



ADMINISTRATION AND AUDIT COMMITTEE

MISSION STATEMENT

The mission of the Administration and Audit Committee pursuant to California Penal Code §925 is to oversee and review, in an unbiased manner, the management, performance, and fiscal responsibilities of governmental agencies and departments within the County of Kern. The Committee suggests improvements and operations to maximize efficiency to eliminate waste or inappropriate use of taxpayer funds.

The Administration and Audit Committee is also assigned the task of investigating complaints filed by the taxpayers of the County.

Guy Porter, Chairman
Warren Jones
Donna Schaffel

ADMINISTRATION AND AUDIT COMMITTEE ACTIVITIES 2014-2015

The Administration and Audit Committee wrote and published the following reports:

- City of Bakersfield Thomas Roads Improvement Program
- Kern County Department of Agriculture and Measurement Standards
- Kern County Assessor and Recorder
- Kern County Auditor-Controller-County Clerk Elections Division
- Kern County Sheriff's Office Inmate Welfare Fund
- Meadows Field Commercial Air Service

The Committee received, investigated and closed eight Complaints.

In the course of fulfilling the Committee's duties visits were made to the following Kern County Officials:

Sheriff, Undersheriff, other KCSO Staff	Chief Probation Officer
Auditor-Controller-County Clerk	Elections Division Chief
Assessor-Reorder	Airports Director
Fire Chief	Bakersfield City Manager
County Counsel	TRIP Staff
County Administrative Officer	KernCOG Executive Director
Roads Commissioner	Former US Congressman
Agriculture Commissioner/Sealer, Toured Facilities	
Supervisor-5 th Supervisorial District	

Further visits made:

Sheriff's Office Central Receiving
Sheriff's Bomb Squad, K-9 unit and Search and Rescue-helicopter patrol of the Kern River
CALM
District Attorney's Forensic Lab
Elections Division for certification of equipment
Lerdo Jail – Witnessed an Inmate Class Graduation (A Program funded by the Inmate Welfare Fund)

Participated in a Criminal Indictment with the District Attorney and the Attorney General

THOMAS ROADS IMPROVEMENT PROGRAM

SUMMARY:

In 2005, Congress passed and the President signed the “Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users” (SAFETEA-LU) that became Public Law 109-59 that included provisions benefiting Kern County. The SAFETEA-LU included Federal earmarks that led to the formation of the Thomas Roads Improvement Program (TRIP), a joint project led by the City of Bakersfield (City) and including the Kern County Roads Department (KCRD), California Department of Transportation (Caltrans), and Kern Council of Governments (KernCOG). These Federal earmarks totaling \$726M included \$630M allocated to projects overseen by TRIP that make system improvements increasing mobility and providing missing interstate connections to efficiently conduct commerce in the ninth most populous city in California.

PURPOSE OF INQUIRY:

California Penal Codes §§925 and 925a authorize the Grand Jury to investigate and report on Departments of the County and Cities within the County. As TRIP has a major impact on the road system of Bakersfield and Kern County (County), the Administration and Audit Committee (Committee) of the 2014-2015 Kern County Grand Jury (Grand Jury) conducted an investigation of TRIP within the limits of the Grand Jury’s jurisdiction.

PROCESS:

The Committee interviewed the Director of KCRD, the Chairman and Executive Director of KernCOG, and the Bakersfield City Manager along with staff members involved in TRIP. The Committee reviewed the statements and documents from all of the preceding individuals and parties. The Committee spoke with a former Chairman of the House Ways and Means Committee who provided valuable insight regarding SAFETEA-LU. Past newspaper articles were also reviewed.

BACKGROUND AND/OR FACTS:

The Bakersfield area is a surface transportation hub for both north-south and east-west vehicle traffic in central California. Additionally, two major railroads pass through Bakersfield as do numerous canals. An increasing volume of road and rail traffic necessitated a major upgrade to the road network in the Bakersfield area. A significant portion of the increase in road traffic comes through east-west interstate movement of cargo, hence the Federal interest and involvement. While incremental improvements were made to north-south roads, Bakersfield remained a bottleneck impacting east-west traffic. The east-west situation necessitated an upgrade to the Bakersfield area road network. The Thomas Road Improvement Program, a collaborative organization required by SAFETEA-LU, was created to address the upgrade.

TRIP is a partnership of the City, County, Caltrans and KernCOG to oversee the upgrades. This action is significant because it guaranteed the funds would be spent locally to upgrade the state highway system in metropolitan Bakersfield. KernCOG supervises regional transit.

The City, as the most impacted jurisdiction, is the lead agency in TRIP. The funding for TRIP is unique as this was the first and only time federal highway dollars were granted to an entity other than a state department of transportation. Funding of approximately \$1.35B consists of: Federal Government (43.5%), the City (31.8%), the State (17.9%), the County (4.4%) and KernCOG (2.4%). The two major railroads, a regional railroad and the various canal operators have been included in planning decisions. TRIP has multiple parts as shown in appendices A and B.

The upgrade brought organizational and financial challenges that were met by the formation of a Public Benefit Corporation (PBC) as provided in California Corporation Code §5110 et seq. to assist in the future financing needs of the City. The PBC and the City plan to enter into an agreement to issue Certificates of Participation to borrow the funds needed to complete TRIP. This methodology, while little known to the public, has been used throughout the State since the 1950's. This financial tool was used by the City to finance the Rabobank Arena/Civic Auditorium Project and by other governmental agencies to finance improvements throughout Kern County.

At this point, the portion of TRIP that is the most visible and has had a major impact on traffic flow is the Westside Parkway. This project was on the City's "wish list" for many years and had been included in a regional plan written in 1986. This effectively prevented private development in what would become the Westside Parkway.

A problem occurred in the planning/execution of the westbound exit from SR178 to Fairfax Road. Issues arose over those parts which required the acquisition of private residential and/or business properties.

