Cove, Rohnert Park
De Loach	Easement	75	535,000		North of Arata Lane. Windsor
Ziedrich	Easement	42	140,000		North of Arata Lane. Windsor
Fitch Mountain	Easement	4	0		Russian River, East of Healdsburg

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Project Name	Type	Acres	Price	Category*	Location
Fitch Mountain	Easement	179	1,030,000		Russian River, East of Healdsburg
Myers Ranch	Easement	373	100,000		Coleman Valley Road West of Occidental
Fox	Easement	22	150,000		Russian River, NE of Healdsburg
Diggers Bend	Easement	33	\$300,000		Russian River, NE of Healdsburg
Haroutunian South	Fee	21	169,200		Santa Rosa/Rohnert Park Separator
Stony Point Ranch	Easement	285	470,000		Gravenstein Highway, Cotati
Carinalli	Easement	245	760,000		Laguna de Santa Rosa Vicinity
Graton RR R-O-W	Easement	16	174,356		Occidental Road, south of Graton and Forestville
Alba Lane/ St. Lukes(Resale)	Easement	63	680,000		Santa Rosa/Larkfield Highway 101
Lang	Easement	243	1,250,000		Porter Creek Road
<u>Fiscal Year 1995-1996</u>					
Silberstein	Easement	12	200,000		Windsor/Larkfield Separator
Dutton Ranch	Easement	69	315,000		Highway 116 South of Graton
Freiberg & Henshaw	Easement	203	1,250,000		NE face of Sonoma Mountain
Moon Ranch	Easement	381	1,400,000		Sonoma Mountain (west)
Silacci	Easement	196	495,000		Lakeville Highway
Arbor Farms	Easement	306	1,400,000		Napa-Sonoma Highway
Santa Angelina	Easement	7,877	1,725,000		Highway 128 to Lake County line
McCormick Ranch	Easement	1,364	1,700,000		Los Alamos Road - Hood Mountain
Matteri	Easement	116	342,000		Ylanda/Petaluma Hill Road Taylor Mountain
Alman Marsh	Easement	27	54,000		East of Highway 101 South Petaluma
Unity Church	Fee	21	400,000		Old Redwood Highway Santa Rosa/Larkfield/Windsor
Anderson	Easement	30	220,000		North Cloverdale
Palm Terrace	Easement	8	900,000		Laguna de Santa Rosa Sebastopol

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Project Name	Type	Acres	Price	Category*	Location
Mickelsen	Easement	419	670,000		Meacham and Pepper Roads Northwest Petaluma
Herzog	Easement	561	990,000		Lakeville Highway Southeast of Petaluma
<u>Fiscal Year 1996-1997</u>					
Knudsen	Easement	221	423,000		Roblar Road East of Cotati
McNear Peninsula	Easement	10	184,500		Petaluma River Downtown
Callahan	Easement	106	550,000		North of Healdsburg
Treadwell	Easement	10	100,000		Russian River North of Cloverdale
Weston	Easement	1,160	1,650,000		South and East of Healdsburg
Guttman	Easement	158	400,000		Porter Creek & Franz Valley
McCormick Ranch	Easement	1,011	650,000		Los Alamos Road Hood Mountain
Yee	Easement	630	\$795,000		South of Petaluma
Young/Amos	Fee	45	370,000		Santa Rosa/Rohnert Park Separator
<u>Fiscal Year 1997-1998</u>					
McCrea	Easement	287	1,200,000		NE face of Sonoma Mountain
Geary	Easement	592	2,300,000		Bennett Peak
Hopper	Easement	87	285,000		Estero Americano near Bodega Bay
Morrison Brothers	Easement	137	375,000		Santa Rosa/Rohnert Park Separator
Keegan & Coppin	Fee	24	550,000		Bennett Valley Road
Windsor Oaks	Easement	711	1,600,000		North of Windsor
Wright Preservation Bank	Fee	173	1,650,000		Occidental Road
Magers	Easement	62	80,000		Gray Creek Watershed
Aggio	Easement	249	485,000		Petaluma/Rohnert Park Separator
Gustafsson	Easement	31	134,000		Austin Creek State Recreation Area
Haroutunian North	Fee	18	395,000		Santa Rosa/Larkfield Separator
Oken	Fee	76	890,000		Santa Rosa/Larkfield Separator
<u>Fiscal Year 1998-1999</u>					
Sonoma Developmental Center	Easement	290	255,000		Adjacent to Jack London State Park

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Project Name	Type	Acres	Price	Category*	Location
White II	Easement	15	235,000		Larkfield/Windsor Separator
Dashiell/Molle	Easement	83	330,000		Petaluma Hill Road
Lang	Easement	0	0		Porter Creek Road Amendment
Bodega Bay Fire Protection Dist.	Easement	1	50,000		Bodega Bay
Hafey	Easement	501	900,000		Knights Valley Highway 128
Monte Rio School District	Easement	4	188,000		Near Monte Rio Community Center
Bath/Watt	Fee	46	790,000		North side Taylor Mountain
Mazzetta	Easement	481	990,000		Pepper and Meachem Roads Petaluma
Nathanson Creek	Easement	1	95,000		Park/Sonoma Valley High School
Mom's Beach	Easement	11	70,000		River Road NW of Forestville
Skiles	Easement	171	632,000		Adjacent to Jack London State Park
Nahmens	Easement	255	1,150,000		Canfield Road South of Sebastopol
<u>Fiscal Year 1999-2000</u>					
Nunes	Fee	120	975,000		Taylor Mountain
Colliss	Easement	1,578	1,025,000		Coleman Valley Road
Windor Town Green	Easement	3	764,500		Historic Windsor
Matteri	Fee	116	398,000		Lower slopes of Taylor Mountain
Mickelsen/Camozzi	Easement	256	1,500,000		Two Rock Valley
McCord	Easement	3	0		Northeast of Healdsburg
<u>Fiscal Year 2000-2001</u>					
Unity Church Transfer to Regional Parks					Old Redwood Highway Santa Rosa/Larkfield/Windsor
Red Hill	Easement	911	1,370,00	Recreation	Adjacent to Sonoma Coast State Beach
Grove of the Old Trees	Easement	28	1,250,000	Natural Resources	Fitzpatrick Lane Occidental
Cook	Easement	519	1,700,000	Greenbelt	Lichau Road East of Rohnert Park
Modini	Easement	1725	1,044,000	Natural Resources	Pine Flat Road Alexander Valley
Glen Oaks	Easement	234	1,500,000	Greenbelt	Highway 12 near Glen Ellen
Solak	Easement	1	165,000	Recreation	West County Trail
Dewar	Easement	40	284,750	Natural Resources	Estero Americano

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Project Name	Type	Acres	Price	Category*	Location
Ho	Fee	30	560,000	Greenbelt	Petaluma Hill Road
<u>Fiscal Year 2001-2002</u>					
Laguna Farms		1,440	0	Greenbelt	Laguna de Santa Rosa
Cooley Ranch	Easement	19,064	5,750,000	Natural Resources	Adjacent to Lake Sonoma
Lelmorini	Easement	1,218	1,800,00	Coastal Agriculture	Highway One
Richardson	Easement	2	53,000	Recreation	Sonoma/Marin Line Addition to Cloverdale
Azevedo	Easement	236	1,750,000	Coastal Agriculture	River Park Fallon Road, Two Rock Valley
Morelli Ranch	Easement	454	2,161,000	Greenbelt Natural Resources	Western slopes Sonoma Mountain
Martin Ranch	Easement	429	1,600,000	Coastal Agriculture	Valley Ford Two Rock Valley
Balletto	Easement	253	2,600,00	Greenbelt	Laguna de Santa Rosa
Bianchi	Easement	631	1,518,000	Coastal Agriculture	Highway One Freestone Valley Ford
<u>Fiscal Year 2002-2003</u>					
Paulin Creek	Fee	9	1,575,000	Recreation	Open Space Preserve
Scott	Easement	533	3,345,000	Greenbelt, Agriculture	Western slopes of Sonoma Mountain
McCullough	Easement	284	2,898,500	Natural Resources	Mark West Creek
Keiser Park	Easement	7	1,140,000	Recreation	Town of Windsor
Rigler	Easement	415	850,000	Recreation Natural Resources	Coleman Valley Road
Riverfront Park	Easement	305	3,803,000	Recreation	Russian River
Girouard	Easement	1	18,500	Recreation	Cloverdale River Park
Keen	Easement	61	350,000	Natural Resources	Norrborn Road North of Sonoma
Prince Memorial Greenway	Easement	1	4,000,000	Recreation	Downtown Santa Rosa
Grossi	Easement	48	315,000	Greenbelt Agriculture	Petaluma Hill Road
Sunset Beach	Easement	21	616,000	Recreation	Russian River County Regional Parks
Asbomo	Fee	98	4,250,000	Recreation	North of Healdsburg
Johnson	Fee	297	3,000,000	Recreation	Expansion of Hood Mountain Regional Park

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Project Name	Type	Acres	Price	Category*	Location
Johnson Access	Fee	3	1,025,000	Recreation	Expansion of Hood Mountain Regional Park
Carrington	Fee	335	4,800,000	Recreation	Highway One Sonoma Beach to Salmon Creek
Brayton	Easement	130	1,301,500	Agriculture	Pepper Road Petaluma
Fiscal Year 2003-2004					
Indian Valley	Easement	24	465,000	Natural Resources	Laguna de Santa Rosa
Connolly	Easement	63	250,000	Greenbelt	Dutcher Creek Road Cloverdale
Jacobs Ranch	Fee	168	4,878,000	Greenbelt	Sonoma Mountain Area
Fox Pond	Fee	53	2,880,000	Recreation	Healdsburg Ridge
Flocchini	Easement	153	780,000	Agriculture	Petaluma River Wetlands
Skiles State Park (State Coastal Conv. Grant)	Fee	47	0	Recreation	Adjacent to Jack London
Martinelli	Fee	261	1,092,000	Natural Resources Recreation	Lakeville Highway Petaluma
Wilroth	Easement	240	2,220,000	Natural Resources Greenbelt	Adjacent to Fairfield Osborne Preserve
Barella/Roblar Ranch	Easement	758	2,269,500	Agriculture	Petaluma Valley Ford Road
Eliot Trust(Donation)	Easement	71	0	Agriculture	Sonoma Mountain Greenbelt
Fiscal Year 2004-2005					
Van Hoosear Wildflower	Easement	160	3,300,000	Natural Resources	Base of Sonoma Mountain Preserve
Beltane Ranch	Fee	1,290	9,115,000	Recreation	Potential Addition to Sugarloaf Ridge State Park
Sebastopol Skate Park	Fee	1	125,000	Recreation	City of Sebastopol
Maffia, Eda	Easement	245	1,150,000	Agriculture	
Dickson	Fee	648	2,800,000	Natural Resources	Sonoma Baylands
Wilroth (Donation)	Fee	11	0	Greenbelt Natural Resources	Adjacent to Fairfield Osborne Preserve
Cooper's Grove	Fee	226	4,865,000	Recreation	Sonoma Mountain Road
Summer Home Park	Fee Easement	3 69	365,000	Recreation	Sunset Beach Regional Park
Willow Creek	Fee Easement	3373 515	10,225,000 225,000	Recreation	Sonoma Coast State Beach
Tolay Lake Ranch	Fee	17,737	11,176,018	Recreation	Cannon Lane East of Petaluma

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Project Name	Type	Acres	Price	Category*	Location
Lawson	Fee	247	1,160,000	Recreation	Addition to Hood Mountain Regional Park
Prince Gateway Park	Fee	1	405,000	Recreation	Downtown Santa Rosa
Camp Gulala	Easement	425	400,000	Natural Resources	Skaggs Spring Road East of Annapolis
Montini Ranch	Fee Easement	152	11,300,000	Greenbelt Natural Resources	Borders City of Sonoma
Saddle Mountain	Fee	960	9,213,000	Natural Resources Recreation	Calistoga Road Near Santa Rosa

* Acquisition Plan Categories are those in Acquisition Plan 2000. These were not used prior to 2000.

SHAPING THE COUNTY'S FUTURE

June 27, 2006

Summary

All Sonoma County residents should take a look at this map. Expert chart readers will probably recognize it as a map of Sonoma County. But what are the colors all about? Try as hard as you can, the index in this picture is too small to decipher. However, the title of the map as listed just



Sonoma County Land Use Plan Map
Courtesy of PRMD

above “Sonoma County” reads **Land Use Plan Map**. This map represents an image of the policies of the **Land Use Element** which provides the distribution, location and extent of uses of Sonoma County land for housing, business, industry, open space, agriculture, natural resources, recreation and enjoyment of scenic beauty, education, public buildings and grounds, solid and liquid waste disposal facilities, and other uses. Think about this map as a Land Use Plan for our county for the next decade or two.

