



COUNTY ADMINISTRATOR

DATE: February 6, 2023
 TO: Honorable Board of Supervisors
 FROM: Debra Lucero, County Administrative Officer

FINANCIAL

- **TOT REVENUE** – There is \$574,296 (as of September 2022) that is sitting in the Treasurer-Tax Collector's 3% fee fund in her budget. I have asked the Treasurer-Tax collector why these monies have not been moved over to the General Fund and what the issue is and she said, "Currently on the list to address." These funds do not represent the totality of TOT revenue, however, and will be updated at the Mid-Year Budget Review.
- **GRANICUS** – The first year of Host Compliance is complete (paid for by ARPA funds and requested by the Treasurer-Tax Collector). The cost was \$10,000 and is up for renewal. Below is a typical monthly report that is generated. I wasn't sure if the Board had ever seen this report or not so I asked to be added to the platform so I could view statistics. I plan to work with the Treasurer-Tax Collector to determine if this is a good expenditure and helpful to her staff. Tax collection services are also an option and more costly but it could free up her office to focus on other essential functions. I will report out on this once I know more about the costs and functionality.

Monthly status report

Report for Plumas County, CA (Plumas County, CA) generated on February 2, 2023.

372

Properties in or near Plumas County, CA

336

Properties in or near Plumas County, CA with address identified

127

Compliant Short Term Rentals

202

Non-compliant properties

43

Properties with unknown compliance

117

Properties that have received letters since first mailing

22

Properties that have received letters and are now compliant

95

Properties that have received letters but are still non-compliant

- **LACTF REVENUE** – \$3.7 million was received by the county January 17. An LACTF fund was set up. The Board chose to spend approximately \$710,000 on the increased health care costs for employees with an 85/15 split. We are utilizing approximately \$35,000 to increase security at the Planning/Building Department and to make the move of Human Resources and Risk Management over to the Old Probation Department. Plumas County will receive approximately \$7.4 million over the next two years. As directed by the Board, we’re setting aside the majority of these funds annually for the purpose of assisting county employees with the cost of insurance. These funds could carry the county for 6-7 years (on the health insurance horizon) if appropriately allocated and health care costs stabilize.
- **TRINDEL INSURANCE PAYMENT** – I learned January 31, 2023 that \$1,761,762.54 from Trindel was sitting in the Auditor’s account and had been there since June 30, 2022. Thanks to the Auditor-Controller for bringing this news forward. According to County Counsel, we need to determine what the full replacement cost for destroyed county structures is going to be. County Counsel was looking into this and has reached out to recommended companies for estimates prior to spending these funds on plans, permits, etc. Andrew Fischer from Trindel said, The check is to “ ... start the rebuild process on the structures, and the full replacement value will be paid for when complete.” We will continue to monitor this situation to determine the “full replacement value.” I would recommend the funds be placed in a Trindel Rebuild Fund and restricted for the rebuild process of county assets destroyed in the Dixie Fire.
- **BACKLOG OF INVOICES** - The county amassed a backlog of invoices to be paid when we lost our previous Auditor-Controller and second-in-command a year ago although it is my understanding that late invoices occurred prior to them leaving as well. This has caused fines and fees due to inaccurate or late reporting. Additionally, there was a cyber security attack in November 2021. The combination of the Dixie Fire and cyber attack had some real consequences for an already strapped county. We are trying to identify the system breakdowns and create internal policies and procedures to avoid such chaos in the future. While we are somewhat back on track, we continue to pay invoices late. The Auditor-Controller is aware and attempting to rectify this issue. I will report on how much the county pays in late fees and fines at a later date (once a trail audit is done to learn what this amount is – it could take some time to track down).
- **FAILURE TO RECONCILE CASH** - The county has failed to complete its cash reconciliations for at least two years due to our financial software never being properly set up on the Treasurer-Tax Collector side and the historic lack of communication and cooperation between the Treasurer’s office and the Auditor-Controller’s office (this is better now.) We are working with both departments and Munis to rectify this situation. We have the Munis Cash Management module but it is not being fully utilized by the untrained Treasurer-Tax Collector’s staff. There is other software needed to make the office more efficient – a Treasury type module and a Cashiering Module. We are exploring the costs of these two additional modules and how they will integrate into our current set-up.
- **INSUFFICIENT AND UNTRAINED STAFF** - Our Auditor-Controller’s Office is insufficiently staffed and trained. We will absolutely have to bring in outside expertise to get the current problems fixed (External Accountant Craig Goodman is a good start) and to set up systems to move into the future. This is a priority. We need to get our finances and financial structure in order. I have made inquiries into assistance from Napa, Marin and Lassen counties – all of which utilize Munis for various aspects of their operations. Additionally, we are losing yet another key employee out of the Auditor-Controller’s office. He has the most knowledge of Munis so we are trying to download his knowledge and create training videos while we still have him here.
- **ADDITIONAL TRAINING IS NEEDED** – Nearly all county staff members dealing with finances need additional training on our financial software. Finance officers will receive this training at the new HR location. Topics are being developed and will start in the new fiscal year – July 1, 2023. We need to get through the Pentimont/Munis transition and the required audits prior to starting intensive training.
- **EXTERNAL ANNUAL AUDIT** – According to the Auditor-Controller, the external annual audit for Fiscal Year 21-22 will not be completed by the March 31, 2023 deadline. There is too much information missing and other critical factors are not in place, the Auditor-Controller has said. Some of it is on the Treasurer-Tax Collector side (interest apportionment) and some of it is on the Auditor-Controller’s side. I would recommend putting this on the a future agenda as an informational item so the board can get a direct update from the Treasurer-Tax Collector and the issues in her office and from the Auditor-Controller to get a direct report about the issues in her office. A letter was sent by County Counsel to the previous Auditor-Controller requesting any information she may have.

