



BOARD OF SUPERVISORS

Buck Condit, District 1
Vito Chiesa, District 2
Terry Withrow, District 3
Mani Grewal, District 4
Chance A. Condit, District 5

RECEIVED
SEP 12 2025

BY: _____

TO: The Honorable, Sonny Sandhu, Presiding Judge
Stanislaus County Superior Court

FROM: Noemi Leon, Interim Clerk of the Board of Supervisors *NL*

DATE: September 11, 2025

RE: **RESPONSE TO THE CIVIL GRAND JURY 2024-2025 FINAL REPORT**

Please find enclosed the Stanislaus County Board of Supervisors response to the Civil Grand Jury 2024-2025 Final Report as approved by the Board of Supervisors on September 9, 2025.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA: 5.B.6
AGENDA DATE: September 9, 2025

SUBJECT:

Consideration and Approval of Response to the Stanislaus County Civil Grand Jury
Regarding the Stanislaus County Civil Grand Jury 2024-2025 Final Report

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2025-0468

On motion of Supervisor Chiesa Seconded by Supervisor Grewal
and approved by the following vote,

Ayes: Supervisors: Chiesa, Withrow, Grewal, C. Condit, and Chairman B. Condit

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:



ATTEST: NOEMI LEON, Interim Clerk of the Board of Supervisors

File No. M-39-P-6

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA:5.B.6
AGENDA DATE: September 9, 2025

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Consideration and Approval of Response to the Stanislaus County Civil Grand Jury Regarding the Stanislaus County Civil Grand Jury 2024-2025 Final Report

STAFF RECOMMENDATION:

1. Accept the response to the Stanislaus County Civil Grand Jury 2024-2025 Final Report, along with any changes the Board of Supervisors wishes to make to the recommended response and authorize the Chairman of the Board to forward the response to the Presiding Judge of the Superior Court by September 23, 2025.
2. Direct the Chief Executive Officer to ensure that any recommended actions by the Board of Supervisors be followed and completed by the subject County departments and report back to the Board of Supervisors, as appropriate.

DISCUSSION:

The Stanislaus County Board of Supervisors received the Stanislaus County Civil Grand Jury (SCCGJ) 2024-2025 report on June 25, 2025. The report identifies several areas of investigation concerning the operations of various public agencies.

The SCCGJ has required the Auditor-Controller and the Board of Supervisors to respond to a finding related to the annual financial report and audit for the fiscal year ending June 30, 2023. The Board of Supervisors is also required to respond to findings and recommendations related to the \$5 million Small Business Loan Program, a component of the Stanislaus 2030 Entrepreneurship and Small Business Dynamism initiative, as well as the Computer-Aided Dispatch (CAD) system. These responses are required in accordance with Penal Code Section 933.05. The Auditor-Controller has responded to the SCCGJ Final Report within the time frame allowed, and the responses are attached to this report.

The recommended responses from the Board of Supervisors are as follows:

- **Case #22-15GJ – Review of the Annual Financial Audit Report (Required Response):**

Finding 1: The implementation of a new ERP system has created a persistent problem of delays and material weakness in financial reporting.

Response: The Board of Supervisors partially disagrees with this finding. As stated in the attached response by the Auditor-Controller, while the implementation of the new ERP system did lead to some delays in financial reporting, largely due to the

complexity of transitioning to a new system and the need to provide significant support to County departments, the assessment of a material weakness noted in the Fiscal Year 2022-2023 Single Audit was the result of two isolated incidents and is not indicative of a persistent or systemic problem.

Recommendation 1: The SCCGJ recommends that the County Board of Supervisors instruct the Office of the Auditor-Controller to reorganize the end-of-year accounting processes, as well as provide more training to departments on how to use the ERP accurately, in line with the findings of the external auditor. This process should be completed by October 31, 2025, in time to prepare reports for the current fiscal year.

Response: The recommendation will not be implemented because it is not warranted. The Board of Supervisors does not have the statutory authority to instruct the Auditor-Controller in the performance of accounting and financial reporting duties. Under California Government Code §§24000 and 26880-26886, the Auditor-Controller is an independently elected county officer responsible for managing these functions. However, the Board acknowledges that steps have already been implemented by the Auditor-Controller to provide enhanced training, additional year-end guidance, and ongoing support for departments.

Recommendation 2: The SCCGJ recommends that the County Board of Supervisors direct the Office of the Auditor Controller to complete its ACFR and Single Audit by June 30, 2025.

Response: The recommendation will not be implemented because it is not warranted. The Board of Supervisors does not have the statutory authority to direct the Auditor-Controller in the performance of accounting and financial reporting duties. Under California Government Code §§24000 and 26880-26886, the Auditor-Controller is an independently elected county officer responsible for managing these functions. However, the Board acknowledges that the Annual Comprehensive Financial Report (ACFR) and Single Audit for the fiscal year ended June 30, 2024, were completed and made publicly available ahead of the June 30, 2025, deadline.

