



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, October 9, 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
Jennifer Vasquez, City Manager
David Mango, Director of Building and Planning
Anthony Rainey, Interim Finance Director
Roxanne Diaz, 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)

ABM presentation by Dominic Cardenas of ABM Solutions, LLC.

PUBLIC HEARING

Public hearing to consider Ordinance 19-06 of the City of Maywood amending the Maywood Zoning Ordinance to implement the City's Housing Element by establishing definitions, designating uses, and adopting local planning and approval requirements for senior and affordable housing, density bonuses, and emergency shelters, and making a finding of exemption under the California Environmental Quality Act.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council request specific items to be removed from the Consent Calendar for separate discussion or action.

1. Minutes for 09/25/19 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.
3. Revenue Report for September 2019.
4. Consider the adoption of Resolution 6071 amending Resolution 6062 establishing city-wide policy regarding permitting requirements and development standards for wireless telecommunication facilities.
5. Adopt a Resolution delegating authority to the City Manager and establishing policies and procedures to accept or reject donations or gifts.
6. Proposed City Hall Closure December 23, 2019 – December 30, 2018.

7. Consideration of a resolution designating an all-way stop control at East 56th Street and Loma Vista Avenue.
8. Consideration of a resolution amending the City's classification plan to add Administrative Analyst, Community Services Liaison and Public Works Lead Maintenance Worker.

DISCUSSION/ACTION ITEMS

9. Review of City's Financial Statement Audit, Fiscal Year ended June 30, 2018

CLOSED SESSION

1. Conference with Legal Counsel, Anticipated Litigation-Initiation of Litigation, Government Code Section 54956.9(d)(4); Number of potential cases: 1
2. Conference with Real Property Negotiators, Government Code Section 54956.8; 5600 Heliotrope Avenue, City of Maywood Negotiator: Jennifer Vasquez, City Manager; Negotiating Party: Felipe Velarde; Under Negotiation: Price and Terms of Payment.

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 October 23, 2019.

PUBLIC ACCESS TO CITY COUNCIL MEETING AGENDA AND AGENDA PACKETS

I, Gerardo Mayagoitia, 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 raising 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) 562-5723 within 72 hours prior to the meeting so the City can make reasonable arrangements to ensure  accessibility.



Consent Calendar

AGENDA 1
ITEM NO. _____

September 25, 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 7:00 p.m.

ROLL CALL: Eduardo De La Riva, Mayor
Ricardo Lara, Mayor Pro Tem
Ramon Medina, Councilmember (Left at 10:20 p.m.)
Carlos Alvarez, Councilmember (Left at 10:29 p.m.)
Heber Marquez, Councilmember
Gloria Viramontes, City Treasurer (Absent)
City Clerk, Gerardo Mayagoitia (Absent)
City Manager, Jennifer Vasquez
Director of Building and Planning, David Mango
Interim Director of Finance, Anthony Rainey
City Attorney, Roxanne Diaz

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.

The following spoke on Agenda Items only:

1. Mary Mariscal;
2. Javier Gonzalez;
3. Heather Wilson;
4. Josefa Curiel;
5. Barbara Castellanos;
6. Sara Valdez;
7. Taliha Escamilla;
8. Maria Villatoro;
9. Maria Iniguez.

PRESENTATION(S)

Contract Training Presentation

Presented by City Attorney, Roxanne Diaz, from Richards, Watson & Gershon

LA County Sheriff's Report – A report regarding public safety in the community

Presented by Sergeant Bearse

PUBLIC HEARING

1. Consider a Resolution establishing recurring and non-recurring administrative fees applicable to small wireless facilities.

The following spoke on the Public Hearing:

1. Daisy Uykipang.

Motion to approve by Marquez. Second by Alvarez. AYES: Marquez, Alvarez, Medina, Lara, and De La Riva. PASSES

2. Public hearing for an appeal of a Planning Commission decision denying a Conditional Use Permit to allow a non-storefront vehicle dispensary in an existing building located at 4006 Slauson Avenue in the CM (Commercial Manufacturing) Zone for Kiki Greens.

The following spoke on the Public Hearing:

1. Nadia Aziz;
2. Cole Cutler;
3. Caleb Moody;
4. Francisco Castaneda;
5. Alfonzo Cervantes;
6. Veronica Guardado;
7. Jose Mendrano.

Motion to adopt a resolution denying CUP PC 19-03 by Lara. Second by Marquez. AYES: Marquez, Lara, and De La Riva. NOES: Alvarez and Medina. PASSES

3. Public hearing for an appeal of a Planning Commission decision denying a Conditional Use Permit to allow cannabis cultivation facility in an existing building located at 3744 Fruitland Avenue in the Manufacturing (M) Zone for MJM Holdings.

The following spoke on the Public Hearing:

1. Jennifer Michael;
2. Mike Morola;
3. Terry Belvins;
4. Arthur Haunch;
5. Veronica Guardado.

Motion to adopt a resolution approving CUP PC 19-05 by Medina. Second by Alvarez. AYES: Alvarez and Medina. NOES: Marquez, Lara, and De La Riva. FAILS

Motion to adopt a resolution denying CUP PC 19-05 by Lara. Second by Marquez. AYES: Marquez, Lara, and De La Riva. NOES: Alvarez and Medina. PASSES

Motion to extend time for 2 more hours by De La Riva. Second by Lara. AYES: Marquez, Lara, and De La Riva. NOES: Alvarez. Medina left the dais and did not vote. PASSES

4. Public hearing for an appeal of Planning Commission decision denying a Conditional Use Permit to establish a cannabis testing laboratory in an existing building located at 4000 Slauson Avenue in the CM (Commercial Manufacturing) Zone for LA Labs.

The following spoke on the Public Hearing

1. Juan Datson;
2. Claudia Osuna;
3. Myra Mendoza;
4. Joe Mendoza;
5. Mary Mariscal;
6. Veronica Casio;
7. Maria Iniguez;
8. Maria Olmos
9. Jose Medrano;
10. Veronica Guardado.

Motion to adopt a resolution denying CUP PC 19-04 by Lara. Second by Marquez. AYES: Marquez, Lara, and De La Riva. ABSENT: Alvarez and Medina. PASSES

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council request specific items to be removed from the Consent Calendar for separate discussion or action.

1. Minutes for 09/11/19 Council Meeting. **Motion to approve by Lara. Second by De La Riva. AYES: Marquez, Lara, and De La Riva. ABSENT: Alvarez and Medina. PASSES**
2. Resolution of the City Council of the City of Maywood and Successor Agency to the Maywood Community Redevelopment Agency Approving Prepaid Warrants. **Motion to approve by Lara. Second by De La Riva. AYES: Marquez, Lara, and De La Riva. ABSENT: Alvarez and Medina. PASSES**
3. Consideration of extending the Municipal Staffing Agreement with Muni Temps for assigned position, Interim Finance Director. **Motion to approve by Lara. Second by De La Riva. AYES: Marquez, Lara, and De La Riva. ABSENT: Alvarez and Medina. PASSES**

4. Consideration of publishing monthly newsletter and allocating Community Benefit Funds for the printing and mailing of the City Newsletter. **Motion to approve by Lara. Second by De La Riva. AYES: Marquez, Lara, and De La Riva. ABSENT: Alvarez and Medina. PASSES**
5. A recommendation approving the Community Benefit Fund application from Fishburn Ave. Elementary School in the amount of \$1,569. **Motion to approve by Lara. Second by De La Riva. AYES: Marquez, Lara, and De La Riva. ABSENT: Alvarez and Medina. PASSES**
6. Consider the adoption of a Resolution granting a commercial cannabis vehicle dispensary license for Kiki Greens, located at 4006 Slauson Avenue if a conditional use permit is granted. **No action was taken.**
7. Consider the adoption of a Resolution granting a commercial cannabis cultivation license for MJM Holdings LLC, located at 3744 Fruitland Avenue if a Conditional Use Permit is granted. **No Action was taken.**
8. Consider the adoption of a Resolution granting a commercial cannabis testing license for LA Labs Inc., located at 4000 Slauson Avenue if a Conditional Use Permit is granted. **No action was taken.**

DISCUSSION/ACTION ITEMS

9. Consideration of City street name sign design. **City Council chose to accept Concept A and directed staff to get quotes for white signs with black lettering and blue signs with white lettering.**
10. City position on Resolutions being considered by the League of California Cities at the 2019 Annual Conference. **City Council supports the following resolutions that will be considered by the League of California Cities at its General Assembly Meeting on Friday, October 18, 2019: 1) Resolution of the League of California Cities calling on the California Public Utilities Commission to amend Rule 20A to add projects in very high fire hazard severity zones to the list of eligibility criteria and to increase funding allocations for Rule 20A projects. 2) Resolution calling upon the Federal and State Governments to address the devastating impacts of international transboundary pollution flows into the southernmost regions of California and the Pacific Ocean.**

CLOSED SESSION

The City Council met in closed session and voted 3-0 to approve a settlement and release agreement in the matter of Rose Vasquez v. City of Maywood. The agreement is a full release and in exchange the City will pay a settlement in the amount of \$232,416. A copy of the settlement and release agreement is available for public inspection and review.

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.

The following spoke on Non-Agenda Items:

1. Freddy Torres;
2. Jose Lopez;
3. Mary Mariscal;
4. Javier Gonzalez;
5. Heather Wilson.

ADJOURNMENT Meeting adjourned at approximately 12:16 a.m. on September 26, 2019 to October 9, 2019 at 7:00 pm for the regular meeting of the Maywood City Council.



Eduardo De La Riva, Mayor

ATTEST:



Gerardo Mayagoitia, City Clerk

COUNCIL AGENDA

ITEM No. 2

RESOLUTION NO. 6070

**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 reviewed by the Interim Director of Finance, and

WHEREAS, the Interim 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/Automated Clearing House (ACH) Transactions for \$488,658.58 are hereby ratified:

- Exhibit A – Summary of Warrants and Wire Transfers/ACH Transactions
- Exhibit B – Detail of Warrants
- Exhibit C – NOTES-Summary Warrants for Payment and Wire Transfers/ACH Transactions

PASSED, APPROVED AND ADOPTED THIS 9th day of October, 2019.


Eduardo De La Riva, Mayor

ATTEST:


Gerardo Mayagoitia, City Clerk

APPROVED AS TO FORM:


Roxanne Diaz, City Attorney

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF MAYWOOD

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I, Gerardo Mayagoitia, City Clerk of the City Council of the City of Maywood, do hereby certify that foregoing Resolution No. 6070 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 9th of October, 2019 by the following roll call vote, to wit:

AYES: Marquez, Alvarez^z, Medina, Lara, De La Riva

NAYES:

ABSENT:

ABSTAINED:



Gerardo Mayagoitia, City Clerk

City of Maywood
Summary Warrants for Payment and Wire Transfers/ACH Transactions
Council Meeting Date
Wednesday, October 9, 2019

Accounts Payable

Accounts Payable prepaid warrants for payment: Checks No. 086469 - 086496	Amount
	\$ 246,950.06
Accounts Payable regular warrants for payment: Checks No. 086497 - 086517	\$ 241,073.82
Sub-total	\$ 488,023.88

Wire Transfers/ACH Transactions

09/25/19 Lease Payment for Front Counter Cash Registers - September 2019	\$ 87.04
09/27/19 ADP Payroll Fees	\$ 185.93
10/01/19 Merchant Fees	\$ 361.73
Sub-total	\$ 634.70

Total Demands \$ 488,658.58

City of Maywood
Detail Warrants for Payment
Warrants No. 086469 to 086517

EXHIBIT B

Check No.	Prepays	Date	Vendor Name	Check Amt	Transaction Description
086469	P	9/27/2019	Pierce Law Firm Client Trust Account	232,416.67	Settlement Vasquez v. City of Maywood
086470	P	9/27/2019	Wilmer Recinos	358.97	Payroll WE 09-15-2019 thru 09-28-2019
086471			VOID		VOID
086472	P	10/3/2019	Allen B. McDade	632.25	Retiree Medical Reimbursement October 2019
086473	P	10/3/2019	American Paper Plastic	414.24	Janitorial Supplies: City Hall
086474	P	10/3/2019	Angel Villegas	492.63	Retiree Medical Reimbursement October 2019
086475	P	10/3/2019	AT&T	21.22	MTA Line 08/17/19 to 09/16/19
086476	P	10/3/2019	Brent Talmo	284.77	Retiree Medical Reimbursement October 2019
086477	P	10/3/2019	Bruce Leflar	1,101.28	Retiree Medical Reimbursement October 2019
086478	P	10/3/2019	Calmex Graphics	153.30	Business Cards: City Manager
086479	P	10/3/2019	Christine M. Locher	258.83	Retiree Medical Reimbursement October 2019
086480	P	10/3/2019	Dave And Frank Automotive	257.40	City Fleet Vehicle: Battery Replacement
086481	P	10/3/2019	Department of Conservation Division of Administrative Services	66.80	Strong Motion/Seismic Hazard Mapping Fee: 07.01.19-09.30.19
086482	P	10/3/2019	Dove Communications, Inc.	100.00	Labor-Voice Remote Programming
086483	P	10/3/2019	Edward Ahrens	1,101.28	Retiree Medical Reimbursement October 2019
086484	P	10/3/2019	Expert Building Maintenance	1,350.00	City Hall Janitorial Service: September 2019
086485	P	10/3/2019	KB1 Auto Detail	390.00	City Vehicle Fleet: Car Wash Service August 2019
086486	P	10/3/2019	L.B. Johnson Hardware Co.	443.10	Public Works Supplies
086487	P	10/3/2019	MailFinance	989.66	Postage Machine Lease: October 2019 - January 2019
086488	P	10/3/2019	Paul Pine	1,101.28	Retiree Medical Reimbursement October 2019
086489	P	10/3/2019	Robert Leach	1,005.00	Retiree Medical Reimbursement October 2019
086490	P	10/3/2019	Ronald Lindsey	1,102.61	Retiree Medical Reimbursement October 2019
086491	P	10/3/2019	Scott C. Anderson	1,101.28	Retiree Medical Reimbursement October 2019

City of Maywood
Detail Warrants for Payment
Warrants No. 086469 to 086517

Check No.	Prepays	Date	Vendor Name	Check Amt	Transaction Description
086492	P	10/3/2019	So Cal Industries	461.13	Portable Rtrm 4801 E 58th St (Maywood Park/Baseball Field)
086493	P	10/3/2019	Southern California Edison	89.03	5317 Atlantic PED 08/15/19-09/16/19
086494	P	10/3/2019	Sparkletts Drinking Water Corp	70.11	City Hall Office Water
086495	P	10/3/2019	Sprint	1,071.18	Cell Phone Service: 08/24/2019-09/23/2019
086496	P	10/3/2019	Staples Business Advantage	116.04	Office Supplies
086497		10/3/2019	Robert Half Company International / Accountemps	918.40	Temp Labor: Administrative Assistant WE 09/20/2019
086498		10/3/2019	County of Los Angeles Department of Animal Control	9,174.65	Animal Control Services August 2019
086499		10/3/2019	Diana Cho & Associates	1,402.50	CDBG Consulting August 2019
086500		10/3/2019	George Hill Company	1,073.60	City Claims/Adjuster Services August 2019
086501		10/3/2019	Graffiti Protective Coatings	2,000.00	August 2019 Bus Shelter Maintenance
086502		10/3/2019	Humphrey Constructors	71,500.00	Installation of 3 Bus Shelters on Slauson Avenue
086503		10/3/2019	Interwest Consulting Group	48,567.50	City Engineering Services: August 2019
086504		10/3/2019	Kane, Ballmer & Berkman	225.00	Successor Agency Legal Services August 2019
086505		10/3/2019	Los Angeles County Metropolitan Transportation Authority	3,940.00	September 2019 Metro TAP Cards
086506		10/3/2019	Metro Transit Services	33,703.10	Public Transportation Services Express & Dial-A-Ride September 2019
086507		10/3/2019	Susan Contreras dba Municipal Waste Solutions	4,845.00	August 2019 Waste & Recycling Consulting
086508		10/3/2019	Pacheco & Neach PC	10,000.00	October 2019 to November 2019 Retainer: CDS Legal Services
086509		10/3/2019	Phoenix Group Information Systems	7,023.42	August 2019 Parking Citation Processing Fee
086510		10/3/2019	Priscilla Kinnard	159.36	Permit Fulfillment Processing Fees & Development
086511		10/3/2019	Redfire Technology Services	2,183.20	Travel Expense Reimbursement City Clerk Conference
086512		10/3/2019	Richards, Watson & Gershon	13,095.96	September 2019 I.T. Services
086513		10/3/2019	Salazar Landscaping	8,649.00	Legal Services - General (August 2019)
					Landscape Maintenance September 2019

