



**Contra
Costa
County**

To: Board of Supervisors
From: INTERNAL OPERATIONS COMMITTEE
Date: January 5, 2016

Subject: 2015 YEAR-END REPORT ON INTERNAL OPERATIONS COMMITTEE REFERRALS AND THEIR DISPOSITION

RECOMMENDATION(S):

1. ACCEPT the 2015 Annual Report of the Internal Operations Committee of the Board of Supervisors.
2. RECOGNIZE the excellent work of the County department staff who provided the requisite information to the IOC in a timely and professional manner, and members of the Contra Costa community and private industry who, through their interest in improving the quality of life in Contra Costa County, provided valuable insight into our discussions, and feedback that helped us to formulate our policy recommendations.
3. REMOVE without taking any further action the referrals listed under Exhibit A.
4. REFER to the 2016 IOC the items listed under Exhibit B.

FISCAL IMPACT:

Informational report only. No fiscal impact.

☒ APPROVE

☐ OTHER

☐ RECOMMENDATION OF CNTY
ADMINISTRATOR

☒ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **01/05/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Mary N. Piepho, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 5, 2016

, County Administrator and Clerk of the Board of Supervisors

Contact: Julie DiMaggio Enea
(925) 335-1077

By: Stacey M. Boyd, Deputy

cc:

BACKGROUND:

During 2015, the Internal Operations Committee (IOC) received 15 referrals from the Board of Supervisors, made 11 reports to the Board, and reviewed nominations to those advisory bodies for which the IOC has traditionally made

BACKGROUND: (CONT'D)

>recommendations to the Board of Supervisors (BOS) for appointment or reappointment – primarily at large seats or seats on committees whose composition requirements must be monitored. Our Committee appreciates the time and effort taken by the staff to the Board's advisory bodies to recruit, screen, and nominate individuals to our Committee for approval and appointment by the Board. Their efforts in this regard allowed the IOC to focus more of its time on the following subjects:

1. Small Business Enterprise (SBE) and Outreach Programs. The IOC accepted an annual SBE Program report on October 12, 2015 from the County Administrator's Office, covering the period January-December 2014, and noted that new data collection procedures instituted by CAO and have been implemented by most departments. The Committee recommended that staff provide a highlighted performance report and give underperforming departments an opportunity to communicate what factors are hindering their performance. This is a standing referral. **REFER**

2. County Financial Audit Program. Since 2000, the IOC reviews, each February, the annual schedule of audits and best practices studies proposed by the Auditor-Controller. The Auditor-Controller's Office presented a report of their 2014 audits and the proposed 2015 Audit Schedule to the IOC on February 9, 2015. 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. The Board of Supervisors approved the IOC's recommendations on March 3, 2015. This is a standing referral. **REFER**

3. Annual Report on Fleet Internal Service Fund and Disposition of Low Mileage Vehicles. Each year, the Public Works Department Fleet Manager has analyzed the fleet and annual vehicle usage, and made recommendations to the IOC on the budget year vehicle replacements and on the intra-County transfer of underutilized vehicles, in accordance with County policy. In FY 2008/09, following the establishment of an Internal Services Fund (ISF) for the County Fleet, to be administered by Public Works, the Board requested the IOC to review annually the Public Works department report on the fleet and on low-mileage vehicles.

The Fleet Manager, in a report on February 9, 2015, highlighted that there are over 1,500 vehicles in the fleet, 859 of which are in the Internal Services Fund (ISF), identified 9 low mileage vehicles out of 859 vehicles in the Internal Services Fund Fleet and consulted with each department having low mileage vehicles. The Fleet Manager concluded that all but 4 of the 9 low mileage vehicles had compelling reasons to be maintained in the fleet. The department continues to install asset management and locating devices in ISF vehicles to promote good decision making and optimization of the ISF fleet. The Committee accepted the staff report and, on October 12, received a follow-up report on the status of "greening" the fleet. On November 17, 2015 the Board of Supervisors approved the recommended

changes to the County's Vehicle and Equipment Acquisition Policy and Clean Air Vehicle Policy and Goals. The primary impact of the proposed changes is to commit to a goal of procuring the most fuel efficient and lowest emission vehicles that meet the essential vehicle requirements and specifications of departments. The policy vests authority with the Fleet Manager to determine when exemptions from the policy may be warranted. This is a standing referral. **REFER**