An engineering design flaw undetected by multiple reviewers led to an unsafe exit from SR178 to Fairfax Road. The flaw was found after construction and the cost of remediation (approximately \$1.7M) was borne by the design consultant.

The 23rd/24th Street Project is constrained by the existing road footprint. Right of way for the project requires the acquisition of private property on either the north or south sides of 23rd/24th Streets or a combination of both. Each side has well established neighborhoods with the south side being the older. After many public hearings, the final alignment impacting mainly the north side was selected because it was the best engineering design, the safest, and had a slightly lower cost. An elevated option was rejected as impractical in earthquake prone areas. Likewise, a tunnel was rejected due to cost and ventilation issues.

The extension of SR58 does not have the same constraints as the 23rd/24th Street Project but will require the full or partial acquisition of 422 properties including 225 structures. Many alternatives were developed and considered; all had some appeal. Some were rejected as impractical, inappropriate (taking public park land) or cost prohibitive (building over/under railroads and over canals); others would have added traffic to an already strained SR99. All had

to be subject to Caltrans approval. After many hearings and much public comment, Caltrans chose the option known as the Centennial Corridor as the best solution connecting SR58 to the Westside Parkway. A few long established neighborhoods are heavily impacted and many businesses will have to relocate but the costs of land acquisition and construction are the lowest of all the alternatives.

Other portions of TRIP include upgrading SR178 east of Oswell Street including new interchanges at Fairfax Road and at Morning Drive; SR58 gap closure between SR99 and Cottonwood Road; the Hageman Flyover; improvements to Rosedale Highway which will cease being SR58; and the completed widening of 7th Standard Road including bridges over railroad tracks. All of these serve to improve the flow of east-west traffic through and around Bakersfield.

FINDINGS:

- F1. The Committee found, thus far, all projects are under budget except for one.
- F2. The City's foresight prevented what could have been much higher land acquisition costs for the Westside Parkway and precluded much of the mitigation needed when a developed area is transected by a freeway.

COMMENTS:

As Thomas Roads Improvement Program brings much needed relief to east-west traffic flow issues in the Bakersfield area, the citizens of Kern County should recognize the former US Congressman for his role in the legislation creating SAFETEA-LU and TRIP. As a final note, the downturn in the economy beginning in 2007 created conditions leading to much more competitive bidding on TRIP projects which held down costs and deterred the cost overruns often found in these types of multi-year projects.

RECOMMENDATIONS

- R1. The City continue its efforts to move forward with all TRIP projects. (Finding 1)

NOTES:

- The City of Bakersfield, Kern Council of Governments and the Kern County Roads Department 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.kern.ca.us/grandjury.
- 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

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 200
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE
BAKERSFIELD, CA 93301**

APPENDICES A and B

Appendix A

Thomas Roads Improvement Program Summary of Project Funding

		<u>Dollar Amount</u>	<u>Percentage of Total Cost</u>
Federal TRIP Earmark Funding			
Beltway	\$ 126,824,454		
Centennial	\$ 299,025,852		
SR 178 Corridor	\$ 90,613,897		
Rosedale Corridor	<u>\$ 54,368,338</u>		
Subtotal -TRIP Earmark		\$ 570,832,541	39.7%
Other Federal Funding			
TEA 21- Centennial	\$ 12,707,266		
ISTEA- Rosedale	\$ 2,942,995		
Other Federal -7th Standard	<u>\$ 1,091,750</u>		
Subtotal -Other Federal		\$ 16,742,011	1.2%
State Funding			
Westside Parkway	\$ 227,393,248		
SR 178- Fairfax Interchange	\$ 15,000,000		
Other State - 7th Standard	<u>\$ 42,370,375</u>		
Subtotal- State Funding		\$ 284,763,623	19.8%
Kern Council of Governments (STIP) Funding		\$ 33,000,000	2.3%
Other Share project costs- 7th Standard		\$ 5,452,549	0.4%
County of Kern - 7th Standard	\$ 23,759,888		
County of Kern- Local Funding	<u>\$ 40,000,000</u>		
Subtotal - County of Kern		\$ 63,759,888	4.4%
City of Bakersfield - 7th Standard	\$ 1,902,534		
City of Bakersfield Local Funding	<u>\$ 461,304,772</u>		
Subtotal -City of Bakersfield		<u>\$ 463,207,306</u>	<u>32.2%</u>
Total Estimated Project Costs		<u>\$ 1,437,757,918</u>	<u>100.0%</u>

Appendix B

Thomas Roads Improvement Program Summary of Estimated Total Project Costs

Project Description	Estimated Total Project Cost
Total Estimated Project Costs- All Combined	
Fairfax Interchange	\$40,477,678
North Beltway	\$1,427,289
South Beltway	\$456,035
West Beltway	\$1,523,927
Westside Parkway- all phases	\$319,294,764
Hageman Flyover (design/row only)	\$16,361,112
SR 58 Gap Closure	\$20,429,506
Hoskings Interchange	\$29,768,309
Morning Drive Interchange	\$42,989,481
SR 178 Widening	\$48,789,257
Rosedale Hwy Widening	\$30,698,129
24th Street Improvements	\$62,114,848
Beltway Operational Improvements	\$112,368,370
WSP Operational Improvements	\$10,167,000
Brimhall Operational Improvements	\$10,395,000
Centennial Corridor	<u>\$606,956,742</u>
Totals- All City Projects (as amended)	\$ 1,354,217,447
7th Standard Road- Wings Way to Santa Fe Way	<u>\$83,540,471</u>
Total	<u>\$ 1,437,757,91</u>



March 16, 2015

Honorable John Somers, Presiding Judge
Kern County Superior Court
1415 Truxtun Avenue
Bakersfield, CA 93301

RE: Response to "Final Report on the City of Bakersfield Thomas Roads Improvement Program"

Dear Judge Somers:

On behalf of the City of Bakersfield, I would like to acknowledge the 2014-2015 Grand Jury Report on the Thomas Roads Improvement Program (TRIP) dated December 2, 2014.

