AGENDA

REGULAR MEETING OF THE MAYWOOD CITY COUNCIL AND THE SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY

Maywood City Council Chambers
4319 E. Slauson Avenue, Maywood, CA 90270
Wednesday, January 23, 2019 at 7:00 p.m.

Rules of Decorum

"Members of the Public are advised that all ***ELECTRONIC DEVICES, CELLULAR TELEPHONES and any OTHER COMMUNICATION DEVICES are to be turned off*** *upon entering the City Council Chambers." If you need to have a discussion with someone in the audience,* kindly step out into the lobby.

Reglas de Comportamiento

"Al público en general se le avisa que todos los ***teléfonos celulares, pagers y demás aparatos de comunicación deben ser apagados*** *al entrar a la sala de audiencias del Consejo Municipal de la Ciudad."* Si usted necesita tener una conversación con alguien que está en la audiencia, amablemente le pedimos que salga del recinto y tenga su conversación en el vestíbulo de la sala de audiencias.

ROLL CALL:

Eduardo De La Riva, Mayor
Ricardo Lara, Mayor Pro Tem
Ramon Medina, Councilmember
Carlos Alvarez, Councilmember
Heber Marquez, Councilmember
Gloria Viramontes, City Treasurer
Gerardo Mayagoitia, City Clerk
Donald J. Wagner, Interim City Administrator
David Mango, Director of Building and Planning
Ofelia Mancera, Finance Director
Roxanne Diaz, Interim City Attorney

In order to address the Council, please complete a Public Comment Card.
No Public Comment Cards will be accepted after 7:15 p.m. Time allotted per speaker: 3 minutes.
No agenda item may be taken after 9:00 p.m. without a motion to extend time by the majority of Council present.

INVOCATION* AND PLEDGE OF ALLEGIANCE

**In permitting a nonsectarian invocation, the City does not intend to proselytize, advance, or disparage any faith or belief. Neither the City nor the City Council endorses any particular belief or form of invocation.*

COUNCIL MEMBERS' COMMENTS (3 MINUTES EACH)

PUBLIC PARTICIPATION (Agenda Items Only)

At this time speakers wishing to address the City Council on items on the agenda will be called upon in the order that the speaker card is received. The maximum time allotted for individuals to speak shall not exceed three (3) minutes.

PRESENTATION(S)

PUBLIC HEARING

CONSENT CALENDAR

1. Minutes for 01/09/19 Council Meeting.

2. Resolution of the City Council of the City of Maywood and Successor Agency to the Maywood Community Redevelopment Agency Approving Prepaid Warrants and Payroll.

3. Receive and file the Mid-Year Budget Report for FY2018/19; Approve the Budget Amendments; and Position and Pay Schedule in accordance with California Public Employee's Retirement Law (CalPERS) § 570.5

DISCUSSION/ACTION ITEMS

4. A discussion and possible action of the City Council regarding the setting of a special tax rate not to exceed ten percent (10%) of gross receipts for all for commercial cannabis activities conducted in the City per the voter approved measure CT of November 2018.

CLOSED SESSION

PUBLIC PARTICIPATION (Non-Agenda Items)

At this time speakers wishing to address the City Council on an item not on the agenda will be called upon in the order that the speaker card is received. The maximum time allotted for individuals to speak shall not exceed three (3) minutes.

ADJOURNMENT - The next Regular Meeting of the Maywood City Council is on February 13, 2019.

PUBLIC ACCESS TO CITY COUNCIL MEETING AGENDA AND AGENDA PACKETS

I, G Padilla, Gerardo Mayagoitia, City Clerk or Guillermo Padilla, Deputy City Clerk, hereby certify that this agenda was duly posted by law at 4319 E. Slauson Avenue, Maywood, CA 90270 and the City Website. Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the Maywood City Hall, 4319 E. Slauson Avenue, Maywood CA 90270. If you challenge in court any discussion or action taken concerning an item on this Agenda, you may be limited to rising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting. In compliance with the ADA, if you need special assistance for the meeting, call (323) 562-5714 within 72 hours prior to the meeting so the City can make reasonable arrangements to ensure ♿ accessibility.

COUNCIL AGENDA

ITEM No. 1

January 9, 2019

MINUTES OF THE REGULAR MEETING
OF THE MAYWOOD CITY COUNCIL HELD IN THE COUNCIL CHAMBERS,
4319 EAST SLAUSON AVENUE, MAYWOOD, CALIFORNIA

Mayor opened the meeting at approximately 6:00 p.m.

ROLL CALL:

Eduardo De La Riva, Mayor
Ricardo Lara, Mayor Pro Tem
Carlos Alvarez, Councilmember
Heber Marquez, Councilmember
Ramon Medina, Councilmember
Interim City Administrator, Donald J. Wagner
Director of Building and Planning, David Mango
Director of Finance, Ofelia Mancera
Interim City Attorney, Roxanne Diaz
City Clerk, Gerardo Mayagoitia
Deputy City Clerk, Guillermo Padilla
Gloria Viramontes, City Treasurer (Absent)

COUNCIL MEMBERS' COMMENTS (3 MINUTES EACH)

PUBLIC PARTICIPATION (Agenda Items Only)

At this time speakers wishing to address the City Council on items on the agenda will be called upon in the order that the speaker card is received. The maximum time allotted for individuals to speak shall not exceed three (3) minutes.

PUBLIC HEARING

1. A public hearing for the proposed uses of the Community Development Block Grant Allocation for Fiscal Year 2019-2020. **Motion by Medina. Second by Lara. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

CONSENT CALENDAR

2. Minutes for 12/12/18 Council Meeting. **Motion by Alvarez. Second by Marquez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

3. Resolution of the City Council of the City of Maywood and Successor Agency to the Maywood Community Redevelopment Agency Approving Prepaid Warrants and Payroll. **Motion by Medina. Second by Alvarez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

4. Receive and file revenue report for December 2018. **Motion by Alvarez. Second by Marquez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

5. A Resolution of the Successor to the Maywood Community Redevelopment Agency approving the Recognized Obligation Payment Schedule (ROPS 19-20) and the Administrative Budget for the period July 1, 2019 through June 30, 2020; and authorizing staff to forward the ROPS 19-20 and Administrative Budget to Los Angeles County First Supervisorial District Consolidated Oversight Board for approval. **Motion by Alvarez. Second by Marquez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

6. Amendment to the adoption of GANN appropriations limit for Fiscal Years 2013/14, 14/15, 16/17 and 18/19. **Motion by Alvarez. Second by Marquez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

DISCUSSION/ACTION ITEMS

7. Obtain authorization to advertise a Request for Proposal (RFP) for a street (including pavement and concrete) maintenance contractor. **Motion by Lara. Second by Alvarez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

8. Obtain authorization to advertise a Request for Proposal (RFP) for a street striping maintenance contractor. **Motion by Lara. Second by Alvarez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

9. Obtain authorization to advertise a Request for Proposal (RFP) for a street sign purchasing and installation services contractor. **Motion by Lara. Second by Alvarez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

10. Obtain approval for change order for the Sewer Replacement Project in the amount of $36,336.59. **Motion by Alvarez. Second by Lara. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

11. Resolution of the City Council, City of Maywood, setting a special tax rate of six percent (6%) for commercial cannabis activity in the City. **CONTINUED**

12. Consideration of the City Administrator Recruitment Process. **Motion by Alvarez. Second by Lara. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

13. Consideration of the City Attorney Recruitment Process. **Motion by Lara. Second by Marquez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES.** The Interim City Attorney left the room during the discussion and action of this item.

