



Contra  
Costa  
County

To: Board of Supervisors  
From: INTERNAL OPERATIONS COMMITTEE  
Date: January 15, 2019

Subject: 2018 YEAR-END REPORT ON INTERNAL OPERATIONS COMMITTEE REFERRALS AND THEIR DISPOSITION

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### **RECOMMENDATION(S):**

1. ACCEPT the 2018 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 2019 IOC the items listed under Exhibit B.

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☒ APPROVE

☐ OTHER

☐ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☒ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **01/15/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

#### **VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, 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 15, 2019

, County Administrator and Clerk of the Board of Supervisors

Contact: Julie DiMaggio Enea  
(925) 335-1077

By: Stephanie Mello, Deputy

cc:

## RECOMMENDATION(S): (CONT'D)

### FISCAL IMPACT:

None.

### BACKGROUND:

During 2018, the Internal Operations Committee (IOC) received 13 referrals from the Board of Supervisors, made 12 reports to the Board, interviewed 26 candidates and made recommendations to fill 28 seats for certain advisory bodies 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 three reports from the Purchasing Services Manager, together covering the period July 1, 2017 through June 30, 2018, and reported out to the Board of Supervisors on April 17 and September 18, 2018. The IOC approved staff recommendations to exempt cooperative purchase agreements from the SBE and Outreach Programs and to exclude warrant request and procurement card purchases from program reporting. 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 2017 audits and the proposed 2018 Audit Schedule to the IOC on March 12, 2018. The IOC transmitted the Audit Schedule to the Board of Supervisors on March 20, 2018. 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 IOC received the 2016/17 fleet report on March 12, 2018 and reported out to the Board of Supervisors on March 20, 2018. 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.

The IOC received two reports, together covering the period July 1, 2017 through June 30, 2018, and reported out to the Board of Supervisors on April 17 and September 18, 2018. 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 2018, the IOC submitted recommendations to the Board of Supervisors to fill 28 vacant seats on various committees and commissions. The IOC interviewed 26 individuals for seats on the Aviation Advisory Committee, Local Enforcement Agency, Redevelopment Successor Oversight Board, Treasury Oversight Committee, East Bay Regional Parks Advisory Committee, East Contra Costa Fire Protection District Board of Directors, CCCFPD Advisory Fire Commission, the County Planning Commission, the Integrated Pest Management Advisory Committee, and the Law Library.

In 2019, the IOC will need to recruit and interview for the Los Medanos Health Advisory Committee, the Airport Land Use Commission, the Retirement Board, Affordable Housing Finance Committee, the Law Library, and the IPM Advisory Committee.

This is a standing referral. **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 19, 2018, the IOC received a report from DCD proposing, on behalf of the FWC, the 2018 Fish and Wildlife Propagation Fund Grant awards. The IOC approved the proposal and, on April 24, 2018, recommended grant awards for ten projects totaling \$101,355, which the Board of Supervisors unanimously approved. The Board subsequently approved a supplemental allocation on June 26, 2018 for one additional project in the amount of \$7,811.49. This is a standing referral. **REFER**

7. Advisory Body Triennial Review. 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 completed in February 2018, at which time the IOC approved staff recommendations that included modifying the composition of the Alcohol and Other Drugs Advisory Board, reconstituting the Commission for Women, streamlining the advisory body application form, and conducting a survey of neighboring jurisdictions on ethics training requirements. The IOC received follow-up reports on these recommendations on October 8 and December 10, 2018, and reported out to the Board on the Alcohol and Other Drugs Advisory Board on October 23, 2018. This is a standing referral. **REFER**

8. 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. 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. On March 28, 2016, the IOC approved a proposal to expand the animal services donation program and reported out to the Board of Supervisors on April 19, 2016. The Board Order directed the Animal Services Director to report annually to the IOC on the impact of the Animal Benefit Fund on the community and families, creating a new standing referral. On October 8, 2018, the IOC received the second annual report on the Animal Benefit Fund covering FY 2017/18 and reported out to the Board of Supervisors on November 6, 2018. This is a standing referral. **REFER**