The Findings are as follows:

- F1. The Committee found, thus far, all projects are under budget except for one.
- F2. The City's foresight prevented what could have been much higher land acquisition costs for the Westside Parkway and precluded much of the mitigation needed when a developed area is transected by a freeway.

The Recommendation is that "The City continue its efforts to move forward with all TRIP projects."

I also acknowledge the time and effort of the Grand Jury to thoroughly investigate all aspects of this Program. The conclusions are sincerely appreciated, and it is our goal to comply with the formal recommendation until each and every project has been completed.

It should be noted that the success of the Program should be shared with all of the entities that partner with the City, which are the County of Kern, Kern Council of Governments, California Department of Transportation (Caltrans) and Parsons. It is because of this cooperative environment that TRIP can be considered a triumph.

Respectfully,


Alan Tandy
City Manager

cc: *Honorable Mayor and City Council*
Nick Fidler, Public Works Director – City of Bakersfield

Kern County Grand Jury

Kern County Board of Supervisors
Craig Pope, Director of Public Works – Kern County

Ahron Hakimi, Executive Director - Kern Council of Governments

Malcolm Dougherty, Director – California Department of Transportation
Sharri Ehlert, Director – District 6, California Department of Transportation

Kevin Haboian, Sr. Vice President/Business Development Director - Parsons
William Knoetgen, Program Manager - Parsons

DEPARTMENT OF AGRICULTURE AND MEASUREMENT STANDARDS

PREFACE:

The 2011-2012 Kern County Grand Jury issued a report entitled “COUNTY OF KERN DEPARTMENT OF AGRICULTURE AND MEASUREMENT STANDARDS” (Report). In the Report certain projects were noted. The Administration and Audit Committee (Committee) of the 2014-2015 Kern County Grand Jury (Grand Jury) elected to review and update those projects.

PURPOSE OF INQUIRY:

Penal Code §925 authorizes the Jury to investigate the operations of County departments.

PROCESS:

The Committee reviewed the Report; interviewed the Agriculture Commissioner/Sealer (Commissioner) at the Department of Agriculture and Measurement Standards (Department), toured the facilities at 1001 South Mount Vernon Avenue, Bakersfield, CA 93307-2851, observed office capabilities, and heard staff presentations.

BACKGROUND AND FACTS:

The Report provided information on weights and measures certification. Also included in the Report were findings about insect identification and Geographic Information System (GIS) technologies. The Committee received updated information regarding the Report and current project developments and also observed the capabilities of these developments.

- A. The Department certifies a wide variety of weight measuring devices that range from jewelers scales (capable of weighing flakes of gold) to truck scales. The Department also certifies solid, liquid and gaseous flow meters including the sub meters found in mobile home parks.
- B. The Digital Insect Identification Program (DIIP) has been put in place and allows the Department to identify an insect whose image is received as a digital file. Insects harmful to Kern County agriculture are most easily dealt with when quickly identified and located.
- C. The GIS program called “Kern Red” includes information about chemical use in agricultural fields and is updated daily. It also features grower contact information, specific chemical Material Safety Data Sheets, and historical

pesticide use data to help emergency responders determine the correct response while in route to a call in the agricultural setting. “Kern Red” is available to first responders via a secured website system.

FINDINGS:

- F1. The Department protects the consumers of Kern County from improper charges based on weights and measures.
- F2. The DIIP allows for immediate identification and location of potentially harmful insects.
- F3. The GIS provides important information quickly to first responders.
- F4. The Commissioner is proactive in protecting agriculture in Kern County.

COMMENTS:

The Committee commends the Commissioner and his staff for their openness, knowledge and frankness in answering the Committee’s questions along with their dedication to serving the citizens of Kern County.

RECOMMENDATIONS:

- R1. The Department should continue its proactive practices that protect Kern County’s citizens and agriculture. (Findings 1, 2, 3 and 4)

NOTES:

- The Kern County Department of Agriculture and Measurement Standards 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.kern.ca.us/grandjury.
- 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

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE
BAKERSFIELD, CA 93301**

Kern County Board of Supervisors
Response to Grand Jury Final Report

Response to Findings:

The Board of Supervisors notes that the Grand Jury's findings are substantially correct.

Response to Recommendations:

R1: The Department of Agriculture and Measurement Standards should continue its proactive practices that protect Kern County's citizens and agriculture.

The Board of Supervisors concurs with the Grand Jury recommendation and is dedicated to a sustained effort to ensure that the marketplace for Kern County's citizens is fair and to protect the agricultural industry of the County.

KERN COUNTY ASSESSOR AND RECORDER PROPERTY ASSESSMENT PRACTICES WHAT GOES DOWN CAN GO UP

PREFACE:

Recent media reports and citizen statements before the Kern County Board of Supervisors (BOS) have questioned the assessment practices of the Kern County Assessor and Recorder (Assessor).

PURPOSE OF INQUIRY:

Pursuant to Penal Code §925, the Administration and Audit Committee (Committee) of the 2014-2015 Kern County Grand Jury investigated the assessment practices of the Assessor.

PROCESS:

The Committee reviewed past Kern County Grand Jury Final Reports, media reports, and BOS minutes and videos. The Committee conducted on-line research and interviewed individuals including the Assessor.

BACKGROUND AND FACTS:

Associate Justice of the United States Supreme Court, Oliver Wendell Holmes, Jr., stated in 1904, "*Taxes are the price we pay for a civilized society*". Property and sales taxes are the principal ways of raising general funds for local governments. The Assessor is charged with determining the value of property subject to property tax in Kern County. The Assessor is bound by the California State Constitution (Propositions 13 and 8) that places limits on assessed valuations and ensures the valuations accurately reflect the actual value of the property.