4. Local Bid Preference Program. In 2005, the Board of Supervisors adopted the local bid preference ordinance to support small local businesses and stimulate the local economy, at no additional cost to the County. Under the program, if the low bid in a commodities purchase is not from a local vendor, any responsive local vendor who submitted a bid over \$25,000 that was within 5% percent of the lowest bid has the option to submit a new bid. The local vendor will be awarded if the new bid is in an amount less than or equal to the lowest responsive bid, allowing the County to favor the local vendor but not at the expense of obtaining the lowest offered price. Since adoption of the ordinance, the IOC has continued to monitor the effects of the program through annual reports prepared and presented by the Purchasing Agent or designee. On October 12, 2015, the IOC accepted the FY 2014/15 Report from the Public Works department and requested that the Purchasing Manager provide more information in future reports about how the Local Bid Preference Program meshes with the Small Business Enterprise and Outreach Programs. On November 17, the Board of Supervisors accepted the annual report. This is a standing referral. **REFER**

5. Advisory Body Recruitments. On December 12, 2000, the Board of Supervisors approved a policy on the process for recruiting applicants for selected advisory bodies of the Board. This policy requires an open recruitment for all vacancies to At Large seats appointed by the Board. The IOC made a determination that it would conduct interviews for At Large seats on the following bodies: Retirement Board, Fire Advisory Commission, Integrated Pest Management Advisory Committee, Planning Commission, Treasury Oversight Board, Airport Land Use Commission, Aviation Advisory Committee and the Fish & Wildlife Committee; and that screening and nomination to fill At Large seats on all other eligible bodies would be delegated to each body or a subcommittee thereof. In 2015, the IOC submitted recommendations to the Board of Supervisors to fill 18 vacant seats on various committees and commissions. The IOC interviewed 17 individuals for seats on the Airport Land Use Commission, Aviation Advisory Committee, Integrated Pest Management Advisory Committee, and the Fish & Wildlife Committee. This is a standing referral. In 2016, the IOC will recruit to fill scheduled vacancies on the County Planning Commission (At Large #2 seat), Retirement Board (BOS #4 seat), Advisory Fire Commission (At Large #1 seat), and the Resource Conservation District (three seats). **REFER**

6. Process for Allocation of Propagation Funds by the Fish and Wildlife Committee. On November 22, 2010, the IOC received a status report from Department of Conservation and Development (DCD) regarding the allocation of propagation funds by the Fish and Wildlife

Committee (FWC). The IOC accepted the report along with a recommendation that IOC conduct a preliminary review of annual FWC grant recommendations prior to Board of Supervisors review. On April 13, 2015 the IOC received a report from DCD proposing, on behalf of the FWC, 2015 Fish and Wildlife Propagation Fund Grant awards. The IOC approved the proposal and, on April 21, recommended grant awards for 11 projects totaling \$61,155, which the Board of Supervisors unanimously approved. This is a standing referral.
REFER

7. Special Recruitment: Impartial Observers for Ambulance RFP Process. On January 13, 2014, the Board of Supervisors considered approving the Final Emergency Ambulance Request for Proposals (RFP), directing the Emergency Medical Services Agency to submit the RFP to the California State EMS Authority and, upon State approval, release the RFP. During the discussion on this topic, the Board determined that it would be beneficial to have two impartial observers involved in the service provider selection process. On January 20, 2015, Emergency Medical Services Agency staff recommended a process to select the impartial observers. The Board directed that advertisements for interested parties be placed on the County home page, on the Health Services Department website, in the local newspaper, e-mailed to all known parties who may have an interest and posted by the Clerk of the Board of Supervisors in the same manner currently used for vacancies on advisory bodies. Staff advertised the Impartial Observer and Evaluator positions for three weeks and received five applications. Two applicants were determined to be ineligible due to their prior employment with either the County or with a potential bidder. On April 13, 2015, the IOC interviewed three candidates and, on April 21, 2015, recommended to the Board appointment of two candidates as impartial observers and one candidate as an evaluator.
TERMINATE