14. Resolution amending the time for regular City Council meetings to the hour of 7:00 p.m. **Motion by Lara. Second by Marquez. AYES: Alvarez, De La Riva, Marquez, Medina and Lara. PASSES**

CLOSED SESSION

1. Public Employment pursuant to Government Code Section 54957; Title: City Attorney. **The Interim City Attorney did not participate in this item.**

2. Public Employment pursuant to Government Code Section 54957; Title: City Administrator

3. Conference with Labor Negotiator pursuant to Government Code Section 54957.6; City Negotiator: Donald Wagner, Interim City Administrator and Roxanne Diaz, Interim City Attorney; Unrepresented Employee: City Administrator

4. Conference with Legal Counsel, Existing Litigation, Government Code Section 54956.9(d)(1); Young Men's Christian Association of Metropolitan Los Angeles v. City of Maywood, Los Angeles County Superior Court Case No. VC066796

5. Conference wth Legal Counsel, Existing Litigation, Government Code Section 54956.9(d)(1); Rose Vasquez v. City of Maywood, et. al., Los Angeles County Superior Court Case No. BC710399

6. Conference with Legal Counsel, Existing Litigation, Government Code Section 54956.9(d)(1); DTLA Investments LLC v. City of Maywood, Los Angeles County Superior Court Case No. BC628555

7. Conference with Legal Counsel, Existing Litigation, Government Code Section 54956.9(d)(1); Gustavo Pantoja et al. vs. Consolidated Disposal Services LLC, Los Angeles County Superior Court Case No. BC697244 and City of Maywood vs. Consolidated Disposal Services LLC, et al., Los Angeles County Superior Court Case No. BC697218

The Interim City Attorney announced that there was no reportable action for items 2 through 7 nor was there a reportable action for item 1 as indicated by the Interim City Administrator.

ADJOURNMENT Meeting adjourned at approximately 9:43p.m. Next Regular Meeting of the Maywood City Council is on January 23, 2019 at 7:00pm

Eduardo De La Riva, Mayor

ATTEST:

(PA) E. Padilla

Gerardo Mayagoitia, City Clerk

RESOLUTION NO. 6009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD AND SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY APPROVING THE WARRANTS FOR PAYMENT

WHEREAS, the following listed demands have been audited by the Director of Finance, and

WHEREAS, the Director of Finance has certified to the accuracy and availability of funds for payment thereof, and

WHEREAS, the register of audited demands is hereby submitted to the City Council of the City of Maywood and Successor Agency to the Maywood Community Redevelopment Agency for approval.

NOW, THEREFORE, BE IT RESOLVED, that the listed Warrants and Wire Transfers/ACH Transactions for $1,124,418.87 are hereby ratified:

- Exhibit A – Summary of Warrants and Wire Transfers/ACH Transactions
- Exhibit B – Detail of Warrants

PASSED, APPROVED AND ADOPTED THIS 23rd day of January, 2019.

Eduardo De La Riva, Mayor

ATTEST:

(PA)

Gerardo Mayagoitia, City Clerk

APPROVED AS TO FORM:

for **Roxanne Diaz, Interim City Attorney**

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF MAYWOOD)

I, Gerardo Mayagoitia, City Clerk of the City Council of the City of Maywood, do hereby certify that foregoing Resolution No. 6009 was duly passed and adopted by the City Council of the City of Maywood, at a regular meeting of the City Council held on the 23rd of January, 2019 by the following roll call vote, to wit:

AYES:

NAYES:

ABSENT:

ABSTAINED:

(PA) G Padilla

Gerardo Mayagoitia, City Clerk

EXHIBIT A

City of Maywood
Summary Warrants for Payment and Wire Transfers/ACH Transactions
Council Meeting Date
Wednesday, January 23, 2019

Accounts Payable

			Amount
Accounts Payable prepaid warrants for payment:	Checks No. 085603 - 085620		$ 27,191.71
Accounts Payable regular warrants for payment:	Checks No. 085621 - 085651		$ 937,026.58
		Sub-total	$ 964,218.29

Wire Transfers/ACH Transactions

01/04/18	ADP Payroll Fees		$ 214.06
01/04/19	Lease Payment for Front Counter Cash Registers - Jan 2019		$ 129.57
01/08/19	CalPERS Unfunded Liability Payment Plan - Safety & Misc. Employees		$ 98,089.77
01/08/19	CalPERS Health Premium - Jan 2019		$ 26,968.15
01/08/19	CalPERS for Employer Contribution - Pay Period 12/09/18-12/22/18		$ 4,975.69
01/08/19	CalPERS Replacement Benefit Contribution, RBP		$ 402.24
01/10/19	CalPERS for Employer Contribution - Pay Period 12/23/18-01/05/19		$ 4,725.99
01/14/19	California Joint Powers Insurance Authority (CJPIA) repayment plan agreement Dec 2018		$ 12,000.00
01/15/19	Analysis Service Charge		$ 695.11
01/16/19	California Joint Powers Insurance Authority (CJPIA) repayment plan agreement Jan 2019		$ 12,000.00
		Sub-total	$ 160,200.58
		Total Demands	**$ 1,124,418.87**

EXHIBIT B

City of Maywood
Detail Warrants for Payment
Warrants No. 085603 to 085651

Check No.	Prepaids	Date	Vendor Name	Check Amt	Transaction Description
085603	P	1/4/2019	City of Vernon	129.32	Acct#413 Slauson & Downey 10/03/18-11/01/18 Acct#414 Sluason & Downey 10/09/18-11/07/18
085604	P	1/16/2019	California Association of Code Enforcement Officers	620.00	Associate Membership Dues Code Enforcement M-1 Academy Conference Code Enforcement April 2019
085605	P	1/16/2019	Dewey Pest Control	92.00	January 2019 Pest Control City Hall
085606	P	1/16/2019	Dunbar Armored Inc	345.86	January 2019 Cash Handling Service
085607	P	1/16/2019	EduCODE Registrar, International Code Council, Inc	400.00	Building & Planning Code Enforcement Semimar Registration
085608	P	1/16/2019	Maywood Mutual Water No.1	854.51	3530 E. Slauson Ave. 10/23/2018-12/18/2018 3630 E. Slauson Ave. 10/23/2018-12/18/2018 3728 E. Slauson Ave. 10/23/2018-12/18/2018 4400 E. Slauson Ave. 10/23/2018-12/18/2018 5921 Atlantic Ave. 10/23/2018-12/18/2018 5961 Atlantic Ave. 10/23/2018-12/18/2018 6027 Atlantic Ave. 10/23/2018-12/18/2018 6135 Atlantic Ave. 10/23/2018-12/18/2018
085609	P	1/16/2019	Maywood Mutual Water Co. No.2	859.48	3409 E. Slauson Ave. 11/01/18-01/01/19 3626 E. 56th St/Pixley Pk 11/01/18-01/01/19 4301 E. Slauson Ave. 11/01/18-01/01/19 4321 E. Slauson Ave. 11/01/18-01/01/19 5313 Pine Ave. 11/01/18-01/01/19 5515 Maywood Ave. 11/01/18-01/01/19 City Hall 11/01/18-01/01/19
085610	P	1/16/2019	Maywood Mutual Water No.3	3,242.80	4618 Slauson Ave 10-24-2018 to 12-14-2018 4800 Slauson Ave 10-23-2018 to 12-14-2018 5316 Atlantic Meridian 10-24-2018 to 12-17-2018 5600 Heliotrope Ave 10-24-2018 to 12-17-2018 58th Street Maywood Park 10-25-2018 to 12-14-2018 5950 Riverfront 12-01-2018 to 12-31-2018
085611	P	1/16/2019	OnTrac	26.03	Document Shipping/Delivery Service: Building & Planning
085612	P	1/16/2019	Preferred Benefit Insurance Administrators, Inc.	2,114.60	Dental & Vision Insurance: January 2019
085613	P	1/16/2019	Silvia Legaspi	880.00	Temporary Janitorial Service: City Hall & Sheriff's Substation December 2018 & January 2019
085614	P	1/16/2019	Southern California Edison	15,346.22	Various Locations 11-21-2018 to 12-24-2018
085615	P	1/16/2019	Sprint	662.36	Cell Phone Service 10/24/18-12/23/18

