

Local Agency Formation Commission for the County
of Los Angeles
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Municipal Service Review and Sphere of Influence Update

City of South El Monte

Public Review Draft – August 9, 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

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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

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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.

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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

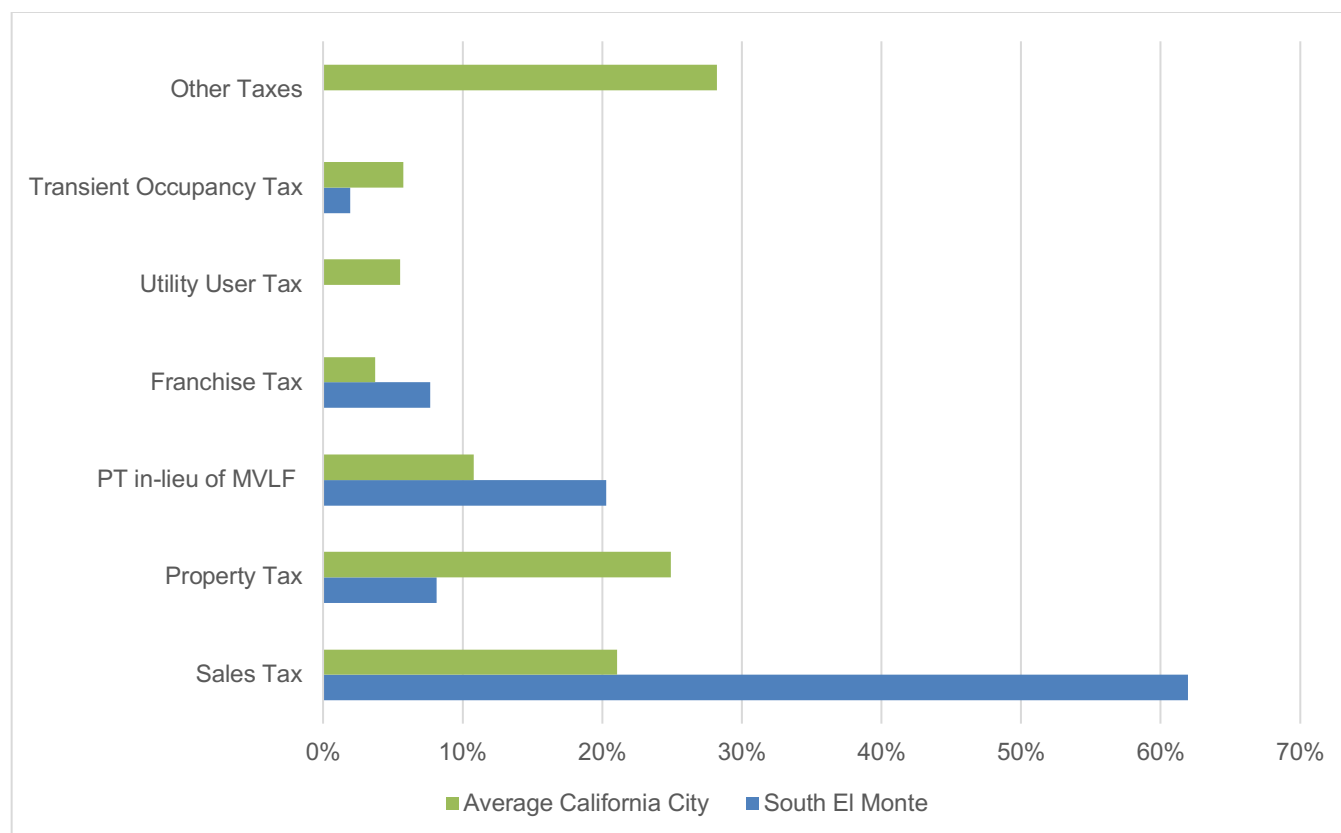
Revenues	2018-19	2019-20	2020-21
General Tax Revenues			
Sales Tax	\$7,545,803	\$7,343,638	\$8,487,635
Property Tax	1,035,976	1,696,431	1,114,424
Property Tax in-lieu of MVLF	2,481,572	2,638,576	2,776,579
Franchise Tax	890,867	973,919	1,050,379
Transient Occupancy Tax	288,383	236,442	268,482
Total General 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

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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

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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 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.

