CITIES AND JOINT POWERS COMMITTEE

MISSION STATEMENT

The Cities and Joint Powers Committee of the 2011-2012 Kern County Grand Jury has the responsibility to inquire and report upon the operations of the 11 incorporated cities within the County. The Committee’s power to investigate and publicly report helps promote transparency of these cities. It directs attention to issues related to the public welfare and judicious use of taxes paid by the residents of the County. In addition, the Joint Powers Agreements and Memorandums of Understanding come under investigation of said Committee.

CITIES AND JOINT POWERS COMMITTEE MEMBERS:

Ray Thurm, Chair
Diana Aronson
Patricia Golembefskie
CITIES AND JOINT POWERS COMMITTEE

SUMMARY OF ACTIVITIES

The Cities and Joint Powers Committee has written and published the following reports:

- City of Shafter
- City of Arvin
- Shafter Intermodal Rail Facility
- City of Tehachapi
- California City
- City of Bakersfield
- City of Taft
- City of McFarland
- City of Wasco

The Cities and Joint Powers Committee handled nine complaints.

The total of investigative miles traveled by the Committee: 1149 miles
CITY OF ARVIN

PURPOSE OF INQUIRY:
The Cities and Joint Powers Committee (Committee) met with the City Manager of the City of Arvin (City) on October 26, 2011, to inquire into the status of the City pursuant to California Penal Code §925(a). The meeting was held at City Hall, located at 200 Campus Drive, Arvin, CA, 93203.

BACKGROUND/FACTS:

A. The City of Arvin is located approximately 15 miles southeast of Bakersfield. The actual City limits encompass less than five square miles.

B. The City’s population is approximately 18,600—increasing to approximately 21,000 in the summer with the influx of migrant workers.

C. The current City Manager has been in place for four months. The City Manager has experience as the Development Director in Sanger, California, which may prove beneficial to the City.

D. In June of 2011 the City was facing a $500,000 deficit. The deficit was reduced through stringent cutbacks to $200,000, with future cutbacks necessary to balance the budget.

E. Animal control is under the jurisdiction of the City’s Police Department.

FINDINGS:

F1. The City of Arvin has two unions: SEIU and APOA. The three Department Heads (Chief of Police, Finance Director, and Planning Director), by resolution, are another bargaining group.

F2. The City Manager met with the three bargaining groups to obtain a solution to the budget deficit. They were not able to agree on any wage cutbacks or furloughs to meet the impending deficit.

F3. The City Manager formulated two proposals for layoffs, which have been rejected by the City Council.

F4. The City of Arvin rents out the following City facilities to the public:

- Arvin Veteran’s Hall
- Adobe Plaza Suite Y
- Smothermon Soccer Building
- Smothermon Pavilion
F5. There are three possible tenants to move into the area between two local convenience stores on Bear Mountain Blvd. Unfortunately, infrastructure problems were found:

- The sewer trunk line is missing between Comanche and Campus Drives.
- The storm drains and sewer lines need to be renovated.
- The water lines are either insufficient or non-existent in that area.

The City may have to turn the future tenants away.

F6. The City of Arvin Services consist of:

- Animal Control – Arvin Police Dept. – 200 Campus Dr., Arvin, CA. 93203
- Building and Planning – 141 Plumtree Dr., Arvin, CA. 93203
- Finance – City Hall – 200 Campus Dr., Arvin, CA. 93203
- Public Works – City Hall – 200 Campus Dr., Arvin, CA. 93203
- Recycling and Refuse – Mountain Side Disposal – 8665 S. Union Ave., Bakersfield, CA. 93307
- Wastewater Treatment Plant – Veolia Water – 2401 El Camino Real, Arvin, CA. 93203
- The Arvin Police Activities League – 800 Walnut, Arvin, CA. 93203

F7. The expansion of the Wastewater Treatment Plant is 30% complete. However, the expansion has been stopped due to budget constraints. In 2005, the City entered into a 30-year contract with Veolia Inc. for operations and financial cost of improvements of the wastewater treatment plant.

**Note:** There are negotiations to split the contract into two parts so that the City may obtain grant funding to complete the expansion.

F8. The City has an in-house grant writer and consults with California Consulting Co. to assist in grant writing.

F9. There is a disaster plan in effect through the Police Department.

F10. The City has eight capital projects. The City is able to fund six of the projects this year (88 cents on the dollar funded by Federal Grants, with a 12 cent obligation from the City). One of the projects may be deferred, and the remaining project may go unfunded.

**COMMENTS:**

The City Manager has been in the position for four months. It was noted by the Committee that the City Manager is motivated to balance the budget and take the City into the future in a positive direction.
RECOMMENDATIONS: NONE

NOTES:

- The City of Arvin should post a copy of this report where it will be available for public review.

- Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED
CITY OF BAKERSFIELD

PREFACE:
The City of Bakersfield (City) is the County Seat for Kern County. It is located in the Southern San Joaquin Valley between Los Angeles and Fresno and is known for both the oil industry and agriculture. It was named in 1869 after a large land owner and farmer, Thomas Baker, and incorporated in 1874. The City was chartered in 1915. The City has more than doubled its population in the last 20 years. In 1989 the population was 161,670 and it was 347,483 in 2010.

PURPOSE OF INQUIRY:
The Cities and Joint Powers Committee (Committee) of the 2011-2012 Kern County Grand Jury visited the City on Monday, December 12, 2011, to inquire into the operations and management of the City pursuant to California Penal Code §925a.

PROCESS:
The Committee met at the City Hall, located at 1600 Truxtun Avenue, Bakersfield, CA, 93301. Present were the City Manager, Assistant City Manager, and an Administrative Analyst.

FACTS:
Bakersfield is one of two charter cities in Kern County. The Mayor is serving a third term and has recently announced plans to run for an unprecedented fourth term. The City Council consists of seven members.

A. Twelve years ago the City began charging Traffic Impact Fees in an attempt to have new developments pay their “fair share” of growth impact to streets. In 2009 the fees were increased based on growth analysis. The increase was challenged in court and the City prevailed.

B. There are no proposed increases in water rates, refuse fees, or sewer connection fees. There is a proposed 2.5% increase for both residential and commercial sewer fee rates.

C. The City Council has voted against High Speed Rail due to the exorbitant cost.

FINDINGS:
The proposed budget for 2011 and 2012 is conservative. There were no cutbacks on the current budget and the City has lost 17% of staff due to previous budget cutbacks. The City hopes to restore lost positions as early as next year.

F1. Two City Council members have recently pushed to have the Traffic Impact Fees to new developments sharply reduced or eliminated. This could have a
detrimental effect on roadwork projects, such as the Westside Parkway and Rosedale Highway widening.

F2. The City Council has taken the first step to be the successor of the dissolved Bakersfield Redevelopment Agency (RDA). The City Council has listed “enforceable obligations” (loans, bonds and other debts). The City Council will request the portion of taxes that have been going to the RDA from Kern County. Twenty-one million dollars have been transferred from the RDA to the County to pay the enforceable obligations. A $30 million payment is due June 30, 2012. The total debt for the Agency is $118 million.

