

CITY OF MARICOPA

The End of an Era

SUMMARY:

The City of Maricopa (City) continues to struggle to remain financially solvent. The lack of industrial business, a decline in the working class population, the lack of a local Police Department, Code Enforcement Department, and the overall lack of business income, has created an atmosphere that has led to the City struggling to survive each fiscal year (FY). The hard stance from the Kern County Board of Supervisors increasing Fire Protection Service costs over the next 7 years, beginning in July 1, 2022, will create an even more volatile financial crisis for the City.

PURPOSE OF INQUIRY:

The 2020-2021 Kern County Grand Jury (Grand Jury) conducted an inquiry into city operations and management pursuant to Cal. Pen. Code § 925(a).

Additionally, the inquiry is a follow up to the 2018-2019 Kern County Grand Jury Report that stated concerns regarding the City's ability to remain incorporated due to lack of funds and increasing costs associated with maintaining fire protection services.

METHODOLOGY:

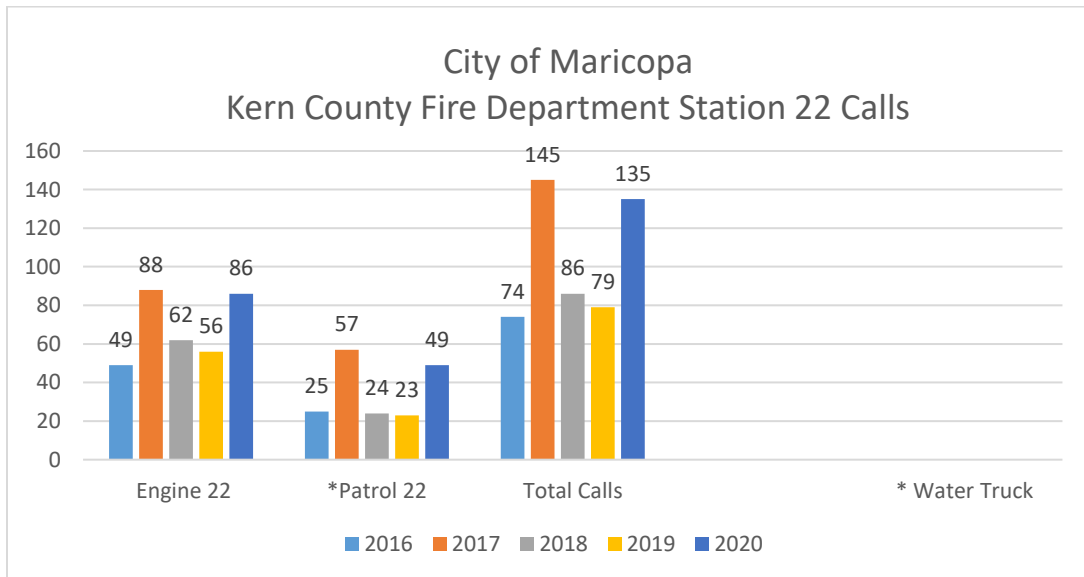
The Grand Jury reviewed the 2018-2019 Grand Jury report and followed up on some of the facts presented. Members of the Grand Jury visited the City and met with City officials, researched various websites, and reviewed Kern County Administrative Reports reflecting the recommendation to increase fire protection costs to cities within the County.

DISCUSSION OF FACTS:

The City of Maricopa stands as a legacy to Kern County's rich oil history. In 2021, the City consists of 1.51 square miles and approximately 420 residences with a population of approximately 1,200 people. The annual growth rate for the past 3 years is negative 0.17%. Maricopa's average household income is \$43,016 with a poverty rate of 25.06% and an unemployment rate of 13.6%. The percentage of home ownership is 49.4%. The Maricopa Unified School District serves Kindergarten through the 12th Grade totaling 291 students. There are only three operational businesses within the City limits. Maricopa has not had a City law enforcement department since 2012, or a code enforcement department since 2018.