City of Maywood
Detail Warrants for Payment
Warrants No. 085603 to 085651

Check No.	Prepaids	Date	Vendor Name	Check Amt	Transaction Description
085616	P	1/16/2019	The Gas Company	149.98	4317 Slauson Ave. (12-07-2018 - 01-09-2019) 4319 Slauson Ave. (12-07-2018 - 01-09-2019) 4323 Slauson Ave. (12-07-2018 - 01-09-2019)
085617	P	1/16/2019	Time Warner Cable	627.68	Internet & Phone Service January 2019
085618	P	1/16/2019	City of Vernon	139.63	Acct#413 Slauson & Downey 11/01/18-12/04/18 Acct#414 Slauson & Downey 11/07/18-12/10/18
085619	P	1/16/2019	Xerox	350.84	December 2018 Base Charge and Printing Fee
085620	P	1/16/2019	Xerox Financial Services	197.10	Copier Lease: 12-15-2018 - 01-14-2019 Front Counter
085620	P	1/16/2019	Xerox Financial Services	153.30	Copier Lease: 12-22-2018 - 01-21-2019 Finance Department
085621		1/17/2019	Robert Half Company International / Accountemps	1,182.99	Temp Labor: Business License Renewal Assistant
085622		1/17/2019	All American Asphalt	65,176.66	Per City Approved Contract Change Order #1-Slury Seal Project Pine Avenue/56th Street Per City Approved Contract 60th & Heliotrope Roundabout Project Retention
085623		1/17/2019	American Elevator Co	190.00	City Hall Elevator Maintenance: December 2018 YMCA Elevator Maintenance: December 2018
085624		1/17/2019	American Guard Services, Inc.	3,399.21	Crossing Guard Services-December 2018
085625		1/17/2019	Bartel Associates, LLC	1,575.00	GASB 68 Report FY 18-19 (Accounting)
085626		1/17/2019	California Consulting, Inc.	3,000.00	Grant Writing Services January 2018
085627		1/17/2019	CoreLogic Solutions, LLC.	150.00	Property Finder December 2018
085628		1/17/2019	Daily Journal Corporation	546.00	Publication of Official Notices
085629		1/17/2019	Diana Cho & Associates	1,615.00	CDBG Consulting December 2018 - Sewer Repair Project CDBG Consulting December 2018 Code Enfocement Project Administration
085630		1/17/2019	George Hill Company	695.20	City Claims/Adjuster Services December 2018
085631		1/17/2019	Hinderliter, de Llamas & Assoc.	9,800.00	Cannabis Management Service

City of Maywood
Detail Warrants for Payment
Warrants No. 085603 to 085651

Check No.	Prepaids	Date	Vendor Name	Check Amt	Transaction Description
085632		1/17/2019	Interwest Consulting Group	78,264.66	Building & Safety Plan Review Services November 2018 Professional Services for November 2018 Building Inspection City Engineering Services: December 2018 -Fund 01 General $1,539.66 -Fund 04 Gas Tax $22,127.75 -Fund 10 Proposition C $255.00 -Fund 13 STPL $5,397.50 -Fund 16 CDBG $22,693.50 -Fund 19 Eco Transit $700.00 -Fund 30 SB1 $9,672.50 -Fund 35 Sewer Enterprise $13,231.25 -Fund 62 Street Lighting $2,647.50
085633		1/17/2019	Los Angeles Regional Food Bank	150.00	Mobile Food Pantry December 2018 - Delivery Fee
085634		1/17/2019	Mail Finance	1,323.03	Postage Machine Lease: October 2018 - April 2019
085635		1/17/2019	Mapcon Technologies, Inc.	73.00	Mapcon Building and Planning Software
085636		1/17/2019	Metro Transit Services	32,724.99	Public Transportation Services Express & Dial-A-Ride December 2018
085637		1/17/2019	Municipal Waste Solutions	5,400.00	December 2018 Waste & Recycling Consulting Overage February 2019 Waste & Recycling Consulting
085638		1/17/2019	National Plant Services, Inc.	3,600.00	Hydro Excavation Pothole Heliotrope & Randolph
085639		1/17/2019	Onyx Architects	1,646.50	Maywood Resource Center Program & Budget Design Package
085640		1/17/2019	Pacheco & Neach PC	22,872.90	January 2019 to February 2019 Retainer: CDS Legal Services
085641		1/17/2019	QDoxs	58.04	Copier Base Charge: 01/01/2019 - 01/31/2019
085642		1/17/2019	Sheriff's Department	362,514.71	Public Safety Services: 12-01-2018 to 12-31-2018
085643		1/17/2019	Siemens Industry, Inc	206,982.76	Per City Approved Contract Street Light LED Conversion LS-2 Street Light Reponse Slauson & Malburg-Downey Loop
085644		1/17/2019	Staples Business Advantage	364.43	Office Supplies
085645		1/17/2019	Total Funds	989.98	Postage Machine

City of Maywood
Detail Warrants for Payment
Warrants No. 085603 to 085651

Check No.	Prepaids	Date	Vendor Name	Check Amt	Transaction Description
085646		1/17/2019	U.S. Bank Corporate Payment System	1,496.09	Credit Card Expense -Custodian Supplies -Staples Office Supplies -Costco Meetings & Confernce Supplies -GFOA-Registration Fee Annual GAAP Conference
085647			VOID	0.00	
085648			VOID	0.00	
085649		1/17/2019	U.S. Bank Operations Center	94,018.12	2008 Lease Revenue Bond - Interest
085650		1/17/2019	U.S. Bank Operations Center	2,750.00	Annual Trustees Fees
085651		1/17/2019	V & M Iron Works	34,467.31	City Hall & Library Maintenance & Repair September 2018 - $2,428.38 Park Maintenance September 2018 (Riverfront Park Included) - $16,929.26 Street Maintenance September 2018 - $15,109.67

TOTAL: **$964,218.29**

COUNCIL AGENDA

ITEM No. 3

STAFF REPORT
CITY OF MAYWOOD

DATE: JANUARY 23, 2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: DONALD J. WAGNER, INTERIM CITY ADMINISTRATOR DJW

BY: OFELIA MANCERA, FINANCE DIRECTOR OM

SUBJECT: RECEIVE AND FILE THE MID-YEAR BUDGET REPORT FOR FY 2018/19; APPROVE THE BUDGET AMENDMENTS; AND POSITION AND PAY SCHEDULE IN ACCORDANCE WITH CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT LAW (CALPERS) § 570.5.

RECOMENDATION

Staff recommends that the City Council approve the Fiscal Year 2018-2019 Mid-Year Budget Report; appropriate a total of $2,012,384 which includes $207,085 from the General Fund, $670,887 from the Sewer Fund and $1,134,412 from the Special Revenues Funds to cover unanticipated Capital Improvement Projects (CIP) costs; approve the revised Fiscal Year 2018-2019 Personnel Position Schedule; and approve the Salay Schedule in accordance with CalPERS Title 2 California Code of Regulation (CCR), § 570.5.

FISCAL IMPACT

The Fiscal Year 2018-2019 Mid-Year recommended budget update has a fiscal impact of $2,012,384, with budget amendments requested as follows:

- General Fund increase of $207,085 or 2% from adopted
- Enterprise (Sewer) Fund increase of $670,887 or 241% from adopted
- Special Revenue Fund increase of $1,134,412 or 13% from adopted

Adopting the proposed mid-year budget amendment will result in a June 30, 2019 available General Fund balance of $2,067,689, which is an increase $546,790 or 36% from adopted ending fund balance of $1,520,899. There is no fiscal impact on the Salary Schedule or the Adopted Personnel Position List because proposed reclassifications of positions titles listed are within the adopted Salary Schedule. CalPERS regulations requires a Salary Schedule to be adopted with salary rates falling within the resolution Salary Schedule.

FY 2018-19 Mid Year Amendment
Budget Fiscal Year 2018-2019

General Fund				
	Current Budget	Mid Year Revisions	Amended Budget	%Age Change
Beginning Fund Balance	$ 2,016,534	$ 344,701	$ 2,361,235	17%
Revenues	9,671,479	337,633	10,009,112	3%
Expenditures	(10,167,114)	(207,085)	(10,374,199)	2%
Transfers-In	398,106	545,657	943,763	137%
Transfers-Out	(398,106)	(474,115)	(872,221)	119%
Ending Projected Fund Balance	$ 1,520,899	$ 546,790	$ 2,067,689	36%

Sewer Fund				
	Current Budget	Mid Year Revisions	Amended Budget	%Age Change
Beginning Fund Balance			$ -	0%
Revenues	295,000	(11,000)	284,000	-4%
Expenditures	(278,600)	(670,887)	(949,487)	241%
Transfers-In	-	665,487	665,487	0%
Transfers-Out	-		-	0%
Ending Projected Fund Balance	$ 16,400	$ (16,400)	$ -	-100%

Special Revenue Fund				
	Current Budget	Mid Year Revisions	Amended Budget	%Age Change
Beginning Fund Balance	$ 9,250,082	$ (107,979)	$ 9,142,103	-1%
Revenues	5,066,410	194,241	5,260,651	4%
Expenditures	(8,559,858)	(1,134,412)	(9,694,270)	13%
Transfers-In	-	-	-	0%
Transfers-Out	-	(737,029)	(737,029)	0%
Ending Projected Fund Balance	$ 5,756,634	$ (1,785,179)	$ 3,971,455	-31%

BACKGROUND

It is the policy of the City Council to receive periodic financial updates reports on the results of City operations and to adjust estimated revenues and expenditures appropriations as necessary. A budgetary status and recommendation for the City's General Fund, Sewer Fund and Special Revenue Funds are included in this report.