F3. The State of California reduced funding for the Housing and Community Development and HOME Programs after the budget was prepared. Redevelopment projects will continue to move forward, however, cutbacks may affect various projects. Some of the current redevelopment projects affected are:

- Mill Creek
- Chester Avenue
- Marriott Hotel
- Rabobank Arena

F4. The Thomas Roads Improvement Program (TRIP) is ongoing. The City has $735 million in grant monies for street improvements from this program. Matching monies are required from the City. The City gains money to pay for road improvements via traffic impact fees. There are several projects in progress with the TRIP program. The Committee was advised that the Highway 58 extension to the Mohawk Interchange is probably the last project that will be completed with TRIP grant money.

F5. New home construction in the City has declined due to a downturn in the housing market and the large number of short sales, foreclosures, and auctions.

RECOMMENDATIONS:  NONE

NOTES:

- The City of Bakersfield should post a copy of this report where it will be available for public review.
- Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED
CALIFORNIA CITY

PREFACE:

California City (City) was incorporated in 1965 with a City Council-Manager form of government and a population of 617. The City is located in the Mojave Desert in eastern Kern County, approximately 60 miles southeast of Bakersfield and 35 miles north of Lancaster. The City is one mile north of Edwards Air Force Base and seven miles northeast of Mojave and the Mojave Airport/Spaceport. The City boundaries encompass approximately 204 square miles (130,200 acres) with more than 51,000 privately owned lots. Reno, Nevada boasts it is the biggest little city in Nevada, and California City is the third largest city in the state of California in land mass.

PURPOSE OF INQUIRY:

The Cities and Joint Powers Committee (Committee) visited the City on November 3, 2011, pursuant to California Penal Code §925a. The Committee met with the City Manager, Fire Chief, Police Chief, City Clerk, Redevelopment Manager, Parks and Recreation Manager, Finance Chief and other staff. At the conclusion of the meeting, the City Manager took the Committee on a brief tour of the City.

The Committee revisited the City on January 19, 2012, met with the City Manager, and toured the Police Evidence Room.

The Committee visited the City again on February 7, 2012, and interviewed several people in relation to this inquiry.

BACKGROUND/FACTS:

A. The City is within a 30 minute commute to seven major employers:
   - Corrections Corporation of America (CCA). Located within City limits, CCA is a 2,600 bed private prison with 500 employees. Built in 1999 the prison housed Federal prisoners under a ten year contract. That contract has ended and a new contract has been entered into with the U.S. Marshalls Service. Currently having 100 employees, plans are to increase the staff to 330. The City gains 50 cents per prisoner per day from the contract.
   - Rio Tinto Mining
   - NASA
   - Edwards Air Force Base
   - Mojave Spaceport
   - Golden Queen Mine
   - Wind and Solar Industries
B. The City provides full service; fire-paramedics, and police. All firefighters in the City are paramedics.

C. A new Police Chief was hired January 2011 from within ranks of the Police Department. The previous Police Chief retired.

D. Schools in the City are within the Mojave Unified School District. The new High School located in the City graduated its first class in 2011. The new high school has more than 700 students enrolled. Students were previously bussed to Mojave.

E. The Police Department includes a Desert Incident Response Team (DIRT) under the direction of the Chief of Police. DIRT is comprised of police officers, reserve police officers and Community Service Officers (CSO).

F. The City maintains an off highway vehicle (OHV) facility, headquartered at Borax Bill Park. This has become a “mecca” for OHV.
   - OHV grants have forecasted revenues of approximately $600,000 this year.
   - To date, Borax Bill fees for the fiscal year are approximately $67,000.

FINDINGS:

F1. The Police Department does not maintain a detailed general ledger or other basic accounting system sufficient to track the activities of the DIRT monies collected at Borax Bill Recreational Area. The Committee requested a copy of four months of bookkeeping documentation and was given an Excel spreadsheet that accounted for monies collected (November 2011 – February 2012). The spreadsheet was not specific, did not have details, and itemization was lacking. It was further noted that the month of November was not included in the paperwork, although specifically requested.

F2. A complaint of nepotism in the Police Department was brought to the attention of the Committee and investigated. The new Police Chief's spouse was formerly assigned to the Police Department, and is now a subordinate of the Fire Chief. This position remains suspect, as the spouse works in the Evidence Room, which is traditionally managed by the Police Department and is located in the Police Department building. The Evidence Room is now combined as a “Police/Fire” Evidence Room, and is under the administration of the Fire Chief. The Fire Chief’s office is located in the Police Department building. No wrongdoing has been determined in this supervisor/subordinate arrangement. Although unusual, it is not nepotistic in nature.

F3. A complaint that the Police Evidence Room was unkempt and mismanaged could not be verified. The Committee toured the Evidence Room on January 19, 2012, and found that it was neat and orderly. Information was later given that employees had worked several days to dispose of adjudicated evidence and cleaned the evidence room prior to the Committee’s inspections.
F4. There are no major employers in the City except the City and CCA, and no major shopping areas or box stores in the City. Major shopping is done outside of the community.

F5. Measure A did not pass with a 2/3 majority in November although a simple majority was reached. Measure A would have been a replacement to the expiring tax (June 30, 2012), which is $100 per year. Measure A would have increased the taxes with 100% of the revenues funded to the Police/Fire Departments. A second tax measure is on the ballot for March 2012. The City hopes this measure is successful, and has reported that volunteers are seeking votes door-to-door.

F6. The City infrastructure is aging. Water, roads and buildings are deteriorating in the City. The City plans to repair 13 miles of roads this year, but these roads are only the major arteries to the community. There is no infrastructure at Highway 14 to attract new growth, such as stores and gas stations.

F7. There is some new growth in the City:
   - Family Dollar, an 8,400 to 8,600 square foot building
   - Best Western Motel/Hotel
   - Kern Community Outreach
   - Cerro Coso Community College
   - Senior housing – 78 units in four tracts. Three tracts are complete and the fourth is in construction. There are also six single-family dwellings for seniors.
   - AT&T is building a 32,000 square foot Regional Center

F8. The Fire Department is developing a Community Emergency Response Team (CERT). In times of crisis, the community would be able to take care of itself.

F9. Plans are in place to provide growth at the airport. The airport includes an RV park, restaurant, various businesses, and a 6,000-foot runway that can handle small jets. An expansion will allow access to the taxiway for airplanes to/from the businesses.

F10. There are approximately 260 vacant homes in the City. A California City Ordinance provides for the maintenance of homes that are unoccupied.

COMMENTS:

The Committee visited the City on several occasions and was afforded every measure of courtesy by its employees.
RECOMMENDATIONS:

R1. The City should require all receipts for monies received for the DIRT program. This will assist the implementation of internal controls designed to prevent, detect, and correct fraud, waste, and abuse.

R2. Continued attention should be directed to prevent any future question of nepotism within the City and/or Police Department.

R3. Management and organization of the Police/Fire Evidence Room should be maintained and audited on an annual basis.

R4. In the future, plans to separate the Evidence Room back to the Police Department should be considered.

NOTES:

• The City of California City should post a copy of this report where it will be available for public review.

• Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

• Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
May 3rd, 2012

Presiding Judge  
Kern County Superior Court  
1415 Truxtun Avenue, 2nd Floor  
Bakersfield, CA 93301

RE: The Cities and Joint Powers Committee Recommendations

Honorable Michael G. Bush,

The following is our response to the Cities and Joint Powers Committee report release to the public on March 13, 2012.