City of Maywood
Detail Warrants for Payment
Warrants No. 086469 to 086517

Check No.	Prepays	Date	Vendor Name	Check Amt	Transaction Description
086514		10/3/2019	Siemens Industry, Inc	15,432.64	Slauson & Alamo - Full Intersection Wire Pull Traffic Signal Emergency Repair 5512 Everett Traffic Signal Maintenance August 2019 Traffic Signal Response Call Out August 2019
086515		10/3/2019	U.S. Bank Corporate Payment System	5,483.93	Credit Card Expense
086516		10/3/2019	V & M Iron Works	1,664.19	Payment Plan: Installment 24
086517		10/3/2019	Veronica Alvarez	32.37	Mileage and Parking Reimbursement - CalPERS Training
TOTAL:				\$488,023.88	

NOTES – Summary Warrants for Payment and Wire Transfers/ACH Transactions

- I. **Accounts Payable** – This is depicted on:
 - A. The first section of **EXHIBIT A Summary Warrants for Payment and Wire Transfers/ACH Transactions** for Checks 086469 through 086496 – designated with a “P” for “Prepays” on **EXHIBIT B, Detail Warrants for Payment** totaling \$246,950.06.
 - B. The first section of **EXHIBIT A Summary Warrants for Payment and Wire Transfers/ACH Transactions** for Checks 086497 through 086517 on **EXHIBIT B, Detail Warrants for Payment** totaling \$241,073.82. **EXHIBIT B** portrays the respective dates, vendor names, check amounts, and a brief transaction description of each “warrant” by its respective check number.
- II. **Wire Transfers/Automated Clearing House (ACH) Transactions** – This is depicted on:
 - A. Within the second section of **EXHIBIT A 09/25/19 Summary Warrants for Payment and Wire Transfers/ACH Transactions** for **Lease Payment for Front Counter Registers –September 2019** totaling \$87.04. This is the City’s payment to the lease the Point of Sale equipment for the front counter registers.
 - B. Within the second section of **EXHIBIT A 09/27/19 Summary Warrants for Payment and Wire Transfers/ACH Transactions** for **ADP (Automatic Data Processing Inc.) Payroll Fees** totaling \$185.93. This is the City’s payment for payroll processing services.
 - C. Within the second section of **EXHIBIT A 10/01/19 Summary Warrants for Payment and Wire Transfers/ACH Transactions** for **Merchant Fees** totaling \$361.73. This is the City’s payment for credit card processing services.



AGENDA
ITEM NO. 3

CITY COUNCIL STAFF REPORT

DATE: OCTOBER 9, 2019
TO: HONORABLE MAYOR, AND MEMBERS OF THE CITY COUNCIL
FROM: JENNIFER E. VASQUEZ, CITY MANAGER *JV*
RE: REVENUE REPORT FOR THE 1ST QUARTER FISCAL YEAR
2019/2020

RECOMMENDATION

Staff recommends that the City Council receive and file the Revenue Report for the 1st Quarter (July, August, and September) of Fiscal Year 2019/2020.

FISCAL IMPACT

There is no fiscal impact involved with this action.

LEGAL REVIEW

The City Attorney has reviewed this report.

BACKGROUND

In an effort to maintain fiscal transparency, the City's Finance Department prepares a monthly Revenue report for the City Council's review. The Revenue Report is a tool used by the Council to monitor and oversee the financial health of

the City by assessing the Fiscal Year 2019/2020 revenues that the Adopted Budget was based by:

- a) Comparing them against the amounts that were collected during the same period of the prior fiscal-year
- b) Comparing the current fiscal year to date revenue received.

DISCUSSION

The attached analysis (see Attachment 1) compares each Revenue Fund (*GENERAL FUND*, *ENTERPRISE FUND* and *SPECIAL REVENUE FUND*) in Column A by: Column B - Monthly Revenue – 1st Quarter. 2018, Column C - Fiscal year to Date Revenue – 1st Quarter. 2019, Column D – 1st Quarter. 2018 YTD versus 1st Quarter. 2019 YTD \$ Difference, Column E – 1st Quarter. 2019 YTD versus 1st Quarter. YTD % Difference, Column F - Percentage Fiscal Year Reaming as of the 1st Quarter. 2019, Column G - Adopted Budget FY 2019-2020, and Column H - % of FY 2019 - 2020 YTD Revenue Received

The total *GENERAL FUND* revenue received¹ during the 1st Quarter 2019 totaled \$1,456,105.56 which is 15.80% higher than the same period last year. However there is not enough data to make a valid projection of the remaining 9 months as 74.86% of the Fiscal Year (depicted in Column F) remains.

- ***GENERAL FUND – TAXES:*** A contributing factor of the reduction in User Utility Tax (UUT) & Franchise & Collectors Fee is the failure of Commercial Waste Services (CWS) remitting their quarterly payment for UUT & Franchise & Collector Fee. Finance is monitoring the effect on UUT & Franchise & Collectors Fees.
- ***GENERAL FUND – LICENSES & PERMITS:*** A contributing factor of the reduction in Parking Permits for the 1st Quarter. 2019 from that of the 1st Quarter. 2018 is the City's implementation of a new parking process that, in the long-term, will allow citizens to renew and apply for parking permits electronically rather than physically having to come in. However, the City should be recovering Parking Permit revenue within the next couple of weeks. Additionally, the reduction of Occupancy Permits & Business License may be due to decline of new businesses opening within the City
- ***GENERAL FUND – FINES AND FORFEITURES:*** A contributing factor of the reduction in Parking Fines & SEMC²: Court Collections (DMV) revenue is the loss of parking enforcement coverage on weekends. Since April 2019 there has been a vacancy for the Part-time Parking Enforcement Officer position that diminished our capacity to issue parking citations. Furthermore, the City has not cited citizens for a month and half in order for them to renew their parking permits.
- ***GENERAL FUND – MISCELLANEOUS:*** A contributing factor for the increase in Interest Income is due to the transfer of idle funds to the City investment fund account. In addition, Miscellaneous Revenue is lower compared to last year because of rebates the City received for the purchase of electric vehicles.

¹ See row entitled General Fund Revenue Totals

² South Euclid Municipal Court

Revenues (see last row entitled All Funds Totals) are running 24.60% above the same period last Fiscal Year 2018/2019. For context:

- *Property Taxes* distributions (revenues) from Los Angeles County are scheduled for:
 1. Saturday, July 20, 2019
 2. Tuesday, August 20, 2019
 3. Wednesday, November 20, 2019
 4. Friday, December 20, 2019
 5. Friday, January 17, 2020
 6. Thursday, February 20, 2020
 7. Friday, March 20, 2020
 8. Monday, April 20, 2020
 9. Wednesday, May 20, 2020
 10. Friday, June 19, 2020
- *Other Revenue categories* - Taxes, Licenses and Permits, Charges for Services, Fines and Forfeitures, Leases and Concessions, Retiree Pension Levy, Sewer Service Charge, and Special Revenues are distributed when received or through a specified schedule and are recognized (posted in the City's Financials) when they are received .

ATTACHMENT(S)

Attachment No. 1 – 1st Quarter. 2019 Revenue Report

A - Fiscal Year to Date Revenue Summary By Fund and Revenue Type - 1st Qtr. 2019	B - Fiscal Year to Date Revenue - 1st Qtr. 2018	C - Fiscal Year to Date Revenue - 1st Qtr. 2019	D - 1st Qtr. 2019 YTD versus 2018 \$ Difference	E - 1st Qtr. 2019 YTD versus 2018 % Difference	F - Percentage of Fiscal Year Remaining as of the 1st Qtr. 2019 (C minus remaining 3 months past [July 2019 through September 2019 or 3/12ths] divided by 12 months)	G - Adopted Budget FY 2019-20	H - % of FY 2019-2020 YTD Revenue Received (C divided by G)
GENERAL FUND							
Taxes: A tax is a compulsory monetary contribution to the City's revenue, assessed and imposed by the City on the activities, expenditure, income, occupation, privilege, property, etc., of individuals and organizations.							
Franchise & Collectors Fee	\$80,969.43	\$18,233.90	(\$62,735.53)	-77.48%	75.00%	\$165,000.00	11.05%
Property Taxes	\$60,261.22	\$55,892.58	(\$4,368.64)	-7.25%	75.00%	\$700,800.00	7.98%
Utility Users Tax	\$254,370.17	\$225,995.01	(\$28,375.16)	-11.16%	75.00%	\$980,000.00	23.06%
Transfer Tax (Real Estate)	\$4,622.47	\$983.13	(\$3,639.34)	-78.73%	75.00%	\$25,000.00	3.93%
Transient Occupancy Tax	\$17,330.59	\$16,069.86	(\$1,260.73)	-7.27%	75.00%	\$60,000.00	26.78%
Cannabis Sales Tax	\$148,075.49	\$353,457.90	\$205,382.41	138.70%	75.00%	\$1,200,000.00	29.45%
Sales Tax Revenue	\$314,205.72	\$496,181.55	\$181,975.83	57.92%	75.00%	\$1,710,400.00	29.01%
Taxes Totals	\$879,835.09	\$1,166,813.93	\$286,978.84	32.62%	75.00%	\$4,841,200.00	24.10%
GENERAL FUND							
Licenses & Permits: FEES: A fee is a charge imposed on an individual for a service that the person chooses to receive. A fee may not exceed the estimated reasonable cost of providing the particular service or product for which the fee is charged, plus overhead. Fees are charged for specific services, and fee revenue may fund only those services and related expenses. LICENSES and PERMITS are types of fees allowing for the							
Compliance Program Fee	\$0.00	\$0.00	\$0.00	0.00%	75.00%	\$45,000.00	0.00%
Residential & Building Permits	\$14,433.50	\$16,176.70	\$1,743.20	12.08%	75.00%	\$47,000.00	34.42%
Public Works Permit Fees	\$7,137.00	\$16,142.00	\$9,005.00	126.17%	75.00%	\$50,000.00	32.28%
Other Fees & Permits	\$7,551.40	\$7,517.10	(\$34.30)	-0.45%	75.00%	\$46,400.00	16.20%
Occupancy Permits	\$6,259.30	\$3,465.80	(\$2,793.50)	-44.63%	75.00%	\$25,000.00	13.86%
Building Permits	\$17,899.65	\$15,925.06	(\$1,974.59)	-11.03%	75.00%	\$75,000.00	21.23%
Commercial Cannabis Applications	\$21,422.03	\$27,187.00	\$5,764.97	26.91%	75.00%	\$18,000.00	151.04%
Parking Permits	\$45,953.40	\$28,276.18	(\$17,677.22)	-38.47%	75.00%	\$100,000.00	28.28%
Apartment License	\$321.50	\$1,042.94	\$721.44	224.40%	75.00%	\$30,000.00	3.48%
Business License	\$2,940.00	\$1,957.50	(\$982.50)	-33.42%	75.00%	\$215,000.00	0.91%
Vehicle License Fee - LA County	\$0.00	\$0.00	\$0.00	0.00%	75.00%	\$2,820,000.00	0.00%
Licenses and Permits Totals	\$123,917.78	\$117,890.28	(\$6,027.50)	-5.03%	75.00%	\$3,426,400.00	3.43%
GENERAL FUND							
Charges for Services: CHARGES FOR SERVICES: Charges to cover administrative costs for the provision of services							
All Other Charges for Services	\$7.70	\$1,918.40	\$1,910.70	24814%	75.00%	\$3,400.00	56.42%
Compliance and Review Fees - Cannabis	\$0.00	\$0.00	\$0.00	0.00%	75.00%	\$36,000.00	0.00%
Rubbish Assessment	\$106.31	\$93.30	(\$13.01)	-12%	75.00%	\$65,000.00	0.14%
Plan Check Fees	\$9,375.64	\$9,669.32	\$293.68	3%	75.00%	\$25,900.00	37.33%
Rents & Concessions	\$5,670.00	\$3,780.00	(\$1,890.00)	-33%	75.00%	\$23,000.00	16.43%
Charges for Services Totals	\$16,169.65	\$16,461.02	\$301.37	2%	75.00%	\$153,300.00	10.09%
GENERAL FUND							
Fines and Forfeitures: FINES AND FORFEITURES: Penalties imposed by the City in the form of money or goods for a violation of an ordinance, law, regulation or rule.							
Penalties: Apt & Bus License	\$210.00	\$345.75	\$135.75	64.64%	75.00%	\$8,000.00	4.32%
SEMC Court Collections (DMV)	\$39,636.31	\$35,534.21	(\$4,102.10)	-10.35%	75.00%	\$120,000.00	29.61%
Parking Fines	\$84,355.99	\$40,863.77	(\$43,492.22)	-51.56%	75.00%	\$290,000.00	14.09%
Fines and Forfeitures Totals	\$124,202.30	\$76,743.73	(\$47,458.57)	-38.21%	75.00%	\$418,000.00	18.36%
GENERAL FUND							
Leases and Concessions: LEASES AND CONCESSIONS: A rent or lease or payment for the use of a the City's property.							
Leased Property Rental Income	\$15,000.00	\$16,442.65	\$1,442.65	9.62%	75.00%	\$61,400.00	26.78%
Leases and Concessions Totals	\$15,000.00	\$16,442.65	\$1,442.65	9.62%	75.00%	\$61,400.00	26.78%
GENERAL FUND							
Miscellaneous: MISCELLANEOUS: A General Fund revenue not covered in another revenue category.							
Interest Income	\$86.63	\$35,671.54	\$35,584.91	41076.89%	75.00%	\$116,000.00	30.75%
Miscellaneous Revenue	\$25,008.75	\$10,090.12	(\$14,918.63)	-59.65%	75.00%	\$64,900.00	15.55%
Other (Recycle + ABx1 Reimbursement)	\$7,262.00	\$0.00	(\$7,262.00)	-100.00%	75.00%	\$7,300.00	0.00%
Street Fair Revenue	\$49,120.00	\$0.00	(\$49,120.00)	0.00%	75.00%	\$0.00	0.00%
Trade of Prop A Funds	\$0.00	\$0.00	\$0.00	0.00%	75.00%	\$387,800.00	0.00%
Miscellaneous Revenue Totals	\$81,477.38	\$45,761.66	(\$35,715.72)	-43.84%	75.00%	\$576,000.00	7.94%
GENERAL FUND							
Retiree Pension Levy: RETIREE PENSION LEVY: An amount of revenue from the property tax levy approved by the voters for the purpose of paying the cost to the City of the Public Employees Retirement System (PERS).							
Retiree Pension Levy	\$17,798.63	\$17,192.29	(\$606.34)	-3.41%	75.00%	\$950,000.00	1.81%
Retiree Pension Levy Totals	\$17,798.63	\$17,192.29	(\$606.34)	-3.41%	75.00%	\$950,000.00	1.81%
General Fund Revenue Totals	\$1,257,390.83	\$1,456,105.56	\$198,714.73	15.80%	75.00%	\$10,426,300.00	13.97%
ENTERPRISE FUND							
Sewer: SEWER SERVICE CHARGE: Annual sewer charges to be collected on the Los Angeles County tax roll.							
Sewer	\$0.00	\$10,553.60	\$10,553.60		75.00%	\$284,000.00	3.72%
Sewer Revenue Totals	\$0.00	\$10,553.60	\$10,553.60		75.00%	\$284,000.00	3.72%
Enterprise Fund Revenue Totals	\$0.00	\$10,553.60	\$10,553.60		75.00%	\$284,000.00	3.72%

A - Fiscal Year to Date Revenue Summary By Fund and Revenue Type - 1st Qtr. 2019	B - Fiscal Year to Date Revenue - 1st Qtr. 2018	C - Fiscal Year to Date Revenue - 1st Qtr. 2019	D - 1st Qtr. 2019 YTD versus 2018 \$ Difference	E - 1st Qtr. 2019 YTD versus 2018 % Difference	F - Percentage of Fiscal Year Remaining as of the 1st Qtr. 2019 (F minus remaining 3 months past July 2019 through September 2019 or 3/12ths J divided by 12 months)	G - Adopted Budget FY 2019-20	H - % of FY 2019- 2020 YTD Revenue Received (C divided by G)
			(C minus B)	(C divided by B minus 1)			