- **LACK OF UPDATED FINANCIAL POLICIES AND PROCEDURES** - The county lacks updated financial policies and procedures. I am working with County Counsel to learn what is on the books and what may be needed.
- **MONTHLY TREASURER REPORTS NOT DONE SINCE APRIL 2022** – The Treasurer-Tax Collector is looking into this and I will report back to the board once I learn why this has occurred. It is required by law. It appears to be an annual audit finding going back to 2017 at least.
- **PLUMAS COUNTY HAS NO CURRENT ANNUAL INVESTMENT POLICY ADOPTED BY THE BOARD** - Also required by law. I am working with County Counsel and ultimately with the Treasurer-Tax Collector to get one. The last one adopted was in 2021.

According to County Counsel, the only request on the books from the Treasurer-Tax Collector is the following and it was never finalized by the Treasurer-Tax Collector (see below). Usually, the annual investment policy, would be adopted at the same time.

22-487 8/3/2022 Julie White Tax Collector Resolution renewing delegation of authority to treasurer to invest county funds and funds of other deposits
 JB 9/15/22: Josh has been working with Julie on this;
 9/19/22: email to JW from JB for fixes (no email was returned by the Treasurer-Tax Collector and no resolution exists).

- **INTEREST APPORTIONMENT ON INVESTMENTS** – This process occurred in 20-21 but must be recalculated according to the Treasurer-Tax Collector; the reasons for this are unclear. This will be an audit finding when our annual audit is complete. While a work-around had been created previously due to improper set-up and lack of Treasury software; apparently this was not employed for 20-21 and 21-22. It is something that needs more discussion. We need more transparency on why this is occurring.
- **MUNIS** - We are working with an outside consultant and Tyler (Munis's parent company) to identify and correct improper set-up of Munis and other accounting issues. A recent training with Munis on the Cash Reconciliation revealed problems with our Balance Sheet Summaries and Due to's and Due From's which is crippling our system. We do not yet know if we must go back and correct this from July 1, 2019 when we started with Munis or if we can pick a starting date, i.e., July 1, 2022 and move forward. I will update the Board once we know.
- **LOSS OF INSTITUTIONAL KNOWLEDGE** - Losing 15 department heads since 2019 has been another blow to Plumas County. The amount of training and knowledge drain is an enormous strain on the county and has contributed to lax methods and procedures throughout the organization that affect finances, personnel policies and procedures, and more. We are working to identify these and will bring policies forward to correct such things as needed. An example of this is the deferred holiday practice that evolved under a lack of enforcement and following existing policy. This policy will come forward at a future Board meeting.
- **PROPERTY TAXES** - Estimated loss of \$500,000 annually due to the loss of homes and property tax. Plumas County is scheduled for backfill of these taxes for 2021-22 and 2022-23 but has yet to realize any of that backfill. I am in touch with the CA Dept. of Finance on this issue and have been assured that it is allocated and forthcoming as reported earlier to the Board.
- **DEFERRED MAINTENANCE** - Deferred maintenance of the 101-year-old County Courthouse building. We literally have buckets hanging in the corners of our buildings to handle any overload of water on the roof and into the internal drainage system. We have half of a fourth floor that is being taken over by wasps and flies. It's been recommended by Facility Services that trees which overhang the courthouse need to be trimmed below the rooftop to avoid having leaves clogging the delicate drainage system. JD is working on a quote to trim the trees. I would suggest utilizing some of the LACTF funding to accomplish this task – to quote an old adage: “An ounce of prevention is worth a pound of cure.”
- **BUDGET** – We will begin budget discussions with the departments the last week of February and the first week of March. Mid-Year Budget Review is scheduled for the March 7, 2023 Board meeting.