R1. The City should require all receipts for monies received for the DIRT program. This will assist the implementation of internal controls designed to prevent, detect, and correct fraud, waste, and abuse.

The DIRT Volunteers and paid personnel have been trained for the new procedures. The new control system has been in the works over the past year to improve the tracking of funds collected at Borax Bill Park. They include:

- Imprinted numbering of receipts
- 2-Party signature of daily receipts collected (Already implemented)
- Supervisor’s signature upon verifying daily receipts (Already implemented)
- City accounting department verify account balance of monthly total receipts (Already implemented)
- City include account with annual audit (Already implemented)
- The City is pursuing the ability to eliminate all cash handling at the remote site by installing a kiosk that will handle all future transactions. The City is engaging EZ Card & Kiosk on a six month trial to validate the effectiveness of such a program.
R2. Continued attentions should be directed to prevent any future question of nepotism within the City and/or Police Department.

The City addresses this issue within the Personnel Manual as an unacceptable practice and will continue to ensure oversight is provided by all supervisors so a perceived perception does not occur in the future.

R3. Management and organization of the Police/Fire Evidence Room should be maintained and audited on an annual basis.

The City’s evidence room is supervised by a Police Corporal. Fire Department uses the evidence room to secure arson-related evidence and shares responsibility with the Police Department by assigning a trained evidence technician to work with the Police Corporal. Audits will be conducted on annual basis.

R4. In the future, plans to separate the Evidence Room back to the Police Department should be considered.

Due to staffing shortages, the Police Department was unable to hire someone to perform the evidence room duties. The City’s Special Tax measure, which was passed on March 6, 2012, will allow the Police Department to send additional Police personnel to get trained to perform this assignment.

We value the recommendations that have been made and the relationship established with the Cities and Joint Powers Committee during their visits. Please contact me at 760-373-7170 if you have any questions in regards to this response.

Respectfully Submitted,

[Signature]

Tom Weil
City Manager

CC: Foreman
Kern County Grand Jury
1415 Truxtun Avenue, Suite 600
Bakersfield, CA 93301
CITY OF DELANO

PREFACE:
The City of Delano, California (adjacent to Highway 99, one of California’s primary northern and southern arteries), lies in northwest Kern County. Delano was established in 1873 as a railroad town. The name of the community was provided by the Southern Pacific Railroad in tribute to Columbus Delano, the Secretary of the Interior of the United States at that time. Delano claims to have Kern County’s second highest population with 55,000. Delano has long been known as an “International Community”, due to the multiple origins of its citizens who are bound by a strong work ethic. Delano agriculture includes grapes, almonds, and citrus.

PURPOSE OF INQUIRY:
The Cities and Joint Powers Committee (Committee) of the 2011-2012 Kern County Grand Jury visited the City of Delano (City) on April 5, 2012, pursuant to California Penal Code §925a. The visit was held at City Hall, located at 1022 12th Avenue, Delano, California, 93216. The Committee met with the City’s Manager (CM), Finance Officer, Engineer, Police Chief, and other staff. The current CM was hired as temporary in July 2011, becoming permanent one month later. The City was last visited by the Kern County Grand Jury in 2008.

FACTS:

A. The City is moving forward with the Rosa Redevelopment Project, which includes the Woollomes Industrial Project on 44 acres. Plans include a Super Wal-Mart—with the City paying for infrastructure and a bridge. Wal-Mart will finance the rest of the center.

B. The City is continuing, under State of California (State) direction, with two large areas of Redevelopment—the Westside Industrial Park and Garces Park. Both projects are currently on hold. Ongoing bonds are being paid off and current grants are being written to finish these projects.

C. Paramount Production Plant in Delano manufactures boxes and employs 80-100 people.

D. Additional new commercial developments include: Family General, a 99¢ Store, Sonic, and DaVita Dialysis.

E. Plans for growth in the southwest area include a new Police Station. It will be 34,000 square feet and cost approximately $17,000,000. It will house all bureaus of the Police Department in the same building, except Animal Control. The new Police Department will also have an Emergency Operations Center (EOC). The new facility will be located at 2300 High Street, on the old Kmart site. A second EOC will be located at the Armory.
F. A new community center with a gym is being built (State funded) at a former child care facility.

G. The City contracts with the Kern County Fire Department for fire protection.

H. The City owns and operates a golf course; however, the City would like to lease or sell the golf course. The City is currently reviewing two bids—one from Kern County and a second bid from a private party.

I. The City has a skate park within Cecil Avenue Park. It hosts one skateboarding tournament per year.

J. The City has its own School Districts:
   - Delano Union Elementary School District (K–8)
   - Delano Joint Union High School District—which includes three high schools, one alternative school, and one continuation school

K. Bakersfield College has a satellite campus located in the City.

L. The City has had problems with arsenic in the water. In the past, nine out of eleven wells were non-compliant.

M. Ten years ago the City’s Waste Water Treatment Plant (WWTP) was non-compliant. The new $30,000,000 WWTP is now complete and the City was in compliance last year. Payment for this project has begun, and 75% of the debt will be paid by an Environmental Impact Fee. $1,750,000 annually will be paid by doubling sewer rates.

FINDINGS:

F1. A new $20,000,000 water project is in progress, which includes drilling seven new wells and treating the four remaining wells. The funding is provided by customer fees.

F2. The State has mandated that all water meters be replaced. This project is unfunded and will cost the City approximately $3,000,000. The City has a grant that will require a 50% match and is applying for additional grants. This project will be implemented over the next three years.

F3. Discrepancies have been discovered on approximately 500 water accounts. Some were vacant properties, some were not properly billed, and less than 5% of all accounts in the City (about 200) did not have an actual account. Amounts not paid will be divided and added to monthly statements.

F4. It was noted that on the day the Committee visited, the Bakersfield Californian reported that Delano has had the strongest recovery rate in Kern County since the recession began.
COMMENTS:
The Committee thanks the management of Delano for the hospitality that was given during the visit.

RECOMMENDATIONS: NONE

NOTES:
- The City of Delano should post a copy of this report where it will be available for public review.
- Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED
May 24, 2012

Kern County Grand Jury
C/o The Honorable Presiding Judge
Kern County Superior Court
1415 Truxtun Avenue, 2nd Floor
Bakersfield, CA 93301


Dear Honorable Judge:

The City of Delano appreciates the report provided following the Cities and Joint Powers Committee visit on April 5, 2012. The report does not have any recommendations and it does not deem a response. This correspondence serves as the City’s request to make two corrections.

**Correction #1**

*Paragraph Purpose of Inquiry:* The visit was held at City Hall, 1015 11th Avenue and not 1022 12th Avenue as stated.

**Correction #2**

*Paragraph Facts:* The city is moving forward with the Delano Market Place Project and not the Rosa Redevelopment Project as stated.