The Land Use Element is one of ten elements contained in the **Sonoma County General Plan**. The General Plan is a policy document that identifies what can be done with Sonoma County land. “The Plan”, as it is often referred to, designates Open Space and Resource Conservation tracts. It also deals with Traffic Circulation and many other county assets such as Recreation, Public Facilities, Public Safety and more.

Sonoma County Grand Jury

Shaping the County's Future (continued)

General Plans are living documents, subject to State legislation, ever changing ergonomic and economic factors, and, last but not least, public desires and preferences. Sonoma County residents are encouraged to become familiar with the General Plan, and to participate in the update and decision making process for the benefit of the community. The review of the proposed General Plan amendments will give the reader a better understanding of Sonoma County government at work.

California Government Code, Section 65300 mandates that each planning agency shall prepare, and adopt a comprehensive, long-term General Plan for the physical development of the County or City. Each general plan must include seven required Elements: **LAND USE, CIRCULATION, HOUSING, CONSERVATION, OPEN SPACE, NOISE, AND SAFETY**. The Government Code provides for the opportunity to add locally important elements at the discretion of the local authority.)¹

Sonoma County started a land use planning process as far back as 1978. A more formalized process was implemented in the late eighties, following the State mandate for every county to have a General Plan.

After three and a half years of work, and over two years of public hearings, a General Plan was adopted in 1989, and was designed to expire after 15 years, i.e. in 2004. Two appointed citizens committees participated in the development of the '89 Plan. Extensive public involvement through workshops and public hearings resulted in a Plan that balances the many diverse and sometimes-competing community interests.



Highway 101 North of Santa Rosa
Courtesy of Kurt Bauer

The current Sonoma County General Plan includes all seven mandatory elements, plus three additional ones: **AGRICULTURAL RESOURCES, AIR TRANSPORTATION, PUBLIC FACILITIES AND SERVICES**. These Elements were added because of their special importance for the county.)²

The General Plan is a policy document, not an implementation tool. The Board of Supervisors is in overall charge of the General Plan and provides input and oversight. General Plan development responsibility and operational authority are delegated to the Permit & Resource Management Department (PRMD) of Sonoma County. PRMD was charged with the development of General Plan 1989, and subsequent updates.

Leading up to General Plan 1989, there were over 1,200 individual property owner requests to amend the land use map, which at that time was rather general in nature. Since the adoption of General Plan 1989 in March 1989, there have been 173 General Plan amendments. This is a

Sonoma County Grand Jury

Shaping the County's Future (continued)

significant reduction in applications, which, to a large degree, can be attributed to the parcel-specific identification and designation of properties.)³

It should be noted here, that the Housing Element is subject to stringent rules determined by the State Department of Housing and Community Development. The County failed to meet these State mandates with updates of the Housing Element performed in 1992 and 1996. In 1998 the County was sued over the adequacy of the Element by a consortium of housing advocacy groups. The Court, in December 2000, found the Element inadequate in four specific areas and directed the County to adopt a new Element by August 2001. A moratorium on approval of new



Housing Construction Site
Courtesy of Kurt Bauer

subdivisions and rezoning was imposed on properties within Urban Service Areas that are larger than one acre until such time that the Court determines that the Element has complied with its order. A full-scale update of the Housing Element is in progress.

Twelve years after General Plan 1989 was adopted, an update process was initiated with a status report on the 1989 Plan in 2001. Evaluation of Plan performance had to include significant events that affect land use and development. Evaluation criteria were used to assess nine general goals set forth in the Land Use Element. These goals are:

- Accommodation of growth in a manner consistent with environmental constraints, high quality of life, and public service capacities
- Location of growth in the cities and unincorporated communities with urban services
- Maintaining compact city and community boundaries

Sonoma County Grand Jury

Shaping the County's Future (continued)

- Phased growth with the availability of services
- Maintaining largely open or natural character of open space areas between cities and communities
- Providing a diversity of residential development types and densities
- Avoiding unnecessary public exposure to environmental hazards and limiting development in sensitive areas
- Protect agricultural land and operations
- Assuring that land uses are consistent with preservation of biotic resources and scenic features.

PRMD concluded that based upon the above analyses, a full-scale reconstruction of the plan would not be necessary.

This investigation was focused to look into the General Plan development and update process,



rather than the content and performance of individual Plan Elements. Because of the daunting size of the General Plan, the grand jury concentrated on the Land Use Element for this review. This element incorporates land use policies of most other elements and it is safe to anticipate that the processes used for other Plan Elements are identical to the land use update approach. Emphasis of the review was the visibility of the for the General Plan update activity for the public at large, and the opportunity for all residents of Sonoma County to become involved in the Plan update process.

A Gift of Nature
Courtesy Kurt Bauer

Individual tasks of the General Plan update are well documented and accessible to the general public via the PRDM Web site; however, it is almost impossible for an uninitiated party to know what they should be looking for, and at what location on the web it might be found.

A General Plan update may cover several years of activity, segmented into a number of major steps and numerous, sometimes sequential, tasks. Interwoven are milestones and decisions points, before work on a next phase can begin. The grand jury, even with access to staff and management personnel, was not able to discover a document or chart containing all update phases, steps, and tasks, as well as their sequence and timing. The lack of such a document makes it extremely difficult for a layperson to understand and follow the process.

The Permit & Resource Management Department prepared an Update Work Plan and budget for review and approval by the Board of Supervisors in March 2001. The Board of Supervisors

approved the work plan and appointed a Citizens Advisory Committee (CAC) composed of 15 citizen volunteers, three from each supervisorial district. The Committee met from September 2001 through February 2006 to conduct well over 40 community meetings in locations throughout the County to review and comment on draft sections as created by PRMD staff. As a last task, the CAC reviewed a draft for an Environmental Impact Report (EIR) that addresses proposed changes to the 2020 General Plan Elements.

The Environmental Impact Report draft will be reviewed in approximately ten public hearings conducted by the Planning Commission. The final EIR and General Plan Draft will then go to the Board of Supervisors for review and approval by the end of 2006.

Individual General Plan update segments appear sound, well documented, and professionally executed. A formal, documented approach including and connecting each step would be helpful to optimize understanding and input by the general public.

Sources:

-)¹ California Government Code Section 65300
-)² PRMD General Plan Elements, http://www.Sonoma-county.org/prmd/General_Plan2020/elements.html
-)³ PRMD General Plan Elements, http://www.Sonoma-county.org/prmd/General_Plan2020/status.html

Reason for Investigation

A general review of current, major County activities revealed work in progress at the Permit & Resource Management Department on an update to the 1989 General Plan which had expired at the end of 2004. This update will result in General Plan 2020, which sets Sonoma County land use policy for the next 15 to 20 years. Timely review of the methodology of the update process will generate public interest and encourage input from a wide variety of community members to the Plan update.

A County General Plan is a daunting project described in, and supported by a great number of very voluminous documents. Though in the public domain, it might be difficult for any one individual, not directly involved with the General Plan process, to readily find and study these documents. Therefore, plan review integrity and visibility for the community was the primary driver of this investigation.

Background

Because of the great complexity of the General Plan, it would have been impossible to study each one of the ten Elements in detail. The Grand Jury therefore decided to concentrate on the General Plan update process itself through one of the more important Elements, the Land Use Element. It was expected that a thorough evaluation of the update process for this Element would allow extrapolation of findings to the overall update process.

The Land Use Element deals with the governance of county lands and compiles the requirements of all elements in one place. Having evolved into a parcel-specific map, interested parties can look at this map and assess which restrictions, easements, or ordinances might be attached to a particular property. Because of its great importance for the future use of County lands, it was deemed important to understand the background for land use criteria, how they were established, and how they are implemented. Who participates in the development of land use details, who provides input, where are suggestions or requests for changes collected, evaluated, and adjudicated, and who gives the final stamp of approval for the next 15 years, the life of General Plan 2020.

Investigative Procedures

Preliminary examination of relevant documents and responses to interview questions suggested a structured investigative approach based around the following points:

- Were changes in Federal, State, and local legal requirements/parameters for the County General Plan issued? If so, were they incorporated into the General Plan 2020?
- Are the additional elements adopted for General Plan 1989 still valid for General Plan 2020?
- Was the performance of General Plan 1989 measured and used as a factor for the development of General Plan 2020?
- Was the scope of the General Plan 2020 update work plan and budget request reasonable?
- Does the update work plan proceed on a logical approach?
- Does the update work plan make use of the most beneficial resources?
- Are the time lines and milestones for individual update segments realistic and achievable?
- Is public access and visibility to the update process optimized?

In pursuit of these goals, one or more interviews were conducted with the following functionalities:

- Director, (Sonoma County) Permit and Resource Management Department [PRMD]
- Comprehensive Planning Manager, PRMD
- Planner III, PRMD
- City Manager, City of Cloverdale
- Community Development Director, City of Cloverdale
- Director, Advance Planning and Public Policy, City of Santa Rosa
- Chairman, Citizens' Advisory Committee, Sonoma County General Plan Update 2020
- Chairman, Sonoma County Planning Commission
- Chairman, Sonoma County Board of Supervisors

Grand jury members attended relevant public meetings or hearings:

- Citizens' Advisory Committee – 2/16/2006: Review of Draft Environmental Impact Report
- Planning Commission – 2/28/2006: Public Hearing on Draft Environmental Impact Report
- Planning Commission – 3/07/2006: Workshop on Draft General Plan 2020
- Planning Commission – 3/17/2006: Close of Draft EIR Public Review Period

A majority of the documents reviewed and listed below are residing on the PRMD website, and can be accessed at <http://www.sonoma-county.org/prmd/>

- Index to the 1989 Sonoma County General Plan
- General Plan 2020 Sonoma County General Plan Update, Status Report on the 1989 General Plan
- PRMD March 23, 2001 Memo to Board of Supervisors: Draft Work Program – General Plan Update
- General Plan Update (General Plan 2020) Issues
- Sonoma County General Plan Update – Draft Work Program Timeline
- Sonoma County General Plan 2020 – Draft Land Use Element
- What is a General Plan
- General Plan Elements
- Charter of the (General Plan 2020) Citizens' Advisory Committee
- PRMD Planning Commission – Purpose and Composition


Findings

As a first task in the grand jury investigation, an effort was made to identify major General Plan update process components and the participants and/or contributors to those process steps. Finding the Sonoma County Web Site as a starting point was no problem. A list of County offices and links did not include "General Plan". Neither did the drop-down menus "Find it FAST", or "Find a Department or Agency". Looking for the General Plan in a "Search" box produced links to documents dealing with the General Plan. At the time this report was written, there were 1,042 Plan-related documents identified.

Some of the document titles suggested two possible leads in the search for Plan related entities. Frequently referenced was the PERMIT & RESOURCE MANAGEMENT DEPARTMENT. The second reference was the "CAC", short for the CITIZENS' ADVISORY COMMITTEE ON GENERAL PLAN UPDATE. The Permit & Resource Department website was accessed using the County web site and there, finally, was the link to the General Plan Update web site.

It became apparent very early in our work, that most of the County staff involved in General Plan activities had been in their positions for a long time. They had contributed to General Plan 1989, and were thoroughly familiar with all details that would have to be covered to develop the General Plan 2020. In a way, though, this intimate and personal knowledge of the process by staff makes it more difficult for them to communicate these activities in detail to the public. W public.ritten documentation of all review phases and parties involved was not provided, and may not have been developed.

General Plan Update Homepage - Permit & Resource Management Department - County of Sonoma, ...

 Permit Resource Management Department

Welcome to GP 2020

This area of our website is dedicated to the update of the Sonoma County General Plan (GP 2020). This is where you'll find information on the status of the update and relevant background information. You'll also be able to give us your input during the GP 2020 process.

