



Agenda

INTERNAL OPERATIONS COMMITTEE

February 9, 2015

2:30 P.M.

651 Pine Street, Room 101, Martinez

Supervisor Karen Mitchoff, Chair

Supervisor John Gioia, Vice Chair

Agenda Items:

Items may be taken out of order based on the business of the day and preference of the Committee

Present: Karen Mitchoff, Chair
John Gioia, Vice Chair

Staff Present: Julie DiMaggio Enea, Staff

Attendees: Elizabeth Verigin, Asst. Auditor-Controller
Harjit Nahal, Asst. Auditor-Controller
Joanne Bohren, Chief Auditor
Joe Yee, Deputy Public Works Director
Carlos Velasquez, Fleet Services Manager
Daniel Lesnick, Public Works Accountant
Forrest Heiderick, Public Works Fleet
Services

1. Introductions
2. Public comment on any item under the jurisdiction of the Committee and not on this agenda (speakers may be limited to three minutes).

No public comment was offered.

3. RECEIVE the Record of Action for the December 1, 2014 IOC meeting.

The Record of Action for the December 1, 2014 Internal Operations Committee meeting was approved as presented.

AYE: Chair Karen Mitchoff, Vice Chair John Gioia
Passed

4. CONSIDER nominations for appointment to the following Board advisory bodies:
 - a. APPROVE nomination to appoint Nolan Armstrong to the Member of the Bar seat on the Law Library Board of Trustees to a new one-year term expiring December 31, 2015.

The Committee approved the nomination of Nolan Armstrong to the Member of the Bar seat on the Law Library Board of Trustees, to complete the unexpired term ending on December 31, 2015.

AYE: Chair Karen Mitchoff, Vice Chair John Gioia
Passed

- b. APPROVE the following actions as requested by the Hazardous Materials Commission:

| <u>Action</u> | <u>Nominee</u> | <u>Seat</u> | <u>Nominator</u> |
|---------------|----------------|-----------------------|--------------------------------|
| APPOINT | Paul Seffrood | Business #1 Alternate | Council of Industries |
| RE-APPOINT | Henry Alcaraz | Labor #1 | CC Building and Trades Council |

The Committee approved the nomination of Paul Seffrood to the Business #1 Alternate and Henry Alcaraz to the Labor #1 seats on the Hazardous Materials Commission to terms expiring on December 31, 2018.

AYE: Chair Karen Mitchoff, Vice Chair John Gioia
Passed

- c. CONSIDER approving nomination by the Affordable Housing Finance Committee to reappoint Irene Alonzo-Perez to the County #1 seat to a new three-year term expiring on June 30, 2017.

The Committee approved the nomination to reappoint Irene Alonzo-Perez to the County #1 seat on the Affordable Housing Finance Committee to a new three-year term expiring on June 30, 2017.

AYE: Chair Karen Mitchoff, Vice Chair John Gioia
Passed

5. ACCEPT report on the Auditor-Controller's audit activities for 2014 and APPROVE the proposed schedule of financial audits for 2015.

Elizabeth Verigin summarized the staff report and noted that one special audit was still in progress and expected to be completed in April. She highlighted some areas of noncompliance that have been revealed as a result of the 2014 audits, including issuance of gift cards, segregation of duties, asset inventory control, and procurement card usage and explained that her office now makes a practice of following up with County departments six months post audit to verify that the Auditor's corrective recommendations have been addressed. Follow-up on the 2013 audits indicated that departments implemented 81% of the corrective actions that were recommended. In some cases, departments do not have the capacity to implement a recommended correction. Depending upon the severity or potential risk associated with a finding, the Auditor may report issues of noncompliance to the County Administrator.

Ms. Verigin believes that misuse of the procurement card stems from an ignorance of the County's policies and suggested that County procurement card training should be reinstituted. Ms. Bohren provided the example charging "fast track" costs to the procurement card. The Committee concurred and thought this could be accomplished with a short video training and also with the development of a "cheat sheet" to provide quick reference regarding allowable vs. unallowable charges.

