



Local Agency Formation Commission
for the County of Los Angeles

Voting Members

Donald Dear
Chair

Gerald McCallum
1st Vice-Chair

Margaret Finlay
2nd Vice-Chair

Kathryn Barger
John Lee
Robert Lewis
John Mirisch
Holly Mitchell
Francine Oschin

Alternate Members

Anthony Bell
Michael Davitt
Hilda Solis
Vacant
(City of Los Angeles)
Vacant
(Public Member)
Vacant
(Special District Member)

Staff

Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

Amber De La Torre
Doug Dorado
Adriana Flores
Taylor Morris
Alisha O'Brien

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626.204.6500
Fax: 626.204.6507

www.lalafco.org

LIVE VIRTUAL COMMISSION MEETING

LOCAL AGENCY FORMATION COMMISSION

Wednesday, August 9th, 2023
9:00 a.m.

Room 381-B
Kenneth Hahn Hall of Administration
500 West Temple Street, Los Angeles 90012

Entrance to the Commission Meetings requires entry through security screening at any of the public entrances to the Kenneth Hahn Hall of Administration (KHHA):

- 500 West Temple Street (third floor of KHHA)
- 225 N. Hill Street (first floor of KHHA)
- 222 N. Grand Avenue (fourth floor of KHHA)
- Civic Mall/ Grand Park, between KHHA and the Civil Court Building (second floor of the KHHA)

Entrance through any other exterior door of the KHHA is prohibited (all other entrances are locked) due to County of Los Angeles security restrictions.

A person with a disability may contact the LAFCO office at (626)204-6500 at least 72 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

This meeting is also available for members of the public to attend virtually by phone or web access as follows:

FOR MEMBERS OF THE PUBLIC

TO LISTEN BY TELEPHONE AND PROVIDE PUBLIC COMMENT

DIAL:

1-213-306-3065

Access Code: 2592-775-1370(English)

Password: 782542

OR TO LISTEN VIA WEB AND PROVIDE PUBLIC COMMENT:

<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/j.php?MTID=ma86dd6d5c82056b95949b3940dd27443>

Password: public

TO PROVIDE WRITTEN PUBLIC COMMENT: Any interested person may submit written opposition or comments by email at info@lalafco.org prior to the conclusion of the Commission Meeting or by mail to the LAFCO Office at 80 S. Lake Avenue, Suite 870, Pasadena, CA 91101, no later than 5:00 p.m. on the business day preceding the date set for hearing/proceedings in order to be deemed timely and to be considered by the Commission.

The entire agenda package and any meeting related writings or documents provided to a majority of the Commissioners after distribution of the agenda package, unless exempt from disclosure pursuant to California Law, are available at www.lalafco.org

1. CALL MEETING TO ORDER

- a. Commissioner(s) request to participate remotely pursuant to Government Code § 54953.(f)(2):

2. PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIR DEAR

3. DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

4. SWEARING-IN OF SPEAKER(S)

5. PUBLIC COMMENT

This is the opportunity for members of the public to address the Commission on any items, including those items that are on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Public comments are limited to three minutes per speaker.

6. CONSENT ITEM(S)

All matters are approved by one motion unless held by a Commissioner or member(s) of the public for discussion or separate action.

- a. Approve Minutes of July 12, 2023.
- b. Approve Operating Account Check Register for the month of July 2023.
- c. Receive and file Update on Pending Proposals.
- d. Legislative Update
- e. Executive Officer's Written Report (None)
- f. Information Item(s) – Government Code § 56751 (city proposal). (None)
- g. Information Item(s) – Government Code § 56857 (district proposal).

- i. Annexation No. 2023-09 to the Los Angeles County Waterworks District No. 40, Antelope Valley.
- h. Miscellaneous Communications. (None)

7. **PUBLIC HEARING(S)**

- a. Draft MSR No. 2023-13—Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell, Maywood, South El Monte, and Vernon and California Environmental Quality Act Exemption.

8. **PROTEST HEARING(S)**

- a. None.

9. **OTHER ITEMS**

- a. Alternate Public Member Vacancy Status Report

10. **REQUESTED POSITION(S) ON LEGISLATION**

- a. None.

11. **COMMISSIONERS' REPORT**

Commissioners' questions for staff, announcements of upcoming events and opportunity for Commissioners to briefly report on their LAFCO-related activities since last meeting.

12. **EXECUTIVE OFFICER'S REPORT**

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

13. **PUBLIC COMMENT**

This is the opportunity for members of the public to address the Commission on items not on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Speakers are reminded of the three-minute time limitation.

14. **FUTURE MEETINGS**

September 13, 2023
October 11, 2023
November 8, 2023

15. **ADJOURNMENT**

LAFCO

Local Agency Formation Commission
for the County of Los Angeles

DRAFT

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www.lalafco.org

MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES

July 12, 2023

Present:

Donald Dear, Chair

Margaret Finlay
Robert Lewis
Gerard McCallum
John Mirisch
Holly Mitchell

Anthony Bell, Alternate

Paul Novak, Executive Officer
Tiffani Shin, Legal Counsel

Absent:

Kathryn Barger
John Lee
Francine Oschin

Michael Davitt, Alternate
Hilda Solis, Alternate

Vacant:

City of Los Angeles, Alternate Member
Alternate General Public Member
Independent Special District, Alternate Member

1 CALL MEETING TO ORDER

The meeting was called to order at 9:04 a.m. as both an in-person and virtual meeting.

The following item was called up for consideration:

- a. Commissioners request to participate remotely pursuant to Government Code § 54953(f)(2):

(None).

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Dear.

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

The Executive Officer (EO) read an announcement, asking if any Commissioners had received a campaign contribution that would require disclosure or any other issue requiring recusal from any item on today's agenda (None).

ANNOUNCEMENT

The EO announced that, consistent with State law, the agenda for today's meeting was posted at the Kenneth Hahn Hall of Administration, and on the LAFCO website, on Wednesday, July 5, 2023.

4 SWEARING-IN OF SPEAKER(S)

No speakers provided testimony.

5 PUBLIC COMMENT

(None).

6 CONSENT ITEM(S)

The Commission took the following actions under Consent Item(s):

- Approved Minutes of June 14, 2023.
- Approved Operating Account Check Register for the month of June 2023.
- Received and filed update on Pending Proposals.

- Received and filed the Legislative Update.
- Received and filed the Executive Officer Written Update.
- Information Item(s) – Government Code §§ 56751 (city proposal).
(None).
- Received and filed Information Item(s) – Government Code §§ 56857 (district proposal).
 - i. Annexation No. 2023-05 to the Los Angeles County Waterworks District No. 40, Antelope Valley.
- Received and filed Miscellaneous Communications:
 - i. Letter of June 27, 2023 appointing Bill Kruse to conduct the appointment process for the Independent Special District Alternate Member.
- Adopted the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving and Ordering Annexation No. 2022-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley;
Resolution No. 2023-10RMD.

MOTION: Finlay SECOND: Mirisch APPROVED: 7-0-0
AYES: Bell (Alt. for Oschin), Finlay, Lewis, McCallum, Mirisch, Mitchell, Dear
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Lee, Oschin

7 PUBLIC HEARING(S)

(None).

8 PROTEST HEARING(S)

(None).

9 OTHER ITEMS

The following item was called up for consideration:

- a. Oral Report of Summary of Recommendations for Final Action on Executive Officer Salary and Proposed Contract Amendment No. 4 to Executive Officer Employment Agreement.

Tiffani Shin (Legal Counsel) summarized the staff report on this item.

The Commission took the following action:

- Approved Amendment No. 4 to the Employment Agreement By and Between the Local Agency Formation Commission for the County of Los Angeles and Paul A. Novak and instructed the Chair to execute on behalf of the Commission.

MOTION: Finlay SECOND: Bell (Alt. for Oschin) APPROVED: 7-0-0
AYES: Bell (Alt. for Oschin), Finlay, Lewis, McCallum, Mirisch, Mitchell, Dear
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Lee, Oschin

9 OTHER ITEMS

The following item was called up for consideration:

b. Service Recognition.

The EO presented Alisha O'Brien (Government Analyst) with a 20-year service pin. The Commission and staff congratulated Alisha O'Brien for 20 years of exemplary and dedicated service with LAFCO.

9 OTHER ITEMS

The following item was called up for consideration:

c. Appointment of the Alternate Public Member.

Adriana Romo (Deputy Executive Officer) summarized the staff report on this item.

The Commission received no testimony on this item.

The Commission took the following actions:

- Directed staff to re-open the application process and expand outreach for the Alternate Public Member vacancy;
- Directed staff to keep the fourteen (14) original applicants who met the Monday, March 13, 2023 deadline for the Alternate Public Member vacancy; and
- Directed staff to report back to the Commission with a new appointment schedule for the vacancy of the Alternate Public Member.

MOTION: Mitchell SECOND: Bell (Alt. for Oschin) APPROVED: 7-0-0
AYES: Bell (Alt. for Oschin), Finlay, Lewis, McCallum, Mirisch, Mitchell, Dear
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Lee, Oschin

Chair Dear appointed four (4) members to an Ad Hoc Committee of the Commission to screen the new round of applicants, in addition to the applicants who previously applied for the Alternate Public Member position, as follows:

- Commissioner Barger (Board of Supervisors representative)
- Commissioner Finlay (City representative)
- Commissioner Mirisch (City representative)
- Commission Mitchell (Board of Supervisors representative)

9 OTHER ITEMS

The following item was called up for consideration:

- d. Report to the Commission concerning the City Selection Committee (continued from the June 14, 2023 Meeting).

The EO summarized the staff report on this item.

The Commission took the following action:

- Directed staff to draft a letter, to be signed by Chair Dear, to the Assembly Speaker and the Senate President Pro Tem, with copies to the Los Angeles County delegation (those assemblymembers and senators whose districts include portions of Los Angeles County), asking that the Legislature introduce, consider, and adopt legislation to authorize the Los Angeles County City Selection Committee to meet virtually.

MOTION: Finlay SECOND: McCallum APPROVED: 7-0-0
AYES: Bell (Alt. for Oschin), Finlay, Lewis, McCallum, Mitchell, Mirisch, Dear
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Lee, Oschin

9 OTHER ITEMS

The following item was called up for consideration:

- e. Voting Members for the Southern Region of CALAFCO.

The EO summarized the staff report on this item.

The Commission took the following action:

- Appointed Chair Dear, as voting member for the Southern Region of CALAFCO group, and alternates, as follows:
 - i. 1st Vice-Chair, or
 - ii. 2nd Vice-Chair, or
 - iii. Any other Commissioner in attendance, or in their absence
 - iv. Executive Officer, or in Executive Officer's absence
 - v. Deputy Executive Officer.

MOTION: Finlay SECOND: McCallum APPROVED: 7-0-0
AYES: Bell (Alt. for Oschin), Finlay, Lewis, McCallum, Mitchell, Mirisch, Dear
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Lee, Oschin

10 REQUESTED POSITION(S) ON LEGISLATION

- a. Request to Oppose Assembly Bill (AB) 399.

The EO summarized the staff report on this item.

The Commission took the following action:

- Took a position OPPOSING AB 399 (Boerner), authorized the Chair to sign letters documenting this position, and directed staff to convey this opposition to legislators, the Governor, and other stakeholders.

MOTION: Dear SECOND: Mitchell APPROVED: 6-1-0
AYES: Bell (Alt. for Oschin), Finlay, Lewis, Mitchell, Mirisch, Dear
NOES: McCallum
ABSTAIN: None.
ABSENT: Barger, Lee, Oschin

11 COMMISSIONERS' REPORT

(None).

12 EXECUTIVE OFFICER'S REPORT

The EO indicated that the California Local Agency Formation Commissions (CALAFCO) is currently conducting an election to appoint a County Supervisor and a Special District representative for the CALAFCO Southern Region to the CALAFCO 16-member Board of Directors. The deadline to submit an application is Monday, September 18, 2023.

Additionally, the EO thanked staff for working diligently with applicants and managing the influx of new applications received within the last few months before the new LAFCO fee schedule took effect July 1, 2023.

13 PUBLIC COMMENT

(None).

14 FUTURE MEETINGS

August 9, 2023
September 13, 2023
October 11, 2023

15 ADJOURNMENT

Chair Dear adjourned the in-person and virtual meeting, in memory of former Commissioner Jerry Gladbach, who passed away last year, at 9:47 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer

12:14 PM

07/27/23

Cash Basis

LA LAFCO

Register Report

July 2023

Type	Date	Num	Name	Paid Amount	Balance
Jul 23					
Bill Pmt -Check	07/01/2023	11611	Allied Public Risk	-2,553.00	-2,553.00
Bill Pmt -Check	07/01/2023	11612	Los Angeles County...	-75.00	-2,628.00
Bill Pmt -Check	07/01/2023	11613	ParcelQuest	-2,399.00	-5,027.00
Bill Pmt -Check	07/01/2023	11614	SP Plus Corporation	-630.00	-5,657.00
Bill Pmt -Check	07/01/2023	11615	The Lincoln National	-319.76	-5,976.76
Bill Pmt -Check	07/01/2023	11616	Allied Public Risk	-2,488.00	-8,464.76
Check	07/01/2023	11617	Wells Fargo*	0.00	-8,464.76
Check	07/03/2023	WIRE	TRPF 80 South Lak...	-620.31	-9,085.07
Check	07/03/2023	WIRE	TRPF 80 South Lak...	-10,929.02	-20,014.09
Check	07/13/2023	DD	Federal Tax Deposit	-6,388.80	-26,402.89
Check	07/13/2023	DD	State Income Tax	-1,773.77	-28,176.66
Bill Pmt -Check	07/13/2023	11618	County Counsel	-14,466.06	-42,642.72
Bill Pmt -Check	07/13/2023	11619	LACERA-OPEB	-1,791.48	-44,434.20
Bill Pmt -Check	07/13/2023	11620	Canon Financial Ser...	-222.93	-44,657.13
Bill Pmt -Check	07/13/2023	11621	Certified Records M...	-1,393.27	-46,050.40
Bill Pmt -Check	07/13/2023	11622	Charter Communica...	-447.90	-46,498.30
Bill Pmt -Check	07/13/2023	11623	CTS Clouds LLC	-1,035.00	-47,533.30
Bill Pmt -Check	07/13/2023	11624	FedEx	-44.51	-47,577.81
Bill Pmt -Check	07/13/2023	11625	Los Angeles County...	-20.00	-47,597.81
Bill Pmt -Check	07/13/2023	11626	ODP Business Solut...	-489.65	-48,087.46
Bill Pmt -Check	07/13/2023	11627	Quadient Leasing U...	-501.22	-48,588.68
Bill Pmt -Check	07/13/2023	11628	Total Compensation...	-1,395.00	-49,983.68
Bill Pmt -Check	07/13/2023	11629	Wells Fargo-Elite C...	-365.86	-50,349.54
Bill Pmt -Check	07/13/2023	11630	Yvonne Green CPA	-300.00	-50,649.54
Check	07/14/2023	DD	Ambar De La Torre	-2,574.68	-53,224.22
Check	07/14/2023	DD	Douglass S Dorado	-3,741.06	-56,965.28
Check	07/14/2023	DD	Adriana L Flores	-1,291.77	-58,257.05
Check	07/14/2023	DD	Taylor J Morris	-2,464.09	-60,721.14
Check	07/14/2023	DD	Paul A Novak	-6,419.41	-67,140.55
Check	07/14/2023	DD	Alisha O'Brien	-2,693.19	-69,833.74
Check	07/14/2023	DD	Adriana Romo	-4,353.61	-74,187.35
Bill Pmt -Check	07/27/2023	11631	American Planning	-800.00	-74,987.35
Bill Pmt -Check	07/27/2023	11632	ATT	-309.01	-75,296.36
Bill Pmt -Check	07/27/2023	11633	Calif Planning & Dev...	-238.00	-75,534.36
Bill Pmt -Check	07/27/2023	11634	Costco	-120.00	-75,654.36
Bill Pmt -Check	07/27/2023	11635	Daily Journal	-148.75	-75,803.11
Bill Pmt -Check	07/27/2023	11636	FedEx	-53.28	-75,856.39
Bill Pmt -Check	07/27/2023	11637	Meijun	-3,025.00	-78,881.39
Bill Pmt -Check	07/27/2023	11638	The Lincoln National	-319.76	-79,201.15
Bill Pmt -Check	07/27/2023	11639	CALAFCO'	-3,075.00	-82,276.15
Bill Pmt -Check	07/27/2023	11640	SP Plus Corporation	-630.00	-82,906.15
Bill Pmt -Check	07/27/2023	11641	LACERA	-20,985.19	-103,891.34
Check	07/28/2023	DD	Federal Tax Deposit	-6,874.30	-110,765.64
Check	07/28/2023	DD	State Income Tax	-1,868.19	-112,633.83
Check	07/28/2023	DD	Ambar De La Torre	-2,650.96	-115,284.79
Check	07/28/2023	DD	Douglass S Dorado	-3,844.52	-119,129.31
Check	07/28/2023	DD	Adriana L Flores	-1,484.97	-120,614.28
Check	07/28/2023	DD	Taylor J Morris	-2,527.96	-123,142.24
Check	07/28/2023	DD	Paul A Novak	-6,283.71	-129,425.95
Check	07/28/2023	DD	Alisha O'Brien	-2,764.44	-132,190.39
Check	07/28/2023	DD	Adriana Romo	-4,580.52	-136,770.91
Check	07/28/2023	DD	Anthony E Bell	-138.53	-136,909.44
Check	07/28/2023	DD	Donald Dear	-138.53	-137,047.97
Check	07/28/2023	DD	Robert W Lewis	-277.05	-137,325.02
Check	07/28/2023	DD	Gerard McCallum II	-277.05	-137,602.07
Check	07/28/2023	DD	John A Mirisch	-268.92	-137,870.99
Check	07/28/2023	DD	Holly J Mitchell	-133.97	-138,004.96
Check	07/28/2023	90269...	Margaret E Finlay	-138.53	-138,143.49
Jul 23				-138,143.49	-138,143.49

AGENDA ITEM NO. 6.c. August 9th, 2023						
PENDING PROPOSALS As of August 2nd, 2023						
		LAFCO Designation Number	Applicant	Description	Status	Est. Date of Completion
1	DD	Annexation 2006-12 to Los Angeles County Waterworks District No. 40, Antelope Valley	Land Resource Investors	Annex 20 acres of vacant land located at the northeast corner of Avenue J and 37th Street East, City of Lancaster. Will be developed into 80 single family homes.	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-22	Unknown
2	DD	Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40, Antelope Valley	Los Angeles County Waterworks District No. 40, Antelope Valley	Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-23	Unknown
3	DD	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40, Antelope Valley	Behrooz Haverim/Kamyar Lashgari	Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-24	Unknown
4	DD	Annexation 2008-13 to Los Angeles County Waterworks District No. 40	Lancaster School Dist.	Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley frw. And the nearest paved major streets are ave. H, And Ave. I, in the City of Lancaster. For future construction of a school.	Application complete, missing BOE fees to place on agenda for approval. Emailed district for fees on 4-18-17	Unknown
5	DD	Reorganization 2010-04 Los Angeles County Waterworks District No. 29	Malitex Partners, LLC	Detach 88 acres of vacant land from the Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No 29 and West Basin Municipal Water District. The project includes future construction of three homes and dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu.	Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.	Unknown
6	DD	City of Palmdale Annexation 2010-05	City of Palmdale	49.6 acres located adjacent to residential properties to the southwest, southeast, and separated by the Amargosa Creek to the north.	Notice of Filing sent 1-3-11 Incomplete filing: property tax transfer resolution, insufficient CEQA, unclear pre-zoning ordinance, approved map and legal. Need to include DUC.	Unknown
7	DD	Reorganization No. 2014-03 to the City of Calabasas	City of Calabasas	176± acres immediately north of and adjacent to the 101 freeway between the City of Calabasas and Hidden Hills.	Notice of Filing sent 1-8-15, Incomplete filing: property tax transfer resolution and approved map and legal.	Unknown
8	DD	Annexation No. 2015-10 to the City of Agoura Hills	City of Agoura Hills	117 acres uninhabited territory. Located northeast and southwest of Chesebro Road directly north of the Highway 101	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	Unknown
9	DD	Reorganization No. 2016-01 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of Cairnloch Street, west of Summit Mountain Way. all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	Unknown
10	DD	Annexation No. 2017-09 to the Wilmington Cemetery District	Wilmington Cemetery District	Inhabited territory around Wilmington	Notice of Filing sent 6-10-17 Incomplete filing: property tax transfer resolution	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
11	DD	Annexation No. 2018-12 to the City of Agoura Hills	City of Agoura Hills	82.58± acres of inhabited territory to the City of Agoura Hills. Area A of the affected territory is generally located east of the intersection of Liberty Canyon Road and Agoura Road and Area C is generally located west of the intersection of Liberty Canyon Road and Revere Way, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills	Notice of Filing sent 11-20-18 Incomplete filing: property tax transfer resolution, CEQA, map of limiting addresses, pre-zoning, register voter labels, approved map and geographic description.	11/19/2018	Unknown
12	DD	Reorganization No. 2019-01 to the City of Rancho Palos Verdes	Rajendra Makan	1.17± acres of uninhabited territory located along Re Le Chardlene, east of the intersection of Chandeleur and Rue Le Charlene, in the City of Los Angeles.	Notice of Filing sent 5-14-19 Incomplete filing: property tax transfer resolution and approved map and legal.	5/14/2019	Unknown
13	DD	Formation No. 2019-06 of the Lower Los Angeles River Recreation and Park District	City of South Gate	Inhabited territory, along the Los Angeles River between Vernon and Long Beach	TTR/Auditors determination, plan for services, and approved map and geographic description.	10/2/2019	Unknown
14	DD	Formation No. 2019-04 of the Acton/Agua Dulce Garbage Disposal District	County of Los Angeles	150,982 acres of inhabited territory. The affected territory is located in the unincorporated county area of Acton and Agua Dulce	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
15	DD	Formation No. 2019-05 East Antelope Valley Garbage Disposal District	County of Los Angeles	459,925 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, east of state route 14.	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
16	DD	Formation No. 2019-06 of the West Antelope Valley Garbage Disposal District	County of Los Angeles	293,394 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, west of state route 14.	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
17	DD	Formation No. 2021-07 of the Quartz Hill Garbage Disposal District	County of Los Angeles	6.575 acres of inhabited territory. The affected territory is located in the unincorporated county area of Quartz Hill	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
18	AOB	Reorganization No. 2021-03 for the Artesia Cemetery District, the Downey Cemetery District, and the Little Lake Cemetery District	Artesia Cemetery District, and behalf of Downey Cemetery District and Little Lake Cemetery District	Reorganization of territories located within Cities of Bellflower, Bell Gardens, Cerritos, Downey, La Mirada, Lakewood, Norwalk, Paramount, Santa Fe Springs, South Gate, and Los Angeles County unincorporated territory (South Whittier).	Notice of Filing sent 12-22-21 Incomplete filing: property tax transfer resolution.	12/20/2021	Unknown
19	DD	Annexation No. 2021-10 to the City of Bradbury	City of Bradbury	.66± acres of uninhabited territory. The affected territory is located along Royal Oaks Drive North between Braewood Drive and Woodlyn Lane, adjacent to the City of Bradbury.	continued to June 2023	11/29/2021	Unknown
20	DD	Annexation No. 2021-09 to the City of Whittier	City of Whittier	58± acres of inhabited territory. The affected territory is located along Whittier Blvd. between interstate 605 and Sorensen Ave, adjacent to the City of Whittier.	Notice of Filing sent 12-22-21 Incomplete Filing: property tax transfer resolution, limiting addresses map and list, approved map and geographic description, and BOE fees	12/13/2021	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
21	DD	Reorganization No. 2019-04 to the City of La Verne	Saint George Properties, LLC	19.44± acres of uninhabited territory. The affected territory is located north of Baseline Road and Japonica Avenue, adjacent to the City of La Verne.	Notice of Filing sent 12-22-21 Incomplete Filing: property tax transfer resolution, BOE fees and 2nd application submittal	12/21/2021	Unknown
22	DD	Reorganization No. 2021-11 to the City of Los Angeles	Television City Studios, LLC	.64± acres of uninhabited territory. The affected territory is located south of the intersection of Beverly Blvd and Genesee Ave, surrounded by the City of Los Angeles.	Notice of Filing sent 3-9-22: property tax transfer resolution, limiting address map & list, pre-zoning ordinance, and BOE fees	12/29/2021	Unknown
23	AOB	Annexation No. 2022-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Western Funding, LLC	30± acres of uninhabited territory. The affected territory is generally located at northwest corner of 40th Street East and Lancaster Boulevard, within the City of Lancaster.	Approved by Commission on July 12, 2023	1/20/2022	Aug-2023
24	AD	Annexation 58 to District no. 2	Los Angeles County Sanitation Districts	7.37 acres of uninhabited territory. The affected territory is located on the northwest corner of Marianna Avenue and Worth Street, all within the City of Los Angeles.	Notice of Filing Sent 09-29-22 Incomplete filing: property tax transfer resolution. Notice of Filing sent not sent.	9/27/2022	Unknown
25	DD	Annexation No. 2022-06 to the Los Angeles County Waterworks District No. 40, Antelope Valley	New Anaverde, LLC	1.553 acres of uninhabited territory. The affected territory is generally located southeast of the intersection of Elizabeth Lake Road and Ranch Center Drive.	Need better map and geographic description to start. Incomplete filing: property tax transfer resolution, NOD, LLC documentation, approved map and geographic description.	9/29/2022	Unknown
26	AD	Annexation 767 to District no. 21	Los Angeles County Sanitation Districts	0.32 acres of uninhabited territory. The affected territory is located on the east side of Garey Avenue approximately 100 feet south of White Oak Drive, all within unincorporated Los Angeles County.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
27	AD	Annexation 440 to District no. 22	Los Angeles County Sanitation Districts	1.1 acres of uninhabited territory. The affected territory is located on the south side of Holt Avenue approximately 350 feet east of Grand Avenue, all within the City of West Covina.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
28	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1107	Los Angeles County Sanitation Districts	9.68 acres of uninhabited territory. The affected territory is located on the west side of Sierra Highway at Soledad Canyon Road, all within the City of Santa Clarita.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
29	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1108	Los Angeles County Sanitation Districts	4.41 acres of uninhabited territory. The affected territory is located on the east side of Alderbrook Drive approximately 100 feet north of Oak Orchard Road, all within the city of Santa Clarita.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
30	AD	Annexation 769 to District no. 21	Los Angeles County Sanitation Districts	2.36 acres of uninhabited territory. The affected territory is located on the east side of Fruit Street approximately 600 feet north of Foothill Boulevard, all within the City of La Verne.	Notice of Filing Sent 10-25-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
31	AD	Annexation 439 to District no. 22	Los Angeles County Sanitation Districts	4.29 acres of uninhabited territory. The affected territory is located on Winston Avenue approximately 200 feet south of Lemon Avenue, all within the City of Bradbury.	Notice of Filing Sent 10-25-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
32	AD	Annexation 765 to District no. 21	Los Angeles County Sanitation Districts	0.75 acres of uninhabited territory. The affected territory is located on the south side of Annelen Street approximately 300 feet east of Hacienda Boulevard, all within unincorporated Los Angeles County.	Notice of Filing Sent 11-22-22 Incomplete filing: property tax transfer resolution.	11/21/2022	Unknown
33	AD	Annexation 438 to District no. 22	Los Angeles County Sanitation Districts	0.98 acres of uninhabited territory. The affected territory is located on Cameron Avenue approximately 160 feet south of Navaro Lane, all within the City of West Covina.	Notice of Filing Sent 11-22-22 Incomplete filing: property tax transfer resolution.	11/21/2022	Unknown
34	DD	Detachment No. 2022-08 from Los Angeles County Waterworks District No. 36, Val Verde	Claremont Homes, Inc.	73 acres of uninhabited territory. The affected territory is located southwest corner of Mandolin Canyon Road and Sloan Canyon Road, all within unincorporated Los Angeles County (Castaic)	Received application packet 3-15-23 Notice of Filing sent 4-3-23 Incomplete filing: property tax transfer resolution	12/13/2022	Unknown
35	AD	Annexation 437 to District no. 14	Los Angeles County Sanitation Districts	1.257 acres of uninhabited territory. The affected territory is located on the southeast corner of Market Street and Enterprise Parkway, all within the City of Lancaster.	Notice of Filing Sent 03-08-23 Incomplete filing: property tax transfer resolution.	1/23/2023	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
36	AD	Annexation 441 to District no. 22	Los Angeles County Sanitation Districts	1,185 acres of uninhabited territory. The affected territory is located on Rancho Del Monico Road approximately 200 feet east of Banna Avenue, all within the City of Covina.	Notice of Filing Sent 03-14-23 Incomplete filing: property tax transfer resolution.	3/14/2023	Unknown
37	AD	Annexation 770 to District no. 21	Los Angeles County Sanitation Districts	1,226 acres of uninhabited territory. The affected territory is located on the southeast corner of Padua Avenue and Lamondette Street, all within the City of Claremont.	Notice of Filing Sent 03-14-23 Incomplete filing: property tax transfer resolution.	3/14/2023	Unknown
38		Annexation No. 2023-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Robert Sarkissian	The application proposes to annex approximately 78.97± acres of uninhabited territory to the Los Angeles County Waterworks District No. 40, Antelope Valley. The affected territory is located southwest of the intersection of Blackburn Way and Lockheed Way, in the City of Palmdale.	Notice of Filing sent 2-15-23 Incomplete filing: property tax transfer resolution, map and geographic description	2/15/2023	Unknown
39	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1115	Los Angeles County Sanitation Districts	62.093 acres of uninhabited territory. The affected territory is located on the south side of Bouquet Canyon Road north of Nickie Lane, all within the City of Santa Clarita.	Notice of Filing Sent 04-11-23 Incomplete filing: property tax transfer resolution is missing.	4/4/2023	Unknown
40	AD	Annexation 442 to District no. 22	Los Angeles County Sanitation Districts	0.42 acres of uninhabited territory. The affected territory is located on the north side of Covina Hills Road approximately 200 feet west of San Joaquin Road, all within the City of Covina.	Notice of Filing Sent 04-18-23 Incomplete filing: property tax transfer resolution is missing.	4/5/2023	Unknown
41	AD	Annexation 443 to District no. 22	Los Angeles County Sanitation Districts	39.61 acres of uninhabited territory. The affected territory is located at the northern terminus of Hilltop Drive approximately 120 feet east of Ridge View Drive, all within Unincorporated Los Angeles County.	Notice of Filing Sent 04-11-23 Incomplete filing: property tax transfer resolution is missing.	4/6/2023	Unknown
42	AOB	Reorganization No. 2023-02 to the City of Monrovia (detachment from the City Arcadia, annexation to the City of Monrovia)	Elizabeth and Jimmy Kho	0.46 acres of uninhabited territory. The affected territory is generally located at the terminus of El Norte Avenue and 10th Avenue, all within the City of Arcadia.	Notice of Filing Sent 05-01-23 Incomplete filing: property tax transfer resolution, approved map and geographic description	4/24/2023	Unknown
43	AOB	Annexation No. 2023-03 to the Los Angeles County Waterworks District No. 40, Antelope Valley	San Yu Enterprises (NorthPoint Development)	121 acres of uninhabited territory. The affected territory is generally located at the intersection of 20th Street West and Avenue F, all within the unincorporated County territory.	Notice of Filing Sent 05-09-23 Incomplete filing: property tax transfer resolution, CEQA, approved map and geographic description	5/4/2023	Unknown
44	AOB	Annexation No. 2023-05 to the County Waterworks District No. 40, Antelope Valley	Real Holdings, LLC (NorthPoint Development)	38 acres of uninhabited territory. The affected territory is located at the corner of West Avenue G and 45th Street West, all within the City of Lancaster	Notice of Filing Sent 06-08-23 Incomplete filing: property tax transfer resolution, CEQA, approved map and geographic description	5/31/2023	Unknown
45		Annexation No. 2023-07 to the City of Duarte	HumanGood	19 acres of uninhabited territory. The affected territory is located north of Royal Oaks Drive between Braewood Drive and Woodlyn Lane, in Los Angeles County unincorporated territory adjacent to the City of Duarte.	Notice of Filing sent 6-7-23 Incomplete filing: TTR, pre-zoning, party disclosure, limiting addresses, radius map, mailing labels, approved map and legal	5/31/2023	Unknown
46	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1112	Los Angeles County Sanitation Districts	1.15 acres of uninhabited territory. The affected territory is located on the northeast corner of Church Street and Cherry Drive, all within Unincorporated Los Angeles County.	Notice of Filing sent 6/6/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
47	AD	Annexation 438 to District no. 14	Los Angeles County Sanitation Districts	121.46 acres of uninhabited territory. The affected territory is located on the southeast corner of 10th Street West and Avenue M/Columbia Way, all within the City of Palmdale.	Notice of Filing sent 6/6/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
48	AD	Annexation 101 to District no. 20	Los Angeles County Sanitation Districts	39.29 acres of uninhabited territory. The affected territory is located on the north side of Pear Blossom Highway, southeast of Fort Tejon Road, all within the City of Palmdale.	Notice of Filing sent 6/6/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
49	AD	Annexation 439 to District no. 14	Los Angeles County Sanitation Districts	17.52 acres of uninhabited territory. The affected territory is located on the north side of Avenue J-12 and the west side of 60th Street West, all within the City of Lancaster.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
50	AD	Annexation 440 to District no. 14	Los Angeles County Sanitation Districts	1.26 acres of uninhabited territory. The affected territory is located on the north side of Avenue L approximately 500 feet west of 50th Street West, all within unincorporated Los Angeles County.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
51	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1128	Los Angeles County Sanitation Districts	1.11 acres of uninhabited territory. The affected territory is located on Trail Ridge Road south of Live Oak Springs Canyon Road, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
52	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1110	Los Angeles County Sanitation Districts	4.41 acres of uninhabited territory. The affected territory is located on the south side of Lost Canyon Road approximately 900 feet east of Sand Canyon Road, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
53	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1111	Los Angeles County Sanitation Districts	0.95 acres of uninhabited territory. The affected territory is located on the southeast corner of Clearlake Drive and Live Oak Springs Canyon Road, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
54	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1117	Los Angeles County Sanitation Districts	0.65 acres of uninhabited territory. The affected territory is located on the north side of Beneda Lane approximately 120 feet east of Stonehill Way, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
55	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1118	Los Angeles County Sanitation Districts	0.69 acres of uninhabited territory. The affected territory is located on the northeast east corner of Scherzinger Lane and Sierra Highway, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
56	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1119	Los Angeles County Sanitation Districts	0.9 acres of uninhabited territory. The affected territory is located on the southwest corner of Sierra Highway and Sierra Cross Avenue, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
57	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1123	Los Angeles County Sanitation Districts	2.12 acres of uninhabited territory. The affected territory is located southwest of Stonehill Wy and North of Beneda Ln, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
58	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1125	Los Angeles County Sanitation Districts	0.54 acres of uninhabited territory. The affected territory is located between Alderbrook Dr, and Hacienda Ln, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
59	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1126	Los Angeles County Sanitation Districts	1.4 acres of uninhabited territory. The affected territory is located south of Oak Orchard Rd, and north of Placeritos Blvd, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
60	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1127	Los Angeles County Sanitation Districts	0.35 acres of uninhabited territory. The affected territory is located to the west of Scherzinger Ln and north of Sierra Cross Avenue, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
61	AD	Annexation 771 to District no. 21	Los Angeles County Sanitation Districts	5.73 acres of uninhabited territory. The affected territory is located on the south side of Amherst Street approximately 200 feet west of Williams Avenue, all within the City of La Verne.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/21/2023	Unknown
62	AD	Annexation 444 to District no. 22	Los Angeles County Sanitation Districts	0.3 acres of uninhabited territory. The affected territory is located north of Covina Hills Rd and approximately 350 feet west of San Joaquin Rd, all within the City of Covina.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/21/2023	Unknown
63	AD	Annexation 445 to District no. 22	Los Angeles County Sanitation Districts	1.02 acres of uninhabited territory. The affected territory is located on the north side of Holt Avenue approximately 300 feet east of grand avenue, all within the City of West Covina.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/21/2023	Unknown
64	AOB	Out-Of-Agency Service Agreement No. 2023-12 (Paradise Ranch Mobile Home Park)	Paradise Ranch, LLC	24 acres of uninhabited territory. The affected territory is located east of Interstate 5 Freeway at Templin Highway Exit, in the unincorporated territory of Castaic.	Notice of Filing sent 6/8/23 Incomplete filing: CEQA, map of the affected territory, statement from SCVWA indicating its willingness to continue to provide hauled water, and SCVWA to provide documentation of a threat to the health and safety of the affected residents.	6/26/2023	Sept/Oct 2023

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
65	AOB	Annexation No. 2023-09 to the Los Angeles County Waterworks District No. 40, Antelope Valley	AV Lands, LLC and Reitzell Jeanie MLR Trust (NorthPoint Development)	39 acres of uninhabited territory. The affected territory is located west of State Route 14, north of Avenue G, and 30th Street West, all within the City of Lancaster.	Notice of Filing Sent 7-13-23 Incomplete filing; property tax transfer resolution, CEQA, approved map and geographic description.	6/26/2023	Unknown
66	AD	Annexation 442 to District no. 14	Los Angeles County Sanitation Districts	9.76 acres of uninhabited territory. The affected territory is located on the east side of 65th street West approximately 1,300 feet north of Avenue J West, all within the City of Lancaster.	Notice of Filing not sent. Incomplete filing; property tax transfer resolution is missing.	6/28/2023	Unknown
67	AD	Annexation 443 to District no. 14	Los Angeles County Sanitation Districts	12.26 acres of uninhabited territory. The affected territory is located on the northwest corner of Avenue J and 60th Street West, all within the City of Lancaster.	Notice of Filing not sent. Incomplete filing; property tax transfer resolution is missing.	6/28/2023	Unknown
68	AD	Annexation 444 to District no. 14	Los Angeles County Sanitation Districts	40.24 acres of uninhabited territory. The affected territory is located on the southeast corner of 60th Street West and Avenue K-4, all within the City of Lancaster.	Notice of Filing not sent. Incomplete filing; property tax transfer resolution is missing.	6/28/2023	Unknown
69	AD	Annexation 103 to District no. 20	Los Angeles County Sanitation Districts	238 acres of uninhabited territory. The affected territory is located on the south side of Elizabeth Lake Road at Ranch Center Drive and north of Avenue S at Westland Drive, all within the City of Palmdale.	Notice of Filing not sent. Incomplete filing; property tax transfer resolution is missing. Fees are missing.	6/28/2023	Unknown
70	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1113	Los Angeles County Sanitation Districts	4.32 acres of uninhabited territory. The affected territory is located on the west side of Sierra Highway, approximately 600 feet south of Newhall Avenue, all within the City of Santa Clarita.	Notice of Filing not sent. Incomplete filing; property tax transfer resolution is missing.	6/28/2023	Unknown
71	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1121	Los Angeles County Sanitation Districts	39.42 acres of inhabited territory. The affected territory is located on the north and south sides of Placerita Canyon Road west of Golden Oak Lane, all within the City of Santa Clarita.	Notice of Filing not sent. Incomplete filing; property tax transfer resolution is missing.	6/28/2023	Unknown
72	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1122	Los Angeles County Sanitation Districts	186.44 acres of uninhabited territory. The affected territory is located at the southern terminus of Mandolin Canyon Road, north and south of Canyon Hill Road/Sloan Canyon Road, and east of Valley Creek Road, all within Unincorporated Los Angeles County.	Notice of Filing not sent. Incomplete filing; property tax transfer resolution is missing.	6/28/2023	Unknown
73	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1129	Los Angeles County Sanitation Districts	0.81 acres of uninhabited territory. The affected territory is located on the south side of Violin Canyon Road approximately 650 southeast of Lake Hughes Road, all within unincorporated Los Angeles County.	Notice of Filing not sent. Incomplete filing; property tax transfer resolution is missing.	6/28/2023	Unknown
74	AOB	Annexation No. 2023-08 to the Resource Conservation District of the Santa Monica Mountains	Resource Conservation District of the Santa Monica Mountains	Acreage TBD. Inhabited territory. The affected territory to include the entire San Fernando Valley and the eastern Santa Monica Mountains (including Hollywood Hills and Griffith Park), the Verdugo Mountains and lower San Gabriel Foothills as far east as the Arroyo Seco, south through Northeast City of Los Angeles (including Elysian Park) to Downtown Los Angeles.	Notice of Filing TBD. Incomplete filing; property tax transfer resolution, CEQA, approved map and description.	6/29/2023	Unknown
75		MSR No. 2023-13-- Municipal Service Review and Sphere of Influence Update for the Cities of Bell, Maywood, South El Monte, and Vernon	LAFCO	Cities of Bell, Maywood, South El Monte, and Vernon	Agenda August 9, 2023	14-Jul	Aug-2023

Staff Report

August 9, 2023

Agenda Item No. 6.d.