<p>What is a General Plan? Background General Plan Elements Previous Comments Scope of the General Plan Update Draft Workplan Timeline Public Participation Community Meetings Citizens Advisory Committee (CAC) CAC Subcommittees Previous Mailings</p>	<p>What's Next? Meeting Calendar</p> <p>A Public Hearing Draft, Issue Summaries, Draft Environmental Impact Report and Notice of Public Hearings for GP2020 are now available.</p>
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How to contact us about GP2020
Comments
[Join our Mailing List](#)

PRMD Web Site Home Page
Courtesy PRMD Website

Detailed findings are as follows:

- F1. State and Federal mandates are issued periodically and incorporated in General Plan updates as fast as feasible. The Housing Element is governed by mandate of the State Department of Housing and Community Development. New, or modified requirements are issued frequently, asking for an almost annual update of this element. Main thrust is the availability of affordable housing.
- F2. The three additional elements included in General Plan '89 were found to be valid and useful for the County. They will be continued under General Plan 2020.
- F3. The General Plan is viewed more as a policy document, a guideline, for the Elements covered by it. There are few, if any, measurable goals or standards. An evaluation of

Sonoma County Grand Jury
Shaping the County's Future (continued)

- the General Plan performance is, therefore, more subjective than based on tangible data.
- F4. The work plan and budget developed by staff for the update and development of General Plan 2020 was adequate in scope and fiscally sound. It was approved as submitted by the Board of Supervisors.
- F5. The logic and phasing of the update process follow a sensible path and incorporate all possible resources at the disposal of the County. Especially the use of a Citizens' Advisory Committee to solicit public input is commendable.
- F6. Timelines and milestones are reasonable and generally met. Since timing is well beyond the General Plan 1989 expiration, and finalization of General Plan 2020 will not happen before the end of 2006, the update process and time schedule should be reviewed.
- F7. The opportunity for input by the general public is provided and publicized through mailings, the press, and word of mouth. Representatives of interest groups and citizens groups attend most of the meetings, both pursuing a special amendment rather than a general policy.
- F8. About 35,000 property owners potentially affected by changes in the General Plan 2020 were invited to a public hearing on the Draft EIR. The notice did not identify why a property could be affected, causing an overflow crowd to show up for the hearing at a venue with limited occupancy. Many citizens were turned away, prompting a very negative reaction in the press. (See Sonoma West Times and News, Volume 117, No. 20)
- F9. Sonoma County has failed to meet mandated housing requirements since 1992. Repeated attempts to satisfy State requirements were not successful, resulting in a zoning moratorium. The County anticipates succeeding in meeting State Housing mandates with General Plan 2020.
- F10. Land Use policies for County land bordering property in a City's area of influence occasionally create controversy. Every effort is made by both authorities to minimize undue inconvenience to the property owner. There is no formal approach, though, to address these issues.
- F11. Resolution of General Plan conflicts in adjacent jurisdictions is handled on a case-by-case basis and is usually resolved successfully. There is no formal approach to address these issues.
- F12. The 15 members of the Citizens' Advisory Committee are serving as volunteers without compensation or mileage reimbursement. In the case of the CAC 2020, members served for almost 70 months and conducted/attended over 40 meetings in different locations.
- F13. From the documents reviewed, the General Plan update process was officially launched in fall of 2001. The General Plan 2020 will not be ready for review by the Board of Supervisors before the end of 2006, two years after the expiration of General Plan 1989.

Sonoma County Grand Jury
Shaping the County's Future (continued)

- F14. The review process by the Citizens' Advisory Committee was expected to take about one year but lasted almost five years.
- F15. Staff informed the grand jury, that there is no documented "road map" for the General Plan update process. Staff is familiar with what needs to be done and proceeds accordingly.
- F16. State mandate requires that the Housing Element status be reported on annually. A similar, periodic General Plan implementation status report to the Board of Supervisors and the public is not prepared.
- F17. The active involvement and General Plan oversight function by members of the Board of Supervisors appears to be rather limited, dealing mostly with manpower and budget issues. The planning staffs address implementation and fulfillment issues.

Conclusions

Because of the enormous complexity of the General Plan update process only major process steps could be evaluated for their integrity, sequencing, and timing. Some major phases emerge in the General Plan review. They include among others:

- Recognition of new State and Federal legislative requirements for some Plan Elements
- Economic and ergonomic changes
- An evaluation of the previous plan status
- Development of an update work plan and budget
- Presentation of plan and budget for review/approval by the Board of Supervisors
- Development of revised plan Elements, in cooperation with the Citizens' Advisory Board
- Analyses of the environmental impact of revised policies
- Planning Commission Review, and finally,
- Presentation of the Plan 2020 to the Board of Supervisors.

Each one of these major steps is well documented, backed up by relevant statistical data, and satisfactorily implemented. Because of the duration of this process over several years, it is not always easy to retain public interest and participation. Once final drafts of the Environmental Impact Report and the General Plan 2020 were presented in open hearings, public interest became reinvigorated as demonstrated on the occasion of the Planning Commission meetings in February and March of this year.

It would be helpful for the public as well as other interested parties, if there were a general overview of all significant update phases and milestones. Such documents, in easy to understand format, would assist in anticipating relevant events and milestones of the update process. It would also serve as a guide for staff new to the process, should current staff be re-assigned or retire.

Communication with the general public and with property owners affected by proposed changes has to be conducted in clear language and terms understood by laypersons. Public meetings must be identified as to subjects covered, and conducted in adequate facilities.

Commendations

The grand jury would like to thank all those who assisted in providing valuable information towards this report. PRMD management and staff were very cooperative, professional and skilled in their fields.

Recommendations

The Sonoma County General Plan is a living document. Its policies and objectives are subject to ever changing outside influences that cannot always be predicted for a 15-year period. The grand jury, therefore, recommends a fluid update process, that allows for fast reaction to major shifts in population patterns, business cycles, and land use needs.

Proposed changes in reaction to such factors must be presented to the public and the Board of Supervisors in an easy to understand format, illustrating the change factor and responding solution in a timely fashion. These mid-course corrections make a periodic review of the General Plan a less daunting, time and resource-consuming task.

The Board of Supervisors must insist on regular status reports on General Plan performance through hearings and documentation with access by the public.

Detailed recommendations are:

The Permit and Resource Management Department should:

- R1. Formalize and document the Sonoma County General Plan update process in an electronic or hard copy document or flow-chart, with easy access by the public.
- R2. Create a link on the Sonoma County Home Page that leads the visitor directly to the General Plan site, avoiding the need to navigate through the PRMD home page
- R3. Adopt the General Plan implementation tracking mechanism approved by the Citizens Advisory Committee in their August 19, 2004 meeting.
- R4. Negotiate with affected Cities and Municipalities to establish and implement a formal process to coordinate mutually relevant issues such as traffic, zoning of adjacent properties, etc.
- R5. Include a mileage consideration for all General Plan-related Committee members in future General Plan-related budget requests.
- R6. Develop and implement a periodic General Plan update report for review by the Board of Supervisors.
- R7. Improve public notices about meetings on the General Plan to specifically state the topic and only invite affected property owners to avoid overcrowding.
- R8. Evaluate pre-meeting feedback to hearing notices (e-mails, phone calls, personal visits) and provide meeting facilities to safely accommodate participants.

Required Responses to Findings

Chairman, Board of Supervisors

F3, F5, F6, F8, F9, F11, F12, F13, F14, F15, F16

Director, (Sonoma County) Permit and Resource Management Department [PRMD

F6, F8, F9, F10, F11, F12, F13, F14, F15, F16, F17

Requested Responses to Recommendations

None are requested

Required Responses to Recommendations

Chairman, Board of Supervisors

R1, R3, R4, R5, R6,

Director, (Sonoma County) Permit and Resource Management Department (PRMD)

R1, R2, R3, R4, R5, R6, R7, R8

FERRY TO NOWHERE?
A PRELIMINARY PERSPECTIVE
JUNE 27, 2006

Summary

In August 2005 it was learned that Port Sonoma had been given a grant of \$20 million by the Federal Transportation Committee to build a Ferry Building and to buy U.S. made ferry boats. The grand jury thought it was very interesting that such a large dollar amount had been given to a private company. As we would learn, it was the owners of Port Sonoma who had personally gone to Washington to lobby for these funds, not our local representatives. We discovered that it is not unusual for a private company to receive public money. What is unusual, is that it was given to Port Sonoma without being partnered with a public agency and did not have the support of our local elected representatives.

The vision of the owners of Port Sonoma is to use shallow water ferries to carry several thousand passengers each day to and from San Francisco and the East Bay. These ferries would bring tourists to the Wine Country for the day or perhaps a day at the Infineon Raceway. In the other direction, fans could pick up the ferry for a day at AT&T Park.

The total of the Federal Transportation Bill was \$284 billion. Of that, Sonoma County is to receive:

- \$27 million for Hwy 101 between Petaluma and Novato
- \$500,000 for a bike path to parallel 101 between Petaluma and Novato
- \$5.6 million for Hwy. 101 between Santa Rosa and Windsor
- \$20 million to build a Ferry Building at Port Sonoma and to buy U.S. made ferry boats.

In looking more closely at the Federal Transportation Bill and the amount of money that Sonoma County was to receive, under this grant, we realized what Port Sonoma was to receive represented about 37% of the total amount. It should be noted that the owner of Port Sonoma must come up with 20% matching funds. The chairman of the Federal Transportation Committee is from Alaska. Was it a coincidence that AK and Seattle, WA are the primary areas in the United States where ferry boats are built?

The grand jury decided that it might be interesting to “follow the money”. We thought this was an opportunity to see how the system works on a project that is right here in Sonoma County.

We talked with elected county and state representatives and were not able to get a clear picture as to who would be overseeing the money. Would it be part of the Sonoma Marin Area Rail Transit (SMART) project? Or would it be a part of Golden Gate Transit, the Bay Area Water Transit Authority, or the Metropolitan Transit Commission?

We questioned whether in reality it would be possible for Port Sonoma to actually get approval to proceed with such a project, in spite of, the issues surrounding the property. After all, public agencies own or protect 3,965 acres of properties adjoining Port Sonoma and environmental concerns are in abundance.

Cited as problems by the various individuals that we interviewed were:

- San Pablo Wetlands
- The California Clapper Rail and the Salt Marsh Harvest Mouse, both on the endangered species list

- Annual dredging due to silt
- The wake and wetland issues
- Urban growth.

Background

As far back as the 1850's, the estuaries linking Sonoma and Petaluma to San Pablo Bay were used for commerce. Dredging was used to allow bigger steamers to get through. At one time, the Petaluma River was the third busiest waterway in the state. Steamboats carried passengers and freight to and from San Francisco. Eventually irrigation required for immense farms depleted the rivers. The last ferry service was in August 1950, ending 103 years of sternwheeler river navigation.

Port Sonoma is located on the east side of the Petaluma River, just south of Highway 37. The first Marina was built in 1968 with a second Marina in 1973. Over the years it has had various owners with the property being used by a dredging company, pleasure boats, marine equipment storage, a bait shop, a fuel station and a boat manufacturing company. In addition to the port, at this location are existing railroad tracks running east-west with an existing swing bridge over the Petaluma River.

In 2000, the port was sold to Port Sonoma Association. In 2003, the new owner also took over the management of the port.

In 1998, the Water Transit Authority (WTA) identified Port Sonoma as a potential ferry terminal location, but Port Sonoma was not included in the SMART sales tax measure to be voted on in the fall of 2006. The SMART report notes "Due to the environmental constraints and county policies that constrain the potential to expand sewer and water service in the area, there is almost no potential for Transit-Oriented Development in the station area". In an April, 2004 SMART report on the Port Sonoma and San Quentin Options, it was stated that having a terminus at Larkspur does not preclude any future expansion to Port Sonoma. For Port Sonoma, a rail shuttle service could be provided from the Novato South Station to a station at a new ferry terminal at Port Sonoma, operating on existing tracks of the Northwestern Pacific Railroad from the junction at Ignacio to Port Sonoma. Cross-platform timed transfers between the Cloverdale to Larkspur (or Cloverdale to San Rafael) rail line and the shuttle service could occur at Novato South Station

Conclusions

From our interviews and from the information we have reviewed, it appears that the funds for Port Sonoma are an "earmark" until it is partnered with a public agency. "Earmarking" refers to the insertion of a provision in federal legislation that designates special consideration, treatment, funding or rules for a federal agencies or beneficiaries. Earmarked funds are obtained primarily as a function of political influence and intervention and are not subjected to external "peer review" or competitive, merit based practices. When the earmark is partnered, the grant funds will become available to the owners of Port Sonoma and only at that time will we be able to determine who will oversee the expenditure of funds. The taxpayers of Sonoma County will want to know what they will be receiving for this \$20 million.

We urge local public officials to follow the progress of this grant to see, if it is possible to fruitfully use the earmarked funds.

Commendations

We admire the courage of the individuals involved with Port Sonoma who, in spite of a huge challenge ahead of them, have a dream, and to this point, have pursued this dream with their own resources.

Conduct of the Review

The grand jury interviewed the following:

- General Manager and Rail Planning manager from SMART
- Manager of Port Sonoma
- Sonoma County Supervisor Second District
- District Congressional Representative.
-

Documents reviewed:

- Articles from Press Democrat, Argus Courier, NorthBay biz
- Transportation Bill—SAFETEA-LU
- Internet Web Sites for MTC and WTA
- “History of Sonoma County”.