- **Case #25-01GJ – Stanislaus 2030’s \$5 Million Small Business Loan Program (Required Response):**

Finding 1: The Stanislaus 2030 loan program and Blueprint are confusing and misunderstood, even by people who were involved with it.

Response: The Board of Supervisors disagrees with this finding. The Stanislaus 2030 Investment Blueprint was intended as a high-level plan, outlining potential investment ideas for future economic development throughout the community. The Blueprint was not intended to provide all of the information and structure necessary to implement potential investments. The County has reviewed responses from Valley First Credit Union and Stanislaus 2030 attached herein. Both of these responses provide important context for the issues raised by the Grand Jury.

Finding 2: The loan program described in the Investment Blueprint as currently presented represents opportunities for better loan management, as it emphasizes “easy process” to the point of accepting a loan loss ratio that is dramatically higher than expected or historical banking benchmarks.

Response: The Board of Supervisors disagrees with this finding. The Loan Fund described in the Investment Blueprint was not funded by the County. However, the loan fund was designed with prudent loss projections of 1% to 3%, managed within the fund. The “easy process” concept was intended to enhance accessibility by using simplified language and providing personalized assistance to make the process more inclusive and supportive. Please refer to the letters from Valley First Credit Union and Stanislaus 2030, which provide additional context and support regarding the program’s design, intent and safeguards.

Finding 3: The SCCGJ has identified Valley First Credit Union, a CDFI whose name is invoked regularly in discussion of the loan fund, as a local lending organization with the necessary expertise and experience to design a responsibly managed community development loan fund.

Response: The Board of Supervisors agrees with this finding. The Board recognizes Valley First Credit Union as a trusted financial institution with a long-standing history of providing valuable funding and support to local businesses and entrepreneurs.

Recommendation 1: The Stanislaus County Board of Supervisors and the Stanislaus 2030 public-private partnership should issue a comprehensive update that distinguishes the various participants, identifies which initiatives are being pursued, and shows progress on those initiatives. This update need not be as big-budget as the Investment Blueprint. It should be comprehensively discussed with the officials and community leaders who promote Stanislaus 2030 by November 30, 2025.

Response: This recommendation has been implemented. A comprehensive update is provided on a quarterly basis by representatives of lead organizations and County departments to ensure that the Board of Supervisors and members of the public remain informed about the latest status of American Rescue Plan Act (ARPA) funded initiatives. The Board also hears an annual presentation summarizing all the deliverables for the year. The two most recent annual reports were presented on August 26, 2025 (Board Resolution 2025-0455) and August 27, 2024 (Board Resolution 2024-0477).

Recommendation 2: This model of high losses for the sake of easy process should be revised in a manner consistent with accepted banking benchmarks typically seen in similar programs by November 30, 2025.

Response: The recommendation will not be implemented because it is not warranted. The County is not funding this loan program; however, it should be noted that the program was structured to provide assistance and ongoing borrower support as key components of the program’s risk mitigation strategy, as it was not designed to incur high losses. Please refer to the letters from Valley First Credit Union and Stanislaus 2030, which provide additional context and support regarding the program’s design, intent and safeguards.

Recommendation 3: Next Street does not appear to be the right entity to advise on running the small business loan fund. Rather the Board of Supervisors and Stan 2030 should spearhead discussions with local lenders about how to design a

responsibly managed community development loan fund with a loan loss ratio more in line with the US Small Business Administration by November 30, 2025.

Response: The recommendation will not be implemented because it is not warranted. While we support continued collaboration with local lenders to develop responsibly managed loan funds, we recognize that Valley First Credit Union, as a Community Development Financial Institution, has the experience and capacity to structure and manage such funds without the need for additional advisory support from Next Street. Next Street's role is limited to supporting the development of the Stanislaus 2030 Small Business Strategy and Implementation Plan through market analysis, stakeholder engagement, and strategic recommendations. They are not advising the small business loan fund. . Please refer to the letters from Valley First Credit Union and Stanislaus 2030, which provide additional support regarding Next Street's role.

- **Case #25-23GJ – Computer Assisted Emergency Dispatch in Stanislaus County (Required Response):**

Finding 1: The 1999 SR911 JPA is outdated and lacks adequate content, detail, definitions, and policy necessitating major revisions with input from City of Modesto, Stanislaus County, SR911, plus stakeholders in the law enforcement, fire, and medical first responder community.