SPECIAL REVENUE FUND Collections of revenues in special funds that must be used for the established purposes of the funds to provide an extra level of accountability and transparency.							
SPECIAL REVENUE FUND							
"Gas Tax"	\$91,310.33	\$98,859.16	\$7,548.83	8.27%	75.00%	\$735,800.00	13.44%
Transportation Development Act (TDA)							
Bikeway	\$11.38	\$0.00	(\$11.38)	-100.00%	75.00%	\$20,400.00	0.00%
Proposition A	\$146,500.90	\$143,064.86	(\$3,436.04)	-2.35%	75.00%	\$568,800.00	25.15%
Proposition C	\$124,168.14	\$120,955.72	(\$3,212.42)	-2.59%	75.00%	\$482,500.00	25.07%
Measure R	\$91,494.71	\$103,853.18	\$12,358.47	13.51%	75.00%	\$355,000.00	29.25%
Measure M	\$103,940.99	\$99,697.91	(\$4,243.08)	-4.08%	75.00%	\$401,000.00	24.86%
Senate Bill 1 (SB 1)	\$103,696.38	\$135,699.56	\$32,003.18	30.86%	75.00%	\$460,900.00	29.44%
Surface Transportation Program (STP)							
Federal Grant	\$0.00	\$0.00	\$0.00	0.00%	75.00%	\$200.00	0.00%
Community Development Block Grant (CDBG)	\$34,732.00	\$215,095.00	\$180,363.00	519.30%	75.00%	\$545,700.00	39.42%
Air Quality Management District (AQMD) Grant	\$9,223.64	\$9,430.19	\$206.55	2.24%	75.00%	\$34,100.00	27.65%
Supplemental Law Enforcement Services Fund (SLESF) Grant	\$0.00	\$55,947.62	\$55,947.62	0.00%	75.00%	\$140,000.00	39.96%
Grant/Reimbursements from Federal/State/County Governments	\$0.00	\$0.00	\$0.00	0.00%	75.00%	\$134,000.00	0.00%
Measure A	\$0.00	\$0.00	\$0.00	0.00%	75.00%	\$143,500.00	0.00%
Lighting & Landscaping	\$4,899.02	\$2,747.97	(\$2,151.05)	-43.91%	75.00%	\$174,500.00	1.57%
Successor Agency Trust Fund - City of Maywood serves as the Successor Agency to the Maywood Redevelopment Agency	\$606.57	\$0.00	(\$606.57)	-100.00%	75.00%	\$1,258,700.00	0.00%
Special Revenue Totals	\$710,584.06	\$986,361.17	\$274,767.11	38.67%	75.00%	\$5,465,100.00	18.06%
All Funds (General, Enterprise, Special Revenue) Totals	\$1,967,974.89	\$2,452,010.33	\$484,035.44	24.60%	75.00%	\$16,165,400.00	15.17%



AGENDA
ITEM NO. 4

CITY COUNCIL STAFF REPORT

DATE: OCTOBER 9, 2019

TO: HONORABLE MAYOR, AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER E. VASQUEZ, CITY MANAGER *JV*

BY: *DM* DAVID MANGO, DIRECTOR OF BUILDING AND PLANNING

RE: CONSIDER THE ADOPTION OF RESOLUTION 6071 AMENDING RESOLUTION 6062 ESTABLISHING A CITY-WIDE POLICY REGARDING PERMITTING REQUIREMENTS AND DEVELOPMENT STANDARDS FOR WIRELESS TELECOMMUNICATIONS FACILITIES

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. 6071 amending Resolution 6062 establishing a city-wide policy regarding permitting requirements and development standards for wireless telecommunications facilities.

FISCAL IMPACT

There is no fiscal impact associated with the consideration of this resolution.

LEGAL REVIEW

The City Attorney has reviewed this report.

BACKGROUND

Following adoption of the Telecommunications Act of 1996, local jurisdictions experienced an increasing number of applications for the installation of wireless

communications facilities. Chapter 1 (Excavations and Repairs) of Title 7 (Public Works) of the Maywood Municipal Code specifies the standards for right of way encroachments and excavation permits but does not establish regulations for governing deployment of small wireless facilities. The City has generally deferred to State and Federal regulations.

In subsequent years, the state and federal government have issued regulations to encourage streamlined review and installation of wireless facilities. On September 26, 2018, the FCC issued a ruling addressing the emerging Small Cell Wireless (5G) technology, and amending the "shot clock" regulations which specify time limits in which a state and local agency must act on an application for a wireless communications facility.

The wireless industry, as well as state and federal laws, have evolved substantially in recent years. In response to these changes, the City Council adopted Ordinance 19-06 to establish consistent regulations and a proposed resolution which outlines the procedures to administer the projects. The ordinance and resolution incorporates updated federal and state regulations and definitions, and provides more detailed submittal, locational and processing requirements.

DISCUSSION

On August 28, 2019, the Maywood City Council held a duly noticed public hearing to consider the approval of Ordinance 19-06 and also the adoption of Resolution 6062. During the public hearing, telecom industry representatives noted that the resolution was inconsistent in that Sections 2.2A.3 and 2.4A require that the applicant will provide to the City mailing labels for all property owners and occupants within a 300-foot radius from a proposed wireless facility upon the application for a permit and also upon the approval or denial of the permit. The City would mail notifications using these labels. However, sections 3.3A.3 and 3.4A required a 500-foot radius.

Since it was staff's intention to place a consistent 300-foot radius notification requirement on all wireless facility permitting and reporting, Resolution 6071 corrects sections 3.3A.3 and 3.4A. No other changes were made.

ATTACHMENT(S)

Attachment No. 1 – Resolution No. 6062

Attachment No. 2 – Resolution No. 6071

ATTACHMENT NO. 1

RESOLUTION NO. 6062

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD,
CALIFORNIA, ADOPTING A CITY-WIDE POLICY REGARDING
PERMITTING REQUIREMENTS AND DEVELOPMENT STANDARDS
FOR WIRELESS TELECOMMUNICATION FACILITIES PURSUANT TO
CHAPTER 3 OF TITLE 7 OF THE MAYWOOD MUNICIPAL CODE**

WHEREAS, on September 26, 2018, the Federal Communications Commission ("FCC") adopted its Declaratory Ruling and Third Report and Order ("Report and Order") relating to placement of small wireless facilities in the City, including public rights-of-way; and

WHEREAS, the Report and Order purports to give providers of wireless services rights to utilize public rights-of-way and to attach so-called "small wireless facilities" to public infrastructure, including infrastructure of the City of Maywood, subject to payment of "presumed reasonable", non-recurring and recurring fees, and the ability of local agencies to regulate use of their rights-of-way is substantially limited under the Report and Order; and

WHEREAS, notwithstanding the limitations imposed on local regulation of small wireless facilities in public rights-of-way by the Report and Order, local agencies retain the ability to regulate the aesthetics of small wireless facilities, including location, compatibility with surrounding facilities, spacing, and overall size of the facility, provided the aesthetic requirements are: (i) "reasonable," i.e., "technically feasible and reasonably directed to avoiding or remedying the intangible public harm or unsightly or out-of-character deployments"; (ii) "objective," i.e., they "incorporate clearly-defined and ascertainable standards, applied in a principled manner"; and (iii) published in advance. Regulations that do not satisfy the foregoing requirements may be subject to invalidation, as are any other regulations that "materially inhibit wireless service," (e.g., overly restrictive spacing requirements); and

WHEREAS, local agencies also retain the ability to regulate small wireless facilities and other wireless telecommunications facilities in the City, including but not limited to the City's public rights-of-way, on public infrastructure, and on private property in order to more fully protect the public health and safety, ensure continued quality of telecommunications services, and safeguard the rights of consumers, and pursuant to this authority retained, the City Council has amended the Maywood Municipal Code by the addition of Chapter 3 (Small Wireless Facilities) to Title 7 (Public Works) (the "Ordinance") to require all wireless telecommunications facilities, as defined, to comply with the requirements of a policy adopted by resolution of the City Council entitled "City-Wide Policy Regarding Permitting Requirements And Development Standards For Wireless Telecommunications Facilities."

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MAYWOOD DOES RESOLVE AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated herein as if set forth in full.

Section 2. Adoption of Policy. The City Council of Maywood hereby adopts the "City-Wide Policy Regarding Permitting Requirements And Development Standards For Wireless Telecommunications Facilities" set forth in Exhibit A to this Resolution, and which is incorporated by reference herein.

Section 3. Amendments. Any and all amendments to the Policy, as deemed necessary from time-to-time, shall be adopted by resolution of the City Council.

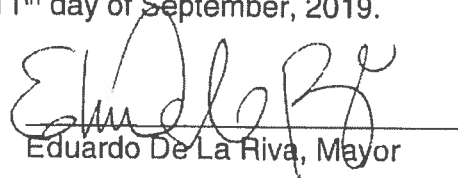
Section 4. CEQA. The City of Maywood has determined that the adoption of this Resolution is exempt from review under the California Environmental Quality Act ("CEQA") (California Public Resources Code Section 21000, et seq.), pursuant to State Section 15061(b)(3) of the CEQA Guidelines covering activities with no possibility of having a significant effect on the environment. In addition, the City of Maywood has determined that this Resolution is categorically exempt pursuant to Section 15301 of the CEQA Regulations applicable to minor alterations of existing governmental and/or utility-owned structures.

Section 5. Severability. If any sections, subsections, sentence, clause, or phrase of this Resolution or the Policy adopted by this Resolution is for any reason held to be invalid or unconstitutional by the decision or legislation of any court of competent jurisdiction, or by reason of preemptive legislation, such decision or legislation shall not affect the validity of the remaining portions of this Resolution or the Policy, and to this end, the provisions of this Resolution and the Policy are each declared to be severable. The City Council declares that it would have passed this Resolution and the attached Policy, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that one or more of the sections, subsections, sentences, clauses, or phrases thereof is declared invalid or unconstitutional.

Section 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

Section 7. Certification. The City Clerk shall certify to the adoption of this Resolution and shall cause a certified resolution to be filed in the book of original resolutions.

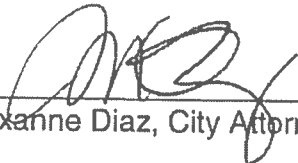
PASSED, APPROVED AND ADOPTED this 11th day of September, 2019.


Eduardo De La Riva, Mayor

ATTEST:

(PA) 
Gerardo Mayagoitia, City Clerk

APPROVED AS TO FORM:


Roxanne Diaz, City Attorney

I, Gerardo Mayagoitia, City Clerk of the City of Maywood, do hereby certify that the foregoing Resolution No. 6062 was adopted at a regular meeting of the City Council of the City of Maywood held on the 11th day of September, 2019 by the following vote:

AYES: DeLaRiva, Lara and Marquez

NOES:

ABSTAINED:

ABSENT: Medina and Alvarez

(PA) 
Gerardo Mayagoitia, City Clerk

EXHIBIT A

CITY-WIDE POLICY REGARDING PERMITTING REQUIREMENTS AND DEVELOPMENT STANDARDS FOR WIRELESS TELECOMMUNICATIONS FACILITIES (PURSUANT TO CHAPTER 3 OF TITLE 7 OF THE MAYWOOD MUNICIPAL CODE)

ARTICLE 1. GENERAL PROVISIONS

SECTION 1.1. PURPOSE AND INTENT

- A. On September 26, 2018, the Federal Communications Commission ("FCC") adopted a Declaratory Ruling and Third Report and Order, FCC 18-133 (the "Report and Order"), in connection with two informal rulemaking proceedings entitled Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment, WT Docket No. 17-79, and Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84. The regulations adopted in the Report and Order significantly curtail the local authority over wireless and wireline communication facilities reserved to State and local governments under sections 253 and 704 in the federal Telecommunications Act. Numerous legal challenges to the Report and Order have been raised but its regulations have become effective while such challenges are pending. Although the provisions may well be invalidated by future action, the City recognizes the practical reality that failure to comply with the Report and Order while it remains in effect will likely result in greater harm to the City's interests than if the City ignored the FCC's ruling. Accordingly, the City Council adopts this Policy ("Policy") as a means to accomplish such compliance that can be quickly amended or repealed in the future without the need to amend the City's Municipal Code.
- B. The City of Maywood intends this Policy to establish reasonable, uniform and comprehensive standards and procedures for wireless telecommunications facilities construction, installation, collocation, modification, operation, relocation and other deployment and removal within the City's territorial boundaries, consistent with and to the extent permitted under federal and California state law. The standards and procedures contained in this Policy are intended to, and should be applied to, protect and promote public health, safety and welfare, and balance the benefits from advanced wireless telecommunications services with local values, which include without limitation the aesthetic character of the City. This Policy is also intended to reflect and promote the community interest by (1) ensuring that the balance between public and private interests is maintained; (2) protecting the City's visual character from potential adverse impacts and/or visual blight created or exacerbated by wireless telecommunications facilities and related telecommunications infrastructure; (3) protecting and preserving the City's environmental resources; (4) protecting and preserving the City's public rights-of-

way and municipal infrastructure located within the City's public rights-of-way; and (5) promoting access to high-quality, advanced wireless services for the City's residents, businesses and visitors.

- C. This Policy is not intended to, nor shall it be interpreted or applied to: (1) prohibit or effectively prohibit any personal wireless service provider's ability to provide personal wireless services; (2) prohibit or effectively prohibit any entity's ability to provide any telecommunications service, subject to any competitively neutral and nondiscriminatory rules, regulations or other legal requirements for rights-of-way management; (3) unreasonably discriminate among providers of functionally equivalent personal wireless services; (4) deny any request for authorization to place, construct or modify personal wireless service facilities on the basis of environmental effects of radio frequency emissions to the extent that such wireless facilities comply with the FCC's regulations concerning such emissions; (5) prohibit any collocation or modification that the City may not deny under federal or California state law; (6) impose any unreasonable, discriminatory or anticompetitive fees that exceed the reasonable cost to provide the services for which the fee is charged; or (7) otherwise authorize the City to preempt any applicable federal or California law.

SECTION 1.2. DEFINITIONS

- A. Undefined Terms. Except as otherwise expressly defined herein, terms and phrases used in this Policy shall have the meaning ascribed to them in Chapter 3 of Title 7 of the Maywood Municipal Code, unless the context in which they are used clearly requires otherwise, or unless otherwise defined in 47 C.F.R. § 1.6002, as amended or superseded from time to time. If any definition assigned to any phrase, term or word in this Section 1.2 conflicts with any federal or state-mandated definition, the federal or state-mandated definition will control.
- B. Defined Terms.
1. "Accessory equipment" means the same as "antenna equipment" as defined by FCC in 47 C.F.R. § 1.6002(b), as may be amended or superseded.
 2. "Antenna" means the same as defined by the FCC in 47 C.F.R. § 1.6002(b), as may be amended or superseded.
 3. "Antenna equipment" means equipment, switches, wiring, cabling, power sources, shelters or cabinets associated with an antenna, located at the same fixed location as the antenna, and, when collocated on a structure, is mounted or installed at the same time as such antenna.
 4. "Base station" for purposes of an eligible facility request, means the same as defined by the FCC in 47 C.F.R. § 1.6100(b)(1), or any successor regulation, which defines that term as a structure or equipment at a fixed

location that enables FCC-licensed or authorized wireless communications between user equipment and a communications network.