Legislative Update

Legislation:

- **AB 1753 (Assembly Local Government Committee):** The annual Omnibus Bill, sponsored by CALAFCO, was introduced on March 2, 2023. **Governor Newsom signed AB 1753 on June 29, 2023; it will take effect on January 1, 2024.**

Commission Position: SUPPORT (Meeting of April 12, 2023)

- **AB 399 (Boerner):** AB 399 would undermine San Diego LAFCO's ability to follow existing law in reviewing the Fallbrook/Rainbow detachment proposal, and contravene an existing law (the County Water Authority Act) which has been established law since its adoption in 1944. The bill is opposed by CALAFCO and San Diego LAFCO. **The Assembly approved AB 399 on May 18th, and it was approved by the Senate Governance & Finance Committee on July 13th on a 5-3 vote. The bill is pending before the full Senate.**

Commission Position: OPPOSE (Meeting of July 12, 2023)

- **SB 411 (Portantino), SB 537 (Becker), AB 557 (Hart):** These bills address related issues concerning the Ralph M. Brown Act, open meetings, and teleconference meetings. **AB 557** (to extend authority for emergency remote meetings) is awaiting final approval by the full Senate. **SB 537** (relating to virtual meetings for multi-jurisdictional agencies; also expands just cause for virtual attendance) was approved on July 12th by **the Assembly Local Government Committee**. **SB 411, as amended, no longer would apply to LAFCOs, and it will be deleted from future legislative updates.**

Recommended Action:

Staff recommends that the Commission:

1. Receive and file the Legislative Update.

Staff Report

August 9, 2023

Agenda Item No. 6.g.i.

GOVERNMENT CODE § 56857 NOTICE (For Information Purposes Only, Receive and File)

Upon receipt of any proposed change of organization or reorganization that includes the annexation of territory to any district, if the proposal is not filed by the district to which annexation of territory is proposed, Government Code Section 56857(a) requires the Executive Officer to place the proposal on its agenda for information purposes only, and to transmit a copy of the proposal to any district to which annexation is requested. Pursuant to Government Code Section 56857(b), no more than 60 days after the meeting agenda date, the district to which annexation is being proposed may adopt and submit to the Local Agency Formation Commission ("LAFCO") a resolution requesting termination of the proceedings. The law requires that any such resolution requesting termination must be based upon written findings supported by substantial evidence in the record that the request is justified by a financial or service-related concern, or the territory is already receiving electrical services under a service area agreement approved by the Public Utilities Commission. Prior to LAFCO's termination of proceedings, the resolution is subject to judicial review as provided in Government Code Section 56857(b).

LAFCO may not hear and consider the proposal until after the 60-day termination period has expired unless the district to which an annexation of territory is requested adopts and submits to LAFCO a resolution supporting the proposal.

The following is a summary of the proposal filed with LAFCO:

Annexation No. 2023-09 to the Los Angeles County Waterworks District No. 40, Antelope Valley

Description: AV Lands, LLC, and Jeanie Reitzell, Trustee of the MLR Trust, both landowners, (NorthPoint Development is working on behalf of both landowners) filed an application to annex 39± acres of vacant land to the Los Angeles County Waterworks District No. 40, Antelope Valley. The project includes future construction of one (1) industrial warehouse building.

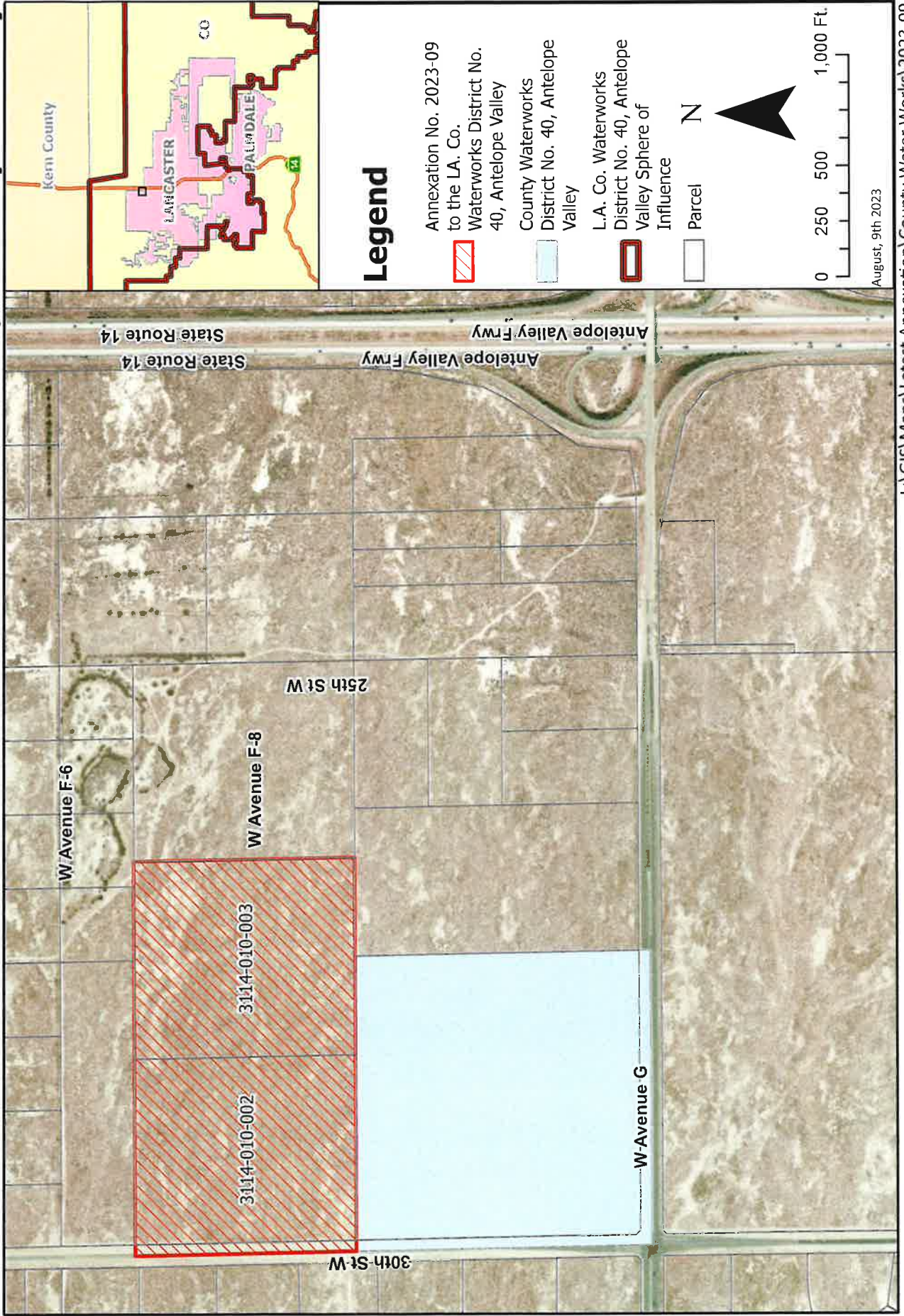
Location: The project site is generally located at the intersection of Avenue G and adjacent to 30th Street West, located within the City of Lancaster.

The Executive Officer will transmit a copy of the proposal to the Los Angeles County Waterworks District No. 40, Antelope Valley, as required by Government Code Section 56857(a).

Recommended Action
Receive and file.

Annexation No. 2023-09 to the

L.A. Co. Waterworks District No. 40, Antelope Valley



Staff Report

August 9, 2023

Agenda Item No. 7.a.

MSR No. 2023-13

Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell, Maywood, South El Monte, and Vernon

EXECUTIVE SUMMARY:

The Commission periodically prepares Municipal Service Reviews (MSRs) and updates the Spheres of Influence (SOIs) for cities and special districts in Los Angeles County. The Commission retained a consultant (RSG) to prepare a MSR and SOI Update for the Cities of Bell, Maywood, South El Monte, and Vernon. This agenda package includes the staff report, draft MSR and SOI determinations, Resolution Making Determinations, copies of correspondence, maps, and related documents.

Staff recommends approval of the MSR and SOI Updates and related determinations. The MSR, as well as the MSR and SOI determinations, meet all requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act). Staff has complied with all of the Act's requirements for public hearing notice and with the California Environmental Quality Act (CEQA).

In preparing the MSR, our consultant reached out to LAFCO staff and representatives of the four (4) cities.

The consultant recommended retention of the coterminous SOI for the City of Bell and the City of Maywood. The consultant also recommends retention of the existing larger than SOI for the City of South El Monte and Vernon.

All SOI recommendations are consistent with the Commission's existing SOI Policy (adopted by the Commission on November 13, 2019).

Staff is recommending approval of the MSR No. 2023-13 Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell, Maywood, South El Monte, and Vernon, consistent with the draft Resolution Making Determinations attached to this staff report.

MUNICIPAL SERVICES REVIEW BACKGROUND:

On July 13, 2022, the Commission awarded a contract to RSG to prepare MSRs and SOI Updates for the Cities of Bell, Maywood, South El Monte, and Vernon.

The consultant has analyzed the Cities of Bell, Maywood, South El Monte, and Vernon consistent with all requirements of Government Code Section 56430, and drafted the

corresponding determinations in the Draft MSR and SOI Updates (attached). Their methodology includes data collection, and interviews with the representatives of the cities.

In the course of its work, the consultant considered and analyzed information and documents from LAFCO; representatives of the four (4) cities; the Los Angeles County Departments of the Auditor-Controller, Assessor, and Environmental Health; the State of California Departments of Public Health, Regional Water Quality Control Board, Water Resources Control Board, and Department of Water Resources; and the United States Bureau of Reclamation and the Census Bureau. The consultant performed data collection; reviewed audits and budgets; communicated with representatives of the cities and agencies noted; prepared a public review draft document; considered public input from stakeholders; and prepared a revised draft for today's meeting. The consultant will present its findings and recommendations to the Commission during today's meeting.

MUNICIPAL SERVICE REVIEW DETERMINATIONS:

Since 2000, LAFCOs have been required to prepare MSRs pursuant to Government Code Section 56430. In order to prepare and to update a Sphere of Influence which meets the requirements of Section 56425, "the Commission shall conduct a review of the municipal services in that particular county or other appropriate area designated by the commission . . . and shall prepare a written statement of its determinations." LAFCO's consultant has provided a draft of these determinations, which staff also recommends for approval by the Commission (see "Draft Municipal Service Review Determinations", attached).

SPHERE OF INFLUENCE BACKGROUND:

Since 1971, LAFCOs have been required to develop and adopt a SOI for each city and special district. Government Code Section 56076 defines a SOI as "a plan for the probable physical boundaries and services area of a local agency, as determined by the Commission." Determining SOIs is central to the Commission's purpose. As Stated in Government Code Section 56425(a):

"In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities, the Commission shall develop and determine the Sphere of Influence of each city and special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere."

Section 56425(g) further requires that the Commission review and update SOI's "every five years, as necessary."

SPHERE OF INFLUENCE DETERMINATIONS

Pursuant to Government Code Section 56425(e), and in order to prepare and to update a Sphere of Influence, "the Commission shall consider and prepare a written statement of its

determinations.” LAFCO’s consultant has provided a draft of these determinations, which staff also recommends for approval by the Commission (see “Draft Sphere of Influence Determinations, attached).

PUBLIC HEARING REQUIREMENT FOR SOI UPDATE:

The Executive Officer, pursuant to Government Code Section 56427, set August 9, 2023, as the hearing date on these SOI Updates, and gave the required notice of public hearing pursuant to Government Code Section 56427. Notice of the public hearing for the proposed Sphere of Influence Updates was given pursuant to Government Code Section 56153. The public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on July 19, 2023.

PUBLIC OUTREACH:

Staff posted the Draft MSR and SOI Updates LAFCO’s website on Wednesday, July 18, 2023. Such outreach is supplemental to required legal notice.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CLEARANCE:

The MSR and SOI Updates for the Cities of Bell, Maywood, South El Monte, and Vernon is exempt from the provisions of CEQA under the common sense exemption in Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the recommended MSR and SOI Updates of the Cities of Bell, Maywood, South El Monte, and Vernon will have a significant effect on the environment. In the alternative, the MSR and SOI Updates is not a project for the purposes of CEQA because it is an organizational activity of government with no direct or indirect effects on the physical environment and therefore is excluded from the definition of a project, pursuant to Section 15378(b) of the State CEQA Guidelines.

COMMENTS FROM PUBLIC AGENCIES, LANDOWNERS, AND REGISTERED VOTERS:

Staff received no comments from any public agencies, landowners, nor registered voters.

PROPOSED SOI CHANGES

Within the Draft MSR, the consultant makes recommendations concerning the SOI for the Cities of Bell, Maywood, South El Monte, and Vernon. LAFCO staff supports the consultant’s recommendations.

Consultant’s proposed SOI changes:

- No proposed changes to current SOI for the Cities of Bell, Maywood, South El Monte, and Vernon.

CONCLUSIONS:

Staff believes that the consultant has provided an accurate, comprehensive, and well-documented review of the municipal services provided by the cities of Bell, Maywood, South El Monte, and

Vernon, consistent with all MSR requirements in Government Code Section 56430. The Draft MSR also provides the draft determinations necessary for the Commission to adopt the MSR and SOI Updates (attached).

RECOMMENDED ACTION:

In consideration of the information gathered and evaluated for the service review of the Cities of Bell, Maywood, South El Monte, and Vernon, staff recommends that the Commission:

1. Open the public hearing and receive testimony on the MSR and SOI updates for the Cities of Bell, Maywood, South El Monte, and Vernon;
2. There being no further testimony, close the public hearing;
3. Adopt and approve the Cities of Bell, Maywood, South El Monte, and Vernon Municipal Service Reviews and Sphere of Influence Updates Draft as Final, as enclosed;
4. Adopt the Resolution Making Determinations, including the California Environmental Quality Act determinations, Approving MSR No. 2023-13—Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell, Maywood, South El Monte, and Vernon;
5. Reconfirm the existing SOIs for the Cities of Bell, Maywood, South El Monte, and Vernon;
6. Direct the Executive Officer to add the words “Reconfirmed August 9, 2023” to the SOI maps for the Cities of Bell, Maywood, South El Monte, and Vernon.

ATTACHMENTS:

- Municipal Service Review Determinations
- Sphere of Influence Update Determinations
- Resolution Making Determinations
- Draft Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell, Maywood, South El Monte, and Vernon dated July 2023.
- Map, Existing Sphere of Influence for the Cities of Bell, Maywood, South El Monte, and Vernon.

Proposed Municipal Service Review Determinations

MSR No. 2023-13

Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell Maywood, South El Monte, and Vernon

Government Code section 56430 requires LAFCO to "conduct a service review of the municipal services" and to "prepare a written statement of its determinations relative to the factors noted below.

City of Bell:

1. Population Projections and Growth

The population in the City has steadily declined over the last ten years, which differs from the gradual increase in population seen in the County as a whole. The City has limited potential for population and economic growth due to existing buildout at capacity and geography. Despite this, the City is exploring opportunities for infill development across the City.

2. Disadvantaged Unincorporated Communities in or Contiguous to SOI

The City's SOI does not contain any DUCs. Although there are no DUCs within the City of Bell's SOI the City as a whole qualifies as a disadvantaged community.

3. Present and Planned Capacity of Public Facilities

The City's present and planned facilities are generally sufficient to meet community needs. In 2022 the City opted to separate the Public Works Department from the Community Development Department and is working to expand the department's capacity with additional staff.

4. Financial Ability to Provide Services

The City of Bell experienced increasing General Fund revenues and expenditures from FYs 2018-19 through 2020-21. During this time, revenues increased at a slower rate (**Error! Reference source not found.**) than expenditures however, in FY 2020-21 the City experienced a surplus of \$35,000. The City is considered to be at moderate financial risk by the State Auditor. Since the last MSR in 2005, the City has paid an estimated \$40 million toward their debt from general obligation bonds. City staff noted that the City is currently exploring options for addressing their unfunded pension liabilities, including the option of using a Section 115 Trust for savings. The City is currently exploring different sources of potential revenue to address the maintenance and replacement of infrastructure. Potential revenue sources include the implementation of Development Impact Fees, franchise fees, and a Transient Occupancy Tax. City staff indicated a financial transparency model would be presented to the public in 2023. City staff did not identify any challenges with their financial ability to provide services.

5. Opportunities for Shared Facilities

The City of Bell is currently in discussions with neighboring cities to explore the potential for consolidating regional services including transportation and street improvements. City staff also noted interest in sharing facilities with Los Angeles Unified School District for community spaces, meeting spaces, and classrooms. There are no imminent plans in place at this time.

6. Accountability for Community Service Needs

The City Council is elected on an at-large basis. The City's website includes information about City Council meetings, public meetings, and other City services. The City broadcasts its Council meetings via Zoom and provides Spanish translation for all meetings. The City's website is easily translated into a variety of languages and the City is active on a variety of social media platforms including Facebook, Instagram, and Twitter. Bell also offers a text by phone system, and a community center for in-person meetings with a capacity for around 150 people. RSG did not identify any issues with accountability in the City.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

City of Maywood:

1. Population Projections and Growth

The City has experienced a small population decrease over the past ten years, in comparison to a small increase in the population of the County as a whole. The City has limited potential for population and economic growth due to existing buildout and geography. Despite these challenges, the City is pursuing opportunities for redevelopment, and currently has a small project of approximately 40 units in the development pipeline. Based on current City demographics, these 40 units could result in an increase of 148 people in Maywood's population.

2. Disadvantaged Unincorporated Communities in or Contiguous to SOI

The City's SOI does not contain any DUCs within its SOI. Although there are no DUCs within the City of Maywood's SOI, the City as a whole qualifies as a DUC.

3. Present and Planned Capacity of Public Facilities

The City's sewer capacity is inadequate to meet community needs and is an obstacle for further development in the City. While the City is working with State agencies to repair the most pressing areas of the sewer infrastructure, this deficiency presents a major infrastructure and financial challenge for Maywood.

The City also has minimal parks and recreation facilities. The limited staff in the Community Services Department presents a challenge for the City to provide the level of service it wishes for the community. The City is considering partnerships with other jurisdictions to increase the level of recreation programming.

4. Financial Ability to Provide Services

The City of Maywood experienced increasing General Fund revenues from FYs 2018-19 through 2020-21. While General Fund expenditures increased over the same period as well, revenues grew at a faster rate and the City has experienced a surplus in both FY 2019-20 and 2020-21. The City is considered to be at moderate financial risk by the State Auditor. The cost of repairing

the sewer infrastructure is a major financial challenge for the City. Additionally, City staff noted high staff turnover rates, in part because Maywood is not able to offer compensation and benefits that are competitive with nearby jurisdictions.

5. Opportunities for Shared Facilities

City staff noted that Maywood is interested in exploring shared broadband services with neighboring jurisdictions in the future, but that there are no imminent plans in place to create a shared broadband service.

The City is also interested in collaborating with other agencies for recreation programming and facilities due to the limited amount of available park space in the City boundaries.

6. Accountability for Community Service Needs

The City Council is elected on an at-large basis. Maywood's website includes information about City Council meetings, public meetings, and other City services. Maywood broadcasts its Council meetings live on the City's Facebook page and is also active on Instagram. The City also utilizes technology and social media to share information with the public effectively. Maywood has experienced challenges with accountability in the past, but has taken steps to remedy those issues such as including performance evaluation requirements in the City Manager contract and adopting hiring policies. The State Auditor noted that while Maywood has made significant progress on accountability, there are still some steps it could take to improve oversight and transparency.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

City of South El Monte:

1. Population Projections and Growth

The City has experienced a small decline in population over the past ten years, in comparison to a small increase in the population of the County as a whole. There are currently two housing projects approved by Council that will add 280 dwelling units to the City. Based on the current household size per dwelling unit in the City, these developments could add over 1,000 new residents to South El Monte.

2. Disadvantaged Unincorporated Communities in or Contiguous to SOI

The City's SOI contains four LAFCO-identified unincorporated islands, two of which are disadvantaged unincorporated communities. The City does not provide any services to the DUCs within its SOI. The City as a whole qualifies as a DUC.

3. Present and Planned Capacity of Public Facilities

The City's present and planned facilities are generally sufficient to meet community needs and are designed to meet current and future planned uses. The City did not identify a need for additional facilities.

4. Financial Ability to Provide Services

The City of South El Monte experienced both increasing General Fund revenues and expenditures from FYs 2018-19 through 2020-21 (see **Error! Reference source not found.** and **Error! Reference source not found.**). Revenues increased by 12 percent during this period, while expenditures grew by 24 percent. The City's fiscal health is considered low risk by the State Auditor. City staff did not identify any challenges with their financial ability to provide services.

5. Opportunities for Shared Facilities

South El Monte is currently collaborating with El Monte and Baldwin Park to address concerns about homelessness, which are common across the County. In its third year, the cohort is aiming to secure funding from County and State sources in order to build shelters.

6. Accountability for Community Service Needs

The City Council and Mayor are elected on an at-large basis. South El Monte's website includes information about City Council meetings, other City services, and contact information for different departments. Public notices and the City newsletter are posted on the website. The City Council streams its meetings through Zoom, and the link is available online to the public. The City is active on at least two social media platforms.

The City utilizes technology and social media to share information with the public effectively. RSG did not identify any issues with accountability in the City.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

City of Vernon:

1. Population Projections and Growth

The City has grown significantly over the past decade and has grown faster than the County average. However, the population of Vernon continues to remain low, at less than 300 residents. This poses a major threat to the City due to the limited availability of candidates to run for City Council.

While future population growth is currently projected to be slower, the City is actively working to increase the population both through exploring annexation options and through increasing housing stock. If these opportunities move forward, the population may grow much more

rapidly. There are limited opportunities for growth within the current City boundaries, so the City will likely have to expand its SOI to ensure a sustainable population.

2. Disadvantaged Unincorporated Communities in or Contiguous to SOI

The City SOI does not contain any DUCs. The City's SOI contains two LAFCO- identified unincorporated islands or pockets, both of which are uninhabited. The City as a whole qualifies as a disadvantaged community.

3. Present and Planned Capacity of Public Facilities

Vernon is in need of infrastructure (storm drain and sewer) upgrades across the City, but does not currently have the funding to implement large-scale infrastructure projects. The City is able to conduct routine repairs as needed.

4. Financial Ability to Provide Services

The City of Vernon experienced increases in General Fund revenues from 2018-19 through 2020-21. Expenditures decreased over the same period. However, from 2020-21 through 2022-23, Vernon's expenditures have increased, largely due to expenses for supplies/services and capital outlay. The City is considered to be at moderate financial risk by the State Auditor.

Vernon has taken steps to improve its financial position, most notably in dissolving its fire department and contracting with the CFPD. This step has helped Vernon reduce expenditures on salaries and benefits, and has also helped mitigate its pension liability.

5. Opportunities for Shared Facilities

Vernon is not considering opportunities for sharing facilities, infrastructure, or services in the future, and does not currently have any such arrangements with neighboring jurisdictions.

6. Accountability for Community Service Needs

The City Council is elected on an at-large basis. Vernon's website includes information about City Council meetings, public meetings, and other City services. The City streams City Council and Commission meetings online via its website and Youtube. The City is active on four social media platforms: Facebook, Twitter, Instagram, and Youtube.

The small population of Vernon poses a challenge to government accountability in the future due to the limited availability of candidates to run for City Council. As previously mentioned, the City is aware of this problem and is actively working to increase its population in order to ensure accountability in the future.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

The City and LAFCO staff did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

Proposed Sphere of Influence Determinations

MSR No. 2023-13

Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell, Maywood, South El Monte, and Vernon

In reviewing and updating the Spheres of Influence for the Cities of Bell, Maywood, South El Monte, and Vernon, LAFCO is required to adopt written determinations relative to the factors specified below, pursuant to Government Code section 56425(e).

City of Bell:

1. Present and Planned Land Uses

The City of Bell is exploring commercial and residential development on various scattered sites across the City. The City anticipates this development to account for the construction of between 300 to 400 residential units. No immediate plans for development were identified by City Staff. There are no opportunities to expand the SOI – as the SOI is coterminous with the City’s corporate boundary and the City is surrounded by neighboring city boundaries.

2. Present and Probable Need for Public Facilities and Services

The City’s public facilities and general services are sufficient to accommodate residential and commercial growth over the next decade. Improvements to streets, roads, and sewers will be necessary in industrial areas of the City as several private streets will be switched to public streets. As these streets are private, the City experiences challenges with improvements.

The City’s emergency dispatch system is being upgraded to current standards to provide the City Police Department additional support.

The City is exploring options to improve access to the permitting/inspection process for planning/building to provide access to these required documents within the city limits, eliminating the need for applicants to travel outside of the City to the nearest Los Angeles County Fire Department.

3. Present Capacity of Public Facilities and Services

Currently, the City’s capacity for services is adequate for the community. The City created a Public Works Department in 2022 and is presently working to increase its capacity in engineering and street maintenance. The City indicated that there is a need for hiring more staff to maintain and expand services. The City contracts for engineering and planning services to accommodate this need.

4. Social or Economic Communities of Interest

No social or economic communities of interest were identified.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City does not have any DUCs within its SOI. Presently, the City's SOI is coterminous with its jurisdictional boundary.

City of Maywood:

1. Present and Planned Land Uses

Development growth is constrained under present land uses within the City's current boundary. There are no opportunities to expand the SOI. Maywood is exploring opportunities for redevelopment, and currently has a small project of approximately 40 units in the development pipeline.

2. Present and Probable Need for Public Facilities and Services

The City's wastewater and sewer infrastructure is not sufficient to accommodate growth over the next decade. The City is currently working with State and Federal agencies to repair urgent infrastructure needs and identify additional funding sewer improvements. In 2017, the City updated its Sanitary Sewer Management Plan to anticipate and plan for necessary upgrades.

3. Present Capacity of Public Facilities and Services

Currently, the capacity of the sewer facilities are not adequate to provide service to the community. The City is working with State agencies to address deficiencies. City staff also expressed concern about their ability to provide green space for the community, a shortfall that was also highlighted in the 2005 MSR. The City does not currently have a parks and recreation department.

4. Social or Economic Communities of Interest

There are no social or economic communities of interest identified.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City does not have any unincorporated areas and DUCs within its SOI because the City's SOI is coterminous with its jurisdictional boundary.

City of South El Monte:

1. Present and Planned Land Uses

Development growth is constrained under present land uses within the City's current boundary. The City is not considering annexing the unincorporated areas, and there are no opportunities to expand the SOI.

2. Present and Probable Need for Public Facilities and Services

The City's public facilities and services are generally sufficient to accommodate growth over the next decade. The City is currently working on improvements to major thoroughfares within its boundaries, including expanding the current network of bike lanes.

3. Present Capacity of Public Facilities and Services

RSG did not identify any significant issues related to the present capacity of public facilities and services.

4. Social or Economic Communities of Interest

The City does not provide services to either of the LAFCO-identified DUCs within its SOI.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City's SOI contains two DUCs. The City is not currently providing services to either of these areas.

City of Vernon:

1. Present and Planned Land Uses

Development growth is constrained under present land uses within the City's current boundary. In order to increase housing and the population of the community, Vernon is currently working to develop mixed-use zoning districts for the western part of the City on Santa Fe Avenue. These districts will be mixed-use to take advantage of lot sizes that are not optimal for single-family housing. Although the Plan is still in development, City staff project that this area could increase the population by approximately 2,500 people.

2. Present and Probable Need for Public Facilities and Services

While Vernon's storm drains, sewer infrastructure, and streets are in need of general upgrades across the City, City staff indicated that infrastructure has the capacity to take on residential growth. If the City's population continues to grow or Vernon expands its SOI, it will likely have to hire more police officers to cover more areas, and potentially increase its contract with the Los Angeles County Fire Department to provide additional staffing and equipment.

3. Present Capacity of Public Facilities and Services

Currently, Vernon's storm drains, sewer infrastructure, and streets are in need of general upgrades. The City has the capacity and funding to implement repairs on an as-needed basis.

4. Social or Economic Communities of Interest

RSG did not identify any social or economic communities of interest.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

Vernon's SOI includes two small uninhabited unincorporated areas. Neither of these areas are classified as DUCs. City staff have expressed that Vernon would be open to exploring whether annexation of these areas would be feasible for the City.

**RESOLUTION NO. 2023-00RMD
RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION FOR THE COUNTY OF LOS ANGELES
MAKING DETERMINATIONS ADOPTING
“MSR NO. 2023-13
MUNICIPAL SERVICE REVIEWS AND THE SPHERE OF INFLUENCE UPDATES
FOR THE CITIES OF BELL, MAYWOOD, SOUTH EL MONTE, AND VERNON”**

WHEREAS, Division 3, Title 5, of the California Government Code (commencing with section 56000, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000), provides that a Local Agency Formation (LAFCO) shall develop and determine a Sphere of Influence (SOI) for each city within the county (Government Code Section 56425(a)) and that every five years thereafter, the Commission shall, as necessary, review and update each SOI (Government Code Section 56425(g)); and

WHEREAS, the SOI is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and

WHEREAS, Section 56430 requires that, in order to prepare and to update Spheres of Influence, the Commission shall conduct a Municipal Service Review (MSR) prior to, or in conjunction with, action to update or adopt an SOI; and

WHEREAS, the Commission has undertaken the MSR and SOI Updates for the Cities of Bell, Maywood, South El Monte, and Vernon; and

WHEREAS, this proposed MSR and SOI Update consists of inhabited territory and is assigned the following short-form designation: “MSR No 2023-13—Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell, Maywood, South El Monte, and Vernon;” and

WHEREAS, the Executive Officer has submitted to the Commission “Cities of Bell, Maywood, South El Monte, and Vernon Municipal Service Reviews and Sphere of Influence Updates” including recommendations to reconfirm the existing SOI for the Cities of Bell, Maywood, South El Monte, and Vernon; and

WHEREAS, the MSR and SOI Updates reflects input provided by representatives of the Cities of Bell, Maywood, South El Monte, Vernon and other stakeholders; and

WHEREAS, the MSR and SOI Updates for the Cities of Bell, Maywood, South El Monte, and Vernon contains the determinations required by Section 56430 for the municipal services provided by the cities; and

WHEREAS, the MSR and SOI Updates for the Cities of Bell, Maywood, South El Monte, and Vernon contain the determinations required by Section 56425 for the proposed SOIs which are attached hereto and incorporated by reference herein; and

WHEREAS, maps of the final SOIs of the Cities of Bell, Maywood, South El Monte, and Vernon; which reflect the Commissions’ determinations on August 9, 2023; are attached hereto and incorporated by reference herein; and

WHEREAS, the Executive Officer set August 9, 2023, as the hearing date for this MSR and SOI updates, and gave notice of public hearing pursuant to Government Code Section 56427, wherein the public hearing notice was published in a newspaper of general circulation in the County of Los Angeles on July 19, 2023; and

WHEREAS, on August 9, 2023, after being duly and properly noticed, this proposal came on for hearing, at which time this Commission heard and received all oral

and written testimony, objections, and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, for the Cities of Bell, Maywood, South El Monte, and Vernon, and pursuant to Section 56425(e)(5), the Commission has considered the impacts of the proposed MSR and SOI Updates relative to Disadvantaged Unincorporated Communities (DUCs); and

WHEREAS, based upon staff review and the feasibility of governmental reorganization identified in Section 56425(h), staff has determined that any such reorganizations will not further the goals of orderly development and affordable service delivery, and therefore did not recommend reorganization of the Cities of Bell, Maywood, South El Monte, and Vernon; and

WHEREAS, the August 9, 2023 action consists of the adoption of the Cities of Bell, Maywood, South El Monte, and Vernon Municipal Service Reviews and Sphere of Influence Updates; and

WHEREAS, the Commission has carefully considered the Cities of Bell, Maywood, South El Monte, and Vernon Municipal Service Reviews and Sphere of Influence Updates; the Executive Officer's written report, including all proposed determinations required by Government Code Sections 56425 and 56430; the written testimony submitted in advance of the public hearing; the written testimony submitted during the

public hearing; and the oral testimony presented at the public hearing on August 9, 2023; and

WHEREAS, the Commission approved the Cities of Bell, Maywood, South El Monte, and Vernon Municipal Service Reviews and Sphere of Influence Updates at the public hearing on August 9, 2023; and

WHEREAS, the Commission approved the following actions and reconfirmed the current Spheres of Influence of the Cities of Bell, Maywood, South El Monte, and Vernon; and

NOW, THEREFORE, BE IT RESOLVED as follows:

1. At the public hearing on August 9, 2023, the Commission found that MSR No. 2023-13—Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell, Maywood, South El Monte, and Vernon are exempt from the provisions of the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the update of the Spheres of Influence of the Cities of Bell, Maywood, South El Monte, and Vernon will have a significant effect on the environment pursuant to State CEQA Guidelines Section 15061(b)(3). In the alternative, the Commission found that these actions are not a project for the purposes of CEQA because they are an organizational activity of government with no direct or indirect effects on the physical environment and therefore is excluded from the definition of a project, pursuant to § 15378(b) of the State CEQA Guidelines. The Commission made CEQA determinations

appropriate to each Area identified in the MSR and SOI Updates, determining that each identified Area was subject to the foregoing findings.

2. The Commission adopted the Cities of Bell, Maywood, South El Monte, and Vernon Municipal Service Reviews, as prepared by RSG and attached hereto, and determined the final Sphere of Influence Updates.
3. The Commission made the following determinations in accordance with Government Code Section 56430:

City of Bell:

1. Population Projections and Growth

The population in the City has steadily declined over the last ten years, which differs from the gradual increase in population seen in the County as a whole. The City has limited potential for population and economic growth due to existing buildout at capacity and geography. Despite this, the City is exploring opportunities for infill development across the City.

2. Disadvantaged Unincorporated Communities in or Contiguous to SOI

The City's SOI does not contain any DUCs. Although there are no DUCs within the City of Bell's SOI the City as a whole qualifies as a disadvantaged community.

3. Present and Planned Capacity of Public Facilities

The City's present and planned facilities are generally sufficient to meet community needs. In 2022 the City opted to separate the Public Works Department from the Community Development Department and is working to

expand the department's capacity with additional staff.

4. Financial Ability to Provide Services

The City of Bell experienced increasing General Fund revenues and expenditures from FYs 2018-19 through 2020-21. During this time, revenues increased at a slower rate (**Error! Reference source not found.**) than expenditures however, in FY 2020-21 the City experienced a surplus of \$35,000. The City is considered to be at moderate financial risk by the State Auditor. Since the last MSR in 2005, the City has paid an estimated \$40 million toward their debt from general obligation bonds. City staff noted that the City is currently exploring options for addressing their unfunded pension liabilities, including the option of using a Section 115 Trust for savings. The City is currently exploring different sources of potential revenue to address the maintenance and replacement of infrastructure. Potential revenue sources include the implementation of Development Impact Fees, franchise fees, and a Transient Occupancy Tax. City staff indicated a financial transparency model would be presented to the public in 2023. City staff did not identify any challenges with their financial ability to provide services.

5. Opportunities for Shared Facilities

The City of Bell is currently in discussions with neighboring cities to explore the potential for consolidating regional services including transportation and street improvements. City staff also noted interest in sharing facilities with Los Angeles

Unified School District for community spaces, meeting spaces, and classrooms.

There are no imminent plans in place at this time.

6. Accountability for Community Service Needs

The City Council is elected on an at-large basis. The City's website includes information about City Council meetings, public meetings, and other City services. The City broadcasts its Council meetings via Zoom and provides Spanish translation for all meetings. The City's website is easily translated into a variety of languages and the City is active on a variety of social media platforms including Facebook, Instagram, and Twitter. Bell also offers a text by phone system, and a community center for in-person meetings with a capacity for around 150 people. RSG did not identify any issues with accountability in the City.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

City of Maywood:

1. Population Projections and Growth

The City has experienced a small population decrease over the past ten years, in comparison to a small increase in the population of the County as a whole. The City has limited potential for population and economic growth due to existing

buildout and geography. Despite these challenges, the City is pursuing opportunities for redevelopment, and currently has a small project of approximately 40 units in the development pipeline. Based on current City demographics, these 40 units could result in an increase of 148 people in Maywood's population.

2. Disadvantaged Unincorporated Communities in or Contiguous to SOI

The City's SOI does not contain any DUCs within its SOI. Although there are no DUCs within the City of Maywood's SOI, the City as a whole qualifies as a DUC.

3. Present and Planned Capacity of Public Facilities

The City's sewer capacity is inadequate to meet community needs and is an obstacle for further development in the City. While the City is working with State agencies to repair the most pressing areas of the sewer infrastructure, this deficiency presents a major infrastructure and financial challenge for Maywood. The City also has minimal parks and recreation facilities. The limited staff in the Community Services Department presents a challenge for the City to provide the level of service it wishes for the community. The City is considering partnerships with other jurisdictions to increase the level of recreation programming.

4. Financial Ability to Provide Services

The City of Maywood experienced increasing General Fund revenues from FYs 2018-19 through 2020-21. While General Fund expenditures increased over the same period as well, revenues grew at a faster rate and the City has experienced

a surplus in both FY 2019-20 and 2020-21. The City is considered to be at moderate financial risk by the State Auditor. The cost of repairing the sewer infrastructure is a major financial challenge for the City. Additionally, City staff noted high staff turnover rates, in part because Maywood is not able to offer compensation and benefits that are competitive with nearby jurisdictions.

5. Opportunities for Shared Facilities

City staff noted that Maywood is interested in exploring shared broadband services with neighboring jurisdictions in the future, but that there are no imminent plans in place to create a shared broadband service.

The City is also interested in collaborating with other agencies for recreation programming and facilities due to the limited amount of available park space in the City boundaries.

6. Accountability for Community Service Needs

The City Council is elected on an at-large basis. Maywood's website includes information about City Council meetings, public meetings, and other City services. Maywood broadcasts its Council meetings live on the City's Facebook page and is also active on Instagram. The City also utilizes technology and social media to share information with the public effectively. Maywood has experienced challenges with accountability in the past, but has taken steps to remedy those issues such as including performance evaluation requirements in the City Manager contract and adopting hiring policies. The State Auditor noted

that while Maywood has made significant progress on accountability, there are still some steps it could take to improve oversight and transparency.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

City of South El Monte:

1. Population Projections and Growth

The City has experienced a small decline in population over the past ten years, in comparison to a small increase in the population of the County as a whole. There are currently two housing projects approved by Council that will add 280 dwelling units to the City. Based on the current household size per dwelling unit in the City, these developments could add over 1,000 new residents to South El Monte.

2. Disadvantaged Unincorporated Communities in or Contiguous to SOI

The City's SOI contains four LAFCO-identified unincorporated islands, two of which are disadvantaged unincorporated communities. The City does not provide any services to the DUCs within its SOI. The City as a whole qualifies as a DUC.

3. Present and Planned Capacity of Public Facilities

The City's present and planned facilities are generally sufficient to meet

community needs and are designed to meet current and future planned uses.

The City did not identify a need for additional facilities.

4. Financial Ability to Provide Services

The City of South El Monte experienced both increasing General Fund revenues and expenditures from FYs 2018-19 through 2020-21 (see **Error! Reference source not found.** and **Error! Reference source not found.**). Revenues increased by 12 percent during this period, while expenditures grew by 24 percent. The City's fiscal health is considered low risk by the State Auditor. City staff did not identify any challenges with their financial ability to provide services.

5. Opportunities for Shared Facilities

South El Monte is currently collaborating with El Monte and Baldwin Park to address concerns about homelessness, which are common across the County. In its third year, the cohort is aiming to secure funding from County and State sources in order to build shelters.

6. Accountability for Community Service Needs

The City Council and Mayor are elected on an at-large basis. South El Monte's website includes information about City Council meetings, other City services, and contact information for different departments. Public notices and the City newsletter are posted on the website. The City Council streams its meetings through Zoom, and the link is available online to the public. The City is active on at least two social media platforms.

The City utilizes technology and social media to share information with the public effectively. RSG did not identify any issues with accountability in the City.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

City of Vernon:

1. Population Projections and Growth

The City has grown significantly over the past decade and has grown faster than the County average. However, the population of Vernon continues to remain low, at less than 300 residents. This poses a major threat to the City due to the limited availability of candidates to run for City Council.

While future population growth is currently projected to be slower, the City is actively working to increase the population both through exploring annexation options and through increasing housing stock. If these opportunities move forward, the population may grow much more rapidly. There are limited opportunities for growth within the current City boundaries, so the City will likely have to expand its SOI to ensure a sustainable population.

2. Disadvantaged Unincorporated Communities in or Contiguous to SOI

The City SOI does not contain any DUCs. The City's SOI contains two LAFCO-identified unincorporated islands or pockets, both of which are uninhabited. The

City as a whole qualifies as a disadvantaged community.

3. Present and Planned Capacity of Public Facilities

Vernon is in need of infrastructure (storm drain and sewer) upgrades across the City, but does not currently have the funding to implement large-scale infrastructure projects. The City is able to conduct routine repairs as needed.

4. Financial Ability to Provide Services

The City of Vernon experienced increases in General Fund revenues from 2018-19 through 2020-21. Expenditures decreased over the same period. However, from 2020-21 through 2022-23, Vernon's expenditures have increased, largely due to expenses for supplies/services and capital outlay. The City is considered to be at moderate financial risk by the State Auditor.

Vernon has taken steps to improve its financial position, most notably in dissolving its fire department and contracting with the CFPD. This step has helped Vernon reduce expenditures on salaries and benefits, and has also helped mitigate its pension liability.

5. Opportunities for Shared Facilities

Vernon is not considering opportunities for sharing facilities, infrastructure, or services in the future, and does not currently have any such arrangements with neighboring jurisdictions.

6. Accountability for Community Service Needs

The City Council is elected on an at-large basis. Vernon's website includes

information about City Council meetings, public meetings, and other City services. The City streams City Council and Commission meetings online via its website and Youtube. The City is active on four social media platforms: Facebook, Twitter, Instagram, and Youtube.