Proposition 13, passed in June 1978, placed limits on the amount of tax levied against real estate. The tax cannot exceed 1% of the 1975 assessed valuation with certain exceptions. An annual 2% increase of the base valuation is permitted, and structural modification (remodel) can increase the base by the value of the modification. Transfer or sale of a property establishes a new base for assessed valuation reflecting the transfer/sale price. Proposition 8, passed the following November, made provision for lowering property taxes when property values decline but did not lower the base valuation.

The Assessor's Office employs 100 staff, of which 56 are Appraisers, with two vacant positions and five positions unfunded by budget cuts. This staff must deal with almost 400,000 properties in Kern County and also includes recorder duties. Not all properties must be examined each year; many have values well below their Proposition 13 base and need no review. Still, every year all new construction must be appraised, remodels evaluated and transfers reappraised. Proposition 8 requires the Assessor to lower the tax valuation on any property whose market value has fallen below its Proposition 13 base value.

The collapse of the housing market radically affected the work of the Assessor with thousands of properties losing significant value. For those property owners able to retain their property, tax relief was mandated by Proposition 8. The Assessor chose to aggressively apply Proposition 8 mandates even before citizens began requesting the relief. Over 100,000 properties were in this group. The Assessor mailed notices of Proposition 8 tax relief to the affected property owners, which were largely ignored. The first awareness of the relief came with the arrival of tax bills. Few protested. As the real property market has recovered value, people who had seen taxes fall saw them rise and there were protests. As a result of the low response rate to previous lower tax bill notices and to save mailing costs, the Assessor chose to include the revaluation with the property tax bills and extended the appeal period to November 30, 2014.

FINDINGS:

- F1. Property taxes account for 69.7% of Kern County's General Fund.
- F2. The Assessor is proactive in following the mandates of Propositions 13 and 8.
- F3. The Assessor's website, <http://assessor.co.kern.ca.us/index.php>, provides valuable information and links.
- F4. There is confusion among the public regarding how Property Taxes are assessed.
- F5. Staffing for the Assessor must be maintained at an adequate level.

COMMENTS

Property taxes are the largest source of revenue to Kern County. Failure to maintain accurate property tax rolls can lead to lower revenue and litigation. As a result of recent downward oil prices, there may be reassessments which could significantly decrease tax revenues.

RECOMMENDATIONS:

- R1. The Assessor should continue the proactive mandated practices. (Finding 2)
- R2. The Assessor should seek a cost-effective way to inform the property taxpayers of Kern County of their rights and remedies. (Finding 4)
- R3. The Board of Supervisors should resist across the board budget cuts to the Assessor's office. (Finding 5)

NOTES:

- The Kern County Assessor/Recorder and the Kern County Board of Supervisors should post a copy of this report where it will be available for public review.
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RESPONSE REQUIRED WITH 60 DAYS

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**

cc: Assessor and Recorder

Response to Grand Jury Final Report

Response to Findings:

The Board of Supervisors agrees that all the Grand Jury's findings are correct.

Response to Recommendations:

R3: *The Board of Supervisors should resist across the board budget cuts to the Assessor's office.*

The Board will not implement the recommendation because it is not reasonable. The reductions proposed will preserve resources for future budget years. Despite departmental budget reductions, the Assessor's Office has not identified any service level impacts.

ADM_GJ_Assessor and Recorder_B

JON LIFQUIST
ASSESSOR-RECORDER

LEE SMITH
Assistant Assessor

BRIAN PACE
Assistant Recorder

ASSESSOR'S OFFICE
Telephone (661) 868-3485
1115 Truxtun Avenue
Bakersfield, CA 93301-4639

RECORDER'S OFFICE
1530 Truxtun Avenue

HALL OF RECORDS
1655 Chester Avenue
Bakersfield, CA 93301-5232
Telephone (661) 868-6400



March 24, 2015

JOHN S SOMERS PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD CALIFORNIA 93301

Re. Response to Grand Jury Report issued February 3, 2015

Dear Mr. Somers:

I have recently received the Grand Jury report issued February 3, 2015. Copies of the report are now available for inspection in the Assessor's public area on the second floor of the County Administrative Building. I would like to sincerely thank you and the Grand Jury for your service to the citizens of Kern County and to this office. This letter serves as my response to the five findings and three recommendations made in the report as required under Penal Code Section 933.05.

Finding 1. - Property taxes account for 69.7% of Kern County's General Fund:

I agree with this finding.

The Kern County Assessor's Office is tasked with the responsibility of discovering and assessing all taxable property within Kern County, currently representing over 435,000 individual assessments, which the office endeavors to value timely and correctly. The final product is an assessment roll which is turned over to the Kern County Tax Collector at the end of the fiscal year, from which property tax revenue is derived – the greatest source of county funding.

Finding 2. – The Assessor is proactive in following the mandates of Proposition 13 and 8:

I agree with this finding.

Proposition 13 was enacted in 1978 by popular vote making a permanent change to the California Constitution. At the time it consisted of only a few lines. Today, the tax code, supported by case law, California State Board of Equalization guidance, and California Assessors Association recommendations has grown to voluminous texts. Three Assessors before me have endeavored to follow the mandate of Proposition 13. I intend to do the same.

When the housing bubble burst several years ago the Kern County Assessor's Office was the first Assessor's Office in California to respond to the crisis by proactively instituting the requirements of Proposition 8. Since that time the market values of properties in the county have been annually reviewed to make accurate assessments. This has been accomplished through the use of outreach to the taxpayers, the implementation of a multiple regression analysis model, and intervention by staff. I am very proud of our response to this issue and intend to continue to pursue the appropriate implementation of Proposition 8 which is codified as section 51 in the revenue and taxation code.

Finding 3. – The Assessor's website, <http://assessor.co.kern.ca.us/index/.php>, provides valuable information and links.

I agree with this finding.

I am pleased with our website it has been a useful tool to providing information to the public. However, it has become apparent that the current website which has been in place for many years is becoming outdated and is

currently in great need of review. I have embraced a project to modernize the website. The new website will not only provide the current information but it is anticipated to provide additional data, links to other useful sites, and to provide a link to other California State Board forms and information.