Maricopa's FY June 30, 2020, financial statement reflects a net position of \$3,498,107. This amount includes \$2,296,505 in capital assets, \$455,874 in restricted funds (sewer grant funds), and \$745,728 in unrestricted funds. The income statement reflects \$300,462 in operating revenue with \$246,315 in operating expenses.

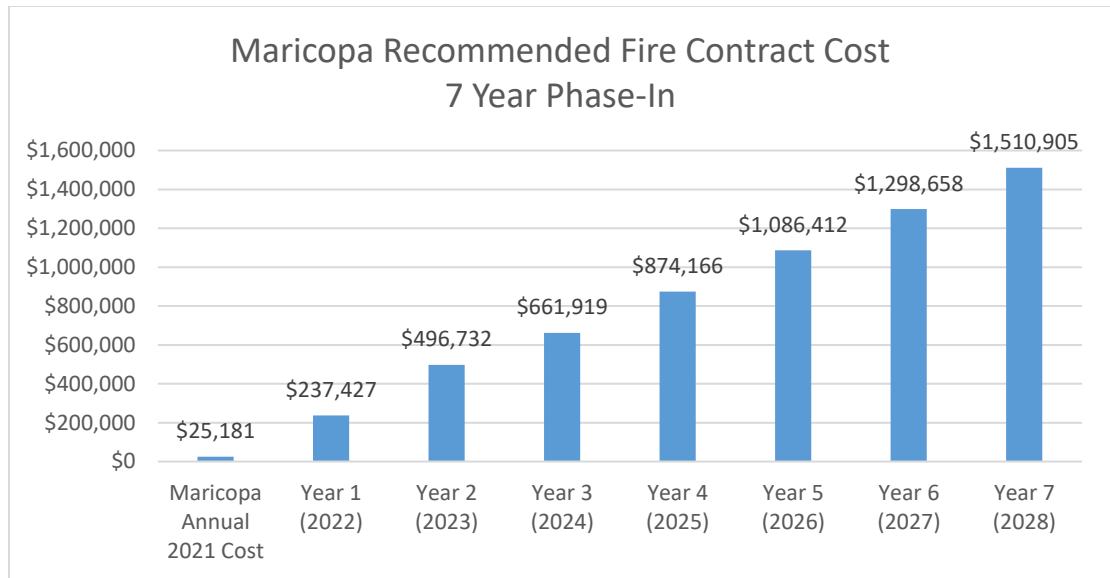
- A. Maricopa has four full-time employees: an administrative assistant, a full-time maintenance worker, and two public works/animal control employees.
- B. The City Administrator is a contracted position that pays \$100 per month.
- C. The City Council consists of a Mayor and four City Council members who receive a \$50 monthly stipend.
- D. Maricopa has an annual operating budget of \$300,000.
- E. Maricopa contracts with Kern County Sheriff’s Office (KCSO) for law enforcement. KCSO is budgeted at \$117,000 per year, of which \$100,000 is funded by a California State Grant.
- F. Fire Protection Services are provided by Kern County Fire Department, Station 22, and is currently budgeted annually by the City for \$25,181. The Fire Fund Property Tax Revenue for Maricopa is \$30,593. In 2017-2018, Station 22’s net operational costs were \$2,245,016; incidents inside Station 22’s jurisdiction were 189, averaging 15 incidents per month. (See chart below titled *Maricopa Recommended Fire Contract Cost 7 year Phase-In*)



2020-2021 Kern County Grand Jury

per Kern County Fire Department

- G. The following chart reflects the Kern County “full price/fair share” fire protection service increase for the City of Maricopa beginning July 2022.