The Committee requested that the audit of the Inmate Welfare Fund that is planned for 2015 be given early priority because of pending changes to the funding source for that fund and its possible future nexus to the Public Safety Realignment (AB 109) Program, and Ms. Verigin concurred that this audit could be performed in the early part of the year. Ms. Verigin also updated the Committee regarding the current staffing -- filled and vacant positions -- of the Internal Audit Division.

The Committee also requested that the Public Works department audit be broadened to include compliance with the County's vehicle acquisition policy, specifically that the most economic and fuel efficient vehicles are being purchased. Ms. Verigin agreed to broaden this audit but advised that she may have to postpone another audit to accommodate the expanded Public Works audit.

Ms. Verigin reported on the Auditor's responsibilities for producing the CAFR (Countywide Annual Financial Report) and for training on preparation for the Countywide Single Audit of federal grants. She noted that the CAFR was growing in complexity due to pronouncements from the Governmental Accounting Standards Board (GASB).

The Committee accepted the report on the status of 2014 audits and approved the 2015 plan with the direction to examine the Inmate Welfare Fund as soon as possible and to broaden the examination of the Public Works Department to include compliance with the vehicle acquisition policy.

AYE: Chair Karen Mitchoff, Vice Chair John Gioia

Passed

6. ACCEPT report from the Public Works Director regarding the status of the Internal Services Fund for the County Fleet and provide direction on low mileage vehicles.

Joe Yee summarized the staff report, highlighting that there are over 1,500 vehicles in the fleet, 859 of which are in the Internal Services Fund (ISF), and that of the 89 vehicles purchased in FY 2013/14, 9 were hybrids (a combination of gas and electric). 22% of the ISF fleet are clean/cleaner air vehicles. The department continues to install asset management and locating devices in ISF vehicles to promote good decision making and optimization of the ISF fleet.

Supervisor Gioia expressed concern about whether or not the County was being aggressive enough in purchasing clean air vehicles. Carlos Velasquez assured the Committee that he is dedicated to the County's goal of "greening" the fleet and is using the proven strategies employed by the City of Long Beach to achieve that goal.

Supervisor Gioia asked why we purchase rather than lease vehicles, particularly electric vehicles (EVs), whose technology continues to change. Mr. Velasquez responded that for most vehicles, it is more economical to purchase rather than to lease but concurred that, with the rapid improvement of EVs, leasing them might make more sense.

The Committee accepted the staff report and requested a follow-up report in six months on the status of "greening" the fleet.

AYE: Chair Karen Mitchoff, Vice Chair John Gioia
Passed

7. APPROVE the proposed 2015 Committee meeting schedule and work plan and advisory body recruitment plan, or provide direction to staff regarding any changes thereto.

The Committee modified the proposed meeting and discussion schedule by:

- removing the March 9 referral on the Emergency Operations Plan because this matter will instead be taken up by the Public Protection Committee in the context of AB 109 Public Safety Realignment.*
- postponing the SBE Outreach Report until April*
- adding the Mental Health Services Act stakeholder group composition to March 9*
- canceling the August meeting due to lack of quorum*

The Committee approved the Advisory Body recruitment schedule as presented.

AYE: Chair Karen Mitchoff, Vice Chair John Gioia
Passed

ADJOURN

Chair Mitchoff adjourned the meeting at 3:40 p.m.

THE NEXT MEETING IS CURRENTLY SCHEDULED FOR MARCH 9, 2015

The Internal Operations Committee will provide reasonable accommodations for persons with disabilities planning to attend Internal Operations Committee meetings. Contact the staff person listed below at least 72 hours before the meeting.

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Public comment may be submitted via electronic mail on agenda items at least one full work day prior to the published meeting time.

For Additional Information Contact:

Julie DiMaggio Enea, Committee Staff
Phone (925) 335-1077, Fax (925) 646-1353
julie.enea@cao.cccounty.us