Finding 4. – There is confusion among the public regarding how Property Taxes are assessed.

I agree with this finding.

The California property tax system can be very confusing. Staff and I are regularly attempting to inform the public as to the intricacies of the assessment process. We will continue to reach out to the public to better inform them of their rights under the property tax law.

We intend to continue to train staff in-house, through web-based training by outside sources, and through the California State Board of Equalization so they are better able to serve the public during their daily contacts. We intend to improve our website to make more information and material available to the public via the intranet. We intend to fully use and train our bilingual staff members to help inform non-English speaking members of the community.

Additionally, I believe that appearances before local clubs and service groups will further our goal of informing the public, and reminders, sent to local media, around the time of important dates, will help keep taxpayers notified about assessment events or deadlines which may require attention.

Finding 5. – Staffing for the Assessor must be maintained at an adequate level.

I agree with this finding.

Currently the assessor is assigned 107 positions. Five of those positions remain unfilled due to budget constraints. This results in a budgeted staff of 102 people, which is the same as last year's staffing level.

It is the goal of the office to improve efficiency, timely assess property and complete pending assessment appeals

For the Assessor's Office to continue its mission to accurately value property under the requirements of the state and the needs of the public adequate staffing will need to be maintained.

There is much talk about the potential decline of our mineral roll due to the current oil and gas price declines. While this situation will most likely have a negative impact on general fund revenue the numbers of assessments have not declined. Therefore, it will be necessary to continue adequate staffing levels.

Recommendation 1. – The Assessor should continue the proactive mandated practices (finding 2)

I agree with this recommendation.

Staff and I are committed to achieve our goal of timely completing mandated practices discussed in finding 2 as well as all other mandated practices required for the department by the State of California.

Recommendation 2. – The Assessor should seek a cost-effective way to inform the property taxpayers of Kern County of their rights and remedies (finding 4)

I agree with this recommendation.

As described in finding 4, the Assessor's Office is committed to improving its outreach to the public at every level of the office. This will include updates and improvements to the Assessor's Office website, Training staff to better serve the needs of the public, continuing to maintain and improve our offices bilingual outreach, appearances at local clubs and service groups, and announcements through local media.

Recommendation 3. The Board of Supervisors should resist across the board budget cuts to the Assessor's office. (finding 5)

I agree with this recommendation.

The Kern County Assessor's Office is a unique department due to the fact that it is an essential part of the County's revenue generating operation. Without this revenue generating function many departments would not have the funds to operate. The fair assessment produced by this office need to be made both at times when the local economy is expanding and when the economy is contracting. This is necessary not only to maintain the county's

funding but to maintain the county's commitment to its citizens.

The Assessor's Office depends on staff to complete the title, appraisal and enrollment process. Unlike some departments, the Assessor's Office primary item of overhead is salaries and benefits. Budget cuts will directly impact staffing levels. While we, at the Assessor's Office, are committed to fulfilling our mandate a loss of staff would greatly jeopardize this goal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Lifquist', with a long horizontal flourish extending to the right.

Jon Lifquist
Kern County Assessor-Recorder

cc. Foreperson – Kern County Grand Jury
Kathleen Krause - Clerk of the Board of Supervisors
John Nilon - County Administrative Office

KERN COUNTY AUDITOR-CONTROLLER- COUNTY CLERK ELECTIONS DIVISION

PREFACE:

The right to vote is one of the basic rights of citizenship. The Kern County Elections Division (Division) provides the people of the County the means to vote. The Kern County Auditor-Controller-County Clerk is in charge of the Division which is supervised by the Elections Division Chief.

PURPOSE OF INQUIRY:

The Administration and Audit Committee (Committee) of the 2014-2015 Kern County Grand Jury (Grand Jury) inquired into the operations of the Division pursuant to Penal Code §925.

PROCESS:

The Committee interviewed the Kern County Auditor-Controller-County Clerk and the Elections Division Chief. The Committee conducted online research, reviewed previous Kern County Grand Jury reports, studied Division documents, and interviewed other Division staff.

FACTS:

The Division must give the voters an election experience that is straightforward and as simple as possible.

The first step for a citizen is registering to vote which can be done in many ways. One way is by swearing under the penalty of perjury that one is eligible to vote; this is done before a registrar of voters. Additional methods include when conducting business with the California Department of Motor Vehicles, online at the California Secretary of State website, or by mail.

Voter information comes from both the State and the Division. The State mails to registered voters a pamphlet covering statewide propositions and candidates. The Division mails a sample ballot which includes all statewide and local offices and issues. The sample ballot includes a vote by mail application and the location of the voter's polling place. Vote by mail voters are mailed ballots with instructions for the marking and return of the ballots.

The third part of the process is the counting (and, if necessary, recounting) of the ballots, certification of the count, and publishing the results.

In November of 2014 and prior to the General Election, the Grand Jury observed and participated in the verification of the process of tallying the ballots cast by voters and the Committee decided to do an investigation following that election.

Before the November 2014 General Election, the US Census estimated California had 24,288,145 potential voters. In that election, the California Secretary of State reported 17,803,823 registered voters and 7,513,972 actual ballots cast.

FINDINGS:

- F1. The Division conducts elections efficiently and in compliance with laws.
- F2. Four senior Division officials are nearing retirement. Future elections could be affected by the loss of institutional experience and knowledge.
- F3. Based on the anticipated retirements and other Division needs, the Kern County Auditor-Controller-County Clerk submitted a plan, dated March 2, 2015, to the Board of Supervisors for reorganization of the Division which includes cross-training of staff.

COMMENTS:

The Committee thanks the Kern County Auditor-Controller-County Clerk and the Division Chief for the frank discussion about the Division and the election process.