THE MILLION DOLLAR INMATE?

June 27, 2006

Summary

Pick up a newspaper
Log on to the Internet
Watch television
Better yet, talk to your friends, neighbors, associates.

They will confirm that there is a health care crisis in Sonoma County. All aspects of health care are affected, as are all members of the community. Here are just a few recent newspaper headlines:

Doctors in Crisis: In a Press Democrat survey, over one half of Sonoma County physicians are considering retiring or moving out of Sonoma County.

Medicare, Medi-Cal cuts hit doctors: Poor, elderly may lose coverage as county physicians face a combined rate drop of nearly 10%.

Looking for cohesive health care: A survey of 7000 conducted by RAND found that they received the recommended care only 55% of the time.

Health Insurance Imploding: Major corporations slash health care benefits. An estimated 45 million people nation wide lack health care coverage. The situation is not expected to improve.

Pensions facing double whammy: Funding deficits are a major problem for corporate benefit plans. Companies will have to add pension plans and retiree health care costs to balance sheets.

Employee's out of pocket health care cost: Doubled since 2000 and is expected to rise.

Changes at Warrack: Officials meet with employees amid rumors of service cutbacks and layoffs.

Sutter Selling Two Clinics: These clinics are located in Rohnert Park and Santa Rosa.

All of this is taking place in a period of significant financial crises for the county and its cities. The City Hall News reported that in developing the 2005-2006 budget all Santa Rosa city departments were asked to cut 5%. This concern for tightening the budget was verified by reviewing the county's Final Budget Report. Although revenues from property tax exceeded expectations, it was not possible to reinstate all the items cut. The county still faces significant financial challenges:

- The State's continued divestiture of programs the County administrates. These typically reside within the health and human services portions of the budget
- Increases in baseline health costs and flat funding
- A recognized need for the county to live within its means and balance the budget
- An annual budget compiled with long term stability in mind
- Programs financed by charges shall pay their full share of direct and indirect costs.

Sonoma County Grand Jury
The Million Dollar Inmate? (continued)

Throughout the previous budgets, as well as the current budget, the message is that significant attention be paid to financial restraint.

The Sonoma County detention facilities are no exception to the financial challenges facing the county, nor are they exempt from the financial impact of health care issues. There is a growing inmate population that now exceeds the capacity of the existing facilities. This is due to lengths of trial procedures, coupled with the complexity of trials due to multiple defendants, gang issues, and sentences that mandate jail terms. Inmate hospital costs are rising. The department budgeted \$150,000 for medical care not related to mental health. The bills have already totaled \$622,474 for the budget year ending in June of 2005, and an estimated \$300,000 is still outstanding.

Sonoma County Detention Facilities medical cost? These are county jails. The County Jail's purpose is to detain people who are accused of or have been convicted of a crime. Why is the county paying for medical care for inmates? The answer is California Code of Regulations (CCR), Title 15. The fact is that the inmate population is one of the few groups of people guaranteed by law to receive medical and mental health treatment. Penal code 6030 mandates medical treatment for inmates. Title 15 sets the minimum standards for that care. While the primary purpose of the detention facilities is to provide safety and security for the community, they are also charged with providing for the medical well being of the inmate population.

Title 15 sets the minimal standard of care for inmate health services. That standard, in general is to be "consistent with the care provided in the community at large". Because of this, the care being provided by the detention facilities must be reviewed in the context of the care provided in the community. As a County department supported with public funds, it is the responsibility of the detention facilities to provide the mandated care in the most efficient and economical way possible.

In the midst of this, how are Sonoma County Jail inmates medical services handled? Currently the provision of medical care to inmates in the detention facilities is provided by a vendor acting as an independent contractor, California Forensic Medical Group. The services provided and the fee for those services are set out in a Memorandum of Understanding (contract.) The original contract with CFMG went into effect February 1, 2000. In June of 1999, the county asked for bids for the provision of health care services for the adult detention facilities, as facility accreditation with California Medical Association had been lost at that time. These services previously had been provided by another contractor. CFMG was selected as the new provider. The stated basis for that selection was their ability to provide a high quality of health care. The jail administration's primary goal was that in choosing CFMG, the facility would regain accreditation within the first year. It is not known whether they were the low bid or not.

Reason for Investigation

This report was initiated as the grand jury became aware of substantial cost overruns in jail medical expenses. The grand jury is aware of the community's concerns about health care, access to health care, and rising medical costs. In a Press Democrat article, a spokesperson for the Sheriff's department stated that if it had not been for these cost overruns it would have been possible to have more patrols on the street.

The chart below is a summary of the actual and estimated cost of overruns for the years 1998 through 2007:

1998-2002	\$53,000	average cost overrun per year
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Sonoma County Grand Jury

The Million Dollar Inmate? (continued)

2002-2003	\$120,000	actual cost overrun
2003-2004	\$282,081	actual cost overrun
2004-2005	\$822,037	actual cost overrun
2005-2006	\$850,000	estimated cost overrun for current fiscal year
2006-2007	\$721,000	budgeted estimated cost overrun

Background

Prior to 2000, jail medical services had been contracted by another provider. The state of affairs at that time was that various public and controversial elements were swirling around the jail operations. Within the county jail there had been multiple deaths, three suicides, and two drug related withdrawal incidents during the period 1996-1998. Additionally, citizens' watch groups were petitioning the authorities for various grievances; the grand jury completed a report in 1998 regarding jail deaths, and as mentioned, the facility loss of accreditation from the Institute for Medical Quality. In June 1999 the county approved bidding process was initiated and sent to seventeen professional medical providers. There were three responses. A unanimous decision was made to award the bid to California Forensic Medical Group. It appears that CFMG began their work in December of 1999. The initial contract was effective beginning February 2000. The IMQ accreditation was regained in 2001. The contract was renewed with essentially the same provisions in 2005.

The contract was a three-year agreement with an option for two additional years. The options were exercised extending the contract to January 31 2005. It was a flat fee contract, that is, a flat annual cost per year to be increased annually by the Consumer Price Index (CPI) Medical Care Component (San Francisco Oakland.) Under the general terms of the contract:

- The county does not control the means by which the contractor achieves results, but does have the right to specify its expectations regarding results and to put those in the contract
- The contract does not specify the scope of medical services to be provided, nor whether it is the county's intent to provide maximum or minimum premises service
- It sets no parameters on outside referrals
- It places a cap of \$15,000 per hospitalization event cap on CFMG's financial obligation for off-site care
- The only actual specifications regarding health care standards are that they must meet CMA standards for accreditation and follow "generally accepted health care practices"
- The contractor accepts all responsibility for loss or damage caused by CFMG and/or CFMG and the County jointly regardless of who is insured, who is named in a claim or lawsuit
- The county is to be named as an additional insured and that such insurance be primary. Any insurance held by the county is to be non-contributory
- 30-day notice of cancellation is required and the contractor's obligations are not limited by insurance coverage
- The contractor is obligated to notify off-site providers of any insurance the inmate has
- Also attached to it are minimum staffing levels. The Full Time Equivalent specified is 29.6.

The original contract expired January 31, 2005. The County declared itself extremely satisfied with CFMG. The contract was renewed for two years with two additional one-year options. Essentially the same provisions applied except that the required insurance limits were reduced.

Although the original contract specified only a CPI index increase each year, the 2004-2005 increase was \$1,018,956. The contract price was increased by \$685,000, with the initial year's

Sonoma County Grand Jury

The Million Dollar Inmate? (continued)

annual cost of \$4,655,484. (A 28.1% increase.) The primary reason given for requesting this increase was the dramatic increase in nursing salaries. Only historical per hour salary increase information was provided. No specific staffing or actual salary/benefits information was provided.

No Requests for Proposal were required. It was decided that a Request for Proposal (RFP) was not required because continuing with CFMG was the most “effective” and “economical” method of providing inmate medical services, and was considered to be “in the best interest of the county”, beyond 2005. The primary basis cited for this conclusion was a Sheriff’s department analytic report indicating that this was the “most effective and economic” alternative. Review of the report indicates that it contains only anecdotal information. No quantifiable, specific, verifiable, or objective information is cited.

Also cited was the CMA report of 2003 that rated the detention facility as in 100% compliance with all of their “Essential” and “Important” standards. Review of the CMA/IMQ Report indicates that Sonoma County detention facilities meet 100% of standards and quote 90% of inmates as being satisfied with the medical care provided.

It is also necessary to determine what services have been purchased for the contract fee of \$4,655,484, as well as what is not included in the contract fee. The 2005 Annual Report of Services from CFMG states that the goal of CFMG is to exceed all standards of CMA requirements. Although statistics are not consistent from report to report, the approximate figures indicate that:

- 41% of the population is on medication. Other reports indicate 50%
- 42,000 medications are dispensed per month for a total of 504,000 annually.

This appears to be an incredible amount of medication for an average population of something over 1100 inmates, until it is realized that this figure counts each pill and includes what elsewhere would be termed “over the counter” drugs. The only two “medications” not included in these figures are antacids and Tylenol. All others are dispensed by nurses.

It is indicated that 7% of the population is seen “face to face” in clinics (73), while in another report it is indicated as being 60. One statistic indicates 15 non-emergency and 5 emergency referrals per month, while another statistic received was that there are 30 referrals per month. This would total either 240 or 360 referrals. Of these, the report reviewed only 15 to conclude the referrals were in order. The number of referrals was used to show that the provider “strives to offer comprehensive care.” No writs of habeas corpus were indicated. Five complaints were received and all were denied by the County. Despite the insurance provision in the contract, CFMG was not an active participant in handling these claims. From 2000-2004, there was a 33% increase in medication dispensed (from 357,000 pills to 538,000 pills). Visits by PA, RN, MD, DDS increase by 1059 from 2000 – 2004. Emergency room visits dropped by 15 from 2000-2004. There were 8 suicide attempts in 2004, down slightly from the average of 10. Grievances remained even 2000 to 2004 (165 to 166).

By sheer numbers, the dispensing of what elsewhere would be considered OTC medication requires a significant time and dollar commitment. All but the two items indicated previously, Tylenol and antacid are being distributed by nurses. When it is considered that the average daily population stands at about 1150 and the average time in detention has dropped slightly and is currently approximately 25 days, there appears to be a lot of non-prescription medication dispensed by highly paid professionals.

Sonoma County Grand Jury
The Million Dollar Inmate? (continued)

The Sheriff's department has stated that its highest priorities are the County's ability to respond to terrorism and to continue to address gang violence. Because of budget constraints, the County's budget was initially reduced by \$3,375,000. Among the many reductions for the Sheriff's department were:

- Reduced salary and benefits for officers
- Elimination of some department positions
- Overtime reductions
- Training expenses.

The \$685,000 increase in the flat contract fee paid to the jail medical provider might have been used to reinstate such actual cuts as:

One Detective and one Patrol Lieutenant	\$184,300
Funding for "new hire" training for 6 Deputy positions	\$306,826
Salary savings at MADF	\$200,000
And put back some of the reduced Patrol salaries	\$173,794
For a total of:	\$685,000

Coincidentally, the gross expenditures for catastrophic medical expenses, paid for by the County in addition to the contract fee paid to the contractor, had to be re-budgeted to \$696,000, which would have been paid for by the increase in the CFMG contract.

The grand jury recognizes that the primary purpose of the detention facility is the safeguarding of the community. It also recognizes the fact that the corrections facilities cannot make medical decisions. However, they are charged with providing that care by the most effective and economical means possible.

It is possible that continuing the contract with CFMG was, in fact, "in the best interest" of the County and is the most effective and economical way of fulfilling their obligation. Unfortunately, there is no way to prove or disprove this.

No actual expense information was provided at contract inception. Since the contract is a "flat" contract, no current expense information is available.

No objective, empirical or quantifiable standards are in place for measuring the success of the program. The only standards used are the Institute for Medical Quality (IMQ) standards.

Much of the record keeping is manual; therefore, statistics are not always consistent. Additionally, the medical cost per inmate that is reported to the State is obtained by dividing the contract price by the average inmate population. It does not include any payments made for "catastrophic" losses (those exceeding the \$15,000 cap on CFMG obligation for off site care). Neither does it include any litigation expenses or transport costs. Actual total costs are difficult to determine because they reside in different departments. No allocated expenses are charged to the vendor. There is no consistency county to county on what is included in the figure sent to the state.