Respectfully Submitted,

[Signature]
Maribel Reyna
City Manager

Cc: Grand Jury Foreman
CITY OF MARICOPA

PREFACE:

Maricopa is the name applied by a Pima Indian Tribe to a neighboring tribe of Uymas inhabiting the Gila River Valley in Southern Arizona. How the name reached California is unknown, but it was given to the oil-booming community when a station on the Sunset Western Railroad was established there in 1903. Real growth occurred in Maricopa with the Lakeview Gusher in 1910, the first oil discovered in Kern County and in the nation. The City of Maricopa was incorporated in 1911. During its heyday there were as many as 30,000 residents. The current population of Maricopa is less than 1,200 residents.

PURPOSE OF INQUIRY:

The Cities and Joint Powers Committee (Committee) of the 2011-2012 Kern County Grand Jury visited the City of Maricopa (City) on May 1, 2012 pursuant to California Penal Code §925a. City Hall is located at 400 California Street, Maricopa, CA 93252.

PROCESS:

The Committee met with the Interim City Manager and the City’s consultant. The consultant is a retired City Manager that has been assisting the City since July 2011. In preparation for the meeting the Committee reviewed past Kern County Grand Jury final reports, gathered information from the internet, and read newspaper articles relating to the City.

FACTS:

A. The City has two paid employees.
B. The City has entered into a contract with the Kern County Sheriff’s Department for law enforcement.
C. The City no longer handles trash collection/disposal for its residents. It has entered into a contract that is more cost effective and efficient with an outside vendor. The City collects a franchise fee from the vendor.
D. Animal Control is handled by Kern County Animal Control.
E. By “geographic happenstance” the City is not near any major highways. Most of its residents are retired or involved in the nearby oil industry. Many of the people that work in the oil fields commute from Taft or Bakersfield.
F. There are no medical services in the City.
FINDINGS:

F1. Recent Grand Jury reports indicated that the City was generating funds for its Police Department with traffic enforcement. The City no longer has a Police Department and has no need for contracted towing services.

F2. The City now operates on a fund accounting system. Past practices of the City resulted in a large deficit. The new City Council is educating itself on proper management of the City. There is a 60% reduction to the deficit.

F3. The City has a $125,000 deficit in the sewer fund. The sewer system in the City is inadequate and needs upgrading.

F4. The sewer rates in the City have remained the same for many years. Upgrading the system will require an increase in rates.

F5. The City has paid $55,000 to the Kern County Fire Department in overdue fees.

F6. The City has paid its debt, ($117,000) to the Local Agency Investment Fund – Proposition B.

F7. The City is a “work import community” with many of the oil field employees commuting from Taft, Bakersfield or other communities. These larger communities can offer better services and shopping opportunities.

COMMENTS:

Past Grand Jury final reports were instrumental in showing that many of the problems in the City of Maricopa were self generated by inadequate and inconsistent management. The Committee hopes that the City will strive to reverse its reputation with positive fiscal responsibility.

RECOMMENDATIONS: NONE

NOTES:

• The City of Maricopa should post a copy of this report where it will be available for public review.

• Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

• Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED
CITY OF McFARLAND

PREFACE:
The Cities and Joint Powers Committee (Committee) of the 2011-2012 Kern County Grand Jury visited McFarland (City) on March 8, 2012. The visit was held at the City Hall, located at 401 W. Kern Avenue, McFarland, CA, 93250. Also present was the City Manager (CM), Planning Director, Public Works Director, and the Chief of Police. The visit was conducted pursuant to California Penal Code §925a.

BACKGROUND/FACTS:
McFarland is a growing city in the North West side of Kern County. The City is approximately 2.6 square miles, with a population of 12,694. The current CM took office on June 20, 2011. Recognizing the city was in need of administrative and physical improvements, the CM began with hiring new department heads, including: Assistant City Manager, Planning Director, Chief of Police, Grant Writer, and Finance Director.

A. The City Hall is not large enough to accommodate the needs of the City Staff, the Police Department, and the City Council. City Hall is being remodeled to house the City Staff and the Police Department, with separate entrances for each. Monitoring cameras have been installed.

B. The Community Center, when completed, will house the City Council.

C. The Planning Director is in charge of dismantling the City’s Redevelopment Agency (RDA). The RDA was only in place for three years, had no money to transfer or pay back, and no employees were cut.

D. The McFarland Police Department (PD) was re-established in January 2010. The current Police Chief is the third to be hired since the re-establishment. The goals of the Chief include:
   - Development of positive attitudes of the Officers.
   - Reorganization of the PD. The new staff includes: The Chief of Police, two sergeants, one administrative assistant, one detective, one school resource officer, one animal control officer, one patrol/traffic officer, two dedicated patrol officers, twelve reserve officers, six police volunteers, two K-9 Units, and eighteen police explorers (who are members of Post 919 of the Boy Scouts).

E. More than $40,000 a year was spent to maintain and repair the old police vehicles. All vehicles with over 100,000 miles were replaced with 2010 Dodge Chargers. The PD also purchased a 2004 Ford Expedition and acquired a 2006 GMC 1500 (extended cab pickup) for traffic enforcement. All of the vehicles are now equipped with “Data 911” computers. The computers have
“Eyewitness Video Cameras” to assist with evidentiary enhancements and risk management, providing mobile computer-aided dispatch.

F. The PD has installed security cameras that run on a 30-day storage capability.

G. Other enacted programs are: “Raids Online” (www.raidsonline.com), the Special Enforcement And K-9 (SEAK-9) Program, Police Explorers, a Bicycle Patrol Team, the Street Interdiction Team (SIT), and a School Resource Officer.

H. The PD is participating with Kern “Avoid”, a specially trained group of Kern County law enforcement officers working together on DUI enforcement.

I. The PD is responsible for animal control.

FINDINGS:

In July 2011 the City’s budget had a $721,000 deficit. By mid-year 2012 there was a surplus of $100,000. The CM has taken precautionary steps to ensure that the City remains fiscally sound:

F1. City Council meetings were increased from once to twice a month. The first meeting is for business and the second meeting is for training.

F2. Updated budgets and financial statements are provided at the first meeting of each month.

F3. A new policy and procedures manual has been adopted. This includes a Purchase Order (PO) system, a bidding policy, a new list of requirements for services (statement of qualifications), and a revised towing policy contract.

F4. Sewer rates were evaluated and lowered by $2.00 per month and the CM has permission to lower the rates by $6.00 per month, based on analysis of audit.

F5. There have been over $4,000,000 in grants secured for the “East Side”. Plans include:

- A new water well drilled and tied into Loop system of wells to provide water to East side. NOTE: Any new wells will have generators to ensure continuous service.

- Shutting down two older wells.

- Repairing a sewer line under the highway in April 2012. NOTE: The sewer pipe will be lined with a product that, once in place, will become hard as steel.

F6. The City is publishing a quarterly newsletter to be delivered to all citizens.

F7. The City is working together with other local agencies to apply for grants.

F8. The City added three new positions: Planning Director, Grant Writer/Administrator, and Finance Officer.
F9. The City staff was restructured with a separation of duties, checks and balances. Procedures were implemented with a monthly report to the City Council.

COMMENTS:

The City of McFarland has made positive improvements in the past eight months. The new management and city employees are motivated to make this city the best it can be, with continued improvements in all departments. The Committee thanks the CM and staff for the wealth of information provided.