5. "City Engineer" means the City Engineer of the City of Maywood.
6. "Collocation" means the same as defined by the FCC in 47 C.F.R. § 1.6002(g), as may be amended or superseded.
7. "Community Development Director" means the Community Development Director of the City of Maywood.
8. "Concealed" or "concealment" means camouflaging techniques that integrate the transmission equipment into the surrounding natural and/or built environment such that the average, untrained observer cannot directly view the equipment and would not likely recognize the existence of the wireless facility or concealment technique.
9. "Construction codes" means the California Building, Fire, Electrical, Plumbing and/or Mechanical Codes adopted by the City.
10. "CPUC" means the California Public Utilities Commission.
11. "Decorative pole" means any pole that includes decorative or ornamental lighting, features and/or materials intended to enhance the appearance of the pole or the public right-of-way in which the pole is located. Decorative or ornamental features include, but are not limited to, fluted poles, ornate luminaires and artistic embellishments. Cobra head luminaires and octagonal shafts made of concrete or crushed stone composite material are not considered decorative or ornamental.
12. "Department" means:
 - (a) For wireless telecommunications facilities located in the PROW, or on City infrastructure or City-owned or City-operated buildings or facilities regardless of where located in the City, "department" means the Public Works Department of the City of Maywood.
 - (b) For wireless telecommunications facilities located on all other property in the City, "department" means the Community Development Department of the City of Maywood.
13. "Eligible facility request" means a request for approval of an eligible facility pursuant to Section 6409(a), and as defined by the FCC in 47 C.F.R. § 1.6100(b)(3), or any successor regulation, which defines that term as any request for modification of an existing tower or base station that does not substantially change the physical dimensions of such tower or base station, involving: (1) collocation of new transmission equipment; (2) removal of transmission equipment; or (3) replacement of transmission equipment.

14. "FCC Shot Clock" means the presumptively reasonable time frame within which the City generally must act on a given wireless application, as defined by the FCC and as may be amended or superseded. (See also Section 2.3(E) and Section 3.4(B) of this Policy.)
15. "Municipal Code" means the Maywood Municipal Code, as amended from time to time.
16. "Notice of deficiency" means a notice issued by the applicable department identifying information and/or documentation necessary in order for the City to deem a wireless telecommunications facilities permit application complete.
17. "Ordinance" means Chapter 3 of Title 7 of the Maywood Municipal Code, as may be amended from time to time.
18. "RF" means radio frequency or electromagnetic waves.
19. "SCJPC" means the Southern California Joint Pole Committee.
20. "Structure" for this Policy, means the same as defined by the FCC in 47 C.F.R. § 1.6002(m), as may be amended or superseded.
21. "Support structure" means a structure in the public right-of-way other than a pole or a tower to which a wireless telecommunications facility is attached at the time of the application.
22. "Tower", for purposes of an eligible facilities request, means the same as defined by the FCC in 47 C.F.R. § 1.6100(b)(9), or any successor regulation, which defines that term as any structure built for the sole or primary purpose of supporting any FCC-licensed or authorized antennas and their associated facilities, including structures that are constructed for wireless communications services including, but not limited to, private, broadcast, and public safety services, as well as unlicensed wireless services and fixed wireless services such as microwave backhaul, and the associated site. Examples include, but are not limited to, monopoles, monotrees and lattice towers.

ARTICLE 2. SMALL WIRELESS FACILITIES

SECTION 2.1. APPLICABILITY; REQUIRED PERMITS AND APPROVALS

- A. Applicable Facilities. Except as expressly provided otherwise in this Policy, the provisions in this Policy shall be applicable to all existing small wireless facilities and all applications and requests for authorization to construct, install, attach, operate, collocate, modify, reconstruct, relocate, remove or otherwise deploy small

wireless facilities within the City's jurisdictional and territorial boundaries, including within the public rights-of-way, on any property, buildings, facilities or other structures located within the PROW, on any property or buildings owned or operated by the City of Maywood located anywhere else in the City, or on private property.

- B. Approval Authority. The approval authority for small wireless facilities in public rights-of-way, or on City-owned or City-operated buildings or facilities regardless of where located, shall be the City Engineer or his or her designee. The approval authority for small wireless facilities located on all other property shall be the Community Development Director or his or her designee.
- C. Small Wireless Facility Permit (SWFP). A small wireless facility permit, subject to the approval authority's prior review and approval, is required for any small wireless facility proposed on an existing, new or replacement structure, including but expressly not limited to any City-owned building or structure.
- D. Requests for Approval pursuant to Section 6409(a). Requests for approval to collocate, replace or remove transmission equipment or other wireless facilities at an existing wireless tower or base station submitted pursuant to Section 6409(a), and qualifying as an "eligible facility" pursuant to Section 6409(a) and applicable federal regulations, shall require approval of an Eligible Facility Permit (EFP), reviewed in accordance with Section 6409(a), and Article 3 of this Policy, and all other standards required by law.
- E. Other Permits and Approvals. In addition to a small wireless facility permit, the applicant shall obtain all other permits and regulatory approvals as may be required by the City or any other federal, state or local government agencies, including but expressly not limited to any ministerial permits and/or other approvals issued by other City departments or divisions, or approval by Southern California Edison for utility pole attachments in compliance with FCC, CPUC and/or SCJPC pole attachment rules. All applications for ministerial permits submitted in connection with a proposed small wireless facility must contain a valid small wireless facility permit issued by the City for the proposed facility. Any application for any ministerial permit(s) submitted without such SWFP may be denied without prejudice. Furthermore, any SWFP granted under this Policy shall remain subject to all lawful conditions and/or legal requirements associated with such other permits or approvals.

SECTION 2.2. SMALL WIRELESS FACILITY PERMIT APPLICATION REQUIREMENTS

- A. Application Contents. All applications for a small wireless facility permit must include all the information and materials required in this subsection (A).
 - 1. Application Form. The applicant shall submit a complete, duly executed SWFP application using the then-current City form, which must include the

information and documentation described in this subsection (A), and in accordance with the original and number of copies and format required by the department.

2. Application Fee. The applicant shall submit the applicable small wireless facility permit application fee (non-recurring) as set forth in this Policy, the Ordinance, or as established by City Council resolution, or otherwise in such amount as presumed "reasonable" by the FCC in the Small Wireless Facilities Order. See also, Section 2.5(A)(16), of this Policy. Batched applications must include the applicable SWFP application fee for each SWF in the batch. If no permit application fee has been established, then the applicant shall submit a signed written statement that acknowledges that the applicant will be required to reimburse the City for its reasonable costs incurred in connection with the application within ten (10) days after the City issues a written demand for reimbursement.
3. Address Labels; Public Notices. The applicant shall submit address labels for all properties and record owners of properties within 300 feet of the proposed installation. Notice of the SWFP application shall be provided in accordance with Section 2.4. Insufficient postage and/or illegible addressing shall be a basis to deem the application incomplete.
4. Construction Drawings. The applicant shall submit true and correct construction drawings, prepared, signed and stamped by a California licensed or registered engineer, that depict all the existing and proposed improvements, equipment and conditions related to the proposed project and project site, which includes without limitation any and all poles, posts, pedestals, traffic signals, towers, streets, sidewalks, pedestrian ramps, driveways, curbs, gutters, drains, handholes, manholes, fire hydrants, equipment cabinets, antennas, cables, trees and other landscape features. The construction drawings must: (i) contain cut sheets that contain the technical specifications for all existing and proposed antennas and accessory equipment, which includes without limitation the manufacturer, model number and physical dimensions; (ii) identify all structures within 250 feet from the proposed project site and call out such structures' overall height above ground level; (iii) depict the applicant's plan for electric and data backhaul utilities, which shall include the locations for all conduits, cables, wires, handholes, junctions, transformers, meters, disconnect switches, and points of connection; and (iv) demonstrate that the proposed project will be in full compliance with all applicable health and safety laws, regulations or other rules, which includes without limitation all building codes, electric codes, local street standards and specifications, CPUC regulations and orders including, but not limited to, CPUC General Order 95 and 128, and the SCJPC pole attachment rules.
5. Site Plan. The applicant shall submit a site plan and survey prepared, signed and stamped by a California licensed or registered engineer. The

site plan and survey must identify and depict the proposed project site and all existing boundaries, encroachments, buildings, walls, fences and other structures within 250 feet from the proposed project site, which includes without limitation all: (i) traffic lanes; (ii) all private properties and property lines; (iii) above and below-grade utilities and related structures and encroachments; (iv) fire hydrants, roadside call boxes and other public safety infrastructure; (v) streetlights, decorative poles, traffic signals and permanent signage; (vi) sidewalks, driveways, parkways, curbs, gutters and storm drains; (vii) benches, trash cans, mailboxes, kiosks and other street furniture; and (viii) existing trees, planters and other landscaping features.

6. Photographs and Photo Simulations. The applicant shall submit site photographs and photo simulations that show the existing location and proposed small wireless facility in context from at least three vantage points within the public streets or other publicly accessible spaces, together with a vicinity map that shows the proposed site location and the photo location for each vantage point. At least one simulation must depict the SWF from a vantage point approximately 50 feet from the proposed support structure or location.
7. Project Narrative and Justification. The applicant shall submit a written statement that explains in plain factual detail why the proposed wireless telecommunications facility qualifies as a "small wireless facility" as defined by the FCC in 47 C.F.R. § 1.6002(l). A complete written narrative analysis must state the applicable standard and all the facts that allow the City to conclude the standard has been met. Bare conclusions not factually supported do not constitute a complete written analysis. As part of the written statement the applicant must also include (i) whether and why the proposed support is a "structure" as defined by the FCC in 47 C.F.R. § 1.6002(m); and (ii) whether and why the proposed wireless telecommunications facility meets each required finding as provided in Section 2.4 of this Policy.
8. RF Compliance Report. The applicant shall submit an RF exposure compliance report that certifies that the proposed small wireless facility, as well as any collocated wireless telecommunications facilities, will comply with applicable federal RF exposure standards and exposure limits. The RF exposure compliance report must be prepared and certified by an RF engineer acceptable to the City. The RF exposure compliance report must include the actual frequency and power levels (in watts effective radiated power) for all existing and proposed antennas at the site and exhibits that show the location and orientation of all transmitting antennas and the boundaries of areas with RF exposures in excess of the uncontrolled/general population limit (as that term is defined by the FCC) and also the boundaries of areas with RF exposures in excess of the controlled/occupational limit (as that term is defined by the FCC). Each such

boundary shall be clearly marked and identified for every transmitting antenna at the project site.

9. Regulatory Authorization. The applicant shall submit evidence of the applicant's regulatory status under federal and California law to provide the services and construct the SWF proposed in the application.
10. Site Agreement. When determined necessary by the approval authority in order to more fully protect the public health and safety, and/or when installation is proposed on a City-owned or City-operated structure requiring terms and conditions for such use that are not otherwise sufficiently addressed in this Policy, the City may require the applicant to enter into a site agreement. In such cases, the City may require and the applicant shall submit a partially-executed site agreement on a form prepared by the City that states the terms and conditions for such use by the applicant. No changes shall be permitted to the City's form site agreement except as may be indicated on the form itself. Any unpermitted changes to the City's form site agreement shall be deemed a basis to deem the application incomplete. Refusal to accept the terms and conditions in the City's site agreement shall be an independently sufficient basis to deny the application. The City may, but is not required to, enter into a master agreement upon an applicant's request, when multiple facilities are proposed.
11. Title Report and Property Owner's Authorization. The applicant must submit a title report issued within 30 days from the date the applicant filed the SWFP application; and (ii) if the applicant is not the property owner, a written authorization signed by the non-City property owner that authorizes the applicant to submit a SWFP application in connection with the subject property and also demonstrating that the property owner approves the application and installation or collocation of the proposed wireless telecommunications facility. The following additional requirements shall also be met:
 - a. Southern California Edison. If the SWF is proposed on a pole or other support structure owned by Southern California Edison (SCE), the applicant shall indicate the status of the following in the application and submit prior to obtaining encroachment permit for construction:
 - i. Final plans approved by Southern California Edison;
 - ii. SCE Letter of Authorization;
 - iii. SCE Consent Letter;
 - iv. SCE Disconnect Letter;
 - v. Lighting Study for the proposed installation, collocation or modification will be required if the proposed site deviates from

the existing lighting levels as determined by the City Engineer,
and

- vi. Any other documents required by SCE.
- b. Other Utility. If the SWF is proposed on a pole or other structure owned by any other public or private utility, the applicant shall provide detailed plans approved by the utility and all authorizations required by that utility.
- c. SCJPC. For any proposed SWF on a wooden utility pole or other pole subject to any pole attachment rules, including but not limited to the SCJPC, the applicant must submit the following with the application:
 - i. Any and all documents demonstrating that such pole is subject to the applicable pole attachment rules, all applicable pole attachment requirements, and the manner in which the proposed facility complies with the applicable pole attachment rules;
 - ii. All plans approved by the SCJPC or other owner; and
 - iii. If required by the SCJPC for a pole attachment, the applicant must provide sufficient information to Southern California Edison to permit it to file a Notice of Intention to Place Wireless Antenna as well as the SCJPC approval for installation or collocation of the small wireless facility.
- 12. Acoustic Analysis. The applicant shall submit a written statement for the proposed SWF and all associated equipment including all environmental control units, sump pumps, temporary backup power generators and permanent backup power generators demonstrating compliance with the City's noise regulations. In addition to the acoustic statement, the applicant may submit evidence from the equipment manufacturer(s) that the ambient noise emitted from all the proposed equipment will not, both individually and cumulatively, exceed the applicable noise limits.
- 13. Wind Velocity Test. The applicant must include an evaluation of high wind load capacity of the proposed SWF, including but not limited to the impact of a modification or collocation to an existing wireless telecommunications facility as part of the structural analysis submitted with the application.
- 14. Justification for Non-Preferred Location or Structure. If a SWF is proposed anywhere other than the most preferred location or the most preferred structure within 500 feet of the proposed location as described in Section 2.6(B) or (C), the applicant shall demonstrate with clear and convincing written evidence all of the following:

- a. A clearly defined technical service objective, and a map showing areas that meets that objective;
 - b. A technical analysis that includes the factual reasons why a more preferred location(s) and/or more preferred structure(s) within 500 feet of the proposed location is not technically feasible;
 - c. Bare conclusions that are not factually supported do not constitute clear and convincing written evidence.
15. Historic Preservation Review. If a SWF is proposed on any building or structure designated as historic in the City, the City shall comply with all city, county, state and federal laws applicable to modifications or attachments to historic buildings and structures.
16. Traffic Control Plan. The applicant must include a traffic control plan if the proposed SWF is to be sited on any street adjacent to or within a non-residential zone.
- B. Additional Requirements. The City Council authorizes the approval authority to develop, publish and from time to time update or amend permit application requirements, forms, checklists, guidelines, informational handouts and other related materials that the approval authority finds necessary, appropriate or useful for processing any SWFP application governed under this Policy. All such requirements and materials must be in written form and publicly stated to provide all interested parties with prior notice.

SECTION 2.3. SMALL WIRELESS FACILITY PERMIT APPLICATION SUBMITTAL AND COMPLETENESS REVIEW

- A. Requirements for a Duly Filed Application. Any application for a small wireless facility permit will not be considered duly filed unless submitted in accordance with the requirements in this Subsection (A).
- 1. Submittal in Person. All applications for SWFPs shall be submitted in person at Maywood City Hall, 4319 Slauson Avenue, Maywood, California 90270 to the attention of the City Engineer.
 - 2. Submittal Appointment. The City may require that all SWFP applications must be submitted to the City at a pre-scheduled appointment with the approval authority. The requirement for an appointment shall be published on the applicable department's website and posted at the department's front counter. Potential applicants may generally submit either one application or one batched application per appointment as provided below. Potential applicants may schedule successive appointments for multiple applications whenever feasible and not prejudicial to other applicants for any other development project. If an appointment is required, the approval authority shall use reasonable efforts to offer an appointment within five working days

after the approval authority receives a written request from a potential applicant. If an appointment is required, any purported application received without an appointment, whether delivered in-person, by mail or through any other means, will not be considered duly filed, whether the City retains, returns or destroys the materials received.

3. Pre-Submittal Conferences. The City encourages, but does not require, potential applicants to schedule and attend a pre-submittal conference with the approval authority for all proposed projects that involve small wireless facilities. A voluntary pre-submittal conference is intended to streamline the review process through informal discussion between the potential applicant and staff that includes, without limitation, the appropriate project classification and review process; any latent issues in connection with the proposed project, including compliance with generally applicable rules for public health and safety; potential concealment issues or concerns (if applicable); coordination with other City departments responsible for application review; and application completeness issues.
- B. Applications Deemed Withdrawn. To promote efficient review and timely decisions, and to mitigate unreasonable delays or barriers to entry caused by chronically incomplete applications, any SWFP application governed under this Policy will be automatically deemed withdrawn by the applicant when the applicant fails to tender a substantive response to the approval authority within sixty (60) calendar days after the approval authority deems the application incomplete in a written notice to the applicant. As used in this subsection (b), a "substantive response" must include all materials identified as necessary to deem the SWFP application complete in the approval authority's notice of deficiency.
- C. Batched Applications. Applicants may submit SWFP applications individually or in a batch; provided, that the number of small wireless facilities in a batch should be limited to five and all facilities in the batch should be substantially the same with respect to equipment, configuration, and support structure. Applications submitted as a batch shall be reviewed together, provided that each application in the batch must meet all the requirements for a complete application, which includes without limitation the application fee for each application in the batch. If any individual application within a batch is deemed incomplete, the entire batch shall be automatically deemed incomplete. If any application is withdrawn or deemed withdrawn from a batch, all other applications in the same batch shall be automatically deemed withdrawn. If any application in a batch fails to meet the required findings for approval, the entire batch shall be denied.
- D. Additional Procedures. The City Council authorizes the approval authority to establish other reasonable rules and regulations for duly filed SWFP applications, which may include without limitation regular hours for appointments with applicants, as the approval authority deems necessary or appropriate to organize, document and manage the application intake process. All such rules and

regulations must be in written form and publicly stated to provide all interested parties with prior notice.

