

**2011-2012 Stanislaus County Civil Grand Jury  
Stanislaus Consolidated Fire Protection District  
Case 12-17C**

**SUMMARY**

The Stanislaus County Civil Grand Jury (SCCGJ) received a detailed complaint on February 1, 2012 alleging dereliction of duty by the Fire Chief of the Stanislaus Consolidated Fire Protection District. The majority of the complaint cited personnel issues that are outside the purview of the SCCGJ, and are not a part of this report.

**GLOSSARY**

SCCGJ - Stanislaus County Civil Grand Jury

District - The Stanislaus Consolidated Fire Protection District

Union - The Stanislaus Consolidated Firefighters Association Local 3339 Union

Board - The Stanislaus Consolidated Fire Protection District Board of Directors

Fire Chief - The Senior Manager of Operations for the District

MOU - Memorandum of Understanding

California Government Code 61040 (e) - A member of the board of directors shall not be the general manager, the district treasurer, or any other compensated employee of the district, except for volunteer firefighters as provided by Section 53227.

California Government Code 61045 (g) - The board of directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies, and the purchasing policies required by this division.

**BACKGROUND**

The District was created in March 1995 with the merger of the Stanislaus County Fire District, Riverbank Fire District, Waterford-Hickman Fire District and Empire Fire District. It currently serves the cities of Riverbank and Waterford and the communities of Empire, Hickman and LaGrange and has recently negotiated a partnership with the Oakdale Fire Department and Oakdale Fire Protection District.

The District is governed by a five-member Board of Directors, currently with one vacancy. The Board members are appointed by each city in the district (Riverbank and Waterford) with the remaining three (3) members being appointed by the Stanislaus County Board of Supervisors.

## **SUMMARY OF COMPLAINT**

The complainant alleges that the Fire Chief is derelict in his duties for the following reasons:

- a) Improper business practices
- b) Poor financial practices
- c) Failure to comply with Generally Accepted Accounting Principles
- d) Discrimination against the Union and Union members

## **METHODOLOGY OF INVESTIGATION**

The investigation of this complaint took place between April and June, 2012. Interviews were conducted with the complainant, the current District Board President, the current Fire Chief and the President of the Union. The SCCGJ reviewed the 2010 and 2011 financial statements and independent auditor's reports, the District's Policies and Procedures, the District's Directors Policy Manual, the Fire Chief's employment contract and California Government Codes 61040-60148 and 61060-61070 pertaining to a District Board's governance responsibilities.

## **FINDINGS**

- F1: The Stanislaus Consolidated Fire Protection District's financial statements for the fiscal years 2009-2010 and 2010-2011 are free of material misstatements. An independent CPA firm conducted an audit by testing financial records and reviewing provisions of the law, regulations, contracts and grants relevant to the District's financial performance. The audit reports state, "The tests did not disclose any instances of noncompliance that are required to be reported under Government Auditing Standards."
- F2: The Board delegates a major portion of its governance responsibilities to the Fire Chief. The Fire Chief's list of responsibilities include the writing, review and approval of District policies and procedures, business and financial matters (budget and financial reports), personnel relations and issues with the Union. The 2011-2012 SCCGJ identified eight different job functions performed by the Fire Chief:
- 1) Chief Executive/Operations Officer
  - 2) Policy Administrator
  - 3) Clerk/Secretary of SCFPD Board
  - 4) Chief Financial Officer and Board Treasurer
  - 5) Chief of Oakdale and the Oakdale Rural Fire District
  - 6) Human Resources/Personnel Administrator
  - 7) Clinical Director
  - 8) Office Manager

The scope of responsibility given to the Fire Chief is far too much for one person to handle and can lead to conflicts of interest and ineffective, biased decision making.

The Board has abdicated its District governance responsibilities. This is a major impediment to the effective functioning of the District. Consequently, the Board is not in compliance with California Government Code Sections 61040 (e) and 61045 (g).

- F3: The Fire Chief has not received a formal written annual performance review from the Board since 2008.
- F4: The Board does not have a written evaluation policy for the Fire Chief, its senior manager of operations.
- F5: The Board has been remiss in its responsibilities regarding the review and approval of all policies. Due to the numerous functions performed by the Fire Chief, he is not able to keep the Board informed about the suggested policy and procedures, submitted by employees that could help in the performance of administrative and operational tasks. This results in a disruption of an open and orderly process.
- F6: The frequent turnover of Board members is affecting the Board's ability to govern effectively and with continuity. Without consistent, informed, experienced leadership for a reasonable period of time, the job of governing and supporting the district is compromised and results in ineffective leadership. Currently only one member of the Board has more than two years of service, two are newly appointed and one position is vacant.
- F7: Administration staff is not part of the Union MOU yet are filing complaints through the Union.
- F8: The Board's Directors Policy Manual outlines the full set of responsibilities for the position of the Clerk of the Board. The 2011-2012 SCCGJ finds this position has been delegated to the Fire Chief and the Board's own policies are not being followed.
- F9: The Board's Directors Policy Manual with regards to financial responsibility is essentially non-existent. The Policy Manual states the following "The Board of Directors recognizes excellent fiscal planning as a key factor in attaining the District's goals and priorities. The Board seeks to engage in thorough advance planning of budgets to devise expenditures which achieve the greatest returns given the District's available resources." No further Board direction or definition of responsibility is provided.

## RECOMMENDATIONS

- R1: The 2011-2012 SCCGJ recommends that the Board read and implement all provisions of California Government Codes 61040-60148 and 61060-61070. The authority granted to the Board are the responsibility of the Board and may not be delegated to a paid employee.
- R2: The Board should review the Directors Policy Manual to insure it is in full compliance with California Government Codes 61040-61048 and 61060-61070. The Directors Policy Manual should define the Board's responsibilities in detail.
- R3: The Board must approve all District policies. Implementation of the approved policies is the responsibility of the Fire Chief.
- R4: Final approval or rejection of new or changed policies should be completed in a timely manner and parties involved notified of their acceptance or rejection.
- R5: The Board should develop a written policy for the annual Board evaluation of the Fire Chief, its senior manager of operations.
- R6: The Board should complete and deliver a written performance evaluation to the Fire Chief annually. A "catch up" review should be completed by September 30, 2012.
- R7: The Administration Staff is not part of the Union MOU with the District. Since no in-house Human Resources position exists, any administrative staff personnel complaints should be referred directly to the Board and not through the Union grievance process.
- R8: At least three of the members of the Board should be elected (per Government Code Section 61008). One of the elected members should be named as Clerk for the Board and another be named as Treasurer. There should be a job description outlining minimum qualifications for each position. The District's Directors Policy Manual provides a full job description for Clerk of the Board. The Treasurer should understand accounting and auditing procedures and should be responsible for reviewing the budget and the quarterly financial position of the District.

This report is issued by the 2011-2012 Stanislaus County Civil Grand Jury. No members of the grand jury volunteered to recuse themselves due to a perceived conflict of interest.

The primary function of the SCCGJ is to provide unbiased oversight and to investigate complaints from citizens about the operations of county and city government, school districts and special districts, as required by law. The grand jury is one means to inform citizens that government is operating efficiently and in an ethical, honest manner. The grand jury investigates policies and procedures and makes recommendations to improve

local governmental operations. It has no power to enforce its recommendations. It only informs citizens about some of the legislative and administrative work of their local governments. All grand jury investigations and reports are approved by at least a 60% supermajority vote of the entire grand jury panel.

**Request for Response**

Stanislaus Consolidated Fire Protection District Board of Directors  
Riverbank City Council  
Waterford City Council  
Stanislaus County Board of Supervisors