RECOMMENDATIONS: NONE

NOTES:

- The City of McFarland should post a copy of this report where it will be available for public review.

- Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED
CITY OF RIDGECREST

PREFACE:

The City of Ridgecrest (City) is located in the southern portion of the Indian Wells Valley in the Mojave Desert and in the northeast corner of Kern County. It is approximately 120 miles from the County seat of Bakersfield and 82 miles from the Lancaster/Palmdale area. The City considers itself a hidden community in a nearly remote location with clean air that offers unimpeded views of the night sky. Adjacent to the China Lake Naval Air Weapons Station (NAWS), the City has grown into a support community of the Navy by providing housing and services for Federal employees and contractors. The City was incorporated in 1963.

PURPOSE OF INQUIRY:

The Cities and Joint Powers Committee (Committee) of the 2011-2012 Kern County Grand Jury visited the City of Ridgecrest on March 20, 2012, pursuant to California Penal Code §925a. City Hall is located at 100 W. California Avenue, Ridgecrest, CA 93555. Present at the meeting were the City Manager, Public Services Director and City Clerk.

FACTS:

A. The loss of the Redevelopment Agency (RDA) in the City in the middle of the fiscal year created a major fiscal impact upon the City.
   - The City previously had a large RDA.
   - The loss of the RDA created a $946,000 loss in funds for 2011-2012.

B. The City lost 17% of its workforce with more employees facing lay-offs in the future.

C. Ridgecrest Police Department (PD) lost seven positions (38 to 31) since 2001.
   - Three positions in the PD that were funded by the RDA are in jeopardy of elimination.
   - The PD is working on a COPPS grant to provide two officer positions. The PD applied for the grant last year and failed to get approval. The City hopes to obtain the grant this year.

D. The PD has a holding facility with three cells. One of the cells has special floors to provide a safe environment for prisoner detoxification. All prisoners are booked at Kern County Sheriff’s Department.
FINDINGS:

F1. The radio system for the PD has been revamped from VHF to a UHF system.
   - The new system allows inter-agency “talk” between California Highway Patrol, California City Police Department, etc, and the PD.
   - The new radio system was funded by three grants.

F2. The property room in the PD was clean and neat. The PD is trying to obtain new keyless property lockers. At present, officers book evidence into lockers and give the key to the evidence technician.

F3. The City was not satisfied with the services of the trash collection company located in Tehachapi and entered into a contract with Waste Management Company.
   - The recycling needs of the City were not met by the previous trash collection company, which resulted in fines from the State.
   - The new trash disposal providers increased services and decreased the costs to the individual homeowners.
   - The City now has a recycling incentive for customers and “can size” incentive for seniors.
   - The City is in litigation concerning the trash contract with its former trash collection company.

F4. The Indian Wells Valley Water District has a new director. The water district changed the rate structure to prevent future losses in revenue. There is a $10 surcharge for arsenic treatment.

F5. There is a Measure on the November ballot (Measure L) to increase the sales tax to 8%.

F6. The Unions and the City were in contract negotiations at the time of the Committee’s visit.

F7. The City has plans for a Wal-Mart Supercenter across the street from the existing Wal-Mart. There are some issues with flood plain and the threatened Mohave squirrel (spermophilus mohavensis).

F8. The Ridgecrest Regional Hospital has recently renovated the outpatient/urgent care facility, including a Women’s Health Center.

F9. Sierra Sands Unified School District recently gained a Department of Defense Grant to build a technology center at Burroughs High School. This grant will upgrade the campus which has a capacity of 7,000 students. There are currently less than 6,000 students attending school at Burroughs.

F10. Much of the region between Carson City (Nevada) and Barstow (California) has limited and insufficient broadband middle-mile capabilities. The Digital 395
Middle Mile Project is building a new 583-mile fiber network that mainly follows U.S. Highway 395. The City plans to avail itself of this part of the Federal Stimulus package to improve internet and phone services in the area.

F11. The City has 262 miles of paved roadways. The Committee found that many of the streets were in disrepair with noticeable deterioration.

COMMENTS:
The Committee thanks the staff of the City of Ridgecrest for its informative input for this report.

RECOMMENDATION:
R1. The City should seek grant funding and/or other means to repair the infrastructure and roadways.

NOTES:
- The City of Ridgecrest should post a copy of this report where it will be available for public review.
- Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:

PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA  93301

cc:  FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA  93301
September 27, 2012

Ms. Lynn Runyan, Forman
2012-13 Kern County Grand Jury
Suite 600
1415 Truxtun Avenue
Bakersfield, California 93301

Subject: Response to the Findings and Recommendations of the City of Ridgecrest 2011-12 Grand Jury Report

Dear Ms. Runyan,

The purpose of this letter is to respond to the referenced sections of the subject report. After reviewing the report the City generally agrees with both the findings and the recommendation. However, with respect to the recommendation, it must be stated that the City diligently seeks grant funding for much needed street maintenance. In fact, the City is the recipient of RSTP, FTIP, CMAQ, HSIP and Proposition 1B funding. Several miles of major street maintenance was performed utilizing these funding sources this year. Unfortunately, the available funds for street maintenance are insufficient compared to the funds needed. The last PMS study indicated that the funding amount required to address the City’s street maintenance needs would exceed $120 million. That amount of funding is simply not available through grant programs. As you may be aware, the City is not alone in funding infrastructure needs. The ASCE/APWA infrastructure report card (copy attached) indicates that California’s transportation infrastructure can only be given a ‘C-’ due to lack of funding. Subsequently, funding is a serious issue statewide. Consequently, the City will continue to pursue all available sources of street funding. Therefore, the City agrees with your recommendation with the noted reservations.

The City extends its appreciation to the Grand Jury for the opportunity to respond to the report.

Sincerely,


Dennis Speer
Interim City Manager

Cc: Honorable Michael G. Bush
1415 Truxtun Avenue
Bakersfield, California 93301
Aviation
The State of California is experiencing massive growth with a projected population increase of 10,000,000 by the year 2026. Significant aviation investments must be made in new and expanded facilities to accommodate the increased traffic. The state must continue to invest in the development of new airport facilities to meet the needs of the growing population.

Levees / Flood Control
The construction of levees and flood control systems is a critical component of infrastructure planning. These systems help prevent flooding and protect property and infrastructure from the effects of natural disasters.

Ports
The Port of San Francisco is a major hub for trade and commerce. Significant investment is needed to improve port facilities and enhance the port’s capacity to handle increased shipping volumes.

Solid Waste
Solid waste management is a critical component of infrastructure planning. Significant investment is needed to improve waste management facilities and enhance the capacity to handle increased waste generation.

Transportation
Transportation is a critical component of infrastructure planning. Significant investment is needed to improve road networks, highways, and other transportation infrastructure to enhance efficiency and safety.

Urban Runoff
Urban runoff is a significant environmental issue that requires investment in stormwater management systems to reduce pollution and improve water quality.

Wastewater
Wastewater management is a critical component of infrastructure planning. Significant investment is needed to improve wastewater treatment facilities and enhance the capacity to handle increased wastewater generation.