Investigative Procedures

Interviews: Sheriff's Department Captain, Main Detention Facility; Captain, Facility Manager; Administrative Services Staff; Forensics Program Manger; Section Manager, Forensics and

Sonoma County Grand Jury

The Million Dollar Inmate? (continued)

Special Programs; Deputy County Administrator; Various administrators and employees of California Forensic Medical Group; County Counsel;

Documents reviewed:

- Penal Codes 4011.10 and 6030
- Health and Safety Code 101045
- California Code of Regulations, Title 15, Division 1, Chapter 1, Subchapter 4, Health Guidelines, Program and Procedure Guidelines: Minimum Standards for Local Detention Facilities.
- California Forensic Medical Group, Annual Reports of Medical Services
- CFMG Formulary
- CFMG Medication Statistics 2003-2005
- CFMG County Cost Comparisons, 2005-2006
- Non-CFMG County Cost Comparisons F/Y 2002-2003
- Sonoma County Salary Schedule Hourly Rates, 2005
- Sonoma County Transportation Reimbursement F/Y 2004-2005
- Mental Health Jail Services FTE Salary Information F/Y 2005-2006
- Benefits Source Book, Employee Benefit News, Benefit Cost Highlights, 2005
- Analysis, Inmate Health Care Contract Memorandum of May 2, 2004
- Summary Report for Board of Supervisors/Memorandums of Understanding dated February 2000, 2003, 2005
- CPI Index-Medical-San Francisco and Oakland, 2001-August 2005 Agreement for Medical Services for Inmates effective Feb. 1, 2000
- California Department of Corrections Jail Profile Survey Annual Report, 2003-2004
- CFMG Overview of Services Provided
- Detention Facilities Historical ADP and Average Stay, 1994-2005 and 2006 Budget
- Detention Facility Medical Standards/Procedures: Clinic Operations, Cost Recovery for Transportation and Security, Equipment Inventory, Hospitalization/Emergency Treatment, Off-Site Medical and Dental Appointments, Staff Members Administering Medications, Medical Co-pays, Medication Rounds, Triage and Sick Call
- Various Insurance documents
- Senate Bill 159, Approved October 4, 2005, re: Contracts for Health Care Services
- Final Budget for Sonoma County F/Y 2005-2006, F/Y 2004/2005, F/Y 2003/2004
- City Hall News, Week of August 22, 2005
- Proposition 63, Mental Health Services Act
- Sonoma County Sheriff Budget and Sub-Object 6654 Detention Administration expenditures, 2001-2006
- Institute for Medical Quality Accreditation Standards for Adult Detention Facilities, 1998 First Edition; 2001 Edition
- IMQ Assurance Corrections and Detention Health Care Accreditation Report, July 2003 (two year report)
- <http://www.oal.ca.gov/>
- Santa Clara Grand Jury Report 2004/2005; Santa Clara Eight County Comparables 2003-May, 2004 Findings.

Findings

F1. There is no clear demarcation of responsibilities between corrections and the medical provider except to state that detention does not make medical decisions.

Sonoma County Grand Jury

The Million Dollar Inmate? (continued)

- F2. Audits are not independent. The vendor self-audits. The outside auditor is hired by the provider. Quarterly quality meetings are voluntary and attendance is sporadic. There is no agenda. No minutes are kept. Cooperation in decisions between departments depends on good will.
- F3. Until January 2006, the county was not involved in negotiations with outside providers regarding pricing. A third party vendor hired by CFMG negotiated what discount arrangements there were.
- F4. No empirical, objective, and quantifiable standards are in place for measuring the success of the program.
- F5. No empirical, objective, and quantifiable standards are in place for determining what is the most effective and economical method of handling jail medical services.
- F6. The county has no verifiable statistical information of the actual cost of the program to the vendor.
- F7. There is no preferred provider list in place.
- F8. Record keeping is to a great extent manual, making it difficult to make changes or to evaluate alternatives.
- F9. Non-prescription (OTC) drugs are administered only by professionals.
- F10. Required additional insured endorsements are not on file.
- F11. No study is being conducted to examine the potential impact of the changing realities facing the county detention facilities.
- F12. The reason for entering into a flat contract was to pass on the expense risk associated with health care. Cost overruns demonstrate that was not the result. When the county agreed to increase the contract by \$685,000, they re-absorbed that risk.

Conclusions

It is clear that the original contract with CFMG was adopted in a hostile climate of negative media exposure, adverse public reaction to situations in the jail, and the concern about potential litigation. Under these circumstances, using CMA accreditation as a primary driver for a successful jail medical program might well have been justified. Time has moved on, however, and realities have changed. While potential litigation is always a concern, a Santa Clara survey of eight counties throughout the state indicates it is far from a primary concern. The survey further indicates that some counties have chosen to forgo meeting Title 15 and/or CMA standards in consideration of budget restraints. All counties surveyed show budget reductions and the rising cost of care to be the primary drivers. The challenges presented by the dual obligation of providing health care to inmates, and doing it in the most effective and economical way is being dealt with by county officials whose primary obligation is to provide a safe and secure community. Sonoma county statistics parallel those indicated in the survey. For the period 2000 through 2005, the average number of claims going beyond detention center administration was seven per year. Out of the forty-three claims, 29 were handled without cost to the county. While there were spikes in 2001 and 2004 in litigation costs, overall costs, even in those years remained within acceptable parameters. Health care, especially for inmates, presents challenges quite outside the scope of their primary function.

The general standard set by Title 15 is that the medical care in the jail reflects that in the community. All information received by the grand jury indicates that the standard of care in the jail greatly exceeds that of the community. Changing circumstances mandate close attention to inmate medical care, especially in light of the past several years of severe cost overruns. Expert monitoring and oversight by the county have become mandatory. If that is not accomplished, it is reasonable to expect that down the road the county jail medical will have at least one "Million Dollar Inmate."

The County Administrative Office has also expressed interest in the "catastrophe" medical challenge and has begun a project to examine the issue.

Commendations

The grand jury reviewed possible overtime costs for transportation issues utilizing custody staff in overtime pay for fiscal year 2004/2005. A laudatory note must be given to the Sheriff's transportation staff for conducting over 240 inmate transports, which incurred only 6.5 hours of overtime. This overtime was charged on two instances for a single inmate.

Recommendations

- R1. Create a clear delineation of program responsibilities between corrections and the medical provider.
- R2. Conduct a study to determine the most efficient and economical method to address jail medical issues.
- R3. Consider retaining a consultant, possibly an actuary, who is able to do a cost benefit analysis on the alternatives for handling jail medical costs.
- R4. Consider the use of a physician-monitor to review and assess the quality and appropriateness of medical care.
- R5. Examine the possibility of obtaining catastrophe insurance coverage for jail medical.
- R6. Audits should be conducted by an agency independent of the medical provider.
- R7. Make quarterly quality meetings mandatory, with an agenda, attendance log, and minutes, which shall be kept for future reference. All affected departments will send a representative, if the department head cannot be present.
- R8. Negotiate contracts with off-site providers pursuant to SB 159 regarding pricing. A study conducted by the County Administrator (actuarial consultant) will be used to determine whether a contract or no-contract agreement is most advantageous for the county.
- R9. Develop quantifiable, objective, and empirical standards for measuring the success of the medical program.
- R10. Develop quantifiable, objective, and empirical standards for the most effective economical method for handling jail medical services.
- R11. Develop a method for determining the actual cost of the medical program to the county.

Sonoma County Grand Jury

The Million Dollar Inmate? (continued)

- R12. Require expense-based information to be used to determine whether the contract price is commensurate with the cost of services rendered.
- R13. Develop a list of preferred physician providers.
- R14. The Sheriff's Department and Information Systems Department should explore and develop technological improvements in tracking county jail medical services.
- R15. The Sheriff's Department and medical provider should develop alternative methods of distribution for other-than-prescription medications - specifically distribution through commissary or vending machines.
- R16. Obtain from the medical provider the required insured endorsements.
- R17. Create a task force to examine the changing realities effecting health care in the county detention facilities.

Required Responses to Findings

None

Requested Responses to Recommendations

None

Required Responses to Recommendations

Sonoma County Sheriff – R1, R2, R4, R6, R7, R8, R9, R10, R11, R12, R13, R14, R15, R17

Board of Supervisors – R11, R12, R17

Sonoma County Administrator – R1, R2, R3, R5, R8, R9, R10, R11, R12, R17

Sonoma County Risk Management – R1, R4, R5, R15, R16, R17

Information Systems Department - R14

THE IMPACT OF YESTERDAY'S PROMISES

June 27, 2006

Summary

In the forefront of every budget planning session and every collective bargaining negotiation procedure, whether in the smallest government entities or the largest private industries, the main concerns affecting the process were the high cost of employee health care and retirement benefits.

The grand jury in the same way found that private companies going bankrupt blamed employee benefit costs consistently for their failure to make a profit. When private companies go bankrupt and leave badly under-funded pension plans, a federal agency partially bails them out. The Pension Benefit Guarantee Corporation steps in to insure continued pensions at a reduced benefit in most cases. The status of this federal agency has gone from a surplus of 7.7 billion in 2001 to a 23 billion dollar negative position in 2006. They do not recognize any promised health benefits.

In the public sector, if a municipality faces financial ruin, the taxpayers are on the hook to pay the full benefits promised to government employees by government employees.

Where do Sonoma County taxpayers stand? Are we deferring too much benefit liability to future taxpayers? Taxpayers are entitled to full disclosure of their obligation and by what means these benefit promises are secured.

The Financial Accounting and Standards Board, the authority recognized by the Securities and Exchange Commission as the maker of the nation's accounting rules, has set new standards of accounting for public and private companies' employee benefit reporting. Effective for fiscal years ending after December 2006, a new requirement to measure plan assets and obligations on their financial balance sheets, making them fully transparent, is proposed. Threats have been made for the past year, that this disclosure would be "eye popping" and a "double whammy" for pension systems.

This governing board states that over the next three years regulatory accounting methods for pension and retiree health benefits will have three new components to correct flaws:

- Strengthening plan funding rules to ensure that benefit promises made to employees are properly secured
- Pricing premium allowances fairly to discourage risky behavior
- Provide a clearer picture to taxpayers and recipients.

This disclosure of over-funding or under-funding should be made public.

Reason for Investigation

The grand jury was concerned with the fact that health care costs are the fastest growing expenditure in county budgets. This coupled with already high pension contributions amounts to a figure between 17 and 20% on average of the total expenditures of private and public sector budgets.

Last year, 71 of the nation's largest private companies froze or terminated pension plans. Almost no employers offer Defined Benefit Plans (a set amount per month). New employees and recent hires were switched to Individual Retirement Accounts (IRA). Less than 20% of all workers in the private sector now have a traditional pension plan. Health plan coverage is not there for 60% of the employees in the private sector.

Sonoma County Grand Jury

Yesterday's Promises (continued)

Reform is the word most often used to describe necessary changes by health care analysts. Cost sharing by employees and putting the responsibility back on employees for their own coverage, is the trend in large companies today. The belief that employers are responsible to provide these benefits is in serious jeopardy, according to experts.

This was a self-initiated investigation to see how Sonoma county cities and the county entity will cope with escalating health care costs and proposed liability funding to reserve accounts. This should be made public information. Present and future retirees should be aware of the stability of their pensions and benefit expectations.

Background

Current accounting standards do not provide for complete information about benefit obligations. Consequently, to comply with these federal standards by showing over-funded or under-funded pension and health care liabilities, we should have a clear and useful picture that should be published.

Investigative Procedures

The grand jury requested data through correspondence addressed to the chief financial managers of each of the nine municipalities: Cloverdale, Cotati, Healdsburg, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Town of Windsor, as well as the County of Sonoma. Further we requested specific data on the costs of employee benefits and budget figures for the past five years. It was a rather broad request. Information requested had to be clarified by follow-up telephone and e-mails. We further:

- Interviewed either City Managers or Financial Officers in each municipality and in most incidences we met more than one person, often on multiple occasions
- Examined the budgets of each city
- Met with the North Coast Builders Exchange for private sector input
- Met with representative of the Redwood Empire Municipal Insurance Fund
- Sent representatives to the Conference on Health Care sponsored by medical executives and local businesses along with representatives from Sutter Health Care, St. Joseph's Hospital Foundation and Kaiser Foundation
- Met with the California Forensic Medical Group under contract with the county jail.

Researched the following publications:

- The Business Journal
- The Press Democrat's publications on the subject of benefits
- The New York Times Digests
- Reviewed Insurance company newsletters
- We researched material entitled "The Crippling Financial Impact of Public Pensions and Healthcare Obligations on Municipal and County Budgets."
- Researched the Bureau of Labor Statistics website
- Researched US Government congressional website
- Interviewed a respected CPA in private practice
- Researched Pension Benefit Guarantee Act Director's Report to the American Institute of Certified Public Accountants
- Researched the Financial Accounting Standards Board website
- Researched Pension Benefit Guarantee Corporation website.