MUNIS HR/PAYROLL/MIGRATION FROM PENTIMATION

- IT projects it will run its first payroll parallel in February to determine what needs to be fixed or addressed in the system. There are still many unfinished tasks that need to be completed to make this an error-free process. Reports will be given at each BOS meeting as requested.

GRANT MANAGER

- **COMMUNITY RESILIENCE CENTER** project for Indian Valley with Dixie Fire Collaborative
Looking into funding possibilities:
 - California Department of Food & Agriculture: <https://www.cdfa.ca.gov/FairsAndExpositions/frcrp/>
 - California Strategic Growth Council: <https://sgc.ca.gov/programs/community-resilience-centers/>
 - Initial meeting with potential partners is set for February 7
- **BROADBAND** discussions continue to occur and we are working with Golden State Financing Authority to secure a company to create a Plumas County Broadband Strategic Plan. A \$25,000 funding request (covered by ARPA funds) will get us a \$125,000 study for the county. This request was on the Feb. 7, 2023 agenda.
- **ELECTRIC VEHICLE (EV)** opportunities and planning, ordinance creation being explored. We've had meetings with RCRC, State representatives, and are looking to private providers as well.
- **GRANT MANAGEMENT** - Had discussions with Facility Services who currently manage the Sierra Buttes Trail Stewardship grants. We are looking to bring management of these grants under the CAO's office to free up Facility Services time and possibly leverage other grant concepts.
- **NEWSLETTER** – Created a newsletter form for departments to upload information monthly into a portal to create an agency-wide digital newsletter. Still working on getting information.
- **ENERGY GRANTS** – Met with Bob Burris with RCRC to discuss energy grants for micro grids, solar and other possibilities. RCRC is in contract with infrastructure grant specialists Harris & Associates. We are looking for specific projects and want to write a grant with Harris & Associates to pull down some of the federal and state funding. This would go along nicely with the Energy Assessment we are doing with Engie.

OTHER NEWS/ACTIVITIES

- **HIRING EVENT** - Plumas County Hiring Event being organized by the Clerk-Recorder's Office and several other departments to take place on a Saturday at the Fairgrounds – perhaps in the Spring. This is not to be confused with a job fair but an actual hiring event with a private area to set up on-site interviews. The plan is to work with Alliance for Workforce Development and to advertise via social media, Feather River College, Lassen College, the high schools and their job fairs, etc.
- **LETTERS** – 1) Comments on PG&E Rate Increases; 2) Letter of Support for Golden State Finance Authority's Rural Grant Acceleration Program application to the Community Economic Resilience Fund (CERF) Economic Development Pilot program.
- **MASS SHELTERING TRAINING** – Pamella Courtright is arranging this for Spring.
- **PURCHASING, AUCTIONING OF SURPLUS GOODS** - I met with Public Works to talk about Sourcewell and purchasing within the county. We also discussed the auctioning of surplus equipment, cars, trucks, etc. I would like to identify the local vendors we use to see if we can negotiate a single contract with them vs. 20 different department contracts. This will cut down on contracts and administrative time and possibly get better pricing. An example would be Les Schwab Tires. It's my understanding that many departments have different contracts with the Quincy Les Schwab Tires; do we need 10 different contracts?

