

McFARLAND USA

SUMMARY:

The City of McFarland (City) has been plagued with financial issues for many years. The current leaders are working diligently to bring McFarland back to a fiscally sound position. The new vision for the City includes a balanced budget, a contract for fire services with the Kern County Fire Department, grants for road improvements, and the annexation of new land for needed housing and business opportunities.

PURPOSE OF INQUIRY:

Pursuant to Cal. Penal Code § 925(a), the 2020-2021 Kern County Grand Jury (Grand Jury) visited and investigated the operations and management of the City.

METHODOLOGY:

The Grand Jury conducted interviews with current City Administration and Kern County Fire Department personnel. Financial reports, previous Grand Jury reports, budgets, newspaper articles, and relevant internet sites were reviewed. The Grand Jury toured the City twice surveying the neighborhoods, businesses, condition of the roads, and met several times with City officials.

DISCUSSION OF FACTS:

In the early 1900's, an educator named James Boyd McFarland moved to the Anaheim area from Zanesville, Ohio, to try his hand at real estate and walnut farming. McFarland visited Kern County in 1907, and was impressed with the land's crop growing potential near a community called Hunt's Siding. Hunt's Siding was a small agricultural and livestock-based community that served about 50 families. McFarland bought 50 acres which is now the City of McFarland. The town was founded in 1909, and became an incorporated city in Kern County in 1957.

The City is located 25 miles north-northwest of Bakersfield and 6.5 miles south of Delano, at an elevation of 354 feet. The City grew tremendously during the Great Depression of the 1930's, however, the population tapered off during World War II.

In 1950, Highway 99, the major transportation corridor of the Central Valley, divided the town into an east side and a west side.

The population of the City was 12,707 in the 2010 census and has an estimated population of 16,240 in 2021. The population density is 4,762.7 per square mile.

McFarland Unified School District has seven public schools:

- Horizon Elementary
- Kern Avenue Elementary
- McFarland Public High School
- McFarland Independent
- McFarland Junior High
- San Joaquin High
- Browning Road STEAM (Science, Technology, Engineering, Arts, Math) Academy

All schools are teaching classes in both English and Spanish.

The McFarland High School track team put the City on the map winning a California state record of nine championships from 1987-2013. They won 25 section titles and currently hold a streak of attending the state championship meet 24 years in a row.

The City has its own McFarland City Police Department (Police Department) with 10 full-time officers, 3 full-time dispatchers, 1 part-time dispatcher, and 2 volunteers. The Police Department is a full service department with a variety of specialties and community services.

The City and the Kern County Fire Department negotiated a fire services contract for Fiscal Year (FY) 2020-2021 in the amount of \$218,849 (prorated for six months) and for the FY 2021-2022, \$446,889. The proposed fire services contract for seven years beginning FY 2022-2023 is still in negotiations. The current proposal is as follows:

- Year 1: \$568,378
- Year 2: \$725,515
- Year 3: \$882,652
- Year 4: \$1,039,789
- Year 5: \$1,196,926
- Year 6: \$1,354,063
- Year 7: \$1,511,200

Medical services are provided to the community by Adventist Health Mobile Clinics and McFarland Singh Medical Center. The nearest hospital providing emergency services to McFarland citizens is eight minutes away in the City of Delano.

McFarland Recreation, the Parks Department, and the City have been providing youth and adult programs and activities since 1976. Local parks include:

- Sherwood Park
- McFarland Park
- Browning Park
- Arturo J Munoz Park
- Jim White “Blanco” Park

Financial issues have plagued the City for years. Contributing factors include:

- Accounting practices have not been consistent due to the rapid turnover of personnel.
- The previous City Manager went missing in May 2019, and was later found deceased.
- Between May 2019 and August 2020, the city operated with three different interim city managers.
- A new City Manager was appointed August 20, 2020.
- A new mayor was appointed in March of 2020.
- The Finance Director resigned December 2020.
- The City is in the process of recruiting a Finance Director. The closing date for this recruitment was February 26, 2021.
- Audited financial reports for FY’s 2017-2018, 2018-2019, and 2019-2020 are still pending. An outside auditing firm has been contracted to complete the financial reports.

The current leaders of the City are motivated to bring McFarland into a fiscally sound position. Management is working to annex new land, south and east of Highway 99 for new housing and businesses to bring in additional revenue. Annexation was still pending with Local Agency Formation Commission (LAFCo), as of February 26, 2021. The City has written grants to repair the roads and have reached out to Kern Council of Governments, and California Department of Transportation (CALTRANS) for assistance. The City has received grant funds for many projects. Some are listed below:

- Infrastructure such as streets, sidewalks, drive approaches, street lights, and walking paths
- Software which includes a new operating system and fully automated services for residents
- Police officers and safety equipment
- Transit improvements
- Training for employees
- Housing development funds for first time homebuyers at Villa del Caribe
- Housing programs
- New wells, including treatment for water quality
- Electric vehicles and motorcycles
- Parks, including Discovery Park
- Transit services and capital improvements
- Pedestrian improvements and Kern Avenue Overpass
- Planning documents, such as the General Plan Update, Local Hazard Mitigation Plan, Master Storm Drain Plan, and many others

The City is in the process of updating their website regarding City Council functions and additional activities. The agenda does not include detailed financial information providing complete transparency. In general, the agenda lacks details as to what will be addressed at City Council meetings.