Water
Water resources are a critical component of infrastructure planning. Significant investment is needed to improve water supply and distribution systems and enhance the capacity to handle increased water demand.
CITY OF SHAFTER

PURPOSE:
The Cities and Joint Powers Committee (Committee), with other 2011-2012 Kern County Grand Jury members, visited the City of Shafter (City) on September 12, 2011, to inquire into the operations and management of the City pursuant to Penal Code §925(a).

PROCESS:
Members of the Committee met with the City Manager and Assistant City Manager. The City’s office is located at 336 Pacific Avenue, Shafter, CA, 93263.

BACKGROUND:
The City is located 18 miles northwest of Bakersfield in a rural area of the Southern San Joaquin Valley. The City covers approximately 21 square miles and has a population of approximately 18,000. Incorporated in 1938, the City became one of the two Charter Cities in Kern County in 1995. The Burlington Northern/Santa Fe Railroad lines run through the City, and the Union Pacific/Southern Pacific Railroad lines are located near the eastern border of the City.

The Charter City provision of the California Constitution, commonly referred to as the “home rule” provision, is based on the principle that a city (rather than the state) is in the best position to know its needs and how to satisfy those needs. A Charter maximizes local control for the betterment of the community. The focus of the Charter City is to run the City with a positive business plan.

FACTS:
A. The City is not bound by general law for municipal matters and is able to accept bids for projects from non-union contractors.
B. The prevailing wage is not applicable in the City.
C. The City maintains a diversely invested general fund and a reserve fund that is larger than any other individual city’s reserve fund in the County of Kern.

FINDINGS:
F1. The City Council and City Manager are successfully implementing a positive and balanced business plan for the City.
F2. To keep the focus on long term goals for the City, the City Council developed a Visions 2011 Committee, consisting of four main groups:
   • Downtown
   • Economic Development
• Education
• Recreation

F3. The City is maintaining financial stability in difficult economic times.

F4. The City is involved with additional projects for the betterment of the community:
  • The Intermodal Project
  • The Schools Project
  • Heavy Maintenance Station Project

F5. The City has adequate reserves in the General Fund to provide the capital necessary to avoid deficit spending.

F6. The positive business model for the City is to develop a diversified and sustainable economy built around manufacturing and service.

COMMENTS:
The Committee commends the City for its vision of the future for its citizens. In these difficult economic times it is refreshing to see a City thriving.

RECOMMENDATIONS:
None

NOTES:
• The City of Shafter should post a copy of this report where it will be available for public review.
• Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.
• Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED
CITY OF TAFT

PURPOSE OF INQUIRY:

The Cities and Joint Powers Committee (Committee) of the 2011-2012 Kern County Grand Jury met with the City Manager of Taft on January 30, 2012, pursuant to California Penal Code §925a. The Committee has not visited the City of Taft (City) since 2010. After a brief discussion, the City Manager conducted a tour of the City for the Committee.

BACKGROUND:

The City was founded as an oil town in the early 1900’s and was previously called Moron. The town was a stopping point of the railroad, named by the railroad. The City was incorporated on November 7, 1910, and is now approximately 32 square miles.

FACTS:

A. The City has a General Plan in place. The City General Plan encompasses 91 square miles and includes the Maricopa Sun Project—solar farms to generate clean alternate energy.

B. A local farmer has spent $250,000 of personal funds to build infrastructure for an industrial park in the City.

C. The City is in mediation with Service Employees International Union (SEIU).

D. Fire Service is provided by Kern County Fire Department at a cost of $1 million annually (as opposed to having the City provide its own Fire Department service).

E. Law enforcement is provided by Taft Police Department. The Taft Community Correctional Facility adjacent to the Police Department is currently closed.

F. The City has 1,878 acres zoned for residential use on the west side. The City expects to have 3,500 units built on the site, both single family dwellings and condominiums.

G. The City has a $3.5 million grant to implement the Fifth Street Plaza, which is the location of the Oil Workers Monument. The project will include a gazebo, picnic areas, water features and a two acre amphitheater.

FINDINGS:

F1. The City Hall and all of its properties, except the Correctional Facility, have solar energy panels in place for energy needs. The City estimates a $1.8 million savings over a 20-year period. The solar panels at the City Hall are on top of
the parking lot (carports), presenting an additional benefit of shelter for employee’s vehicles.

F2. The Federal wastewater treatment plant uses solar power, and the City estimates that within two weeks of the Committee’s visit, the City wastewater treatment plant would also have functioning solar panels. The effluent from the wastewater treatment plant is used to grow alfalfa hay.

F3. The City plans to take effluent from Sandy Creek to grow trees in the future.

F4. A multi-million dollar transit center is being built on the corner of Center Street and Third Street in the City. This will be the main transfer station for local buses. A park and ride site next to the transit station will provide residents a place to park when ridesharing.

F5. Taft Community College is recognized for its Dental Assistant Program. Recently the new Virtual Library and the new Administration Building were opened at the College. A $110 million bond funded the project. Taft Community College has recently begun a program to assist persons with special needs in their transition to independent living. Specially equipped dorms are available for these students while learning skills needed to live independently. This program is being replicated globally.

F6. The City is working to obtain a $2.3 million grant for a 20-space truck plaza across from the West Kern Junction Shopping Center. The project will be built on a two-acre parcel near Sandy Creek and will include a retaining wall along its banks to protect the creek. The facility will enable trucks to hook up to air conditioning units, electricity and Wi-Fi, and will have bathrooms and showers. The truck plaza will be close to shopping and dining areas and will allow a safe quiet place for trucks to be in compliance with new emission laws.

F7. The City has been working for the past four years to obtain grant funding from the Economic Development Administration to fund infrastructure.

F8. The Sunset Rail Project is moving forward. The 47 acre site purchased from Union Pacific Railroad is a $1.6 million project. The City has selected a master developer and has eight different development projects either in place or in negotiations. These developments include two restaurants, a hotel and a 20,000 square foot mixed use building.

COMMENTS:

The City Manager indicated at the time of the Committee’s visit that a good working relationship existed with the City Council. The Committee recently learned that the City Manager has left the City.
RECOMMENDATIONS: NONE

NOTES:

- The City of Taft should post a copy of this report where it will be available for public review.
- Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED
CITY OF TEHACHAPI

PURPOSE OF INQUIRY:

The Cities and Joint Powers Committee (Committee) of the 2011-2012 Kern County Grand Jury visited the City of Tehachapi (City) on November 29, 2011, to inquire into the operations and management of the City pursuant to California Penal Code §925a.

PROCESS:

The Committee met at City Hall, located at 115 South Robinson Street, Tehachapi, CA 93561. Present were the City Manager, Airport Manager, Community Development Manager, Finance Director, Utility Manager and Public Works Director. The Police Chief was on vacation. The Committee had previously sent questions prior to the meeting and the managers and staff were on hand to discuss the questions.

BACKGROUND/FACTS:

Located in the Tehachapi Mountains approximately 45 miles east-southeast of Bakersfield, the City has a population of approximately 14,000. The surrounding communities of Bear Valley Springs, Stallion Springs, Golden Hills, Oak Knolls, and Cummings Valley bring the mountain community population to approximately 36,000. The California Correctional Institution has between 4,800 and 5,000 inmates that are also included in the population count. These communities are not within city limits; however, their residents help support the small businesses within. The City has a $17,400,000 General Fund budget and projects a $2,500,000 General Fund cash balance on hand at the end of the fiscal year.