The small population of Vernon poses a challenge to government accountability in the future due to the limited availability of candidates to run for City Council. As previously mentioned, the City is aware of this problem and is actively working to increase its population in order to ensure accountability in the future.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

The City and LAFCO staff did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy

4. The Commission reconfirmed the City of Bell and the City of Maywood's, current coterminous SOI, and also reconfirmed the City of South El Monte and the City of Vernon's, current larger than SOI.
5. The Commission made the following determinations in accordance with Government Code Section 56425(e):

City of Bell:

1. Present and Planned Land Uses

The City of Bell is exploring commercial and residential development on various scattered sites across the City. The City anticipates this development to account

for the construction of between 300 to 400 residential units. No immediate plans for development were identified by City Staff. There are no opportunities to expand the SOI – as the SOI is coterminous with the City’s corporate boundary and the City is surrounded by neighboring city boundaries.

2. Present and Probable Need for Public Facilities and Services

The City’s public facilities and general services are sufficient to accommodate residential and commercial growth over the next decade. Improvements to streets, roads, and sewers will be necessary in industrial areas of the City as several private streets will be switched to public streets. As these streets are private, the City experiences challenges with improvements.

The City’s emergency dispatch system is being upgraded to current standards to provide the City Police Department additional support.

The City is exploring options to improve access to the permitting/inspection process for planning/building to provide access to these required documents within the city limits, eliminating the need for applicants to travel outside of the City to the nearest Los Angeles County Fire Department.

3. Present Capacity of Public Facilities and Services

Currently, the City’s capacity for services is adequate for the community. The City created a Public Works Department in 2022 and is presently working to increase its capacity in engineering and street maintenance. The City indicated that there is a need for hiring more staff to maintain and expand services. The

City contracts for engineering and planning services to accommodate this need.

4. Social or Economic Communities of Interest

No social or economic communities of interest were identified.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City does not have any DUCs within its SOI. Presently, the City's SOI is coterminous with its jurisdictional boundary.

City of Maywood:

1. Present and Planned Land Uses

Development growth is constrained under present land uses within the City's current boundary. There are no opportunities to expand the SOI. Maywood is exploring opportunities for redevelopment, and currently has a small project of approximately 40 units in the development pipeline.

2. Present and Probable Need for Public Facilities and Services

The City's wastewater and sewer infrastructure is not sufficient to accommodate growth over the next decade. The City is currently working with State and Federal agencies to repair urgent infrastructure needs and identify additional funding sewer improvements. In 2017, the City updated its Sanitary Sewer Management Plan to anticipate and plan for necessary upgrades.

3. Present Capacity of Public Facilities and Services

Currently, the capacity of the sewer facilities are not adequate to provide service

to the community. The City is working with State agencies to address deficiencies. City staff also expressed concern about their ability to provide green space for the community, a shortfall that was also highlighted in the 2005 MSR. The City does not currently have a parks and recreation department.

4. Social or Economic Communities of Interest

There are no social or economic communities of interest identified.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City does not have any unincorporated areas and DUCs within its SOI because the City's SOI is coterminous with its jurisdictional boundary.

City of South El Monte:

1. Present and Planned Land Uses

Development growth is constrained under present land uses within the City's current boundary. The City is not considering annexing the unincorporated areas, and there are no opportunities to expand the SOI.

2. Present and Probable Need for Public Facilities and Services

The City's public facilities and services are generally sufficient to accommodate growth over the next decade. The City is currently working on improvements to major thoroughfares within its boundaries, including expanding the current network of bike lanes.

3. Present Capacity of Public Facilities and Services

RSG did not identify any significant issues related to the present capacity of public facilities and services.

4. Social or Economic Communities of Interest

The City does not provide services to either of the LAFCO-identified DUCs within its SOI.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City's SOI contains two DUCs. The City is not currently providing services to either of these areas.

City of Vernon:

1. Present and Planned Land Uses

Development growth is constrained under present land uses within the City's current boundary. In order to increase housing and the population of the community, Vernon is currently working to develop mixed-use zoning districts for the western part of the City on Santa Fe Avenue. These districts will be mixed-use to take advantage of lot sizes that are not optimal for single-family housing. Although the Plan is still in development, City staff project that this area could increase the population by approximately 2,500 people.

2. Present and Probable Need for Public Facilities and Services

While Vernon's storm drains, sewer infrastructure, and streets are in need of general upgrades across the City, City staff indicated that infrastructure has the

capacity to take on residential growth. If the City's population continues to grow or Vernon expands its SOI, it will likely have to hire more police officers to cover more areas, and potentially increase its contract with the Los Angeles County Fire Department to provide additional staffing and equipment.

3. Present Capacity of Public Facilities and Services

Currently, Vernon's storm drains, sewer infrastructure, and streets are in need of general upgrades. The City has the capacity and funding to implement repairs on an as-needed basis.

4. Social or Economic Communities of Interest

RSG did not identify any social or economic communities of interest.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

Vernon's SOI includes two small uninhabited unincorporated areas. Neither of these areas are classified as DUCs. City staff have expressed that Vernon would be open to exploring whether annexation of these areas would be feasible for the City.

6. The affected territory is inhabited and is assigned the following short form designation: "MSR No. 2023-13—Municipal Service Reviews and Sphere of Influence Updates for the Cities of Bell, Maywood, South El Monte, and Vernon."
7. Maps of the final SOIs of the Cities of Bell, Maywood, South El Monte, and Vernon; which reflect the Commission's determinations on August 9, 2023; are

attached hereto and incorporated by reference herein.

8. The Executive Officer's staff report of August 9, 2023, and recommendations for adoption of the MSR and adoption of SOI Updates for the Cities of Bell, Maywood, South El Monte, and Vernon, are incorporated by reference herein.
9. The Executive Officer is hereby directed to add the words "Reconfirmed August 9, 2023" to the official LAFCO SOI map for the Cities of Bell, Maywood, South El Monte, and Vernon.
10. The Executive Officer is hereby authorized and directed to mail copies of this resolution as provided in § 56882 of the Government Code.
11. Pursuant to Government Code § 56883, the Executive Officer may make non-substantive corrections to this resolution to address any technical defect, error, irregularity, or omission.

CONFIRMED AND ADOPTED this 9th day of August, 2023.

MOTION:

SECOND:

APPROVED: 0-0-0

AYES:

NOES:

ABSTAIN:

ABSENT:

LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES

Paul A. Novak, AICP
Executive Officer

Local Agency Formation Commission for the County
of Los Angeles
80 S Lake Ave #870
Pasadena, CA 91101

Municipal Service Review and Sphere of Influence Update

City of Bell

July 3, 2023



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LIST OF ABBREVIATIONS USED

ACFR	Annual Comprehensive Financial Report
CERT	Community Emergency Response Team
CFPD	Consolidated Fire Protection District
CIP	Capital Improvement Program
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
ISO	Insurance Service Office
LAFCO	Local Agency Formation Commission
LMIHF	Low- and Moderate-Income Housing Fund
MSR	Municipal Service Review
NPDES	National Pollution Discharge Elimination System
OPEB	Other Post-Employment Benefits
SCAG	Southern California Association of Governments
SOI	Sphere of Influence

EXECUTIVE SUMMARY

The Local Agency Formation Commission (“LAFCO” or “Commission”) for the County of Los Angeles is preparing this Municipal Service Review (“MSR”) and Sphere of Influence (“SOI”) update for the City of Bell (“City”). LAFCO acts as the county-wide oversight agency that coordinates logical and timely changes to local government boundaries.

The last time the City of Bell was reviewed by LAFCO was part of a larger MSR (LAFCO’s Gateway Municipal Services Review, prepared by Burr Consulting dated November 30, 2005, and adopted by LAFCO on December 14, 2005, herein referred to as the “2005 MSR”). The 2005 MSR examined fifty-two (52) local agencies, including twenty-six (26) cities (including Bell) and twenty-six (26) special districts in the “Gateway” region of Los Angeles County (generally south and east of Downtown Los Angeles, to the City of Long Beach on the South and to the Orange County border near the Cities of La Habra Heights and Whittier). Since that time, the City has experienced several changes but has neither annexed territory nor modified its SOI. This MSR reviews the City’s services within the requirements of State law and LAFCO policies, including their SOIs.

SUMMARY OF SPHERE OF INFLUENCE RECOMMENDATIONS

Bell has opportunities for infill development available within the city limits. Public facilities and services are sufficient to accommodate residential and commercial growth over the next decade. The City expects that improvements to streets, roads, and sewers will be necessary for industrial areas.

- The City’s current capacity of services is adequate for the community.
- Bell’s SOI is coterminous with its jurisdictional boundary.

RSG recommends Bell’s SOI be reconfirmed to the current boundaries pursuant to LAFCO’s SOI policy described beginning on page 5.

SUMMARY OF MUNICIPAL SERVICE REVIEW DETERMINATIONS

- The population of Bell has steadily declined, and the City has a limited potential for population and economic growth since it is built out to capacity and due to its geographic location.
- Present and planned facilities are generally sufficient to meet community needs. The Public Works Department was created in 2022 to focus on the planning and delivery of services throughout the City including maintenance for the City's fleet, road medians, around-the-clock work for emergency related incidents, sanitary sewer overflows, and oversight of the engineer/inspector contract. The Public Works Department also oversees all National Pollutant Discharge Elimination Systems permits.
- The California State Auditor classifies the City of Bell's overall fiscal health risk of "moderate" for FY 2020-21. A "moderate risk" status means that the State Auditor has determined some risk of "experiencing financial distress" based on ten financial indicators. City staff did not identify challenges with their financial ability to provide services.
- The City is experiencing an overall increase in General Fund revenues and expenditures, with General Fund revenues increasing at a slower rate. The City is exploring different sources of potential revenue to address the costs of maintenance and replacement of infrastructure.
- The City is currently in discussions with neighboring cities to explore the consolidation of regional services, including transportation and street improvements.
- The City has various procedures in place to ensure transparency and accountability such as including information about City Council meetings and other public meetings on their website, broadcasting public meetings on Zoom, and is active on multiple social media accounts.

BACKGROUND

LEGAL REQUIREMENTS AND PURPOSE

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56430 et. seq., (“CKH”) requires LAFCOs to prepare periodic reviews of services provided by most local agencies and provides discretion on the manner in which a commission undertakes these reviews. The reviews are instrumental in making determinations on jurisdictional and SOI boundaries, as well as informing commissions, affected agencies, and the general public of opportunities for improving service delivery.

LAFCO RESPONSIBILITIES

CKH directs LAFCOs in California to discourage urban sprawl, encourage the orderly formation and development of cities and special districts, and to preserve agricultural land. LAFCOs act as the county-wide oversight agency that is responsible for considering logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers, and dissolutions of districts. In this manner, LAFCOs play an important role in assuring the thoughtful, appropriate, and efficient reorganization, simplification, and streamlining of quality local governmental services.

As part of these objectives, LAFCOs establish and periodically review spheres of influence for local agencies through a process known as an MSR and SOI update.

SPHERE OF INFLUENCE

Since 1972, LAFCOs in California have been responsible for determining and overseeing the sphere of influence for local government agencies. An SOI is defined as “a plan for probable physical boundaries and service area of a local agency, as determined by the Commission.” Consistent with Commission SOI policies, an SOI can be a) coterminous to agency boundaries

as the ultimate foreseen configuration of the agency in anticipation of no future growth, b) extended beyond the agency boundaries in anticipation of future growth, c) be smaller, indicating the need to detach areas from the agency boundaries, or d) be designated a “zero sphere”, which indicates a potential dissolution of the agency. In order to amend the sphere of influence boundaries, formal approval from the Commission is required. Factors considered in an SOI include current and future land use, capacity needs, and any relevant areas of interest such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, an SOI shall consider and prepare a written statement of its determinations of the following factors:

1. Present and planned land use in the area, including agricultural and open space lands;
2. Present and probable need for public facilities and services in the area;
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. Existence of any social or economic communities of interest in the area; and
5. Present and need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The purpose of an SOI is to ensure efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCOs consider the orderly development of a community by reconciling differences between different agency plans. This is intended to ensure the most efficient urban service arrangements are created for the benefit of area residents and property owners.

DISADVANTAGED UNINCORPORATED COMMUNITIES

As part of the MSR, RSG considered the impact of the SOI related to Disadvantaged Unincorporated Communities. A Disadvantaged Unincorporated Community (“DUC”) is defined by Government Code Section 56033.5 as an area of inhabited territory located within an unincorporated area of a county within a “disadvantaged community.” A disadvantaged community is defined in Water Code Section 79505.5(a) as a community with an annual median household income which is less than 80 percent of the statewide median household income. Government Code Section 56046 defines “inhabited” as territory within which there are 12 or more registered voters.

LAFCO designated the DUCs in the County using 2016-2020 American Community Survey Census data, meaning any unincorporated area wherein the median household income is less than \$62,939.

SPHERE OF INFLUENCE UPDATES AND LAFCO POLICY

From time to time, an SOI may be modified as determined by LAFCO; the procedures for making sphere amendments are outlined in CKH, and in some cases, further refined by a commission’s own guidelines. Pursuant to Government Code Section 56430, a commission must first conduct a municipal services review prior to updating or amending an SOI.

The Commission adopted a “Sphere of Influence Policy” on November 13, 2019, which provides a framework for SOI updates considered after an MSR is completed. The policy defines three types of SOIs for cities and special districts:

- Coterminous Sphere of Influence: An SOI for a city or special district that includes the same physical territory as the jurisdictional boundaries of that city or special district. LAFCO adopts a Coterminous SOI if there is no anticipated need for services outside the jurisdictional boundaries of a city or special district, or if there is insufficient information to support the inclusion of additional territory within the sphere.

- Larger than Sphere of Influence: An SOI for a city or special district which includes territory that is larger than the jurisdictional boundary of the subject city or special district. LAFCO adopts a Larger than SOI if there is an expectation of future growth of the agency's physical boundaries and associated service area.
- Zero Sphere of Influence: An SOI for a city or special district that includes no territory. LAFCO adopts a Zero SOI if the functions, services assets, and liabilities of that city or special district should ultimately be re-assigned to another public agency or service provider.

RSG analyzes the spheres in the "SOI Recommendations" section of this MSR.

MUNICIPAL SERVICE REVIEW (MSR) REQUIREMENTS

Section 56425(g) of CKH requires that LAFCOs evaluate a given SOI every five years, as necessary; the vehicle for doing this is known as a Municipal Service Review ("MSR"). Prior to or in conjunction with SOI reviews, an MSR must be prepared pursuant to Government Code Section 56430. MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. Pursuant to Government Code Section 56430, MSRs are to make determinations considering the seven required topics based on CKH. These seven areas include:

1. Growth and population projections for the affected area;
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s);
3. Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence;
4. Financial ability of agencies to provide services;

5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including government structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by LAFCO Policy.

The focus of an MSR is to describe how public services are being carried out and to determine if the residents of the community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR determines that certain services are not being carried out to an adequate standard, LAFCO can recommend changes such as sphere changes as well as consolidation or dissolution of service providers to provide the best service possible to the population.

PREVIOUS MSR DETERMINATIONS

The 2005 MSR made several findings concerning cities and districts in the Gateway Region, as well as specific comments addressing the City of Bell specifically. For context, these findings are identified below:

- The 2005 MSR indicated that police stations in the City were in need of expansion; however, funding sources for this expansion were not identified.
- The 2005 MSR described the City's dispatch technology as outdated and indicated that infrastructure needs included upgrades in dispatch technology.
- The 2005 MSR indicated that the City had sizable debt from general obligation bonds.
- The 2005 MSR indicated that future opportunities for shared facilities included regionalized dispatch, SWAT, and holding facilities.

- The 2005 MSR noted that Bell did not post City Council meeting agendas and minutes on their website.

PURPOSE OF THIS MSR AND SCOPE OF WORK

MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. This Municipal Service Review will review the services provided by the City of Bell and, to a lesser extent, services provided within the City of Bell by other agencies.

METHODOLOGY

RSG worked with LAFCO staff throughout this MSR. Key tasks and activities in completing this MSR include data collection, interviews with City staff, City profile development, determination analysis, public review of MSR, and the adoption of the final MSR.

Data Collection

To fully understand key factors and current issues involving the City, RSG conducted an initial working session with LAFCO staff to determine the project scope and formalize overall MSR objectives, schedules, policy and fiscal criteria, service standards, and roles and responsibilities. The MSR began with a complete and thorough review of available data and documents including adopted budgets, comprehensive financial reports, capital improvement plans, strategic plans, and the General Plan. These documents were assessed to develop a comprehensive overview of the City. In addition, various reports and documents were utilized from the Southern California Association of Governments (“SCAG”), the California Department of Finance, the California Department of Tax and Fee Administration, the California State Auditor, the Census Bureau, LAFCO, CoStar (a commercial real estate database), and ESRI Business Analyst.

Interviews

In coordination with LAFCO, during the month of November 2022 RSG met with the executive leadership of the City including the City of Manager of Bell. This interview allowed RSG to gain insight on the current operations and any unique challenges of the City.

The content of these interviews included the following topics:

- Financing constraints and opportunities;
- Growth and population projections;
- Infrastructure needs or deficiencies;
- Cost avoidance opportunities;
- Opportunities for rate restructuring regarding services provided;
- Opportunities for shared facilities with other cities or agencies;
- Government structure options, including advantages or disadvantages of consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance, specifically the structures in place to support public engagement and participation.

Agency Profiles

Following data collection and interviews, RSG developed a City profile based on the criteria noted previously and required for the completion of the MSR per CKH. The profile includes key characteristics such as services offered, staffing levels, population and growth, service providers, infrastructure, financial condition, and boundary areas and maps. Department profiles can be found in the following sections.

Annual Budget Data

RSG utilized the City's annual budgets for Fiscal Years ("FY") 2018-19 through 2022-23 to analyze historical operating revenues and expenditures for Bell. RSG analyzed the data to make determinations regarding the City's fiscal health, including tax revenue and expenditure trends. The dataset provides current expenditures by department (general government, public safety, community development, transportation, etc.), and operating expenditures (salaries and wages, retirement benefits, materials and supplies, contract services, debt service, and capital outlay). The data also includes reports on general revenues, functional tax revenues, and other revenue sources, including charges for services, special benefit assessments, use of money, and intergovernmental revenues.

SERVICE REVIEW – CITY OF BELL

The City of Bell (“City”) is in the Fourth Supervisorial District in southeastern Los Angeles County (“County”), west of the Los Angeles River and Interstate 710. Bell shares borders with the cities of Maywood, Vernon, and Commerce to the north, Huntington Park to the west, and Bell Gardens and Cudahy to the south. Bell is home to 33,559 residents, 801 businesses, and a workforce of 8,536 employees. The City was incorporated as a general law city in 1927, but in 2005 the City held a special municipal election which established the City as a charter city.¹ Bell currently maintains a contract service model.

At present, Bell’s corporate boundary spans an area of approximately 2.81 square miles and the City’s sphere of influence is coterminous with the City’s corporate boundaries. Bell’s current 2.81 square mile SOI was initially established in 1984 and was reconfirmed in 2005.²

Figure 1 presents a demographic and land use profile of Bell compared to the overall County.

Figure 1: Demographic Profile - Bell

	Bell	LA County
Population as of 2010	35,263	9,822,121
Population as of 2022	33,154	9,861,224
Annual Pop. Growth Since 2010	-0.50%	0.40%
Total Housing Units	9,482	3,635,136
Persons/Housing Unit	3.50	2.71
Land Area (Sq Miles)	2.5	4,059.3
Persons/Square Mile	13,262	2,429
Median Household Income	\$47,740	\$71,358
Projected Population in 2035	36,400	10,331,803
Annual Proj. Growth 2020-2035	0.72%	0.36%
Projected Population in 2045	37,100	10,193,978
Annual Proj. Growth 2020-2045	0.87%	0.26%

Sources: Esri Business Analyst, Department of Finance, US Census, Southern California Association of Governments

¹ Source: City of Bell Website

² Source: Los Angeles LAFCO, Bell Sphere of Influence Map, June 26, 2016

Between 2010 and 2020 Bell experienced a population decrease of less than one percent.³ According to SCAG's 2016-2040 Growth Forecast, the population is expected to grow by less than one percent annually over the next 15 to 20 years.⁴ This differs from the increase in population seen in the County as a whole.

The State of California and the County have seen an overall decrease in population brought about by a variety of factors including an aging population, declining birth rates, impacts of COVID-19, and an increase in domestic migration to other areas. City staff did not provide comment on the cause of decreasing population in Bell throughout the last ten years.

The median household income in the City is \$47,740 which qualifies the City as a Disadvantaged Community ("DAC"). A DAC is a community with an annual median household income less than 80% of the statewide median household income (\$62,938).⁵

The largely urbanized City of Bell consists mostly of multi-family and single-family residential developments, and commercial land uses. The northern portion of Bell, east of Interstate 710, is primarily developed with commercial and manufacturing uses.⁶ Currently, there are 17 scattered sites across Bell with the potential to host a mix of both market and affordable housing. According to City staff, there is an estimated 50,000 square feet of space available to support retail development.

Bell's major employers include the service industry (38.2 percent), retail trade (15.6 percent), transportation and utilities (13.4 percent), and manufacturing (13.4 percent).

Figure 2 provides a land use summary of residential and commercial development in Bell.

³ Source: ESRI Business Analyst

⁴ Source: Southern California Association of Governments 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction

⁵ Source: California Department of Water Resources, DAC Mapping Tool, Disadvantaged Communities (ACS: 2016-2020)

⁶ Source: City of Bell Zoning Map

Figure 2: Land Use Summary – Bell

Bell		County	
Residential Units	Units	%	%
Single Family	5,704	60.2%	54.5%
Multifamily	3,382	35.7%	43.9%
Mobile Home	395	4.2%	1.6%
Total Units	9,481	100%	100%
New Units Since 2010	264		
Commercial	Gross SF	%	%
Retail	1,439,404	25.1%	24.4%
Industrial	3,966,375	69.3%	48.7%
Office	285,062	5.0%	23.7%
Other	36,000	0.6%	3.1%
Total	5,726,841	100%	100%
2010	758,334		

Sources: California Department of Finance, Costar

Single-family housing is the predominant residential building type, representing over 60 percent of the 9,481 housing units in the City. Only 264 of the 9,481 units, or less than 3 percent of Bell's housing inventory, were constructed since 2010. Among commercial uses, industrial makes up approximately 69 percent of the commercial building area in Bell.

The City's adopted 6th Cycle Housing Element for 2021-2029 was reviewed by the Department of Housing and Community Development on October 15, 2022, and is currently in compliance.

FORM OF GOVERNMENT AND STAFFING

The City of Bell is a charter city that is governed by five City Council members that are elected at large by eligible registered voters. Each year, the City Council selects a Mayor and Mayor Pro Tempore to preside over meetings. General municipal elections for the Bell City Council are held

in even-numbered years on the first Tuesday, after the first Monday, in March to coincide with statewide primary elections.⁷ City Councilmembers are elected to four-year terms.⁸

The City Council appoints a Chief Administrative Officer to serve as the administrative head of the City government responsible for the efficient operation of the City.⁹ Additionally, the City Council appoints a City Attorney, Community Services Commission, Planning Commission, and the members of all city commissions.¹⁰ The City Clerk and City Treasurer are elected by the City's eligible voters.¹¹ Other department heads are hired by, and report to, the Chief Administrative Officer. The City is organized into several departments operating under the direction of the City Manager, including Planning and Building, Community Services, and Public Works. The City also serves as the Successor Agency of the former City of Bell Redevelopment Agency.

The City of Bell operates with an annual general fund budget of \$15.6 million and employs a total of 90 full-time employees and an additional 106 part-time employees. The City is generally regarded as a contract city, meaning that it outsources the provision of various municipal services rather than using in-house City staff. The City contracts out with other agencies to provide services such as law enforcement and fire suppression for its residents, but the City also provides other services in-house such as planning, public works, community services, and finance.

Appendix 2 contains the current organizational chart of the City of Bell from the Adopted Budget for the FY 2022-23.

CURRENT SPHERE OF INFLUENCE

Appendix 1 shows Bell's jurisdictional boundary and SOI as of November 2022; the City has not had any change in the City limits nor the SOI since the 2005 MSR.¹²

⁷ Source: Bell Municipal Code Chapter 2.04 General Municipal Elections

⁸ Source: Bell Municipal Code Chapter 2.04 City Council

⁹ Source: Bell Municipal Code Chapter 2.08 Chief Administrative Officer

¹⁰ Source: Bell Municipal Code Chapter 2.31 City Commissions Generally

¹¹ Source: Bell Municipal Code Chapter 2.12 City Clerk and City Treasurer

¹² Source: LA LAFCO City Maps, Bell Sphere of Influence Map, revised June 16, 2016

Bell's 2.81 square mile SOI is coterminous with the current City limits. (Further details are provided under the Sphere of Influence section.) There are no unincorporated areas within the sphere of influence.

EXTRATERRITORIAL SERVICES

The City does not provide nor receive any extraterritorial services to or from other jurisdictions at the present time.

SERVICES PROVIDED

General government, community development, community services, and law enforcement are provided largely by City staff. Fire protection, emergency medical, animal control, library, select utilities, and water services are primarily provided by contractors, other government agencies, or private entities. Figure 3 presents municipal services provided and associated service providers within Bell.

Figure 3: Bell Service Provider Matrix

Public Service	Responsible Agency	Service Provider
Law Enforcement	City	Bell Police Department
Fire Protection	City (Contract)	Consolidated Fire Protection District of Los Angeles
Emergency Medical	City (Contract)	Consolidated Fire Protection District of Los Angeles
Building/Planning	City	City of Bell Community Development Department
Housing	City	City of Bell Community Development Department
Code Enforcement	City	City of Bell Community Development Department
Animal Control	City (Contract)	County of LA Department of Animal Care and Control
Parks and Recreation	City	City of Bell Department of Community Services
Library	LA County	County of LA Public Library System
Landscape Maintenance	City	City of Bell Public Works Department
Lighting	City	City of Bell Public Works Department
Streets/Road Maintenance	City	City of Bell Public Works Department
Electricity/Natural Gas	City (Franchise)	SCE, SoCal Gas
Solid Waste	City (Contract)	Consolidated Waste Disposal Service
Stormwater Drainage	City	City of Bell Public Works Department
Water	Investor Owned Utility/Mutual	California Water Company, Golden State WC, Maywood Mutual Water Company, Tract 349, Tract 180
Wastewater	City	City of Bell Community Development Department
Wastewater Treatment & Disposal	Special District	LA County Sanitation District No. 2

Government Services

General government services are primarily provided by elected officials and City management. The City's elected officials are responsible for all legislative and policy functions that establish the quality of City services. In addition to the City Council, the City's legislative bodies include a Planning Commission and a Community Services Commission. The City Clerk and City Attorney provide support to the City's legislative bodies. Currently, legal services are provided by a private-sector law firm for cost savings purposes.

The City's website provides information about City Council meetings, public meetings, and general services provided by or facilitated by the City. The City's website is easily translated into a variety of languages. The City broadcasts City Council meetings using Zoom and ensures Spanish translation is available. The City is also active on Facebook, Instagram, and Twitter. The City also offers a text-by-phone system that provides residents with the option to receive City Text Alerts.

Police Services

The Bell Police Department ("Bell PD") has provided police services to the City of Bell since 1927. The Bell Police Department is located in the Civic Center, and includes office facilities and a staging area for deputies and civilian public safety officers. The Bell Police Department responds to emergency calls for service, conducts preliminary investigations of crime, enforces traffic laws, conducts traffic collision investigations, implements crime prevention strategies, and provides juvenile outreach programs – including Drug Abuse Resistance Education (DARE) and Explorer programs. The Bell Police Department provides public safety administration services including planning, and coordination with event organizers to ensure public safety during events.

As of FY 2022-23, the Bell Police Department employs 33 full-time sworn officers and 4 sworn reserve officers, or approximately one officer per 1,000 residents. As of FY 2021-22 the Bell Police Department has an average response time of approximately 13 minutes and 22 seconds per call (the time it takes to create the dispatch and arrive at the site). Between 2017 and 2021 response times have decreased for emergency services. Bell has seen an increase in reported

crimes between 2012 and 2021. In 2021, 206 violent crimes and 491 property crimes were reported to the Department of Justice by Bell PD.¹³ The number of violent crimes has increased by nine (9) percent since 2012 and the number of property crimes has increased by 35 percent since 2012.

The City also has a Homeless Services Liaison as part of the Community Services Department that partners with other city departments – including the Bell Police Department – to address homelessness in the City. These services include a partnership with Los Angeles County Mental Health to conduct weekly homeless and mental health outreach in the City.¹⁴

The City of Bell has a Community Emergency Response Team (“CERT”) program composed of resident volunteers that respond to emergencies, disasters, and other crises. The CERT program is primarily concerned with community readiness, rescuer safety, and community support.¹⁵

The 2005 MSR indicated that dispatch technology was in need of upgrades, which was completed in 2018. The next round of upgrades will be completed by 2027. Police Department staff do not anticipate an interruption in service delivery during this upgrade. City staff also noted that there is a need for expanding the Bell Police Department to provide Department staff with additional flexibility.

Fire Protection and Ambulatory Services

Bell is within the Consolidated Fire Protection District (“CFPD”) of Los Angeles County. Fire and emergency medical services are provided by the County Fire Station No. 163 which is located within City limits. CFPD has specialized resources including a helicopter fleet, contract aircraft, and California Task Force 2, a specialized search and rescue task force. This fire station services provides primary or secondary response services to adjacent cities, including Maywood and Cudahy.

¹³ Source: California Department of Justice

¹⁴ Source: City of Bell – Homeless Services Website

¹⁵ Source: Bell CERT Website

Bell was part of CFPD prior to the adoption of Proposition 13 which allows CFPD to collect a share of the one (1) percent property tax in existing district areas.

CFPD Station No. 163 falls under Division 9 of the CFPD, which received an Insurance Service Office (“ISO”) class rating of 2. The ISO evaluates the ability of fire protection agencies to respond to fire incidents in their communities, with class one (1) being the highest rating and ten (10) being the lowest. The most recent performance measures report published by the County of Los Angeles Fire Department indicates that CFPD responds to calls within five (5) minutes of receiving calls, and has a success rate of 99.5 percent.¹⁶

City staff reported that services and collaboration with CFPD is adequate. City staff also noted a need for improving permit and inspection services, as the closest CFPD office that offers permit services is in the City of Commerce and requires the applicant visit the office multiple times.

Animal Services

Under contract with the City, the County Animal Care and Control Department provides animal control and rescue services to Bell. As part of this service, field service officers are available to promptly respond to animal care issues and concerns. These field service officers respond to calls to rescue sick or injured animals, reunite lost pets with their owners, removal of deceased animals from public areas, and investigation of animal abuse and neglect. The designated animal care and control center is located in the City of Downey, which is five (5) miles away.

Vector Control

The Greater Los Angeles County Vector Control District, an independent special district of the County, provides ongoing mosquito and vector control within Bell. The Vector Control District responds to case-by-case service requests, maintains a surveillance program on various mosquito borne viruses, and provides other informational resources. The City does not pay for

¹⁶ Source: 2019-20 Performance Measures, County of Los Angeles

these services, which are instead funded by ad valorem property and special assessment taxes on individual parcels.

Community Development

The Community Development Department oversees the physical development of the City to meet the present and future needs of its residents. This Department includes the Community Development Block Grant Program Division, Planning Division, Economic Development Division, and Building & Safety Division. These divisions are responsible for implementing the City's economic development strategies, engineering projects, and land use and building policies, including the General Plan, Zoning Ordinance, California Environmental Quality Act and building codes. The Planning Division also prepares the City's Housing Element and Housing Annual Progress Reports. The City also acts as the Successor Agency, overseeing the assets of the former City of Bell Redevelopment Agency's Low- and Moderate-Income Housing Fund ("LMIHF"). Income generated from the LMIHF is reinvested for housing purposes.

Code Enforcement

The City provides code enforcement services within the community through Bell PD. The Code Enforcement Division monitors landscaping and vegetation, trash cans and recycling, animal maintenance, signs, and graffiti. The City also has a Residential Code Compliance Task Force which assesses the code compliance services provided by the City. Presently, the Bell PD has three (3) code enforcement officers.¹⁷ In 2022, the Police Department recorded 1,480 cases of code enforcement violations.

Public Works

In FY 2022-23, the City chose to split the Public Works Division from the Community Development Department, to form the Public Works Department. City staff noted there is a present need for hiring additional staff to maintain and expand services. The City's Public Works Department performs general maintenance for the City's fleet, road medians, parks, public facilities, and

¹⁷ Source: City of Bell 2022-23 Budget

streets, around-the-clock work for emergency-related incidents, sanitary sewer overflow, and oversight of the engineer/inspector contract. Public Works oversees all National Pollutant Discharge Elimination System (“NPDES”) permits for all City facilities that require NPDES permits.

The City budgeted \$9.8 million in FY 2022-23 for projects specified in the Capital Improvement Program (“CIP”).¹⁸ A majority of this was designated for street improvements (\$6.2 million). In 2022, key projects include the Florence Avenue Street and Sewer Improvement Project which is an active effort of the City to maintain the City’s infrastructure in a state of good repair. The City allocated \$6.3 million for capital projects in FY 2021-22, with all of the funding designated for street projects (\$6.3 million).¹⁹ City staff indicated that improvements to streets, roads, and sewers will be necessary in industrial areas of the City and have plans for enacting these improvements.

City staff noted that the City is currently in talks with neighboring cities to explore the potential for consolidating regional services, including transportation and street improvements. City staff also expressed interest in sharing facilities, including community spaces, with the Los Angeles Unified School District.

Bell has 33.6 centerline miles of streets. The 2022 Pavement Management Program Update gave Bell’s pavement network a rating of “Fair,” but noted that the City’s current planned updates using funds from SB1 will bring the pavement network to a “Very Good” condition. The City will be implementing a slurry-seal program in FY 2023-24. The City additionally has a street and sewer improvement plan for Florence Agency between Atlantic Avenue and the Los Angeles River Bridge. The Public Works Department drafted a Local Roadway Safety Plan, which was finalized in 2022, to help identify and develop traffic safety enhancements on the City’s roads. The plan will be monitored annually and updated as needed.

¹⁸ Source: City of Bell 2022-23 Budget

¹⁹ Source: City of Bell 2021-22 Budget

Water

Water is provided to the residents of Bell by five different water providers: Maywood Mutual Water Company No. 3, Golden State Water Company, California Water Service, Tract 349 Water Company, and Tract 180 Water Company.

Maywood Mutual Water Company, Tract 349, and Tract 180 Water company are mutual water companies (corporations that supply water only to shareholders) serving Bell and surrounding communities. Maywood Mutual Water Company No. 3 charges \$3.50 per cubic foot (i.e., 748 gallons) for residential customers and \$3.65 per cubic foot for industrial customer. Tract 349 Water Company charges \$3.82 per 100 cubic feet. Tract 180 Water Company Charges \$3.63 per cubic foot.

Golden State Water Company is a utility subsidiary of American States Water Company provides water services to residents across 80 communities in California, and the California Water Service is a water company that provides water and wastewater services to various communities across California. Both Golden State Water Company and the California Water Service are investor-owned utilities. Golden State Water Company charges \$4.54 per cubic foot. California Water Service charges \$4.34 per 100 cubic feet.

Storm Drainage

The City contracts with Ron's Maintenance Inc., a Los Angeles-based company that maintains catch basins to prevent blockages of the municipal sewer system and to minimize the number of pollutants that eventually discharge into waterways.

Wastewater

The City of Bell Engineering Department provides wastewater management services. The Public Works Division contracts out sewer maintenance to the private company Tunnelworks, which offers sewer cleaning and inspection, pipeline rehabilitation, and UV sectional repairs. All wastewater improvements are handled through the Los Angeles County Sanitation Districts and

the Los Angeles County Sewer Maintenance District. Bell is under the jurisdiction of Sanitation District No. 2, which also provides wastewater treatment and disposal services.

Solid Waste

The City of Bell contracts with Consolidated Waste Disposal Service to provide solid waste disposal services to residents. The City provides trash, recycling, and composting services, along with bulky item pickup upon request. Bell had 37 ongoing diversion programs to ensure the City complies with recycling and solid waste diversion regulations.²⁰

Utilities

Utilities are provided by third parties under franchise agreements with the City. This includes Southern California Edison (electricity) and Southern California Gas Company (natural gas).

Communications

Under franchise agreements with the City; AT&T, DirecTV, Frontier Communications, Spectrum, and HughesNet provide communication services within Bell.

Community Services

One of the City's larger departments, the Community Services Department provides recreational facilities management and recreation services including organized community events, Tiny Tot education programs, and Virtual Recreation, and offers family, youth, and senior services. The facility management function includes scheduling the use of city facilities and providing supervisory oversight of multiple facility reservations and bookings for a variety of events including meetings, celebrations, conferences, and private parties.

Bell currently maintains and operates six (6) developed parks in the city, amounting to 14.5 acres of parkland in the City or 0.44 acres of parkland per 1,000 population. The City currently does

²⁰ Source: CalRecycle Diversion Program Status Report for City of Bell

not have a Master Park Plan. Figure 4 presents developed City parks identified in the City's Resource Management Element adopted in May of 2018.

Figure 4: Bell City Parks

Park Name	Park Address	Size	Facilities
Bell Community Center	6250 Pine Avenue	Special Facilities	City of Bell Community Services Department, 160 person capacity community room.
Biancini Park	4501 Gage Avenue	< 0.5 acres	Open space near bus stop
Camp Little Bear Park	6704 Orchard Avenue	1.7 acres	Miniature golf course, outdoor amphitheater, synthetic soccer field, water play apparatus, basketball court, climbing boulders, and picnic shelters with barbeque grills
Ernest Debs Park	3700 Gage Avenue	2.3 acres	Picnic area, synthetic soccer field, covered fitness zone, and basketball courts
Nueva Vista Elementary School Synthetic Soccer Field	4412 Randolph Street	2.1 acres	Synthetic soccer field
Futsal Park	Northwest corner of Gage and Pine Avenue	0.57 acres	Futsal park and outdoor lighting
Technology Center	4357 East Gage Avenue	Special Facilities	Computer lab
Treder Park	6300 Pine Avenue	1.6 acres	Picnic tables, gazebo, and a pavilion with barbeque grills
Veteran's Memorial Park	6500 Wilcox Avenue	3.5 acres	Veterans monument, clubhouse, basketball courts, baseball field and stadium seating, water play apparatus, barbeque grills and picnic tables, batting cages, playground for children, and two large park pavilions

In February of 2020, the City was awarded \$4.5 million to build a newly developed park on the corner of Florence Avenue and Walker Avenue with playgrounds, picnic areas, a fitness zone, and walking trails. As of the date of this MSR, the project is currently under construction.

In addition to the parks maintained and operated by the City of Bell, the City and LAUSD are involved in two joint-use programs for the shared use of the playground at Nueva Vista Elementary School as well as the facilities for basketball, football, baseball, and other group sports at Bell High School. There are also several public parks in the adjoining cities of Bell including Salt Lake Park in Huntington Park, John Anson Ford Park in Bell Gardens, as well as the South Gate Recreation Park in South Gate. The nearest regional park to the City is the Belvedere Community Regional Park, located approximately five (5) miles northeast of Bell.

The City of Bell's Resource Management Element identified between 2.5-acres and 5.0-acres for every 1,000 persons as a conventional park and open space standard. By comparison, the 2016 Los Angeles County Parks and Recreation Needs Assessment identified an average of 3.3 acres of local and regional recreation park space for every 1,000 persons in the County. The National

Recreation and Park Association, however, no longer declares a set of standards that every individual park and recreation agency should measure itself against due to the unique needs, desires, and challenges of different agencies.

The recreation and community events components provide a variety of services, including administration of the Halloween Carnival, Bell Holiday Village, the State of the City Address, Bell 5K, Student Government Day, Earth Day Celebrations, the Spring festival, and Concerts in the Park events. Outdoor park amenities that the department maintains include a miniature golf course, outdoor amphitheaters, synthetic soccer fields for young children, water play apparatuses, basketball courts, climbing boulders, and picnic areas. The family services components provide homeless services to the community through a Homeless Services Liaison that works closely with other departments to find solutions and address concerns within the City. The Community Services website also provides additional resources to support families, individuals, and transitional ages youth.

FISCAL HEALTH

The sections that follow evaluate the City's fiscal health, inclusive of revenue sources and major expenditure categories.

ANNUAL AUDIT FINDINGS

Bell is required to undergo an annual financial audit, with the results published in an Annual Comprehensive Financial Report ("ACFR"), in which the auditors are required to issue a report of whether the financial statements of the City accurately present the financial position of the City. The ACFRs from FY 2018-19 through FY 2020-21 did not present any findings and stated, "In our opinion, the financial statements present fairly, in all material respects, the respective position of the government activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America."

Error! Reference source not found. shows the City's actual historical General Fund revenues and expenditures from FY 2018-19 through FY 2020-21. While there was a deficit in both 2018-19 and 2019-20, in 2020-21 the General Fund collected more revenue than it expended.