8. Waste Hauler Ordinance. On May 8, 2012, the Board of Supervisors referred to the Internal Operations Committee a proposal to develop a waste hauler ordinance. The IOC received a preliminary report from the Environmental Health (EH) Division of the Health Services Department on May 14, 2012 and status report on November 13, 2013 showing substantial work and progress. The IOC requested EH staff to bring a final draft ordinance to the Committee for further consideration but staff subsequently identified issues with the interplay between the proposal and current franchise agreements that had to be examined before the County could proceed with an ordinance. On April 2015, IOC accepted a status report, and on July 27, 2015 reviewed a conceptual draft ordinance and a report outlining ten key issues on which policy direction was needed before further work on the ordinance could proceed. On October 12, 2015, the IOC provided additional policy direction to staff and asked to see a final draft ordinance at the February 2016 IOC meeting. IOC expressed preference to address the enforcement aspect of the ordinance on a separate and parallel track and directed staff to gather information from law enforcement countywide to see if enforcement costs could be estimated. The IOC asked for a commitment from the franchises to raise fees sufficient to fund enforcement of the ordinance countywide. As this continues to be a work in progress, we recommend that this referral be continued to the 2016 IOC.
REFER

9. Social Media Policy. On June 26, 2012, the Board of Supervisors referred to the IOC the potential development of a policy governing the use of social media by County departments. The County Administrator's Office assigned the Office of Communications and Media (OCM) with the task of researching this issue and providing information to the IOC. The IOC began studying the issue in August 13, 2012 and received periodic updates over the subsequent 18 months, during which time work on the policy had to be tabled for several months due to other emerging priorities. The policy was completed and approved by the Board of Supervisors on June 17, 2014, with direction to the OCM Director to work with the County Counsel and Risk Manager to prepare social media site usage guidelines, terms of use disclaimers, and staff training curriculum, and to report back to the Internal Operations Committee on the status of these efforts. On May 11, 2015 the IOC received and accepted a status report from the OCM Director on administration of the County's Social Media Policy. The Committee took no action on the staff recommendations and Supervisor Mitchoff requested the OCM Director to schedule the report and recommendations for Board of Supervisors discussion in July. **REFER**

10. Property Assessed Clean Energy (PACE). PACE financing is authorized by State law to allow financing of renewable energy, energy efficiency and water efficiency improvements on private property. On August 14, 2012, the Board of Supervisors referred to the IOC an evaluation of establishing PACE districts within the County. The matter was taken up by the IOC in December 2012, but as new information became available regarding legal and federal regulatory issues, Supervisor Mitchoff, who introduced the matter to the Board for study, decided to withdraw her committee referral. The matter was again referred to the IOC on September 9, 2014. The IOC held several discussions to flesh out issues that would need to be addressed in any operating agreements to be used by the County. On March 9, 2015 IOC recommend that entities interested in forming PACE financing districts within the unincorporated area of the county submit an application with their proposal to the Department of Conservation and Development (DCD). Following a satisfactory review of application materials, staff would proceed to develop contracts with program providers to operate PACE programs within the county. On June 16, 2015, the Board of Supervisors approved the County's participation in PACE (property assessed clean energy) financing programs and directed the Department of Conservation and Development to implement an application process to enable PACE financing providers to apply to operate PACE programs in Contra Costa County.