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

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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 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 DAC.

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 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.

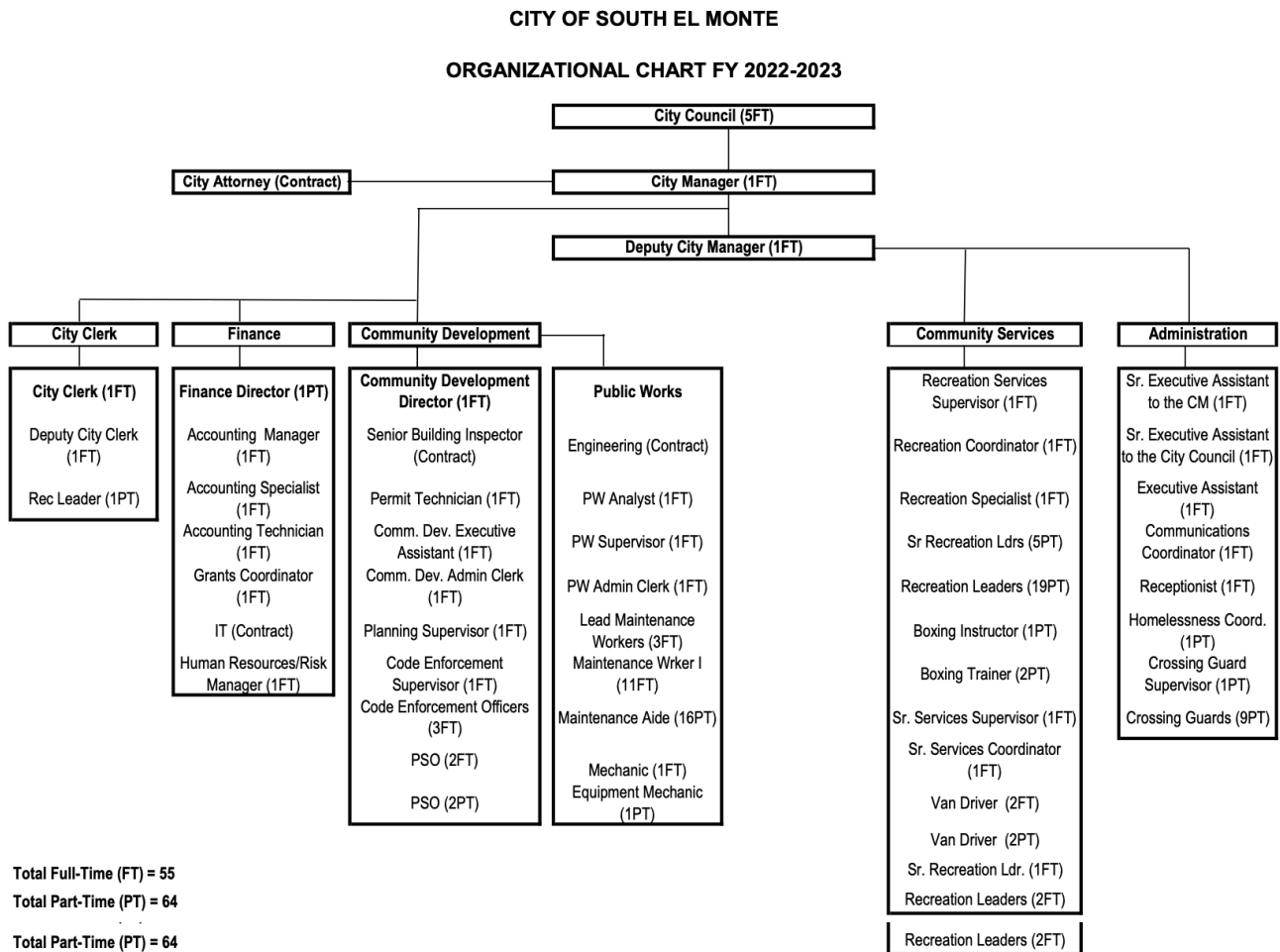
The City utilizes technology and social media to share information with the public effectively. RSG did not identify any issues with accountability in the City.