Figure 5: Bell Historical Net General Fund Actual Spending

	2018-19	2019-20	2020-21
Actual Revenues			
Taxes	\$7,398,227	\$7,591,192	\$8,390,688
Licenses and Permits	773,422	747,799	797,884
Intergovernmental	3,974,048	4,522,011	4,916,643
Charges for Services	1,079,848	1,131,810	1,146,984
Use of Money and Property	427,712	483,617	179,837
Fines and Forfeitures	363,065	369,945	379,738
Miscellaneous	488,536	367,640	95,203
Total Revenues	14,504,858	15,214,014	15,906,977
Actual Expenditures			
General Government	\$3,679,746	\$3,604,232	\$4,042,960
Public Safety	7,877,608	7,125,704	7,605,339
Community Development	996,957	941,673	755,854
Community Services	2,625,992	2,617,244	1,953,432
Public Works	182,089	697,162	479,698
Capital Outlay	468,008	2,097,682	829,654
Debt Service	114,859	200,851	204,954
Total Expenditures	15,945,259	17,284,548	15,871,891
Net Spending	(1,440,401)	(2,070,534)	35,086

Source: Bell Budgetary Comparison Schedule, General Fund

In FY 2020-21 the City's General Fund had a surplus of approximately \$35,000. At the end of the fiscal year any available General Fund surplus and the reserve policies are analyzed and implemented.

In FY 2020-21, the City's General Fund revenues totaled approximately \$480 per capita.

OPERATING REVENUES

RSG compiled three (3) years of financial history, plus the City's current FY 2021-22 and FY 2022-23 adopted and drafted budgets. In the City's last annual budget for the FY of 2022-23, General Fund revenues were projected to exceed \$17 million.

Figure 6 illustrates the City's revenue sources for the most recent year available in the audit, FY 2020-21.

Figure 6: City of Bell Revenues 2020-21

	General Fund	Special Revenue - Federal	Special Revenue - Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	\$8,390,688	\$0	\$2,554,878	\$2,765,665	\$13,711,231
Licenses and Permits	797,884	0	0	0	797,884
Intergovernmental	4,916,643	2,795,206	1,251,961	5,270,503	14,234,313
Charges for Services	1,146,984	0	0	499,054	1,646,038
Use of Money and Property	179,837	653	0	2,831,006	3,011,496
Fines and Forfeitures	379,738	0	0	17,701	397,439
Miscellaneous	95,203	0	0	192,713	287,916
Total Revenues	15,906,977	2,795,859	3,806,839	11,576,642	34,086,317

Source: Bell Audit "Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds"

Tax revenues made up approximately 40 percent of all revenues collected by the City, inclusive of sales tax, property tax, franchise tax, pension property tax assessment (a property tax that funds employee pensions and other obligations), and other taxes. The City's second largest revenue source is intergovernmental revenues, which include revenues from Federal, State, and other local governments. Grants, shared revenues, and other types of intergovernmental payments are included in this category.

Figure 7 illustrates the City's historical General Fund revenue sources.

Figure 7: City of Bell Operating Revenue History

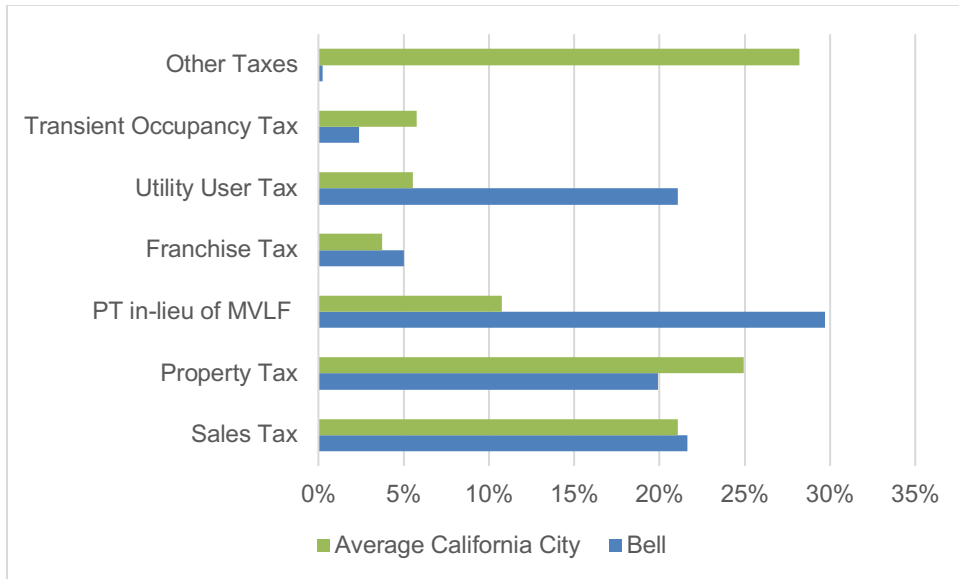
Revenues	2018-19	2019-20	2020-21
General Tax Revenues			
<i>Sales Tax</i>	\$2,612,453	\$2,639,765	\$3,185,706
<i>Property Tax</i>	2,908,996	2,934,486	2,934,362
<i>Property Tax in-lieu of MVL</i>	3,961,866	4,290,192	4,376,321
<i>Franchise Tax</i>	731,312	753,458	740,334
<i>Utility User Tax</i>	2,755,157	2,919,668	3,103,444
<i>Transient Occupancy Tax</i>	459,268	364,612	350,111
<i>Other Taxes</i>	34,359	25,990	36,269
Total General Tax Revenues	13,463,411	13,928,171	14,726,547
Revenue from Use of Money	472,084	497,449	178,174
Other	515,240	338,990	187,047
Total Revenues	14,450,735	14,764,610	15,091,768

Source: Bell Audit "Statement of Activities"

As seen in Figure 7, property tax in-lieu of motor vehicle license fees followed by sales tax and utility user tax are the highest sources of revenue for the City, each contributing between 20 to 30 percent of general revenues annually.

Figure 8 compares the City's general tax revenue with the general tax revenues of all cities in California.

Figure 8: Bell General Tax Revenues as Compared to All California Cities²¹



As seen in Figure 8, the City of Bell has a unique general tax revenue profile. The City relies more heavily on utility user tax and on property tax in-lieu of motor vehicle license fees.

Sales Tax

Cities receive one percent of gross receipts from the sale of tangible personal property sold within city municipalities. Approximately 22 percent of general tax revenues collected by the City of Bell is derived from sales tax.

The City is projecting increased sales tax revenue of approximately \$50,000 between FY 2021-22 and FY 2022-23.²²

Property Tax

The City collects approximately between five percent and six percent of the property tax collected within the City, as a general tax revenue. In 2020-21, approximately 20 percent, or about \$2.9 million, of the City's general tax revenues were derived from property taxes.²³ Additionally, in FY

²¹ Source: Bell ACFR, Statement of Activities; California SCO

²² Source: City of Bell 2022-23 Budget

²³ Source: City of Bell 2020-21 ACFR

2020-21 approximately 30 percent or \$4.3 million of the City's general tax revenues were derived from property taxes in lieu of motor vehicle license fees.

The City administers a pension property tax assessment which was approved by Bell voters in 1944 and is re-established annually. The tax can be used to pay for employee pensions and other retirement obligations. The current rate is \$0.18 per \$100 assessed value.

Charges for Services

Charges for services account for approximately \$1.6 million in FY 2020-21, as seen in Figure 4.²⁴ The City charges for services related to planning and development services, damages to City property, and miscellaneous administrative charges, and community service fees.

The Community Services Department also charges for services related to contract services for special interest activities, reservations of City facilities, community event fees, and use of Sports Fields.

Intergovernmental Revenues

In general, intergovernmental revenues consist of Federal, State, and local reimbursements for disasters and mutual aid agreements, and specific use grants. By their nature, these revenues tend to fluctuate more than other revenue sources. The City receives intergovernmental revenues related to the Road Maintenance and Rehabilitation Act, vehicle license fees in excess, homeowner's property tax exemption reimbursements, Community Development Block Grant funds, Air Quality Management District funds, California Oil Recycling Enhancement Act funds, Beverage Container Recycling grants, State COPS grants, and other appropriations from the Federal government, State of California, and Los Angeles County. The City received approximately \$14.2 million in intergovernmental revenue in FY 2020-21.²⁵

The City's budget also treats property tax in-lieu of MVLF as intergovernmental revenues. The City collected approximately \$4.3 million in property tax in-lieu of MVLF revenues in FY 2020-21.

²⁴ Source: City of Bell 2020-21 ACFR

²⁵ Source: City of Bell 202-21 ACFR

Property tax in-lieu of MVLF makes up approximately 30 percent of the City's general tax revenue.²⁶

OPERATING EXPENDITURES

Figure 9 shows the City of Bell's budgeted expenditures from FY 2020-21 through FY 2022-23, based on the historical annual budget dataset for these respective years. Total operating expenditures amounted to \$11.6 million in FY 2020-21, increasing to \$15.6 million in 2022-23. As shown in Figure 9, the City's largest expenditure category is personnel, which includes staff salaries and benefits.

Figure 9: City of Bell Operating Expenditure History

Category	2020-21	2021-22	2022-23	Change from 20-21 to 22-23
Personnel	\$ 7,664,638	\$ 10,438,693	\$ 11,135,111	45%
Operations	3,938,290	4,158,881	4,513,659	15%
Total	11,602,928	14,597,574	15,648,770	35%

Source: Bell Expenditure Budget, Total General Fund

In Figure 9 personnel expenses include salaries and benefits and operations include services, materials, and materials needed for operations and maintenance.

Figure 10 breaks down the City's departmental operating expenditures and full time equivalent employment by function or program between FYs 2018-19 and 2020-21.

²⁶ Source: City of Bell 2020-21 ACFR

Figure 10: Bell Department Expenditures

Department	2018-19	2019-20	2020-21
General Government	\$5,448,866	\$5,447,760	\$5,864,555
Public Safety	11,578,153	11,712,198	12,285,290
Community Development	2,343,630	2,461,280	2,776,728
Community Services	4,240,352	4,097,534	3,404,625
Public Works	4,395,019	4,355,400	4,873,093
Total Expenditures	28,006,020	28,074,172	29,204,291

Source: Bell Audit "Statement of Activities"

Public safety costs did not increase significantly (six percent) between FYs 2018-19 and 2020-21. The City's total expenditures increased by about 2.1 percent annually from FYs 2018-19 to 2020-21.

PERFORMANCE STANDARDS

RSG utilized three different methodologies to evaluate the City of Bell's fiscal performance. The three approaches to evaluating performance include a review of reserve fund balances, pensions, and Other Post-Employment Benefits ("OPEB"), and third-party fiscal health evaluations. The methodologies and findings are outlined below.

RESERVE FUND BALANCE

The City has an emergency uncertainty fund balance policy for General Fund reserves, requiring 15 percent of operating expenditures to be held in reserve. This 15 percent would represent 90 days of expenditures and would provide for economic uncertainties, local disasters, other financial hardships, or downturn in the local or national economy, contingencies for unseen operating or capital needs, unfunded liabilities, institutional changes, and cash flow requirements. The City's projected economic uncertainty reserve is about \$17.2 million for the FY 2021-22. The City's remaining unreserved or undesignated General Fund reserve balance was about \$5.1 million in FY 2020-21.²⁷

²⁷ Source: City of Bell 2020-21 ACFR

The City's General Fund reserve balance is greater than 15 percent of the FY 2020-21 expenditures and revenues and is compliant with the City's reserve policy.

PENSION AND OPEB OBLIGATIONS

The City contributes toward a California Public Employees' Retirement System pension plan. The City sponsors five rate plans, including two miscellaneous plans and three safety plans, for all qualified permanent and probationary employees. There are currently 366 employees covered under the two miscellaneous plans, 152 employees covered under the safety plans.

Bell also offers an OPEB plan. The OPEB plan provides healthcare coverage, along with vision and dental coverage, to retirees and their eligible dependents. There are currently 181 employees covered under the plan, including 104 active plan members and 77 beneficiaries currently receiving benefit payments. The City uses the pension property tax assessment to fund their pension trust.

The City had a long-term net pension liability of \$28.9 million and net OPEB asset of \$15.3 million at the end of FY 2020-21. Bell does not have an OPEB trust fund and instead finances benefits on a pay-as-you-go basis. The City's historical pension liability and OPEB liability are outlined in Figure 11.

Figure 11: Bell Pension and OPEB Liabilities

Bell	2018-19	2019-20	2020-21
Total OPEB Liability/(Surplus)	\$14,490,647	\$14,794,462	\$15,304,988
Ending Plan Fiduciary Net Position	-	-	-
Net OPEB Liability/(Surplus)	14,490,647	14,794,462	15,304,988
Net Pension Liability/(Surplus)	\$38,509,944	\$41,133,835	\$28,970,629
Net Benefit Liability/(Surplus)	53,000,591	55,928,297	44,275,617

Source: 2018-19, 2019-20, and 2020-21 ACFRs

The City's pension indicators provide insight into the City's pension plan health. The City's employer contribution rate compared to the actuarially determined contribution, total covered payroll, and employer contribution rate are all outlined in Figure 12.

Figure 12: Bell Pension Indicators

Bell	2018-19	2019-20	2020-21
Actuarially Determined Contribution	\$2,654,602	\$3,427,688	\$3,760,863
Employer Contribution	2,654,602	3,427,688	3,760,863
Covered Payroll	5,977,586	6,141,969	6,310,873
Employer Contribution Rate	44.4%	55.8%	59.6%

Source: 2018-19, 2019-20, and 2020-21 ACFRs

The City has historically made employer contributions equivalent to the actuarially determined contribution and the employer contribution increased from 44.4 percent of covered payroll to 59.6 percent of covered payroll between FYs 2018-19 and 2020-21. City Staff did not provide comment as to the cause of the increase.

CALIFORNIA STATE AUDITOR FISCAL HEALTH EVALUATION

The California State Auditor completed an audit of local governments in the State to determine which cities may be facing fiscal challenges by assessing the risk associated with various fiscal indicators. The fiscal health analysis examined liquidity, debt burden, general fund revenues, revenue trends, pension obligations, pension funding, pension costs, future pension costs, OPEB obligations, OPEB funding, and overall risk. The Auditor ranked all 431 cities in California on each fiscal indicator, with 1 being the highest risk, and 431 the lowest risk.

As of FY 2020-21, the City of Bell ranked 106 out of 431 cities (or 38 of 130 cities in the Los Angeles region which stretches from southern Orange County up to Ventura) and is considered moderate risk. The Auditor has consistently ranked Bell as moderate risk since FY 2016-17.

Bell's current moderate risk status means that the State Auditor has determined some risk of "experiencing financial distress" based on ten financial indicators. Five indicators (debt burden, pension obligations, pension costs, future pension costs, and OPEB funding) were ranked high risk by the State Auditor. The debt burden indicator compares a city's level of debt with its income. The pension obligations indicator assesses the magnitude of a city's pension obligations by comparing its unfunded pension liability and any other pension-related debt to the revenues the

city collects. The pension cost indicator measures the current financial burden of a city's pension costs by comparing its actuarially determined contributions to its pension plan(s) to its annual revenue. The future pension costs indicator measures the future financial burden of a city's pension costs by comparing its projected actuarially determined contributions to its pension plan(s) to its present level of annual revenue. Two fiscal indicators, revenue trends, and pension funds, were ranked as moderate risk. All other fiscal indicators were ranked as low risk.

SOI RECOMMENDATIONS

RSG's recommended determinations related to any City of Bell sphere of influence amendments are presented below.

1. Present and Planned Land Uses

The City of Bell is exploring commercial and residential development on various scattered sites across the City. The City anticipates this development to account for the construction of between 300 to 400 residential units. No immediate plans for development were identified by City Staff. There are no opportunities to expand the SOI – as the SOI is coterminous with the City's corporate boundary and the City is surrounded by neighboring city boundaries.

2. Present and Probable Need for Public Facilities and Services

The City's public facilities and general services are sufficient to accommodate residential and commercial growth over the next decade. Improvements to streets, roads, and sewers will be necessary in industrial areas of the City as several private streets will be switched to public streets. As these streets are private, the City experiences challenges with improvements.

The City's emergency dispatch system is being upgraded to current standards to provide the City Police Department additional support.

The City is exploring options to improve access to the permitting/inspection process for planning/building to provide access to these required documents within the city limits, eliminating the need for applicants to travel outside of the City to the nearest Los Angeles County Fire Department.

3. Present Capacity of Public Facilities

Currently, the City's capacity for services is adequate for the community. The City created a Public Works Department in 2022 and is presently working to increase its capacity in engineering and street maintenance. The City indicated that there is a need for hiring more staff to maintain and expand services. The City contracts for engineering and planning services to accommodate this need.

4. Social or Economic Communities of Interest

No social or economic communities of interest were identified.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City does not have any DUCs within its SOI. Presently, the City's SOI is coterminous with its jurisdictional boundary.

Presently, Bell's SOI is coterminous with its jurisdictional boundary. There are no sphere of influence changes recommended as a result of this MSR. The City of Bell SOI is adequate.

MSR DETERMINATIONS

Pursuant to Government Code Section 56430, the requisite CKH determinations for this MSR for Bell are presented below:

1. Population and Growth

The population in the City has steadily declined over the last ten years, which differs from the gradual increase in population seen in the County as a whole. The City has limited potential for population and economic growth due to existing buildout at capacity and geography. Despite this, the City is exploring opportunities for infill development across the City.

2. Disadvantaged Unincorporated Communities in SOI

The City's SOI does not contain any DUCs. Although there are no DUCs within the City of Bell's SOI the City as a whole qualifies as a disadvantaged community.

3. Present and Planned Capacity of Facilities

The City's present and planned facilities are generally sufficient to meet community needs. In 2022 the City opted to separate the Public Works Department from the Community Development Department and is working to expand the department's capacity with additional staff.

4. Financial Ability to Provide Services

The City of Bell experienced increasing General Fund revenues and expenditures from FYs 2018-19 through 2020-21. During this time, revenues increased at a slower rate (Figure 5) than expenditures however, in FY 2020-21 the City experiences a surplus of \$35,000. The City is considered to be at moderate financial risk by the State Auditor. Since the last MSR in 2005, the City has paid an estimated \$40 million toward their debt from general obligation bonds. City staff noted that the City is currently exploring options for addressing their unfunded pension liabilities, including the option of using a Section 115 Trust for savings. The

City is currently exploring different sources of potential revenue to address the maintenance and replacement of infrastructure. Potential revenue sources include the implementation of Development Impact Fees, franchise fees, and a Transient Occupancy Tax. City staff indicated a financial transparency model would be presented to the public in 2023. City staff did not identify any challenges with their financial ability to provide services.

5. Opportunities for Shared Facilities

The City of Bell is currently in discussions with neighboring cities to explore the potential for consolidating regional services including transportation and street improvements. City staff also noted interest in sharing facilities with Los Angeles Unified School District for community spaces, meeting spaces, and classrooms. There are no imminent plans in place at this time.

6. Accountability for Community Service Needs

The City Council is elected on an at-large basis. The City's website includes information about City Council meetings, public meetings, and other City services. The City broadcasts its Council meetings via Zoom and provides Spanish translation for all meetings. The City's website is easily translated into a variety of languages and the City is active on a variety of social media platforms including Facebook, Instagram, and Twitter. Bell also offers a text by phone system, and a community center for in-person meetings with a capacity for around 150 people. RSG did not identify any issues with accountability in the City.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

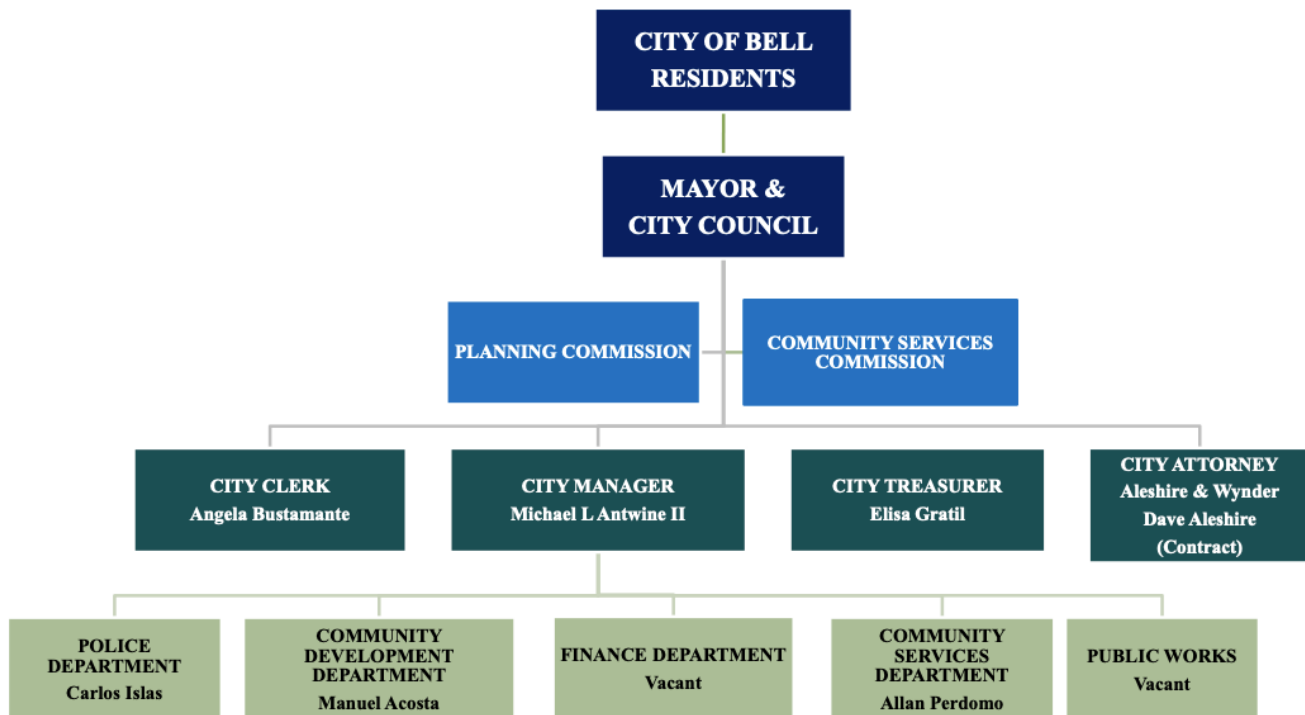
The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

APPENDICES

APPENDIX 1: BELL SPHERE OF INFLUENCE



ORGANIZATIONAL CHART





Municipal Service Review and Sphere of Influence Update

City of Maywood

July 17, 2023



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LIST OF ABBREVIATIONS USED

ACFR	Annual Comprehensive Financial Report
CIP	Capital Improvement Program
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
DAC	Disadvantaged Community
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
ISO	Insurance Service Office
LAFCO	Local Agency Formation Commission
LMIHF	Low- and Moderate-Income Housing Fund
MSR	Municipal Service Review
OPEB	Other Post-Employment Benefits
SCAG	Southern California Association of Governments
SOI	Sphere of Influence
SSO	Sanitary Sewer Overflows
VLF	Vehicle License Fees

EXECUTIVE SUMMARY

The Local Agency Formation Commission (“LAFCO” or “Commission”) for the County of Los Angeles is preparing this Municipal Service Review (“MSR”) and Sphere of Influence (“SOI”) update for the City of Maywood (“City”). LAFCO acts as the county-wide oversight agency that coordinates logical and timely changes to local government boundaries.

The last service review of the City of Maywood was adopted by LAFCO on December 14, 2005, as part of the larger Gateway Municipal Services Review prepared by Burr Consulting, herein referred to as the “2005 MSR”. The 2005 MSR examined fifty-two (52) local agencies, including twenty-six (26) cities (including Maywood) and twenty-six (26) special districts in the “Gateway” region of Los Angeles County (generally south and east of Downtown Los Angeles, to the City of Long Beach on the South and to the Orange County border near the Cities of La Habra Heights and Whittier). Subsequently, the City has experienced several changes, but Maywood has not seen any changes in its jurisdictional boundaries nor SOI since that time.

This MSR reviews the City’s services within the requirements of State law and LAFCO policies, including their SOIs.

SUMMARY OF SOI RECOMMENDATIONS

- Maywood has limited potential for development growth due to existing buildout within the City’s limits.
- Maywood’s wastewater and sewer infrastructure is not sufficient to accommodate growth over the next decade and is not adequate to provide service to the community at present.
- Presently, Maywood’s SOI is coterminous with its corporate boundary.

RSG recommends Maywood’s SOI be reconfirmed to the current boundaries pursuant to LAFCO’s SOI Policy as described beginning on page 5.

SUMMARY OF MSR DETERMINATIONS

- Maywood's SOI does not contain any disadvantaged unincorporated communities.
- Maywood has limited potential for population and economic growth due to existing buildout, at capacity and geography.
- Maywood's aging sewer infrastructure is in need of major repairs; the City is working with a number of State and Federal agencies to make the most urgent repairs and to find funding for comprehensive wastewater infrastructure revitalization.
- The State Auditor gave Maywood a fiscal health risk indicator of moderate for Fiscal Year ("FY") 2020-21. A "moderate risk" status means that the State Auditor has determined the City has some risk of "experiencing financial distress" based on ten financial indicators. The cost of repairing the sewer infrastructure and the ability to offer competitive wages and benefits for staff are the most pressing financial challenges for the City.
- Maywood does not have immediate plans to coordinate shared facilities with neighboring jurisdictions.
- The City has various measures in place to ensure transparency and accountability in order to meet the municipal service needs of the public it serves. These include posting meeting information on the City's website, allowing virtual participation in City meetings, and posting regularly on social media.

BACKGROUND

LEGAL REQUIREMENTS AND PURPOSE

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56430 et. seq., (“CKH”) requires LAFCOs to prepare periodic reviews of services provided by most local agencies and provides discretion on the manner in which a commission undertakes these reviews. The reviews are instrumental in making determinations on jurisdictional and SOI boundaries, as well as informing commissions, affected agencies, and the general public of opportunities for improving service delivery.

LAFCO RESPONSIBILITIES

CKH directs LAFCOs in California to discourage urban sprawl, encourage the orderly formation and development of cities and special districts, and to preserve agricultural land. LAFCOs act as the county-wide oversight agency that is responsible for considering logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers, and dissolutions of districts. In this manner, LAFCOs play an important role in assuring the thoughtful, appropriate, and efficient reorganization, simplification, and streamlining of quality local governmental services.

As part of these objectives, LAFCOs establish and periodically review spheres of influence for local agencies through a process known as a MSR and SOI update.

SPHERE OF INFLUENCE

Since 1972, LAFCOs in California have been responsible for determining and overseeing the sphere of influence for local government agencies. An SOI is defined as “a plan for probable physical boundaries and service area of a local agency, as determined by the Commission.” Consistent with Commission SOI policies, an SOI can be a) coterminous to agency boundaries

July 17, 2023

as the ultimate foreseen configuration of the agency in anticipation of no future growth, b) extended beyond the agency boundaries in anticipation of future growth, c) be smaller, indicating the need to detach areas from the agency boundaries, or d) be designated a “zero sphere”, which indicates a potential dissolution of the agency. In order to amend the sphere of influence boundaries, formal approval from the Commission is required. Factors considered in an SOI include current and future land use, capacity needs, and any relevant areas of interest such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, an SOI shall consider and prepare a written statement of its determinations on the following factors:

1. Present and planned land use in the area, including agricultural and open space lands.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area.
5. Present and future need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The purpose of an SOI is to ensure the efficient delivery of services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCOs coordinate the orderly development of a community by reconciling differences between different agency plans. This is intended to ensure the most efficient urban service arrangements are created for the benefit of area residents and property owners.

DISADVANTAGED UNINCORPORATED COMMUNITIES

As part of the MSR, RSG considered the impact of the SOI related to Disadvantaged Unincorporated Communities. A Disadvantaged Unincorporated Community (“DUC”) is defined by Government Code Section 56033.5 as an area of inhabited territory located within an unincorporated area of a county within a “disadvantaged community.” A disadvantaged community is defined in Water Code Section 79505.5(a) as a community with an annual median household income is less than 80 percent of the statewide median household income. Government Code Section 56046 defines “inhabited” as a territory within which there are 12 or more registered voters.

LAFCO designated the DUCs in the County using 2016-2020 American Community Survey Census data, meaning any unincorporated area wherein the median household income is less than \$62,939.

SPHERE OF INFLUENCE UPDATES AND LAFCO POLICY

From time-to-time, an SOI may be modified as determined by LAFCO; the procedures for making sphere amendments are outlined in CKH, and in some cases, further refined by a commission’s own guidelines. Pursuant to Government Code Section 56430, a commission must first conduct a municipal services review prior to updating or amending a SOI.

The Commission adopted a “Sphere of Influence Policy” on November 13, 2019, which provides a framework for SOI updates considered after an MSR is completed. The policy defines three types of SOIs for cities and special districts:

- Coterminous Sphere of Influence: An SOI for a city or special district that includes the same physical territory as the jurisdictional boundaries of that city or special district. LAFCO adopts a Coterminous SOI if there is no anticipated need for services outside the jurisdictional boundaries of a city or special district, or if there is insufficient information to support the inclusion of additional territory within the sphere.

- Larger than Sphere of Influence: An SOI for a city or special district which includes territory that is larger than the jurisdictional boundary of the subject city or special district. LAFCO adopts a Larger than SOI if there is an expectation of future growth of the agency's physical boundaries and associated service area.
- Zero Sphere of Influence: An SOI for a city or special district that includes no territory. LAFCO adopts a Zero SOI if the functions, services assets, and liabilities of that city or special district should ultimately be re-assigned to another public agency or service provider.

RSG analyzes the spheres in the SOI Recommendations section of this MSR.

MUNICIPAL SERVICE REVIEW (MSR) REQUIREMENTS

Section 56425(g) of CKH requires that LAFCOs evaluate a given SOI every five years, as necessary; and the vehicle for doing this is known as a Municipal Service Review. Prior to or in conjunction with SOI reviews, a Municipal Service Review (MSR) must be prepared pursuant to Government Code Section 56430. MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. Pursuant to Government Code Section 56430, MSRs are to make determinations considering the seven required topics based on CKH. These seven areas include:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s).
3. Present and planned capacity of public facilities and adequacy of public services, infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.

5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including government structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCO Policy.

The focus of an MSR is to describe how public services are being carried out and to determine if the residents of the community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR determines that certain services are not being carried out to an adequate standard, LAFCO can recommend changes such as sphere changes as well as consolidation or dissolution of service providers to provide the best service possible to the population.

PREVIOUS MSR DETERMINATIONS

The 2005 MSR made several findings concerning cities and districts in the Gateway Region, as well as specific comments addressing the City of Maywood specifically. It recommended no changes to the City of Maywood's SOI. For context, these findings are identified below:

- The daytime population was projected to grow quickly in Maywood. The City had also identified residential growth areas in the Town Center, and non-residential growth areas for industrial development in the West Side. However, infrastructure deficiencies were a barrier for further development.
- The 2005 MSR indicated that Maywood's police station required expansion.
- The prior MSR noted that large parts of Maywood use septic systems, which are subject to failure and potential groundwater contamination if not properly maintained.
- As of 2005, many cities in the Gateway Region, including Maywood, faced ongoing needs for street maintenance (including resurfacing, slurry-sealing, traffic signals, and street widening).

- There was limited park space available in Maywood.
- Maywood had low General Fund revenues at less than \$250 per capita. In comparison, cities in the Gateway Region with high General Fund revenues collected more than \$650 per capita.

PURPOSE OF THIS MSR AND SCOPE OF WORK

MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. This Municipal Service Review will review the services provided by the City of Maywood and, to a lesser extent, services provided within the City of Maywood by other agencies.

METHODOLOGY

RSG worked in coordination with LAFCO staff throughout this MSR. Key tasks and activities in completing this MSR include data collection, interviews with City staff, City profile development, determination analysis, public review of MSR, and the adoption of the final MSR.

Data Collection

To fully understand key factors and current issues involving the City, RSG conducted an initial working session with LAFCO staff to determine the project scope and formalize overall MSR objectives, schedules, policy and fiscal criteria, service standards, and roles and responsibilities. The MSR began with a complete and thorough review of available data and documents including adopted budgets, comprehensive financial reports, capital improvement plans, strategic plans, and the General Plan. These documents were assessed to develop a comprehensive overview of the City. In addition, various reports and documents were utilized from the Southern California Association of Governments (“SCAG”), the California Department of Finance, the California Department of Tax and Fee Administration, the California State Auditor, the Census Bureau, LAFCO, CoStar (a commercial real estate database), and ESRI Business Analyst.

Interviews

In coordination with LAFCO, during the month of October 2022 RSG met with the executive leadership of Maywood. This interview allowed RSG to gain insight on the current operations and any unique challenges of the City.

The content of these interviews included the following topics:

- Financing constraints and opportunities;
- Growth and population projections;
- Infrastructure needs or deficiencies;
- Cost avoidance opportunities;
- Opportunities for rate restructuring regarding services provided;
- Opportunities for shared facilities with other cities or agencies;
- Government structure options, including advantages or disadvantages of consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance, specifically the structures in place to support public engagement and participation.

Agency Profiles

Following data collection and interviews, RSG developed a City profile based on the criteria noted previously and required for the completion of the MSR per CKH. The profile includes key characteristics such as services offered, staffing levels, population and growth, service providers, infrastructure, financial condition, and boundary areas and maps. Department profiles can be found in the following sections.

Annual Budget Data

RSG utilized the City's annual budgets for FYs 2019-20 through 2021-22 to analyze historical operating revenues and expenditures for Maywood. RSG analyzed the data to make determinations regarding the City's fiscal health, including tax revenue and expenditure trends. The data provides current expenditures by department (general government, public safety, community development, transportation, etc.), and operating expenditures (salaries and wages, retirement benefits, materials and supplies, contract services, debt service, and capital outlay). The data also includes reports on general revenues, tax revenues, fees for services, special benefit assessments, and intergovernmental revenues.

SERVICE REVIEW – CITY OF MAYWOOD

Maywood is located in the Fourth Supervisorial District in southeastern Los Angeles County (“County”), west of State Route 710 between Interstate 5 and Interstate 105. Maywood shares borders with the cities of Bell to the east and south, Vernon to the north and west, and Huntington Park to the south.

Maywood is home to 24,908 residents, 499 business, and a workforce of 3,103 employees¹. Maywood is a general law City and maintains a contract service model. There is one small north-south strip of unincorporated territory to the City’s west which is within the City of Vernon’s SOI.

The City voted in favor of incorporation on September 2, 1924. Maywood spans an area of approximately 1.14 square miles, and the City’s sphere of influence is coterminous with City boundaries. Maywood’s current 1.14 square mile SOI was initially established in 1984 and was reconfirmed in 2005.

Figure 1 presents a demographic and land use profile of Maywood compared to the overall County.

¹ Source: Esri Business Analyst

Figure 1: Demographic Profile - Maywood

	Maywood	LA County
Population as of 2010	27,395	9,822,121
Population as of 2020	24,908	9,861,224
Annual Pop. Growth Since 2010	-0.76%	0.40%
Total Housing Units	6,717	3,635,136
Persons/Housing Unit	3.71	2.71
Land Area (Sq Miles)	1.14	4,059.28
Persons/Square Mile	21,849	2,429
Median Household Income	\$50,996	\$71,358
Projected Population in 2035	28,400	10,331,803
Annual Proj. Growth 2020-2035	1.01%	0.36%
Projected Population in 2045	29,000	10,193,978
Annual Proj. Growth 2020-2045	1.18%	0.26%

Sources: Esri Business Analyst, Department of Finance, US Census, Southern California Association of Governments

Between 2010 and 2020 Maywood experienced a population decrease of approximately one percent annually.² 28 percent of Maywood's population is below the age of 18, and 9 percent of its population is above the age of 65. According to SCAG's 2016-2040 Growth Forecast, the population is expected to grow by approximately one percent per year over the next 15 to 20 years.³ The City currently has a small project of approximately 40 units in the development pipeline, which could lead to an increase in population of 148 people.

The State of California and the County have seen an overall decrease in population brought about by a variety of factors including an aging population, declining birth rates, impacts of COVID-19, and an increase in domestic migration to other areas. City staff noted that the Census may not be accurate, and may even cause the population to appear as though it is declining when it is not, due to fear in Maywood's large immigrant community of not responding to Census questionnaires.

² Source: Esri Business Analyst

³ Source: Southern California Association of Governments 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction

The median household income in the City is \$50,996 which qualifies the City as a Disadvantaged Community (“DAC”). A DAC is a community with an annual median household income less than 80% of the statewide median household income (\$62,938).⁴

Maywood consists mostly of residential areas, including planned residential developments, recreational and open space, and neighborhood-serving commercial land uses. The western and southeastern portions of Maywood are zoned for industrial uses along the borders of Vernon and the Los Angeles River, respectively.⁵ While nonresidential areas make up a relatively smaller portion of the City limits, Maywood’s major employment sectors include services (33.5 percent of employment), manufacturing (16.5 percent), and transportation/utilities (15.4 percent).⁶

Figure 2 provides a land use summary of residential and commercial development in Maywood.

Figure 2: Land Use Summary - Maywood

Maywood	County		
Residential Units	Units	%	%
Single Family	4,522	67.3%	54.5%
Multifamily	2,150	32.0%	43.9%
Mobile Home	45	0.7%	1.6%
Total Units	6,717	100%	100%
New Units Since 2010	(49)		
Commercial	Gross SF	%	%
Retail	770,343	44.4%	24.4%
Industrial	856,212	49.4%	48.7%
Office	103,495	6.0%	23.7%
Other	3,586	0.2%	3.1%
Total	1,733,636	100%	100%
Since 2010	(58,825)		

Sources: California Department of Finance, Costar

⁴ Source: California Department of Water Resources, DAC Mapping Tool, Disadvantaged Communities (ACS: 2016-2020)

⁵ Source: City of Maywood General Plan Map

⁶ Source: Esri Business Analyst

Single family housing is the predominant residential building type, representing over 67 percent of the 6,717 housing units in Maywood. The City currently has one small residential development with 40 units in the development pipelines. The housing inventory has decreased by 49 units since 2010. Among commercial uses, industrial uses make up 49.4 percent of the commercial building square footage in Maywood. Per Maywood's General Plan, residential land uses make up 57 of land use in the City, industrial uses make up 6 percent of land use, and retail make up 8 percent of land use.

The City's adopted 6th Cycle Housing Element for 2021-29 was reviewed by the Department of Housing and Community Development on December 12, 2022, and is currently out of compliance.

FORM OF GOVERNMENT AND STAFFING

The City is a general law city governed by a five-member City Council that is elected at-large by eligible registered voters. Each year, the City Council selects a Mayor and Mayor Pro Tempore to preside over meetings. City Councilmembers are elected to staggered four-year terms.

The City Council appoints a City Manager to serve as the administrative head of the City government responsible for the efficient operation of the City. The City Council also appoints a City Attorney. The City Clerk and City Treasurer are elected by the City's voters. Other department heads are hired by, and report to, the City Manager. The City is organized into several departments operating under the direction of the City Manager, including Planning and Building, Community Services, Finance, and Public Works.

The City operates with an annual General Fund budget of \$13 million and has 17 employees.⁷ Maywood is generally regarded as a contract city, meaning that it outsources administration of many municipal services rather than using full time staff. The City largely contracts with other agencies to provide services such as law enforcement and fire protection services, but City staff provide other services in other areas such as planning and public works.

⁷ Source: City of Maywood 2021-22 Budget

Appendix 1 contains the current organizational chart of the City.

CURRENT SPHERE OF INFLUENCE

Appendix 2 shows the City of Maywood's jurisdictional boundary and SOI as of November 2022; the City has not had any changes to the City's jurisdictional boundary or to the City's SOI boundary since the 2005 MSR.

Maywood's 1.14 square mile SOI is coterminous with the current city limits. There are no unincorporated areas within the sphere of influence, although there is a small uninhabited unincorporated area that borders the City to the west located in the City of Vernon's SOI.

EXTRATERRITORIAL SERVICES

The City does not provide any extraterritorial services to other jurisdictions at the present time. The City receives street light services through the City of Vernon's Utilities Department where the two cities share a border. Maywood additionally is part of a group of cities, led by the City of Bell, that share homeless facilities at the Salvation Army located in Bell.

SERVICES PROVIDED

The City provides general government, community development, culture and leisure, and public works services. Public safety services are primarily provided by contractors, other government agencies, or private entities. Figure 3 provides a summary of municipal services and associated service providers within Maywood.

In general, the City has the capacity to provide services to the community at the current level of demand. However, City staff indicated that the City is currently understaffed and needs to continue to attract and retain more professional staff in order to provide services at higher levels. Maywood's sewer infrastructure is in need of significant repairs, but staff did not identify any other significant infrastructure deficiencies.

Figure 3: Maywood Service Provider Matrix

Public Service	Responsible Agency	Service Provider
Law Enforcement	City (Contract)	LA County Sheriff's Department
Fire Protection	City (Contract)	Consolidated Fire Protection District of Los Angeles
Emergency Medical	City (Contract)	Consolidated Fire Protection District of Los Angeles
Building/Planning	City	City of Maywood Department of Building and Planning
Housing	City	City of Maywood Department of Building and Planning
Code Enforcement	City	City of Maywood Department of Building and Planning
Animal Control	City (Contract)	County of LA Department of Animal Care and Control
Parks and Recreation	City	City of Maywood Community Services, Southeast Rio Vista YMCA
Library	LA County	County of LA Public Library System
Landscape Maintenance	City	City of Maywood Engineering and Public Works Department
Lighting	City	City of Maywood, Southern California Edison
Streets/Road Maintenance	City	City of Maywood Engineering and Public Works Department
Electricity/Natural Gas	City (Franchise)	SoCal Edison, SoCal Gas
Solid Waste	City (Contract)	Universal Waste Systems, Inc.
Stormwater Drainage	City	City of Maywood Engineering and Public Works Department
Water	Mutual	Maywood Mutual Water #1, Maywood Mutual Water #2, Tri-City Mutual Water (Non-profit corporation)
Wastewater Collection	City	City of Maywood Engineering and Public Works Department
Wastewater Treatment & Disposal	Special District	LA County Sanitation District No. 1

Government Services

General government services are primarily provided by elected officials and City management. The City's elected officials are responsible for all legislative and policy functions that establish the quality of City services, and administration and support staff are responsible for implementing such policies. In addition to the City Council, the City's legislative bodies include a Planning Commission, which is supported by the Planning Department. The City Clerk and City Attorney provide additional administrative support to the City's legislative bodies.

