

NEVADA COUNTY ASSESSOR'S OFFICE

REASON FOR THE INVESTIGATION

The Civil Grand Jury received three complaints alleging mismanagement in the Assessors' Office. These allegations centered around excessive absenteeism of the assessor, nepotism at the highest supervisory levels, poor supervision and low morale in the department.

PROCEDURE FOLLOWED

The Grand Jury interviewed seven staff members from the Assessor's Office, chosen at random from a list of about 30 non-management staff. The Director of Personnel Lori Walsh, the County Administrative Officer (CAO) David Brennan, the assistant assessor, and the elected Assessor Richard Allen were also interviewed. The Nevada County Personnel Code was studied with regard to personnel management policy and nepotism.

FINDINGS

1. Based on testimony of department employees, the assessor has been absent from the office more than 50 percent of the time over the past two years, exclusive of medical absences. The assessor believes he was in the office 75 percent to 80 percent of the time and working 100 percent of the time. The Grand Jury found no regulation or law which requires a minimum number of hours to be worked by an elected official. There are no written records to document the actual number of hours that the assessor is present in the office. The assessor's salary is established at \$62,838 per year in the latest authorized personnel resolution.
2. In October 1996, the top two supervisory people in the department were married. This is nepotism as defined by the Personnel Code Section 3.1(i), because these two management employees are at the top of the direct management line when the elected assessor is not in the office. Their position titles are assistant assessor and chief appraiser, respectively. The department organization chart shows the assistant assessor and the chief appraiser at equal levels, and administering separate parts of the office staff. Both the assessor's procedures manual and the assistant assessor's job description make the assistant assessor responsible for supervision of all employees in the department in the assessor's absence.
3. A review of the nepotism issue was conducted by the assessor and the CAO at the time of the marriage. They concluded that nepotism did not exist if the assessor was on the job. They also concluded that during those times that the assessor was absent, the county would be in violation of the Personnel Code Section 3.1(i). An arrangement was worked out for the times when the assessor was not in the office. The CAO would then be available for handling employee personnel issues. The arrangement was not in writing. There is no evidence that the CAO met with any employees, prior to his decision to stand in for the assessor, to determine if there was a morale problem in the department or if departmental operations were disrupted. There is also no evidence that the CAO was ever contacted by

any department employees subsequent to his being available, even though there are at this time employee-management problems in the department according to some of those employees interviewed.

4. The Grand Jury was provided with two conflicting versions of the Assessor's Office procedures manual. The procedures manual obtained from the assessor showed the assistant assessor taking over the office in the assessor's absence, but the sentence was red-lined. The assessor's manual was dated during the term of the assessor's predecessor. The procedures manual obtained from the assistant assessor showed the assistant assessor in charge of the office in the assessor's absence and the sentence was not red-lined. The assistant assessor's manual was dated during the term of the present assessor. The procedures manual has been in the process of revision for seven years without being completed.

5. The county Personnel Code Section 1.2, states in part: "The purpose of this Code is to implement the adoption and maintenance of an equitable and uniform system of personnel administration for the county service, and to achieve the following objectives. (a) To establish, develop and maintain a program of personnel administration based on merit principles and modern methods governing the appointment, tenure, promotion, transfer, termination and discipline of its officers and employees, in order to make a career in the County service attractive and encourage each employee to give his/her best service to the County. (b) To promote high morale among County employees by providing good working conditions, consideration for their general welfare, encouragement for self development, opportunity for advancement and a basis for understanding the terms and conditions of County employment." (Underlining by the Grand Jury)

6. The morale of most employees interviewed is low. Top level managers in the department also admit that morale is low. Some employees interviewed showed a fear that what they said to the Grand Jury would get back to their management and that there would be retaliation. Some employees attributed the low morale to the nepotism issue and others to the excessive absences of the assessor.

7. Four of the seven employees interviewed stated they were not informed that an arrangement was worked out between the assessor and CAO to address the nepotism issue.

8. The county Personnel Code Section 3.1(c), states in part "The Director shall direct the enforcement of personnel policies established by the Board..." While the director of personnel did review the nepotism issue in the department, there is no evidence she directed the enforcement of personnel policies as established by the personnel code, or followed up on the implementation of the decision made by the CAO to make himself available in the assessor's absence, even though she was informed of the decision.

9. The assessor sold his residence in Nevada County in June 1996. He purchased a condominium in Placer County in October 1996. The assessor lives in a motor home that is normally parked at a site in Placer County, but is sometimes parked at a site in Yuba County. He receives his mail at a Nevada County post office box, and lists his mailing address as 950 Maidu Avenue (the County Administration Center) on his Fair Political Practices Commission Statement of Economic Interests form. The state Government Code Section 1770(e) states that a county officials who ceases being an inhabitant of the county he represents creates a vacancy in the office. The assessor's term ends on December 31, 1998, and he has chosen to not run again.

CONCLUSIONS

1. The Grand Jury concludes that the lack of regular attendance at the office by the assessor violates the public's expectation of an elected official. The assessor's salary is based on that of a full-time employee at \$62,838 per year plus benefits. The Grand Jury does not believe there is substantial work an assessor can do outside the office.