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

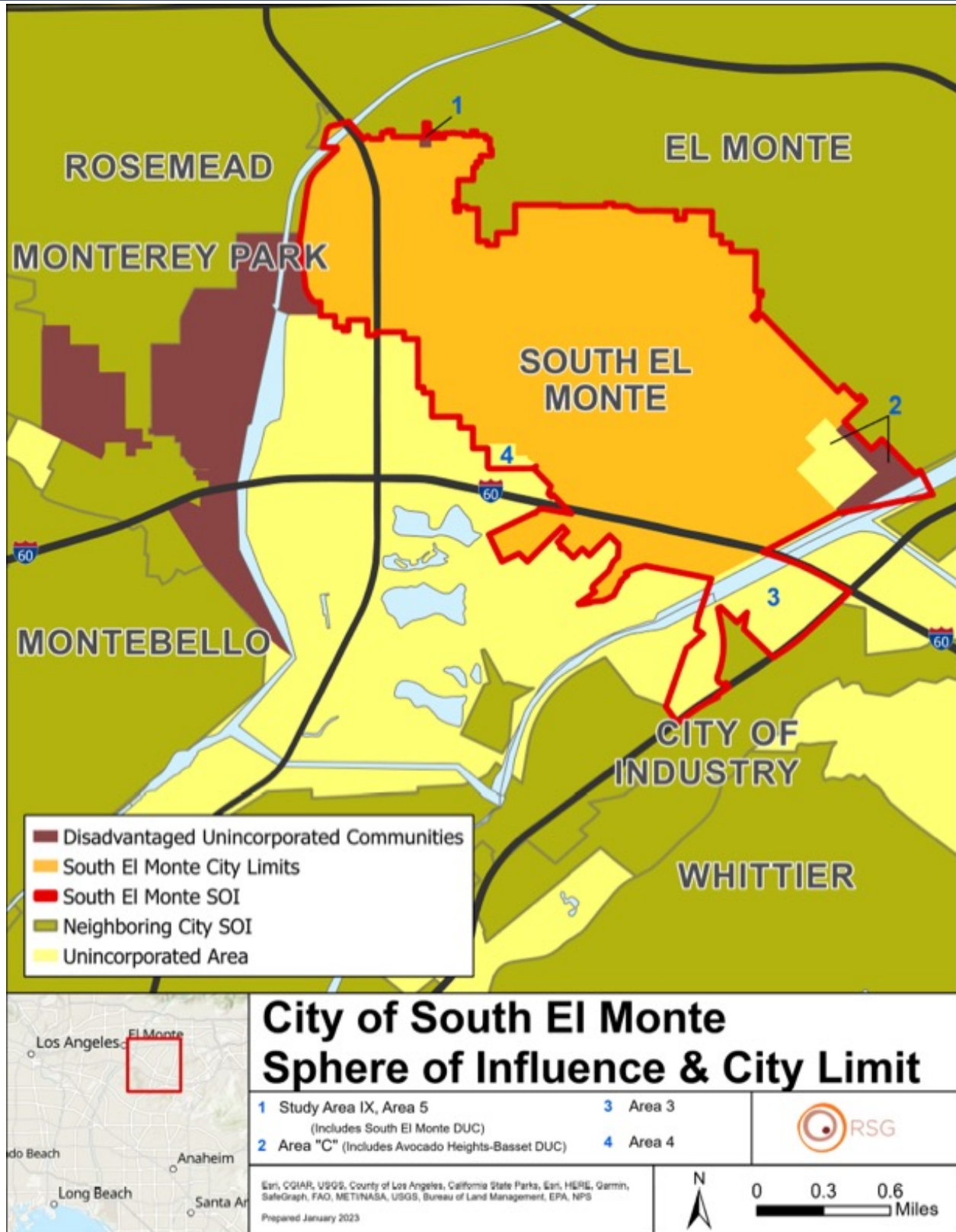
The City did not identify any other matters related to effective or efficient service delivery as required by LAFCO Policy.

APPENDICES

APPENDIX 1: CITY OF SOUTH EL MONTE ORGANIZATIONAL CHART



APPENDIX 2: SOUTH EL MONTE SPHERE OF INFLUENCE



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