Sonoma County Grand Jury
Yesterday's Promises (continued)

It became apparent in our meetings with the various entities and scanning of the information they forwarded that benefits were scattered amongst departments and categorized differently. Separating health care and pension benefits was not practical because they were intertwined. Retiree benefits were so convoluted with special circumstances and explanations, it became clear that there was no consistency in benefits promised. It depended on who was promising what at the time.

Budget information was not comparable because some cities furnished us with budget projections and some with actual expenditures. What impact continued increases in benefit costs would have on these budgets could not be determined.

Findings

- F1 What the grand jury was able to interpret from the piles of financial information provided, was that health care benefits alone indicated no extreme differences between cities. These health care premiums averaged about 3% of the budgets. The premiums had a broad range of \$5,400 to \$11,500 per employee per year, taking into consideration, single verses family coverage and risk factors. Adding all the other contributions: pensions, dental, vision and/or life insurance to the equation, employee benefit costs are close to the normal range of 17 to 20% of the budgets.
- F2 California Public Employees Retirement System (CalPers) is the pension plan of choice. During our interviews it became apparent, that actuarial expertise and plan management were highly respected.
- F3 Health care coverage costs have doubled in the past five years and are projected to double again in the next five years. Insurance providers blame this on the costs of new technology.
- F4 The State of California, as quoted in the Sacramento Bee, sees the way out of this situation of unsustainable health care promises: the solution, "just quit promising health care for life. That's what the Medicare system is for."
- F5 Reserve funding will be mandatory for all employing entities offering benefits for life. This is nothing new to pension providers, however, it will be new for health care, dental care, life insurance or any other promises for life. A mismatch between assets and liabilities has to be addressed. Full disclosure will provide this information.
- F6 Both current employees and retired employees will benefit from the security of knowing that what they expect and have been promised is not dependent on the whims of the future.

Conclusions

In the past, employees in the private sector set the standards for the public sector employees in wages, hours and working conditions. In order to attract the most qualified workers, employers often competed with generous benefit offerings. In addition, upon retirement benefits were maintained for life as a way of showing appreciation for their loyalty. These generous offerings have collapsed in the private sector.

Public municipalities will have to raise taxes, cut other services and layoff workers, if there are not enough assets or reserves to meet the requirements of the new accounting laws. Reportedly, this has happened in other states.

Sonoma County Grand Jury
Yesterday's Promises (continued)

Private sector employees have had to experience sacrifices in companies including, but not limited to Hewlett-Packard, General Motors, IBM, United Airlines, Verizon, etc. Perhaps public employees would not be subject to this, if the problem were addressed now and not deferred to future taxpayers.

The grand jury found a bleak outlook for the continuance of generous promises. Actuarial information is that future costs will continue to rise and securing already made promises will likely include higher deductibles from the employee for care along with cost sharing premiums. The impact would be less take home pay.

Figures furnished to the jury by providers indicated that driving up these costs are early retirements without Medicare eligibility. Boomers and the age group between 50 and 65 out-spend health care premiums by 164% and the figure for all retirees out-spending health care premiums is 131%. Overhead for insurance companies has tripled since 1993 according to the data furnished to us. This is also a reason for escalating health care benefit costs.

Commendations

The grand jury would like to acknowledge the City of Rohnert Park for publicly disclosing the findings of a recent actuarial study regarding the City's financial status. Reports are that the City is currently \$52 million short of what is needed to cover health care promises now on the books. They are looking for ways to address this deficit by cutting services and/or asking for an additional sales tax.

Recommendations

- R1 The grand jury recommends that Supervisors, Council members and financial officers should verify that health or other lifetime benefit promises are secured properly and in compliance with reserve funding standards.

- R2 The grand jury recommends that the Board of Supervisors and/or City Councils enlist actuarial expertise to audit this asset/obligation disclosure.

- R3 The grand jury recommends that the advice of an expert should be solicited to consider the fairest most equitable way to offer health care benefits to public employees. This should be disclosed.

- R4 The grand jury recommends to build a secure structure for maintenance of employee benefits should not be deferred.

- R5 The grand jury recommends full disclosure of each entities total benefit obligations along with information describing provisions to secure them. We are requesting this information between the end of each entities current fiscal year and December 31, 2006:
 - Number of employees eligible for pension premiums
 - Number of retired employees receiving pension benefits
 - Financial obligation
 - What reserves are in place to insure these pension obligations
 - Obligation for health care coverage
 - Reserve amount in place
 - Amount required by federal authorities to secure these health care benefits.

Required Responses to Recommendations

Sonoma County Board of Supervisors
R1, R2, R3, R4, R5

Sonoma County Comptroller and Chief Financial Officer
R1, R2, R3, R4, R5

Cloverdale City Council
R1, R2, R3, R4, R5

Cloverdale City Manager and Chief Financial Officer
R1, R2, R3, R4, R5

Cotati City Council
R1, R2, R3, R4, R5

Cotati City Manager and Chief Financial Officer
R1, R2, R3, R4, R5

Healdsburg City Council
R1, R2, R3, R4, R5

Healdsburg City Manager and Chief Financial Officer
R1, R2, R3, R4, R5

Petaluma City Council
R1, R2, R3, R4, R5

Petaluma City Manager and Chief Financial Officer
R1, R2, R3, R4, R5

Rohnert Park City Council
R1, R2, R3, R4, R5

Rohnert Park City Manager and Chief Financial Officer
R1, R2, R3, R4, R5,

Santa Rosa City Council
R1, R2, R3, R4, R5

Santa Rosa City Manager and Chief Financial Officer
R1, R2, R3, R4, R5

Sebastopol City Council
R1, R2, R3, R4, R5

Sebastopol City Manager and Chief Financial Officer
R1, R2, R3, R4, R5,

Sonoma City Council
R1, R2, R3, R4, R5

Sonoma County Grand Jury
Yesterday's Promises (continued)

Sonoma City Manager and Chief Financial Officer
R1, R2, R3, R4, R5,

Town of Windsor City Council
R1, R2, R3, R4, R5

Town of Windsor City Manager and Chief Financial Officer
R1, R2, R3, R4, R5

THROUGH THE HEALTHCARE LOOKING GLASS

Healthcare in Peril

June 27, 2006

Summary

Accessing healthcare in Sonoma County was similar to falling down the rabbit hole in the story of *Alice in Wonderland*. Researching the problem of access uncovered a warren of amazing reports and experiences that wound along like an odyssey. Not only can it be a mysterious affair for the patient, but also many providers were unaware of what was happening down the street or across town.

As in Alice's adventures, things seemed backward. Healthcare recipients who could least afford care, were often charged the most. When these options were unknown, care was postponed until a condition became acute. This meant a swift trip to the emergency room, the most expensive healthcare that a person could receive! The bill was handed to the county taxpayers. Less expensive, equally effective care might have been accessed: if only the patient had known.

Many grand jury members had pre-conceived ideas about healthcare access. Perhaps this was because they had healthcare insurance. But we knew that many people did not. What was the situation for those people at or just above poverty level and undocumented workers? We discovered that our ideas were often uninformed. We discovered that access to healthcare programs is a system in distress. In reality, there is no system.

When a "system" has become entrenched over the years, it becomes very difficult to alter. We felt that a start must be made. The grand jury knows that the problem cannot be overhauled during our term, but maybe future juries will carry the issue forward. Healthcare systems involve the federal and state, but the failings of these systems will directly effect Sonoma County at the taxpayer level. We have recommendations that we hope will begin the discussion process and the defining of a healthcare access system in Sonoma County. Communication among the healthcare groups and consumers is vital.



Courtesy: Penguin Group (USA) Inc.

Reason for Investigation

The grand jury perceived that as taxpayers, the county provided a "safety net" to catch those unable to pay for needed healthcare services. We believed that it would include the homeless, illegal, and destitute among us. We did not know how many people that would be, but we believed a system was in place to serve them. We wanted to understand the current system and learn if it was adequate in addressing the ongoing

Sonoma County Grand Jury

Through the Healthcare Looking Glass (continued)

needs of its citizens. The grand jury wanted to know why the responsibility for healthcare for the medically indigent working adults (MIA) fell to the county. We read newspaper articles that discussed healthcare issues relating to federal, state and local healthcare funding. When dollars for healthcare are diminished, the county taxpayers are still responsible to provide funding for the medical care of MIAs who have “fallen out” of the funded Medi-Cal system. To understand the local funding system, it is necessary to see its relation to the complete medical system.

We were told repeatedly that the problem was too big and complex. The healthcare system was broken beyond repair. The “system”, if one existed, could never be changed and there was no agency with the power to change it. The current healthcare providers were overburdened and could not assume an active role in change.

The grand jury also perceived that there was difficulty and confusion in accessing healthcare information, because there was no central system to provide information about obtaining healthcare and how to establish a provider. Police and fire departments have communication systems to help each other and the public, but healthcare facilities do not.

The grand jury was also aware of the alarming attrition of healthcare providers in Sonoma County. The high cost of living and low insurance reimbursement have driven many providers from the county. Private providers are not accepting the state funded Medi-Cal program because of low reimbursement rates. The reimbursements rates for CMSP, the county funded program for MIAs, are determined by a governing board and rates are similar to Medi-Cal. This means access using Medi-Cal and CMSP may be limited to community clinics, urgent care, or the emergency room.

Background

Under the State of California *Welfare and Institutions Code*, Title 17000, the state mandates that the counties in California are responsible for providing healthcare to “all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident” living in the county. The County Medical Services Program (CMSP) is the healthcare program that Sonoma County provides under this mandate. CMSP is an unadvertised program. The funds for this service are from a shared “risk pool” of thirty-four rural counties which form an insurance-type operation. Taxpayer dollars and the state vehicle license fees directly fund this program. As monies decrease for CMSP, the restrictions to access the system increase. The uninsured cannot afford to seek preventive and early intervention care; they often visit the emergency room. The cost of care at this intervention is very expensive. Follow-up care is difficult to obtain, so the solution is repeated visits to the ER.

California Codes/Welfare and Institutions (W&I))¹

“Section 17000. Every county and every city and county shall relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, when such persons are not supported and relieved by their relatives or friends, by their own means, or by state hospitals or private institutions.”

Sonoma County Grand Jury
Through the Healthcare Looking Glass (continued)

“Section 17001. The board of supervisors of each county, or the agency authorized by county charter, shall adopt standards of aid and care for the indigent and dependent poor of the county or city and county.”

(Note that these sections are subject to interpretations and modifications that may be imposed by the Board of Supervisors as allowed by other pertinent sections of the W&I Code.)

In Sonoma County, the responsibility for providing healthcare to the uninsured working poor rests upon the Board of Supervisors. As a point of clarification, Medicare and Medi-Cal are forms of insurances, which are under the regulation of the federal and state governments. In our local government, we also have a Public Health Department. This department is responsible for the health of the public at large but not for the individual patient. Another way to consider this is that Public Health will respond to a big crisis involving the community but not an individual crisis.

Just because you have a job with health benefits today does not mean that it will be there tomorrow. A new federal law can change the whole system from the federal through the local levels of service. Effective July 1st, a new law will take effect requiring verification of U.S. citizenship to access Medicare and Medi-Cal. How will this change the access to healthcare in Sonoma County? Think of the healthcare system as a funnel. As participants are disqualified from the federal and state systems, the burden of their care may trickle to the local county system. The number of the uninsured local population may surely rise.

Referring to the annual survey by the Kaiser Family Foundation and Hewitt Associates, the number of large companies that provide their retirees with health benefits fell precipitously in 1991 to 46 percent and has continued to decline to 33 percent in 2005. How many more uninsured candidates for healthcare will be added? **The newly identified healthcare disfranchised group is the middle class worker.**

How many people lack health insurance? Lack of insurance is common among unemployed, self-employed, temporary and seasonal workers. Many small businesses do not provide insurance as a benefit. In addition, small employers seldom offer affordable insurance to employees and their dependents. A recent Kaiser Family Foundation fact sheet reported that 70% of uninsured individuals are employed full time. Many workers in Sonoma County live from paycheck to paycheck. An accident or hospitalization could send them to financial ruin.

People in the age range 50-64 needing services are growing. These people are not eligible for federally funded services until they reach age 65. “Over 45 million Americans under age 65 lacked health insurance coverage in 2004, an increase of 800,000 in a single year and over 6 million people since 2000.”²

Consumers with health insurance do not have a guarantee of locally available healthcare. A limited supply of services means that even with insurance, it may not be possible to access the needed service. Without insurance, the lack of service is equally acute or nonexistent.

