



13001 GARDEN GROVE BOULEVARD
GARDEN GROVE, CALIFORNIA 92843-2102
PHONE: (714) 971-2421 • (949) 654-2421

FAX: (714) 971-3940
E-MAIL: ocvcd@ocvcd.org
WEB SITE: www.ocvcd.org

August 24, 2006

BOARD OF TRUSTEES - 2006
PRESIDENT
DAVID M. SWERDLIN
VICE-PRESIDENT
ROSEMARY DUGARD
SECRETARY
AL ETHANS

ALISO VIEJO
KARL P. WARKOMSKI
ANAHEIM
HARRY SIDHU
BREA
ROY MOORE
BUENA PARK
JIM DOW
COSTA MESA
CHARLES GLEASON
CYPRESS
SANDRA MONTEZ
DANA POINT
WAYNE RAYFIELD
FOUNTAIN VALLEY
CHERYL BROTHERS
FULLERTON
DON BANKHEAD
GARDEN GROVE
DR. SHELDON S. SINGER
HUNTINGTON BEACH
DR. PETER GREEN
IRVINE
ROSEMARY DUGARD
LAGUNA BEACH
TONI ISEMAN
LAGUNA HILLS
NATALIE "LEE" KLEIN
LAGUNA NIGUEL
MARC W. WINER
LAGUNA WOODS
DR. ROBERT BOUER
LA HABRA
JAMES GOMEZ
LAKE FOREST
JEAN D. JAMBON
LA PALMA
LARRY A. HERMAN
LOS ALAMITOS
ALICE JEMPSA
MISSION VIEJO
GAIL REAVIS
NEWPORT BEACH
DR. VIRGINIA L. BARRETT
ORANGE
VACANT
PLACENTIA
CONSTANCE UNDERHILL
RANCHO SANTA MARGARITA
GARY THOMPSON
SAN CLEMENTE
JOE ANDERSON
SAN JUAN CAPISTRANO
DAVID M. SWERDLIN
SANTA ANA
FRED S. BELLA
SEAL BEACH
MICHAEL LEVITT
STANTON
AL ETHANS
TUSTIN
TRACY WORLEY HAGEN
VILLA PARK
BOB FAUTEUX
WESTMINSTER
FRANK FRY, JR.
YORBA LINDA
JIM WINDER
COUNTY OF ORANGE
R. PAUL WEBB
DISTRICT MANAGER
GERARD GOEDHART

The Honorable Nancy Wieben Stock
Presiding Judge
Orange County Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Subject: Response to FY 2005/06 Orange County Grand Jury Report,
"Orange County Vector Control District - Out of Control?"

Dear Judge Wieben Stock:

Per the request of the Grand Jury, and in accordance with Penal Code 933.05, enclosed please find the Orange County Vector Control District response to the subject report as approved by the Board of Trustees.

If you have any questions, please contact Gerard Goedhart, District Manager, at the Vector Control District headquarters office at (714) 971-2421. He will assist you or direct you to the appropriate individual for further information.

Very truly yours,

David M. Swerdlin
President, Board of Trustees

RHF/DMS/vb

cc: John Penn, Foreman, 2006-07 Orange County Grand Jury
Attachment

"An Independent Special District Serving Orange County Since 1947"

The mission of the Orange County Vector Control District is to provide the citizens of Orange County with the highest level of protection from vectors and vector-borne diseases.

FY 2005-06 Grand Jury Report
“Orange County Vector Control District - Out of Control?”
Response to Findings

Response to Findings 6.1 – 6.4

- 6.1 Benefit assessment: The OCVCD justified the additional \$4.2 million benefit assessment in FY 2004-2005 in part by an estimated cost of \$3.4 million to pay for the assessment election and the Red Imported Fire Ant Program. The Grand Jury estimates that this cost will be \$2.1 million lower in FY 2005-2006, yet the assessment was reduced by only \$100,000.

Response: Disagree partially with the finding.

The Mosquito, Fire Ant and Disease Control (District No.2) assessment has been reduced each year from its initiation in FY 2004-05. The FY 2004-05 rate was the maximum allowable, \$5.42 per single family equivalent, declining to \$5.30 for FY 2005-06, and to \$5.25 for FY 2006-07.