Response: The Board of Supervisors disagrees with this finding. The Joint Powers Agreement (JPA) between the City of Modesto and the County of Stanislaus, originally executed on September 1, 1999, was amended through Board Resolution 2024-0280 on June 4, 2024, to update the governance structure. The Fifth Amendment revises the composition and responsibilities of the Consolidated Emergency Dispatch Agency Commission (CEDAC), outlines regular meeting schedules, and establishes one liaison from each member agency to provide oversight, support the Dispatch Director, help guide strategic and operational planning, monitor performance, and provide feedback during the Director's evaluation. These changes were developed collaboratively by a workgroup consisting of County and City executives, legal counsel, and other stakeholders, ensuring that the JPA reflects current operational, governance, and community needs.

Finding 2: The Board of Supervisor's letter to Sheriff Jeff Dirkse dated March 11, 2025, is a detailed description of the history and chronology of the emergency dispatch issues in Stanislaus County and is highly consistent with the findings of this investigation. The letter reiterates the steps necessary for the consideration of any future proposal for an alternative dispatch system including response time analysis, the inclusion of subject matter experts and stakeholders' input, fiscal analysis, and review by County Counsel and County Purchasing Agent.

Response: The Board of Supervisors agrees with the finding.

Finding 3: The Stanislaus County Sheriff's Office is the outlier among all of the other stakeholders in the emergency dispatch controversy. Political tactics, threats of litigation, personal attacks, refusal to work with key operatives, and the appearance of intimidation by the Sheriff's Office faction in this dispute has damaged both

personal and working relationships with interrelated government agencies and personnel.

Response: The Board of Supervisors disagrees with this finding. While the Board recognizes that disagreements can arise in complex interagency matters, the Board remains committed to fostering a respectful, collaborative, and solutions-oriented environment among all stakeholders. The Board values the important role each partner agency plays in ensuring effective public safety services and will continue to encourage constructive dialogue and cooperation to strengthen relationships and advance the shared goal of ensuring the continuity of public safety services for the residents of Stanislaus County.

Finding 4: Stanislaus County-based oversight of the Sheriff's Office is inadequate given the potential impact its policies and the actions taken could have on the communities it serves. Opportunities exist to improve accountability, transparency, understanding, tolerance, and trust between all parties. The Stanislaus County Board of Supervisors has the option under Government Code §25303.7 to establish a Sheriff's Oversight Board consisting of citizens appointed by the Board of Supervisors and/or an Office of Inspector General to assist in overseeing the Sheriff's Office to enhance the Sheriff's Office accountability and transparency.

Response: The Board of Supervisors partially disagrees with this finding. While Government Code §25303.7 authorizes the creation of a Sheriff's Oversight Commission and/or an Office of Inspector General through Board action or a vote of county residents, supervision of all county officers is authorized under Government Code §25303.

Recommendation 1a: The SR911 CEDAC in a leadership role should assemble a multidisciplinary task force from the City of Modesto, Stanislaus County, and include members of the emergency response community in Stanislaus County to comprehensively update the SR911 JPA. This revision task force should be formed by October 31, 2025, with a target completion date for the JPA revisions of April 30, 2026.

Response: The recommendation will not be implemented because it is not warranted. The County of Stanislaus and the City of Modesto updated the SR911 JPA through the Fifth Amendment, approved by the Board on June 4, 2024, via Board Resolution 2024-0280.

Recommendation 1b: The JPA revision task force should make necessary revisions, including but not limited to detailed policy for the role and authority of the SR911 Director by April 30, 2026.

Response: The recommendation will not be implemented because it is not warranted. The County of Stanislaus and the City of Modesto updated the SR911 JPA through the Fifth Amendment, approved by the Board on June 4, 2024, via Board Resolution 2024-0280.

Recommendation 1c: The JPA revision task force, with assistance from the City of Modesto and Stanislaus County legal and purchasing departments, should develop their own comprehensive, detailed RFP process for future use when making major purchases by April 30, 2026.

Response: The recommendation will not be implemented because it is not warranted. Stanislaus County and the City of Modesto, member agencies of the JPA, have established procurement policies and procedures that comply with applicable state laws, including the California Public Contract Code and Government Code, as well as local ordinances. These policies provide comprehensive guidance on competitive bidding, contract administration, and legal compliance, ensuring transparency, fairness, and accountability in the procurement process. Developing a separate, stand-alone RFP process for the JPA would duplicate existing, legally compliant procedures and could create unnecessary administrative complexity without improving oversight or outcomes. The Board believes the most effective approach is for the JPA to continue utilizing the established procurement processes of its member agencies.

Recommendation 1d: The JPA revision task force and the Sheriff's Office should address and develop written policy concerning the responsibility for maintaining compliance with CLETS regulations including designating responsibility for performing recurring required audits of security of the CLETS information by April 30, 2026.

Response: The recommendation will not be implemented because it is not warranted. The California Law Enforcement Telecommunications System (CLETS) is administered and regulated by the California Department of Justice (DOJ), which establishes all requirements for access, security, and compliance. Oversight of CLETS use and audits is the responsibility of the designated Terminal Agency Coordinator (TAC) within the authorized law enforcement agency, in this case, the Stanislaus County Sheriff's Office, and is subject to DOJ's audit and enforcement processes. The Board of Supervisors has no legal authority to oversee CLETS operations or compliance.