In August 2015, the Board of Supervisors directed the IOC to reconsider the operating agreement and policies that were approved by the Board of Supervisors on June 16, 2015 based on issues raised by PACE providers. On November 17, 2015 the Board of Supervisors accepted the staff report recommending that the Board of Supervisors authorize the implementation of the California HERO PACE financing program in the unincorporated area of the County, adopted Resolution No. 2015/442 to join the California HERO Property Assessed Clean Energy (PACE) financing joint powers authority, and authorized DCD to execute an amended operating agreement with the Western Riverside Council of Governments to operate a PACE financing program within the unincorporated area of the County. **TERMINATE**

11. MHSA Three-Year Plan Oversight Process. In January 2015, the Board of Supervisors referred to the IOC a review of the roles of the Mental Health Commission and the Consolidated Planning Advisory Workgroup (CPAW) with respect to their roles in making recommendations, reviewing and monitoring the Mental Health Services Act (MHSA) budget, and to examine any potential conflicts of interest for the members of CPAW who are contractors receiving funding through the MHSA budget. The Health Services Department reported to the IOC on this referral on March 9, 2015 at which time, after substantial discussion and public comment, the IOC requested staff to report back in 60 days with its findings and recommendations for alternate stakeholder body models. The IOC requested the Contra Costa Behavioral Health Services (CCBHS) Director provide recommendations regarding the role, governance and structure of the CPAW. Input was invited and considered from CPAW, the Mental Health Commission, and NAMI – Contra Costa. In addition, analysis was conducted of other counties of similar size as to how they addressed the statutory and regulatory requirements for active stakeholder participation in planning, evaluation and oversight of the public mental health system.

CCBHS reported back to the IOC on July 27, 2015 and made recommendations regarding CPAW governance, membership, attendance, structure, and staffing. The IOC agreed with these operating plans and principles, and recommended additional changes to the membership configuration. On August 18, 2015 the IOC reported back to the Board of Supervisors on the restructuring of the Behavioral Health Division's Consolidated Planning and Advisory Workgroup (CPAW) and the Board approved the recommendations.

TERMINATE

12. Advisory Body Triennial Review. The Board of Supervisors has asked a number of county residents, members of businesses located in the county and/or county staff to serve on appointed bodies that provide advice to the Board on matters of county or other governmental business. Members provide a resident's, business or county staff perspective on a wide variety of policy issues or programs that the BOS oversees. Beginning in 2010 and concluding in 2011/2012, the Board of Supervisors conducted an extensive review of advisory body policies and composition, and passed Resolution Nos. 2011/497 and 2011/498, which revised and restated the Board's governing principles for the bodies. The Resolutions dealt with all bodies, whether created by the BOS as discretionary or those that the BOS is mandated to create by state or federal rules, laws or regulations. The Resolutions directed the CAO/COB's Office to institute a method to conduct a rotating triennial review of each body and to report on the results of that review and any resulting staff recommendations to the Board, through the IOC, on a regular basis.

The first phase report of the current Triennial Review Cycle was considered by the IOC on April 13, 2015. At that time, the Supervisors approved many of the recommendations in the report. However, they also asked the CAO's Office to return with additional information about a number of the advisory bodies. On October 12, 2015 the IOC accepted the

follow-up report from the County Administrator on outstanding issues and information requests stemming from Phase 1 of the Board Advisory Body Triennial Review. The IOC reported back to the Board on December 8 with results of Phase I of the review and recommendations for follow-up. **REFER**

13. Animal Benefit Fund Review. On April 21, 2015, the Board of Supervisors received several comments regarding the Animal Benefit Fund from members of the public during fiscal year 2015/16 budget hearings. As part of budget deliberations, the Board directed staff to include a review of the Animal Benefit Fund to a Board Standing Committee for further review. On May 12, 2015, the Board of Supervisors adopted the fiscal year 2015/16 budget, including formal referral of this issue to the Internal Operations Committee. On September 14, 2015 IOC received a staff report summarizing prior year expenditures and current fund balance of the Animal Benefit Fund. The Committee accepted the staff report and requested a follow-up report from the new Animal Services Director approximately 90 days post-appointment regarding pending needs and possible one-time uses of the funds. **REFER**

14. Community Choice Energy. On August 18, 2015, the Board of Supervisors referred to the IOC the topic of Community Choice (Energy) Aggregation. Community Choice Aggregation (CCA) is the practice of aggregating consumer electricity demand within a jurisdiction or region for purposes of procuring energy. The existing energy utility remains responsible for transmission and distribution. The most common reason for jurisdictions pursuing CCA is to promote electricity generation from renewable energy sources and offer consumers choice in purchasing electricity with potential opportunities for cost savings.