Budget modifications recommended in this report represents management's assessment of funding levels necessary to assure current capital improvement projects and maintenance of efficient and effective service delivery to the community are achieved for the remainder of Fiscal Year 2018-19. This Mid-Year Report is a high-level view of revenues and expenditures at mid-year. It does not involve a discussion of line-item expenditures and revenues. It updates the City Council on the financial position for the current fiscal year and makes a recommendation for adjustment as necessary based on changed needs or priorities.

As shown by Attachment A, as of November 30, 2019, the City has received 25% or $2,374,265 of the adopted $9,671,4769 Revenues Budget and has exercised $42% or $ 4,249,363 of the Adopted Expenditures budget. These percentages are within the range of expected YTD totals.

DISCUSSION

The City's Mid-Year Report allows the Council to take a broader look at the City's financial picture at the mid-point of the fiscal year. The report provides:

1. An update to the beginning fund balance projections based on actual results.

2. An analysis of revenue trends since adoption of the FY 18/19 Budget, and revision of revenue and ending fund balance projections accordingly.

3. An update on the status of current Capital Improvement Plan (CIP) projects.

4. Identification of any budget adjustments that require Council action, and recommendations for supplemental budget adjustments or other routine budget line item changes that do not have significant policy impacts and will not affect budgeted fund balances.

The Mid-Year Report shows that City remains financially sound; maintaining a positive fund balance in fiscal year 18/19, which includes a $546,790 or 36% increase from adopted $1,520,899. This increase includes a prior multi-year adjustment resulting in a transfer from the Successor Agency Fund of $545,657.

All Funds Reviewed

Actual revenues and expenditures for all funds have been reviewed and analyzed for necessary budget adjustments. After reviewing the City's financial results from fiscal year 17/18 and analyzing the current fiscal year-to-date revenue and expenditure trends, staff applied its best and most prudent professional judgement to confirm the revenue and expenditure projections for the rest of the fiscal year. Throughout the fiscal year, the City Council may approve budget amendments due to unexpected financial events at the time the budget adoption.

General Fund Summary (Attachment B)

The following points highlight major changes that have been made to the original General Fund revenue and expenditure projections compared to the adopted 2018/19 budget:

Revenues: The revised budget shows a $337,633 or 3% increase in general fund revenues. This amount represents a combination of the following:

- Increase on Utility Users Tax (UUT)and Transient Occupancy Tax collections
- Increase on Cannabis Permit fees collections
- Decrease on Cannabis Production Fees

Expenditures: The revised budget shows a $207,085 or 2% increase in general fund expenditures. This amount is primarily composed of the following:

- Cal-Recycle compliance fine
- Increase on previsions for Settlements and contractual services
- Workers Compensation Audit

Enterprise (Sewer) Fund Summary (Attachment B)

The following points highlight major changes that have been made to the original Sewer Fund revenue and expenditure projections compared to the adopted 2018/19 budget:

Revenues: The revised budget shows a $11,000 or 4% decrease in Sewer fund revenues to remove parcels belonging to Maywood and the US government.

Expenditures: The revised budget shows a $670,887 or 241% increase in enterprise fund expenditures, which corresponds entirely to the Sewer capital projects program.

Special Revenue Fund Summary (Attachment B)

The following points highlight major changes that have been made to the original Special Revenue Funds revenue and expenditure projections compared to the adopted 2018/19 budget:

Revenues: The revised budget shows a $194,241 or 4% increase in special revenue fund revenues. Of this amount:

- $156,000 corresponds to CDBG funds available for sewer projects.

Expenditures: The revised budget shows a $1.13 million or 13% increase in special revenue fund expenditures. Of this amount:

- $0.4 million is for Capital Projects funded by Gas Tax
- $ 0.34 million is for Prop A exchange
- $ 0.14 million is for Sewer Projects funded by CDBG
- $ 0.25 million is for Street Lighting Assessment District projects

Capital Improvement Projects (Attachment B)

City of Maywood
Total Capital Projects
Fiscal Year 2018-2019
Mid-Year Adjustment Summary

	Adopted Budget	Proposed New Budget	Variance	%
Sewer Projects	$ 1,550,334	$ 1,955,516	405,181.75	26%
Street Projects	$ 2,763,254	$ 3,385,654	622,400.00	23%
Park Projects	$ 376,172	$ 376,172	-	0%
Transportation	$ 24,000	$ 24,000	-	0%
Total Capital Projects	$ 4,713,760	$ 5,741,341	$ 1,027,582	

The following points highlight major changes that have been made to the original capital improvement fund expenditure projections compared to the adopted 2018/19 budget:

Expenditures: The revised budget shows a $1.02 million increase in CIP expenditures. Of this amount:

- $405,181 or 26% represents Sewer Projects funded primarily by the General Fund and the Successor Agency as approved by the Department of Finance.
- $622,400 or 23% represents Street Projects funded primarily by MTA.

Personnel Positions (Attachment C)
The following points highlight major changes we are proposing to the Personnel Positions and to be compliance with CalPERS Salary Schedule:

- Reclass the position and salary max range of City Administrator to City Manager
- Eliminate (1) part-time Parking Enforcement Officer
- Eliminate (1) part-time Community Services Officer
- Adjust the salary max range for the Accounting Specialist I

Balancing Budget Measures

Staff understands the importance of providing Council and citizens transparent financial information to understand how the City is funded in order to carry out the goals of the City Council. We also understand that the role of leadership is essential in driving change and building trust among the community, while we continue aggressively and proactively developing and implementing plans that keep us fiscally responsive and financially healthy. These were the major balancing budget measures which contributed to presenting a balance budget:

- A recommended cap of $50,000 to the Community Benefit Fund, will allow the City to allocate $133,777 to the Sewer Project Plan. This proposed allocation represents the use of 24% of the expected Cannabis Production fees for the fiscal year.
- Prior Years Adjustment- Staff determined that during fiscal years 2013-2016 a portion of the received Property Tax was allocated to the Successor Agency Fund. As a result, a transfer to the General Fund of $545,657 has been recorded this fiscal year
- Unexpected CIP Sewer Project costs.

Future Fiscal Challenges
The issue of public pensions includes a complex web of policy, fiscal and legal concerns. In December 2017, the CalPERS Board made the decision to ratchet down the discount rated from 7.5 percent to 7.0 percent over the course of three years: 7.375% in FY 2017-18; 7.25% in FY 2018-19 and 7.0% in FY 2019-20. Lowering the discount rate means the City pays higher contribution costs for its annual normal costs and unfunded actuarial liabilities. Pension obligations are a long-term liability, and pension funding decisions should be viewed in the same light. The three-year reduction of the discount rate will definitively result in increased pension costs. The City needs to plan for bigger contribution increases in order to east its budgeting burden. In anticipation of the escalating pension costs, staff has moved forward with considering authorizing the issuance of Pension Obligation Bonds (POBs) to finance the unfunded actuarially accrued liability (UAAL) for pension and/or other post-employment benefits. By issuing POBs, the City would be able to eliminate their unfunded liability to CalPERS and be able to realize interest savings due to issuing the bonds at a lower rate that what the CalPERS plan charges

This mid-year review sets the stage for our continuing efforts to prepare for the 2019-20 budget. The mid-year projections offer an important glimpse of a balanced 2018-19 budget. City management and employees continue to follow the Council's directions to remain fiscally responsible. Finance will continue to monitor the City's finances to ensure continued compliance with prudent fiscal policies to build reserves and provide continued compliance with prudent fiscal policies to build reserves and provide continued municipal services to the citizens of Maywood.