The Board of Trustees annually reviews all benefit assessment operating costs to determine the assessment rates for the Orange County Vector Control District Surveillance and Control Assessment District (District No.1) and for District No.2. The Trustees are committed to continue to lower the assessment rates as long as all the District’s operational programs are adequately funded to carry out its vector control mission with the best level of management possible.

- 6.2 Compensation: Total compensation (salary plus benefits) increased by an average of 22% in the two years following the benefit assessment increase for the 31 full-time employees who were on the payroll at that time. Compared with employees of other large vector control agencies serving urban populations, OCVCD employee’s salary caps exceed or are near the top for every position.

Response: Disagree partially with the finding

Notwithstanding a number of factual discrepancies in the report, the Board of Trustees will continue to consider the appropriate staff salary structure for the District based on data from other vector control agencies, as well as factoring in local employment conditions.

- 6.3 Employee Morale: Despite the large compensation increases, employee morale has been negatively impacted by management actions including questionable uses of public funds and alleged interference with union activities.

Response: Disagree with the finding.

The District continues to monitor and maintain the morale of its employees through regularly scheduled meetings with its employees as a group and with individual meetings with various managers. It is the policy of the District to maintain an open door policy where all employees are allowed free access to management.

The report includes a number of District sponsored activities benefiting employees. Many of these activities are common with similar activities by other agencies. The Board is keenly aware of the appearance of misusing government funds for personal purposes. In all cases where the District is involved with sponsoring employee activities, the benefits from improved employee morale and the improvement in employee and management communications continues to be of primary consideration. The Board will strictly monitor the costs for recreation and employees meetings where District funds are provided.

The complaint by the California School Employees Association (CSEA) to the Public Employment Relations Board (PERB) referred to in the report was amicably resolved in July 2006 with all involved parties.

- 6.4 Pension Increase: The Board first voted for then against a large pension increase in its October and November 2005 meetings based on incomplete information on the financial implications.

Response: Disagree partially with the finding.

The sequence of actions concerning the consideration of the pension plan enhancement is correct. As part of the required CalPERS approval process, the issue was brought back to the Board in November for final approval. The initial October approval was reversed with Board consensus that more study was required.

FY 2005-06 Grand Jury Report
“Orange County Vector Control District - Out of Control?”
Response to Recommendations

Response to Recommendations 7.1 – 7.4

- 7.1 Serving the public interest: To meet its responsibility to serve the public interest, the Board of Trustees should consider (1) determining why the budget process for 2005-2006 resulted in a continuation of the high benefit assessment, (2) taking remedial action to significantly reduce the benefit assessment, and (3) sharply curtailing further increases in employee compensation (see findings 6.1, 6.2 and 6.4.)

Response:

- (1) The recommendation has been implemented.

The District serves the public interest by allocating resources based on the public health risks facing the residents of Orange County. Please refer to the response to Finding 6.1 addressing the allocation of resources to the Mosquito, Fire Ant and Diseases Control (District 2) and the determination for the annual benefit assessment.

- (2) The recommendation has been implemented.

The benefit assessment for FY 2006-07 has been reduced. Based upon ongoing service level experience, future year assessments will be determined based on a rigorous evaluation of costs to support adequate levels of vector control in the District's service areas.

- (3) The recommendation has been implemented.

- 7.2 Questionable use of public funds: In keeping with Article XVI of the California Constitution which prohibits gifts of public resources, the Board of Trustees should consider reviewing questionable uses of public funds and direct management to make necessary changes in procedures regarding the acceptance of gifts. (See Finding 6.3.)

Response: The recommendation has been implemented.

- 7.3 Low Employee Morale: The Board should consider investigating cause of low morale and take any necessary actions to improve morale. (See Finding 6.3.)

Response: The recommendation has been implemented.

- 7.4 Governance Structure: The Board should consider changes to its governance structure, including a reduction in the size of the Board from its current 35 to a number more in line with other special districts or a merger of OCVCD with a county agency such as the Department of Health or the Resources Development and Management Department. (See Findings 6.1 through 6.4.)

Response: The recommendation is not accepted.

The size of the Orange County Vector Control District Board of Trustees is a state legislative issue that involves the desires of the cities concerning the District's governance structure.

The Board recognizes that a large governing body presents an appearance that the District does not have the ability to focus adequate attention on service operations. However, the District's current organization uses member committees to review and oversee specific management areas. It is the conclusion of the Board that these committees are adequately functioning in providing adequate oversight to the Trustees, through the Board's Executive Committee, for the District's operational areas.