

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

Public Review Draft - August 9, 2023

---



## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
Summary of Sphere of Influence Recommendations.....	1
Summary of Municipal Service Review Determinations.....	2
<b>BACKGROUND.....</b>	<b>3</b>
Legal Requirements and Purpose.....	3
LAFCO Responsibilities .....	3
Sphere of Influence .....	3
Disadvantaged Unincorporated Communities.....	5
Sphere of Influence Updates and LAFCO Policy .....	5
Municipal Service Review (MSR) Requirements.....	6
Previous MSR Determinations .....	7
Purpose of this MSR and Scope of Work.....	8
Methodology.....	8
<b>SERVICE REVIEW – CITY OF BELL .....</b>	<b>11</b>
Form of Government and Staffing.....	13
Current Sphere of Influence .....	14
Extraterritorial Services .....	15
Services Provided .....	15
Fiscal Health.....	24
Annual Audit Findings .....	24
Operating Revenues .....	26
Operating Expenditures .....	30
Performance Standards .....	31
Reserve Fund Balance.....	31
Pension and OPEB Obligations .....	32
California State Auditor Fiscal Health Evaluation.....	33
<b>SOI RECOMMENDATIONS.....</b>	<b>35</b>
<b>MSR DETERMINATIONS.....</b>	<b>37</b>
<b>APPENDICES .....</b>	<b>39</b>
Appendix 1: Bell Sphere of Influence .....	40
Appendix 2: City of Bell Organizational Chart .....	41

## TABLE OF FIGURES

Figure 1: Demographic Profile - Bell.....	11
Figure 2: Land Use Summary – Bell.....	13
Figure 3: Bell Service Provider Matrix .....	15
Figure 4: City of Bell Revenues 2020-21 .....	26
Figure 5: City of Bell Operating Revenue History .....	27
Figure 6: Bell General Tax Revenues as Compared to All California Cities.....	28
Figure 7: City of Bell Operating Expenditure History .....	30
Figure 8: Bell Pension and OPEB Liabilities.....	32
Figure 9: Bell Pension Indicators.....	33

## 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.<sup>1</sup> 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.<sup>2</sup>

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*

<sup>1</sup> Source: City of Bell Website

<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup> 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).<sup>5</sup>

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.<sup>6</sup> 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.

---

<sup>3</sup> Source: ESRI Business Analyst

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

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

<sup>6</sup> 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 6<sup>th</sup> 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.<sup>7</sup> City Councilmembers are elected to four-year terms.<sup>8</sup>

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.<sup>9</sup> Additionally, the City Council appoints a City Attorney, Community Services Commission, Planning Commission, and the members of all city commissions.<sup>10</sup> The City Clerk and City Treasurer are elected by the City's eligible voters.<sup>11</sup> 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.<sup>12</sup>

---

<sup>7</sup> Source: Bell Municipal Code Chapter 2.04 General Municipal Elections

<sup>8</sup> Source: Bell Municipal Code Chapter 2.04 City Council

<sup>9</sup> Source: Bell Municipal Code Chapter 2.08 Chief Administrative Officer

<sup>10</sup> Source: Bell Municipal Code Chapter 2.31 City Commissions Generally

<sup>11</sup> Source: Bell Municipal Code Chapter 2.12 City Clerk and City Treasurer

<sup>12</sup> 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.<sup>13</sup> 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.<sup>14</sup>

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.<sup>15</sup>

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.

---

<sup>13</sup> Source: California Department of Justice

<sup>14</sup> Source: City of Bell – Homeless Services Website

<sup>15</sup> 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.<sup>16</sup>

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

---

<sup>16</sup> 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.<sup>17</sup> 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

---

<sup>17</sup> 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”).<sup>18</sup> 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).<sup>19</sup> 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.

---

<sup>18</sup> Source: City of Bell 2022-23 Budget

<sup>19</sup> 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.<sup>20</sup>

### **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

---

<sup>20</sup> 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."