E. FCC Shot Clocks. SWFP applications shall be processed in compliance with the following federally established timelines:

1. Subject to tolling provisions in this Subsection (E), the City shall have sixty (60) days from the date of receipt of an application for a small wireless facility permit to collocate one or more small wireless facilities on a structure, within which to act on the application. The foregoing period shall be ninety (90) days for applications to install one or more SWFs involving no collocation, or where SWFs identified in the application will be both collocated and not collocated.
2. Unless otherwise agreed upon in writing by the applicant and City, for an initial application to install one or more SWFs, if the City notifies the applicant on or before the 10th day after submission that the application is materially incomplete, and identifies the missing documents or information and the specific rule or regulation creating the obligation to submit such documents or information, the time for the City to act on the SWFP application is tolled, and the shot clock date calculation shall restart at zero on the date on which the applicant submits all the documents and information identified by the City in the notice of deficiency to render the application complete.
3. For any resubmitted application following the City's notice of deficiency, the time for the City to act on the application shall be tolled for the number of days from:
 - a. The day after the date when the City notifies the applicant in writing that the applicant's supplemental submission was not sufficient to render the application complete and identifies the missing documents or information that need to be submitted based on the City's original request under Subsection (E)(2), above, until;
 - b. The date when the applicant submits all the documents and information identified by the City to render the SWFP application complete, provided the notice pursuant to Subsection (E)(3)(A), above is served on or before the 10th day after the date when the applicant makes a supplemental submission in response to the City's request under Subsection (E)(2), above.
4. The "shot clock date" or starting date for a SWFP application is determined by counting forward, beginning on the day after the date when the application was submitted, by the number of calendar days of the shot clock period identified in this Subsection (E), provided, that if the date calculated in this manner is a local, State, or federal holiday within the City or State

("legal holiday"), the shot clock date is the next business day after such date. The term "business day" means any week day that is not a legal holiday of the City or State.

5. Timelines for processing SWFP applications for installation on any utility owned pole, including poles owned by the Southern California Edison, shall be governed by applicable FCC, CPUC, and/or SCJPC rules.
6. The applicant's response and submission of supplemental materials and information in response to a notice of deficiency must be given to the City in one submittal packet.

SECTION 2.4. SMALL WIRELESS FACILITY PERMIT APPROVALS AND DENIALS

- A. Public Notice. Prior to any approval, conditional approval or denial, public notice shall be mailed by the City to all properties and record owners and occupants of properties within a 300-foot radius of the project site in accordance with this Subsection (A).
 1. Form of Notice. The public notice shall be completed and submitted by the applicant as part of the SWFP application package for City approval, and shall be in a form and content that complies with the requirements of this Subsection and the City's application requirements.
 2. Mailing. The notice shall be mailed not less than five (5) business days prior to installation of the mock-up and will include photo simulations depicting before and after images.
 3. Contents. The notice shall be prepared by the applicant and submitted for City approval along with address labels as provided in Section 2.2(A)(3), and must contain the following information:
 - a. A general project description;
 - b. The applicant's identification and contact information as provided on the application submitted to the City;
 - c. Contact information for the City to use to communicate with the applicant;
 - d. A statement that the approval authority will act on the SWFP application without a public hearing but that the approval authority will, for a minimum of ten (10) days from the date of the notice, accept written public comments that evaluate the SWFP application for compliance with the standards in this Policy and the Ordinance; and

- e. A statement that the FCC requires the City to act on SWFP applications, which includes any administrative appeals, in sixty (60) days for attachments to existing structures and ninety (90) days for new structures, unless the applicant voluntarily agrees to toll the timeframe for review.
- B. Public Comment. Within ten (10) days from service of the notice, any interested person may submit comments on the proposed SWF to the City by U.S. mail or through the City's website. Any timely public comments received will be considered during the approval authority's review of the application.
- C. Administrative Review by Approval Authority. Not less than ten (10) days after the public notice required in Subsection (A), the approval authority shall review a complete and properly filed application for a small wireless facility and except as otherwise provided in Section 2.4(A), may act on such application without a public hearing.
- D. Required Findings. The approval authority may approve or conditionally approve a complete and duly filed application for a small wireless facility permit when the approval authority finds:
 - 1. The proposed project meets the definition for a "small wireless facility" as defined by the FCC;
 - 2. The proposed SWF would be in the most preferred location provided in Section 2.6(A) or the applicant has demonstrated with clear and convincing evidence in the written record that any more-preferred location(s) within 500 feet would be technically infeasible;
 - 3. The proposed SWF would not be located on a prohibited support structure identified in this Policy;
 - 4. The proposed SWF would be on the most preferred support structure provided in Section 2.6(B) or the applicant has demonstrated with clear and convincing evidence in the written record that any more-preferred support structure(s) within 500 feet would be technically infeasible;
 - 5. The proposed SWF complies with all applicable aesthetic, design and development standards in this Policy;
 - 6. The applicant has demonstrated that the proposed SWF will be in compliance with all applicable construction codes, and health and safety regulations, including but expressly not limited to, the Americans with Disabilities Act, and all FCC regulations and guidelines for human exposure to RF emissions; and
 - 7. All public notices required for the application have been given.

- E. Conditional Approvals; Denials without Prejudice. Subject to any applicable federal or California laws, nothing in this Policy is intended to limit the approval authority's ability to conditionally approve or deny without prejudice any SWFP application as may be necessary or appropriate to ensure compliance with this Policy.
- F. Decision Notices. Within five days after the approval authority acts on a SWFP application or before the applicable FCC Shot Clock expires (whichever occurs first), the approval authority shall notify the applicant of the decision by written notice. If the approval authority denies the application (with or without prejudice), the written notice must contain the reasons for the decision.
- G. Appeals. Any decision to approve, conditionally approve or deny a small wireless facility shall be appealable directly to the City Manager or his/her designee for non-compliance issues. Appeals shall be filed within five (5) calendar days of a decision having been rendered. The appeal shall be made on a form prescribed by the Department, and shall include a letter identifying the name, address and contact information for the appellant, the specific reasons for the appeal based on the alleged noncompliance with the required findings in Section 2.4(D), and all supporting documentation and information. Any such appeal shall be subject to the appeal fees established in the City's Master Fee Schedule. Appeals from an approval will not be permitted to the extent that the appeal is based on environmental effects from RF emissions that comply with all applicable FCC regulations. The appeal hearing shall be conducted in accordance with Chapter 4 of Title 1 of this code, except that the City Council shall issue its final decision on the appeal no later than thirty days after the filing of the appeal or before the applicable FCC Shot Clock expires (whichever occurs first).

SECTION 2.5. STANDARD CONDITIONS OF APPROVAL

- A. General Conditions. In addition to all other conditions adopted by the approval authority, small wireless facility permits issued under this Policy shall be automatically subject to the conditions in this subsection (A).
 - 1. Permit Term. As provided in Section 7-3.05 of the Ordinance, the SWFP will automatically expire ten (10) years and one day from its issuance unless California Government Code § 65964(b) or other state or federal law authorizes the City to establish a shorter term for public safety or other reasons. Any other permits or approvals issued in connection with any collocation, modification or other change to this small wireless facility, which includes without limitation any permits or other approvals deemed-granted or deemed-approved under federal or state law, will not extend this term limit unless expressly provided otherwise in such permit or approval or required under federal or state law.
 - 2. Permit Extension. No sooner than 365 days (twelve months) prior to the expiration date of the SWFP, the permittee may submit an application for permit renewal. To be eligible for an extension, the permittee must

demonstrate that the subject small wireless facility is in compliance with all the conditions of approval associated with this permit and all applicable provisions in the Maywood Municipal Code and this Policy that exist at the time the decision to renew the permit is rendered. The approval authority shall have discretion to modify or amend the conditions of approval for permit renewal on a case-by-case basis as may be necessary or appropriate to ensure compliance with this Policy. Upon approval of the extension, the permit will automatically expire ten (10) years and one day from its issuance, except when California Government Code § 65964(b), as may be amended or superseded in the future, or other state or federal law, authorizes the City to establish a shorter term for public safety reasons.

3. Post-Installation Certification. Within sixty (60) calendar days after the permittee commences full, unattended operations of a small wireless facility approved or deemed-approved, the permittee shall provide the approval authority with documentation reasonably acceptable to the approval authority that the SWF has been installed and/or constructed in strict compliance with the approved construction drawings and photo simulations. Such documentation shall include without limitation as-built drawings, and site photographs.
4. Build-Out Period. Each small wireless facility permit will automatically expire twelve (12) months from the approval date unless the permittee obtains all other permits and approvals required to install, construct and/or operate the approved SWF, which includes without limitation any construction or other permits or approvals required by any federal, state or local public agencies with jurisdiction over the subject property, the SWF or its use. If this build-out period expires, the permittee may request an extension in writing to be approved by the City Engineer. If denied, the permittee may resubmit a complete application, including all application fees, for the same or substantially similar project.
5. Site Maintenance. The permittee shall keep the site, which includes without limitation any and all improvements, equipment, structures, access routes, fences and landscape features, in a neat, clean and safe condition in accordance with the approved construction drawings and all conditions of this SWFP. The permittee shall keep the site area free from all litter and debris at all times. The permittee, at no cost to the City, shall remove and remediate any graffiti or other vandalism at the site within 48 hours after the permittee receives notice or otherwise becomes aware that such graffiti or other vandalism occurred.
6. Compliance with Laws. The permittee shall maintain compliance at all times with all federal, state and local statutes, regulations, orders or other rules that carry the force of law ("laws") applicable to the permittee, the subject property, the small wireless facility or any use or activities in connection with the use authorized in this small wireless facility permit, which includes

without limitation any laws applicable to human exposure to RF emissions. The permittee expressly acknowledges and agrees that this obligation is intended to be broadly construed and that no other specific requirements in these conditions are intended to reduce, relieve or otherwise lessen the permittee's obligations to maintain compliance with all laws. No failure or omission by the City to timely notice, prompt or enforce compliance with any applicable provision in the Municipal Code, this Policy, the approved SWFP or any other permit applicable to that small wireless facility, any permit condition or any applicable law or regulation, shall be deemed to relieve, waive or lessen the permittee's obligation to comply in all respects with all applicable provisions in the Municipal Code, this Policy, the SWFP, any other permit, any permit condition, or any applicable law or regulation.

7. Adverse Impacts on Other Properties. The permittee shall use all reasonable efforts to avoid any and all unreasonable, undue or unnecessary adverse impacts on nearby properties that may arise from the permittee's or its authorized personnel's construction, installation, operation, modification, maintenance, repair, removal and/or other activities on or about the site. The permittee shall not perform or cause others to perform any construction, installation, operation, modification, maintenance, repair, removal or other work that involves heavy equipment or machines except during normal construction work hours authorized by the Municipal Code. The restricted work hours in this condition will not prohibit any work required to prevent an actual, immediate harm to property or persons, or any work during an emergency declared by the City or other state or federal government agency or official with authority to declare a state of emergency within the City. The approval authority may issue a stop work order for any activities that violate this condition in whole or in part.
8. Inspections; Emergencies. The permittee expressly acknowledges and agrees that the City's officers, officials, staff, agents, contractors or other designees may enter onto the site and inspect the improvements and equipment. City's officers, officials, staff, agents, contractors or other designees may, but will not be obligated to, enter onto the site area without prior notice to support, repair, disable or remove any improvements or equipment in emergencies or when such improvements or equipment threatens actual, imminent harm to property or persons. The permittee expressly waives any claims and releases the City in advance from any and all liabilities for such actions taken by the City as authorized herein. The permittee, if present, may observe the City's officers, officials, staff, contractors or other designees while any such inspection or emergency action occurs.
9. Permittee's Contact Information. Within ten (10) days from the final approval, the permittee shall furnish the City with accurate and up-to-date contact information for a person responsible for the small wireless facility, which includes without limitation such person's full name, title, direct

telephone number, 24/7 emergency telephone number, facsimile number, mailing address and email address. The permittee shall keep such contact information up-to-date at all times and promptly provide the City with updated contact information if either the responsible person or such person's contact information changes.

10. Indemnification and Assumption of Risk. To the maximum extent permitted by law, the permittee shall defend, indemnify and hold the City, City Council and the City's boards, commissions, agents, officers, officials, employees and volunteers (collectively, the "indemnitees"), harmless with respect to any and all (i) damages, liabilities, injuries, losses, costs and expenses and from any and all claims, stop notices, demands, lawsuits, writs and other actions proceedings ("claims") brought against any of the indemnitees to challenge, attack, seek to modify, set aside, void or annul the City's approval of this permit, and (ii) other claims of any kind or form, whether for personal injury, death or property damage, that arise from or in connection with the permittee's or its agents', directors', officers', employees', contractors', subcontractors', licensees' or customers' acts or omissions in connection with this small wireless facility permit or the small wireless facility. In the event the City becomes aware of any claims, the City will use best efforts to promptly notify the permittee who shall reasonably cooperate in the defense. The permittee expressly acknowledges and agrees that the City shall have the right to approve, which approval shall not be unreasonably withheld, the legal counsel providing the City's defense, and the permittee shall promptly reimburse City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. The permittee expressly acknowledges and agrees that the permittee's indemnification obligations under this section are a material consideration that motivates the City to approve this small wireless facility permit, and that such indemnification obligations will survive the expiration, revocation or other termination of this small wireless facility permit.

The permittee understands and agrees that by locating its small wireless facility in the public rights-of-way, there is a real risk that some or all its facility may be damaged or destroyed. By accepting the SWFP and locating its small wireless facility in the public right-of-way, the permittee nevertheless expressly and knowingly assumes all such potential risks, including all costs of repair and replacement, to the extent such damage or destruction is caused by the acts or omissions of any third party, or by City agents when acting pursuant to Section 2.5 (A)(8), above.

11. Performance bond required for small wireless facilities within public rights-of-way or on other City property of any kind. Before the City issues any permits required to commence construction in connection with this SWFP, the permittee shall post a performance bond from a surety in a form acceptable to the approval authority in an amount reasonably necessary to cover the cost to remove the improvements and restore all affected areas

based on a written estimate from a qualified contractor with experience in small wireless facility removal. The written estimate must include the cost to remove all equipment and other improvements, which includes without limitation all antennas, radios, batteries, generators, utilities, cabinets, mounts, brackets, hardware, cables, wires, conduits, structures, shelters, towers, poles, footings and foundations, whether above ground or below ground, constructed or installed in connection with the SWF, plus the cost to completely restore any areas affected by the removal work to a standard compliant with applicable laws and substantially to their original condition. In establishing or adjusting the bond amount required under this condition, and in accordance with California Government Code § 65964(a), the approval authority shall take into consideration any information provided by the permittee regarding the cost to remove the wireless facility to a standard compliant with applicable laws. The performance bond shall expressly survive the duration of the permit term to the extent required to effectuate a complete removal of the subject wireless facility in accordance with this condition.