City staff noted they have experienced high staff turnover rates, in part because Maywood is not able to offer compensation and benefits that are competitive with nearby jurisdictions.

Police Services

The City contracts with the County Sheriff's Department for policing services. The Sheriff's Maywood substation is housed in the Civic Center and provides office facilities and a staging area for deputies. The contract with the Sheriff's Department is the City's largest expenditure at approximately \$5.1 million in FY 2021-22 (38 percent of the General Fund expenditure budget).

The City contracts for 17 sworn officers on an annual basis as of FY 2022-23 or .6 officers per 1,000 residents. As of FY 2021-22, the most recent year with full data available, the Sheriff's Department has an average response time of 3.8 minutes for emergency responses, seven minutes for priority responses, and 42.1 minutes for routine responses in Maywood. Maywood has seen an increase in reported crimes between 2012 and 2021. In 2021, violent crimes and 421 property crimes were reported to the Department of Justice by the Sheriff's Department in Maywood.⁸ The number of violent crimes has decreased by 24 percent since 2012 and the number of property crimes has increased by 47 percent since 2012.

The 2005 MSR noted that Maywood's police station required expansion. However, in 2010 when Maywood moved to an entirely contract model of service, the City's police force was dissolved. Prior to the dissolution of the department, the City had lost the ability to hold insurance for their police department due to the number of claims filed against the department. Since transitioning to contract law enforcement, City staff stated that they have a good working relationship with the County Sheriff's Department.

The City provides public safety administration and emergency preparedness services. The Public Safety Department provides information about services provided by the Salvation Army in the adjacent City of Bell on the Department's website. The Salvation Army organizes food distributions, provides hot meals and snacks for the homeless, and distributes infant diapers weekly, among other services. Emergency preparedness includes information for the public about

⁸ Source: California Department of Justice

earthquake preparation and the statewide Earthquake Warning System, which can also be found on the Public Safety Department's website.

Fire Protection and Ambulatory Services

Maywood is within the Consolidated Fire Protection District of Los Angeles County. Fire and emergency medical services are provided by the County Fire Station Number No. 163 in the neighboring City of Bell. The fire station is 0.7 miles away from Maywood's City Hall, and two miles away from the most northwestern corner of the City.

The Consolidated Fire Protection District of Los Angeles County (CFPD) provides emergency medical services and fire plan check services. Maywood was part of CFPD prior to the adoption of Proposition 13 which allows CFPD to collect a share of the one (1) percent property tax in existing district areas.

CFPD has specialized resources including a helicopter fleet, contract aircraft, and California Task Force 2, a specialized search and rescue task force.

CFPD Station No. 163 falls under Division 6 of the CFPD, which received an Insurance Service Office ("ISO") class rating of 2. The ISO evaluates the ability of fire protection agencies to respond to fire incidents in their communities, with class one (1) being the highest rating and ten (10) being the lowest. The most recent performance measures report published by the County of Los Angeles Fire Department indicates that CFPD responds to calls within five (5) minutes of receiving calls, and has a success rate of 99.5 percent.⁹

Animal Services

Under contract with the City, the County Animal Care and Control Department provides animal control and rescue services to Maywood. The Department patrols for lost, injured, and abandoned animals. The Department also takes in animals and helps rehome them. The Downey Animal Care

⁹ Source: 2019-20 Performance Measures, County of Los Angeles

Center, located approximately seven miles from the Maywood Civic Center, provides services to Maywood.

Vector Control

The Greater Los Angeles County Vector Control District, an independent special district of the County, provides ongoing mosquito and vector control within Maywood. The Vector Control District provides routine services within Maywood including the identification prevention and control of pests. Additionally, the Vector Control District also responds to case-by-case services requests for mosquito issues, dirty pools, and infestations (e.g., bees, rodents, and fire ants). The City does not pay for these services, which are instead funded by ad valorem property and special assessment taxes on individual parcels.

Building and Planning

The City's Building and Planning Department oversees the physical development within Maywood and includes the Code Enforcement and Housing Divisions. The Building Division issues building permits, performs site inspections, and enforces applicable laws and ordinances for buildings within the City. The Planning Division implements the Maywood General Plan and Zoning Ordinance, and ensures compliance with the California Environmental Quality Act.

The Code Enforcement Division is responsible for maintaining a healthy and safe environment, including aiding in removing blight, promoting property maintenance, and enforcing conformance with City zoning and building ordinances.

Maywood partners with the Fair Housing Foundation to help administer their Fair Housing Program, which investigates complaints about housing discrimination, provides landlord/tenant counseling, and helps resolve landlord/tenant disputes. The Housing Division also works to prepare and implement the City's Housing Element. The City acts as the Housing Successor Agency, overseeing the assets of the former Redevelopment Agency's Low- and Moderate-Income Housing Fund ("LMIHF"). Income generated from the LMIHF is reinvested for housing purposes.

Public Works

The City's Engineering and Public Works Department is responsible for land development activities, environmental projects, and general maintenance functions, including road capacity inspections and traffic safety implementation. The Engineering Department specifically is responsible for public works improvements within the City. The Department contracts with Interwest Consulting Group and Transtech for most engineering needs including design, field surveys, and construction inspections.

In FY 2021-22, the City budgeted approximately \$8 million for the Capital Improvements Plan ("CIP").¹⁰ A majority of this funding was designated for streets and sidewalks improvements (\$5.6 million), with another \$511,000 designated for sewers and \$1.5 million for facilities improvements. Of the total \$8 million budgeted for CIP, \$2 million is from the General Fund, with the remainder of the expenditures funded through grants and special revenue funds.

In the previous fiscal year (FY 2020-21), the City allocated \$4.1 million for capital projects, of which \$1 million was designated for sewer improvements, \$2.7 million was designated for streets and sidewalks, and \$300,000 was designated for parks.

The City of Maywood has a street network consisting of approximately 27 miles of streets. In 2021, the City published an updated Pavement Management Program, which found the City's pavement network is overall in "Good" condition. The Public Works Department created a Local Roadway Safety Plan to help identify and develop traffic safety enhancements on the City's roads, which was finalized in September of 2022. The plan will be monitored annually and updated in 2026.

¹⁰ Source: City of Maywood 2021-22 Budget

Water

Water is provided to the residents of Maywood by three different mutual water companies: Maywood Water Company No. 1, Maywood Water Company No. 2, and Tri-City Mutual Water. The three mutual water companies are corporations which supply water only to shareholders.

Maywood Water Company No. 1 charges \$3.95 per 100 cubic feet. Maywood Water Company No. 2 does not have a website and their water rates are not available. Tri-City Mutual Water charges \$3.50 per 100 cubic feet for residential customers and \$3.65 per 100 cubic feet for industrial customers. Maywood Water Company No. 1 and Tri-City Mutual Water have a variable flat fee for the size of the water meter.

Storm Drainage

The City's Engineering and Public Works Department manages storm drainage infrastructure. The Department works in partnership with their engineering contractor, Transtech, to provide engineering services. According to staff, storm drainage infrastructure is adequate for current demand and has the capacity to accommodate growth.

Wastewater

The Engineering and Public Works Department provides wastewater collection services. Maywood is part of the LA County Sanitation District Number 1, which provides wastewater treatment and disposal services. Maywood's wastewater system includes 23 miles of sewer pipes, and most of the infrastructure is between 60 and 90 years old. The 2005 MSR noted that Maywood's septic systems were at risk of contaminating groundwater if not properly maintained; as this older infrastructure still remains, this issue has not yet been completely resolved as explained below.

Maywood's sewer infrastructure is a significant concern for the City and is a challenge to future development. More than 70 percent of the sewer pipes are deficient, either hydraulically or structurally. Between 2009 and 2018, there were 18 sanitary sewer overflows ("SSO"), which pose a health hazard and risk wastewater entering surface waters. In 2017, Maywood was issued

a Notice of Violation by the Los Angeles Region Water Quality Control Board for a major SSO which occurred in the summer of 2016. The City did not have the capacity at the time to adequately respond to the spill and may not have the capacity to prevent spills from happening in the future.

Currently, the City faces at least \$10 million in delayed improvements to the sewer system and is working with the California Attorney General and State Water Board to address the deficiencies in the sewer system. The City is additionally working with the Army Corps of Engineers and the Environmental Protection Agency for direct federal appropriations in order to improve the infrastructure. Every six months, the City reports to the State Water Board. While the City works to secure additional funding, they are also working with the Los Angeles County Sanitation Districts to assist with sewer maintenance. Maywood is under the jurisdiction of Sanitation District No. 1. As a part of their plan to improve the infrastructure, the City's Sanitary Sewer Management Plan was updated and approved in 2017.

The City has identified hotspots that are in need of immediate repair and is prioritizing maintenance on the weakest areas of the infrastructure. Several projects have already been completed, including lining the sewer pipes in Mayflower Avenue and repairing three damaged manholes. In 2018, City Council also approved a large project to increase the size of several sewers and replace manholes. While progress has been made, the City still faces millions of dollars of necessary improvements that are critical for a safe wastewater system.

Solid Waste

The City contracts with Universal Waste Systems, Inc. to provide solid waste disposal services to residents. Universal Waste Systems provides trash, recycling, and composting services, as well as bulky items pickup upon request. Maywood had 33 ongoing diversion programs to ensure the City complies with recycling and solid waste diversion regulations.¹¹

¹¹ Source: CalRecycle Diversion Program Status Summary Report for City of Maywood

Utilities

Utilities are provided by third parties under franchise agreements with the City. This includes Southern California Edison (electricity) and Southern California Gas Company (natural gas), both of which supply utilities to much of the rest of the County. Southern California Edison also provides electricity to the streetlights in Maywood.

Communications

Under franchise agreements with the City, Charter Communications and Direct TV provide communications services within Maywood.

Community Services

The Community Services Department provides the residents with a variety of programs and services aimed at building community. The Department coordinates community-wide events, such as holiday celebrations, summer movies at the Y, and food pantry distributions. It runs a Community Benefit Fund to support local non-profit organizations and to support local schools.

Maywood's Community Services Department currently maintains and operates five (5) developed parks in the city, amounting to 11.4 acres of parkland in the City or 0.46 acres of parkland per 1,000 population. The City currently does not have a Master Park Plan. Figure 4 presents developed City parks identified on the City's website.

Figure 4: Maywood City Parks

Park Name	Park Address	Size	Facilities
Benito Juarez Park	5515 Maywood Avenue	0.33 acres	Play area, mini sports field, picnic area, playground, skateboard area
Maywood Park	4801 E. 58th Street	5.5 acres	Baseball diamond softball field, picnic facilities, playground equipment, recreational buildings
Riverfront Park	5000 Slauson Avenue	5.15 acres	Play areas, bicycle path, basketball courts, picnic tables, handball courts
Pine Avenue Park	5313 Pine Avenue	0.15 acres	Play area, picnic area
Pixley Park	3626 E. 56th Street	0.3 acres	Playground

In addition to the parks maintained and operated by the City of Maywood, the community also has access to the playgrounds located at Loma Vista, Fishburn, and Heliotrope elementary school

when school is not in session. There are also several public parks in the adjoining cities of Maywood available for use including Corona Park in Huntington Park and Treder Park in the City of Bell. The nearest regional park to the City is the Belvedere Community Regional Park, located approximately five (5) miles northeast of Maywood.

The City of Maywood's Open Space Element, adopted in 1989, identified a 2.5-acre per 1,000 persons minimum standard formerly established by the National Recreation and Parks Association ("NRPA"). The NRPA, however, no longer declares a set of standards that every individual park and recreation agency should measure itself against due to the unique needs, desires, and challenges of different agencies. By comparison, the 2016 Los Angeles County Parks and Recreation Needs Assessment identified an average of 3.3 acres of local and regional recreation park space for every 1,000 persons in the County.

The Community Services Department is considered understaffed with only one in-house employee available for senior and parks and recreation programming. In order to supplement the City's ability to provide programming, Maywood has partnered with the local YMCA. The YMCA provides programming and facilities for some City events. In FY 2021-22, the City included a pool replastering project for the YMCA in its CIP.

The City is interested in building relationships and partnering with nearby jurisdictions to provide more recreation services to the community.

FISCAL HEALTH

RSG has evaluated the City's fiscal health, inclusive of revenue sources and major expenditure categories.

ANNUAL AUDIT FINDINGS

The City is required to undergo an annual financial audit with the results published in an Annual Comprehensive Financial Report ("ACFR") where the auditors report whether the financial statements of the City accurately present the financial position of the City. The ACFRs from FYs

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2018-19 through 2020-21 did not present any findings and stated, “In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City of Maywood as of June 30, 2021, and the changes in its net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.”

Figure 5 shows the City’s actual historical General Fund revenues and expenditures from FY 2018-19 through FY 2020-21. While there was a deficit in 2018-19, in both 2019-20 and 2020-21 the General Fund collected more revenue than it expended.

Figure 5: Maywood Historical Net General Fund Actual Spending

Revenues	2018-19	2019-20	2020-21
Actual Revenues			
Taxes	\$5,457,110	\$7,623,936	\$10,310,638
Licenses and Permits	860,971	575,407	507,837
Intergovernmental	3,657,230	3,481,498	3,304,467
Charges for Services	106,800	245,199	213,203
Use of Money and Property	129,027	147,093	107,442
Fines and Forfeitures	435,427	262,621	471,798
Miscellaneous	183,922	204,116	130,250
Total Revenues	10,830,487	12,539,870	15,045,635
Actual Expenditures			
General Government	\$3,163,938	\$3,272,594	\$4,118,530
Public Safety	5,570,708	5,671,699	6,164,813
Community Development	871,389	1,114,059	1,539,078
Parks and Recreation	811,033	587,187	341,971
Capital Outlay	449,716	67,479	201,470
Debt Service	249,394	248,642	251,796
Total Expenditures	11,116,178	10,961,660	12,617,658
Net Spending	(285,691)	1,578,210	2,427,977

Source: Maywood Schedule of Revenues, Expenditures, and Changes in Fund Balances

In 2020-21, General Fund revenues totaled approximately \$600 per capita.

OPERATING REVENUES

RSG compiled three years of financial history, including the City's FY 2021-22 adopted budget. In the City's last annual budget for FY 2021-22, General Fund revenues exceeded \$12.8 million.

Figure 6 illustrates the City's revenue sources for the most recent year available in the audit, 2020-21.

Figure 6: City of Maywood Revenues FY 2020-21

	General Fund	Special Revenue- Gas Tax	Other Nonmajor Governmental Funds	Total Governmental Funds
Taxes	\$10,310,638	\$1,128,487	\$1,670,237	\$13,109,362
Licenses and Permits	507,837	0	0	507,837
Intergovernmental	3,304,467	0	853,148	4,157,615
Charges for Services	213,203	0	215,145	428,348
Use of Money and Property	107,442	3,781	13,081	124,304
Fines and Forfeitures	471,798	0	0	471,798
Miscellaneous	130,250	0	0	130,250
Total Revenues	15,045,635	1,132,268	2,751,611	18,929,514

Source: Maywood Audit "Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds"

Tax revenues made up 69 percent of all revenues collected by the City in FY 2020-21, inclusive of sales tax, property tax, property tax in-lieu of motor vehicle license fees, franchise tax, and other taxes. The City's second largest revenue source is intergovernmental revenues, which include revenues from federal, state, and other local governments. Grants, shared revenues, and other types of intergovernmental payments are included in this category.

Figure 7 illustrates the City's historical General Fund revenue sources.

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Figure 7: City of Maywood Operating Revenue History

Revenues	2018-19	2019-20	2020-21
General Tax Revenues			
Sales Tax	\$2,603,481	\$4,575,563	\$7,253,909
Property Tax	1,881,581	2,079,215	2,220,347
Property Tax in-lieu of MVLF	2,817,126	2,976,092	3,134,656
Franchise Tax	251,366	244,607	480,117
Utility User Tax	939,470	942,675	1,118,937
Transient Occupancy Tax	64,248	65,889	77,468
Total General Tax Revenues	8,557,272	10,884,041	14,285,434
Forgiveness of Long-Term Debt	0	0	1,922,627
Revenue from Use of Money	161,649	224,549	124,305
Other	190,994	215,058	130,794
Total Revenues	8,909,915	11,323,648	16,463,160

Source: Maywood Audit "Statement of Activities"

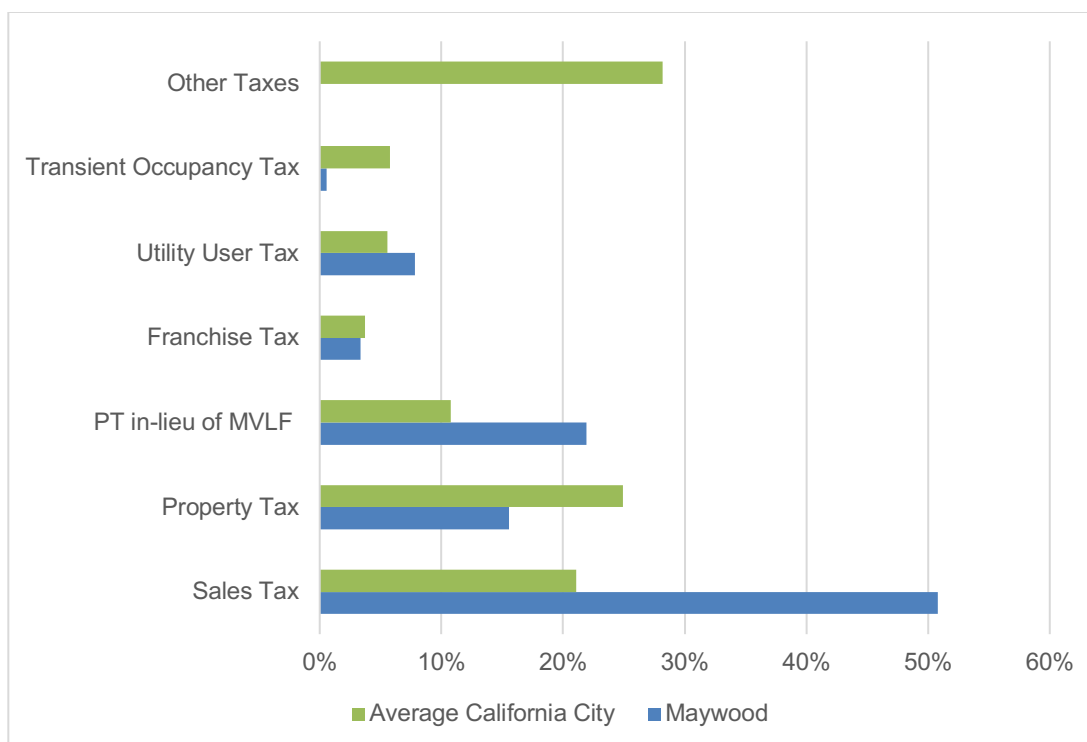
As shown in Figure 7, in FY 2019-20 and FY 2020-21, sales tax was the City's greatest single revenue source. Sales tax revenues have grown significantly over the past three years, from approximately 30 percent of the general tax revenue to over 50 percent.

In 2021, the City was also able to renegotiate its payment plan with the California Joint Powers Insurance Authority, which reduced the City's liability as long as the City makes all payments determined by the new agreement. The total reduction of \$1.9 million in liability is reflected in Figure 7.

As seen in Figure 8, Maywood is heavily dependent on sales tax revenue. Unlike many cities in California, which rely more heavily on property tax revenue, Maywood's single largest revenue source is from sales tax by a significant margin. While this may be a sign of successful economic development efforts, it also leaves the City of Maywood exposed to sharp changes in market conditions, such as the impact of the COVID-19 pandemic.

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Figure 8: Maywood General Tax Revenues as Compared to All California Cities¹²



Sales Tax

Cities receive one percent of gross receipts from the sale of tangible personal property sold within city municipalities. Approximately 51 percent of general tax revenues collected by the City was derived from sales tax in FY 2020-21.

The City also has a specific cannabis sales tax of 10 percent that was established in 2018 as part of Ordinance 2018-12, which regulates commercial cannabis activity within the City. According to City staff, the City collected over \$96,000 from the cannabis tax in FY 2021-22.

During the budget process, the City's FY 2021-22 budgeted sales tax revenue was adjusted upward to account for increased spending as the economy began to recover from the pandemic.

¹² Source: California State Controller's Office, Local Government Financial Data FY 2020-21

Utility User Tax Measure P

Measure P implemented a utility user tax effective May 29, 2004. The tax raises money for the City's General Fund and does not have a sunset date.¹³ The tax is levied on telephone, gas, electric, water, and cable television charges at a seven percent rate for industrial or commercial use, and at a four percent rate for residential use. The FY 2021-22 budget estimated the tax would generate \$900,000 in revenue for the General Fund.

Property Tax

The City receives approximately 11.69 percent of the property tax collected within the City as a general tax revenue.¹⁴ In FY 2020-21, about \$2.2 million, or about 16 percent, of the City's general tax revenues were derived from property taxes.¹⁵

The City administers a pension property tax levy which was approved by the Maywood voters in 1974 and which does not have a sunset date. The tax can be used to pay for employee retirement benefits. The current rate is \$0.10 per \$100 of assessed value.

Charges for Services

Charges for services accounted for approximately \$428,000 in FY 2020-21 across all governmental funds.¹⁶ The City of Maywood charges for services related to waste management, plan checks, and other administrative charges. Rents and concessions are also included as charges for services.

Intergovernmental Revenues

In general, intergovernmental revenues consist of Federal, State, and local reimbursements for disasters and mutual aid agreements, and specific use grants. By their nature, these revenues tend to fluctuate more than other revenue sources. The City receives intergovernmental revenues

¹³ Source: City of Maywood Municipal Code, Chapter 3.5.501

¹⁴ Source: City of Maywood 2021-22 Budget

¹⁵ Source: City of Maywood 2020-21 ACFR

¹⁶ Source: City of Maywood 2020-21 ACFR

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related to road maintenance and rehabilitation act, vehicle license fees in excess, homeowner's property tax exemption reimbursement, Community Development Block Grant funds, Air Quality Management District funds, California Oil Recycling Enhancement Act funds, Beverage Container Recycling grants, State grants, and other appropriations from the Federal government, State of California, and Los Angeles County. The City received a total of approximately \$4.1 million in intergovernmental revenues in FY 2020-21.

The City's audit also treats property tax in-lieu of motor vehicle license fees as intergovernmental revenues. The City collected approximately \$3.1 million in property tax in-lieu of VLF revenues in FY 2020-21.¹⁷

OPERATING EXPENDITURES

Figure 9 shows the actual City General Fund expenditures from FYs 2018-19 through 2020-21, based on the audits for these respective years. Total budgeted operating expenditures amounted to \$11.1 million in FY 2018-19 and increased to \$12.6 million in FY 2020-21.

Figure 9: Maywood Actual Historical Expenditures

Category	2018-19	2019-20	2020-21	Change from 18-19 to 20-21
General Government	\$3,163,938	\$3,272,594	\$4,118,530	30%
Public Safety	5,570,708	5,671,699	6,164,813	11%
Community Development	871,389	1,114,059	1,539,078	77%
Parks and Recreation	811,033	587,187	341,971	-58%
Capital Outlay	449,716	67,479	201,470	-55%
Debt Service	249,394	248,642	251,796	1%
Total Expenditures	11,116,178	10,961,660	12,617,658	14%

Source: Maywood Schedule of Revenues, Expenditures, and Changes in Fund Balances

Figure 10 breaks down the City's departmental operating expenditures by function between FYs 2018-19 and 2020-21.

¹⁷ Source: City of Maywood 2020-21 ACFR

Figure 10: Maywood Department Expenditures

Department	2018-19	2019-20	2020-21
General Government	\$3,592,420	\$3,570,141	\$3,041,319
Public Safety	5,732,836	5,841,028	6,334,921
Community Development	1,701,211	1,725,077	1,867,199
Parks and Recreation	910,381	686,353	583,359
Public Works	4,565,984	3,060,196	4,164,147
Total Expenditures	16,502,832	14,882,795	15,990,945

Source: Maywood Audit "Statement of Activities"

The City's annual departmental operating expenditures decreased by approximately 3.1 percent between FYs 2018-19 and 2020-21.

PERFORMANCE STANDARDS

RSG analyzed three different performance measures to evaluate the City's fiscal performance. The three measures include reserve fund balances, pensions and other post-employment benefits ("OPEB"), and third-party fiscal health evaluations. The findings are outlined below.

RESERVE FUND BALANCE

The City has reserve policy for General Fund reserves, requiring 20 percent of General Fund expenditures to be held in reserve. The City's projected economic uncertainty reserve is \$2.7 million for FY 2021-22.

The City's General Fund reserve balance is approximately 21 percent of the FY 2021-22 estimated revenues and 20 percent of the FY 2021-22 estimated expenditures. The City is in compliance with their reserve policy.

PENSION AND OPEB OBLIGATIONS

The City contributes toward the California Public Employees' Retirement System pension plan. The City sponsors three rate plans (two miscellaneous and one inactive safety plan) for qualifying employees.

The City also offers an OPEB plan. The OPEB plan provides medical benefits to retirees and surviving spouses and requires that once a retiree becomes eligible for Medicare, they must join a Medicare HMO or supplemental plan. Employees are eligible for these benefits if they retire from the City on or after the age of 50 and with at least five years of service. There are currently 19 retirees receiving OPEB benefits from the City. As of 2021, the City prefunds its OPEB obligations through a California Employers Retiree Benefit Trust Program dedicated to prefunding OPEB for all eligible California public agencies. In 2021, the City contributed \$1 million toward this trust.¹⁸ The City also uses the pension property tax assessment to fund their pension trust.

The City had a long-term net pension liability of \$18.9 million and total OPEB liability of \$2.8 million at the end of FY 2020-21. The City's historical pension liability and OPEB liability are outlined in Figure 11. The trust balance is not reflected in the table, but will be reflected in the FY 2021-22 audit. To help fund retirement benefits, the City administers a pension property tax levy. The current rate is \$0.10 per \$100 of assessed value.

Figure 11: Maywood Pension and OPEB Liabilities

Maywood	2018-19	2019-20	2020-21
Total OPEB Liability/(Surplus)	\$2,765,162	\$2,880,333	\$2,802,308
Ending Plan Fiduciary Net Position	-	-	-
Net OPEB Liability/(Surplus)	2,765,162	2,880,333	2,802,308
Net Pension Liability/(Surplus)	\$17,387,200	\$18,123,469	\$18,863,114
Net Benefit Liability/(Surplus)	20,152,362	21,003,802	21,665,422

Source: 2018-19, 2019-20, and 2020-21 ACFRs

The City's pension indicators provide insight into the City's pension plan health. The City's employer contribution rate compared to the actuarially determined contribution, total covered payroll, and employer contribution rate are outlined in Figure 12.

¹⁸ Source: City of Maywood 2021-22 Adopted Budget

Figure 12: Maywood Pension Indicators

Maywood	2018-19	2019-20	2020-21
Actuarially Determined Contribution	\$1,248,422	\$1,416,553	\$1,531,749
Employer Contribution	1,248,422	1,416,553	1,531,749
Covered Payroll	997,883	1,106,050	1,105,203
Employer Contribution Rate	125.1%	128.1%	138.6%

Source: 2018-19, 2019-20, and 2020-21 ACFRs

The City has historically made employer contributions equivalent to the actuarially determined contribution and the employer contribution rate has kept pace with the increases to covered payroll over the years. The City's employer rates are above average for the region.

CALIFORNIA STATE AUDITOR FISCAL HEALTH EVALUATION

The California State Auditor completes an annual audit of local governments in the State to determine which cities may be facing fiscal challenges by assessing risk associated with various fiscal indicators. The fiscal health analysis examined liquidity, debt burden, General Fund revenues, revenue trends, pension obligations, pension funding, pension costs, future pension costs, OPEB obligations, OPEB funding, and overall risk. The Auditor ranked all 431 cities in California on each fiscal indicator, with 1 being the highest risk, and 431 the lowest risk.

As of FY 2020-21, the City ranked 155 out of 431 cities (or 49 out of 130 cities in the Los Angeles region, which stretches from southern Orange County up to Ventura) and is considered to be at moderate financial risk. In the past, the Auditor has ranked Maywood as a "high-risk" city due to challenges with its governance, financial management, and internal controls. Maywood's progress in addressing each of these deficiencies has put it in a stronger financial position.

Maywood's current (improved) "moderate" risk status means that the State Auditor has determined the City has some risk of "experiencing financial distress" based on ten financial indicators. Two fiscal indicators (pension funding and OPEB funding) were ranked high risk by the State Auditor. Three fiscal indicators (debt burden, pension obligations, and pension costs)

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were ranked moderate risk by the State Auditor. The final five indicators (General Fund reserves, liquidity, revenue trends, future pension costs, and OPEB obligations) were ranked as low risk.

SOI RECOMMENDATIONS

RSG's recommended determinations related to the Maywood Sphere of Influence are presented below.

1. Present and Planned Land Uses

Development growth is constrained under present land uses within the City's current boundary. There are no opportunities to expand the SOI. Maywood is exploring opportunities for redevelopment, and currently has a small project of approximately 40 units in the development pipeline.

2. Present and Probable Need for Public Facilities and Services

The City's wastewater and sewer infrastructure is not sufficient to accommodate growth over the next decade. The City is currently working with State and Federal agencies to repair urgent infrastructure needs and identify additional funding sewer improvements. In 2017, the City updated its Sanitary Sewer Management Plan to anticipate and plan for necessary upgrades.

3. Present Capacity of Public Facilities

Currently, the capacity of the sewer facilities are not adequate to provide service to the community. The City is working with State agencies to address deficiencies. City staff also expressed concern about their ability to provide green space for the community, a shortfall that was also highlighted in the 2005 MSR. The City does not currently have a parks and recreation department.

4. Social or Economic Communities of Interest

There are no social or economic communities of interest identified.

July 17, 2023

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City does not have any unincorporated areas and DUCs within its SOI because the City's SOI is coterminous with its jurisdictional boundary.

RSG recommends that LAFCO staff reconfirm the Maywood SOI to its current coterminous boundary.

MSR DETERMINATIONS

Pursuant to Government Code Section 56430, the requisite CKH determinations for this MSR for Maywood are presented below:

1. Population and Growth

The City has experienced a small population decrease over the past ten years, in comparison to a small increase in the population of the County as a whole. The City has limited potential for population and economic growth due to existing buildout and geography. Despite these challenges, the City is pursuing opportunities for redevelopment, and currently has a small project of approximately 40 units in the development pipeline. Based on current City demographics, these 40 units could result in an increase of 148 people in Maywood's population.

2. Disadvantaged Unincorporated Communities in SOI

The City's SOI does not contain any DUCs within its SOI. Although there are no DUCs within the City of Maywood's SOI, the City as a whole qualifies as a DAC.

3. Present and Planned Capacity of Facilities

The City's sewer capacity is inadequate to meet community needs and is an obstacle for further development in the City. While the City is working with State agencies to repair the most pressing areas of the sewer infrastructure, this deficiency presents a major infrastructure and financial challenge for Maywood.

The City also has minimal parks and recreation facilities. The limited staff in the Community Services Department presents a challenge for the City to provide the level of service it wishes for the community. The City is considering partnerships with other jurisdictions to increase the level of recreation programming.

4. Financial Ability to Provide Services

The City of Maywood experienced increasing General Fund revenues from FYs 2018-19 through 2020-21. While General Fund expenditures increased over the same period as well, revenues grew at a faster rate and the City has experienced a surplus in both FY 2019-20 and 2020-21. The City is considered to be at moderate financial risk by the State Auditor. The cost of repairing the sewer infrastructure is a major financial challenge for the City. Additionally, City staff noted high staff turnover rates, in part because Maywood is not able to offer compensation and benefits that are competitive with nearby jurisdictions.

5. Opportunities for Shared Facilities

City staff noted that Maywood is interested in exploring shared broadband services with neighboring jurisdictions in the future, but that there are no imminent plans in place to create a shared broadband service.

The City is also interested in collaborating with other agencies for recreation programming and facilities due to the limited amount of available park space in the City boundaries.

6. Accountability for Community Service Needs

The City Council is elected on an at-large basis. Maywood's website includes information about City Council meetings, public meetings, and other City services. Maywood broadcasts its Council meetings live on the City's Facebook page and is also active on Instagram. The City also utilizes technology and social media to share information with the public effectively. Maywood has experienced challenges with accountability in the past, but has taken steps to remedy those issues such as including performance evaluation requirements in the City Manager contract and adopting hiring policies. The State Auditor noted that while Maywood has made significant progress on accountability, there are still some steps it could take to improve oversight and transparency.

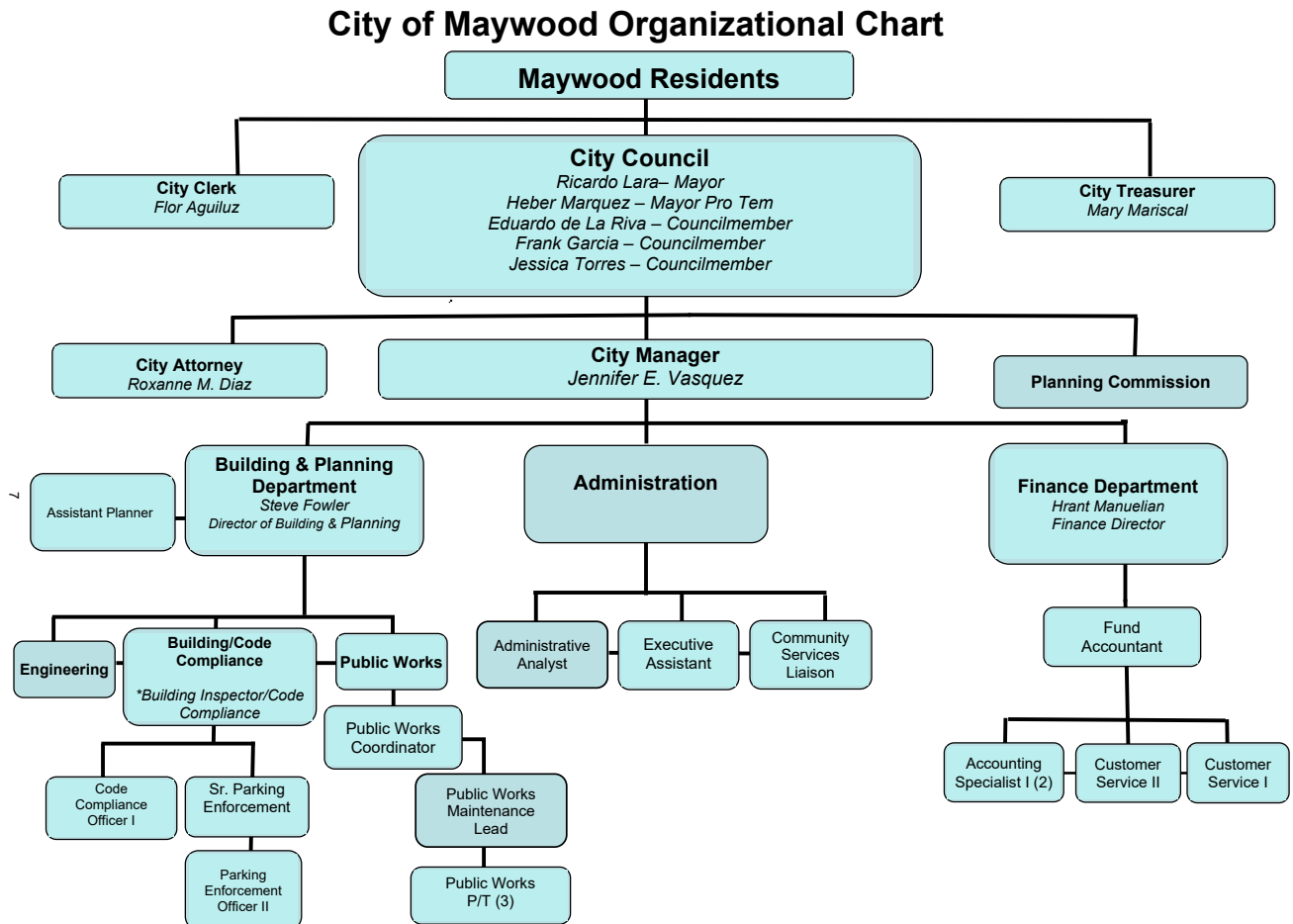
July 17, 2023

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

APPENDICES

APPENDIX 1: CITY OF MAYWOOD ORGANIZATIONAL CHART



*Vacant Positions

COM Organization Chart

APPENDIX 2: MAYWOOD SPHERE OF INFLUENCE



July 17, 2023



Local Agency Formation Commission for the County
of Los Angeles
80 S Lake Ave #870
Pasadena, CA 91101

Municipal Service Review and Sphere of Influence Update

City of South El Monte

July 5, 2023



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LIST OF ABBREVIATIONS USED

ACFR	Annual Comprehensive Financial Report
CalPERS	California Public Employees' Retirement System
CFPD	Consolidated Fire Protection District
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
DAC	Disadvantaged Community
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
ISO	Insurance Service Office
JPA	Joint Powers Authority
LAFCO	Local Agency Formation Commission
LMIHF	Low- and Moderate-Income Housing Fund
MSR	Municipal Service Review
OPEB	Other Post-Employment Benefits
SCAG	Southern California Association of Governments
SEAACA	Southeast Area Animal Control Authority
SOI	Sphere of Influence

EXECUTIVE SUMMARY

The Local Agency Formation Commission (“LAFCO” or “Commission”) for the County of Los Angeles is preparing this Municipal Service Review (“MSR”) and Sphere of Influence (“SOI”) update for the City of South El Monte (“City”). LAFCO acts as the county-wide oversight agency that coordinates logical and timely changes to local government boundaries.

The last service review of the City of South El Monte adopted by LAFCO on November 30, 2004, as part of the West San Gabriel Valley Municipal Services Review, prepared by Burr Consulting, herein referred to as the “2004 MSR”. The 2004 MSR examined forty-three (43) local agencies, including twenty-five (25) cities (including South El Monte) and eighteen (18) special districts in the West San Gabriel Valle region of Los Angeles County (bound by La Cañada-Flintridge, South Pasadena, and Monterey Park on the west; Montebello and South El Monte on the southeast; and Duarte and Monrovia on the Northeast). Subsequently, the City has experienced several changes but has not seen any changes in its jurisdictional boundaries nor its SOI since that time.

This MSR reviews the City’s corresponding services within the requirements of State law and LAFCO policies, including its corresponding SOIs.

SUMMARY OF SOI RECOMMENDATIONS

- South El Monte’s growth potential is impacted due to existing buildout at capacity within the city limits. Growth is limited to redeveloping existing properties, such as the redevelopment of the Starlight Theater Property for housing.
- Public facilities and services are sufficient to accommodate growth over the next decade. The City is currently working on improvements to thoroughfares within its boundaries.
- South El Monte’s SOI is larger than its jurisdictional boundary.

RSG recommends South El Monte’s SOI be reconfirmed to the current boundaries pursuant to LAFCO’s SOI Policy as described beginning on page 5.

SUMMARY OF MSR DETERMINATIONS

- South El Monte's population and economic growth is impacted due to existing buildout at capacity and geography.
- South El Monte's SOI contains two disadvantaged unincorporated communities. The City does not provide services to any of the unincorporated areas of its SOI.
- South El Monte's public facilities and services are generally sufficient to meet community needs and expected growth.
- The State Auditor gave South El Monte a fiscal health risk of "low" for Fiscal Year ("FY") 2020-21. RSG did not identify challenges with their financial ability to provide services.
- The City is collaborating with nearby jurisdictions to address concerns about homelessness, including raising funding from State and Federal sources to build a shelter.
- The City employs best practices to provide transparency and accountability in order to meet the municipal service needs of the public it serves.

BACKGROUND

LEGAL REQUIREMENTS AND PURPOSE

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56430 et. seq., (“CKH”) requires LAFCOs to prepare periodic reviews of services provided by most local agencies and provides discretion on the manner in which a commission undertakes these reviews. The reviews are instrumental in making determinations on jurisdictional and SOI boundaries, as well as informing commissions, affected agencies, and the general public of opportunities for improving service delivery.

LAFCO RESPONSIBILITIES

CKH directs LAFCOs in California to discourage urban sprawl, encourage the orderly formation and development of cities and special districts, and preserve agricultural land. LAFCOs act as the county-wide oversight agency that is responsible for considering logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers, and dissolutions of districts. In this manner, LAFCOs play an important role in assuring the thoughtful, appropriate, and efficient reorganization, simplification, and streamlining of quality local governmental services.

As part of these objectives, LAFCOs establish and periodically review spheres of influence for local agencies through a process known as an MSR and SOI update.