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 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
<b>Actual Revenues</b>			
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
<b>Total Revenues</b>	<b>14,504,858</b>	<b>15,214,014</b>	<b>15,906,977</b>
<b>Actual Expenditures</b>			
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
<b>Total Expenditures</b>	<b>15,945,259</b>	<b>17,284,548</b>	<b>15,871,891</b>
<b>Net Spending</b>	<b>(1,440,401)</b>	<b>(2,070,534)</b>	<b>35,086</b>

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
<b>Total Revenues</b>	<b>15,906,977</b>	<b>2,795,859</b>	<b>3,806,839</b>	<b>11,576,642</b>	<b>34,086,317</b>

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

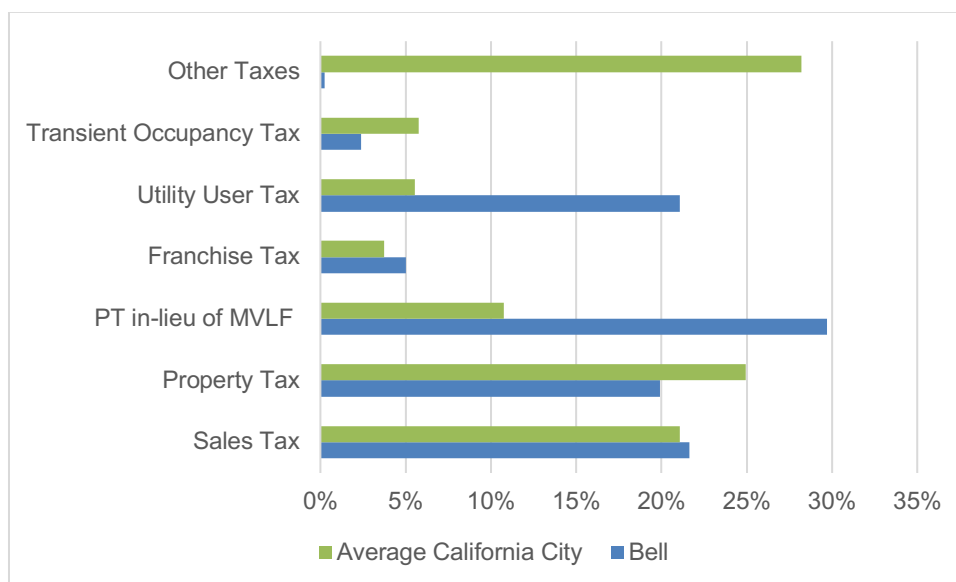
Revenues	2018-19	2019-20	2020-21
General Tax Revenues			
Sales Tax	\$2,612,453	\$2,639,765	\$3,185,706
Property Tax	2,908,996	2,934,486	2,934,362
Property Tax in-lieu of MVLF	3,961,866	4,290,192	4,376,321
Franchise Tax	731,312	753,458	740,334
Utility User Tax	2,755,157	2,919,668	3,103,444
Transient Occupancy Tax	459,268	364,612	350,111
Other Taxes	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
<b>Total Revenues</b>	<b>14,450,735</b>	<b>14,764,610</b>	<b>15,091,768</b>

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 Cities<sup>21</sup>



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.<sup>22</sup>

### 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.<sup>23</sup> Additionally, in FY

<sup>21</sup> Source: Bell ACFR, Statement of Activities; California SCO

<sup>22</sup> Source: City of Bell 2022-23 Budget

<sup>23</sup> 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.<sup>24</sup> 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.<sup>25</sup>

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.

---

<sup>24</sup> Source: City of Bell 2020-21 ACFR

<sup>25</sup> 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.<sup>26</sup>

## 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.

<sup>26</sup> 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
<b>Total Expenditures</b>	<b>28,006,020</b>	<b>28,074,172</b>	<b>29,204,291</b>

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.<sup>27</sup>

<sup>27</sup> 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	-	-	-
<b>Net OPEB Liability/(Surplus)</b>	<b>14,490,647</b>	<b>14,794,462</b>	<b>15,304,988</b>
Net Pension Liability/(Surplus)	\$38,509,944	\$41,133,835	\$28,970,629
<b>Net Benefit Liability/(Surplus)</b>	<b>53,000,591</b>	<b>55,928,297</b>	<b>44,275,617</b>

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 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.

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 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 (Figure 5) 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.

## APPENDICES

APPENDIX 1: BELL SPHERE OF INFLUENCE



APPENDIX 2: CITY OF BELL ORGANIZATIONAL CHART

ORGANIZATIONAL CHART