12. Permit Revocation. The approval authority may recall this approval for review at any time due to complaints about noncompliance with applicable laws or any approval conditions attached to this approval after notice and an opportunity to cure the violation is provided to the permittee. If the noncompliance thereafter continues, the approval authority may, following notice and an opportunity for the permittee to be heard (which hearing may be limited to written submittals), revoke the SWFP approval or amend the conditions as the approval authority deems necessary or appropriate to correct any such noncompliance.
13. Records retention requirements for all small wireless facilities within public rights-of-way or on City-owned or operated buildings or structures. The permittee shall maintain complete and accurate copies of all permits and other regulatory approvals issued in connection with the permitted small wireless facility, which includes without limitation this approval, the approved plans and photo simulations incorporated into this approval, all conditions associated with this approval and any ministerial permits or approvals issued in connection with this approval. In the event that the permittee does not maintain such records as required in this condition, any ambiguities or uncertainties that would be resolved through an inspection of the missing records will be construed against the permittee. The permittee may keep electronic records; provided, however, that hard copies or electronic records kept in the City's regular files will control over any conflicting provisions in the permittee's electronic copies, and complete originals will control over all other copies in any form.
14. Abandoned Wireless Telecommunications Facilities. A small wireless facility shall be deemed abandoned if not operated for any continuous six-month period. Within ninety (90) days after a SWF is abandoned or deemed

abandoned, the permittee shall completely remove the SWF and all related improvements and shall restore all affected areas to a condition compliant with all applicable laws, which includes without limitation the Municipal Code. In the event that the permittee does not comply with the removal and restoration obligations under this condition within said 90-day period, the City shall have the right (but not the obligation) to perform such removal and restoration with or without notice, and the permittee shall be liable for all costs and expenses incurred by the City in connection with such removal and/or restoration activities.

15. Landscaping. The permittee shall replace any landscape features damaged or displaced by the construction, installation, operation, maintenance or other work performed by the permittee or at the permittee's direction on or about the site. If any trees are damaged or displaced, the permittee shall hire and pay for a licensed arborist to select, plant and maintain replacement landscaping in an appropriate location for the species. Only workers under the supervision of a licensed arborist shall be used to install the replacement tree(s). Any replacement tree must be substantially the same size, and same species, as the damaged tree unless otherwise approved by the approval authority. The permittee shall, at all times, be responsible to maintain any replacement landscape features.
16. Cost reimbursement applicable to small wireless facilities within public rights-of-way. The permittee acknowledges and agrees that (i) the permittee's request for authorization to construct, install and/or operate the SWF will cause the City to incur costs and expenses; (ii) the permittee shall be responsible to reimburse the City for all costs incurred in connection with the permit, which includes without limitation costs related to application review, permit issuance, site inspection and monitoring, and any other recurring and non-recurring costs reasonably related to or caused by the request for authorization and the permit to construct, install and/or operate the SWF; (iii) any application fees required for the application may not cover all such reimbursable costs and that the permittee shall have the obligation to reimburse City for all such costs ten (10) days after a written demand for reimbursement and reasonable documentation to support such costs; and (iv) the City shall have the right to withhold any permits or other approvals in connection with the SWF until and unless any outstanding costs have been reimbursed to the City by the permittee. The recurring and non-recurring fees charged to the permittee pursuant to this subsection and this Policy shall be no less than the "presumed reasonable" fees stated by the FCC in the Report and Order.

If the City Council has, by resolution, adopted recurring and non-recurring fees applicable to small wireless facility permits, then those fees shall be paid in lieu of the fees set forth above in this Subsection (A)(16).

17. Future undergrounding programs applicable to small wireless facilities within public rights-of-way. Notwithstanding any term remaining on any SWFP, if other utilities or communications providers in the PROW underground their facilities in the segment of the PROW where the permittee's SWF is located, the permittee must also underground its equipment, except the antennas and any approved electric meter, at approximately the same time, and in compliance with all applicable CPUC orders, rules, and regulations. Accessory equipment such as radios and computers that require an environmentally controlled underground vault to function shall not be exempt from this condition. Small wireless facilities installed on wood utility poles that will be removed pursuant to the undergrounding program may be reinstalled on a streetlight that complies with the City's standards and specifications. Such undergrounding shall occur at the permittee's sole cost and expense except as may be reimbursed through tariffs approved by the CPUC for undergrounding costs.
18. Electric meter upgrade requirements applicable to small wireless facilities within public rights-of-way. If Southern California Edison or other public or private commercial electric utility provider adopts or changes its rules obviating the need for a separate or ground-mounted electric meter and enclosure, the permittee on its own initiative and at its sole cost and expense shall remove the separate or ground-mounted electric meter and enclosure. Prior to removing the electric meter, the permittee shall apply for any encroachment and/or other ministerial permit(s) required to perform the removal. Upon removal, the permittee shall restore the affected area to its original condition that existed prior to installation of the equipment.
19. Rearrangement and relocation requirements applicable to small wireless facilities within public rights-of-way. The permittee acknowledges that the City, in its sole discretion and at any time, may: (i) change any street grade, width or location; (ii) add, remove or otherwise change any improvements in, on, under or along any street owned by the City or any other public agency, which includes without limitation any sewers, storm drains, conduits, pipes, vaults, boxes, cabinets, poles and utility systems for gas, water, electric or telecommunications; and/or (iii) perform any other work deemed necessary, useful or desirable by the City (collectively, "City work"). The City reserves the rights to do any and all City work without any admission on its part that the City would not have such rights without the express reservation in this small wireless facility permit. If the City Engineer determines that any City work will require the permittee's SWF located in the PROW to be rearranged and/or relocated, the permittee shall, at its sole cost and expense, do or cause to be done all things necessary to accomplish such rearrangement and/or relocation. If the permittee fails or refuses to either permanently or temporarily rearrange and/or relocate the permittee's SWF within a reasonable time after the City Engineer's notice, the City may (but will not be obligated to) cause the rearrangement or relocation to be performed at the permittee's sole cost and expense. The

City may exercise its rights to rearrange or relocate the permittee's SWF without prior notice to permittee when the City Engineer determines that the City work is immediately necessary to protect public health or safety. The permittee shall reimburse the City for all costs and expenses in connection with such work within ten (10) days after a written demand for reimbursement and reasonable documentation to support such costs is mailed to the permittee.

SECTION 2.6. LOCATION REQUIREMENTS.

- A. Purpose and Intent. To better assist applicants and the approval authority in understanding and responding to the community's aesthetic preferences and values, subsections (B) and (C) set out listed preferences for locations and support structures to be used in connection with small wireless facilities in an ordered hierarchy. Applications that involve less-preferred locations or structures may be approved so long as the applicant demonstrates that either (1) no more preferred locations or structures exist within 500 feet from the proposed site; or (2) any more preferred locations or structures within 500 feet from the proposed site would be technically infeasible as supported by clear and convincing evidence in the written record. Subsection (D) identifies "prohibited" support structures on which the City shall not approve any small wireless facility permit application for any competitor or potential competitor.
- B. Locational Preferences. The City prefers small wireless facilities to be installed in locations, ordered from most preferred to least preferred, as follows:
1. Any location in a non-residential zone or non-residential Specific Plan designation;
 2. Any location in a residential zone 250 feet or more from any structure approved for a residential use;
 3. If located in a residential area, a location that is as far as possible from any structure approved for a residential use.

For purposes of these location preferences, the applicant's proposed location in the public right-of-way shall be classified by the same zoning district that applies to the nearest adjacent parcel.

- C. Support Structures in Public Rights-of-Way. The City prefers small wireless facilities to be installed on support structures in the public rights-of-way, ordered from most preferred to least preferred, as follows:
1. Existing or replacement streetlight poles;
 2. New, non-replacement streetlight poles;
 3. New or replacement traffic signal poles;

4. New, non-replacement poles;
 5. Existing or replacement wood utility poles.
- D. Prohibited Support Structures in Public Rights-of-Way. The City prohibits small wireless facilities to be installed on the following support structures:
1. Decorative poles;
 2. Signs;
 3. Any utility pole scheduled for removal or relocation within 12 months from the time the approval authority acts on the small wireless facility permit application;
 4. New, non-replacement wood poles.

SECTION 2.7. DESIGN STANDARDS.

A. General Standards.

1. Noise. Noise emitted from small wireless facilities and all accessory equipment and transmission equipment must comply with all applicable City noise control standards.
2. Lights. Small wireless facilities shall not include any lights that would be visible from publicly accessible areas, except as may be required under FAA, FCC, other applicable regulations for health and safety. All equipment with lights (such as indicator or status lights) must be installed in locations and within enclosures that mitigate illumination impacts visible from publicly accessible areas. The provisions in this Subsection (A)(2) shall not be interpreted or applied to prohibit installations on streetlights or luminaires installed on new or replacement poles as may be required under this Policy.
3. Landscape Features. Small wireless facilities shall not displace any other existing landscape features unless: (a) such displaced landscaping is replaced with native and/or drought-resistant plants, trees or other landscape features approved by the approval authority and (b) the applicant submits and adheres to a landscape maintenance plan. The landscape plan must include existing vegetation, and vegetation proposed to be removed or trimmed, and the landscape plan must identify proposed landscaping by species type, size and location. Landscaping and landscape maintenance must be performed in accordance with all applicable provisions of the Municipal Code.
4. Site Security Measures. Small wireless facilities may incorporate reasonable and appropriate site security measures, such as locks and anti-climbing devices, to prevent unauthorized access, theft or vandalism. The

approval authority shall not approve any barbed wire, razor ribbon, electrified fences or any similarly dangerous security measures. All exterior surfaces on small wireless facilities shall be constructed from or coated with graffiti-resistant materials.

5. Signage; Advertisements. All small wireless facilities must include signage or a tamper proof tag not to exceed one (1) square feet in sign area that accurately identifies the site owner/operator, the owner/operator's site name or identification number and a toll-free, 24/7 emergency number to the owner/operator's network operations center. SWFs may not bear any other signage or advertisements unless expressly approved by the City, required by law or recommended under regulations of the FCC, Division of Occupational Safety and Health ("CalOSHA") of the California Department of Industrial Relations, or the federal Occupational Safety and Health Administration and/or other State or United States governmental agencies for compliance with RF emissions regulations.
 6. Compliance with Health and Safety Regulations. All small wireless facilities shall be designed, constructed, operated and maintained in compliance with all generally applicable health and safety regulations, which includes without limitation all applicable regulations for human exposure to RF emissions and compliance with the federal Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.).
 7. CPUC and SCJPC Rules, Regulations, and Orders. Small wireless facilities, including but not limited to those proposed to be attached to poles owned or operated by the Southern California Edison, must comply with all applicable rules, regulations and orders of the CPUC. Such CPUC rules, regulations and orders include, but are not limited to, General Order 95 and 128, which establish minimum separation from electrical lines. SWFs proposed to be attached to poles owned or operated by the SCJPC must also comply with all applicable rules, regulations and requirements of the SCJPC. In the event of any conflict between any provision of this Policy and the provisions of the CPUC or SCJPC rules, regulations, orders, or requirements, the CPUC or SCJPC rules, regulations, orders or requirements shall govern.
- B. Small Wireless Facilities within Public Rights-of-Way.
1. Antennas.
 - a. Concealment. All antennas and associated mounting equipment, hardware, cables or other connectors must be completely concealed within an opaque antenna shroud or radome. The antenna shroud or radome must be painted a flat, non-reflective color to match the underlying support structure.

- b, Antenna Volume. Each individual antenna may not exceed three cubic feet in volume.

2. Accessory Equipment.

- a. Installation Preferences. All non-antenna accessory equipment shall be installed in accordance with the following preferences, ordered from most preferred to least preferred: (i) underground in any area in which the existing utilities are primarily located underground; (ii) on the pole or support structure; or (iii) integrated into the base of the pole or support structure. Applications that involve lesser-preferred installation locations may be approved so long as the applicant demonstrates that no more preferred installation location would be technically feasible as supported by clear and convincing evidence in the written record.
- b. Undergrounded Accessory Equipment. All undergrounded accessory equipment must be installed in an environmentally controlled vault that is load-rated to meet the City's standards and specifications. Underground vaults located beneath a sidewalk must be constructed with a slip-resistant cover. Vents for airflow shall be flush-to-grade when placed within the sidewalk and may not exceed two feet above grade when placed off the sidewalk. Applicants shall not be permitted to install an underground vault in a location that would cause any existing tree to be materially damaged or displaced.
- c. Pole-Mounted Accessory Equipment. All pole-mounted accessory equipment must be installed flush to the pole to minimize the overall visual profile. If any applicable health and safety regulations prohibit flush-mounted equipment, the maximum separation permitted between the accessory equipment and the pole shall be the minimum separation required by such regulations. All pole-mounted equipment and required or permitted signage must be placed and oriented away from adjacent sidewalks and structures. Pole-mounted equipment may be installed behind street, traffic or other signs to the extent that the installation complies with applicable public health and safety regulations. All cables, wires and other connectors must be routed through conduits within the pole, and all conduit attachments, cables, wires and other connectors must be concealed from public view. To the extent that cables, wires and other connectors cannot be routed through the pole, applicants shall route them through a single external conduit or shroud that has been finished to match the underlying support structure. Exposed cables or wires are prohibited.
- d. Base-Mounted Accessory Equipment. All base-mounted accessory equipment must be installed within a shroud, enclosure or pedestal

integrated into the base of the support structure. All cables, wires and other connectors routed between the antenna and base-mounted equipment must be concealed from public view.

- e, Ground-Mounted Accessory Equipment. The approval authority shall not approve any ground-mounted accessory equipment including, but not limited to, any utility or transmission equipment, pedestals, cabinets, panels or electric meters, unless specific and unique conditions of the site would make ground mounting less aesthetically and visually intrusive to public view, than an otherwise preferred location, as set forth in a written finding by the approval authority.
 - f. Accessory Equipment Volume. All accessory equipment associated with a small wireless facility installed above ground level shall not cumulatively exceed: (i) nine (9) cubic feet in volume if installed in a residential district; or (ii) seventeen (17) cubic feet in volume if installed in a non-residential district. The volume calculation shall include any shroud, cabinet or other concealment device used in connection with the non-antenna accessory equipment. The volume calculation shall not include any equipment or other improvements placed underground.
3. Streetlights. The City may require applicants that propose to install small wireless facilities on an existing streetlight to remove and replace the existing streetlight with one substantially similar to the design(s) for SWFs on streetlights described in any and all applicable City and/or Southern California Edison policies and standards, as applicable. To mitigate any material changes in the streetlighting patterns, the replacement pole must: (a) be located as close to the removed pole as possible; (b) be aligned with the other existing streetlights; and (c) include a luminaire at substantially the same height and distance from the pole as the luminaire on the removed pole. All antennas must be installed above the pole within a single, canister style shroud or radome that tapers to the pole.
4. Wood Utility Poles. To the extent permitted or allowed by the SCJPC pole attachment rules or regulations, applicants that propose to install SWFs on an existing wood utility pole must install all antennas in a radome above the pole unless the applicant demonstrates that mounting the antennas above the pole would be technically infeasible as supported by clear and convincing evidence in the written record. Side-mounted antennas on a stand-off bracket or extension arm must be concealed within a shroud. All cables, wires and other connectors must be concealed within the radome and stand-off bracket. The maximum horizontal separation between the antenna and the pole shall be the minimum separation required by applicable health and safety regulations.

5. New, Non-Replacement Poles. Applicants that propose to install a small wireless facility on a new, non-replacement pole must install a new streetlight substantially similar to the City's and/or Southern California Edison's standards and specifications but designed to accommodate wireless antennas and accessory equipment located immediately adjacent to the proposed location. If there are no existing streetlights in the immediate vicinity, then, subject to approval of Southern California Edison, if applicable, the applicant may install a metal or composite pole capable of concealing all the accessory equipment either within the pole or within an integrated enclosure located at the base of the pole. The pole diameter shall not exceed twelve (12) inches and any base enclosure diameter shall not exceed sixteen (16) inches. All antennas, whether on a new streetlight or other new pole, must be installed above the pole within a single, canister style shroud or radome that tapers to the pole.
6. Encroachments over Private Property. Small wireless facilities may not encroach onto or over any private or other property outside the public rights-of-way without the property owner's express written consent.
7. Backup Power Sources. Fossil-fuel based backup power sources shall not be permitted within the public rights-of-way; provided, however, that connectors or receptacles may be installed for temporary backup power generators used in an emergency declared by federal, state or local officials.
8. Obstructions; Public Safety and Circulation. Small wireless facilities and any associated equipment or improvements shall not physically interfere with or impede access to any: (a) worker access to any above-ground or underground infrastructure for traffic control, streetlight or public transportation, including without limitation any curb control sign, parking meter, vehicular traffic sign or signal, pedestrian traffic sign or signal, barricade reflectors; (b) access to any public transportation vehicles, shelters, street furniture or other improvements at any public transportation stop; (c) worker access to above-ground or underground infrastructure owned or operated by any public or private utility agency; (d) fire hydrant or water valve; (e) access to any doors, gates, sidewalk doors, passage doors, stoops or other ingress and egress points to any building appurtenant to the rights-of-way; or (f) access to any fire escape. Above ground improvements must be setback a minimum of 2 feet from existing or planned sidewalks, trails, curb faces or road surfaces.
9. Utility Connections. All cables and connectors for telephone, data backhaul, primary electric and other similar utilities must be routed underground in conduits large enough to accommodate future collocated wireless facilities. Undergrounded cables and wires must transition directly into the pole base without any external doghouse. All cables, wires and connectors between the underground conduits and the antennas and other accessory equipment

shall be routed through and concealed from view within: (a) internal risers or conduits if on a concrete, composite or similar pole; or (b) a cable shroud or conduit mounted as flush to the pole as possible if on a wood pole or other pole without internal cable space. The approval authority shall not approve new overhead utility lines or service drops merely because compliance with the undergrounding requirements would increase the project cost.