RECOMMENDATIONS:

- R1. The Division should continue the efficient conduct of elections. (Finding 1)
- R2. The Kern County Board of Supervisors should give serious consideration to the plan for reorganization of the Division. (Finding 3)

NOTES:

- The Kern County Auditor-Controller-County Clerk and the Kern County Board of Supervisors 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.kern.ca.us/grandjury.
- 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 WITH 60 DAYS TO:

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**



KERN COUNTY AUDITOR-CONTROLLER-COUNTY CLERK

1115 Truxtun Avenue, 1st and 2nd Floor • Bakersfield, CA 93301-4639

June 17, 2015

The Honorable John S. Somers, Presiding Judge
Kern County Superior Court
1415 Truxtun Avenue
Bakersfield, CA 93301

On February 24, 2015 members of the 2014-15 Kern County Grand Jury met with the Kern County Auditor-Controller-County Clerk to discuss the operations of the Auditor-Controller-County Clerk's Elections Division. The Grand Jury published a report of their findings and recommendations on May 12, 2015. Below is my response to the 2014-15 Grand Jury Final Report concerning the County of Kern Auditor-Controller-County Clerk's Elections Division.

Finding 1. The Division conducts elections efficiently and in compliance with laws.
I agree with this finding.

Finding 2. Four senior Division officials are nearing retirement. Future elections could be affected by the loss of institutional experience and knowledge.
I agree with this finding.

Finding 3. Based on the anticipated retirements and other Division needs, the Kern County Auditor-Controller-County Clerk submitted a plan, dated March 2, 2015, to the Board of Supervisors for reorganization of the Division which includes cross-training of staff.

In March we submitted a reorganization plan to the County Administrative Office. On June 16, 2015 the plan was taken to the Board of Supervisors.

Recommendation 1. The Division should continue the efficient conduct of elections.
We will make every effort, given the resources provided to us by the county, to continue to conduct elections as efficiently as possible.

Recommendation 2. The Kern County Board of Supervisors should give serious consideration to the plan for reorganization of the Division.

The Board of Supervisors approved part of the reorganization we proposed, relating to non-management employees. This is an important step in restructuring the office in order to have staff who are properly cross-trained in the various essential duties of the office and to be able to retain new employees once they are trained. However, the remainder of our proposed reorganization, relating to management employees, was not

adopted. The failure to address the problems relating to the administrative structure in the Elections Division could seriously impair our ability to transition over the 2016, 2018, and 2020 election cycles to relying on far less experienced employees to handle crucial aspects of the elections process. The knowledge and experience the Elections management employees provide regarding the proper administration of elections is essential to the overall training of the newer employees, ensures the integrity of the electoral system and enables the citizens of Kern County to have confidence in the election process. I believe that the failure to fully implement our reorganization proposal could potentially leave the county vulnerable in the coming years to having insufficiently trained and experienced employees in order to properly conduct elections.

The Kern County Auditor-Controller-County Clerk's office greatly appreciates the efforts of the Grand Jury and their findings and recommendations relating to the operations of the Elections Division.

Sincerely,



Mary B. Bedard, CPA
Auditor-Controller-County Clerk

cc: Kern County Grand Jury Foreperson
County Administrative Officer
Clerk of the Board

Kern County Board of Supervisors
Response to Grand Jury Final Report
Kern County Auditor-Controller-County Clerk Elections Division

Response to Findings:

The Board of Supervisors notes that the Grand Jury's findings are substantially correct.

Response to Recommendations:

R1: The Division should continue the efficient conduct of elections.

We concur with the Auditor-Controller-County Clerk's response that they will make every effort, given the resources provided to them by the county, to continue to conduct elections as efficiently as possible.

R2: The Kern County Board of Supervisors should give serious consideration to the plan for reorganization of the Division.

On June 16, 2015 the Board of Supervisors gave serious consideration to the Auditor-Controller-County Clerk's proposed reorganization of the Election division. The Board approved the proposed new classifications of an Elections Process Coordinator, an Elections Process Supervisor, and an Elections Process Clerk I/II/III. The Board did not approve the proposed new classification of an Assistant Registrar of Voters or a Chief Deputy Registrar of Voters.

We concur with the Auditor-Controller-County Clerk's response that the Board of Supervisors approved part of the reorganization that they proposed, relating to non-management employees. This was an important step in restructuring the office in order to have staff who are properly cross-trained in the various essential duties of the office and to be able to retain new employees once they are trained.

We concur with the Auditor-Controller-County Clerk's response that the remainder of their proposed reorganization, relating to management employees, was not adopted, however we do not agree that it would seriously impair their ability to transition to the 2016, 2018, and 2020 election cycles as the Auditor-Controller-County Clerk has indicated in her response. The Elections division has qualified and experienced staff already in senior management positions. The retitling of these positions is not critical to the operations of the division, and under the current fiscal constraints and other factors discussed on June 16, 2015 it was not prudent to increase the salary of the positions.

KERN COUNTY SHERIFF'S OFFICE INMATE WELFARE FUND

PURPOSE OF INQUIRY:

Penal Code §925 authorizes county grand jury investigations of county departments. The Administration and Audit Committee (Committee) of the 2014-2015 Kern County Grand Jury (Jury) conducted an investigation of the Kern County Sheriff's Office (KCSO) Inmate Welfare Fund (IWF) as used for KCSO in-custody facilities.

PROCESS:

The Committee reviewed past Kern County Grand Jury Reports, researched Penal Code §4025 (Code), consulted County Counsel and interviewed KCSO personnel. Online research was conducted; sheriff's departments in comparable counties were contacted for information on their inmate welfare fund uses and practices. Additionally, financial records of the IWF were examined and programs paid for by the IWF were reviewed. Finally, the Committee attended a graduation ceremony for an IWF financed substance abuse program and interviewed inmates who had been in the program.

BACKGROUND AND FACTS:

The Code allows, but does not require, a county sheriff to establish an inmate welfare fund and gives general guidance on the uses of, limitations on, and revenue sources of the fund. The Code gives the sheriff a discretion in use of the fund. The Committee was advised by County Counsel that there is no applicable case law on the subject.