“Medicare covers virtually all those 65 and older, while Medicaid and the State Children’s Health Insurance Program (S-CHIP) help provide coverage for millions of low-income

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Through the Healthcare Looking Glass (continued)

people. However, there still remains a significant gap in coverage – so large that 18% of the population under 65 lacks health insurance.”)³

“There is a strong relationship between health insurance coverage and access to medical services. Health insurance makes a substantial difference in the amount and kinds of health care people can afford, as well as where they obtain care. Research has consistently shown that lack of insurance ultimately compromises a person’s health because they are less likely to receive preventive care, and are more likely to be diagnosed in the late stages of disease. Health insurance improves health and could reduce mortality rates for the uninsured by 10-15%.”)⁴

Entering the healthcare system is confusing. Access to healthcare is multifaceted. The primary facets of access are the ability to find healthcare and the ability to afford it. Services are available but they are not easily found and are difficult to access. Important but less critical aspects are the location and transportation, language translation services, and the hours of service of the healthcare facility. Recipients of CMSP are usually seen through local clinics, but these clinics are not under the control of the county. If clinics are overburdened and patients cannot be seen in a timely fashion, the system of healthcare delivery breaks. Patients then go to the emergency room, which costs the taxpayers more money.

It appeared that there was little coordination of available services. CMSP patients may move from clinic to clinic depending upon availability of services. There was little sharing of information from one clinic to another or a requirement to do so. Each clinic operated as an individual entity. There was no means to know if the service that was available yesterday was available currently. There was no central agency to provide help in finding health services. Many clinics and physicians that provide primary care services were overburdened and had waiting periods to access care.

The lack of health insurance also affects the financial well being of families and their communities. “Insurance helps reduce the financial uncertainty with healthcare, as illness and healthcare needs are not always predictable and can be very expensive. Therefore, those lacking coverage are more financially vulnerable to the high cost of care, and are burdened by medical bills.”)⁵

Healthcare availability is about profit. Hospitals are closing or cutting services due to decreasing income. Net income for Sonoma County hospitals fell 40% in the second quarter. For the year leading up to the second quarter of 2005, net income was down 38%.)⁶ For the year ending in the second quarter of 2005, hospital capital expenditures were up a whopping 90%, according to Office of Statewide Health Planning and Development data. Expansion of building space and new technologies will drive expenses in the coming year, especially as interest rates rise and make borrowing more expensive.)⁷

“Bad debt remains a growing problem for hospitals, nationally and regionally. Despite the economic recovery, the number of uninsured remains notably high and this has increased the pressure on hospitals that provide uncompensated care. Indigent care provided by Sonoma County hospitals rose from \$900,000 in the second quarter of 2004 to over \$2 million in the second quarter of 2005.”)⁸

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Through the Healthcare Looking Glass (continued)

CMSP was established in 1982 to provide health coverage for low-income working adults aged 21-64 years in rural California counties, including Sonoma County, who are not eligible for the Medi-Cal program. As a prescribed program package, it is subscribed by the administration of Sonoma County and is a part of a larger consortium of thirty-four primarily rural counties in California. The program is administered by the Office of County Health Services (OCHS). Its services are currently administered through a contract with Blue Cross Life & Health Insurance Company to provide healthcare services for its members. Eligibility requirements must be met which include income/asset assessment and presumptive medical diagnosis.)⁹ Program eligibility requires that net income be less or equal to 200% of the Federal Poverty Level (FPL). There are no retroactive payments for services in this system. Plans consist of Emergency CMSP for two months, which will cover qualifying persons with no INS documentation, and a Share of Cost program for three months or a No Share of Cost program for six months for residents of Sonoma County. Currently, in Sonoma County, there are approximately 2,500 enrollees in this program.

Although the CMSP program exists for some, there is still an unknown number of working Sonoma County residents that will fall through the “safety net” because they exceed the eligibility requirements. This program is not the only option available to address the needs of the uninsured under Title 17000. As an example, the County of Santa Cruz had developed a local network of county-administered clinics. Access to the clinics is simple. If you are sick, you are seen at the county clinic. Perhaps this and other models should be investigated.

There appeared to be no agency that oversees the community of Sonoma County to ensure adequate resources and providers. No agency was reading the pulse of the community to determine and anticipate future needs. Our community is generally aging in average population; nursing care and specialty care are needed. Primary care physicians are retiring and not being replaced.)¹⁰ Together, shortages are anticipated to be critical within the next few years.)¹¹ The grand jury questions whether the existing programs are adequate to address the coming needs of our county.

The grand jury acknowledges that there are unexplored facets to this problem. We have begun what we hope is an ongoing dialogue and exploration of the problems and possible solutions. **The healthcare crisis is upon us and the need for repair is immediate.** The grand jury acknowledges that problems of access to care also are critical in mental health and have an obvious impact upon healthcare. We also acknowledge that the high cost of medication affects many Sonoma County residents. **The time to begin action is now.**

References

)¹ State of California, Welfare and Institutions Code, and keyword, “17000”. Cited 26 March 2006. <http://www.leginfo.ca.gov/clalaw.html>.

)²⁻⁸ The Kaiser Family Foundation, January 2006. “The Uninsured, a Primer” – Key facts About Americans without Health Insurance – Kaiser Commission on Medicaid and the Uninsured”. Cited 24 February 2006. <http://www.amsa.org/uhc/UninsuredPrimer.pdf> and www.Economy.com as extracted from “Moody’s Report”.

)⁹ CMSP fact sheet (<http://www.healthconsumer.org/cs034CMSP.pdf>)

)¹⁰ Sonoma County Medical Association. Cited 10 March 2006. <http://www.scma.org/>

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Through the Healthcare Looking Glass (continued)

)¹¹ Sonoma State University. Cited 4 Feb 2006.
<http://www.sonoma.edu/programs/healthcrisis/>

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Investigative Procedures

In addition to following, the almost daily newspaper articles regarding current healthcare problems and initiatives, we investigated the following categories of healthcare agencies, providers and knowledgeable sources:

- Human Services Department - Economic Assistance Director and Program Planner
- Public Health Department - Director, Division Directors of Alcohol and Drug, Mental Health, Prevention and Planning, and Public Health
- Emergency Room and Hospital Administrators - Kaiser, Santa Rosa Memorial and Sutter Medical Center
- Directors, counsel and staff of Outpatient Clinics - Alliance Clinic, Family Practice Center, SouthWest Clinic, Jewish Community Free Clinic
- Sonoma County Board of Supervisors - Chairman
- Redwood Community Health Coalition – Administrators
- Sonoma State University educators investigating local access issues - Professor and a principal author of grant studies
- Sonoma County Medical Association – Official administrator
- Director of the California Program on Access to Care, Office of the President, University of California, Berkeley
- Senior Research Associate, Institute of Health Policy Studies, UCSF
- Attendance at a local business Healthcare Conference
- Title 17000, State of California Welfare and Institution Code.

Findings

- F1. In a recent survey by the Sonoma County Medical association, 47% of doctors surveyed are considering discontinuing their practices within the next five years.
- F2. Specialty care providers in some specialties are scarce. Consumers may wait for 6-8 weeks for an appointment.
- F3. Hospitals are caught in a fiscal squeeze. Higher costs for patient care are not keeping pace with flat reimbursement rates.
- F4. There is only one contractually obligated hospital to care for the uninsured in Sonoma County.
- F5. The county funds help to support eight (outpatient) community clinics in our county. Each operates as a separate entity, duplicating administrative and billing services. Each clinic operates with different payment options.
- F6. One community clinic closed its doors to new patients. It never reported to anyone that it was “full to capacity.”
- F7. Some ERs (Sutter and Kaiser) can arrange an appointment to provide follow-up care.

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Through the Healthcare Looking Glass (continued)

- F8. The resident M.D. training program has been downsized. These practitioners have historically provided care to low income and uninsured patients. Many of the resident physicians will not stay in Sonoma County to start medical practices because of the high cost of living and the low reimbursement rates.
- F9. The Jewish Community Free Clinic sees patients that cannot afford care elsewhere. They report that patient numbers are steadily increasing. This indicates that the concept of the “safety net” for medical care is not working.
- F10. Fewer employers are providing health insurance as a benefit.
- F11. Eligibility for assistance programs is based on income according to federal poverty guidelines. The high cost of living in Sonoma County is unsustainable for workers at poverty level.
- F12. One community clinic has a waiting list of 200 patients for mental health counseling services.
- F13. Dental services for people with low income, Medi-Cal, or without insurance are very difficult to obtain.

Conclusions

The healthcare organization in Sonoma County is broken. The healthcare providers are overburdened and are not able to offer reorganization changes. Sonoma County does not have an organized healthcare system. Because there is no organized system, costly services are duplicated and patient information exchange is impeded. The outpatient clinics serve as a “safety net” to provide primary healthcare when that care cannot be obtained otherwise. There is no mechanism that can determine when the outpatient clinics have reached their limit in accepting new patients and when a new clinic should be formed. There is no provision within the county for establishing a new primary care clinic or a network of clinics. If there were adequate healthcare services, then the “free clinics” would not have a need to exist. The free clinics do not openly advertise their existence, but even so, their capacity is stretched to the limit. The Board of Supervisors is only partially addressing the problem of the lack of healthcare for the uninsured when it sends money to the local clinics and subscribes to the CMSP program. The Board may wish to investigate and support changes involving the mentioned issues. By encouraging the creation of an organized system, taxpayers would ultimately benefit.

It is reassuring to think that Alice escaped the underground insanity of Wonderland with its cat and rabbit that kept disappearing. She was able to return to a safe and stable above-ground world. It is time for the citizens of Sonoma County to seek a safe and stable solution to the problem of healthcare access. **There are alternatives to CMSP.** One such program exists in Santa Cruz County. Perhaps other models are available for comparison.

Commendations

1. Emergency room personnel do attempt to refer patients to medical assistance programs if patients identify that they are in need.
2. Application Assistants are available to help with assistance forms.
3. Multiple language translation is available in all clinics.

Sonoma County Grand Jury

Through the Healthcare Looking Glass (continued)

4. Volunteers and local healthcare providers donate their time, and local medical and nursing students staff the Jewish Community Free Clinic.
5. Sonoma State University has an extensive consortium and program that is studying the problems of healthcare in Sonoma County.
6. Redwood Community Health Coalition is a coalition of outpatient clinic representatives in Sonoma and neighboring counties that meet monthly to discuss problems of mutual concern.

Recommendations

- R1. The grand jury recommends that within the next year, the Board of Supervisors organize a healthcare symposium with stakeholders to discuss approaches to healthcare issues in Sonoma County. The grand jury recommends that the Board of Supervisors attempt to coordinate with Sonoma State University on such a symposium.
- R2. The grand jury recommends that the Board of Supervisors develop written critical pathway system concerning healthcare access in Sonoma County.
- R3. The grand jury recommends that the Board of Supervisors create an independent, interdisciplinary agency that oversees healthcare resources, coordinates communications, and problem-solves among healthcare providers to conserve resources in the county.
- R4. The grand jury recommends that the Public Health Department and the Board of Supervisors work to develop a central information center for consumers.
- R5. The grand jury recommends that Information Services Department create an Internet link on the official Sonoma County website to give general information about CMSP and the clinics that will accept this program.
- R6. The grand jury recommends that Human Services and the Board of Supervisors research alternatives to current CMSP that will be more accessible to consumers and cost-effective to taxpayers.

Required Responses to Findings

None

Requested Responses to Recommendations

Sonoma State University – R1

Redwood Community Health Consortium – R3

Required Responses to Recommendations

Board of Supervisors – R1, R2, R3, R6

Public Health Department – R2

Public Health Department – R4

Information Systems Department (ISD) for the County of Sonoma – R5

Human Services Department – R6

Access to Healthcare Facilities? It depends!!--Who are You?					
Comparative Cost	\$\$\$	\$\$		\$	\$\$
	<u>Emergency Care</u>	<u>Urgent Care</u> <i>(Single Visit)</i>	<u>Free Clinics</u> <i>(Single Visit)</i>	<u>Primary Care</u>	<u>Specialty Care</u>
Children	Yes	Yes	Unnecessary	Yes	Yes
Employed with Insurance	Yes	Yes	Unnecessary	Yes	Yes, with limits
Employed without Insurance	Yes	Yes	Yes	Notes 1 and 5	Note 2
Medicare Covered	Yes	Yes	Unnecessary	Note 1	Note 3
Indigents	Yes	Yes	Yes	Yes	Yes
Undocumented	Yes	Yes	Yes	Notes 4 and 5	Notes 4 and 5
Prison Inmates	Unlimited Free	---	---	Unlimited Free	Unlimited Free
Veterans and Dependents	Coverage Note 6	Note 6	Note 6	Coverage Note 6	Coverage Note 6

Notes:

1. May be difficult to receive care in a timely manner
2. If paying, may be seen without primary care referral
3. Requires primary care referral
4. Requires payment
5. CMSP coverage possible
6. Eligibility for VA benefits depends upon individual circumstance

FATAL INCIDENT PROTOCOL

June 27, 2006

Summary

The 2005-2006 Sonoma County Grand Jury reviewed four officer-involved incidents, three held over from the previous year's grand jury and one for this current year. The following reports were reviewed by the grand jury:

- 1) September 17, 2004, involved a tri-county, multi-agency vehicle pursuit and a short, foot pursuit which resulted in an officer-involved shooting and a death;
- 2) November 11, 2004, involved a homicide and stand off which ended in a officer-involved shooting and a death;
- 3) January 28, 2005, involved an officer-involved shooting and a death; and,
- 4) July 16, 2005, while attempting to take a man who was under the influence of methamphetamines into custody, an officer-involved incident and death resulted.

