

GJ Foreperson's
COM

**Del Norte County Fairgrounds
Recreation and Park District
421 U.S. Hwy 101 N.
Crescent City, CA 95531**

RECEIVED
SEP 17 2018
JW
SUPERIOR COURT OF CALIFORNIA
COUNTY OF DEL NORTE

September 13, 2018

Hon. William H. Follett
450 H Street
Crescent City, CA 95531

Response to 2018 Grand Jury Report

Hon. Judge William H. Follett:

The Del Norte County Fairgrounds Recreation and Park District ("District") has received, reviewed and with this letter hereby responds to the 2018 Grand Jury Report in compliance with Penal Code Sections 933 and 933.05. This response was approved by the Board of Directors for the District at its meeting held on September 13, 2018.

GRAND JURY FINDINGS AND DISTRICT RESPONSES:

F1. The Del Norte County Fairgrounds is an important community resource.

Response to F1: Agree.

F2. The Local Board is in compliance with the LAFCo structure.

Response to F2: Agree.

F3. Both the 41st State Board and the Local Board combined meeting help to allow for sharing of information necessary for oversight.

Response to F3: Agree.

F4. The 41st State Board and the Local Board members are working together effectively to provide continued operations of the fairground.

Response to F4: Agree.

F5. While the 41st State Board has submitted requests for funding and the Local Board has approved transfers of funds, there is limited information provided regarding specific spending elements and restrictions on the use of the transferred funds.

Response to F5: Partially disagree. The District agrees that the 41st DAA has submitted requests for funding and the District has approved the grant of funds to the 41st DAA. The District disagrees, however, that there is limited information regarding specific spending elements and restriction on the use of the transferred funds. The District acknowledges, however, that the information could be made more easily accessible to the public (*see* Response to R6).

F6. The Local Board adopted a Financial Committee to provide information according to state law. It has been operating in conjunction with the 41st State Board but it is on an informal basis.

Response to F6: Partially disagree. The District agrees that it has appointed two board members to serve on the Financial Committee, renamed the Business Operations Committee. The District does not agree that it has been meeting on an informal basis. Since the start of this calendar year, the Business Operations Committee has met once per month every month except July and August. The committee will resume meetings in September.

F7. The Local Board is utilizing sales tax revenue to provide for the current operation of the Del Norte County Fair and year round events, but is also building up reserve funds for when the sales tax expires in 2022 to allow for future operations.

Response to F7: Agree. [Note: The reserve fund is required by LAFCo.]

GRAND JURY RECOMMENDATIONS AND DISTRICT RESPONSES:

R1. While both the Local Board and the 41st State Board memberships are effectively working together, there needs to be a dispute resolution structure put into place in case membership changes or diverging priorities result in conflict.

Response to R1: Recommendation requires further analysis. This recommendation will be reviewed by the District Board at upcoming meetings and concluded within 6 months. The primary difficulty with this recommendation is that there are two government agency boards in play. Each board takes action pursuant to the direction/vote of a majority of its membership. Exactly what this dispute resolution process might look like is difficult to imagine at this point.

R2. The Local Board should make a greater effort to publicize and reach out to the community for greater participation. Increasing the posting of the agenda's locations, utilizing the electronic sign near the highway, greater exposure of the meetings on the website should be offered. The minutes from each Local Board meeting should be posted for greater public engagement.

Response to R2: Recommendation has not yet been implemented, but it will be implemented as follows:

- The agenda is posted online and at the office in accordance with State law. The District will continue to follow state law on this point.

- The District has created and will maintain a Minute Book of the District meetings, containing all approved minutes and made readily available to the public at the Fair office.
- The District has created and will maintain a Financial Records Book containing financial information of the District, including the budget, record of transfers and payments, and other financial records, which will be made readily available to the public at the Fair office.

R3. The lease agreement between the State of California and Local Board to assume control and operations from the 41st State Board should be resubmitted and promoted when a new Governor is elected in November of 2018.

Response to R3: Recommendation has not yet been implemented, but it will be implemented as follows: within the next 6 months, the District will discuss with the 41st DAA the re-submission of the Lease and Management Agreement when a new governor is elected and takes office. The District cannot act unilaterally.

R4. The Local Board financial committee should be more formalized and operate in accordance with their own Financial and Accounting Policies and Procedures adopted October 29, 2015.

Response to R4: Recommendation has been implemented. The committee has been formally appointed and operates in accordance with its policies and procedures.

R5. Without Local Board control the public may wish to explore resubmitting the question of a sales tax on the ballot.

Response to R5: NONE. No response required as this is not a recommendation for action by the District.

R6. The MOU authorizing the grant of funds from the Local Board to the 41st State Board should be followed. More detailed information should be provided by the 41st Board as to the purpose of the Del Norte County taxpayer funds and how they will be spent. The Local Board should place more explicit restrictions on the use of the funds to ensure Del Norte County taxpayer funds are not being used in improper ways on State of California property.

Response to R6: Recommendation has been implemented. The MOU is being followed correctly. The District has been provided copies of the 41st DAA financials to view and question before each board meeting. The District's number one priority is and has always been to make sure that the taxpayer funds are not being used improperly by the 41st DAA.

R7. The Local Board should provide more detailed accounting of income, expenditures, and transfers to provide greater transparency and accountability to the public.

Response to R7: Recommendation has not yet been implemented, but it will be implemented as follows: As stated in Response to R2, the District has created and will maintain a Financial Records Book containing financial information of the District,

including the budget, record of transfers and payments, and other financial records, which will be made readily available to the public at the Fair office.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Doug Wakefield". The signature is written in a cursive style with a large initial "D" and "W".

Doug Wakefield, Chairperson
Board of Directors

Del Norte County Fairgrounds
Recreation and Park District