9. Commission for Women Member Attrition and Review. Following up on a referral begun in 2017, the IOC held several follow-up discussions in February, April and October 2018 related to a spate of member resignations, and concerns that had been expressed by some members about the Commission not closely adhering to the mission established by the BOS, and a requirement of members to raise funds for the Commission but a with perceived inability to influence how raised funds were utilized. Staff made recommendations for reforming the Commission, which the Commission took under advisement, but were unable to fully consider during 2018 due to an inability to achieve a meeting quorum. The Board of Supervisors on April 24, 2018, at the IOC's recommendation, reduced the Commission's size from 15 to 10; however, the other four staff recommendations remain unresolved. **REFER**

10. Waste Hauler Ordinance Status Report. On May 8, 2012, the Board of Supervisors referred to the Internal Operations Committee a proposal to develop a waste hauler ordinance. The IOC and staff from Environmental Health, Conservation and Development, the County Administrator's Office and the County Counsel's Office worked for more than five years with franchise haulers to craft an ordinance, which was adopted by the Board of Supervisors on December 5, 2017. The IOC, on October 8, 2018, received a status report from Environmental Health on the implementation of the ordinance and approved a recommendation to reduce the required performance bond from \$50,000 to \$20,000 to encourage greater compliance with the ordinance. The Board of Supervisors approved this recommendation on November 13, 2018, with a referral to the Legislation Committee and direction to Environmental Health to report back in six months on the effects of the bond amount reduction. **REFER**

11. Inclusionary Housing Ordinance In-Lieu Fees. On October 24, 2006, the County Board of Supervisors adopted an Inclusionary Housing Ordinance (the IHO) that requires the inclusion of affordable housing units as part of a residential development, or the payment of a fee in-lieu of providing the affordable units. The IHO includes formulas for the annual calculation of in-lieu fees for rental and for-sale housing. In 2009, the California Superior Court effectively repealed these fees for rental housing units. In 2017, the governor signed into law AB 1505, which affirmed local agencies' authority to apply affordable housing requirements to rental projects, effective January 1, 2018. The Department of Conservation and Development sought input from the IOC on the reinstatement of the rental in-lieu fee based on the formula in the IHO. The IOC, on October 8, 2018, approved of the reinstatement of fees based on the original formula and the Board of Supervisors reinstated the fees on October 23, 2018. **TERMINATE**

12. PACE Modifications. California law allows cities, counties, and other authorized public agencies, such as some joint powers authorities (JPA) to establish voluntary financing districts to facilitate energy and water efficiency improvements to existing residential and commercial properties. Such financing is commonly referred to as Property Assessed Clean Energy (PACE) financing. Once established, property owners within the boundaries of such a financing district can voluntarily enter into a contract to borrow funds from the district to make energy or water efficiency improvements to their property. The assessment is then repaid in installments on the property tax bill.

Following up on a prior-year referral, the IOC on June 11, 2018 considered and approved a recommendation from the Conservation and Development Director to streamline the application process by reducing County review of PACE program disclosure and financing practices and instead requiring confirmation that the PACE program has an active license to operate from the State Department of Business Oversight and that the PACE program meets the County's indemnification and insurance requirements. The Board of Supervisors approved these modifications on June 26, 2018. **TERMINATE**

13. Los Medanos Health Care District Board Member Recruitment. As part of the dissolution of the Los Medanos Community Healthcare District (District), the Board

adopted Resolution No. 2018/436, which created the Los Medanos Health Advisory Committee (Advisory Committee). The Board formed the Advisory Committee to identify health disparities within the District's borders and to make recommendations related to a grant program to be conducted in the District's territory. The current composition of the Advisory Committee calls for (1) one At Large seat to be interviewed and recommended to the full Board for appointment by the Internal Operations Committee.

The IOC was scheduled to interview three candidates for the At Large seat on December 10, 2018, but decided to remove this item from consideration and directed staff to work with Office of Communications and Media and LAFCo to recruit a broader pool of qualified candidates for Committee consideration, and return to the IOC in January or February of 2019. **REFER**

**EXHIBIT A**  
**LIST OF REFERRALS TO BE REMOVED**

- 11. Inclusionary Housing Ordinance In-Lieu Fees
- 12. PACE Modifications

**EXHIBIT B**  
**LIST OF ITEMS TO BE REFERRED TO THE**  
**2019 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 \
- 7. Advisory Body Triennial Review
- 8. Animal Benefit Fund Review

**Non-Standing Referrals**

- 9. Commission for Women Member Attrition
- 10. Waste Hauler Ordinance Status Report
- 13. Los Medanos Healthcare District Board Member recruitment

**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 2019.