Kern County Grand Jury: Derived from Proposed Revised Cost Recovery Methodology for Municipal Fire Service Contracts and Request for Approval of Phase Implementation, dated: 10 November 2020

H. Maricopa is in the process of updating its sewer system. It recently procured a Planning Grant from the State Water Resources Control Board to study replacing the balance of the existing system, and to extend services to other areas of the City. Maricopa is also in the process of applying for a \$7,000,000 grant to complete the project. The balance of the existing grant, from the State Water Resources Control Board, could be assumed by the County if the City disincorporates. However, the \$7,000,000 grant to complete the sewer project would have to be re-applied for by the County.

FINDINGS:

- F1. Maricopa does not have the necessary funding to pay increased fire protection costs and those increases will create an economic hardship for the City and residents.
- F2. Should the City not receive the \$7,000,000 grant to upgrade the sewer system, the residents will continue to have sewage issues.
- F3. Due to the negative growth rate and lack of new business, along with a declining population growth, the City is unable to meet increased expenses.

COMMENTS:

The City of Maricopa administrators are aware of the economic impact of the proposed increased fire protection service cost and the adverse monetary effect on its budget.

RECOMMENDATIONS:

R1. If the City of Maricopa and the Kern County Board of Supervisors are unable to reach a viable agreement on Fire Protection Service costs, it is recommended the City of Maricopa initiate procedures to disincorporate.

NOTES:

- The City of Maricopa should post a copy of this report at City Hall 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

RESPONSES ARE REQUIRED PURSUANT TO PENAL CODE SECTIONS 933, SUBD. (C) AND 933.05 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

Reports issued by the Grand Jury do not identify individuals interviewed. Cal. Pen. 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.
--

Appendix:

Reference Website links:

https://www.bakersfield.com/news/fearing-tax-hikes-cities-rebel-against-county-plan-to-increase-cost-of-fire-services/article_febf9004-2081-11eb-a375-6b457ae505db.html

https://www.bakersfield.com/news/supervisors-approve-plan-to-raise-cost-of-fire-services-for-cities/article_281cc750-23b6-11eb-b266-af05af79f1cb.html

https://kern.granicus.com/DocumentViewer.php?file=kern_9826586e1b1be50a7e6717c6f16cb59b.pdf&view=1



City of Maricopa, California

400 California Street
PO Box 550
Maricopa, California 93252
Office(661) 769-8279
Fax(661)769-8130

City Administrator
Eric G. Ziegler

June 22, 2021

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

Pursuant to Section 933.05 CPC, the City of Maricopa hereby submits the following response to the 2020 – 2021 Grand Jury Report released June 2, 2021 re City of Maricopa, The End of an Era.

FINDING F-1

Maricopa does not have necessary funding to pay increased fire protection costs and those increases will create and economic hardship for the City and residents.

RESPONSE

Respondent city agrees with this finding.

FINDING F-2

Should the City not receive the \$7,000,000 grant to upgrade the sewer system, the residents will continue to have sewage issues.

RESPONSE

Respondent City agrees with this finding.

FINDING F-3

Due to negative growth rate and lack of new business, along with a declining population growth, the City is unable to meet increased expenses.

RESPONSE


Respondent City is well aware of the pains of extremely limited funding. However, does not agree that it is unable to meet increased expenses. City has suffered from the above maladies for many years and has nonetheless continued to provide an acceptable degree of service to its residents, make improvements to the community and successfully continue as a going concern from a financial/accounting standpoint. Thus, City contemplates being able to balance revenue and expense for the foreseeable future.

RECOMMENDATION R-1

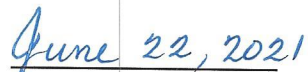
If the City of Maricopa and the Kern County Board of Supervisors are unable to reach a viable agreement on Fire Protection Service costs, it is recommended that the City of Maricopa initiate procedures to disincorporate.

RESPONSE

Respondent City concurs with recommendation. However City has been assured that County has no desire to force City into bankruptcy or disincorporation Thus, City is confident that it will be able to resolve Fire Service issues with County on an amicable basis and continue serving its residents as a going concern for the immediate future.




John Crump, Jr, Mayor



Date

ATTEST:

Wendy Harrison, City Clerk



Date