Recommendation 2a: It is recommended that both the Sheriff's Office and County Officials strictly adhere to the requirements included in the letter of March 11, 2025, going forward in order to prevent any further misunderstandings or miscommunications that have resulted in delays in the past.

Response: The recommendation has been implemented. County staff continue to adhere to the requirements of the March 11, 2025, letter.

Recommendation 2b: It is recommended that the Sheriff's Office adhere to usual and customary practices requested by county officials for providing information in advance of public meetings so that information can be reviewed by officials and the public prior to meetings.

Response: The Board of Supervisors agrees with this recommendation and recognizes the importance of providing information in advance of public meetings to ensure that County officials and staff have adequate time to review relevant materials. In keeping with established practices, it is incumbent upon county elected officials to adhere to the same board agenda management protocols as county department heads, reinforcing a shared commitment to transparency and effective governance.

Recommendation 3a: Stanislaus County, City of Modesto, and the Sheriff's Office officials should utilize independent outside intervention in the form of professional

mediators and/or subject matter experts to process interpersonal damages in working relationships of key figures and to provide unbiased information related to product efficacy. The use of outside professional mediators and subject matter experts should commence by October 31, 2025.

Response: The recommendation will not be implemented because it is not warranted. CAD subject matter experts throughout the county, excluding the Sheriff's Office, support the efficacy of the selected CAD system. The Board of Supervisors recognizes the Sheriff is an independently elected official and controls operations of the Sheriff's Office, while remaining committed to working collaboratively with the Sheriff's Office to ensure the continuity of public safety services for the residents of Stanislaus County.

Recommendation 3b: The Sheriff's Office needs to take a lead role in reconciliation with the other stakeholders and acknowledge that it is only one county department among many with competing interests and must function in a more cooperative, collaborative manner.

Response: The recommendation will not be implemented because it is not reasonable. Pursuant to California Government Code §§24000, 25303 and 26600-26616, the Stanislaus County Sheriff is an independently elected county officer with exclusive authority over the management and operations of the Sheriff's Office. The Board encourages continued collaboration and communication among all county departments and stakeholders to promote effective and cooperative public service.

Recommendation 4: The Stanislaus County Board of Supervisors should initiate action to create a Stanislaus County Sheriff's Oversight Commission and/or an Office of Inspector General pursuant to Government Code §25303.7. This can be accomplished by either an action by the Board of Supervisors or through a vote of county residents. This recommendation should be accomplished by December 31, 2025.

Response: The recommendation will not be implemented because it is not warranted. While Sheriff Dirkse has recently announced the creation of a Sheriff's Advisory Council that would include appointed members from each Supervisors' district, this advisory body is established independently by the Sheriff and does not constitute a formal oversight commission or Office of Inspector General as described in California Government Code §25303.7. The establishment of a Sheriff's Oversight Commission or an Office of Inspector General requires either formal action by the Board of Supervisors or approval by a vote of county residents. At this time, the Board of Supervisors has not taken action to create such a commission or office. The Board will continue to evaluate options regarding Sheriff oversight in compliance with state law and in consideration of ongoing developments, while respecting the independent authority of the Sheriff's Office and its current advisory structures.

POLICY ISSUE:

The SCCGJ studies and investigates citizen complaints and the operations of selected public agencies, publishing its findings, conclusions, and recommendations at the end of each fiscal year. Pursuant to California Penal Code §933 (c), every elected county officer or agency head for which the grand jury has responsibility identified as the subjects of these investigations, are invited or required to respond to the findings and

recommendations to the Presiding Judge of the Superior Court within 60 days after the final report is submitted with an information copy of the response sent to the Board of Supervisors. The Board of Supervisors, when identified as the governing body of the public agency, is invited or required to respond no later than 90 days after the final report is submitted.

FISCAL IMPACT:

There is no fiscal impact associated with acceptance of the SCCGJ 2024-2025 Final Report and the response to the Presiding Judge of the Superior Court.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Boards' priority of *Delivering Efficient Public Services and Community Infrastructure* by responding to the SCCGJ 2024-2025 Final Report within the timeframe required.

STAFFING IMPACT:

There is no staffing impact associated with the recommended Board actions.

CONTACT PERSON:

Jody Hayes, Chief Executive Officer

Telephone: (209) 525-6333

ATTACHMENT(S):

1. 2024-2025 SCCGJ Final Report
2. Auditor's Response to SCCGJ 2024-2025 Final Report
3. Stanislaus 2030's Response to SCCGJ 2024-2025 Final Report
4. Valley First Credit Union Response to SCCGJ 2024-2025 Final Report