

# **ARE YOU GETTING WHAT YOU PAY FOR?**

## **A Report on the Board of Supervisors Travel Policy**

June 7, 2007

### **SUMMARY**

Over the last year and half, considerable discussion has taken place among the Board of Supervisors (BOS) regarding various areas of their expense and compensation budget. The most obvious, and receiving the most attention, is the BOS "Travel & Meal Policy". Mendocino County also has a standardized "Travel & Meal Policy" for all County employees. County employees are not allowed reimbursement for commute-to-work mileage; Supervisors receive mileage payment for driving from home-to-work at the County Administration Center on Low Gap Road, or other locations involving official County business.

The 2006/2007 Mendocino County Grand Jury found that Supervisors travel varying distances to work. Claims for unreimbursable meetings, functions/events, and miles not actually driven, have occurred due to the failure of at least two Supervisors to adhere to the BOS travel policy.

In the case of one Supervisor, an incorrect application of the BOS "Travel & Meal Policy" §A(2)(d), resulted in fictitious commute miles being claimed and paid by the County. The amount of money wrongly paid is estimated to be in the thousands. This Supervisor has acknowledged overpayment. The Grand Jury expects these funds will be recovered.

### **BACKGROUND**

While conducting other investigations the Grand Jury became aware of certain faulty interpretations and alleged misuses of the BOS Travel Policy.

It is important to point out that the allocation for 2005/2006 BOS operations (Budget Unit 1010) was \$43,502; the actual amount spent was \$49,205. For 2006/2007 the allocation was increased by approximately \$100,000 in two steps: the first for \$30,000; and the second for \$70,000, shown as Special Departmental Expenses. It was this substantial increase in the BOS budget that prompted the Grand Jury to pursue an investigation of the Supervisors' expense records.

The Travel Policy sections which the Grand Jury believes have been violated are as follows (travel policy attached):

- Section A(2)(d): "Supervisors with meetings "back-to-back" may elect to stay over night rather than drive back and forth and will be reimbursed not to exceed the mileage rate that would have been charged for travel."

# ARE YOU GETTING WHAT YOU PAY FOR?

## A Report on the Board of Supervisors Travel Policy

June 7, 2007

---

- Section A(3): "Attendance at social and other meetings, which the member would attend regardless of his/her Supervisory position, are not reimbursable. Attendance at retirement or similar functions will not be reimbursed unless the Board has requested a member to attend as their representative."
- Section B(5): "Board members will be reimbursed for official travel to functions or organizations of which the County or an individual Supervisor is an official member. If a Board member wishes reimbursement for meetings for which he or the County is not a member, said reimbursement would have to be determined by a majority vote of the Board of Supervisors."

### **METHODS**

The Grand Jury interviewed County elected officials, management, and staff. It obtained, reviewed, and compared proposed and actual budgets, expense reports, and travel claim forms for all Supervisors serving between July 2005 and January 2007.

### **FINDINGS**

1. The BOS is paid commute mileage to and from their principal residences.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

2. All Supervisors defined the term "reimbursement" as being repaid money previously spent.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

3. All Supervisors indicated that they clearly understood the meaning of Travel Policy §A(2)(d).

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

4. The Grand Jury found claims for reimbursement in the following areas:

- Cell phones;
- Telephone and long distance charges;
- Internet service;
- Newspapers;
- Travel (in-county only).

## ARE YOU GETTING WHAT YOU PAY FOR?

A Report on the Board of Supervisors Travel Policy

June 7, 2007

---

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

5. As many as three BOS members said they commute to Ukiah two to three times a week.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

6. All BOS members are allocated \$144.96 monthly stipend for use of their personal vehicle in addition to 48.5¢ per mile for driving to work and approved County functions. County reimbursed commute mileage charges range from \$100-\$1,000+ per month per supervisor.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

7. Supervisors also receive a stipend of \$25.00 per month for "County road inspection".

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

8. The Grand Jury heard testimony from two Supervisors that "driving to all meetings", regardless of the meeting's purpose, qualifies for a valid mileage claim.