SPHERE OF INFLUENCE

Since 1972, LAFCOs in California have been responsible for determining and overseeing the sphere of influence for local government agencies. An SOI is defined as “a plan for probable physical boundaries and service area of a local agency, as determined by the Commission.” Consistent with Commission SOI policies, an SOI can be a) coterminous to agency boundaries

as the ultimate foreseen configuration of the agency in anticipation of no future growth, b) extended beyond the agency boundaries in anticipation of future growth, c) be smaller, indicating the need to detach areas from the agency boundaries or d) be designated a “zero sphere”, which indicates a potential dissolution of the agency. In order to amend the sphere of influence boundaries, formal approval from the Commission is required. Factors considered in an SOI include current and future land use, capacity needs, and any relevant areas of interest such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, an SOI shall consider and prepare a written statement of its determinations of the following factors:

1. Present and planned land use in the area, including agricultural and open space lands.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area.
5. Present and future need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The purpose of an SOI is to ensure efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplicating services. On a regional level, LAFCOs consider the orderly development of a community by reconciling differences between different agency plans. This is intended to ensure the most efficient urban service arrangements are created for the benefit of area residents and property owners.

DISADVANTAGED UNINCORPORATED COMMUNITIES

As part of the MSR, RSG considered the impact of the SOI related to Disadvantaged Unincorporated Communities. A Disadvantaged Unincorporated Community (“DUC”) is defined by Government Code Section 56033.5 as an area of inhabited territory located within an unincorporated area of a county within a “disadvantaged community.” A disadvantaged community is defined in Water Code Section 79505.5(a) as a community with an annual median household income which is less than 80 percent of the statewide median household income. Government Code Section 56046 defines “inhabited” as a territory within which there are 12 or more registered voters.

LAFCO designated the DUCs in the County using 2016-2020 American Community Survey Census data, meaning any unincorporated area wherein the median household income is less than \$62,939.

SPHERE OF INFLUENCE UPDATES AND LAFCO POLICY

From time-to-time, an SOI may be modified as determined by LAFCO; the procedures for making sphere amendments are outlined in CKH, and in some cases, further refined by a Commission’s own guidelines. Pursuant to Government Code Section 56430, a commission must first conduct a municipal services review prior to updating or amending a SOI.

The Commission adopted a “Sphere of Influence Policy” on November 13, 2019, which provides a framework for SOI updates considered after an MSR is completed. The policy defines three types of SOIs for cities and special districts:

- Coterminous Sphere of Influence: A SOI for a city or special district that includes the same physical territory as the jurisdictional boundaries of that city or special district. LAFCO adopts a Coterminous SOI if there is no anticipated need for services outside the jurisdictional boundaries of a city or special district, or if there is insufficient information to support the inclusion of additional territory within the sphere.

- Larger than Sphere of Influence: A SOI for a city or special district which includes territory that is larger than the jurisdictional boundary of the subject city or special district. LAFCO adopts a Larger than SOI if there is an expectation of future growth of the agency's physical boundaries and associated service area.
- Zero Sphere of Influence: A SOI for a city or special district that includes no territory. LAFCO adopts a Zero SOI if the functions, services assets, and liabilities of that city or special district should ultimately be re-assigned to another public agency or service provider.

RSG analyzes the spheres in the SOI Recommendations section of this MSR.

MUNICIPAL SERVICE REVIEW (MSR) REQUIREMENTS

Section 56425(g) of CKH requires that LAFCOs evaluate a given SOI every five years, as necessary; the vehicle for doing this is known as a Municipal Service Review ("MSR"). Prior to or in conjunction with SOI reviews, an MSR must be prepared pursuant to Government Code Section 56430. MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. Pursuant to Government Code Section 56430, MSRs are to make determinations considering the seven required topics based on CKH. These seven areas include:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s).
3. Present and planned capacity of public facilities and adequacy of public services, infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.

5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including government structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCO Policy.

The focus of an MSR is to describe how public services are being carried out and to determine if the residents of the community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR determines that certain services are not being carried out to an adequate standard, LAFCO can recommend changes such as sphere changes, as well as consolidation or dissolution of service providers to provide the best service possible to the population.

PREVIOUS MSR DETERMINATIONS

The 2004 MSR made several findings with respect to the City, including recommending that the City expand its SOI. For context, these findings are identified below:

- The 2004 MSR indicated that many parts of the MSR area, including South El Monte, faced infrastructure adequacy challenges including solid waste disposal facilities, stormwater drains, and street quality.
- The 2004 MSR noted that General Fund revenues per capita were less than half of the countywide average of \$552 per capita.
- The Commission expanded the City's SOI to include the South El Monte US Army Reserve Base Site located adjacent to the City.

PURPOSE OF THIS MSR AND SCOPE OF WORK

MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. This Municipal Service Review will review the services provided by the City of South El Monte and, to a lesser extent, services provided within the City of South El Monte by other agencies.

METHODOLOGY

RSG worked with LAFCO staff throughout this MSR. Key tasks and activities in completing this MSR include data collection, interviews with City staff, City profile development, determination analysis, public review of MSR, and the adoption of the final MSR.

Data Collection

To fully understand key factors and current issues involving the City, RSG conducted an initial working session with LAFCO staff to determine the project scope and formalize overall MSR objectives, schedules, policy and fiscal criteria, service standards, and roles and responsibilities. The MSR began with a complete and thorough review of available data and documents including adopted budgets, comprehensive financial reports, capital improvement plans, strategic plans, and the General Plan. These documents were assessed to develop a comprehensive overview of the City. In addition, various reports and documents were utilized from the Southern California Association of Governments (“SCAG”), the California Department of Finance, the California Department of Tax and Fee Administration, the California State Auditor, the Census Bureau, LAFCO, CoStar (a commercial real estate database), and ESRI Business Analyst.

Interviews

In coordination with LAFCO, during the month of November 2022 RSG met with the executive leadership of South El Monte. This interview allowed RSG to gain insight on the current operations and any unique challenges of the City.

The content of this interview included the following topics:

- Financing constraints and opportunities;
- Growth and population projections;
- Infrastructure needs or deficiencies;
- Cost avoidance opportunities;
- Opportunities for rate restructuring regarding services provided;
- Opportunities for shared facilities with other cities or agencies;
- Government structure options, including advantages or disadvantages of consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance, specifically the structures in place to support public engagement and participation.

Agency Profiles

Following data collection and interviews, RSG developed a City profile based on the criteria noted previously and required for the completion of the MSR per CKH. The profile includes key characteristics such as services offered, staffing levels, population and growth, service providers, infrastructure, financial condition, and boundary areas and maps. Department profiles can be found in the following sections.

Annual Budget Data

RSG utilized the City's annual budgets for fiscal years ("FYs") 2018-19 through 2022-23 to analyze historical operating revenues and expenditures for South El Monte. RSG analyzed the data to make determinations regarding the City's fiscal health, including tax revenue and expenditure trends. The dataset provides current expenditures by department (general government, public safety, community development, transportation, etc.), and operating

expenditures (salaries and wages, retirement benefits, materials and supplies, contract services, debt service, and capital outlay). The data also includes reports on general revenues, tax revenues, fees for services, special benefit assessments, and intergovernmental revenues.

SERVICE REVIEW – CITY OF SOUTH EL MONTE

South El Monte is located in the First Supervisorial District of Los Angeles County (“County”). It is on the southern end of San Gabriel Valley, west of Interstate 605 between Interstate 10 and State Route 60, and north of the Whittier Narrows Recreation Area. South El Monte shares borders with the City of El Monte to the north and east and the City of Rosemead to the west. It also shares large portions of its eastern and southern borders with the unincorporated area that makes up the Whittier Narrows Recreation Area, and the San Gabriel River to the southeast. South El Monte is home to 19,793 residents, 2,311 business, and a workforce of 14,512 employees¹. South El Monte is a general law City and maintains a contract service model.

The City was incorporated on July 30, 1958. At present, South El Monte spans an area of approximately 2.85 square miles and includes four noncontiguous unincorporated SOI areas (of which two are LAFCO-designated DUCs) totaling another 0.4 square miles. South El Monte’s current 3.2 square mile SOI was initially established in 1975, and expanded in 1984, 1986, and 2004. The unincorporated SOI areas are described below:

- The first unincorporated SOI area and DUC is in the northern part of the City, north of East Garvey Avenue and to the east of North Chico Avenue.
- The second unincorporated SOI area and DUC is in the southeastern part of the City between the San Gabriel River and Peck Road.
- The third unincorporated SOI area is south of the San Gabriel River and borders the City of Industry to the south.
- The final unincorporated SOI area is in the southwest portion of the City, and borders with the Whittier Narrows Recreation Area to the south. This area is the site of the South El Monte US Army Reserve Base.

¹ Source: Esri Business Analyst

Figure 1 presents a demographic and land use profile of South El Monte, its unincorporated SOI, and the overall County.

Figure 1: Demographic Profile – South El Monte

	South El Monte	SOI	LA County
Population as of 2010	20,188	2,689	9,822,121
Population as of 2020	19,793	2,683	9,861,224
Annual Pop. Growth Since 2010	-0.16%	-0.02%	0.40%
Total Housing Units	5,169	630	3,635,136
Persons/Housing Unit	3.83	4.26	2.71
Land Area (Sq Miles)	2.8	0.4	4,059.28
Persons/Square Mile	7,069	6,708	2,429
Median Household Income	\$54,208		\$71,358
Projected Population in 2035	22,000		10,331,803
Annual Proj. Growth 2020-2035	0.82%		0.36%
Projected Population in 2045	22,600		10,193,978
Annual Proj. Growth 2020-2045	1.03%		0.26%

Sources: Esri Business Analyst, Department of Finance, US Census, Southern California Association of Governments

Between 2010 and 2020 South El Monte experienced a population decrease of less than one percent.² According to SCAG's 2016-200 Growth Forecast, the population is expected to grow over the next 15 to 20 years at approximately one percent annually.³

The State of California and the County have seen an overall decrease in population brought about by a variety of factors including an aging population, declining birth rates, impacts of COVID-19, and an increase in domestic migration to other areas. According to City staff, the decreasing population in South El Monte throughout the last ten years is attributed to the high cost of living in the City.

² Source: ESRI Business Analyst

³ Source: Southern California Association of Governments 2016-2010 RTP/SCS Final Growth Forecast by Jurisdiction

The median household income in the City is \$54,208, which qualifies the City as a Disadvantaged Community (“DAC”). A DAC is a community with an annual median household income less than 80% of the statewide median household income (\$62,938).⁴

The largely urbanized City of South El Monte consists mostly of residential and industrial areas. There are several large public facilities in the southern part of the South El Monte, including New Temple Park and Shiveley Park. The majority of the western part of the City and the central corridor are zoned for industrial uses.⁵ South El Monte’s major employment sectors include the service industry (40.3 percent of employment), manufacturing industry (16.7 percent), and retail trade industry (12.2 percent).⁶

Figure 2 provides a land use summary of residential and commercial development in South El Monte.

Figure 2: Land Use Summary – South El Monte

South El Monte		County	
Residential Units	Units	%	%
Single Family	3,773	73.0%	54.5%
Multifamily	946	18.3%	43.9%
Mobile Home	450	8.7%	1.6%
Total Units	5,169	1	100%
New Units Since 2010	458		
Commercial	Gross SF	%	%
Retail	1,244,363	9.1%	24.4%
Industrial	12,014,291	87.5%	48.7%
Office	223,271	1.6%	23.7%
Other	245,736	1.8%	3.1%
Total	13,727,661	100%	100%
New Commercial Since 2010	184,974		

Sources: California Department of Finance, Costar

⁴ Source: California Department of Water Resources, DAC Mapping Tool, Disadvantaged Communities (ACS: 2016-2020)

⁵ Source: City of South El Monte General Plan Map

⁶ Source: ESRI Business Analyst

Single family housing is the predominant residential building type, representing approximately 73 percent of the 5,169 housing units in South El Monte. Approximately 460 of these 5,169 units have been constructed since 2010, or approximately nine percent. Residential areas in the northern part of the City have more medium-density capacity. There are two housing projects approved by Council that will add 280 dwelling units to the City. At the current population density, these projects could add approximately 1,000 residents to the City. Industrial space makes up over 87 percent of the commercial building area in South El Monte.

The City's adopted 6th Cycle Housing Element for 2021-2029 was reviewed by the Department of Housing and Community Development on July 29, 2022, and it is currently out of compliance.

FORM OF GOVERNMENT AND STAFFING

The City of South El Monte is a general law city governed by a five-member City Council. The City Council and Mayor are elected at-large by eligible registered voters. Each year, the City Council selects a Mayor Pro Tempore to preside over meetings. City Council members have staggered four-year terms. In the November 2022 election, two Council seats were up for re-election.

The City Council appoints a City Manager to serve as the administrative head of the City government responsible for the efficient operation of the City.⁷ The City Council also appoints a City Attorney, City Clerk, Community Services Commission, Planning Commission, Patriotic Commission, and newly formed Advancement of Women and Girls Commission. The City Attorney is under contract by a private-sector law firm. Other department heads are hired by, and report to, the City Manager. The City is organized into several departments operating under the direction of the City Manager, including Planning and Building, Community Services, and Public Works. The City Council of the City of South El Monte also serves as the Successor Agency of the former Redevelopment Agency, as well as the governing body for both the Financing Authority and Parking Authority.

⁷ Source: South El Monte Municipal Code Chapter 2.08 City Manager

The City of South El Monte operates with an annual General Fund budget of about \$35 million and employs 55 full-time employees and an additional 64 part-time employees.⁸ South El Monte is generally regarded as a contract city, meaning that it outsources administration of many municipal services rather than using staff. The City contracts with other agencies to provide services such as police protection and fire protection services, but it provides some services in house such as planning and community development.

Appendix 1 contains the current organizational chart of the City of South El Monte for FY 2022-23.

CURRENT SPHERE OF INFLUENCE

Appendix 2 shows the City of South El Monte's jurisdictional boundary and SOI as of November 2022; the City has not had any change in the City limits nor to the City's SOI since the 2004 MSR.

South El Monte's 3.2 square mile SOI is larger than the current City limits, encompassing a total of 2.8 square miles within the City boundaries and four adjacent noncontiguous unincorporated areas of approximately 0.4 square miles. The four areas include Study IX Area 5, Area C, Area 3, and Area 4, as indicated on South El Monte's SOI map⁹ by LAFCO and dated February 21, 2013. Two of the four areas also contain DUCs. The SOI areas are described below:

- Study IX, Area 1 (approximately 3.2 acres) was established in 1975 and is a small area on the northern edge of South El Monte at the intersection of Garvey Avenue and Chico Avenue. This small island is surrounded entirely by the City of South El Monte (on the south) and the City of El Monte (on the north). It is also a LAFCO-designated DUC, commonly referred to as the South El Monte DUC. The area is currently zoned for small commercial uses and is the site of an existing mobile home park.
- Area C/Area 2 (approximately 89.6 acres) was established in 1984 and is in the southeastern part of South El Monte between the San Gabriel River and Peck Road. The

⁸ Source: City of South El Monte 2022-23 Budget

⁹ Source: LAFCO City Maps, South El Monte Sphere of Influence Map, revised February 21, 2013. <http://lalafo.org/wp-content/uploads/documents/cities-map/South%20El%20Monte.pdf>

area is predominantly single-family residential. Within the Area C is the second DUC within the South El Monte's SOI, which is a portion of the area known as the Avocado Heights-Bassett DUC.

- Area 3 (approximately 153.6 acres) was established in 1986 and is south of the San Gabriel River and borders the City of Industry to the south. There is a mix of industrial and single-family residential zoning within the area.
- Area 4 (approximately 12.8 acres) is in the southwest portion of South El Monte and borders the Whittier Narrows Recreation Area to the south. This area is the site of the South El Monte US Army Reserve Base. The area was established in 2004 after the 2004 MSR recommended the City's SOI be expanded to include the Army Reserve Base. The City does not have any plans to annex this area.

Approximately 2,700 people reside in the South El Monte's unincorporated SOI, compared to 19,800 residents inside the city boundaries. While the city limits and unincorporated SOI are similar in terms of average persons per household, population densities are higher in the SOI because it is predominantly residential in character. The population within the unincorporated SOI has not changed significantly over the past ten years. In comparison, the City has experienced a small decrease in population of 0.16 percent annually over the past ten years within the City limits.

EXTRATERRITORIAL SERVICES

The City does not provide nor receive any extraterritorial services to or from other jurisdictions at the present time.

SERVICES PROVIDED

The City provides general government, community development, and community services. Public safety (including police, fire, and health) and public works services are primarily provided by

contractors, other government agencies, or private entities. Figure 3 provides a summary of municipal services and associated service providers within South El Monte.

In general, the City has the capacity to provide adequate services to the community at the current level of demand, and City representatives anticipate that they will be able to continue to provide service in accordance with projected growth rates.

Figure 3: South El Monte Service Provider Matrix

Public Service	Responsible Agency	Service Provider
Law Enforcement	City (Contract)	LA County Sheriff's Department
Fire Protection	City (Contract)	Consolidated Fire Protection District of Los Angeles
Emergency Medical	City (Contract)	Consolidated Fire Protection District of Los Angeles
Building/Planning	City	City of South El Monte Building and Safety Department
Housing	City	City of South El Monte Community Development Department
Code Enforcement	City	City of South El Monte Community Development Department
Animal Control	City (Contract)	Southeast Area Animal Control Authority
Parks and Recreation	City	City of South El Monte Community Services Department
Library	LA County	County of LA Public Library System
Museum	The American Military Museum	The American Military Museum
Landscape Maintenance	City	City of South El Monte Public Works Department
Lighting	City	City of South El Monte Public Works Department
Streets/Road Maintenance	City	City of South El Monte Public Works Department
Electricity/Natural Gas	City (Franchise)	Southern California Edison
Solid Waste	City (Contract)	Athens Services
Stormwater Drainage	City	City of South El Monte Public Works Department
Water	Investor Owned Utility	San Gabriel Valley Water Company
Wastewater Collection	City	City of South El Monte Public Works Department
Wastewater Treatment & Disposal	Special District	LA County Sanitation District No. 15

Government Services

General government services are primarily provided by elected officials and City management. The City's elected officials are responsible for all legislative and policy functions that establish the quality of City services, and administration and support staff are responsible for implementing such policies. The City Council also serves on several City agencies and boards, including the Financing Authority, Parking Authority, Successor Agency to the Redevelopment Agency, and the Successor Oversight Agency. In addition to the City Council, the City's legislative bodies include

special citizen advisory commissions, including the Community Services Commission, Planning Commission, Patriotic Commission, and Advancement of Women and Girls Commission. The City Clerk and City Attorney provide additional support to the City's legislative bodies.

Police Services

The City of South El Monte contracts with the County Sheriff's Department for police protection services. The Sheriff's station that serves South El Monte is located approximately six (6) miles away in Temple City. The City provides a Public Safety Center for office facilities and a staging area for deputies and civilian public safety officers.

The City contracts for 18 sworn officers on an annual basis as of March 2023, or 0.9 officers per 1,000 residents. There are five sworn officers on-site for South El Monte at any given time. The Sheriff also has 33 civilian personnel servicing the Temple station. As of FY 2021-22 the Sheriff's Department has an average response time of approximately 4 minutes for emergency calls, eight minutes on priority calls, and 45 minutes on routine calls in South El Monte. Between FY 2010-11 and 2021-22, response times have decreased for emergency services and remained stagnant for routine and priority calls. South El Monte has seen an increase in reported crimes between 2012 and 2021. In 2021, 146 violent crimes and 786 property crimes were reported to the Department of Justice by the Sheriff's Department.¹⁰ The number of violent crimes has increased by 66 percent since 2012 and the number of property crimes has nearly doubled since 2012.

The City provides public safety administration and emergency preparedness services. The City's Public Safety Center provides parking citation information, parking enforcement, and street sweeper information. The Emergency Preparedness Department maintains two initiatives, the "Prepare El Monte/South El Monte" coalition and a storm preparedness program. The Prepare El Monte/South El Monte coalition includes the City of El Monte and the American Red Cross and provides first aid/CPR training, fire and earthquake safety training, and information about risk

¹⁰ Source: California Department of Justice

management in the area. The storm preparedness program provides sandbags, manages fallen trees and large debris, and fixes downed wires.

Fire Protection and Ambulatory Services

South El Monte is within the Consolidated Fire Protection District (“CFPD”) of Los Angeles County. The CFPD Station No. 90 is located within the City limits. CFPD provides fire protection services and emergency medical services. CFPD has specialized resources including a helicopter fleet, contract aircraft, and California Task Force 2, a specialized search and rescue task force.

South El Monte was part of CFPD prior to the adoption of Proposition 13, which allows CFPD to collect a share of the one (1) percent property tax in existing district areas.

CFPD Station No. 90 falls under Division 9 of the CFPD, which received an Insurance Service Office (“ISO”) class rating of 2. The ISO evaluates the ability of fire protection agencies to respond to fire incidents in their communities, with class one (1) being the highest rating and ten (10) being the lowest. The most recent performance measures report published by the County of Los Angeles Fire Department indicates that CFPD responds to calls within five (5) minutes of receiving calls, and has a success rate of 99.5 percent.¹¹

Animal Services

The Southeast Area Animal Control Authority (“SEAACA”) provides animal control and rescue services to South El Monte. South El Monte is a member city of SEAACA, which is a Joint Powers Authority (“JPA”) that is independently governed by a Board of Commissioners. Downey, Norwalk, Pico Rivera, Bell Gardens, Montebello, and Paramount are the other member cities of SEAACA. The JPA extends contract services to Bellflower, Buena Park, La Palma, Lakewood, South Gate, and Vernon. The nearest shelter is located in the City of Downey, approximately twelve (12) miles from South El Monte’s City Hall and five and a half miles from the most southeastern corner of the City.

¹¹ Source: 2019-20 Performance Measures, County of Los Angeles

Vector Control

The Greater Los Angeles County Vector Control District (“Vector Control District”), an independent special district, provides ongoing mosquito and vector control within South El Monte. The Vector Control District provides routine services within South El Monte, including the identification prevention, and control of pests. Additionally, the Vector Control District responds to case-by-case services requests for mosquito issues, dirty pools, and infestations (e.g., bees, rodents, and fire ants). The City does not pay for these services, which are instead funded by ad valorem property and special assessment taxes on individual parcels.

Community Development

The City’s Community Development Department oversees the physical development within South El Monte. It includes six divisions: Building and Safety, Code Enforcement, Economic Development, Housing, Planning, and the Vacant and Abandoned Property Registration Division. The Department also maintains a Homelessness Plan. These divisions are responsible for implementing the City’s land use and building policies, including the General Plan, Zoning Ordinance, California Environmental Quality Act and building codes. The Housing Division prepares the City’s Housing Element and Housing Annual Progress Reports. The City acts as the Housing Successor Agency, overseeing the assets of the former Redevelopment Agency’s Low- and Moderate-Income Housing Fund (“LMIHF”). Income generated from the LMIHF are reinvested for housing purposes. South El Monte contracts with TransTech (an outside engineering consultant) for building plan check services, but the department is otherwise staffed by City personnel.

The City is currently collaborating with the City of El Monte and the City of Baldwin Park to address concerns about homelessness, which are present throughout the region. This cohort is currently in its third year, and it is working to secure funding from County and State sources to build shelters.

Code Enforcement

The City of South El Monte provides code enforcement services through the Community Development Department. The Code Enforcement Division receives and investigates complaints regarding violations of the Municipal Code, including commercial and industrial violations, illegal vendors, and licensing and permit compliance issues.

Public Works

The City's Public Works Department performs general maintenance for the City's fleet, roads, parks, public facilities, and capital projects. The Public Works Department includes two divisions: Engineering Division and Maintenance Services. The Department is responsible for maintaining streets, sewers, sidewalks, storm drains, and street lighting, as well as reviewing public works contracts. The Engineering Division is specifically responsible for reviewing and approving plans for private developments, planning programs, and any City projects to ensure compliance with all applicable laws. Engineering Services are provided by a contractor. The Maintenance Services Division oversees City facilities and parks and ensures they are maintained in compliance with State and Federal standards. It also performs maintenance on all City-owned vehicles and equipment and administers the Graffiti Abatement Program.

South El Monte currently owns and operates one (1) developed park in the city, amounting to 1.56 acres of parkland in the City or 0.07 acres of parkland per 1,000 population. The City currently does not have a Master Park Plan. Figure 4 presents developed City parks identified in the City's Public Health, Safety, and Environmental Justice Element adopted in October of 2021.

Figure 4: South El Monte City Parks

Park Name	Park Address	Size	Facilities
Mary Van Dyke Park	1819 Central Ave	1.56 acres	Basketball courts, baseball fields, picnic tables, play area, community centers

In addition to the park maintained and operated by the City of South El Monte, the City and Valle Lindo School District are involved in two joint-use programs for the shared use of park space at Shiveley Middle School and the New Temple School. The City is also located in close proximity

to Lashbrook Park in the adjoining city of El Monte. The nearest regional park is the Whittier Narrows Recreational Area, located adjacent to the City of South El Monte.

By comparison, the 2016 Los Angeles County Parks and Recreation Needs Assessment identified an average of 3.3 acres of local and regional recreation park space for every 1,000 persons in the County. The National Recreation and Park Association, however, no longer declares a set of standards that every individual park and recreation agency should measure itself against due to the unique needs, desires, and challenges of different agencies.

South El Monte has 37.8 miles of roadways, including 4.9 miles of arterial streets, 3.5 miles of collector roadways, and 29.4 miles of local and residential streets. The City is currently in the process of updating its pavement management plan, which was last updated in 2018. The City has also identified several areas throughout the City in need of street maintenance and repairs, and will begin making improvements in the spring of 2024.

The Public Works Department is currently in the process of planning and implementing the Merced Avenue Greenway Project. The project aims to improve Merced Avenue's functionality to reduce heat, improve livability, enhance public safety, and protect water quality. The City has been awarded a \$3 million grant from the California Natural Resources Agency for construction of the southern portion of the project.

South El Monte's adopted budget for FY 2022-23 allocated \$8.09 million for a Capital Improvements Program. The most significant capital expenditures are for parks improvements (\$2.05 million) and highway safety improvement (\$1.8 million). The FY 2021-22 adopted budget allocated \$4.97 million for capital projects, with the plurality of funding designated for parks improvements, street rehabilitation, and facility retrofitting with Department of Energy grants.

Water

The San Gabriel Valley Water Company (an investor-owned utility) provides water services to the City of South El Monte. The San Gabriel Valley Water company charges \$4.01 for the first 11 Ccf (i.e., 748 gallons) of water, and \$4.53 for all Ccf greater than 11 Ccf.¹²

Storm Drainage

The City of South El Monte's Public Works Department manages the City's storm drain system assets, including channels, drains, laterals, and catch basins. However, the Los Angeles County Flood Control District owns and maintains the majority of the storm drain system in the City.

Wastewater

The Facility Maintenance Services Division of the South El Monte Public Works Department contracts with the Consolidated Sewer Maintenance District of the Los Angeles (LA) County Public Works Department to maintain the City's wastewater infrastructure. Currently, the wastewater infrastructure is sufficient for the current population. South El Monte is part of the LA County Sanitation District Number 15, which provides wastewater treatment and disposal services.

Solid Waste

The City has a franchise agreement with Athens Services for solid waste collection services. Athens Services provides residential trash collection, recycling services, and compost within the City. Athens also provides bulk disposal pickup services for large items such as furniture upon request. South El Monte has 35 ongoing diversion programs to ensure the City complies with recycling and solid waste diversion regulations.¹³

¹² Source: San Gabriel Valley Water Company, Schedule No. LA-1C

¹³ Source: CalRecycle Diversion Program Status Summary Report for City of South El Monte

Utilities

Utilities are provided by third parties under franchise agreements with the City. These include Southern California Edison (electricity) and Southern California Gas Company (natural gas), both of which supply utilities throughout the County. Southern California Edison also owns and operates most of the streetlights in the City.

Communications

Under a franchise agreement, Charter Communications (parent company to Spectrum) provides communications services within South El Monte.

Community Services

The Community Services Department provides programs, recreational activities, and special events to the community in South El Monte. The Parks and Recreation Division organizes programming such as after-school care, community events, and classes. The Community Services Department also has a Senior Services Division, which maintains a multipurpose center and provides information and services to assist adults older than 55. The Division has services including classes, health screenings, recreation programs, and more. The City also provides transportation services to residents who are 60 or older or who are disabled on weekdays. Finally, the Community Services Department administers a Title VI program, which was established in July 2022. Title VI prohibits discrimination on the basis of race, color, or national origin under any program or activity receiving federal financial assistance. The program monitors City activities to ensure that they are in compliance with Title VI requirements.

Due to the proximity of the Whittier Narrows Park, South El Monte does not always qualify for funding from the State for parks and recreation improvements and programming. The City recently worked with their State representative to secure funding to improve restrooms and playground equipment in their parks, along with installing rubber asphalt.

FISCAL HEALTH

RSG has evaluated the City's fiscal health, inclusive of revenue sources and major expenditure categories.

ANNUAL AUDIT FINDINGS

The City of South El Monte is required to undergo an annual financial audit, with the results published in an Annual Comprehensive Financial Report ("ACFR"), in which the auditors report whether the financial statements of the City accurately present the financial position of the city. The ACFRs from FY 2018-19 through FY 2020-21 did not present any findings and stated, "In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the government activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America."

Figure 5 shows the City's actual historical General Fund revenues and expenditures from FY 2018-19 through FY 2020-21.

Figure 5: South El Monte Historical Net General Fund Actual Spending

Revenues	2018-19	2019-20	2020-21
Actual Revenues			
Taxes	\$12,241,564	\$12,888,142	\$14,102,143
Licenses and Permits	1,625,233	2,326,397	1,752,197
Fines and Forfeitures	284,632	201,387	134,735
Use of Money and Property	446,893	306,972	99,266
Charges for Services	637,276	280,113	190,755
Intergovernmental	-	-	878,301
Other	197,015	531,559	96,155
Total Revenues	15,432,613	16,534,570	17,253,552
Actual Expenditures			
General Government	\$3,691,546	\$4,716,178	\$4,839,635
Public Safety	5,261,806	5,457,712	5,749,350
Community Development	1,779,332	1,660,005	1,171,661
Public Works/Utilities	1,247,301	2,158,144	3,718,766
Community Service Programs	1,820,357	1,893,119	1,009,212
Capital Outlay	-	-	235,553
Debt Service	207,401	211,358	169,563
Total Expenditures	14,007,743	16,096,516	16,893,740
Net Spending	1,424,870	438,054	359,812

Source: South El Monte Budgetary Comparison Schedule, General Fund

In FY 2020-21, the City's General Fund revenues totaled approximately \$870 per capita.

OPERATING REVENUES

RSG compiled three years of financial history, plus the City's current FY 2021-22 and FY 2022-23 adopted budgets. In the City's last annual budget for FY of 2022-23, General Fund approved revenues exceeded \$24 million.

Figure 6 illustrates the City's revenue sources for the most recent year available in the audit, FY 2020-21.

Figure 6: City of South El Monte Operating Revenue – FY 2020-21

	General Fund	HSIP Fund ¹	Sewer Assessment Fund ¹	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	\$14,102,143	\$0	\$0	\$1,472	\$14,103,615
Licenses and Permits	1,752,197	0	0	0	1,752,197
Fines and Forfeitures	134,735	0	0	0	134,735
Use of Money and Property	99,266	0	0	17	99,283
Charges for Services	190,755	0	0	249,817	440,572
Special Assessments	0	0	383,564	0	383,564
Intergovernmental	878,301	156,042	0	4,542,735	5,577,078
Other	96,155	0	0	130,479	226,634
Total Revenue	17,253,552	156,042	383,564	4,924,520	22,717,678

¹ Special Revenue

Source: South El Monte Audit "Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds"

Tax revenues made up 62 percent of all revenues collected by the City of South El Monte in FY 2020-21, inclusive of sales tax, property tax, franchise tax, and transient occupancy tax. The City's second largest revenue source is intergovernmental revenue, which includes revenues from federal, state, and other local governments. Grants, shared revenues, and other types of intergovernmental payments are included in this category.

Figure 7 illustrates the City's historical General Fund revenue sources.

Figure 7: South El Monte Historical Revenues

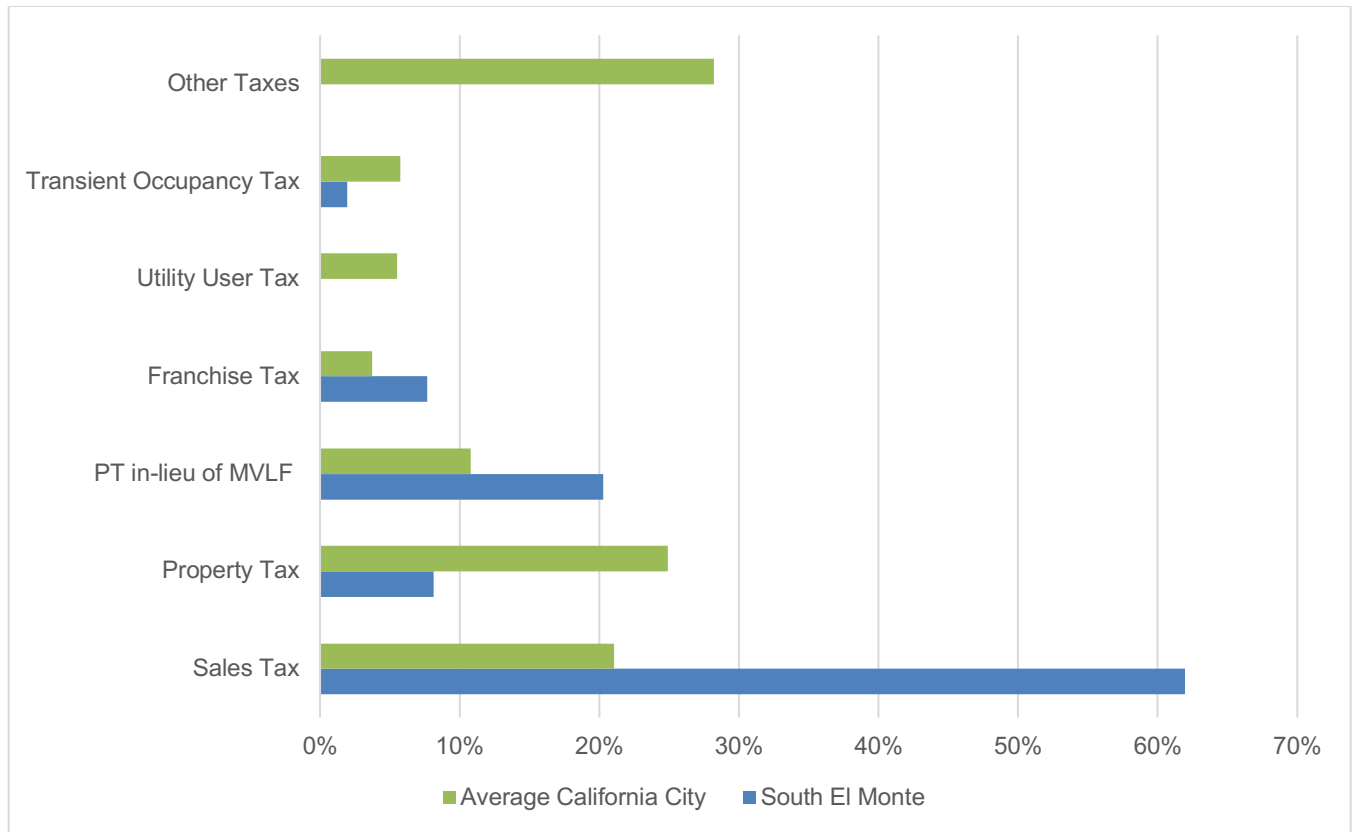
Revenues	2018-19	2019-20	2020-21
General Tax Revenues			
Sales Tax	\$7,545,803	\$7,343,638	\$8,487,635
Property Tax	1,035,976	1,696,431	1,114,424
Property Tax in-lieu of MVLF	2,481,572	2,638,576	2,776,579
Franchise Tax	890,867	973,919	1,050,379
Transient Occupancy Tax	288,383	236,442	268,482
Total General Tax Revenues	12,242,601	12,889,006	13,697,499
Investment Income	91,983	140,950	46,753
Other	139,208	503,180	226,633
Total Revenues	12,473,792	13,533,136	13,970,885

Source: South El Monte Audit "Statement of Activities"

As shown in Figure 7, sales tax is consistently the City's greatest single revenue source, averaging about 60 percent of general tax revenues annually.

Figure 8 compares the City's general tax revenues with the general tax revenues of all cities in California.

Figure 8: South El Monte General Tax Revenues as Compared to All California Cities¹⁴



Source: South El Monte ACFR, Statement of Activities; California SCO

As seen in Figure 8, South El Monte is heavily dependent on sales tax revenues. Unlike many cities in California which rely more heavily on property tax revenue, South El Monte's single largest revenue source is from sales tax by a significant margin. While this may be a sign of successful economic development efforts, it also leaves the City of South El Monte exposed to sharp changes in market conditions, such as the impact of the COVID-19 pandemic.

¹⁴ Source: California State Controller's Office, Local Government Financial Data FY 2020-21; South El Monte Audit 2020-21

Sales Tax

Cities receive one percent of gross receipts from the sale of tangible personal property sold within city municipalities. The City have two additional local sales taxes: Measure R, which is half a cent per dollar, and Measure ES, which is a quarter of a cent per dollar. Neither measure has a sunset date. Measure R was passed by the voters in 2010 and Measure ES was passed by the voters in 2020. Both can be used for General Fund expenditures. Approximately 60 percent of general tax revenues collected by the City were derived from sales tax in FY 2020-21.

The City's FY 2022-23 Adopted Budget provides forward guidance on future sales tax revenues. During the City's FY 2022-23 budget process, budgeted sales tax revenue was revised upward to account for anticipated increased spending as the economy recovers from the pandemic.¹⁵

Property Tax

The City receives between six percent and seven percent of the property tax collected within the City, as general tax revenue. In FY 2020-21, about \$1.1 million, or about 8 percent of the City's general tax revenues, were derived from property taxes.¹⁶

Charges for Services

Charges for services accounted for approximately \$440,000 in FY 2020-21 across all governmental funds. Charges for services include charges for recreational services including after school programs, day care, and sports classes, along with planning fees and costs associated with facility reservations. City staff noted that they are working on updating the fee schedule and are aiming to bring the updates to Council at the beginning of FY 2023-24.

Intergovernmental Revenues

In general, intergovernmental revenues consist of Federal, State, and local reimbursements for disasters and mutual aid agreements, and specific use grants. By their nature, these revenues

¹⁵ Source: City of South El Monte 2022-23 Adopted Budget

¹⁶ Source: City of South El Monte 2020-21 ACFR

tend to fluctuate more than other revenue sources. The City receives intergovernmental revenues related to the Road Maintenance and Rehabilitation Act, vehicle license fees in excess, homeowner's property tax exemption reimbursement, Community Development Block Grant funds, Air Quality Management District funds, California Oil Recycling Enhancement Act funds, Beverage Container Recycling grants, State COPS grants, and other appropriations from the Federal government, State of California, and Los Angeles County. The City received approximately \$5.6 million in intergovernmental revenues FY 2020-21.

The City's budget also treats property tax in-lieu of motor vehicle license fees as intergovernmental revenues. The City of South El Monte collected approximately \$2.8 million in property tax in-lieu of motor vehicle license fee revenues in FY 2020-21.¹⁷

OPERATING EXPENDITURES

Figure 9 shows the actual General Fund expenditures from FY 2018-19 through FY 2020-21. Total General Fund expenditures amount to about \$14 million in in FY 2018-19 and increased to \$16.9 million in FY 2020-21.

Figure 9: City of South El Monte Operating Expenditure History

Category	2018-19	2019-20	2020-21	Change from 18-19 to 20-21
General Government	\$3,691,546	\$4,716,178	\$4,839,635	31%
Public Safety	5,261,806	5,457,712	5,749,350	9%
Community Development	1,779,332	1,660,005	1,171,661	-34%
Public Works/Utilities	1,247,301	2,158,144	3,718,766	198%
Community Service Programs	1,820,357	1,893,119	1,009,212	-45%
Capital Outlay	-	-	235,553	N/A
Debt Service	207,401	211,358	169,563	-18%
Total Expenditures	14,007,743	16,096,516	16,893,740	21%

The most current budget for FY 2022-23 includes debt service expenditures of \$441,000 from the General Fund. City staff noted that the City issued Leased Revenue Bonds to fully fund its unfunded pension liability in 2022-23.

¹⁷ Source: City of South El Monte 2020-21 ACFR

Figure 10 breaks down the City’s departmental operating expenditures by function between FYs 2018-19 and 2020-21.

Figure 10: South El Monte Department Expenditures

Department	2018-19	2019-20	2020-21
General Government	\$3,072,128	\$6,345,062	\$5,209,417
Public Safety	5,453,070	5,530,803	5,761,462
Community Development	1,789,151	1,674,360	2,644,505
Community Service	3,388,622	3,299,829	2,294,313
Public Works	3,463,458	3,273,015	5,348,358
Total Expenditures	17,166,429	20,123,069	21,258,055

Source: South El Monte Audit "Statement of Activities"

General government expenditures increased significantly between FYs 2018-19 and 2019-20 due to a rise in the actuarial pension expense from \$562,574 in FY 2018-19 to \$2,121,154 in FY 2019-20.¹⁸ This increase is due to adjustments in California Public Employees’ Retirement System (“CalPERS”) investment return targets, which in turn changed actuarial assumptions. In FY 2022-23, the City issued lease revenue bonds at 3.3 percent to fully fund the unfunded pension liability.