RECOMMENDATION

Staff recommends that the City Council approve the Fiscal Year 2017-2018 Mid-Year Budget amendments that adjust revenues and appropriations; Approve the revised Fiscal year 2017-2018 Position Schedule and Approve Salary Schedule in accordance with CalPERS Title 2, California Code of Regulation (CCR), section 570.5.

ATTACHMENTS:

Exhibit A:	FY 18/19 Mid-Year Budget Report- YTD Actuals
Exhibit B:	FY 18/19 Mid-Year Recommended Amended Budget
Exhibit C:	FY 18/19 Budget Schedule of Positions
Exhibit D:	FY 18/19 CalPERS Pay Schedule
Exhibit E:	FY 18/19 Budget Organizational Chart

EXHIBIT A

City of Maywood
Summary of Revenues
General Fund YTD Budget
Fiscal Year 2018-19

	FY 18/19 Adopted Budget	FY 18/19 YTD Actuals as of Nov 30, 2018	FY 18/19 % Budget to Actuals
GENERAL FUND			
Taxes	4,000,301	$ 1,368,746	34%
Intergovernmental	2,777,200	7,262	0%
Charges for Services	117,200	24,746	21%
Fines & Forfeitures	546,000	220,544	40%
Licenses & Permits	587,278	192,723	33%
Use of Money	77,000	24,186	31%
Miscellaneous	105,000	74,557	71%
Prop A Echange	461,500	461,500	100%
Retiree Pension Levy	1,000,000		
Total General Fund	9,671,479	$ 2,374,265	25%

EXHIBIT A

City of Maywood
Summary of Expenditures
General Fund YTD Budget
Fiscal Year 2018-2019

		FY 18/19 Adopted Budget		YTD Actuals As of Nov 30, 2018	%age of GF
Elected Officials					
Personnel	$	101,231	$	48,716	
Services & Supplies		17,400		2,796	
Contract Services		-		-	
Total	$	118,631	$	51,512	43%
General Government					
Personnel		829,884		351,588	
Retiree Health		115,000		42,421	
Services & Supplies		453,358		140,115	
Contract Services		996,439		454,342	
Capital Outlay/Projects		56,225		30,781	
Debt Service		266,200		160,785	
CJPIA		144,000		60,000	
Retiree Unfunded Liability		1,586,542		490,449	
Total	$	4,447,648	$	1,730,482	39%
Public Safety					
Contract Services		4,137,499		1,857,369	
Total	$	4,137,499	$	1,857,369	45%
Community Development-Public Works					
Personnel		244,745		103,190	
Services & Supplies		22,300		21,916	
Contract Services		94,757		174,585	
Capital Outlay/Projects		-		-	
Total	$	361,802	$	299,691	83%
Community Services					
Personnel		199,620		76,779	
Community Foundation Donation		283,305		4,020	
Services & Supplies		171,010		87,262	
Contract Services		447,600		142,247	
Total	$	1,101,535	$	310,309	28%
Total General Fund	$	10,167,114	$	4,249,363	42%

Expected expenditures as of Nov 30, 2018 is 42%
Actual expenditures as of Nov 30, 2018 is 42%

City of Maywood
Summary of Revenue, Expenditure and Changes in Fund Balance
Mid-Year Amendment
Budget Fiscal Year 2018-2019

	Fund Balance 6/30/2018	Fiscal Year 2018-19 Revenues	Transfers In	Expenditures	Transfers Out	Estimated Fund Balance 6/30/2019
GENERAL FUND						
General	$ 1,056,382	$ 9,009,112	$ 562,074	$ 8,787,657	$ 872,221	967,689
Retiree Unfunded Liability	204,853	1,000,000	381,689	1,586,542	-	-
Unrestricted Reserves	1,100,000	-	-	-	-	1,100,000
Total General Fund	$ 2,361,235	$ 10,009,112	$ 943,763	$ 10,374,199	$ 872,221	$ 2,067,689
ENTERPRISE FUND						
Sewer	$ -	$ 284,000	$ 665,487	$ 949,487	$ -	$ -
SPECIAL REVENUE FUNDS						
Gas Tax	$ 2,263,020	$ 712,341	$ -	$ 1,855,186	$ -	$ 1,120,175
TDA Bikeway	30,125	37,425	-	37,425	-	30,125
Proposition A	397,656	552,344	-	950,000	-	(0)
Proposition C	731,666	466,314	-	1,007,761	-	190,219
Measure R	778,569	342,804	-	631,322	-	490,051
Measure M	296,560	387,331	-	240,765	-	443,126
SB-1 Road Maintance Rehab Act	164,161	465,235	-	465,235	-	164,161
STPL Federal Grant	662,425	-	-	650,000	-	12,425
CDBG	19,579	1,213,037	-	1,206,289	-	26,327
AQMD	18,483	30,000	-	-	-	48,483
SLESF	5,634	144,000	-	140,000	-	9,634
Grant/Reimb (Fed/State/County)	-	733,365	-	733,365	-	-
Lighting & Landscaping	616,388	175,000	-	502,000	-	289,388
Successor Agency Trust Fund	3,157,837	1,456	-	1,274,923	737,029	1,147,341
Total Special Revenue Funds	$ 9,142,103	$ 5,260,651	$ -	$ 9,694,270	$ 737,029	$ 3,971,455
Total All Funds	$ 11,503,338	$ 15,553,763	$ 1,609,250	$ 21,017,957	$ 1,609,250	$ 6,039,144

EXHIBIT B

EXHIBIT B

City of Maywood
Summary of Revenues
General Fund Amended Budget
Fiscal Year 2018-19

	FY 18/19 Adopted Budget	FY 18/19 Amended Budget	Fiscal Year Budget Change
GENERAL FUND			
Taxes	4,000,301	$ 4,031,884	$ 31,583
Intergovernmental	2,777,200	2,777,262	$ 62
Charges for Services	117,200	133,045	$ 15,845
Fines & Forfeitures	546,000	529,306	$ (16,694)
Licenses & Permits	587,278	668,237	$ 80,959
Use of Money	77,000	77,000	$ -
Miscellaneous	566,500	792,379	$ 225,879
Retiree Pension Levy	1,000,000	1,000,000	$ -
Total General Fund	9,671,479	$ 10,009,112	$ 337,633

City of Maywood
Summary of Expenditures
General Fund Amended Budget
Fiscal Year 2018-2019

	FY 18/19 Adopted Budget	FY 18/19 Amended Budget	Fiscal Year Budget Change
GENERAL FUND			
Personnel	$ 1,490,479	$ 1,477,984	$ (12,495)
Services & Supplies	947,373	888,064	$ (59,309)
Contract Services	1,538,796	1,742,675	$ 203,879
Capital Outlay/Projects	56,225	131,236	$ 75,011
Debt Service	266,200	266,200	-
CJPIA	144,000	144,000	-
Retiree Unfunded Liability	1,586,542	1,586,542	-
Public Safety	4,137,499	4,137,499	-
Total General Fund	$ 10,167,114	$ 10,374,199	$ 207,085

EXHIBIT B

City of Maywood
Summary of Expenditures
General Fund Amended Budget
Fiscal Year 2018-2019