In Kern County, the main sources of income for the IWF are sales of items to inmates through a commissary service and phone calls made by inmates. The accounting is separate from the KCSO's operational fund and the Kern County General Fund.

In February 2014, the Federal Communications Commission (FCC) set limits on inmate collect call rates on interstate calls and attempted to extend the rates to intrastate calls. The first action is within the powers of the FCC; the second has raised questions about the limit of Federal power. Currently, the new rates are on hold. Should the FCC prevail, current phone call annual revenue to the IWF of \$1,800,000 will be reduced.

The IWF is used for academic, vocational, religious, self-improvement, and therapy programs for inmates. Examples include but are not limited to:

- Academic classes: General Education Development preparation (GED), Health, and Independent Study courses
- Vocational classes: Computers, Auto Body, Cafeteria, and Food Services
- Religious: Chaplain Program

- Self-improvement Programs: Substance Abuse, Anger Management, Life Skills, and Parenting
- Therapeutic Programs: Dialectical Behavior, Seeking Safety and Veterans

The IWF pays for, among other amenities, newspaper and magazine subscriptions, television sets in general inmate areas, and media services. It has been used to provide or upgrade security equipment that contributes to inmate safety. The IWF pays the salaries and benefits of personnel directly associated with IWF programs plus maintenance costs for the commissary and classrooms.

The IWF has had an ongoing balance of approximately \$6,000,000 for several years which indicates that the annual income of approximately \$4,000,000 is balanced by expenditures. The Kern County Sheriff (Sheriff) states a significant portion of the IWF is earmarked for video visitation at the new jail facility.

FINDINGS:

- F1. Administration and use of the IWF meet the guidelines of the Code.
- F2. The IWF provides important inmate programs and amenities.
- F3. Earmarking a portion of the IWF for the new jail is appropriate.
- F4. Graduates of the substance abuse program expressed positive statements about IWF programs.
- F5. Several comparable counties have an advisory panel providing input on use of inmate welfare funds. The members were often sheriff's personnel who serve by virtue of the office, while some were composed of civilians.
- F6. The Kern County Sheriff seeks input from KCSO staff on the use of the IWF

RECOMMENDATIONS:

- R1. The Sheriff should continue to use the IWF for beneficial inmate programs as well as seek to identify and implement other worthy programs. (Finding 2)

NOTES:

- The Kern County Sheriff's Office 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.kern.ca.us/grandjury.
- 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 WITH 60 DAYS

**PRESIDING JUDGE
KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 212
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE, SUITE 600
BAKERSFIELD, CA 93301**



1350 Norris Road
Bakersfield, California 93308-2231

COPY

May 18, 2015

The Honorable John S. Somers, Presiding Judge
Kern County Superior Court
1415 Truxtun Avenue
Bakersfield, CA. 93301

On April 7, 2015, the Administration and Audit Committee of the 2014-2015 Kern County Grand Jury published the County of Kern 2014-2015 Grand Jury Final Report: Kern County Sheriff's Office Inmate Welfare Fund.

I would like to express my appreciation to the Grand Jury for its efforts in reviewing the Inmate Welfare Fund (IWF). The objective review provided by the Grand Jury helps to strengthen the foundation of trust between the community and the Sheriff's Office. As always, the Sheriff's Office appreciates the valuable insight the Grand Jury has provided.

GRAND JURY FINDINGS:

- F1. Administration and use of the IWF meet the guidelines of the Code.*
- F2. The IWF provides important inmate programs and amenities.*
- F3. Earmarking a portion of the IWF for the new jail is appropriate.*
- F4. Graduates of the substance abuse program expressed positive statements about IWF programs.*
- F5. Several comparable counties have an advisory panel providing input on use of inmate welfare funds. The members were often sheriff's personnel who serve by virtue of the office, while some were composed of civilians.*
- F6. The Kern County Sheriff seeks input from KCSO staff on the use of the IWF.*

KERN COUNTY SHERIFF'S OFFICE RESPONSE TO FINDINGS:

The Kern County Sheriff's Office concurs with each and every one of the Grand Jury's findings (F1, F2, F3, F4, F5 and F6).

GRAND JURY RECOMMENDATION:

R1. The Sheriff should continue to use the IWF for beneficial inmate programs as well as seek to identify and implement other worthy programs. (Finding 2)

KERN COUNTY SHERIFF'S OFFICE RESPONSE TO RECOMMENDATION:

This recommendation has been implemented. The Sheriff's Office maintains an active partnership with the Bakersfield Adult School, as well as community-based programs and other parties with an interest in developing, implementing and administering inmate programs. For example, the Sheriff's Office recently partnered with the Bakersfield Adult School to implement a program to assemble and repair inmate mattresses. In addition to saving considerable county dollars, this program teaches inmates marketable skills related to sewing and upholstery repair. Similarly, the Sheriff's Office also recently implemented an inmate sewing program, which teaches inmates tailoring skills as they repair damaged inmate clothing and bedding.

Other new programs include:

Moral Reconciliation Therapy (MRT)

Moral Reconciliation Therapy (MRT) is an evidence-based, cognitive behavioral treatment strategy designed specifically for offender populations. Initially developed in 1985 as a treatment program for substance abusers, MRT has since been proven to successfully treat many types of offenders. Over a 20 year span, multiple studies have found that MRT graduates experience a recidivism reduction rate of 25% - 75%, depending on the age and type of offender. MRT is especially exciting because it has been proven to effectively treat high-risk, treatment-resistant populations that rarely respond to therapy. MRT has been implemented in 45 states, as well as Great Britain, Australia, Canada, and Bermuda. Given the chronic bed space shortage, the Sheriff's Office cannot afford to ignore a program that boasts a long-term recidivism elimination rate of a minimum 25%.