PERFORMANCE STANDARDS

RSG analyzed three different performance measures to evaluate the City of South El Monte’s fiscal performance. The three measures include reserve fund balances, pensions and other post-employment benefits (“OPEB”), and third-party fiscal health evaluations. The findings are outlined below.

RESERVE FUND BALANCE

The City of South El Monte has a reserve policy for General Fund reserves, requiring 25 percent of General Fund expenditures to be held in reserve. The City’s projected reserve balance is

¹⁸ Source: City of South El Monte ACFRs

approximately \$5.5 million for FY 2020-21.¹⁹ City staff indicated that the General Fund reserve balance is higher, at \$9.9 million.

South El Monte's General Fund reserve balance is approximately 31 percent of the FY 2021-22 estimated expenditures. The City is in compliance with their reserve policy.

PENSION AND OPEB OBLIGATIONS

The City of South El Monte contributes toward the CalPERS pension plan. The City sponsors one miscellaneous plan for qualifying employees.

South El Monte also offers an OPEB plan. The OPEB plan provides medical benefits to retirees (and dependents and surviving spouses in some cases) if they retire at age 50 or later, have five or more years of CalPERS service, and were enrolled in a CalPERS plan at retirement. The City pays the minimum benefit. There are currently 70 employees covered by the OPEB plan, including 14 inactive employees receiving benefit payments.

The City had a long-term net pension liability of \$8.8 million and total OPEB liability of \$1.9 million at the end of FY 2020-21. As of July 2022, the City fully funded its OPEB plan. This funding will be reflected in the 2021-22 audit. The City's historical pension liability and OPEB liability are outlined in Figure 11.

Figure 11: South El Monte Pension and OPEB Liabilities

South El Monte	2018-19	2019-20	2020-21
Total OPEB Liability/(Surplus)	\$1,812,356	\$1,616,518	\$1,928,082
Ending Plan Fiduciary Net Position	-	-	-
Net OPEB Liability/(Surplus)	1,812,356	1,616,518	1,928,082
Net Pension Liability/(Surplus)	\$7,601,059	\$8,238,409	\$8,857,694
Net Benefit Liability/(Surplus)	9,413,415	9,854,927	10,785,776

Source: 2018-19, 2019-20, and 2020-21 ACFRs

¹⁹ Source: City of South El Monte ACFR

The City's pension indicators provide insight into the City's pension plan health. The City's employer contribution rate compared to the actuarially determined contribution, total covered payroll, and employer contribution rate are outlined in Figure 12.

Figure 12: South El Monte Pension Indicators

South El Monte	2018-19	2019-20	2020-21
Actuarially Determined Contribution	\$572,837	\$673,881	\$776,018
Employer Contribution	572,837	673,881	776,018
Covered Payroll	2,308,132	2,886,967	2,997,621
Employer Contribution Rate	24.8%	23.3%	25.9%

Source: 2018-19, 2019-20, and 2020-21 ACFRs

The City has historically made employer contributions equivalent to the actuarially determined contribution and the employer contribution rate has kept pace with the increases to covered payroll over the years.

CALIFORNIA STATE AUDITOR FISCAL HEALTH EVALUATION

The California State Auditor completes an annual audit of local governments in the State to determine which cities may be facing fiscal challenges by assessing risk associated with various fiscal indicators. The fiscal health analysis examined liquidity, debt burden, general fund revenues, revenue trends, pension obligations, pension funding, pension costs, future pension costs, OPEB obligations, OPEB funding, and overall risk. The Auditor ranked all 431 cities in California on each fiscal indicator, with 1 being the highest risk, and 431 the lowest risk.

As of FY 2020-21, the City of South El Monte ranked 208 out of 431 cities (or 57 of 130 cities in the Los Angeles region which stretches from southern Orange County up to Ventura) and is considered to be at "low" financial risk. Previously, in FY 2016-17, the Auditor ranked South El Monte as moderate risk due to challenges associated with its general fund reserves, revenue trends, pension funding, and future pension costs.

South El Monte's current low risk status means that the State Auditor has determined little risk of "experiencing financial distress" based on ten financial indicators. One fiscal indicator, OPEB

funding, was ranked high risk by the State Auditor. Two fiscal indicators (revenue trends and future pension costs) were ranked moderate risk by the State Auditor. All other fiscal indicators were ranked low risk.

SOI RECOMMENDATIONS

RSG's recommended determinations related to any potential South El Monte amendments are presented by topic below.

1. Present and Planned Land Uses

Development growth is constrained under present land uses within the City's current boundary. The City is not considering annexing the unincorporated areas, and there are no opportunities to expand the SOI.

2. Present and Probable Need for Public Facilities and Services

The City's public facilities and services are generally sufficient to accommodate growth over the next decade. The City is currently working on improvements to major thoroughfares within its boundaries, including expanding the current network of bike lanes.

3. Present Capacity of Public Facilities

RSG did not identify any significant issues related to the present capacity of public facilities.

4. Social or Economic Communities of Interest

The City does not provide services to either of the LAFCO-identified DUCs within its SOI.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

The City's SOI contains two DUCs. The City is not currently providing services to either of these areas.

Presently, South El Monte's SOI is larger than its corporate boundary. RSG recommends South El Monte's SOI be reconfirmed to the current boundaries pursuant to LAFCO's SOI Policy. South

El Monte's SOI would maintain a "Larger than Sphere of Influence" designation under LAFCO policy.

MSR DETERMINATIONS

Pursuant to Government Code Section 56430, the requisite CKH determinations for this MSR for the City of South El Monte are presented below:

1. Population and Growth

The City has experienced a small decline in population over the past ten years, in comparison to a small increase in the population of the County as a whole. There are currently two housing projects approved by Council that will add 280 dwelling units to the City. Based on the current household size per dwelling unit in the City, these developments could add over 1,000 new residents to South El Monte.

2. Disadvantaged Unincorporated Communities in SOI

The City's SOI contains four LAFCO-identified unincorporated islands, two of which are disadvantaged unincorporated communities. The City does not provide any services to the DUCs within its SOI. The City as a whole qualifies as a DAC.

3. Present and Planned Capacity of Facilities

The City's present and planned facilities are generally sufficient to meet community needs and are designed to meet current and future planned uses. The City did not identify a need for additional facilities.

4. Financial Ability to Provide Services

The City of South El Monte experienced both increasing General Fund revenues and expenditures from FYs 2018-19 through 2020-21 (see Figure 7 and Figure 10). Revenues increased by 12 percent during this period, while expenditures grew by 24 percent. The City's fiscal health is considered low risk by the State Auditor. City staff did not identify any challenges with their financial ability to provide services.

5. Opportunities for Shared Facilities

South El Monte is currently collaborating with El Monte and Baldwin Park to address concerns about homelessness, which are common across the County. In its third year, the cohort is aiming to secure funding from County and State sources in order to build shelters.

6. Accountability for Community Service Needs

The City Council and Mayor are elected on an at-large basis. South El Monte's website includes information about City Council meetings, other City services, and contact information for different departments. Public notices and the City newsletter are posted on the website. The City Council streams its meetings through Zoom, and the link is available online to the public. The City is active on at least two social media platforms.

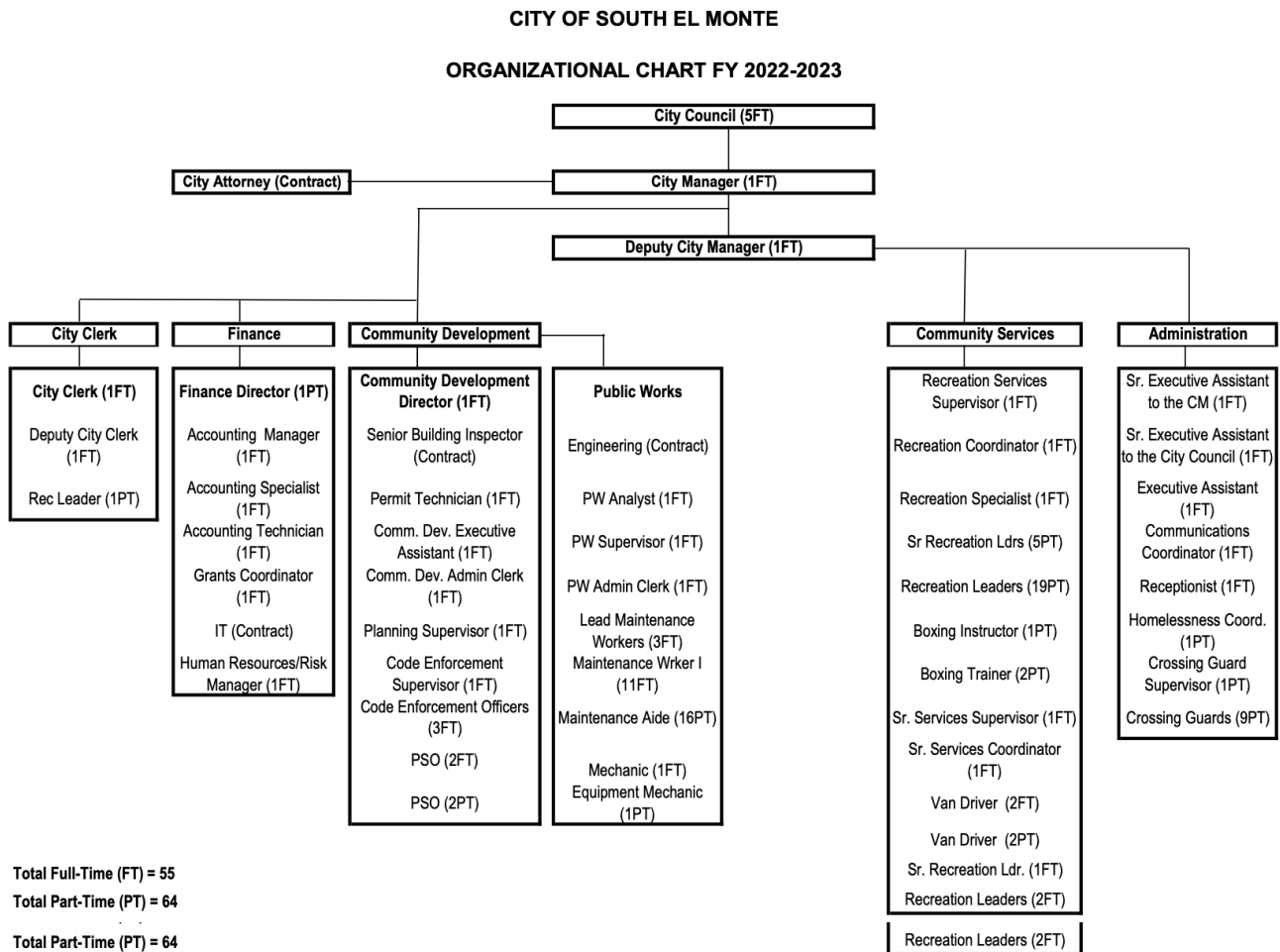
The City utilizes technology and social media to share information with the public effectively. RSG did not identify any issues with accountability in the City.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

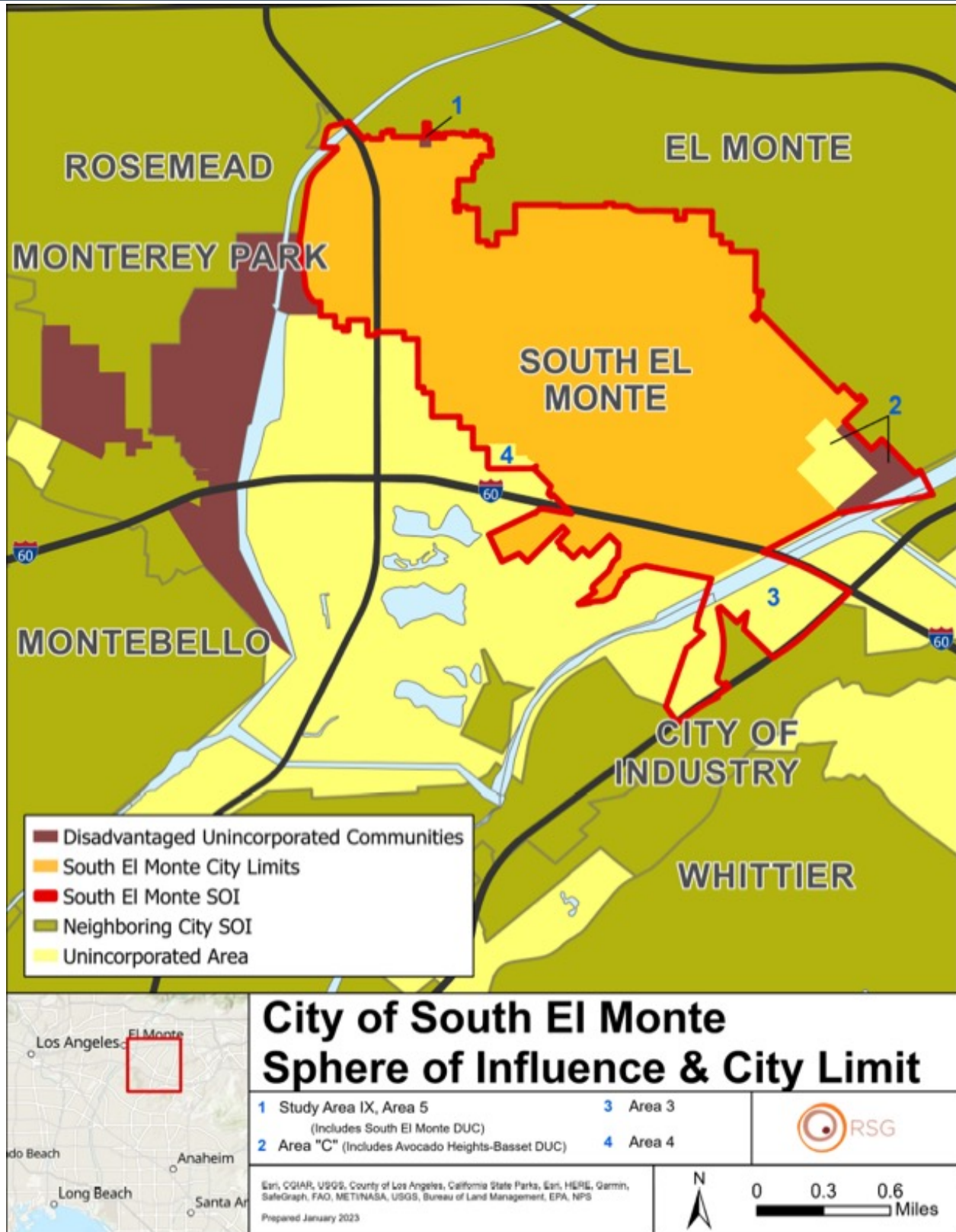
The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

APPENDICES

APPENDIX 1: CITY OF SOUTH EL MONTE ORGANIZATIONAL CHART



APPENDIX 2: SOUTH EL MONTE SPHERE OF INFLUENCE





Local Agency Formation Commission for the County
of Los Angeles
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Municipal Service Review and Sphere of Influence Update

City of Vernon

July 14, 2023



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LIST OF ABBREVIATIONS USED

ACFR	Annual Comprehensive Financial Report
CFPD	Consolidated Fire Protection District
CIP	Capital Improvement Program
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
COVID	COVID-19 Pandemic
CDWR	California Department of Water Resources
DAC	Disadvantaged Community
DUC	Disadvantaged Unincorporated Community
FY	Fiscal Year
ISO	Insurance Service Office
LAFCO	Local Agency Formation Commission
MSR	Municipal Service Review
OPEB	Other Post-Employment Benefits
PCI	Pavement Condition Index
SCAG	Southern California Association of Governments
SEAACA	Southeast Area Animal Control Authority
SOI	Sphere of Influence

EXECUTIVE SUMMARY

The Local Agency Formation Commission (“LAFCO” or “Commission”) for the County of Los Angeles is preparing this Municipal Service Review (“MSR”) and Sphere of Influence (“SOI”) update for the City of Vernon (“City”). LAFCO acts as the county-wide oversight agency that coordinates logical and timely changes to local government boundaries.

The last service review of the City of Vernon was adopted by LAFCO on December 14, 2005, as part of the larger Gateway Municipal Services Review prepared by Burr Consulting, herein referred to as the “2005 MSR”. The 2005 MSR examined fifty-two (52) local agencies, including twenty-six (26) cities (including Vernon) and twenty-six (26) special districts in the “Gateway” region of Los Angeles County (generally south and east of Downtown Los Angeles, to the City of Long Beach on the South and to the Orange County border near the Cities of La Habra Heights and Whittier). Subsequently, the City has experienced several changes, but Vernon has not seen any changes in its jurisdictional boundaries nor its SOI since that time.

This MSR reviews the City’s services within the requirements of State law and LAFCO policies, including their SOIs.

SUMMARY OF SOI RECOMMENDATIONS

- Development growth is constrained under Vernon’s current boundary. The City is in the process of developing changes to its municipal code to allow mixed-use development in its western area in order to increase the residential population.
- Vernon’s infrastructure is in need of general upgrades, but the City has the capacity to take on residential growth and to continue serving the current community.
- Presently, Vernon’s SOI includes two small uninhabited unincorporated areas with a total area of .05 square miles.

RSG recommends maintaining the Larger Than Sphere of Influence pursuant to LAFCO's SOI Policy as described beginning on page 5.

SUMMARY OF MSR DETERMINATIONS

- Vernon's SOI does not contain any Disadvantaged Unincorporated Communities ("DUCs"). It does contain two LAFCO-identified unincorporated islands, both of which are uninhabited.
- While Vernon's population has grown over the past decade, its small population continues to pose a major challenge to the City due to the limited availability of candidates to run for and serve on the City Council. The City is actively working to increase its population.
- Vernon is not currently exploring opportunities for shared facilities with neighboring jurisdictions.
- The City employs best practices to provide transparency and accountability in order to meet the municipal service needs of the public it serves.

BACKGROUND

LEGAL REQUIREMENTS AND PURPOSE

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56430 et. seq., (“CKH”) requires LAFCOs to prepare periodic reviews of services provided by most local agencies and provides discretion on the manner in which a commission undertakes these reviews. The reviews are instrumental in making determinations on jurisdictional and SOI boundaries, informing commissions, affected agencies, and the general public of opportunities for improving service delivery.

LAFCO RESPONSIBILITIES

CKH directs LAFCOs in California to discourage urban sprawl, encourage the orderly formation and development of cities and special districts, and to preserve agricultural land. LAFCOs act as the county-wide oversight agency that is responsible for coordinating logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers, and dissolutions of districts. In this manner, LAFCOs play an important role in assuring the thoughtful, appropriate, and efficient reorganization, simplification, and streamlining of quality local governmental services.

As part of these objectives, LAFCOs establish and periodically review SOIs for local agencies through a process known as an MSR and SOI update. This process is described below.

SPHERE OF INFLUENCE

Since 1972, LAFCOs in California have been responsible for determining and overseeing the sphere of influence for local government agencies. An SOI is defined as “a plan for probable physical boundaries and service area of a local agency, as determined by the Commission.” Consistent with Commission SOI policies, an SOI can be a) coterminous to agency boundaries

as the ultimate foreseen configuration of the agency in anticipation of no future growth, b) extended beyond the agency boundaries in anticipation of future growth, c) be smaller, indicating the need to detach areas from the agency boundaries, or d) be designated a “zero sphere”, which indicates a potential dissolution of the agency. In order to amend the sphere of influence boundaries, formal approval from the Commission is required. Factors considered in an SOI include current and future land use, capacity needs, and any relevant areas of interest such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, an SOI shall consider and prepare a written statement of its determinations of the following factors:

1. Present and planned land use in the area, including agricultural and open space lands.
2. Present and probable need for public facilities and services in the area.
3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. Existence of any social or economic communities of interest in the area.
5. Present and future need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The purpose of an SOI is to ensure the efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCOs coordinate the orderly development of a community by reconciling differences between different agency plans. This is intended to ensure the most efficient urban service arrangements are created for the benefit of area residents and property owners.

DISADVANTAGED UNINCORPORATED COMMUNITIES

As part of the MSR, RSG considered the impact of the SOI related to Disadvantaged Unincorporated Communities. A Disadvantaged Unincorporated Community (“DUC”) is defined by Government Code Section 56033.5 as an area of inhabited territory located within an unincorporated area of a county within a “disadvantaged community.” A disadvantaged community is defined in Water Code Section 79505.5(a) as a community with an annual median household income which is less than 80 percent of the statewide median household income. Government Code Section 56046 defines “inhabited” as territory within which there are 12 or more registered voters.

LAFCO designated the DUCs in the County using 2016-2020 American Community Survey Census data, meaning any unincorporated area wherein the median household income is less than \$62,939.

SPHERE OF INFLUENCE UPDATES AND LAFCO POLICY

From time-to-time, an SOI may be modified as determined by LAFCO; the procedures for making sphere amendments are outlined in CKH, and in some cases, further refined by a commission’s own guidelines. Pursuant to Government Code Section 56430, a commission must first conduct a municipal services review prior to updating or amending a SOI.

The Commission adopted a “Sphere of Influence Policy” on November 13, 2019, which provides a framework for SOI updates considered after an MSR is completed. The policy defines three types of SOIs for cities and special districts:

- Coterminous Sphere of Influence: An SOI for a city or special district that includes the same physical territory as the jurisdictional boundaries of that city or special district. LAFCO adopts a coterminous SOI if there is no anticipated need for services outside the jurisdictional boundaries of a city or special district, or if there is insufficient information to support the inclusion of additional territory within the sphere.

- Larger than Sphere of Influence: An SOI for a city or special district which includes territory that is larger than the jurisdictional boundary of the subject city or special district. LAFCO adopts a Larger than SOI if there is an expectation of future growth of the agency's physical boundaries and associated service area.
- Zero Sphere of Influence: An SOI for a city or special district that includes no territory. LAFCO adopts a Zero SOI if the functions, services assets, and liabilities of that city or special district should ultimately be reassigned to another public agency or service provider.

RSG analyzes the spheres in the SOI Recommendations section of this MSR.

MUNICIPAL SERVICE REVIEW (MSR) REQUIREMENTS

Section 56425(g) of CKH requires that LAFCOs evaluate a given SOI every five years, as necessary, the vehicle for doing this is known as a Municipal Service Review. Prior to or in conjunction with SOI reviews, an MSR must be prepared pursuant to Government Code Section 56430. MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. Pursuant to Government Code Section 56430, MSRs are to make determinations considering the seven required topics based on the CKH. These seven areas include the following:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s).
3. Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.

5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including government structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCO Policy.

The focus of an MSR is to describe how public services are being carried out and to determine if the residents of the community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR determines that certain services are not being carried out to an adequate standard, LAFCO can recommend changes such as sphere changes as well as dissolutions or consolidation of service providers to provide the best service possible to the population.

PREVIOUS MSR DETERMINATIONS

The 2005 MSR made several findings concerning cities and districts in the Gateway Region, as well as specific comments addressing the City of Vernon specifically. The 2005 MSR recommended no changes to the City of Vernon's SOI. For context, these findings are identified below:

- The 2005 MSR indicated that many of the Gateway cities faced fire and paramedic services that were described as deficient.
- The 2005 MSR noted that the Gateway Region had landfills that were approaching capacity, with major landfills projected to fill by 2030. The MSR reported plans were put in place to export waste outside of the County.
- The 2005 MSR notes that agencies in the Gateway Region were facing significant challenges in financing the infrastructure and staffing levels to meet the requirements of installing and maintaining catch basins in storm drains to prevent waste from flowing into the ocean.

- The 2005 MSR indicates that all cities in the Gateway Region had a need for resurfacing, slurry-sealing, traffic signals, and street widening in high-traffic areas. Cities also faced challenges to road improvements due to the concentration of heavy truck traffic along major freeways and arterial streets, resulting in heightened congestion and street damage.
- With little vacant land remaining, the City of Vernon has little land that is undeveloped and little private land set aside for open space or landscaping. The 2005 MSR noted that a program to add trees to public spaces was underway.

PURPOSE OF THIS MSR AND SCOPE OF WORK

MSRs are conducted to assist in the SOI review process by providing information regarding the ability of agencies to provide public services. This Municipal Service Review will review the services provided by the City of Vernon and, to a lesser extent, services provided within the City of Vernon by other agencies.

METHODOLOGY

RSG worked in coordination with LAFCO staff throughout this MSR. Key tasks and activities in completing this MSR include data collection, interviews with City staff, City profile development, determination analysis, public review of MSR, and the adoption of the final MSR.

Data Collection

To fully understand key factors and current issues involving the City, RSG conducted an initial working session with LAFCO staff to determine the project scope and formalize overall MSR objectives, schedules, policy and fiscal criteria, service standards, and roles and responsibilities. The MSR began with a complete and thorough review of available data and documents including adopted budgets, comprehensive financial reports, capital improvement plans, strategic plans, and the General Plan. These documents were assessed to develop a comprehensive overview of the City. In addition, various reports and documents were utilized from the Southern California Association of Governments, the California Department of Finance, the California Department of

Tax and Fee Administration, the California State Auditor, the Census Bureau, LAFCO, CoStar (a commercial real estate database), and ESRI Business Analyst.

Interviews

In coordination with LAFCO, during the month of December 2022 RSG met with the executive leadership of Vernon. This interview allowed RSG to gain insight into the current operations and any unique challenges of the City.

The content of these interviews included the following topics:

- Financing constraints and opportunities;
- Growth and population projections;
- Infrastructure needs or deficiencies;
- Cost avoidance opportunities;
- Opportunities for rate restructuring regarding services provided;
- Opportunities for shared facilities with other cities or agencies;
- Government structure options, including advantages or disadvantages of consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance, specifically the structures in place to support public engagement and participation.

Agency Profiles

Following data collection and interviews, RSG developed a City profile based on the criteria noted previously and required for the completion of the MSR per CKH. The profile includes key characteristics such as services offered, staffing levels, population and growth, service providers,

infrastructure, financial condition, and boundary areas and maps. Department profiles can be found in the following sections.

Annual Budget Data

RSG utilized the City's annual budgets for Fiscal Year ("FY") 2020-21 through FY 2022-23 to analyze historical operating revenues and expenditures for Vernon. RSG analyzed the data to make determinations regarding the City's fiscal health, including tax revenue and expenditure trends. The dataset provides current expenditures by department (general government, public safety, community development, transportation, etc.), and operating expenditures (salaries and wages, retirement benefits, materials and supplies, contract services, debt service, and capital outlay). The data also includes reports on general revenues, tax revenues, fees for services, special benefit assessments, and intergovernmental revenues.

SERVICE REVIEW – CITY OF VERNON

Vernon is located in the Fourth Supervisorial District in southeastern Los Angeles County (“County”), west of State Route 710 between Interstate 5 and Interstate 105. Vernon shares borders with the City of Maywood and the City of Huntington Park to the south, the City of Commerce to the North, and the City of Los Angeles to the North and West. Vernon is home to 214 residents, 1,950 businesses, and a workforce of 31,372 employees.¹

The City voted in favor of incorporation on September 22, 1905, as a city mostly built out with industrial land uses. Vernon spans an area of approximately 5.16 square miles, and the Vernon SOI includes two small uninhabited unincorporated areas with a total area of 0.05 square miles. Vernon’s current SOI was initially established in 1984 and was reconfirmed in 2005.

Figure 1 presents a demographic and land use profile of Vernon compared to the overall County.

Figure 1: Demographic Profile - Vernon

	Vernon	LA County
Population as of 2010	112	9,822,121
Population as of 2020	214	9,861,224
Annual Pop. Growth Since 2010	7.59%	0.40%
Total Housing Units	78	3,635,136
Persons/Housing Unit	2.74	2.71
Land Area (Sq Miles)	5.2	4,059.28
Persons/Square Mile	41	2,429
Median Household Income	\$73,303	\$71,358
Projected Population in 2035	300	10,331,803
Annual Proj. Growth 2020-2035	2.63%	0.36%
Projected Population in 2045	200	10,193,978
Annual Proj. Growth 2020-2045	-0.52%	0.26%

Sources: Esri Business Analyst, Department of Finance, US Census, Southern California Association of Governments

¹ Source: Esri Business Analyst

Between 2010 and 2022 Vernon's population grew from 112 to 214 (a 91 percent growth rate, or over 7 percent annually).² 26% of Vernon's population is below the age of 25, and 14% is above the age of 65. According to SCAG's 2016-2040 Growth Forecast, population growth is expected to slow over the next 20 years.³

The State of California and the County have seen an overall decrease in population brought about by a variety of factors including an aging population, declining birth rates, impacts of COVID-19, and an increase in domestic migration to other areas. However, Vernon has experienced an increasing population, and according to City staff, this growth is attributed to concerted efforts by the City to increase its residential population. In 2013, the City entered into a long-term lease of City-owned property with a housing developer for the construction of a 45-unit rental apartment complex. This apartment complex doubled Vernon's population from 112 in 2010 to 222 as of the 2020 census. Presently, the City is pursuing opportunities for adding housing within the City to increase the population and is currently evaluating zoning changes to allow for mixed-use developments throughout the City. The City anticipates a ten-fold increase in the population in the next ten years.

According to the California Department of Water Resources ("CDWR"), the City qualifies as a Disadvantaged Community ("DAC"), as their estimates indicate the median household income in the City falls below \$62,938. CDWR indicates that the median household income is \$59,250 based on 2016-20 ACS data.⁴

Vernon is almost exclusively made up of industrial uses, including large portions of commercial zoning in the western part of Vernon, a slaughtering district in the central portion of the City, and a rendering district on the eastern portion immediately north of the Los Angeles River.⁵

² Source: Esri Business Analyst

³ Source: Southern California Association of Governments 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction

⁴ Source: California Department of Water Resources, DAC Mapping Tool, Disadvantaged Communities (ACS: 2016-2020)

⁵ Source: Vernon Land Use Policy Map

Vernon's major employment sectors include construction (13.6 percent of employment), retail trade (11.8 percent of employment), and manufacturing (10 percent of employment).⁶

Figure 2 provides a land use summary of residential and commercial development in Vernon. Industrial uses make up over 99 percent of the commercial building square footage in Vernon, and there is extremely limited housing.

Figure 2: Land Use Summary - Vernon

Vernon	County		
Residential Units	Units	%	%
Single Family	24	30.8%	54.5%
Multifamily	54	69.2%	43.9%
Mobile Home	0	0.0%	1.6%
Total Units	78	100%	100%
New Units Since 2010	49		
Commercial	Gross SF	%	%
Retail	79,306	0.2%	24.4%
Industrial	42,777,875	99.4%	48.7%
Office	107,115	0.2%	23.7%
Other	59,526	0.1%	3.1%
Total	43,023,822	100%	100%
2010	1,133,415		

Sources: California Department of Finance, Costar

In order to build up the population of the community, Vernon will need to increase its housing supply. The City is currently developing mixed-use zoning districts for the western part of the City on Santa Fe Boulevard (the Westside Specific Plan). These districts will be mixed-use to take advantage of lot sizes that are not optimal for single-family housing. City staff project that this area could increase the population by approximately 2,500 people.

⁶ Source: Esri Business Analyst

The City's initial draft of the 6th Cycle Housing Element for 2021-29 was reviewed by the Department of Housing and Community Development on June 15, 2022 and it is currently out of compliance. Staff anticipate the Housing Element will be in compliance pending the adoption of the mixed-use zoning districts. Staff anticipate these districts will be adopted in August 2023.

FORM OF GOVERNMENT AND STAFFING

The City of Vernon is a charter city governed by a five-member City Council that is elected at-large by eligible registered voters. Each year, the Mayor position rotates among Council members based on order of election. City Councilmembers are elected to five-year terms.

The City Council appoints a City Administrator to serve as the administrative head of the City government responsible for the efficient operation of the City. Additionally, the City Council appoints a City Attorney, City Clerk, City Treasurer, Business and Industry Commission, Green Vernon Commission, Vernon Housing Commission, and Vernon CommUNITY Fund Grant Committee. The City Council also acts as the Board of Library Trustees and the Successor Agency to the Redevelopment Agency. The City is organized into several departments including City Administration, Office of the City Attorney, City Clerk, Finance, Health and Environmental Control, Human Resources, Police, Public Utilities, and Public Works. All City departments operate under the direction of the City Administrator with the exception of the City Attorney.

According to the fiscal year ("FY") 2022-23 budget, the City of Vernon operates with an annual General Fund budget of \$85 million and employs a total of 219 employees. Vernon provides most of its services in-house, except for fire protection services, which are provided by the County's fire department.

The City's website includes information about City Council meetings, public meetings, and other City services. The City streams City Council and City Commission meetings online via its website and YouTube. The City is active on at several social media platforms: Facebook, Twitter, Youtube, and Instagram.

CURRENT SPHERE OF INFLUENCE

Appendix 1 shows the Vernon boundaries and SOI as of November 2022; the City has not had any changes to the City's jurisdictional boundary or to the City's SOI boundary since the 2005 MSR.

Vernon's 5.16-square-mile SOI includes two small and uninhabited unincorporated areas. Both unincorporated areas include portions of railway tracks.

The two areas are referred to as the Vernon Strip Unincorporated Area and the Vernon Downey-Bandini Island Unincorporated Area as indicated on Vernon's SOI map⁷ by LAFCO and dated September 23, 2014. The SOI areas are described below:

- The Vernon Downey-Bandini Island Unincorporated Area is a 24.35-acre area bordering Downey Road and Bandini Boulevard that includes railway tracks and a bridge which cross the Los Angeles River as well as a private parking lot for United Parcel Service (UPS) employees.
- The Vernon Strip Unincorporated Area is a 6.593-acre area adjacent to Downey Road near the City's boundary with the City of Maywood, and made up exclusively of railway tracks.

According to LAFCO designations, neither of Vernon's unincorporated SOI areas is designated a Disadvantaged Unincorporated Community.

EXTRATERRITORIAL SERVICES

The City currently provides some street lighting services in the neighboring City of Maywood where the two cities share a border.

The City contracts with the City of Huntington Park for inmate housing. Pursuant to the agreement, the Huntington Park Police Department Jail Division houses pre-arraignment

⁷ Source: LAFCO City Maps, Vernon Sphere of Influence Map, revised September 23, 2014. <http://lalafco.org/wp-content/uploads/documents/cities-map/Vernon.pdf>

arrestees of the City of Vernon Police Department in the Huntington Park City jail for a prisoner housing fee.

SERVICES PROVIDED

The City provides general government and public works services. Fire protection services are provided by the County Fire Department. Figure 3 summarizes municipal services provided and associated service providers within Vernon.

Figure 3: Vernon Service Provider Matrix

Public Service	Responsible Agency	Service Provider
Law Enforcement	City	City of Vernon Police Department
Fire Protection	County	Consolidated Fire Protection District of Los Angeles
Emergency Medical	County	Consolidated Fire Protection District of Los Angeles
Building/Planning	City	City of Vernon Public Works Department
Housing	City	City of Vernon Public Works Department
Code Enforcement	City	City of Vernon Public Works Department
Animal Control	City/County	City of Vernon Health and Environmental Control Department, Southeast Area Animal Control Agency
Parks and Recreation		N/A
Library		N/A
Landscape Maintenance	City	City of Vernon Public Works Department
Lighting	City	City of Vernon Public Utilities Department
Streets/Road Maintenance	City	City of Vernon Public Works Department
Electricity/Natural Gas	City and Investor Owned Utility	City of Vernon Public Utilities Electric Division, Southern California Gas
Solid Waste	City, Investor Owned Utility, and Mutual	City of Vernon Health and Environmental Control Department
Stormwater Drainage	City, Investor Owned Utility, and Mutual	City of Vernon Public Works Department
Water	City, Investor Owned Utility, and Mutual	City of Vernon Water Division, Cal-Am Water, and Tri-City Mutual
Wastewater Collection	City, Investor Owned Utility, and Mutual	City of Vernon Public Works Department
Wastewater Treatment & Disposal	Special District	LA County Sanitation District No. 1

Government Services

General government services are primarily provided by officials elected at-large and City management. The City's elected officials are responsible for all legislative and policy functions that establish the quality of City services. In addition to the City Council, the City's legislative bodies include special citizen advisory commissions and other bodies, including the Business and Industry Commission, the Green Vernon Commission, the Vernon CommUNITY Fund Grant Committee, the Vernon Housing Commission, the Successor Agency to the Redevelopment Agency, the Solid Waste Hearing Panel, and the Board of Library Trustees. The City Clerk and City Attorney provide additional support to the City's legislative bodies.

Due to Vernon's small population, there is a limited number of candidates for City Council. The City is working to grow the population to ensure a more robust democratic process in the future.

Police Services

The Vernon Police Department provides policing services to the City. The FY 2022-23 budget allocated \$14.1 million from the General Fund for policing, which includes \$7.5 million for salaries and \$6.1 million for benefits.

The City budgets for 44 sworn officers on an annual basis as of FY 2022-23 or 20 officers per 100 residents. As of 2021, the Vernon Police Department has an average response time of three minutes and 52 seconds for life-threatening incidents, seven minutes and 41 seconds for urgent incidents, 11 minutes and 23 seconds for non-urgent calls, and 16 minutes and 25 seconds for officer-observed incidents. In 2021, Vernon experienced 38 violent crimes, 658 property crimes, and nine arsons.⁸ The number of violent crimes has increased by 41 percent over the past ten years and the number of property crimes has increased by 112 percent over the past ten years.

⁸ Source: California Department of Justice

Fire Protection and Ambulatory Services

Vernon is within the Consolidated Fire Protection District (“CFPD”) of Los Angeles County since its annexation in 2020. Fire Department Stations 13 and 52 are located in the City limits and provide emergency medical and transport services, fire and rescue services, and safe haven services to the City. The City reported a strong working relationship with the County Fire Department, which has allowed the City to have significantly more fire personnel available at any given time.

The Vernon Fire Department was dissolved in 2020 due to the high cost of operations and high pension liabilities. All fire operations were transferred to the County, including machinery and equipment valued at \$13.4 million. Two of the four existing fire stations (Stations 13 and 52) are used by the CFPD, one additional is used by the County for a regional task force, and the fourth station is currently vacant. CFPD fire code enforcement staff are also available in administrative offices at Vernon City Hall. Vernon joined CFPD following the adoption of Proposition 13, and CFPD services the Vernon under a fee for service model.

CFPD has specialized resources including a helicopter fleet, contract aircraft, and California Task Force 2, a specialized search and rescue task force.

CFPD Station No. 13 and No. 52 falls under Division 6 of the CFPD, which received an Insurance Service Office (“ISO”) class rating of 2. The ISO evaluates the ability of fire protection agencies to respond to fire incidents in their communities, with class one (1) being the highest rating and ten (10) being the lowest. The most recent performance measures report published by the County of Los Angeles Fire Department indicates that CFPD responds to calls within five (5) minutes of receiving calls and has a success rate of 99.5 percent.⁹

Animal Services

The Vernon Health and Environmental Control Department, Police Department, and the Southeast Area Animal Control Agency (“SEAACA”) provide animal control services to the City.

⁹ Source: 2019-20 Performance Measures, County of Los Angeles

The SEAACA shelter that serves the City is located in Downey, approximately 11 miles from the Vernon City Hall. The Health Department and SEAACA are responsible for taking care of dead or stray animals, and SEAACA additionally provides sheltering, adoption, and microchipping services.

Vector Control

The Greater Los Angeles County Vector Control District, an independent special district of the County, provides ongoing mosquito and vector control within Vernon. The Vector Control District provides routine services within Vernon including the identification, prevention, and control of pests. Additionally, the Vector Control District also responds to case-by-case services requests for mosquito issues, dirty pools, and infestations (e.g., bees, rodents, and fire ants). The City does not pay for these services, which are instead funded by ad valorem property and special assessment taxes on individual parcels. The City of Vernon was annexed into the Greater Los Angeles County Vector Control District in 2021.

Community Development

The City of Vernon does not have a community development department, but does coordinate some community development activities through the City Administration Department. The City also provides support for community development in neighboring jurisdictions through the community development funds the City maintains. These funds can be used for scholarships, nonprofit organizations, and other community development activities.

The City of Vernon also does not have any parks that it maintains and operates within the City's boundaries. The City's General Plan Resources Element, adopted in December of 2007, indicates that the City does not have a need for public parks due to its industrial character. The National Recreation and Parks Association, who once published park and open space standards, takes a similar position and no longer declares a set of standards that every individual park and recreation agency should measure itself against due to the unique needs, desires, and challenges of different agencies.

There are several public parks in the adjoining cities to Vernon, including Ruben F. Salazar Park and Parque de los Suenos in Los Angeles. The nearest regional park to the City is the Belvedere Community Regional Park, located approximately seven (7) miles northeast of Vernon.

Code Enforcement

The Building Division of the Public Works Department provides code enforcement services, including removing litter and graffiti. The City has two full-time code enforcement officers.

Public Works

The Public Works Department includes the Housing, Building, Planning, Streets, Facilities Maintenance, and Engineering Divisions. The Department as a whole is responsible for the planning, maintenance, and construction of the City's infrastructure. The Housing Division manages City-owned housing and uses a lottery system to fill vacancies when they occur. The Building Division enforces code regulations and conducts occupancy inspections for all tenants moving to the City. The Division retains individual inspectors for specific aspects (such as electrical or mechanical) of construction. The Division contracts with private-sector consulting firms for structural review of new construction. The Planning Division oversees development in the City and maintains the General Plan. The Streets and Facilities Maintenance Divisions are responsible for the maintenance of the City's roads and traffic signals as well as maintenance of City-owned property and facilities. Finally, the Engineering Division administers City contracts and designs public improvements. The Division helps maintain infrastructure such as roadways, storm drains, sewers, and traffic signals.