		FY 18/19 Adopted Budget	Amended Variance (Amount)	FY18/19 Amended Budget	%age of GF
Elected Officials					
Personnel		$ 101,231	$ 15,974	$ 117,205	
Services & Supplies		17,400	(7,980)	9,420	
Contract Services		-	-		
	Total	$ 118,631	$ 7,994	$ 126,625	1%
General Government					
Personnel		829,884	47,810	877,694	
Retiree Health		115,000	(13,189)	101,811	
Services & Supplies		453,358	98,273	551,631	
Contract Services		996,439	79,730	1,076,169	
Capital Outlay/Projects		56,225	25,011	81,236	
Debt Service		266,200	-	266,200	
CJPIA		144,000	-	144,000	
Retiree Unfunded Liability		1,586,542	-	1,586,542	
	Total	$ 4,447,648	$ 237,635	$ 4,685,283	45%
Public Safety					
Contract Services		4,137,499	-	4,137,499	
	Total	$ 4,137,499	$ -	$ 4,137,499	40%
Community Development-Public Works					
Personnel		244,745	(46,627)	198,117	
Services & Supplies		22,300	20,350	42,650	
Contract Services		94,757	133,360	228,118	
Capital Outlay/Projects		-	50,000	50,000	
	Total	$ 361,802	$ 157,083	$ 518,885	5%
Community Services					
Personnel		199,620	(14,512)	185,107	
Community Foundation Donation		283,305	(233,305)	50,000	
Services & Supplies		171,010	61,403	232,413	
Contract Services		447,600	(9,211)	438,389	
	Total	$ 1,101,535	$ (195,626)	$ 905,908	9%
Total General Fund		$ 10,167,114	$ 207,085	$ 10,374,199	100%

EXHIBIT B

City of Maywood
Summary of Expenditures
Special Revenue Funds Amended Budget
Fiscal Year 2018/19

	FY 18/19 Adopted Budget	FY 18/19 Amended Budget	%age of SRF
SPECIAL REVENUE FUNDS			
Gas Tax	1,415,667	1,855,186	19%
TDA Bikeway	37,425	37,425	0%
Proposition A	650,000	950,000	10%
Proposition C	1,003,829	1,007,761	10%
Measure R	629,600	631,322	6%
Measure M	214,765	240,765	2%
SB-1 Road Maintance Rehab Act	465,235	465,235	5%
STP-L Federal Grant	650,000	650,000	7%
CDBG	1,051,960	1,206,289	12%
AQMD	-	-	0%
SLESF	140,000	140,000	1%
Grant/Reimb (Fed/State/County)	721,395	733,365	7%
Street Lighting	244,114	502,000	5%
Successor Agency	1,335,868	1,449,878	15%
Total for Special Revenue Funds	$ 8,559,858	$ 9,869,225	100%

EXHIBIT B

City of Maywood
Total Capital Projects
Fiscal Year 2018-2019

	Total Project Cost
SEWER PROJECT	
1. Sewer Replacement Project	1,234,674
2. Sewer Service Charge	75,000
3. SSMP Update	60,660
4. Sewer CCTV Service	80,000
5. Sewer Storm Drain Maintenance	100,000
	$ 1,550,334
STREET PROJECTS	
1. ADA Transition Plan	45,670
2. 60th & Heliotrope Traffic Diversion	446,938
3. I-710 EIR/EIS	32,000
4. Atlantic Corridor Master Plan	12,646
5. Street Lighting Assessment District	70,000
6. Slurry Seal	976,000
7. Pavement Rehabilitation Slauson	1,180,000
	$ 2,763,254
PARK PROJECTS	
1. Bicycle Projects	37,425
2. LAC M&S Excess Funding Project	83,169
3. Maywood Graffiti Prevention Program	107,104
4. Riverfront Park	148,474
	$ 376,172
TRANSPORTATION PROJECTS	
1. Bus Shelter	24,000
	$ 24,000
Total Capital Projects	$ 4,713,760

City of Maywood
Total Capital Projects
Fiscal Year 2018-2019
Mid-Year Amended Budget

	Total Project Cost
SEWER PROJECT	
1. Sewer Replacement Project	1,234,674
2. Sewer Service Charge	75,000
3. Sewer Master Plan	200,000
4. 52nd Place Sewer Replacement Proj	50,000
5. Randolph & Heliotrope Emergency O	90,000
6. FOG Program Impementation	65,182
7. SSMP Update	60,660
8. Sewer CCTV Service	80,000
9. Hydraulic Analysis	100,000
10. Sewer Storm Drain Maintenance	-
	$ 1,955,516
STREET PROJECTS	
1. ADA Transition Plan	45,670
2. 60th & Heliotrope Traffic Diversion	446,938
3. Citywide Street Sign Design	50,000
4. I-710 EIR/EIS	32,000
5. Atlantic Blvd. Corridor Master Plan	12,646
6. ECO Transit- West Santa Ana	11,970
7. Street Lighting Assessment District	122,283
8. 6.6 KV Street Lighting Project	200,000
9. City Entry/Exit Sign Project	109,894
10. Slurry Seal	976,000
11. Slurry Seal	36,204
12. Storm Drain Screen Installation City	42,036
13. Pavement Rehabilitation- Various S	120,013
14. Pavement Rehabilitation- Slauson	1,180,000
	$ 3,385,654
PARK PROJECTS	
1. Bicycle Projects	37,425
2. LAC M&S Excess Funding Project	83,169
3. Maywood Graffiti Prevention Prgm	107,104
4. Riverfront Park	148,474
	$ 376,172
TRANSPORTATION PROJECTS	
1. Bus Shelter	24,000
	$ 24,000
Total Capital Projects	$ 5,741,341

EXHIBIT C

City of Maywood Schedule of Positions Adopted Budget Fiscal Year 2018-2019	City of Maywood Schedule of Positions Proposed Budget Fiscal Year 2018-2019
Effective Date: July 01, 2018	Effective Date: January 23, 2019

Elected Officials	Allocation	Annual Base Stipend Minimum	Annual Base Stipend Maximum	Allocation	Annual Base Stipend Minimum	Annual Base Stipend Maximum
Mayor	1	$ 6,670	$ 6,670	1	$ 6,670	$ 6,670
Mayor Pro-Tem	1	$ 6,670	$ 6,670	1	$ 6,670	$ 6,670
Council Members	3	$ 6,670	$ 6,670	3	$ 6,670	$ 6,670
City Clerk	1	$ 5,100	$ 5,100	1	$ 5,100	$ 5,100
City Treasurer	1	$ 5,100	$ 5,100	1	$ 5,100	$ 5,100

Position Titles	Allocation	Annual Base Salary Minimum	Annual Base Salary Maximum	Allocation	Annual Base Salary Minimum	Annual Base Salary Maximum
City Manager (CAO)	1	$ 140,000	**$ 161,000**	1	$ 145,000.00	**$ 185,000.00**
Executive Assistant	1	$ 52,000	$ 59,800	1	$ 52,000.00	$ 59,800.00
Director of Building and Planning	1	$ 120,000	$ 138,000	1	$ 120,000.00	$ 138,000.00
Building Inspection/Code Compliance Supervisor	1	$ 88,200	$ 101,430	1	$ 88,200.00	$ 101,430.00
Code Compliance Officer I	1	$ 39,520	$ 45,448	1	$ 39,520.00	$ 45,448.00
Secretary of Building and Planning	1	$ 41,600	$ 47,840	1	$ 41,600.00	$ 47,840.00
Parking Enforcement Officer I (part-time 980 hrs)	**2**	$ 17,640	$ 20,286	**1**	$ 17,640.00	$ 20,286.00
Parking Enforcement Officer II	1	$ 41,600	$ 47,840	1	$ 41,600.00	$ 47,840.00
Senior Parking Enforcement Officer	1	$ 43,680	$ 50,232	1	$ 43,680.00	$ 50,232.00
Public Works Coordinator	1	$ 62,400	$ 71,760	1	$ 62,400.00	$ 71,760.00
Public Works-Part Time (980 hrs)	3	$ 16,000	$ 18,400	3	$ 16,000.00	$ 18,400.00
Finance Director	1	$ 120,000	$ 138,000	1	$ 120,000.00	$ 138,000.00
Fund Accountant	1	$ 62,400	$ 71,760	1	$ 62,400.00	$ 71,760.00
Accounting Specialist I	1	$ 49,920	$ 57,408	1	$ 49,920.00	**$ 57,408.00**
Finance Specialist	1	$ 49,920	**$ 57,408**	1	$ 49,920.00	$ 57,408.00
Accounting Specialist II	1	$ 54,080	$ 62,192	1	$ 54,080.00	$ 62,192.00
Customer Service Rep I	1	$ 41,600	$ 47,840	1	$ 41,600.00	$ 47,840.00
Customer Service Rep II	1	$ 43,680	$ 50,232	1	$ 43,680.00	$ 50,232.00
Administrative Specialist	1	$ 45,760	$ 52,624	1	$ 45,760.00	$ 52,624.00
Community Service Officer (part-time 980 hrs)	**1**	$ 16,660	$ 19,159	**0**	$ 16,660.00	$ 19,159.00