10. Spools and Coils. To reduce clutter and deter vandalism, excess fiber optic or coaxial cables shall not be spooled, coiled or otherwise stored on the pole outside equipment cabinets or shrouds.
11. Electric Meters. Small wireless facilities shall use flat-rate electric service or other method that obviates the need for a separate above-grade electric meter. If flat-rate service is not available, applicants may install a shrouded smart meter. The approval authority shall not approve a separate ground-mounted electric meter pedestal unless required by Southern California Edison or other utility company.
12. Street Trees. To preserve existing landscaping in the public rights-of-way, all work performed in connection with small wireless facilities shall not cause any street trees to be trimmed, damaged or displaced. If any street trees are damaged or displaced, the applicant shall be responsible, at its sole cost and expense, to plant and maintain comparably sized replacement trees approved by the approval authority at the site for the duration of the permit term.
13. Lines of Sight. No wireless facility shall be located so as to obstruct pedestrian or vehicular lines-of-sight or sight distance, or in any other location determined by the City's traffic engineer as creating any risk to the public health and safety.

C. Small Wireless Facilities Outside of Public Rights-of-Way

1. Setbacks. Small wireless facilities on private property may not encroach into any applicable setback for structures in the subject zoning district.
2. Backup Power Sources. The approval authority shall not approve any fossil fuel generators or other similarly noise or odor producing generators in or within 250 feet from any residence; provided, however, the approval authority may approve sockets or other connections used for temporary backup generators.
3. Parking; Access. Any equipment or improvements constructed or installed in connection with any SWFs must not reduce any parking spaces below the minimum requirement for the subject property. Whenever feasible, SWFs must use existing parking and access rather than construct new parking or access improvements. Any new parking or access improvements

must be the minimum size necessary to reasonably accommodate the proposed use and comply with all applicable development standards.

4. Freestanding Small Wireless Facilities. All new poles or other freestanding structures that support small wireless facilities must be made from a metal or composite material capable of concealing all the accessory equipment, including cables, mounting brackets, radios, and utilities, either within the support structure or within an integrated enclosure located at the base of the support structure. All antennas must be installed above the pole in a single, canister-style shroud or radome. The support structure and all transmission equipment must be painted with flat/neutral colors that match the support structure. The pole diameter shall not exceed twelve (12) inches and any base enclosure diameter shall not exceed sixteen (16) inches.
5. Small Wireless Facilities on Existing Buildings.
 - a. All components of building-mounted wireless facilities must be completely concealed and architecturally integrated into the existing facade or rooftop features with no visible impacts to or visibility from any publicly accessible areas. Examples include, but are not limited to, antennas and wiring concealed behind existing parapet walls or facades replaced with RF-transparent material and finished to mimic the replaced materials.
 - b. If the applicant demonstrates with clear and convincing evidence that integration with existing building features is technically infeasible, the applicant may propose to conceal the wireless facility within a new architectural element designed to match or mimic the architectural details of the building including length, width, depth, shape, spacing, color, and texture.
6. Small Wireless Facilities on Existing Lattice Tower Utility Poles.
 - a. Antennas must be flush-mounted to the side of the pole and designed to match the color and texture of the pole. If technologically infeasible to flush-mount an antenna, it may be mounted on an extension arm that protrudes as little as possible from the edge of the existing pole provided that the wires are concealed inside the extension arm. The extension arm shall match the color of the pole.
 - b. Wiring must be concealed in conduit that is flush-mounted to the pole. The conduit and mounting hardware shall match the color of the pole.
 - c. All accessory equipment must be placed underground unless undergrounding would be technically infeasible as supported by clear and convincing evidence in the written record. Above-ground accessory equipment mounted on a pole, if any, shall be enclosed in

a cabinet that matches the color and finish of the structures on which they are mounted. Above-ground cabinets not mounted on a structure, if any, shall be dark green in color.

- d. No antenna or accessory equipment shall be attached to a utility line, cable or guy wire.
- e. The installation must otherwise comply with the SCJPC pole attachment rules, and rules and regulations of Southern California Edison or other utility pole owner.

7. Small Wireless Facilities on Existing Wood Utility Poles.

- a. All antennas must be installed within a cylindrical shroud (radome) above the top of the pole unless the applicant demonstrates that mounting antennas above the pole would be technically infeasible as supported by clear and convincing evidence in the written record.
- b. All antennas must be concealed within a shroud (radome) designed to match the color of the pole, except as described in subsection (7)(e).
- c. No antenna or accessory equipment shall be attached to a utility line, cable or guy wire.
- d. If it is technically infeasible to mount an antenna above the pole, it may be flush-mounted to the side of the pole. If it is technically infeasible to flush-mount the antenna to the side of the pole, it may be installed at the top of a stand-off bracket/extension arm that protrudes as little as possible beyond the side of the pole. Antenna shrouds on stand-off brackets must be a medium gray color to blend in with the daytime sky.
- e. Wires must be concealed within the antenna shroud, extension bracket/extension arm and conduit that is flush-mounted to the pole. The conduit and mounting hardware shall match the color of the pole.
- f. All accessory equipment must be placed underground, unless undergrounding would be technically infeasible as supported by clear and convincing evidence in the written record. Above-ground accessory equipment mounted on a pole, if any, shall be enclosed in a cabinet that matches the color and finish of the pole. Above-ground cabinets not mounted on a structure, if any, shall be dark green in color.
- g. If the utility pole is owned or operated by the SCJPC, the installation must otherwise comply with the SCJPC pole attachment rules, and

rules and regulations of Southern California Edison or other utility pole owner.

SECTION 2.8 EXCEPTIONS.

- A. Standard. In accordance with Section 7-3.10 of the Ordinance, an exception from the strict locational, physical, development or other design requirements of this Policy may be granted by the approval authority in his or her discretion, when it is shown to the approval authority's satisfaction based on substantial evidence that, because of special, unique circumstances applicable to the proposed location, the strict application of the requirements of this Policy would deprive the applicant of privileges enjoyed by other permittees in the vicinity operating a similar facility.
- B. Justification Analyses. If the applicant contends that it is entitled to an exception, the application must also include a written explanation, along with all information, reports, studies and other documents necessary for the City to evaluate the request for an exception to the requirements of this Policy. The narrative must demonstrate with clear and convincing evidence that denial of the small wireless facility would violate state and/or federal law, violate the provisions of the Ordinance or this Article, as applied to the applicant, or deprive the applicant of its rights under state and/or federal law.
- C. Findings. An exception from the strict locational, physical, development or other design requirements of this Policy may be granted by the approval authority in his or her discretion, when it is shown to the approval authority's satisfaction, based on substantial evidence, any of the following:
 - 1. Because of special, unique circumstances applicable to the proposed location and/or the proposed small wireless facility, the strict application of the requirements of this Policy would deprive the applicant of privileges enjoyed by other permittees in the vicinity operating a similar WTCF; or
 - 2. Denial of the SWF as proposed would violate federal law, state law, or both; or
 - 3. A provision of this Policy with regard to locational, physical, development or design requirements, section, as applied to applicant, would deprive applicant of its rights under federal law, state law, or both.
- D. Conditions. Any exception granted shall be subject to such conditions as will assure that the adjustment thereby authorized shall not constitute a grant of special privileges inconsistent with the limitations upon other wireless telecommunications providers seeking to locate any small wireless facility in the area where such property is situated.

SECTION 2.9 PERMIT EXTENSIONS.

- A. Time of application. A permittee may apply for extensions of its SWFP in increments of no more than ten years and no sooner than 180 days (six months) prior to expiration of the permit. Any request for an extension that is filed less than 180 days (six months) prior to expiration shall require a new permit in accordance with the application and procedural requirements of the then-current requirements of this code.
- B. Application requirements. In addition to all other requirements of this Section, the permittee's application for extension shall include proof that the permittee continues to have the legal authority to occupy and use the PROW or other public or private property for the purpose set forth in its SWFP, that the SWFP site as it exists at the time of the extension application is in full compliance with all applicable City permits issued for the site, and shall be accompanied by an affidavit and supporting documentation that the SWFP is in compliance with all applicable FCC, FAA and other governmental regulations. At the approval authority's discretion, additional studies and information may be required of the applicant. The application shall be accompanied by the fee for renewal, as set by the City Council from time to time. Grounds for non-renewal of the WTCFP shall include, but are not limited to, the permittee's failure to submit the affidavit or proof of legal authority to occupy or use the proposed site. The burden is on the permittee to demonstrate that the WTCF complies with all requirements for an extension.
- C. Approval Authority Decision. If a SWFP has not expired at the time a timely application is made for an extension, the approval authority may administratively extend the term of the permit for subsequent ten-year terms upon verification of continued compliance with the findings and conditions of approval under which the application was originally approved, all provisions set forth in Subsection (B). above, and any other applicable provisions of the Municipal Code that are in effect at the time the permit extension is granted. The approval authority's decision shall be issued in the form of a written decision in accordance with Section 2.4(F) of this Policy. The approval authority's decision on an application for an extension of a SWFP may be appealed in accordance with Section 2.4.G of this Article.

ARTICLE 3 ELIGIBLE FACILITIES UNDER SECTION 6409(a).

SECTION 3.1 SCOPE.

This Article further implements the requirements for the proposed modification or collocation of all proposed WTCFs in the City that qualify as Eligible Facilities under the Ordinance and Section 6409(a). This Article and all applications and permits processed pursuant to this Article shall be interpreted in a manner to be consistent with the requirements of the Ordinance and applicable law.

SECTION 3.2 ELIGIBLE FACILITY REQUIRED PERMITS AND APPROVALS

- A. Standard. An application for approval of an eligible facility request shall comply with all requirements set forth in this Section 3.2 and applicable law.
- B. Required Permits.
1. Eligible Facility Permit (EFP). A request for approval of an eligible facility pursuant to Section 6409(a) shall require approval of an eligible facility permit issued in accordance with this Article 3.
 2. Other Permits and Approvals. In addition to an eligible facility permit, the applicant shall obtain all other permits and regulatory approvals as may be required by the City or any other federal, state or local government agencies, including but expressly not limited to any ministerial permits and/or other approvals issued by other City departments or divisions, approval by Southern California Edison for utility pole attachments in compliance with FCC, CPUC and/or SCJPC pole attachment rules. All applications for ministerial permits submitted in connection with a proposed eligible facility must contain a valid EFP issued by the City for the proposed facility. Any application for any ministerial permit(s) submitted without such small wireless facility permit may be denied without prejudice. Furthermore, any EFP granted under this Policy shall remain subject to all lawful conditions and/or legal requirements associated with such other permits or approvals.

SECTION 3.3 ELIGIBLE FACILITY PERMIT APPLICATION REQUIREMENTS.

- A. Application Contents. All applications for a small wireless facility permit must include all the information and materials required in this Subsection (A).
1. Application Form. The applicant shall submit a complete, duly executed EFP application using the then-current City form, which must include the information and documentation described in this Subsection (A), and in accordance with the original and number of copies and format required by the department.
 2. Application Fee. The applicant shall submit the applicable EFP application fee (non-recurring) as set forth in this Policy, the Ordinance, or as established by City Council resolution, or otherwise in such amount as presumed "reasonable" by the FCC in the Small Wireless Facilities Order or any other applicable FCC ruling or order. See also, Section 2.5(A)(16), of this Policy.
 3. Address Labels; Public Notices. The applicant shall submit address labels for all properties and record owners of properties within 500 feet of the proposed installation. Notice of the EFP application shall be provided in

accordance with Section 3.4(A) of this Article. Insufficient postage and/or illegible addressing shall be a basis to deem the application incomplete.

4. Identification of Eligible Facilities Request. An applicant who contends that the proposed WTCF constitutes an eligible facility under Section 6409(a) shall clearly indicate in the application that the applicant is claiming eligible facilities status under Section 6409(a), in accordance with the City-approved form.
5. Section 6409(a) Justification Analysis. The application shall include a written statement that explains in factual detail the basis for the applicant's claim that the proposed wireless telecommunications facility is an eligible facility and whether and why Section 6409(a) and the related FCC regulations at 47 C.F.R. § 1.6100 et seq., or any successor regulation, require approval for the specific proposed eligible facility. The applicant's written statement shall include the following:
 1. The applicable standard and all the facts that allow the City to conclude the standard and qualification as an eligible facility has been met;
 2. An explanation and analysis setting forth whether and why the support structure qualifies as an existing tower or existing base station; and
 3. An explanation and analysis setting forth whether and why the proposed collocation or modification does not cause a substantial change in height, width, excavation, equipment cabinets, concealment or permit compliance.
6. Eligible Facility Plans. Detailed construction plans of the proposed eligible facility, including height, shape, size and nature of construction in accordance with the requirements established by the approval authority. The plans shall include, but are not limited to, a fully dimensioned diagram of the proposed eligible and antennas, including height, diameter, design, shape, size, structural integrity, power output and frequency, power generators (if any), nature of construction, and purpose of the facility, and technical engineering specifications, economic and other pertinent factors governing selection of the proposed design, together with evidence that demonstrates that the proposed facility has been designed to the minimum height and diameter required from a technological standpoint for the proposed site. The plans for a monopole must provide sufficient detail to demonstrate that the structure will be able to accommodate at least one other similar telecommunications provider in addition to the applicant. The plans should include a diagram showing the separation between the proposed eligible facility and any existing facility or facilities on the same support structure or site.

7. Site Plans. A fully-dimensioned site/landscaping plan that includes, at a minimum, the following information: specific placement of the proposed tower, equipment shelters, and any other WTCF on the site; setbacks from adjacent property lines; the location of existing structures, trees, and other significant site features identifying those features proposed to be removed; the type and locations of plant materials proposed to screen antenna and other components; the proposed materials and color(s) for the eligible facility, and all other information required by the approval authority.
8. Photographs and Photo Simulations. Photographs of the eligible facility and all antenna, equipment and components; accurate and scaled photo-simulations showing views of the proposed eligible facility from surrounding residential properties and public rights-of-way at varying distances and angles with a map indicating the locations used for the analysis and their distances from the site.
8. Additional Requirements. The EFP application shall also comply with the following provisions of Article 2, Section 2.2:
 - a. Section 2.2(a)(8), RF Compliance Report.
 - b. Section 2.2(a)(9), Regulatory Authorization.
 - c. Section 2.2(a)(10), Site Agreement.
 - d. Section 2.2(a)(11), Title Report and Property Owner's Authorization.
 - e. Section 2.2(a)(12), Acoustic Analysis.
 - f. Section 2.2(a)(13), Wind Velocity Test.
 - g. Section 2.2(a)(15), Historic Preservation.
 - h. Section 2.2(a)(16), Traffic Control Plan.

SECTION 3.4 ELIGIBLE FACILITY PERMIT APPLICATION SUBMITTAL AND COMPLETENESS REQUIREMENTS.

