

CITY OF MARICOPA LOTS OF PAST, ANY FUTURE?

PREFACE:

The City of Maricopa is the smallest incorporated city (population 1,154) in Kern County and has limited financial resources. It is bound by California Government Code regarding “General Law Cities” to provide certain services to its citizens including fire and police protection, solid waste (trash) removal and sanitation (sewer) service. The City contracts with Kern County for fire protection but attempts to provide the other services directly. With a crumbling infrastructure, the financial resources of the city are insufficient to cover current needs let alone retire outstanding debts. This report examines the condition of Maricopa and its future.

PURPOSE OF INQUIRY:

The Cities and Joint Powers Committee (Committee) of the 2010-2011 Kern County Grand Jury investigated the City of Maricopa (City) in response to a host of media and citizen complaints pursuant to Penal Code §925a.

PROCESS:

The Committee reviewed the minutes of the City of Maricopa City Council (Council), visited the City and interviewed many past and present city officials including the police chief, sergeant, city administrator and city clerk. Under the auspices of a Kern County Supervisor, heads of many Kern County Departments met with the Committee to discuss issues regarding the City. Multiple California Codes were studied; the County Counsel of Kern County was consulted and officials of other cities in Kern County were interviewed for background and information. The Kern Council of Governments and the Local Agency Formation Commission provided valuable input. Private citizens and professionals with special knowledge were sources much utilized.

BACKGROUND:

The City of Maricopa came into existence in the second decade of the Twentieth Century during the “Oil Boom” of the west side of Kern County. At one time the City had a population reputed to be over 20,000. In the 2010 United States Census, the population is reported as 1,154. The City has become a “bedroom community” with little commercial activity and, as a result, receives very little sales tax revenue or other revenues associated with commercial activity. The City is in debt and its financial status is precarious. The infrastructure of the City is deteriorating, especially sewage service, and the City relies on grants for improvements. During a visitation, the Committee noted many structures, both commercial and private, in a state of disrepair.

FACTS:

- A. The City has few employees.

- B. The position of City Administrator is part time.
- C. The City owes \$61,833.50 to the Kern County Fire Department for Fire Protection. The City is 3¹/₂ years in arrears.
- D. The City owes \$101,367.29 to the Local Agency Investment Fund (Prop 1B). The City borrowed money designated for streets to pay ordinary expenses.
- E. The City owes citizens \$24 per parcel for 2009-2010 refuse fees increased in violation of Prop 218 and Health and Safety Code §5473 provisions. On January 25, 2010, the Kern County Auditor-Controller informed the City in writing of the need to make refunds. Beginning in November 2010, the Committee repeatedly brought this matter to the attention of the City Administrator but, to date, no City action has occurred.
- F. The City has debts totaling approximately \$200,000.
- G. The City Administrator has borrowed from private individuals to cover payroll.
- H. The City keeps cash in an unsecured desk.
- I. Until recently, the City Attorney was not present at Council meetings and was rarely consulted by the City administration. A former City Administrator stated the City could not afford a greater use of counsel.
- J. City administrators have made unwritten agreements such as that regarding impounding vehicles without Council direction or approval.
- K. The Maricopa Police Department has been the subject of two 2010-2011 Kern County Grand Jury reports criticizing the policies, organization and competence of the Department.
- L. A contract for Federal prison labor was terminated by Federal authorities for inappropriate use of the labor force.
- M. The Committee observed a lack of organized record keeping at City Hall.

FINDINGS:

- F1. The City lacks internal controls over finances. A city audit attributes this to the small size of available staff.
- F2. Over the years, past City Administrators have misled or failed to inform the Council of the true financial state of the City and, also, the powers and duties of the Council.
- F3. The debt of the City imperils the future of the community.

- F4. The lack of legal counsel has impeded the Council from knowing its powers and duties.
- F5. As shown in Fact E, the City disregards the rights and needs of its citizens.

- F6. The volume of City ordinances is disorganized and out of date.

COMMENTS:

The habitual City practice of “borrowing” from designated purpose funds to meet ordinary City expenses exacerbates the already precarious state of the City’s finances and imperils the chances of receiving needed grants.

As distasteful as the idea may be to some citizens of Maricopa, the city no longer has the resources to maintain the status and duties of an incorporated city. Formation of a Community Service District might permit local control of/input about sanitation and sewer needs. Police protection can come from the Kern County Sheriff and traffic enforcement from The California Highway Patrol.

Disincorporation follows a vote of the citizens of a city and can create liabilities (tax liens against properties within the city limits) for the taxpayers of the city. As the debt of the city increases, the liability to taxpayers grows. The disincorporation election can be voluntary or involuntary just as bankruptcy can be voluntary or forced. A voluntary disincorporation might minimize taxpayer liability.

The assistant city clerk is commended for the great assistance given to the Committee. Her cooperation contrasts sharply with the delays and excuses from other City officials.

RECOMMENDATIONS:

- R1. The City should explore disincorporation using all possible sources of legal advice.
- R2. The City should develop a plan and priorities for debt payment.
- R3. The City should obtain means to provide security for cash.
- R4. The City should make greater use of legal counsel.
- R5. The Kern County Board of Supervisors (BOS) should instigate a staff study regarding disincorporation of the City of Maricopa, and direct the staff to report back to the BOS.

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

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

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

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**