



**2011 – 2012
Madera County Grand Jury
Final Report
Citizen Complaint Regarding the City of Chowchilla**

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Introduction:

On August 3, 2011, the Grand Jury received a Citizen Complaint setting forth a broad array of concerns involving the Chowchilla City Council and Administration. The complaint alleged that:

- the City spent \$1 million to purchase land for which it has no clear title or deed;
- Redevelopment Agency (RDA) funds were frozen for two years; the public was not able to apply for the funds;
- the City is bankrupt and not paying its bills;
- the former City Manager mismanaged City funds;
- extensive development was allowed east of Hwy. 99 without addressing overpass traffic and pedestrian safety issues;
- \$250,000 which was designated for the overpass is missing;
- water was provided to the east side development instead of drilling a new well needed on the west side;
- the public is denied use of the donated swimming pool at the high school; and
- a Council Member does not recuse himself from proceedings on a matter which would benefit his employer.

In its investigation of the complaint allegations, the Grand Jury interviewed City officials, attended Council meetings, and reviewed budget/financial records and public documents.

Findings:

1. The Grand Jury found no information regarding land purchased by the City without obtaining clear title and deed.
2. The Grand Jury found that RDA funding was used for water system improvements.
3. The Grand Jury found that redevelopment agencies have been abolished by the Governor effective February 1, 2012.
4. The Grand Jury found that the City Council had, at one time, considered declaring bankruptcy as an option for dealing with the City's financial issues.
5. The Grand Jury found that the City Council adopted a balanced budget for fiscal year 2011-2012.
6. The Grand Jury found that the City Council receives for its approval a monthly report of all bills to be paid.

7. The Grand Jury found that there is on-going litigation by the City against the former City Manager.
8. The Grand Jury found that the build-out east of Hwy. 99 includes a school, church, golf course, shopping center, businesses, and large housing developments.
9. The Grand Jury found that increased traffic flow, narrow walking paths, and inadequate railing present safety issues for vehicles and pedestrians on the Robertson Blvd. overpass.
10. The Grand Jury found that there has been no expansion of and only minor improvements to the Robertson Blvd. overpass at Hwy. 99 to address the traffic and safety issues.
11. The Grand Jury found that impact fees, dedicated for overpass development, are required for building on the east side of Hwy. 99.
12. The Grand Jury found that a portion of the impact fees collected have been spent on required planning for the overpass.
13. The Grand Jury found that the City's General Plan includes a 5-lane overpass on Robertson Blvd. which will cost about \$30 million, including the purchase of additional land.
14. The Grand Jury found that the west side water quality remains the same as it has historically been and that the east side water pressure is the lowest.
15. The Grand Jury found that the swimming pool, built with a private donation from a Chowchilla family, is owned by the high school and opened to the public when life guard services can be provided.
16. The Grand Jury found that a particular Council Member does not recuse himself from discussing or voting on City Council agenda items which could impact the value of property owned by a source of substantial income to his business.

Conclusions:

1. The Grand Jury concluded that RDA funds were not available for public application, having been spent on water system improvements. However, with the abolishment of RDAs, the issue is moot.
2. The Grand Jury concluded that the City is not bankrupt.
3. The Grand Jury concluded that the City allowed broad development on the east side of Hwy. 99 without resolving the traffic and safety issues of the connecting Robertson Blvd. overpass.

4. The Grand Jury concluded that the Council Member's failure to recuse himself from discussing or voting on City Council agenda items which could impact the value of property owned by a source of substantial income to his business has the appearance of conflict of interest.

Recommendations:

1. The Grand Jury recommends that the City identify and implement practical measures to alleviate the traffic and safety issues of the Robertson Blvd. overpass as much as possible until the funding to build a new overpass can be obtained.
2. The Grand Jury recommends that the District Attorney investigate the Council Member for possible violations of conflict of interest laws and take subsequent actions as appropriate.

Respondents: written response required pursuant to PC 933(c)

Chowchilla City Council
240 N. First St.
Chowchilla, CA 93610

Madera County District Attorney
209 W. Yosemite Ave.
Madera, CA 93637

Informational: response optional

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