****(Note: Items in bold represent changes in pay schedule.**

EXHIBIT D

City of Maywood Schedule of Positions Adopted Budget Fiscal Year 2018-2019	City of Maywood Schedule of Positions Proposed Budget Mid-Year FY 2018-2019

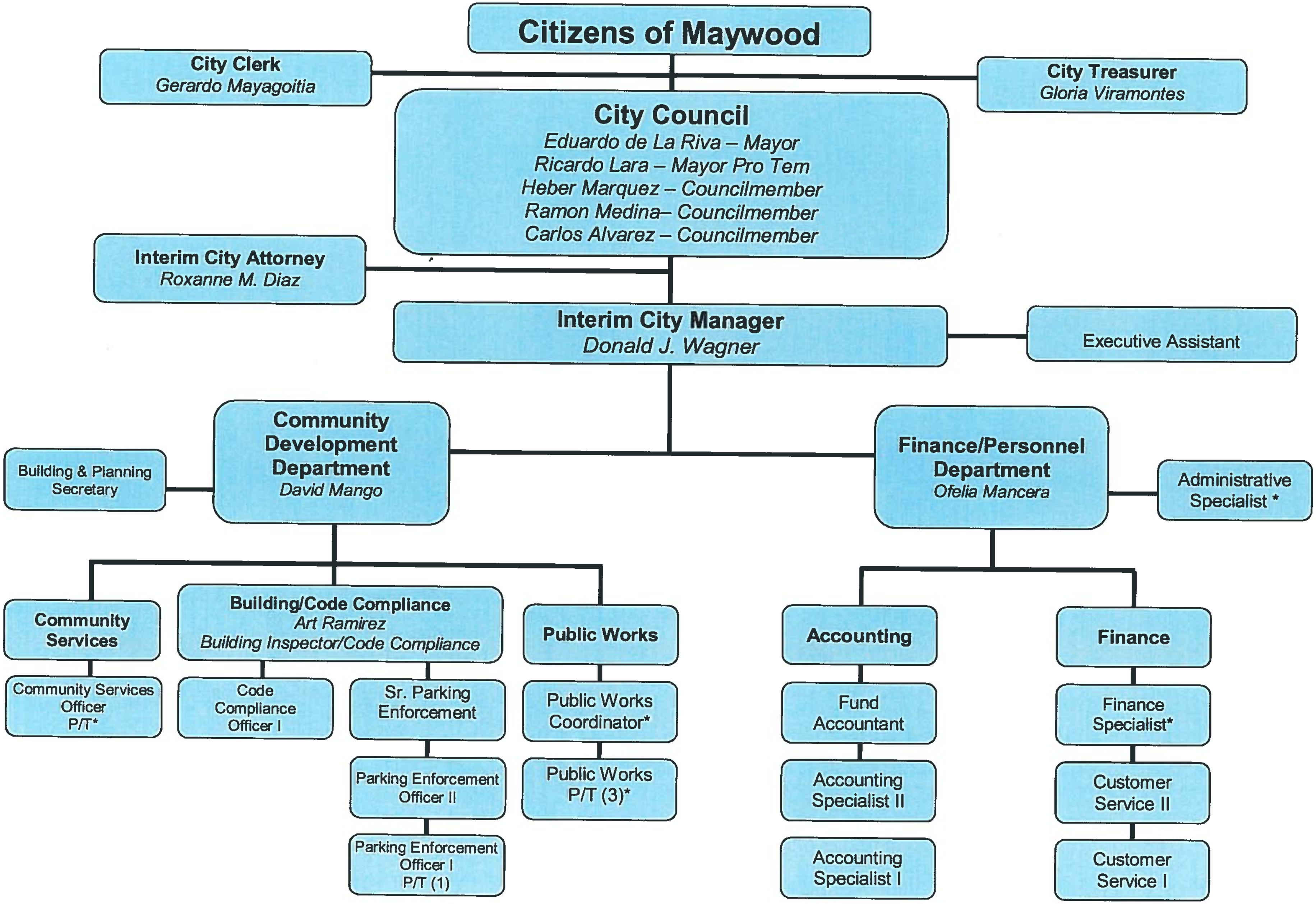
Effective Date: July 01, 2018 | Effective: January 23, 2019

Elected Officials	Allocation	Annual Base Stipend Minimum	Annual Base Stipend Maximum
Mayor	1	$ 6,670	$ 6,670
Mayor Pro-Tem	1	$ 6,670	$ 6,670
Council Members	3	$ 6,670	$ 6,670
City Clerk	1	$ 5,100	$ 5,100
City Treasurer	1	$ 5,100	$ 5,100

Position Titles	Allocation	Annual Base Salary Minimum	Annual Base Salary Maximum
City Manager (CAO)	1	$ 145,000	$ 185,000
Executive Assistant	1	$ 52,000	$ 59,800
Director of Building and Planning	1	$ 120,000	$ 138,000
Building Inspection/Code Compliance Supervisor	1	$ 88,200	$ 101,430
Code Compliance Officer I	1	$ 39,520	$ 45,448
Secretary of Building and Planning	1	$ 41,600	$ 47,840
Parking Enforcement Officer I (part-time 980 hrs)	1	$ 17,640	$ 20,286
Parking Enforcement Officer II	1	$ 41,600	$ 47,840
Senior Parking Enforcement Officer	1	$ 43,680	$ 50,232
Public Works Coordinator	1	$ 62,400	$ 71,760
Public Works-Part Time (980 hrs)	3	$ 16,000	$ 18,400
Finance Director	1	$ 120,000	$ 138,000
Fund Accountant	1	$ 62,400	$ 71,760
Accounting Specialist I	1	$ 49,920	$ 57,408
Finance Specialist	1	$ 49,920	$ 57,408
Accounting Specialist II	1	$ 54,080	$ 62,192
Customer Service Rep I	1	$ 41,600	$ 47,840
Customer Service Rep II	1	$ 43,680	$ 50,232
Administrative Specialist	1	$ 45,760	$ 52,624
Community Service Officer (part-time 980 hrs)	0	$ 16,660	$ 19,159

EXHIBIT E

City of Maywood Governmental Organization



*Vacant

COUNCIL AGENDA

ITEM No. 4

AGENDA REPORT
CITY OF MAYWOOD

DATE: JANUARY 23, 2019

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: DON WAGNER, INTERIM CITY ADMINISTRATOR

BY: DAVID MANGO, DIRECTOR OF BUILDING AND PLANNING

SUBJECT: A DISCUSSION AND POSSIBLE ACTION BY THE CITY COUNCIL REGARDING THE SETTING OF A SPECIAL TAX RATE NOT TO EXCEED TEN PERCENT (10%) OF GROSS RECEIPTS FOR ALL COMMERCIAL CANNABIS ACTIVITIES CONDUCTED IN THE CITY PER THE VOTER APPROVED MEASURE CT OF NOVEMBER 6, 2018

RECOMMENDATION

Staff recommends that the City Council discusses and then acts to set a special tax rate not to exceed ten percent (10%) of gross receipts for all commercial cannabis activities conducted in the city per the voter approved Measure CT of November 6, 2018.

FISCAL IMPACT

Undetermined. Per the 2018-2019 fiscal year budget which has been amended to take into account the actual level of commercial cannabis activity in the City, it can be assumed that each tax rate percentage point will generate approximately $93,000 in tax revenue. However, this number will increase significantly as more licensed facilities come online. For nearly all of 2018, there were only two licensed facilities operating. Starting in December 2018, two new facilities opened for business and it is expected that three others will be operating by March of this year.

BACKGROUND

On November 6, 2018, Measure CT was approved by the voters of the City of Maywood. This measure imposes a general tax on commercial cannabis activity in the City at a maximum tax rate of ten cents ($.10) for each one dollar ($1.00) of gross business proceeds. This tax is imposed on commercial cannabis activity that includes retail or wholesale distribution, cultivation, manufacture, transportation (including delivery), or the testing of cannabis.