A. The Tehachapi Municipal Airport currently has one runway and two taxiways. There is a privately owned glider port located near Highline Blvd. that is outside of the City limits.

B. The City is globally known for the famous Tehachapi Loop, an engineering marvel. Approximately sixty trains travel through the City daily, which has double track through downtown. One business (Chemtool) currently uses a spur rail line for transportation of their product.

C. The City employees are not unionized. The City and its employees have a positive relationship.

D. City employees write grants, thus providing additional revenues.

FINDINGS:

F1. A capital project for lighting and landscaping the downtown area is ongoing.
F2. Airport plans include runway and taxiway improvements ($150,000). A state of the art weather station is currently operating at the airport.

F3. The City has a philosophy of “pay as we go.” The General Fund experienced a $750,000 positive variance at the close of the last fiscal year budget. Having infrastructure in place is positive when trying to recruit new businesses to the area. Investors looking for a place to build, look for a community with a positive business plan. The City has a five-year budget in place.

F4. Zoning has been set up with separate geographical areas for housing, industrial, and commercial.

F5. Plans for a Super Wal-Mart are currently on hold due to litigation. The City hopes that the pending litigation will be positive for Wal-Mart. Residents will then have a wider shopping base locally, including the existing Kmart and Home Depot.

F6. While expanding the number of box stores in the business community, the City hopes to retain and add local small businesses. City tax revenues reflect this belief and have consistently increased every quarter in 2011.

F7. Many residents of the City are retired and/or commute to jobs in other communities such as Bakersfield, Edward’s Air Force Base, and Mojave Spaceport.

F8. The City contracts their trash collection to Benz Sanitation, a local business. There is no franchise fee. Benz pays the City 6.5% of its revenues to cover administrative costs associated with the City handling certain accounting services.

F9. The City has its own wastewater treatment plant built in 1992. Plans are in place for $5 million in improvements. $2.3 million is funded through a principal forgiveness loan, and the remainder funded by the City by financing a low interest loan through the State Revolving Fund. The grants took more than two years to write and obtain funding. The City collects connection fees, which are held in a separate account for future growth.

F10. The City utilizes wells for all potable water, and participates in water banking. In 2008, a $2.8 million upgrade for water storage was completed. Three new wells dug in 2006 doubled the water capacity. New connection fees are in a separate account to help supplement the balance of the costs not covered by the grant for the upgrade.

F11. The City Police Department operates in a 4,000 square foot building, which is cramped and inadequate for the space required. There is a $500,000 fund in place to expand the building, but the expansion may cost significantly more. A new site for the Police Department may be necessary.

F12. The City disbanded its part-time Fire Department in 2007 and contracted a five-year agreement with the Kern County Fire Department for fire service.
F13. The City has a mile long Class 1 bike path and several Class 2 bike lanes. It is in the process of creating a bike master plan, and is collaborating with the County on a bike project along Antelope Run.

F14. The City has a dedicated disaster plan and utilizes the Emergency Operations Center from the City Hall building. Plans are in place to expand with a larger building, dedicated for Emergency Operations.

COMMENTS:
The Committee was impressed by the professionalism and dedication shown by the City Manager and Department Heads during the Committee’s visit. Cooperative teamwork was evident.

RECOMMENDATIONS:
R1. The Committee recommends that a new site for the Police Department be studied.

NOTES:
- The City of Tehachapi should post a copy of this report where it will be available for public review.
- Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

RESPONSE REQUIRED WITHIN 90 DAYS TO:
PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, 2ND FLOOR
BAKERSFIELD, CA 93301

cc: FOREMAN
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301
May 30, 2012

Foreman
Kern County Grand Jury
1415 Truxtun Avenue, Suite 600
Bakersfield, CA 93301

To Whom it May Concern:

Please accept this letter in response to the report by the 2011-2012 Kern County Grand Jury, relating to the City of Tehachapi.

The City of Tehachapi agrees with the recommendation included in the report, and has already studied and selected a new site for the Police Department.

Should you have any additional questions, please do not hesitate to contact me.

Best Regards,

Greg Garrett
City Manager
CITY OF WASCO

PURPOSE OF INQUIRY:
The Cities and Joint Powers Committee (Committee) of the 2011-2012 Kern County Grand Jury (Grand Jury) visited the City of Wasco (City) on March 8, 2012, pursuant to California Penal Code §925a. The last visit by the Grand Jury was in 2010.

PROCESS:
The Committee reviewed past Grand Jury reports and conducted research prior to the visit. Present at the meeting were the City Manager, Assistant City Manager, and Community Development Director. The City office is located at 746 8th Street, Wasco, CA, 93280.

BACKGROUND:
The name “Wasco” originates from an indigenous Native American word “wacqlo”, meaning a cup or small bowl made of horn in the Wasco Indian tribe of Oregon. The City of Wasco, Oregon was named for this Native American word which referred to a cup-shaped rock near the main Wasco Native American village. The Wasco name was adopted and changed from its original name of Deweyville by the founder of the City after relocating from Oregon.

Long known as having an optimal environment for growing roses, the City of Wasco is known as the rose capital and celebrates a rose festival annually. The Wasco website states that 55% of the nation’s roses are grown in Wasco. However, Jackson & Perkins (the largest grower of roses in the country) sold its fields in 2007, and no longer grows roses in the area. Another grower filed bankruptcy in 2010.

FACTS:
A. The City has a population of approximately 26,000 residents.
B. The City Manager has been in place for less than two years.
C. The Kern County Sheriff’s Department polices the City and has a substation located next to City Hall. The City has a good relationship with the Sheriff’s Department personnel.
D. The City utilizes the Kern County Fire Department for fire protection.
E. The City has 102 linear miles of roads. Sidewalk and curb gutter replacements are funded with “Safe Route to School” monies.
F. The unemployment rate in the City is approximately 20%, which is less than Delano and Arvin, but more than other Cities in the County. The largest
employers in the City are Sunny Gem, Wasco Unified School District, and Certis Chemical Plant.

G. The City has seven water wells and a self-charging groundwater system with plenty of good water.

FINDINGS:

F1. The City has enough money to pays its redevelopment obligations to bonds and annual payments.

F2. The Dial-A-Ride program in the City works on a demand response. Self-dispatched by two drivers, the $1.75 rate is comparable to that of other Cities. There is a low volume of ridership, although a recent spike in gas prices has increased riders. Elderly and handicapped riders are given priority on Dial-A-Ride.

F3. The infrastructure of a new subdivision in the City is in default. The City will be using recovered bond money to complete the project.

F4. The housing market is attractive in the City. Several “down payment assist” programs within the City help buyers purchase homes and obtain 30-40 year mortgages. Affordable housing is the goal of these programs.

F5. The High Speed Rail Plan would have a negative impact on local industry in the City, and the City Council has voted against the project.

RECOMMENDATIONS: NONE

NOTES:

• The City of Wasco should post a copy of this report where it will be available for public review.

• Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

• Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.