2. Following is the complete county Personnel Code section relating to nepotism.

3.1 (i) "Nepotism Prohibited. It is the policy of the County to regulate, restrict or prohibit the employment of relatives within the same department for reasons of supervision, safety, security or morale when necessary for proper and efficient operations and delivery of County services. In no case shall the County employ or permit the employment of relatives in positions where one relative could supervise or control or affect the employment status of another, or where one relative could receive special benefit because of the employment status of another, where employment of relatives could disrupt departmental operations, or where employment of relatives could adversely affect the morale of other employees.

"In applying this policy, the appointing authority shall, on a case-by-case basis, consider the particular work and job responsibilities involved and the social setting of all affected parties. The appointing authority shall attempt to determine if employment of relatives within the same department involves potential conflicts of interest or other hazards greater than those posed by the employment of other persons.

"From the effective date of this policy, no person shall be employed in the same department in which a relative is currently employed if such would violate the provisions of this policy; provided that no person shall be denied employment, transferred, demoted or terminated from employment pursuant to this policy absent review and determination by the County Administrator, whose decision shall be final. "Relative" is defined as spouse, brother, sister, mother, father, son, daughter, son-in-law, daughter-in-law, mother-in-law, father-in-law or any person residing in the same house."

(Underlining is by the Grand Jury)

The Grand Jury believes that nepotism in the department does exist. There is a morale problem in the department, attributed by many of the employees to the marriage of the top supervisors in the department. One relative could receive special benefit because of the employment status of another. The employment of married couples in supervisory positions could disrupt departmental operations. The only conclusion possible is that there is, in fact, nepotism in the department.

3. The county managers in the persons of the assessor and the CAO decided that a problem existed when the assessor was absent. They agreed verbally that the CAO would be available for the department when personnel issues had to be addressed in the absence of the assessor, thereby acknowledging a problem existed. The Grand Jury regards the solution arrived at to be unworkable, since the CAO has not been approached by any employees about problems while at the same time the Grand Jury was receiving employee complaints.

4. The Grand Jury does not believe the final paragraph in the nepotism section of the Personnel Code was intended to give the CAO the power to decide that nepotism does not exist when the evidence that

it does is so overwhelming. Since the decision was made by the CAO and the assessor without even interviewing employees of the department, the CAO's decision was made without sufficient follow through. The action taken exacerbated the poor morale situation.

5. The Grand Jury concludes that both the absence of the assessor and the ineffective reaction to the nepotism issue by management contributed to the low morale in the department. The morale problem in the Assessor's Office is real and many employees feel oppressed. There appears to be no effort to follow Personnel Code Section 1.2, paragraphs (a) and (b), as described in finding 5. There is poor communication between many employees and management. It is a typical case of "us" versus "them."

6. While the Personnel Code gives the CAO the final word in the nepotism matter, the director of personnel did not fully use the power of her office, as mandated, to insist on a proper solution to the problem of nepotism in the department.

7. The Grand Jury does not believe the assessor resides in Nevada County as required by state law. Such may constitute a vacancy in his office as stated in Government Code Section 1770 (e).

RECOMMENDATIONS

1. The time actually spent in the office by full-time elected officials is a serious matter, and the Grand Jury takes the position that excessive absenteeism is a violation of the public's expectation. Elected officials should keep some form of documentation to identify actual time worked in the office. The Grand Jury recommends that the Board Of Supervisors reassess the salaries of all elected officials before passing the next annual Authorized Personnel Resolution.

2. The Grand Jury recommends that the CAO apply county Personnel Code provisions regarding nepotism as clearly and unambiguously as they were intended to be. The nepotism section of the personnel code should be revised by the Board of Supervisors to make it clear that arbitrary interpretations are not intended or acceptable. The Grand Jury does not believe it is the married couple who are derelict in this instance, but rather senior managers who made the decision to keep them in their same positions.

3. Any change in organizational authority should be communicated to all affected personnel in writing. To function in an organization, employees must be able to understand the authority under which they work.

4. The Grand Jury found that employees of the county are dedicated and deserve to be treated with respect. The Grand Jury recommends that the director of personnel review the policies, rules, and work practices, as they are applied in the Assessor's Office, and make appropriate changes. A schedule for the review should be submitted to the Grand Jury with the response to this report.

5. The Board of Supervisors should make it clear to all department heads, elected or appointed, that the director of personnel has the primary responsibility and authority in personnel matters. The director of personnel should take charge of all employee-management issues at the earliest possible time to ensure that all employee rights are upheld, and the means to do so should be made available by the Board of Supervisors.
6. The Board of Supervisors should investigate the present residence of the assessor and take appropriate action as required by Government Code Section 1770 (e).

REQUIRED RESPONSES

County Assessor
Due August 30, 1998

Personnel Director
Due August 30, 1998

County Admin. Officer
Due August 30, 1998

Board of Supervisors
Due September 30, 1998