**Response (Auditor-Controller):**

The Auditor disagrees wholly or partially with the Finding. I don't disagree that the Grand Jury determined the finding, but I disagree with the concept noted in the finding. Supervisors should only be reimbursed for mileage incurred for official County business.

9. Testimony revealed that some Supervisors have a casual and loosely defined understanding of what is considered to be "official County business", resulting in substantive travel policy abuse.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I have no direct knowledge of the testimony heard.

10. Two Supervisors believe that any special event, which could include social functions, is considered to be County business and therefore billable to the County.

## ARE YOU GETTING WHAT YOU PAY FOR?

A Report on the Board of Supervisors Travel Policy

June 7, 2007

---

**Response (Auditor-Controller):**

The Auditor disagrees wholly or partially with the Finding. I don't disagree that the Grand Jury determined the finding, but I disagree with the concept noted in the finding. Supervisors should only be reimbursed for mileage incurred for official County business.

11. Three Supervisors stated they do not charge mileage when attending special events and/or social occasions.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I have no direct knowledge of the testimony heard.

12. Three Supervisors said official weekend meetings are rare.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I have no direct knowledge of the testimony heard.

13. A sample of in-County travel reports for a period of 26 weeks, 1/1/2006 to 6/30/2006, showed the following:

- Two Supervisors had 0 weekend travel days.
- One Supervisor had 1 weekend travel day.
- One Supervisor had 5 weekend travel days.
- One Supervisor had 20 weekend travel days.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I have no direct knowledge of the testimony heard.

14. Four Supervisors believe they should only be paid for mileage they have driven on County business.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I have no direct knowledge of the testimony heard, but I do agree with the concept.

15. According to testimony relative to travel policy §A(2)(d), four Supervisors believe that if no actual miles are driven and no expense is incurred for lodging then no reimbursement is due.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I have no direct knowledge of the testimony heard. I do agree with the concept.

## ARE YOU GETTING WHAT YOU PAY FOR?

### A Report on the Board of Supervisors Travel Policy

June 7, 2007

---

16. Current mileage reimbursement is 48.5¢ per mile and is also the maximum rate the IRS currently allows.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

17. Three Supervisors stated that the current mileage reimbursement rate is adequate and two supervisors felt the current mileage rate was not adequate.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I have no direct knowledge of the testimony heard.

18. The Clerk of the Board processes and authorizes all BOS reimbursement claims and forwards them to the Auditor's Office for payment.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

19. The Clerk of the Board is directly subordinate to the BOS and is an at-will employee. This is the only case in the County where a subordinate is vested with the power to authorize personal expenses submitted by a superior.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

20. The Auditor's Office requires a lodging receipt to determine the lesser cost to the County, when making a claim under §A(2)(d).

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

21. The Grand Jury found that in filling out in-County travel forms, most Supervisors did not consistently indicate destination, agency involved, and purpose of meeting.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I do not have direct knowledge of the testimony heard in its entirety.

22. Individual Supervisors defined "official County business" as ranging from casual conversations with a constituent to scheduled business meetings with government agencies.

## ARE YOU GETTING WHAT YOU PAY FOR?

### A Report on the Board of Supervisors Travel Policy

June 7, 2007

---

**Response (Auditor-Controller):**

The Auditor disagrees wholly or partially with the Finding. I don't disagree that the Grand Jury determined the finding, but I disagree with the concept noted in the finding. Supervisors should only be reimbursed for mileage incurred for official County business. No reimbursement claim should be made for 'casual conversations with constituents.'

23. Discussion of the BOS travel policy/budget has been described as controversial and difficult for the Supervisors.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

24. The Grand Jury heard testimony that two Supervisors would prefer a stipend in lieu of in-County mileage; an acceptable stipend policy would also be difficult to formulate.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I do not have direct knowledge of the testimony heard in its entirety.