Or obtaining paper. Perhaps we could go through our local Stationers store – Departments could still order what they need but the county would purchase an overall allotment of recycled paper (certain % of recycled materials now

required by the State). We are going to do a survey of department heads to learn how much paper is being purchased and the top 5-10 commodities needed.

For large purchases, departments should be encouraged to go through Sourcewell. Public Works has Plumas County set up on their system and it's a savings of 33% or more on things like snow plows, trucks and even something as small as paper. We'd like to give our local businesses the money if possible, however, and if they are competitive in their pricing.

I am also looking at setting up an overall Amazon account and analyzing our CalCard expenditures.

- **REORGANIZATION OF DEPARTMENTS DISCUSSION** – I have met with Behavioral Health, Public Health, Environmental Health and Social Services regarding the establishment of a Health & Human Services overall agency instead of four separate departments. All are favorable toward the idea. State funding is moving toward this concept and there is more and more crossover between these departments in terms of revenue streams and service to citizens. Importantly, consolidation would create diverse job potential and upward mobility within a single large department for employees. It would also accomplish cross-training goals and eliminate the silos that naturally crop up between departments. This type of move would occur gradually over the next year with the board's approval. We need to get a plan together on what the organizational structure would look like, job classifications that would need to be examined, etc., but wanted to get this on the board's radar.
- **CO-HABITATION WITH GREENVILLE RANCHERIA** – We are in discussions to co-locate our Behavioral Health activities with Greenville Rancheria's plans to rebuild their facilities. This is very positive as BH has leasing funds but not purchasing power. It would also provide more cohesive care in Greenville.
- **FEATHER RIVER COLLEGE** has some great workforce development programs. Read more about it here in case you missed it in the Plumas News. I am very encouraged by this report:
- <https://www.plumasnews.com/whats-new-at-frc-the-2022-year-in-review/>
- **NACo RESILIENT COUNTIES ADVISORY BOARD PRESENTATION** - [Rebuild by Design](https://rebuildbydesign.org/wp-content/uploads/2022/12/ATLAS-OF-DISASTER.pdf). **Rebuild by Design** is a nonprofit organization focused on developing tools and resources to support communities address large-scale and complex challenges, such as mass migrations, climate change, economic development, etc. The report that was created is very interesting so I've attached it here. It's a large report but goes county by county nationally. It is BEFORE the Dixie Fire, however, but is the first report of its kind in the nation. <https://rebuildbydesign.org/wp-content/uploads/2022/12/ATLAS-OF-DISASTER.pdf>
- **SHERIFF'S DEPARTMENT EXIT INTERVIEWS REQUESTED** – I requested exit interviews on January 30, 2023 for any and all Sheriff's employees for the FY21-22 and to date but have not received anything. I will keep the board updated on this request. I have also requested the same thing from Human Resources.
- **GREENVILLE TRAILERS** – We are working toward a solution on the trailers. It doesn't appear that any nonprofit wants to take over the management/landlord portion of this arrangement so other options are being explored. We will donate the trailers to any nonprofit or government agency once they are vacated.
- **PLUMAS COUNTY TRANSPORTATION PROJECTS** - The California Transportation Commission (CTC) allocated over \$988 million to repair and improve transportation infrastructure throughout the state. This funding includes more than \$450 million from the federal Infrastructure Investment and Jobs Act of 2021 (IIJA) and more than \$250 million from Senate Bill (SB) 1, the Road Repair and Accountability Act of 2017.
- District 2 Projects the CTC approved include:

Feather River Inn Intersection Project (Near Blairsden, from 0.4 mile east of Little Bear Road to 0.4 mile west of Route 89): New roadway construction to Route 70, drainage work, and striping.

Cromberg Rehab Project (In and near Cromberg and Portola, from Gill Ranch Road to 0.2 mile west of Big Grizzly Creek Bridge): Rehabilitate roadway, repair and replace culverts, upgrade guardrail, upgrade bridge railing at Humbug Creek Bridge, and make pedestrian facilities Americans with Disabilities Act (ADA)

compliant. The project will also improve safety and ride quality. **This project includes \$95.7M in IIJA funding.**