FINDINGS:

- F1. The City potentially faces significant financial challenges in meeting the obligation of the contract with the Kern County Fire Department which expires on July 1, 2022.
- F2. The failure to have audited financial reports for FY's 2017-2018, 2018-2019, and 2019-2020 could result in fines from the State and the City's ability to receive State funds.
- F3. Key departments have been plagued by high turnover; new leadership is working to improve the financial position of the City.
- F4. The McFarland website is not current in all areas and the meeting agendas do not meet accepted business practices.
- F5. Annexation of proposed property along Highway 99 could potentially provide significant revenue.
- F6. The Grand Jury found the roads to be in need of repair, exhibiting large cracks and uneven sections. The roads most in need of repair are:
 - West Davis Avenue from Elmo to West Perkins Avenue
 - 6th Street from Robertson to West Sherwood Avenue
 - West Ebell from Woodruff to Mast Avenue
 - Hail Lane from Davis Avenue to Frontage Road
 - Wiley Street from Robertson Avenue to East Sherwood Avenue

COMMENTS:

The Grand Jury found the administration of the City of McFarland to be very cooperative and supplied the Grand Jury with the materials and information that was available.

RECOMMENDATIONS:

- R1. The administration should develop a plan to obtain the funds needed to fill the Kern County Fire Department contract that begins on July 1, 2022. (Finding 1)
- R2. Audited financial reports for FY's 2017-2018, 2018-2019 and 2019-2020 for the City of McFarland need to be completed as soon as possible by the outside auditing firm. (Finding 2)

- R3. The City should designate a qualified employee to update and maintain the website. (Finding 4)
- R4. The City should examine the agendas of other cities, i.e. Arvin, Shafter, Tehachapi, and Wasco, for examples on how to prepare a proper agenda to include current financial information. (Finding 4)
- R5. Upon receipt of grant funding, road repairs should be a priority. (Finding 6)

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.kerncounty.com/grandjury.
- Present and past Kern County Grand Jury Final Reports and Responses can be accessed on the Kern County Grand Jury website: www.kerncounty.com/grandjury.

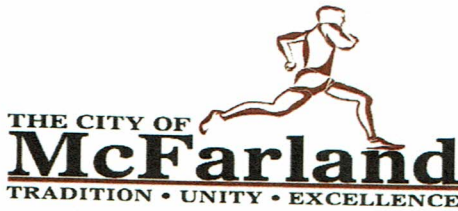
REQUIRED RESPONSES WITHIN 90 DAYS TO:

- **PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**
- **FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

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| Reports issued by the Grand Jury do not identify individuals interviewed. Cal. Penal Code § 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury. |
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DISCLAIMER:

This report was issued by the Grand Jury with the exception of a Juror(s) pursuant to Cal. Penal Code § 916.2(a). The Juror(s) was/were excluded from all parts of the inquiry/investigation, including interviews, deliberations, and the writing and approval of this report.



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661-792-3091 Office
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April 21, 2021

Presiding Judge
Kern County Superior Court 1415 Truxtun Avenue, Suite 212
Bakersfield, California 93301

Re: Response to Grand Jury Report - City of McFarland

Dear Presiding Judge,

The City Council and City Manager have reviewed the Grand Jury Report, "City of McFarland ". Responses to Findings and Recommendations are provided below.

Responses to Findings

Finding No. 1: The City potentially faces significant financial challenges in meeting the obligation of the contract with the Kern County Fire Department which expires on July 1, 2022.

City disagrees in part. The city is taking steps to fund fire in the future. Recently, City council approved an Economic Strategic Plan to keep the momentum of reinvestment and growth in the city, which will generate more sales tax and jobs. Additionally, the City Council has established, and adopted Resolution No. 2019-038, to levy a special tax to all new development under a Community Facility District for FIRE to fund the cost of providing fire services in the future.

Finding No. 2: City agrees.

Finding No. 3: City agrees.

Finding No. 4: City agrees, although note as of the preparation of this response the City has updated the agendas and uploaded all material related to meetings to the city website.

Finding No. 5: City agrees, note the city has submitted the annexation 18 application to Kern Local Agency Formation Commission (LAFCo) for review and approval.

Finding No. 6: City agrees, note the city is working with city engineer to finalize the plans for W. Davis Ave, 6th Street and Ebell for reconstruction of these roads. Additionally, we continue pursuing funding thru the state to repair our local roads.

Responses to Recommendations

Recommendation No. 1: This recommendation has been partially implemented and City will explore other revenues to fund public safety.

Recommendation No. 2: The recommendation is being implemented.

Recommendation No. 3: The recommendation is being implemented. The city will be redesigning and updating the website along with training a qualified employee to update and maintain the website.

Recommendation No. 4: This recommendation has been implemented, the city has examined the agendas of other cities and has made changes to the agenda and material available on our website for public meetings.

Recommendation No. 5: The recommendation is being implemented.

If you have any questions or required additional clarifications, please do not hesitate to contact me.

Respectfully submitted,



Maria Lara
City Manager

cc: FOREPERSON
Kern County Grand Jury
1415 Truxtun Avenue, Suite 600
Bakersfield, California 93301

City Council
City of McFarland
401 West Kern Avenue
McFarland, California 93250

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BY