The IOC took up CCA at its regular September 14, 2015 meeting and on October 13, recommended to the Board of Supervisors that outreach be conducted to Contra Costa cities and neighboring counties to gauge their interest in partnering with Contra Costa County to implement CCA. The Board directed the Conservation and Development Department (DCD) to conduct this outreach and examine the following three CCA options:

- forming a CCA partnership among the cities and the County, representing the unincorporated areas;
- partnering with Alameda County (and its cities) to form a CCA program; or
- joining the existing Marin Clean Energy program (which currently provides energy to three Contra Costa cities – Richmond, San Pablo and El Cerrito).

Further, the Board directed DCD to reach out to Contra Costa mayors and city managers to explain the concept and gauge their interest in studying CCA options. The Board also acknowledged that outreach efforts would require a substantial amount of staff time, expertise, and experience in the field of energy aggregation and, on October 20, 2015, approved an allocation of \$25,000 to DCD for the study of CCA. Results of the outreach efforts will be reported to the IOC, therefore, we recommend that this matter be retained on referral. **REFER**

15. Cost Sharing of Annexation Studies. On October 20, 2015, the Board of Supervisors referred to the Internal Operations Committee the development of a policy for Board consideration to guide the sharing of costs between the County and local jurisdictions of annexation feasibility studies. Annexation feasibility studies typically involve a determination of the study area and its characteristics, an inventory of current and needed services, the cost of furnishing needed services, and potential revenue to fund those services. The Committee reviewed remaining unincorporated County areas to determine the likelihood that there will be future annexations that might meet criteria that would be addressed in a cost-sharing policy. It was evident from reviewing the unincorporated areas that the circumstances informing annexation decisions were unique and varied greatly among the different areas. At the November 9, 2015 IOC meeting, the Committee decided that a general policy would be impractical and that decisions to share in the costs of annexation feasibility studies should be considered based on the circumstances of each particular request and proposal. On November 17, 2015 the Board of Supervisors accepted the report and approved the IOC recommendation that the Board consider requests to share costs for annexation feasibility studies on a case-by-case basis in lieu of developing a County policy on such requests. **TERMINATE**

EXHIBIT A

LIST OF REFERRALS TO BE REMOVED

- 7. Special Recruitment: Impartial Observers for Ambulance RFP Process
- 10. PACE (Property Assessed Clean Energy
- 11. Mental Health Services Act Three-Year Plan Oversight Process
- 15. Annexation Study Cost-Sharing Policy

EXHIBIT B

LIST OF ITEMS TO BE REFERRED TO THE 2016 INTERNAL OPERATIONS COMMITTEE

Standing Referrals

- 1. Continued policy oversight and quarterly monitoring of the Small Business Enterprise and Outreach programs, and e-Outreach
- 2. Review of the annual financial audit schedule
- 3. Review of annual Master Vehicle Replacement List and disposition of low-mileage vehicles
- 4. Local Bid Preference Program
- 5. Advisory Body Candidate Screening/Interview
- 6. Fish and Wildlife Propagation Fund Allocation
- 12. Advisory Body Triennial Review

Non-Standing Referrals

- 8. Waste Hauler Ordinance
- 9. Social Media Policy
- 13. Animal Benefit Fund Review
- 14. Community Choice Energy Aggregation

CONSEQUENCE OF NEGATIVE ACTION:

Should the Board elect not to approve the recommendations, the Internal Operations Committee will not have clear direction on the disposition of prior year referrals for discussion in calendar year 2016.