



PLACER COUNTY GRAND JURY

Transfer of Dewitt Center Enterprise Funds and Its Impact on Citizens

June 26, 2015

Transfer of DeWitt Center Enterprise Funds and Its Impact on Citizens

Summary

This report traces the paper trail that culminated in the transfer of the reserves in the DeWitt Enterprise Funds into a new Placer County Government Center Internal Services Fund (PCGC-ISF). It also asks the county executives to consider using this new fund as a potential source of the funding of the mandated relocation costs of the non-profit corporation, Seniors First, from the DeWitt Center to a new location in North Auburn. The report also questions the designation of this new fund for the exclusive use of the county for the needs of the DeWitt Government campus.

Background

Recommendation 1 of the 2013–2014 Grand Jury report asked that *“Placer County consider the use of monies from the DeWitt Center Enterprise Funds to offset the cost of relocation of Seniors First as the funds source is monies derived from leases and rental of space at the DeWitt Center. Because the proposed lease with Costco will generate significant income to the County for the next 50 years, this relocation support is warranted”*.

Facility Services responded: *“The Department disagrees with this Recommendation. As noted, the DeWitt Center Enterprise Fund no longer exists and its fund reserves were intended for use for improvements to benefit all of the occupants at the Government Center. The County has assisted the Seniors First relocation by identifying available properties in the local market, the forgiveness of their last months rent, and connection with the Probation Department who is now providing meal preparation for Seniors First”*.

In anticipation of the Costco lease, the Multipurpose Senior Center, Seniors First, and other for-profit and not-for-profit businesses were notified that their current leases would not be renewed in 2015.

The 2014–2015 Grand Jury found that the use of the new PCGC-ISF is similar to the use of the DeWitt Center Enterprise funds; whose reserves were transferred to the PCGC-ISF account.

The County Executive Officer (CEO) has the discretion to use monies in the PCGC-ISF account for uses outside of the DeWitt Government Center upkeep and development.

Investigation Methods

- Conducted interviews
- Reviewed the e-mail paper trail regarding the transfer of the Enterprise Funds to the PCGC- ISF
- Reviewed budget comments

Facts

- On May 21, 2014, The Placer County Department of Facility Services notified Seniors First, by mail, that its lease for office space at Building No. 312A/B at the DeWitt Government Center would expire on December 31, 2014, and they would not be able to exercise a renewal option for the premises. The reason for the renewal denial was that the Seniors First location was part of the footprint for a lease agreement that was being negotiated with Costco.
- Several other non-profit occupants of lease space within the Costco footprint, including the Multipurpose Senior Center and the Dewitt Theater operated by the non-profit Music & More were given similar notices.
- Seniors First abided by the Facility Services notification and found a location suitable for their relocation to 12183 Locksley Lane, Suite 205, in North Auburn.
- In October of 2014, Seniors First accomplished its relocation with the help of approximately \$50,000 worth of goods and services obtained through donations. However, the final out-of-pocket cost for the relocation to Seniors First was approximately \$29,000.
- Seniors First submitted a letter to the Placer County CEO's office requesting reimbursement for their out-of-pocket relocation costs.

- Seniors First has not received a decision from the CEO as of this writing.
- The 2013-2014 Grand Jury recommended use of the DeWitt Center Enterprise Fund to offset Seniors First relocation costs.
- DeWitt Center Enterprise Funds were transferred to a new PCGC-ISF as part of the 2014–2015 budget process. The process to transfer those funds was ongoing prior to the release of the 2013–2014 Grand Jury report.
- In early 2015, Costco terminated its negotiations with the county.
- While Seniors First relocated, the Multipurpose Senior Center and Music & More have not relocated despite the county’s notification letter.

Findings

The Grand Jury found that:

- F1. Seniors First provides Placer County senior and disabled citizens with the following services at no or reduced costs for the following services:
- Assisted Living Placement
 - Door-to-Door Rides for shut-in citizens for medical/dental appointments, food shopping, and other out-of-home appointments
 - Friendly Visitor Program for shut-ins
 - Senior nutrition at senior cafes throughout the county
 - Health Express for hospital needs
 - Handy Person Program assist for home repairs
 - Information and referrals to other programs serving disabled and senior residents
- F2. Seniors First contracts for funding with the California Area 4 Agency on Aging and other Community Foundations. They also solicit donations and hold fundraisers. A majority of their services are offered free of charge to the citizens they serve. This population consists primarily of persons who are disabled, or seniors in need. Many are shut-ins without other family in the area or families unable to provide for their needs. These clients have little political advocacy or presence in the county.
- F3. Seniors First relocated from their offices at the DeWitt Center due to the cancellation of their lease. In absorbing the costs of the relocation, they have \$29,000 less to spend

serving seniors, including the disabled and shut-ins. Additionally, their monthly rental payments have increased from \$708.92 to \$1,129.80 a month at their new location.

- F4. The reclassification of the DeWitt Center Enterprise funds to the PCGC-ISF does not obviate the recommendation of the 2013-2014 Grand Jury that these funds might be used to offset the costs of relocation for Seniors First.
- F5. Placer County Officials indicated that the revenues from the DeWitt Government Center are dedicated exclusively to the county government offices. All income derived from external leases on the DeWitt Government Center Campus (Home Depot, as an example) are earmarked for DeWitt Government Center growth, maintenance, and building needs.
- F6. The Grand Jury views county government and the Board of Supervisors as stewards of the DeWitt Government Center for the people of Placer County. The income earned through management of that asset may be used in any manner at their discretion.

Recommendations

The Grand Jury recommends that:

- R1. Income generated by the DeWitt Government Center be considered to be available to the people of Placer County and not just dedicated to DeWitt Government Center needs.
- R2. Placer County considers reimbursing Seniors First for their out-of pocket costs (\$29,000) expended in their forced relocation.

Request for Responses:

	<u>Recommendations Requiring Response</u>	<u>Response Due Date</u>
Ms. Mary Dietrich Placer County Director of Facility Services 11476 C Ave, Auburn CA 95603	R1, R2	August 24, 2015
Placer County Board of Supervisors 175 Fulweiler Ave. Auburn, CA 95603	R1, R2	September 22, 2015

Copies Sent to:

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Seniors First
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