Thinking for a Change (T4C)

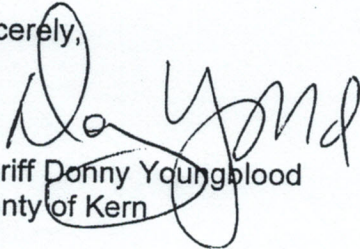
In 1998, the National Institute of Corrections published the first version of Thinking for a Change (T4C). This program combined cognitive restructuring theory with cognitive skills theory to create an innovative and integrated curriculum designed to help individuals in the justice system take control of their lives by taking control of their thinking. Since its inception, T4C has been the subject of many studies and has routinely proven to be effective in reducing recidivism when implemented with integrity.

Aggression Replacement Training (ART)

Aggression Replacement Training (ART) is a multi-component cognitive-behavioral treatment to promote pro-social behavior by addressing factors that contribute to aggression, including limited interpersonal social and coping skills, impulsiveness, over-reliance on aggression to meet daily needs, and egocentric and concrete values. ART has consistently shown positive outcomes across a number of quasi-experimental studies including reduced criminal behavior, decreased conduct problem behaviors, increased pro-social behaviors, and improved anger control.

While the Kern County Sheriff's Office has been very active in expanding inmate programs for some time, we fully anticipate continuing these endeavors in the future. The Sheriff's Office sincerely thanks the Grand Jury's Administration and Audit Committee for taking the time to review the Inmate Welfare Fund and providing their valuable insight and recommendations. I hope this information will assist the Grand Jury in its service to the citizens of Kern County.

Sincerely,



Sheriff Donny Youngblood
County of Kern

cc: Undersheriff RoseMary Wahl
Chief Deputy Shelly Castaneda
Chief Deputy Curtis Cornelison
Chief Deputy Brian Wheeler
Chief Deputy Kevin Zimmermann
Clerk of the Board
Kern County Grand Jury Foreman
Assistant CAO Teresa Hitchcock

MEADOWS FIELD COMMERCIAL AIR SERVICE

PREFACE:

This report was predicated on newspaper articles and other public discourse relating to the lack of direct air service from Bakersfield to Southern California.

PURPOSE OF INQUIRY:

Pursuant to Penal Code §925 the Administration and Audit Committee (Committee) of the 2014-2015 Kern County Grand Jury (Grand Jury) investigated the operations of the Kern County Airport (Airport) located in North Bakersfield and known as Meadows Field. The Committee was particularly interested in why there are now no direct flights to Los Angeles International Airport (LAX), the fares to reach LAX are expensive (\$500 and up), and are time consuming (three to thirteen hours).

PROCESS:

The Committee met with the Airport Director and the Chief Operations Officer. The Committee conducted on-line research.

BACKGROUND AND/OR FACTS:

Meadows Field has long been the commercial airport for Bakersfield and has been upgraded to handle the largest commercial aircraft. In 2006 a new terminal named for former U.S. Representative William M. Thomas opened. At the same time, the former terminal was converted to handle international flights by creating space for U.S. Customs and Border Patrol.

In 2000 there were seven major national airlines; industry consolidation has reduced that number to three. Some regional airlines such as Alaska Airlines and Southwest Airlines are becoming more significant; low cost airlines such as Jet Blue add to the choices available to travelers.

Flights to and from hubs such as LAX and Bakersfield have been provided by regional carriers such as SkyWest Airlines operating as United Express. These types of flights received a fixed fee per passenger from a larger airline when the passenger connected with a subsequent flight. This constituted the bulk of the United Express's Bakersfield traffic. In turn, that type of traffic is discretionary and unpredictable. SkyWest made an economic choice to radically curtail service to/from Bakersfield. Air travelers from Bakersfield have, in general, seen only a decrease in domestic service. International travel ended in 2007 when Mexicana Airlines canceled all Bakersfield flights.

Federal Aviation Administration data shows in 2002 the average cost of Jet A fuel was \$.71/gallon; by 2011 the same fuel cost \$3.05/gallon. This fourfold increase in fuel costs radically changed the economics of flight operations. Airlines reduced or curtailed routes that were no longer profitable and re-examined the types of aircraft in their fleets. Thirty passenger planes, as operated by SkyWest, no longer made economic sense on many routes. Meanwhile, more fuel efficient planes had more seats to fill. By 2014 fuel costs have fallen only slightly with no indication of a return to previous levels. Fuel costs now account for one-third of airline expenses as compared to one-tenth in 2001. Even though Meadows Field has one of the lowest landing fees in California at \$.95/1000 pounds laden weight (LAX \$3.68 and up, Fresno Yosemite International Airport \$2.65), this does not offset the two major factors in airline route planning: operating costs and passenger volume.

FINDINGS:

- F1 The decrease in flights is the result of choices made by carriers and is not due to Airport fees or policies.
- F2 The Airport staff is actively continuing to seek expanded service.

COMMENTS:

The Committee thanks the Airport staff for their courtesy and assistance in this investigation.

RECOMMENDATIONS:

- R1 The Airport staff should continue their efforts to attract expanded service. (Finding 2)

NOTES:

- The Kern County Department of Airports 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.kern.ca.us/grandjury.
- Present or 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

**KERN COUNTY SUPERIOR COURT
1415 TRUXTUN AVENUE, SUITE 200
BAKERSFIELD, CA 93301**

**CC: FOREPERSON
KERN COUNTY GRAND JURY
1415 TRUXTUN AVENUE
BAKERSFIELD, CA 93301**

cc: Airports

Response to Grand Jury Final Report

Response to Findings:

The Board of Supervisors agrees that all the Grand Jury's findings are correct.

Response to Recommendations:

R1: *The Airport staff should continue their efforts to attract expanded service.*

The Board of Supervisors concurs with the recommendation and has implemented this action. The Director of Airports has conducted frequent meetings with air carrier management and their planning and scheduling personnel. The director also attends specialty air service conferences to meet with the air carriers not currently serving Bakersfield. These extensive efforts allow Meadows Field to stay competitive against approximately 300 other commercial air service airports in the domestic U.S.