25. A stipend is fully taxable and will bring increased payroll taxes and retirement (8%) costs to both the County and Supervisors. In return, each Supervisor would receive a larger retirement and Social Security benefit.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

26. All BOS members have access to County-issued credit cards.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

27. BOS travel claim form (Form No. A/C - 06) is required to be signed, certifying that "under penalty of perjury that the within claim and the items as therein set out are true and correct."

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

28. Some Supervisors incorrectly applied the BOS "Travel & Meal Policy". Examples include:

- Staying at a private residence in Ukiah while charging for round trips from home to Ukiah;
- Signing the travel claim form when such non-existent trips were listed;

## **ARE YOU GETTING WHAT YOU PAY FOR?**

A Report on the Board of Supervisors Travel Policy

June 7, 2007

---

- Using travel claims for non-existent trips to offset other expenses incurred as a Supervisor;
- Collecting travel money for attending political and social functions;
- Claiming non-supported travel on weekends.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I do not have direct knowledge of the testimony heard in its entirety.

29. There is an average of 22 working days in each month of the year.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

## ARE YOU GETTING WHAT YOU PAY FOR?

### A Report on the Board of Supervisors Travel Policy

June 7, 2007

---

30. In the month of June 2006, a Supervisor claimed 22 round trips between their residence and Ukiah.

**Response (Auditor-Controller):**

The Auditor neither agrees nor disagrees with the finding. I do not have direct knowledge of the testimony heard in its entirety.

31. The State Statute used by Grand Juries for recovering monies due the County is California Penal Code §932.

**Response (Auditor-Controller):**

The Auditor agrees with the finding.

### **RECOMMENDATIONS**

The Grand Jury recommends that:

1. the BOS "Travel & Meal Policy" be amended to require receipts be attached to the claim form. (Findings 3, 20)

**Response (Auditor-Controller):**

This recommendation will be presented to the Board for inclusion in the current Board Reimbursement Policy by September 30, 2007.

2. BOS policies be amended to require a recorded vote granting Supervisors permission to attend special events and other functions not considered to be official County business. (Findings 2-3, 8-14)

**Response (Auditor-Controller):**

This recommendation will not be implemented as written. The Auditor will provide additional language to clarify and delineate permissible reimbursable activities in the definition of "official County business" contained in the current Board Reimbursement Policy for Board review by September 30, 2007.

3. Supervisors submit all BOS authorized travel and other reimbursement claims directly to the County Auditor, rather than the Clerk of the Board office, for final approval. (Findings 18-19, 21-22, 27-28)

**Response (Auditor-Controller):**

This recommendation will be implemented by September 30, 2007.

4. any/all Supervisors that misinterpreted BOS travel policy revise these previous travel claims and return all over-payments to the County. (Findings 3, 8-13, 15, 21-22, 27-31)



# **ARE YOU GETTING WHAT YOU PAY FOR?**

A Report on the Board of Supervisors Travel Policy

June 7, 2007

---

## **Response (Auditor-Controller):**

The Auditor supports implementation of this recommendation by September 30, 2007.

5. the Auditor's Office require that the purpose of "County business mileage" claimed is clearly stated on the form. (Findings 9, 21-22, 27-28)

## **Response (Auditor-Controller):**

This recommendation will be implemented by September 30, 2007.

## **COMMENTS**

The BOS should consider removing the "paid commute miles to work" feature now in current travel policy. This unusual perk is not given to other County employees and is certainly not given to the average citizen who commutes to work daily. The BOS should consider replacing all in-County mileage charges, commute miles included, with a flat mileage stipend similar to what is given other elected officials, department heads, and the CEO. The \$145 "vehicle stipend" and the \$25 "road inspection" fee, should be folded into the flat mileage stipend. Eliminating the "commute to work" feature would remove the need for a separate travel policy for BOS members. This egalitarian gesture would be well received by both the public and County employees.

## **RESPONSE REQUIRED**

Mendocino County Board of Supervisors  
(All Findings; All Recommendations)

Mendocino County Chief Executive Office  
(All Findings; All Recommendations)

## **RESPONSE REQUESTED**

Mendocino County Auditor-Controllers Office  
(All Findings; All Recommendations)