NO RESPONSE REQUIRED
SHAFTER INTERMODAL RAIL FACILITY

PREFACE:

Intermodal rail service is a form of transportation involving more than one carrier, such as rail, truck, and/or ship. Ship containers are 20 and 40 foot standardized steel boxes. Truck shipment in the United States generally uses 53 foot containers or trailers. Containers are carried by different modes of conveyance without being unpacked.

There are four major ports on the West Coast of the United States: Seattle, WA; Los Angeles/Long Beach (LA/LB), San Diego, and Oakland, CA. The port of San Diego is home to the bulk of the U.S. Navy Pacific carrier fleet, which leaves the major import/export ports of LA/LB and Oakland for the State of California. Approximately 79% of the inbound ships for California are at the port of LA/LB.

California has the ninth largest economy in the world and is dependent on trucks. A proposed “inland port” in the City of Shafter (City) with an intermodal rail service is intended as an economic driving force for both rail carriers and their customers. This would alleviate California’s high volume of truck traffic in Southern California and the air pollution that trucks produce.

PURPOSE OF INQUIRY:

Pursuant to California Penal Code §925(a), the Cities and Joint Powers Committee (Committee) of the 2011-2012 Kern County Grand Jury visited the City of Shafter on September 12, 2011, and October 13, 2011, to inquire into the development of the Shafter Intermodal Rail Facility (IRF).

PROCESS:

The Committee was able to obtain the following documentation for this report:

- Press Release – October 15, 2004, stating Alliance between Northwest Container Service and City of Shafter
- Bakersfield Californian newspaper article dated February 10, 2006 – “Shafter Plans to Build Port Extension” by Erin Waldner (ewaldner@bakersfield.com)
- Bakersfield Californian newspaper article dated February 10, 2006 – “Shafter Hopes to Develop Inland Port Status” by Eric Hsu (ehsu@bakersfield.com)
- Report on California Integrated Logistics Center, City of Shafter, October 2007
- Intermodal Facility Study, prepared by WZI, Inc., January 2008
- Economic Analysis for Shafter Logistics Center by Moffatt and Nichol, August 2009
- Shafter Grain/Intermodal Terminal Project Goals, PowerPoint presentation – given by City of Shafter to Committee on October 13, 2011
BACKGROUND:

Intermodal by definition pertains to a suitable form of transportation involving more than one carrier (i.e., truck and rail, or truck, ship, and rail). Containers are able to be carried by these different modes of conveyance without being unpacked. Presently, there is no intramodal transportation system in place within the State of California, except for trucks.

The challenge with the City, as with other potential “inland ports” throughout the United States, is that intermodal rail services become economic for both rail carriers and their customers only under a minimum level of distance and (mostly) volume. Over long distances, the economics of moving hundreds of different shipments with two-man crews can be very attractive, but short hauls typically favor the cost, service, and accountability of trucking.

The City of Shafter has implemented an IRF as a proposed solution to the combined challenge of improving transportation to/from California’s port gateways and increasing the freight mobility of agricultural exports and international goods within the State. Located just north of the intersection of 7th Standard Rd. and Santa Fe Avenue, it is approximately 13 miles northwest of downtown Bakersfield, 145 highway miles north of the Ports of LA/LB, and 255 highway miles south of the Port of Oakland.

Population growth, which is strong in the Southern San Joaquin Valley (SSJV), drives the development of retail demand as well as the warehouses and logistics infrastructure that support the movement and storage of international goods moving between ports and store shelves. Several warehouses, concentrating on the temporary storage and handling of international goods have opened along the I-5/US-99 corridor, approximately 43 miles south of Shafter in the Tejon Ranch development. These warehouses receive approximately 4,000 international containers (about 140/day) primarily trucked from the Ports of LA/LB during a typical month.

The potential development of a Midwest grain transloading center at Shafter could attract a base level of container handling and export movement that will allow shippers who wish to use intermodal services in Shafter to move their containers to/from a West Coast port by rail.

FACTS:

A. The steadiest and most important international trade in the SSJV is agricultural exports including cotton, dairy products, nuts (primarily almonds and pistachios), hay bales, and miscellaneous fruit and juice products.

B. The demand for grains worldwide is increasing. Grain trains now travel to Chicago where the grain is loaded onto special grain transport ships.
C. Shipments in 40-foot containers meet the standards of freight loaded onto container ships.

D. Intermodal transportation in the United States typically uses 53 foot containers or a piggyback system with trailers on flatbed railcars. Switching to 40 foot containers is a slow and expensive project for businesses.

**FINDINGS:**

F1. The object of the IRF is to move freight from the Port of Oakland to Shafter and other points while reducing highway congestion.

F2. Northwest Container Services entered into an alliance with the City in 2004 to combine an Inland Intermodal Center with dedicated short-haul rail logistics serving the international marine terminal (Port of Oakland).

F3. The IRF would increase import and export capacities to the State of California.

F4. It is more expensive to truck to/from the port of LA/LB due to driver demographics, highway congestion, fuel costs, and/or emission restrictions.

F5. The American Trucking Association estimates rail intermodal tonnage will grow six percent a year through 2022. Trucks alone cannot handle this growth.

F6. Emission restrictions are a hot topic as many truckers are forced to abide by the increasing restrictions and it becomes increasingly difficult to keep trucks on the road.

F7. A 16 year battle over truck drivers’ hours of service within the U.S. may cut the maximum driving time in a 14-hour workday from eleven to ten driving hours, cutting truck productivity by 10% and increasing costs at least that much.

F8. Intermodal partnerships combine the railroad’s ability to move large quantities cost-effectively over long distances coupled with the truck’s go-anywhere flexibility for pickup and delivery.

F9. J.B. Hunt and Schneider National (trucking companies) have increased the use of intermodal transport and are shifting much of their long-haul traffic onto rails.

F10. A.P. Moller-Maersk, the world’s largest ocean carrier, ordered 20 new container ships that will have the capacity to carry 18,000 TEU’s (Twenty-foot Equivalent Units). Maersk estimates that new ships will haul a container for 26% less than its largest current vessels. These vessels are due to arrive in 2013. Most North American ports will not be able to berth these new larger container ships, and they will be employed in the Asia-Europe shipping lanes.

F11. In 2010, TEU’s moving through North American ports totaled 50.7 million, triple the 1990 total.
F12. Intermodal transportation is a substantial component of North American railroad traffic, accounting for one-fifth of all U.S. rail revenue.

F13. Rail intermodal transportation is nearly four times more fuel-efficient than trucking.

F14. An “incident” in the Los Angeles area would halt truck movement, leaving air/rail as the only means of freight transportation in the L.A. Basin.

COMMENTS:

The $60 million IRF project in Shafter is near completion. Attractive aspects of the project are the security measures in place and the upgraded fiber optic cables on site. There is motivation for the City to attract distribution centers to the area. It is projected that there will be approximately 25,000 jobs produced with this project, possibly making the City the “engine” of Kern County. This project has been on-going for over a decade and has been well scrutinized by the global community. The City is on task and has not overspent to complete this project.

RECOMMENDATIONS: NONE

NOTES:

- The City of Shafter should post a copy of this report where it will be available for public review.

- Persons wishing to receive an email notification of newly released reports may sign up at www.co.kern.ca.us/grandjury, and click on: Sign up for early releases.

- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.co.kern.ca.us/grandjury.