Vernon has a total of 50.59 miles in its road system, including 15.41 miles of arterial streets, 13.85 miles of collector streets, and 21.33 miles of local streets. The City has a road improvement plan which details different improvements needed along Vernon's roadways over the next five years, through FY 26-27. According to the City's most recent Citywide PCI Evaluation, completed in 2022, most of Vernon's streets are in good condition, with the pavement system overall rated as "good" using the Pavement Condition Index ("PCI"). Under the PCI, the City's streets currently

have a rating of 74 and the City is aiming to improve the streets to an average rating of 87 over the next six years.

Vernon's adopted budget for FY 2022-23 budgeted \$18.9 million for its Capital Improvements Program ("CIP") from the General Fund. A portion of this funding was designated for the pavement management plan (\$4 million) and a bridge widening project over the Los Angeles River (\$7 million). An additional \$22 million is budgeted for CIP from business-type funds from the City-owned utilities. The FY 2021-22 adopted budget allocated \$12.3 million for CIP from the General Fund, of which \$7.4 million was allocated for the bridge widening project and \$970,000 was allocated for upgrades at the City garage.

Health and Environmental Control

Vernon has its own Health and Environmental Control Department. The Department has historically focused mostly on environmental control and quality programming, including administering the State's Certified Unified Program Agency and the City's National Pollutant Discharge Elimination permits, while the County currently provides traditional health services for the City. However, in the wake of the COVID-19 pandemic, the Department has expanded its capacity to include more opportunities to focus on public health.

Environmental control programming includes regulating the storage of hazardous materials both above and below ground, and inspections at manufacturing and food facilities to ensure they meet state and federal regulations. The Department also performs inspections of refrigerated food trucks which bring food to a wide variety of distributors.

During the COVID-19 pandemic, the Department mobilized to provide more health services to both residents of the City and workers in the City. It procured two mobile medical vans to drive to businesses and provide vaccines on-site at Vernon businesses and community events around Southeast Los Angeles. The Department serviced as an important source of pandemic related public health information and guidance to residents and businesses. Because many people who work in Vernon live outside the City and may have sizable commutes, the Department wanted to

ensure they had access to healthcare near their place of work. The success of these initiatives has led the Department to want to focus more on community health in the future.

The Department has contracted with the Health Equity Alliance to bring doctors and nurses into the City who can provide health services on-site at businesses, as well as provide primary care and mental health support at a medical facility located at City Hall. This health and wellness approach works particularly well for Vernon due to the nature of the labor market in the City and contributes to equitable access to healthcare. The Department is also undergoing a fee study which will help them evaluate if fees are aligned with current programming and to identify areas where additional staff could be used.

Water

Most Vernon businesses and residents get their water from the Vernon Public Utilities Department (a municipal utility), with a small portion on the southeast corner of the City receiving water from Tri-City Mutual Water (a corporation which supplies water only to shareholders) and the northeast portion of the City receiving water from the East Los Angeles district of the California Water Service Company (a division of California Water Service, an investor-owned utility).

The Vernon Public Utilities Department charges \$2.34 per 100 cubic feet. Tri-City Mutual Water charges \$3.65 per 100 cubic feet for industrial customers and does not serve residents. The California Water Company charges residential customers \$4.34 per 100 cubic feet for the first 800 cubic feet, and above 800 cubic feet charge \$5.43 per 100 cubic feet. It charges non-residential metered customers \$4.90 per 100 cubic feet. All the water providers also have a variable flat fee depending on the size of the water meter.

Storm Drainage

The Engineering Division of the Vernon Public Works Department maintains the City's storm drain infrastructure. The 2005 MSR noted that many agencies in the area were facing challenges in financing the infrastructure and staffing levels necessary to upgrade storm drains. This continues

to be an issue in Vernon due to the lack of significant funding available. While the City can fund repairs as needed, there has not been an opportunity to conduct large-scale upgrades.

Wastewater

The Engineering Division of the Vernon Public Works Department maintains the City's wastewater infrastructure. The sewer infrastructure is aging and in need of upgrades, but funding is not available. Currently, there are no pressing issues with the City's wastewater lines. Vernon is part of the LA County Sanitation District Number 1, which provides wastewater treatment and disposal services.

Solid Waste

Vernon's Health and Environmental Control Department's Solid Waste Program is certified by the California Department of Resources, Recycling, and Recovery as the Local Enforcement Agency for the City. The Local Enforcement Agency regulates solid waste facilities and ensures compliance with state minimum standards through contracts with private waste haulers. The City has 27 ongoing diversion programs to ensure the City complies with recycling and solid waste diversion regulations.¹⁰

Utilities

Utilities are generally provided by Vernon's Public Utilities Department. The Department offers water, electricity, natural gas, and fiber optic internet service businesses and residents in the City. Rates for each of these services are available online on Vernon's website.

FISCAL HEALTH

RSG has evaluated the City's fiscal health, inclusive of revenue sources and major expenditure categories.

¹⁰ Source: CalRecycle Diversion Program Status Summary Report for City of Vernon

ANNUAL AUDIT FINDINGS

The City is required to undergo an annual financial audit, with the results published in an Annual Comprehensive Financial Report (“ACFR”), in which the auditors report whether the financial statements of the City accurately present the financial position of the City. The ACFRs from FY 2018-19 through FY 2020-21 did not present any findings and stated, “In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City of Vernon as of June 30, 2021, and the changes in its net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.”

Figure 4 shows the City’s actual historical General Fund revenues and expenditures from FY 2018-19 through FY 2020-21. While there was a deficit in 2018-19, in both 2019-20 and 2020-21 the General Fund collected more revenue than it expended.

Figure 4: Vernon Actual Spending

Revenues	2018-19	2019-20	2020-21
Actual Revenues			
Taxes	\$44,130,771	\$45,564,696	\$53,677,257
Special Assessments	1,333,943	1,432,823	1,524,362
Licenses and Permits	3,679,452	1,543,646	2,083,795
Fines, Forfeitures, and Penalties	253,849	249,412	136,899
Investment Income	101,082	137,738	70,480
Intergovernmental	1,647,882	926,745	1,364,950
Charges for Services	4,694,047	4,708,748	9,577,442
Other	1,314,866	3,061,406	1,132,285
Total Revenues	57,155,892	57,625,214	69,567,470
Actual Expenditures			
General Government	\$13,011,907	\$16,602,618	\$15,129,409
Public Safety	32,767,869	28,879,578	34,754,653
Public Works	7,229,130	6,889,486	7,054,990
Health Services	1,370,284	1,090,460	1,357,199
Capital Outlay	3,400,211	1,407,607	3,312,390
Total Expenditures	57,779,401	54,869,749	61,608,641
Net Spending	(623,509)	2,755,465	7,958,829

Source: Vernon Budgetary Comparison Schedule, General Fund

OPERATING REVENUES

RSG compiled three years of financial history, including the City's current fiscal year 2022-23 adopted budget. In the City's last annual budget for FY 2022-23, General Fund revenues exceeded \$70 million.

Figure 5 illustrates the City's General Fund revenue sources for the most recent year available in the audit, FY 2020-21.

Figure 5: City of Vernon Revenues FY 2020-21

	General Fund
Taxes	\$53,677,257
Special Assessments	1,524,362
Licenses and Permits	2,083,795
Fines, Forfeitures, and Penalties	136,899
Investment Income	70,480
Intergovernmental	1,364,950
Charges for Services	9,577,442
Other	1,132,285
Total Revenue	69,567,470

Tax revenues made up 77 percent of all revenues collected by the City in FY 2020-21, inclusive of sales tax, property tax, property tax in-lieu of motor vehicle license fees, franchise tax, and other taxes.

Figure 6 illustrates the City's historical General Fund revenue sources.

Figure 6: City of Vernon Operating Revenue History

Revenues	2018-19	2019-20	2020-21
General Tax Revenues			
<i>Sales Tax</i>	\$8,794,423	\$9,557,747	\$14,445,575
<i>Property Tax</i>	4,113,120	4,523,551	4,700,085
<i>Parcel Tax</i>	13,535,471	13,538,116	14,651,097
<i>Business License Tax</i>	5,745,716	5,416,628	5,810,837
<i>Franchise Tax</i>	1,427,398	1,535,062	1,622,649
<i>Utility User Tax</i>	11,209,144	11,758,238	12,367,272
<i>Other Taxes</i>	12,878	11,335	11,864
Total Tax Revenues	44,838,150	46,340,677	53,609,379
Investment Income	1,654,867	1,156,301	140,086
Gain on Sale of Assets	14,343	0	0
Other	1,343,779	3,535,847	2,531,566
Total Revenues	47,851,139	51,032,825	56,281,031

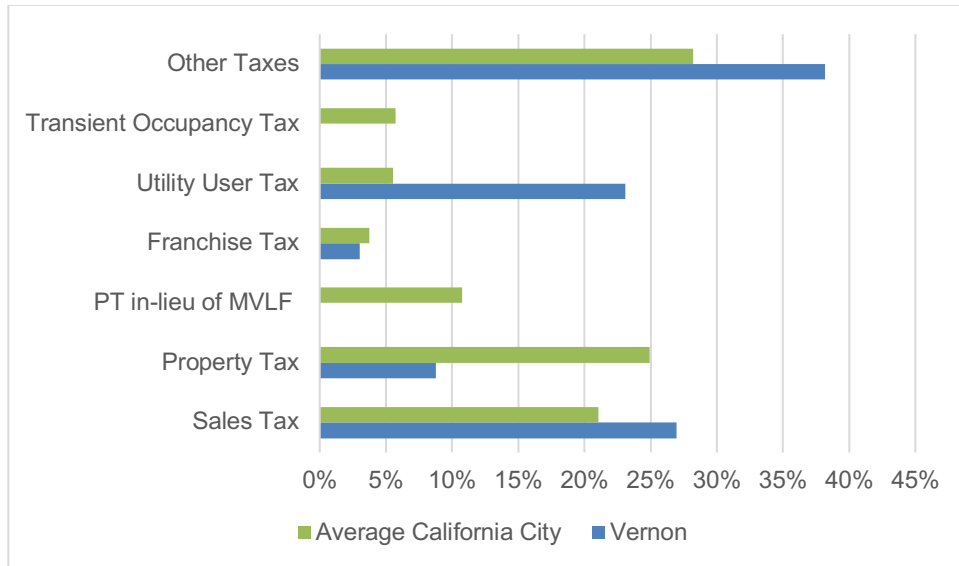
Source: Vernon Audit "Statement of Activities"

As shown in Figure 6, the parcel tax is consistently the City's greatest single revenue source. In addition, sales tax revenues have grown significantly over the past three years, from approximately 20 percent of general tax revenue to approximately 27 percent.

The City's second largest revenue source is the utility user tax.

As seen in Figure 7, the City of Vernon has a unique general tax revenue profile compared to the average California city. Unlike many cities in California, which rely more heavily on property tax revenue, Vernon relies more heavily on utility user taxes and its own parcel tax.

Figure 7: Vernon General Tax Revenues as Compared to All California Cities¹¹



Sales Tax

Cities receive one percent of gross receipts from the sale of tangible personal property sold within city municipalities. In 2020, Vernon voters approved a three-quarter cent local transactions and use tax which generates approximately \$5 million annually for the City. The tax can be used for General Fund activities such as maintaining and improving City services, including safety, infrastructure, streets, and housing. Approximately 27 percent of general tax revenues collected by the City was derived from sales tax in FY 2020-21.

¹¹ Source: California State Controller's Office, Local Government Financial Data FY 2020-21

Utility User Tax

The voters of Vernon established a utility user tax of six percent on electricity, gas, telecommunications, video, and water utility services for industrial customers in 2018 which will sunset in 2028. Revenue from the tax goes toward the General Fund. In 2020-21, the utility user tax generated \$12.4 million for the General Fund or 23 percent of General Fund tax revenue.¹²

Parcel Tax

The City has a special parcel tax that is broken into two parts – a Warehouse Special Parcel Tax (\$0.37020 per square foot of gross land area) and a Public Safety Special Parcel Tax (\$0.03683 per square foot of taxable parcel area). The Warehouse tax was approved by voters in 1998 and does not have a sunset date. The Public Safety tax was approved by voters to begin in fiscal year 2013-14, with a sunset date in 2022-23. In the April 2023 General Municipal Election voters approved extending the tax to June 30, 2028. The Warehouse tax is levied on the square footage of warehouses, and the Public Safety tax is levied on the square footage of any land not taxable by the Warehouse tax. The Public Safety tax can be used for fire and police protection services and health services, while the Warehouse tax can be used for infrastructure projects and public safety costs. In FY 2020-21, the parcel tax generated \$14.6 million for the General Fund, or 27 percent of General Fund tax revenue.¹³

Business License Tax

In FY 20-21, the City collected approximately \$5.8 million in business license tax revenues, or approximately 11 percent of the City's general tax revenues. The City has three classes of business license taxes: one for warehousing, one for businesses conducting warehousing and another business at the same location, and one for other businesses. Warehousing businesses pay \$1,200 for the first 5,000 square feet of space, and \$0.21 per square foot above 5,000 feet. The maximum tax for warehouses is \$11,950. The City charges taxes on businesses conducting warehousing and another business at the same location based on a formula including both the

¹² Source: City of Vernon 2020-21 ACFR

¹³ Source: City of Vernon 2020-21 ACFR

square footage of the business and the number of employees. All other types of businesses which do not provide warehousing services pay a tax based on the number of employees, with a maximum tax of \$28,450.

Property Tax

The City receives approximately 7 percent of the property tax collected within the City as general tax revenue. In FY 2020-21, about \$4.7 million, or 9 percent, of the City's general tax revenues were derived from property taxes.¹⁴

Charges for Services

Charges for services accounted for approximately \$9.5 million in FY 2020-21 across all governmental funds.¹⁵ Most charges for services are related to building and planning, including plan checks, fire and engineering inspections, and plan review services. The City also charges for licenses and permits.

Intergovernmental Revenues

In general, intergovernmental revenues consist of Federal, State, and local reimbursements for disasters and mutual aid agreements, and specific use grants. By their nature, these revenues tend to fluctuate more than other revenue sources. The City of Vernon receives intergovernmental revenues related to the Road Maintenance and Rehabilitation Act, vehicle license fees in excess, homeowner's property tax exemption reimbursement, Community Development Block Grant funds, Air Quality Management District funds, California Oil Recycling Enhancement Act funds, Beverage Container Recycling grants, State grants, and other appropriations from the Federal government, State of California, and Los Angeles County. The City received approximately \$1.4 million in intergovernmental revenue in FY 2020-21.

¹⁴ Source: City of Vernon 2020-21 ACFR

¹⁵ Source: City of Vernon 2020-21 ACFR

The City also collects property tax in-lieu of motor vehicle license fees. In FY 2022-23, the City expected to collect \$11,000 in property tax in-lieu fees in General Fund revenues.¹⁶

OPERATING EXPENDITURES

Figure 8 shows the actual City General Fund expenditures from FY 2018-19 through FY 2020-21 based on the audits for these respective years. Total General Fund expenditures amounted to \$57.8 million in FY 2018-19 and increased to \$61.6 million in 2020-21.

Figure 8: City of Vernon Actual Historical Expenditures

Category	2018-19	2019-20	2020-21	Change from 18-19 to 20-21
General Government	\$13,011,907	\$16,602,618	\$15,129,409	16%
Public Safety	32,767,869	28,879,578	34,754,653	6%
Public Works	7,229,130	6,889,486	7,054,990	-2%
Health Services	1,370,284	1,090,460	1,357,199	-1%
Capital Outlay	3,400,211	1,407,607	3,312,390	-3%
Total Expenditures	57,779,401	54,869,749	61,608,641	7%

Figure 9 breaks down the City's departmental operating expenditures by function between FY 2018-19 and FY 2020-21.

Figure 9: Vernon Department Expenditures

Department	2018-19	2019-20	2020-21
General Government	\$14,311,593	\$17,837,919	\$15,238,548
Public Safety	38,115,862	33,619,674	33,919,854
Health Services	1,435,301	1,148,622	1,280,046
Public Works	12,582,806	11,222,632	10,468,302
Total Expenditures	66,445,562	63,828,847	60,906,750

Source: Vernon Audit "Statement of Activities"

Vernon's departmental operating expenditures decreased by approximately 8.3 percent between FY 2018-19 and FY 2020-21. This was largely due to savings from contracting with the County for fire protection services.

¹⁶ Source: City of Vernon 2022-23 Budget

PERFORMANCE STANDARDS

RSG analyzed three different performance measures to evaluate the City of Vernon's fiscal performance. The three measures include reserve fund balances, pensions and other post-employment benefits ("OPEB"), and third-party fiscal health evaluations. The findings are outlined below.

RESERVE FUND BALANCE

The City of Vernon has an unappropriated fund balance policy for General Fund reserves, which requires an unappropriated fund balance of 60 days of working capital. Vernon also has a policy to maintain a reserve of \$5 million for working capital in the event of a natural disaster or operating emergency. The City's projected economic uncertainty reserve is \$5 million for FY 2021-22. The City's remaining unreserved or undesignated General Fund reserve balance is \$10.4 million. The City is in compliance with its reserve policy.

PENSION AND OPEB OBLIGATIONS

The City of Vernon contributes toward a California Public Employees' Retirement System pension plan. The City sponsors one safety plan and one miscellaneous plan for qualifying employees.

Vernon also offers an OPEB plan that provides medical and dental benefits to retirees who retire at age 50 or later with at least 20 years of City service. The plan also provides lifetime medical benefits to Police Management employees and their spouses who have been employed as safety personnel for at least 20 years total, 10 of which must have been with the City of Vernon. City contributions towards retiree medical benefits vary depending on the date of retirement and the employee group. Retirees participating in the City's retiree medical program are required to enroll in Medicare at age 65, at which time a supplemental benefit is available. All City employees share in the cost of funding the pension plan by paying the employee portion as well as 3% of the employer's required contribution. The City has established an irrevocable OPEB trust and contributed \$1.9 million to the trust in FY 2020-21. The total balance of the trust is \$12,874,359 as of March 31, 2023.

The City had a long-term net pension liability of \$135 million and a total OPEB liability of \$20 million at the end of FY 2020-21. The City's historical pension liability and OPEB liability are outlined in Figure 10.

Figure 10: Vernon Pension and OPEB Liabilities

Vernon	2018-19	2019-20	2020-21
Total OPEB Liability/(Surplus)	\$25,279,784	\$26,186,840	\$27,215,028
Plan Fiduciary Net Position	2,179,655	4,268,189	7,003,178
Net OPEB Liability/(Surplus)	23,100,129	21,918,651	20,211,850
<hr/>			
Net Pension Liability/(Surplus)	\$113,498,553	\$120,808,743	\$135,300,761
Net Benefit Liability/(Surplus)	136,598,682	142,727,394	155,512,611

Source: 2018-19, 2019-20, and 2020-21 ACFRs

The City's pension indicators provide insight into the City's pension plan health. The City's employer contribution compared to the actuarially determined contribution, total covered payroll, and employer contribution rate are outlined in Figure 11.

Figure 11: Vernon Pension Indicators

Vernon	2018-19	2019-20	2020-21
Actuarially Determined Contribution	\$10,919,705	\$12,334,768	\$12,630,490
Employer Contribution	10,919,705	12,334,768	12,630,490
Covered Payroll	29,734,036	27,170,257	22,974,641
Employer Contribution Rate	36.7%	45.4%	55.0%

Source: 2018-19, 2019-20, and 2020-21 ACFRs

The City has historically made employer contributions equivalent to the actuarially determined contribution and the employer contribution rate has increased incrementally over the last three years with the decreases to covered payroll.

CALIFORNIA STATE AUDITOR FISCAL HEALTH EVALUATION

The California State Auditor completed an audit of local governments in the State to determine which cities may be facing fiscal challenges by assessing risk associated with various fiscal indicators. The fiscal health analysis examined liquidity, debt burden, General Fund revenues,

revenue trends, pension obligations, pension funding, pension costs, future pension costs, OPEB obligations, OPEB funding, and overall risk. The Auditor ranked all 431 cities in California on each fiscal indicator, with 1 being the highest risk, and 431 the lowest risk.

As of FY 2020-21, the City of Vernon ranked 79 out of 431 cities (or 27 out of 130 cities in the Los Angeles region, which stretches from southern Orange County up to Ventura) and is considered to be at moderate financial risk. Previously, in FY 2016-17, the Auditor ranked Vernon as high risk due to challenges with General Fund reserves, a high debt burden, liquidity, and OPEB funding.

Vernon's current moderate risk status means that the State Auditor has determined the City has some risk of "experiencing financial distress" based on ten financial indicators. Two fiscal indicators, debt burden and OPEB funding, were ranked high risk by the state auditor. Two other fiscal indicators, general fund reserves and future pension costs, were ranked moderate risk. The final six fiscal indicators (liquidity, revenue trends, pension obligations, pension funding, pension costs, and OPEB obligations), were all ranked low risk.

SOI RECOMMENDATIONS

RSG's recommended determinations related to any potential Vernon Sphere of Influence amendments are presented by topic below.

1. Present and Planned Land Uses

Development growth is constrained under present land uses within the City's current boundary. In order to increase housing and the population of the community, Vernon is currently working to develop mixed-use zoning districts for the western part of the City on Santa Fe Avenue. These districts will be mixed-use to take advantage of lot sizes that are not optimal for single-family housing. Although the Plan is still in development, City staff project that this area could increase the population by approximately 2,500 people.

2. Present and Probable Need for Public Facilities and Services

While Vernon's storm drains, sewer infrastructure, and streets are in need of general upgrades across the City, City staff indicated that infrastructure has the capacity to take on residential growth. If the City's population continues to grow or Vernon expands its SOI, it will likely have to hire more police officers to cover more areas, and potentially increase its contract with the Los Angeles County Fire Department to provide additional staffing and equipment.

3. Present Capacity of Public Facilities

Currently, Vernon's storm drains, sewer infrastructure, and streets are in need of general upgrades. The City has the capacity and funding to implement repairs on an as-needed basis.

4. Social or Economic Communities of Interest

RSG did not identify any social or economic communities of interest.

5. Disadvantaged Unincorporated Community Present and Planned Need for Facilities and Services

Vernon's SOI includes two small uninhabited unincorporated areas. Neither of these areas are classified as DUCs. City staff have expressed that Vernon would be open to exploring whether annexation of these areas would be feasible for the City.

RSG recommends that LAFCO staff reconfirm Vernon's SOI to its current boundaries.

MSR DETERMINATIONS

Pursuant to Government Code Section 56430, the requisite CKH determinations for this MSR for Vernon are presented below:

1. Population and Growth

The City has grown significantly over the past decade and has grown faster than the County average. However, the population of Vernon continues to remain low at less than 300 residents. This poses a major threat to the City due to the limited availability of candidates to run for City Council.

While future population growth is currently projected to be slower, the City is actively working to increase the population both through exploring annexation options and through increasing housing stock. If these opportunities move forward, the population may grow much more rapidly. There are limited opportunities for growth within the current City boundaries, so the City will likely have to expand its SOI to ensure a sustainable population.

2. Disadvantaged Unincorporated Communities in SOI

The City SOI does not contain any DUCs. The City's SOI contains two LAFCO- identified unincorporated islands or pockets, both of which are uninhabited. The City as a whole qualifies as a disadvantaged community.

3. Present and Planned Capacity of Facilities

Vernon is in need of infrastructure (storm drain and sewer) upgrades across the City, but does not currently have the funding to implement large-scale infrastructure projects. The City is able to conduct routine repairs as needed.

4. Financial Ability to Provide Services

The City of Vernon experienced increases in General Fund revenues from 2018-19 through 2020-21. Expenditures decreased over the same period. However, from 2020-21 through 2022-23, Vernon's expenditures have increased, largely due to expenses for supplies/services and capital outlay. The City is considered to be at moderate financial risk by the State Auditor.

Vernon has taken steps to improve its financial position, most notably in dissolving its fire department and contracting with the CFPD. This step has helped Vernon reduce expenditures on salaries and benefits, and has also helped mitigate its pension liability.

5. Opportunities for Shared Facilities

Vernon is not considering opportunities for sharing facilities, infrastructure, or services in the future, and does not currently have any such arrangements with neighboring jurisdictions.

6. Accountability for Community Service Needs

The City Council is elected on an at-large basis. Vernon's website includes information about City Council meetings, public meetings, and other City services. The City streams City Council and Commission meetings online via its website and Youtube. The City is active on four social media platforms: Facebook, Twitter, Instagram, and Youtube.

The small population of Vernon poses a challenge to government accountability in the future due to the limited availability of candidates to run for City Council. As previously mentioned, the City is aware of this problem and is actively working to increase its population in order to ensure accountability in the future.

7. Any Other Matter Related to Effective or Efficient Service Delivery as Required by Commission Policy

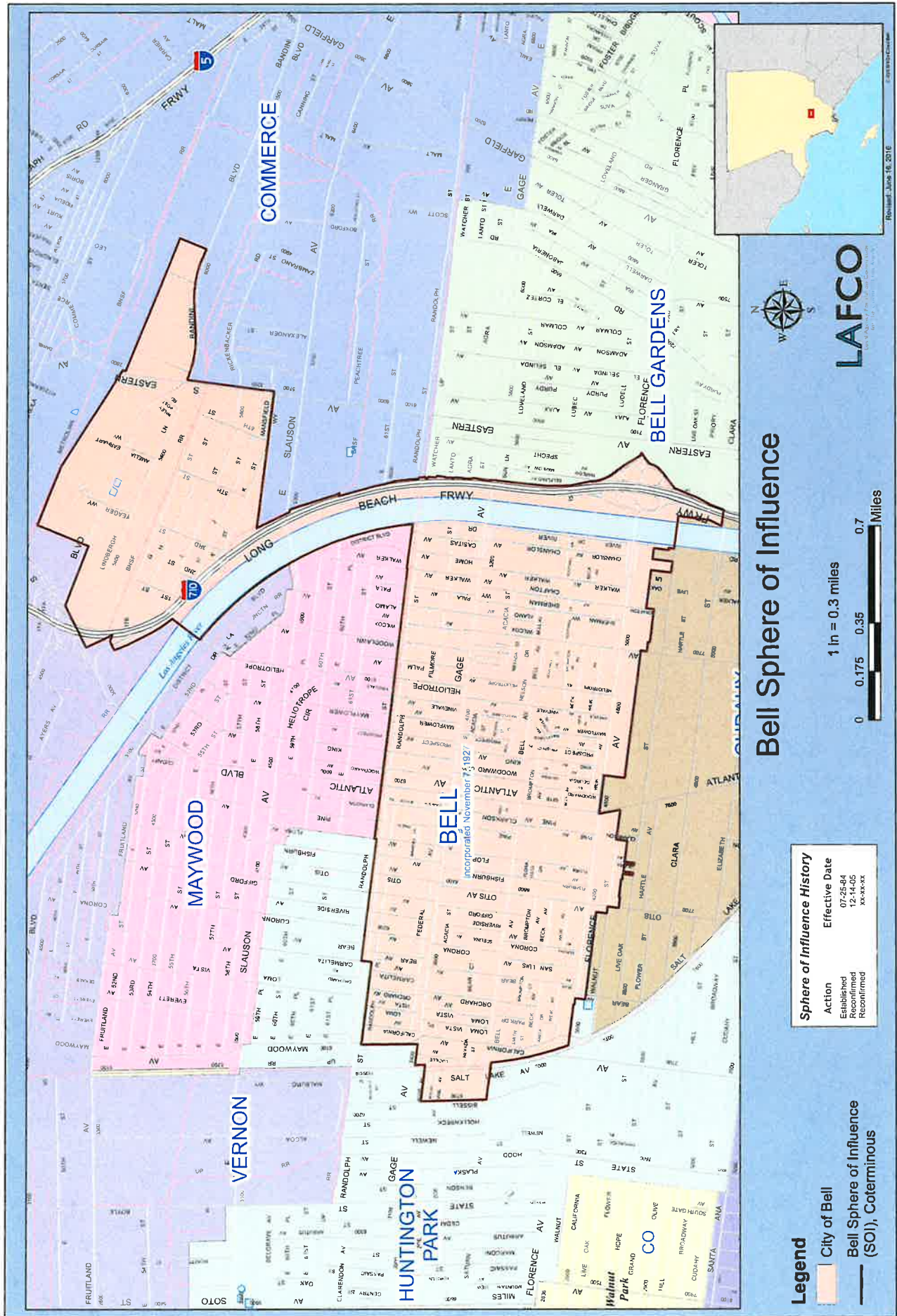
The City and LAFCO staff did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

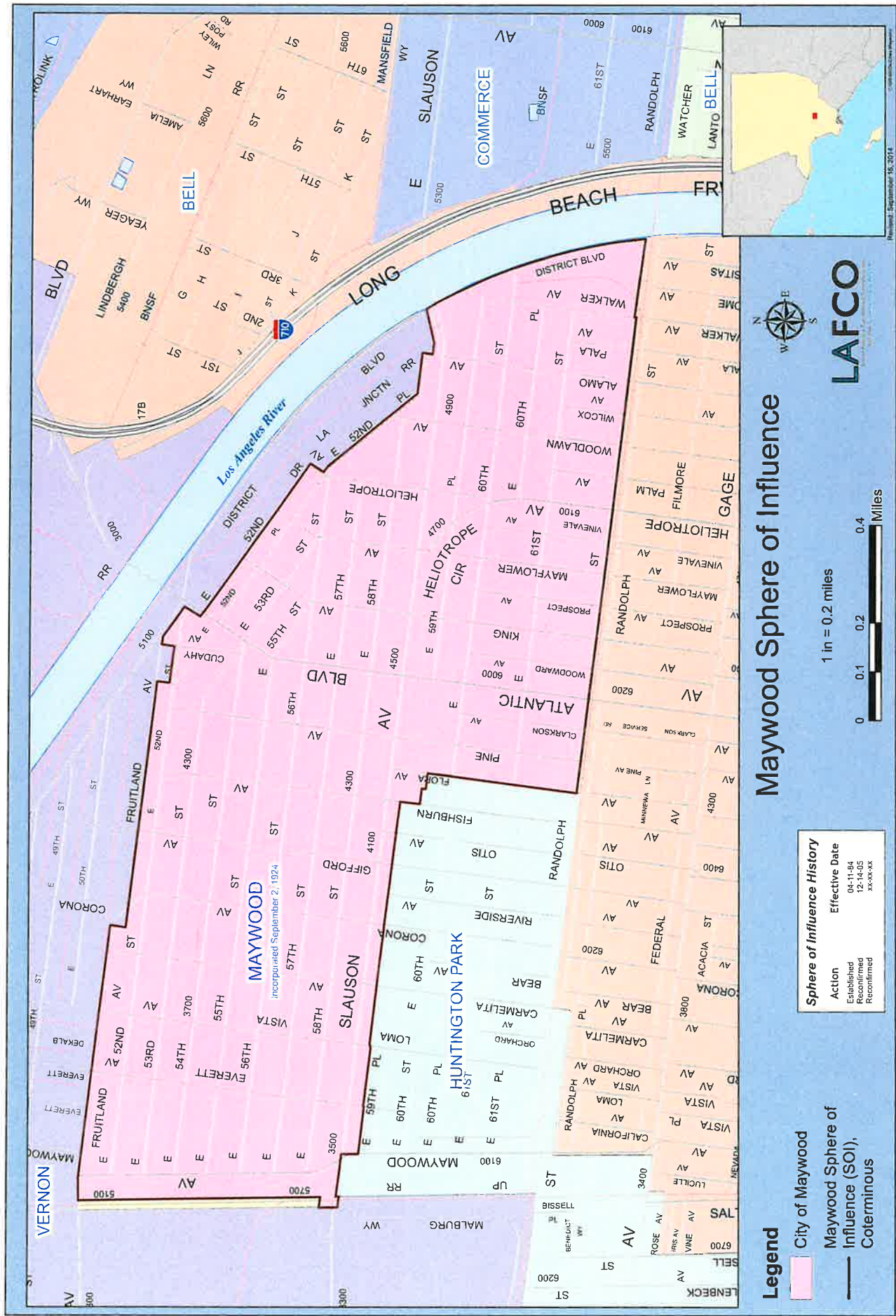
APPENDICES

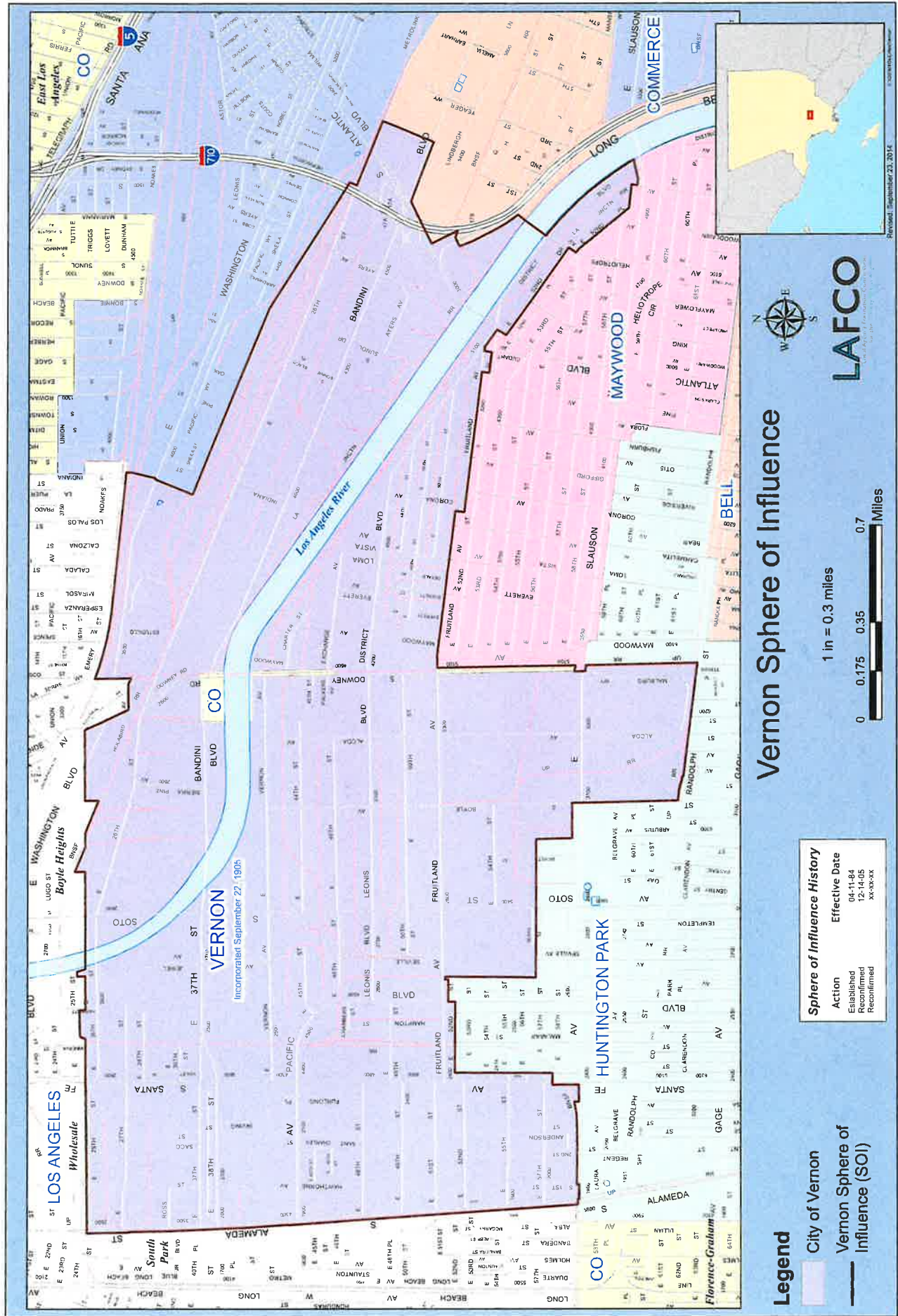
APPENDIX 1: VERNON SPHERE OF INFLUENCE











Staff Report

August 9, 2023

Agenda Item No. 9.a.

Alternate Public Member Vacancy Status Report

At the July 12, 2023 meeting, the Commission voted to reopen the application period for the Alternate Public Member vacancy and selected four of its members to serve on the Alternate Public Member Ad Hoc Committee. The committee is expected to meet sometime in October of this year.

All applicants are reinstated and were sent a letter on August 3rd, 2023, informing them that they did not need to reapply for the Los Angeles LAFCO Alternate Public Member position. In addition, the applicants were provided with the enclosed "Appointment Schedule".

Staff also conducted the following outreach:

- The Notice of Vacancy as enclosed was posted on the Commission's website on Thursday, August 3rd, 2023;
- A press notice was issued announcing the vacancy and distributed to media organizations by the County shortly after this staff report was completed;
- Copies of the Notice of Vacancy were emailed on Thursday, August 3rd, 2023 to representatives of:
 - The County of Los Angeles; the Cities, and Independent Special District in Los Angeles County;
 - Members of the Los Angeles City's Neighborhood Councils; and
 - The Southern Association of Governments (SCAG) and the regional Council of Governments (COGs).
- Copies of the Notice of Vacancy were sent via U.S. Mail on Thursday, August 3rd, 2023
 - Town Councils within the unincorporated territory; and
 - Chambers of Commerce
- A copy of the Notice of Vacancy was posted at all County libraries shortly after this staff report was completed.

The deadline to submit an application to the LAFCO office is **5:00 p.m. on Tuesday, October 3, 2023.**

Recommended Action:

1. Receive and file the Alternate Public Member Vacancy Status Report.

**Voting Members**

Donald Dear
Chair

Gerald McCallum
1st Vice-Chair

Margaret Finlay
2nd Vice-Chair

Kathryn Barger
John Lee
Robert Lewis
John Mirisch
Holly Mitchell
Francine Oschin

Alternate Members

Anthony Bell
Michael Davitt
Hilda Solis
Vacant
(City of Los Angeles)
Vacant
(Special District Member)
Vacant
(Public Member)

Staff

Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

Amber De La Torre
Doug Dorado
Adriana Flores
Taylor Morris
Alisha O'Brien

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626.204.6500
Fax: 626.204.6507

www.lalafco.org

LAFCO Alternate Public Member Vacancy**Appointment Schedule**

Thursday, August 3, 2023:

Post Notice of Vacancy and Application
Circulate the Notice of Vacancy for distribution.

Tuesday, October 3, 2023:

Applications are Due
By 5:00 p.m.

Wednesday, October 4, 2023:

Applications forwarded to Commissioners

TBD

Meeting of the Ad Hoc Committee
Initial screening of applicants will occur
Finalists will be selected for an interview

Wednesday, November 8, 2023:

Finalists Interviews
To occur during the Commission Meeting

Wednesday, December 13, 2023:
Or next available meeting date as determined by the Commission

Alternate Public Member Appointment
The Commission will appoint an Alternate Public Member

LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES

NOTICE OF VACANCY OF LAFCO ALTERNATE PUBLIC MEMBER

There is a vacancy for the office of Alternate Public Member of the Local Agency Formation Commission for the County of Los Angeles (LAFCO). Any vacancy in the membership of the Commission is filled by appointment by the body which originally appointed the member whose office has become vacant. The remaining term of office of the Alternate Public Member expires on May 1, 2024. Thereafter, the term of office is four (4) years, with no restrictions against the incumbent seeking re-appointment.

LAFCO is a State-mandated Commission charged with the responsibility to provide for the orderly formation and growth of cities and special districts. LAFCO consists of nine (9) regular members and six (6) alternate members. One regular member (and alternate member) represents the general public.

Pursuant to State law, LAFCO reviews and holds public hearings on proposals for boundary changes for 88 cities and 89 special districts in Los Angeles County. The Commission is also responsible for preparing and adopting municipal service reviews of the cities and special districts, and determining and periodically updating their spheres of influence.

The Commission consists of nine (9) regular members and six (6) alternate members, including representatives from the County of Los Angeles Board of Supervisors, the City of Los Angeles, the San Fernando Valley, and the other 87 cities, and the independent special districts in Los Angeles County. The Public Member is a regular member of the Commission and represents the general public. The Public Member and Alternate Public Member are appointed by the other members of the Commission. The Alternate Public Member serves and votes in place of the Public Member when the Public Member is absent or disqualified from participating in a meeting of the Commission.

The Commission meets once a month in downtown Los Angeles at the Kenneth Hahn Hall of Administration (500 West Temple Street). Members currently receive \$150 per meeting attended, plus mileage expenses for travel to and from meetings.

Prospective applicants must be a resident of Los Angeles County. No Public Member or Alternate Public Member shall be an officer or employee of the County of Los Angeles or serve on any city or special district within the territory of the County of Los Angeles. This restriction applies at the time of appointment, meaning that applicants whose application indicates an intent to resign or retire prior to final appointment from any prohibited office, employment, or appointment may still be considered by the Commission.

An application is available on the homepage of LAFCO's website (www.lalafco.org). The deadline to submit an application is 5:00 p.m. on Tuesday, October 3rd, 2023. Applications can be submitted in person, by U.S. mail or courier (LAFCO, 80 South Lake Avenue, Suite 870, Pasadena, California, 91101), or by e-mail to Alisha O'Brien (aobrien@lalafco.org). The office hours are Monday – Thursday, 9:00 a.m. to 5:00 p.m., closed Fridays and Holidays.

Should you have any questions, please contact Alisha O'Brien, LAFCO Government Analyst, at 626/204-6500.