DISCUSSION

The past and current rates of revenue being received by the City from commercial cannabis activity is based upon City Council approved development agreements entered into with each individual commercial cannabis business. These agreements took the form of ordinances and required the payment of a "production fee." Each agreement states:

"Production Fee" shall mean a quarterly fee remitted to the City by Owner based on its gross receipts and that of its tenants who are engaged in Commercial Cannabis Activity, as defined in the Maywood Municipal Code, or the prorated portion therein for any quarter in which the business begins operation, in the following amount: six (6) percent (6.00%).

However, Measure CT now supersedes the production fee and can be set at any amount up to ten percent (10%). This new tax rate will be in effect after the approval of a City Council resolution (attached).

To provide further information to inform this decision, a survey of special tax rates approved by voters has also been attached. During a discussion at the January 9, 2019 City Council meeting, staff was asked to include the special tax rates of the surrounding southeast communities in the survey. However neighboring cities such as Huntington Park and Lynwood cannot be included because they have not put cannabis tax rates on the ballot; they currently receive revenue through the use of development agreements.

Mr. David McPherson of Hinderliter de Llamas & Associates (HdL), who is the City's cannabis regulation consultant will be in attendance tonight to provide a short presentation and to answer any questions regarding the effects of cannabis tax rates.

ATTACHMENT(S)

Attachment No. 1: Proposed Resolution
Attachment No. 2: Survey of Special Tax Rates

RESOLUTION NO. 6010

A RESOLUTION OF THE CITY COUNCIL, CITY OF MAYWOOD, TO SET A SPECIAL TAX RATE TO BE IMPOSED ON COMMERCIAL CANNABIS ACTIVITY CONDUCTED IN THE CITY

WHEREAS, on August 22, 2018, the City Council adopted Ordinance No. 18-12, which superseded all pervious ordinances regulating Commercial Cannabis Activity in the City (the "Ordinance"). The Ordinance permits Commercial Cannabis Activity in strict compliance with the Commercial Cannabis Laws of the State of California and the Maywood Municipal Code.

WHEREAS, on November 6, 2018, the voters of the City of Maywood approved Measure CT, which allows for the imposition of a special tax on commercial cannabis activity in the City, not to exceed ten percent (10%) on gross receipts.

WHEREAS, at this time, the City Council wishes to set the special tax rate at _______ of gross receipts, to be imposed on commercial cannabis activity conducted in the City.

WHEREAS, the City Council may reconsider the tax rate at any time in the future, not to exceed ten percent (10%) of gross receipts, unless presented to the electorate for an amount to exceed ten percent (10%).

NOW THEREFORE, BE IS RESOLVED, by the City Council of the City of Maywood, as follows:

<u>Section 1:</u> <u>Authority</u>. The City Council is authorized to take the action to set the special tax rate, as set forth above.

<u>Section 2:</u> <u>Special Tax Rate</u>. The City Council may, in its sole and absolute discretion, set the special tax rate to be imposed on Commercial Cannabis Activity in the City, not to exceed ten percent (10%) of gross receipts. At this time, the City Council wishes to set the special tax rate at ________ of gross receipts, to be imposed on Commercial Cannabis Activity conducted in the City, *effective immediately.*

<u>Section 3:</u> <u>Passage and Adoption of Resolution</u>. The City Clerk shall certify to the passage and adoption of this resolution; shall enter the same in the book or original resolutions of said City; and shall make a minute of the passage and adoption thereof in the records of the proceeding of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

<u>Section 4</u>: <u>Effective Date</u>. This resolution shall take effect *immediately* upon its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Maywood this 23rd day of January, 2019.

City of Maywood

____
Eduardo De La Riva, Mayor

Attest:

____
City Clerk/Deputy City Clerk

Approved as to form:

____
Roxanne Diaz, Interim City Attorney

ATTACHMENT NO. 2

CITY OF MAYWOOD

Survey of Special Tax Rates Approved by the Voters on November 6, 2018 - By Public Entity

Public Entity	Special Tax Rate
Adelanto	not to exceed $5.00 per square foot of space utilized for cannabis cultivation and nurseries, and up to 5% of gross receipts from the retail sale, delivery, manufacturing, processing, testing and distribution of cannabis and related products
Atwater	not to exceed 15% of gross receipts on cannabis businesses and dispensaries
Benicia	not to exceed $10.00 per canopy square foot for commercial cannabis cultivation (adjustable for inflation) and 6% of gross receipts for all other cannabis businesses
Capitola	not to exceed 7% of gross receipts
Chula Vista	tax of at least 5%, and up to 15%, of gross receipts on cannabis (marijuana) businesses, and at least $5, and up to $25, per square foot on space dedicated to cannabis cultivation
Colton	not to exceed $25 per square foot of space utilized for cannabis cultivation/processing, and up to 10% of gross receipts from the sale of cannabis and related products
County of Contra Costa	not to exceed $7.00 per canopy square foot for cultivation (adjustable for inflation) and up to 4% of gross receipts for all other cannabis businesses including retailers
County of Lassen	not to exceed $3.00 per square foot of canopy space, per year for cultivators, and up to 8% on gross receipts of all other cannabis business operating in the unincorporated areas of Lassen County
Emeryville	not to exceed 6% of all gross receipts
Fresno	not to exceed $12 per canopy square-foot and up to 10% of gross receipts for medical dispensaries and all other cannabis businesses,

CITY OF MAYWOOD

Survey of Special Tax Rates Approved by the Voters on November 6, 2018 - By Public Entity

Goleta	not to exceed 10%, with initial rates of 5% (retailers), 2% (manufacturers), 4% (cultivators), and 1%
Hesperia	tax of 1% to 6% of revenues on all commercial cannabis businesses, excepting cultivation, and a tax of up to $15 per square foot of space used for commercial cannabis cultivation
Lake	tax of $1.00 per square foot for nursery cultivation, 4% of gross receipts on a cannabis dispensary, micro-business, or delivery business, and 2.5% of gross receipts on a cannabis manufacturing, processing, transportation, distribution or other type of cannabis business
La Mesa	not to exceed $10.00 per canopy square foot for cultivation and 6% of gross receipts for all other businesses
Lompoc	tax of 6% on non-medical retail sales proceeds, 1% of cultivation proceeds, a flat $15,000 for net income less than $2 Million and $30,000 for net income of $2 Million and more of manufacturing/distribution proceeds, a total aggregate tax of six cents per $1.00 of microbusinesses proceeds, no tax on testing
Malibu	2.5% of gross receipts from sales of non-medical cannabis
Marina	not to exceed 5% of gross receipts
Maywood	not to exceed 10% of gross receipts for all commercial cannabis activities
Mountain View	not to exceed 9% on gross receipts of cannabis businesses
Morgan Hill	not to exceed $15.00 per canopy square foot for cultivation (adjustable for inflation) and up to 10% of gross receipts for all other cannabis businesses

CITY OF MAYWOOD

Survey of Special Tax Rates Approved by the Voters on November 6, 2018 - By Public Entity

Oroville	not to exceed 10% of gross receipts, with initial rates of 5% on retailers and manufacturers; 4% on cultivators; 3% on distributors; 2% on nurseries; 0% on testing laboratories; and 7% on microbusiness
Pomona	not to exceed $10.00 per canopy square foot for cultivation, and up to 6% of gross receipts for all other cannabis businesses;
San Francisco	tax between 1% and 5% depending on the type of cannabis business activity and amount of gross receipts, but exempting the first $500,000 of gross receipts and exempting retail sales of medicinal cannabis;
Santa Clara	not to exceed 10% of gross receipts and up to $25 per square foot for cultivation
Solvang	not to exceed 10%, with initial rate of 5% and a maximum annual increase of 1% up to the maximum rate
Suisun	not to exceed 15% of gross receipts and $25 per square foot of space used for commercial cannabis activities
Union City	not to exceed $12.00 per square foot for cultivation and 6% of gross receipts for others
Vista City	tax of $14/square foot; and gross receipts of marijuana businesses at rates not exceeding 8% on manufacturing and distribution; 10% on medicinal retail; 12% on adult-use retail; and 3.5% on testing
Vista City	tax of 7% on gross receipts