Each report was found by the grand jury to be a thorough, detailed investigation. The District Attorney concluded that the officers involved in the incidents were not guilty of any criminal wrongdoing. The Jury concurs with these findings.

Choices made ... Decisions that followed

When someone makes a choice and decides to violate the law, the peace officers of our county are mandated to take enforcement action. The choice made by the violator could force a peace officer to take deadly action. This choice made has a domino effect. It affects all the parties involved, the families of the violator as well as the families of the peace officers, and in the long run, it affects the community at large.

After an officer-involved incident an investigation is conducted. What does "under investigation" mean? Was the law enforcement action warranted? Did law enforcement personnel act with proper force? In Sonoma County, when a law enforcement officer is involved in a fatal injury, a countywide protocol is followed. This protocol is a comprehensive and detailed directive of how to investigate a fatal incident. Fatal injury is defined as "death or injury, which is so severe that death is likely to result."

The 2005-2006 Sonoma County Grand Jury reviewed four fatal incidents consisting of three reports each. For each fatal incident investigation separate reports were written by three agencies:

- A law enforcement agency, not involved in the incident, conducting the independent (or protocol) investigation
- The primary law enforcement agency involved in the incident
- The District Attorney's Office.

Of the incidents investigated and reviewed during the 2005-2006 grand jury term, all reviewing agencies agreed that no criminal offense had occurred. The grand jury found that the written reports were well documented and findings were without bias.

Reason for Investigation

The grand jury has historically reviewed fatal incident reports issued during its term to determine that county law enforcement:

- Complied with county fatal incident protocol
- Acted appropriately during the fatal incident
- Reports were written without bias
- Reports contained factual witness statements, determined by comparison of each written report
- Reports established a timeline of events leading up to and including the fatal incident.

Background

A fatal incident is defined in the Sonoma County Law Enforcement Chiefs' Association's "*Law Enforcement Employee-Involved Fatal Incident Protocol Investigation*")¹

- A specific incident occurring in Sonoma County
- A law enforcement employee was involved and a fatal, or potentially fatal, injury occurred.

The protocol dictates that a task force of three separate agencies be formed to investigate, review, and write reports. This task force is comprised of:

- An outside law enforcement agency not involved in the incident
- The primary law enforcement agency involved in the incident
- The District Attorney's Office

The District Attorney's Office works with the outside agency, and based on the evidence gathered, establishes the presence or absence of criminal liability. The District Attorney's Office summarizes the incident and recommendations and reports them to the agency involved. The outside law enforcement agency issues a separate report. The primary agency also conducts a separate investigation and prepares its own report. When all reports are completed, including the District Attorney's report, a completed incident report is given to the grand jury for review.

Investigative Procedures

The Grand Jury reviewed the completed reports by the primary and outside agency, as well as the District Attorney's reports on the following incidents:

- 09/18/04 - Tri-county, multi agency vehicle pursuit, short foot pursuit, officer-involved shooting
- 11/11/04 - A man shot and killed his brother-in-law, a police stand off takes place, officer-involved shooting
- 01/28/05 - Vehicle pursuit, followed by a foot pursuit after solo vehicle crash, driver displays weapon in threatening manner, officer-involved shooting
- 07/16/05 - A man under the influence of methamphetamines violently resisted arrest and dies; an officer-involved incident.

Findings

F1. The "Law Enforcement Employee-Involved Fatal Incident Protocol" requires that investigations be conducted "free of conflicts of interest."

Sonoma County Grand Jury
Fatal Incident Protocol (continued)

- F2. The primary agency that employed the officers involved conducted their own administrative investigation to determine:
- If the agency's policies and procedures were followed
 - If there could be improvement in those policies and procedures
 - If any disciplinary action should be imposed against a particular individual or individuals.
- F3. The District Attorney's Office, based on the evidence, reached its conclusions and issued a report for all the reviewed fatal incidents.
- F4. The Fatal Incident Report Status Log was sent quarterly from the District Attorney's Office to the Grand Jury.

Conclusions

The District Attorney's Office concluded there was not sufficient evidence of criminal liability on the fatal incidents reviewed.

The grand jury found that the fatal incident reports reflected thorough, detailed, and unbiased investigations by those assigned to the cases. The conclusion of the District Attorney's Office is clearly based on all aspects of submitted evidence, photographs, witness statements and reports by involved personnel. The grand jury found that established protocol was followed in the incidents reviewed.

Recommendations

- R1. The Grand Jury recommends that they continue to be notified as soon as an incident protocol is initiated.
- R2. The District Attorney continues to provide the grand jury with a copy of the Fatal Incident Report Status Log on a monthly basis.

Required Responses to Findings and Recommendations

None

)¹ *Sonoma County Law Enforcement Chief's Association's Protocol: 93-1 Revised 06/2004*
"Law Enforcement Employee-Involved Fatal Incident Protocol Investigation"

2004-05 RESPONSE AUDIT REPORT

June 27, 2006

Summary

The 2004-05 Grand Jury Final Report, issued June 28, 2005, contained a series of reports documenting the jury's investigations of various issues in Sonoma County agencies and departments. Each report required a varying number of responses from the agencies and departments investigated. Some of the responses promised measurable outcomes within specified timeframes.

The 2005-06 grand jury decided to modify the previous practice of simply tabulating the responses for public review. This jury elected to conduct an "audit" of the responses to determine whether or not the measurable outcomes had been accomplished. An "audit" in this report was defined as the examination of documentation to verify that the promised actions were accomplished as stated.

This report informs the public as to the performance of the various respondents in following through with the commitments they made publicly and in writing.

The identified responses and the results of the audit are presented in the matrix at the end of this report (Table A).

The 2005-06 grand jury recommends that future grand juries will continue the "Response Audit Report" as part of the responses evaluation process.

Background

Every year the currently seated grand jury publishes a final written report that documents its investigations for that year. Each report requires responses to recommendations that are made to agencies and departments for the improvement of their policies, practices, and procedures. This final report is published at the end of each grand jury's term.

California Penal Code Section 933(c) requires that the agencies and departments that have been investigated respond to specified recommendations within a deadline of 60 days for an elected county officer or agency head and 90 days for the governing body of a public agency.

The Sonoma County Superior Court requires the incoming jury to assemble a publicly viewable summary of the responses along with a copy of the reports that requested the responses. The 2005-06 grand jury determined that there was merit in conducting a qualitative review of the responses to identify which measurable outcomes had been accomplished, and to publish the results of the review for the public.

Conduct of the Audit

Each agency responsible for a response to the 2004-05 Grand Jury Report was contacted by letter asking if the specific item had been accomplished as promised and for supporting documentation to be shown as evidence. The responses to these letters were then charted in Table A.

Findings

F1. The 2005-2006 grand jury discovered a number of instances where measurable commitments made had not been accomplished in the promised timeframe. A qualitative review of the responses would reveal this under-performance at an earlier stage in the incoming jury's year.

Conclusions

A review of the letters and supporting documentation received from the requested respondents verified that:

- A total of 24 responses were audited.
- 17 responses had been completed as promised,
- 7 responses were not completed as promised

The complete results of the audit are shown in Table A.

Report Responses – Audit Summary (TABLE A)

Title of Report	Response	Respondent	Completed	Not Completed
A Disaster Waiting to Happen	The Department of Emergency Services will insure that another communication will occur that outlines employee's responsibilities in the event of a disaster, and will direct staff and supervisors to discuss reporting steps and potential roles they might play. The EMS is also providing SEMS and related training to all employees that potentially may be in the Emergency Operations Center during a prolonged disaster. (12/05)	Board of Supervisors		X
	Relocate the County Mobile Communications Vehicle to be at least 5 miles from the Dispatch Center/Sheriff's Office. (10/05)	Sonoma County Sheriff	X	
	Complete any outstanding training for staff in SEMS and in other emergency management procedures. (12/05)	City of Cotati	X	
	The City Council will review the recommendations contained in R3 (review disaster plan) and R5 (implement training) of the Grand Jury report after receiving a full analysis from staff and consider whether or not to adopt any or all of the recommendations in those sections. (12/05)	City of Santa Rosa	X	
Conflict of Interest	The City Council will be considering adopting an "Incompatible Activities List", comparable to the list recommended by the Grand Jury. (12/05)	City of Cloverdale	X	
	The City Council will be considering adoption of Council Rules, Policies and Procedures which will likely include references to disqualification due to conflicts of interest, as well as standards to be followed governing ethical standards. (12/05)	City of Cloverdale	X	

Report Responses – Audit Summary (TABLE A)

Title of Report	Response	Respondent	Completed	Not Completed
	Analyze the change to re-filing Form 700 on a material change and make a formal recommendation to the City Council. (12/05)	City of Cloverdale		X
	The City Council will be considering adopting an “Incompatible Activities List”, comparable to the list recommended by the grand jury. (12/05)	City of Healdsburg	X	
	The City Council will be considering adoption of Council Rules, Policies and Procedures which will likely include references to disqualification due to conflicts of interest, as well as standards to be followed governing ethical standards. (12/05)	City of Healdsburg	X	
	Analyze the change to re-filing Form 700 on a material change and make a formal recommendation to the City Council. (12/05)	City of Healdsburg		X
	The City Council, after receiving a full analysis from staff, will consider whether to adopt an incompatible activities list. (12/05)	City of Santa Rosa		X
	The City Council will adopt a Code of Ethics for the Council and boards and commissions. (12/05)	City of Santa Rosa	X	
Fatal Incidents	The District Attorney will notify the Grand Jury as soon as an incident protocol is initiated. (9/05)	Sonoma County District Attorney	X	
	The District Attorney must provide the Grand Jury with a copy of the Fatal Incident Report Status Log on a monthly basis. The log will provide improved continuity on the incident(s) status. (9/05)	Sonoma County District Attorney	X	

Report Responses – Audit Summary (TABLE A)

Title of Report	Response	Respondent	Completed	Not Completed
Housing Assistance for Sworn Officers	The City Council has retained a consultant to implement its housing programs, including development of an essential employees housing program. (2/06)	City of Cloverdale	X	
	An evaluation instrument for its first-time home buyers program will be developed and presented to the City Council for consideration and possible adoption. (12/05)	City of Healdsburg		X
	Housing staff will develop recommendations for modifications to qualifying criteria for the homeowner program and develop an evaluation instrument. With approval of the City Manager, these modifications will be presented to the City Council. (2/06)	City of Petaluma	X	
Protecting the County's Interests	Ensure that all disaster recovery and business-resumption planning efforts are continuously supported and reviewed by appropriate stakeholder groups. (12/05)	Board of Supervisors		X
	Require that all County departments file a formal statement of their disaster recovery requirements for computer-based and manual systems, with detailed descriptions of the necessary steps to return the business to normal. (12/05)	Board of Supervisors		X

Report Responses – Audit Summary (TABLE A)

Title of Report	Response	Respondent	Completed	Not Completed
	Complete an initial disaster recovery plan and request any funding necessary in time for the 2006/2007 budget cycle. (12/05)	Sonoma County Information Systems Department	X	
	The Water Agency, in coordination with other County Departments, especially the Department of Emergency Services, will update its disaster plan. (12/05)	Sonoma County Water Agency	X	
	The Water Agency will review and update its emergency response checklists. (12/05)	Sonoma County Water Agency	X	
	Ascertain if an additional USDOE Grant that will involve all of the five counties in Region I (Del Norte, Humboldt, Lake, Sonoma and Mendocino) will be granted. (10/05)	Sonoma County Office of Education	X	
	A pro-forma action checklist will be included as part of the USDOE Grant Model Plan Project that is currently being developed. It will be part of the recovery portion of the plan to be presented to the schools. (9/05)	Sonoma County Office of Education	X	