- A. Requirements for a Duly Filed Application. Any application for an eligible facility permit will not be considered duly filed unless submitted in accordance with the requirements of this subsection (A).
 1. Incorporation by reference. An application for an EFP shall comply with the provisions of Article 2, Section 2.3, Subsections (A), (B), (C) and (D) of this Policy.
- B. FCC Shot Clock; Timeline for Review and Action. The timeline for review of and action on an EFP application shall begin to run when the application is submitted

in writing to the department but may be tolled by mutual agreement or upon the City's issuance of a notice of deficiency to the applicant pursuant to Subsection (B)(2) of this section. Applications shall be processed in conformance with the time periods and procedures established by applicable state and federal law, and FCC regulations and orders. The following provisions shall apply:

1. 60 Days. Within sixty (60) days of the date on which an applicant submits a written request seeking approval of an eligible facilities request under this section, the City will approve the application unless the City determines that the application is not covered by this section or the 60-day deadline is tolled pursuant to mutual agreement or Subsection (B)(2).
2. Tolling of Shot Clock. The 60-day timeframe for review of a proposed eligible facility shall begin to run when the application for the EFP is submitted in writing to the Department but may be tolled by mutual agreement or upon the City's issuance of a notice of deficiency to the applicant pursuant to this subsection.
 - a. First Notice of Deficiency. Within thirty (30) days of the City's receipt of the initial application for an EFP, Department staff shall provide written notice to the applicant that the application is complete or incomplete. If the application is incomplete, the notice shall clearly and specifically delineate all missing information and documents. The 30-day shot clock date shall be tolled until the applicant makes a supplemental submission in response to the city's notice of deficiency.
 - b. Subsequent Notices of Deficiency. Within ten (10) days of each supplemental submission, the City shall deem the EFP application complete or incomplete. If the supplemental submission is incomplete, the notice shall clearly and specifically delineate all missing information and documents from the supplemental submission based on the information or documents identified in the first notice delineating missing information or documentation. The 10-day timeframe is tolled in the case of second or subsequent notices pursuant to this procedure. Second or subsequent notices of incompleteness may not specify missing documents or information that were not delineated in the original notice of incompleteness.
3. One Submittal. The applicant's response and submission of supplemental materials and information in response to a notice of deficiency must be given to the City in one submittal packet.

SECTION 3.4 ELIGIBLE FACILITY PERMIT APPROVALS AND DENIALS.

- A. Public Notice. Prior to any approval, conditional approval or denial of an EFP, public notice shall be mailed by the City to all properties and record owners and

occupants of properties within a 500-foot radius of the proposed eligible facility site in accordance with this Section.

1. Form of Notice. The public notice shall be completed and submitted by the applicant as part of the application package for City approval, and shall be in a form and content that complies with the requirements of this Section and the City's application requirements.
 2. Mailing. The notice shall be mailed not less than five (5) business days prior to installation of the mock-up and will include photo simulations depicting before and after images.
 3. Contents. The notice shall be prepared by the applicant and submitted for City approval along with address labels as provided in Section 3.3(A)(3), and must contain the following information:
 - a. All information required by Article 2, Section 2.4(A)(3)(a) through (c); and
 - b. A statement substantially similar to the following: "Federal Communications Commission regulations may deem this application granted by the operation of law unless the city approves or denies the application within 60 days from the filing date, or the city and applicant reach a mutual tolling agreement."
- B. Public Comment. Within ten (10) days from service of the notice, any interested person may submit comments on the proposed eligible facility to the City by U.S. mail or through the city's website. Any timely public comments received will be considered during the approval authority's review of the application.
- C. Administrative Review by Approval Authority. Not less than ten (10) days after the public notice required in Subsection (A), the approval authority shall review a complete and properly filed application for an eligible facility and except as otherwise provided in Section 2.4(A), may act on such application without a public hearing.
- D. Required Findings for EFP Approval. The approval authority shall approve or conditionally approve a complete and duly filed application for an eligible facility permit pursuant to Section 6409(a) and this Article if the approval authority makes all of the following findings:
1. The applicant has provided all forms, information, materials, and documentation for the proposed project required by this section;
 2. The proposed project is for the collocation, removal or replacement of transmission equipment on an existing wireless tower or base station;

3. The proposed project does not constitute a substantial change to the physical dimensions of the existing wireless tower or base station, as defined in Section 7-3.02 and this Policy; and
 4. The proposed project otherwise qualifies as an eligible facility under then-existing provisions of Section 6409(a).
- E. Criteria for Denial Without Prejudice. Notwithstanding any other provisions in this chapter, and consistent with all applicable federal laws and regulations, the approval authority may deny without prejudice an application for approval of an EFP when the approval authority finds that the proposed project:
1. Does not satisfy the findings for approval as an eligible facility under subsection (D) of this Section;
 2. Involves the replacement of the entire support structure;
 3. Violates any legally enforceable standard or permit condition related to compliance with generally applicable disability access requirements or other construction codes;
 4. Violates any legally enforceable standard or permit condition reasonably related to public health and safety then in effect; or
 5. Does not qualify for mandatory approval under Section 6409(a) for any lawful reason.
- F. Conditional Approvals. Subject to any applicable limitations in federal or state law, and in addition to the standard conditions of approval required by Section 3.6, nothing in this section is intended to limit the City's authority to conditionally approve an application for an EFP under Section 6409(a) to protect and promote the public health, safety and welfare in accordance with the Ordinance and this Policy, including, but not limited to, construction codes and such other reasonable time, place and manner conditions authorized under applicable federal and state laws and regulations. The standard conditions set forth in of Section 2.5 of Article 2 shall apply to all eligible facilities.
- G. Decision Notices. Within five days after the approval authority acts on an eligible facility permit application or before the applicable FCC Shot Clock expires (whichever occurs first), the approval authority shall notify the applicant of the decision by written notice. If the approval authority denies the application (with or without prejudice), the written notice must contain the reasons for the decision.
- H. Appeals. Any decision to approve, conditionally approve or deny an eligible facility shall be appealable directly to the City Council. Appeals shall be filed within five (5) calendar days of a decision having been rendered. The appeal shall be made on a form prescribed by the Department, and shall include a letter identifying the name, address and contact information for the appellant, the specific reasons for

the appeal based on the alleged noncompliance with the required findings in Section 2.8(C), and all supporting documentation and information. Any such appeal shall be subject to the appeal fees established in the City's Master Fee Schedule. Appeals from an approval will not be permitted to the extent that the appeal is based on environmental effects from RF emissions that comply with all applicable FCC regulations. The appeal hearing shall be conducted in accordance with Chapter 4 of Title 1 of this code, except that the City Council shall issue its final decision on the appeal no later than thirty days after the filing of the appeal or before the applicable FCC Shot Clock expires (whichever occurs first).

I. Deemed Approved.

1. If the City fails to act on an EFP application within the 60-day review period referenced in Section 3.3(B), subject to any tolling pursuant to written agreement or Subsection 3.3(B), the applicant may provide the City written notice that the time period for acting has lapsed.
2. The applicant shall provide written notice to the City at least seven (7) days prior to beginning construction or collocation pursuant to an EFP issued pursuant to a deemed approved application.
3. An EFP deemed approved pursuant to Section 6409(a) shall comply with all applicable construction codes deemed applicable by the approval authority.
4. Effect of Changes to Federal Law. This subsection does not and shall not be construed to grant any rights beyond those granted by Section 6409(a) and its implementing federal regulations. In the event Section 6409(a) or applicable regulations are stayed, amended, revised or otherwise not in effect, no modifications to an eligible facility shall be processed or approved under this subsection or any other provision of this Code.

SECTION 3.5 DESIGN STANDARDS

- A. Requirements. All proposed eligible facilities in the PROW shall comply with the following aesthetic development and design standards unless the approval authority approves an exception pursuant to Section 7-3.10 of the Municipal Code and Article 2, Section 2.8 of this Policy.
1. Towers and Base Stations in the PROW. Towers and base stations proposed in the PROW shall be designed so that they do not constitute a substantial change as defined in Section 7-3.02 of the Municipal Code, Section 6409(a) and 47 C.F.R. § 1.6100(b), as amended or superseded.
 2. Application of Federal and State Aesthetic, Development and Design Standards. All eligible facilities shall be subject to and comply with any applicable construction codes and other state and federal laws. In the event

that any applicable state and federal laws conflict with any requirement of this Article, the applicable law shall take precedence.

SECTION 3.6 STANDARD CONDITIONS OF APPROVAL.

All EFP approvals, whether approved by the approval authority or deemed approved by the operation of law, shall be automatically subject to the conditions in this Subsection, in addition to any conditions imposed pursuant to applicable law. The approval authority shall have discretion to modify or amend these conditions on a case-by-case basis as may be necessary or appropriate under the circumstances to protect public health and safety or allow for the proper operation of the approved eligible facility consistent with the goals of this section.

- A. Permit term. The City's grant or grant by operation of law of an EFP constitutes a federally-mandated modification to the underlying permit, approval or other prior regulatory authorization for the subject tower or base station pursuant to Section 6409(a), for ten years, subject to the following provisions. The City's grant or grant by operation of law of an EFP will not extend the term, if any, for any ministerial permit or other underlying prior regulatory permit, approval or other authorization. Accordingly, the term for an EFP approval shall be coterminous with the ministerial permit and other underlying permit, approval or other prior regulatory authorization for the subject tower or base station. This condition shall not be applied or interpreted in any way that would cause the term of the underlying permit for the modified facility to be less than ten years in total length, unless such underlying permit is abandoned or revoked pursuant to the Municipal Code or any other provision of federal or state law.
- B. Accelerated approval terms due to invalidation. In the event that any court of competent jurisdiction invalidates any portion of Section 6409(a) or any FCC rule that interprets Section 6409(a) such that federal law would not mandate approval for any eligible facilities request pursuant to Section 6409(a), such EFP approval shall automatically expire one year from the effective date of the judicial order, unless the decision would not authorize accelerated termination of any previously approved EFP or the approval authority grants an extension upon written request from the permittee that shows good cause for the extension, which includes without limitation extreme financial hardship. Notwithstanding anything in the previous sentence to the contrary, the approval authority may not grant a permanent exemption or indefinite extension. A permittee shall not be required to remove any equipment, components, structures and improvements approved under the invalidated EFP approval when it has submitted an application for either a small wireless facility permit under the Ordinance and this Policy for those WTCFs before the one-year period ends. If the SWFP is denied, the permittee shall remove all its equipment, components, structures and improvements before the one-year period ends.
- C. No waiver of standing. The approval of an EFP (either by express approval or by operation of law) does not waive, and shall not be construed to waive, any standing

by the City to challenge Section 6409(a), any FCC rules that interpret Section 6409(a) and/or any eligible facilities approval pursuant to Section 6409(a) (whether by the approval authority or by operation of law).

- D. Strict compliance with approved plans. Any application filed by the permittee for a ministerial permit to construct or install the eligible facility approved by an EFP must incorporate the EFP approval, all conditions associated with the EFP approval and the approved photo simulations into the project plans (the "approved plans"). The permittee must construct, install and operate the eligible facility in strict compliance with the approved plans. Any alterations, modifications or other changes to the approved plans, whether requested by the permittee or required by other departments or public agencies with jurisdiction over the eligible facility, must be submitted in a written request subject to the approval authority's prior review and approval, who may revoke the EFP approval if the Director finds that the requested alteration, modification or other change may cause a substantial change as that term is defined by Section 6409(a) or the FCC in 47 C.F.R. § 1.6100(b)(7), as may be re-numbered or amended.
- E. Additional Conditions. In addition to the conditions set forth in Subsections (A) through (D), above, the standard conditions set forth in Section 2.5(A)(3) through (19) shall apply to all EFP approvals.

ARTICLE 4 POLICIES, REGULATIONS AND FORMS

Section 4.1. Approval Authority Responsibility.

- A. Amendments and Supplemental Requirements.
 - 1. Due to rapidly changing technology and regulatory requirements, and pursuant to Section 7-3.04(b)(8) of the Ordinance, the City Council authorizes the approval authority to publish policies, rules, regulations and guidelines to serve as further regulatory guidance and clarification for WTCFPs issued by his or her department, and to issue updates at the approval authority's discretion to adjust for new technologies and regulations, and compliance therewith is a condition of approval in every SWFP and EFP.
 - 2. The approval authority is authorized to create all forms and notices required in order to administer the Ordinance and this Policy. All forms and notices shall be construed in a manner consistent with the Ordinance and this Policy, and applicable federal and state law.
- B. Publication. Any rules, regulations, guidelines and forms adopted by the approval authority to further implement the Ordinance and /or this Policy shall be published on the City's website, including the applicable department, and made available for inspection at the City.

ATTACHMENT NO. 2

RESOLUTION NO. 6071

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD, CALIFORNIA, AMENDING RESOLUTION 6062 REGARDING PERMITTING REQUIREMENTS AND DEVELOPMENT STANDARDS FOR WIRELESS TELECOMMUNICATION FACILITIES PURSUANT TO CHAPTER 3 OF TITLE 7 OF THE MAYWOOD MUNICIPAL CODE

WHEREAS, on September 26, 2018, the Federal Communications Commission ("FCC") adopted its Declaratory Ruling and Third Report and Order ("Report and Order") relating to placement of small wireless facilities in the City, including public rights-of-way; and

WHEREAS, the Report and Order purports to give providers of wireless services rights to utilize public rights-of-way and to attach so-called "small wireless facilities" to public infrastructure, including infrastructure of the City of Maywood, subject to payment of "presumed reasonable", non-recurring and recurring fees, and the ability of local agencies to regulate use of their rights-of-way is substantially limited under the Report and Order; and

WHEREAS, notwithstanding the limitations imposed on local regulation of small wireless facilities in public rights-of-way by the Report and Order, local agencies retain the ability to regulate the aesthetics of small wireless facilities, including location, compatibility with surrounding facilities, spacing, and overall size of the facility, provided the aesthetic requirements are: (i) "reasonable," i.e., "technically feasible and reasonably directed to avoiding or remedying the intangible public harm or unsightly or out-of-character deployments"; (ii) "objective," i.e., they "incorporate clearly-defined and ascertainable standards, applied in a principled manner"; and (iii) published in advance. Regulations that do not satisfy the foregoing requirements may be subject to invalidation, as are any other regulations that "materially inhibit wireless service," (e.g., overly restrictive spacing requirements); and

WHEREAS, local agencies also retain the ability to regulate small wireless facilities and other wireless telecommunications facilities in the City, including but not limited to the City's public rights-of-way, on public infrastructure, and on private property in order to more fully protect the public health and safety, ensure continued quality of telecommunications services, and safeguard the rights of consumers, and pursuant to this authority retained, the City Council has amended the Maywood Municipal Code by the addition of Chapter 3 (Small Wireless Facilities) to Title 7 (Public Works) (the "Ordinance") to require all wireless telecommunications facilities, as defined, to comply with the requirements of a policy adopted by resolution of the City Council entitled "City-Wide Policy Regarding Permitting Requirements And Development Standards For Wireless Telecommunications Facilities;" and

WHEREAS, on August 28, 2018, the City Council adopted Resolution 6062 and adopted a "City-Wide Policy on "Permitting Requirements and Development Standards

for Wireless Telecommunication Facilities Pursuant to Chapter 3 of title 7 of the Maywood Municipal Code" ("Policy"); and

WHEREAS, the Policy was internally inconsistent with regard to the radius for the notification of all wireless permitting and reporting and in two sections of the Policy a 300-foot radius requirement was stated but other sections of the Policy stated a 500-foot radius requirement; and

WHEREAS, the City's intent was to require a 300-foot radius notification requirement on all wireless facility permitting and reporting and therefore the City desires to amend and adopt a revised Policy as set forth in Exhibit A to this Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MAYWOOD DOES RESOLVE AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and incorporated herein as if set forth in full.

Section 2. Adoption of Policy. The City Council of Maywood hereby adopts the amended "City-Wide Policy Regarding Permitting Requirements and Development Standards for Wireless Telecommunications Facilities" set forth in Exhibit A to this Resolution, and which is incorporated by reference herein.

Section 3. Amendments. Any and all amendments to the Policy, as deemed necessary from time-to-time, shall be adopted by resolution of the City Council.

Section 4. CEQA. The City of Maywood has determined that the adoption of this Resolution is exempt from review under the California Environmental Quality Act ("CEQA") (California Public Resources Code Section 21000, et seq.), pursuant to State Section 15061(b)(3) of the CEQA Guidelines covering activities with no possibility of having a significant effect on the environment. In addition, the City of Maywood has determined that this Resolution is categorically exempt pursuant to Section 15301 of the CEQA Regulations applicable to minor alterations of existing governmental and/or utility-owned structures.

Section 5. Severability. If any sections, subsections, sentence, clause, or phrase of this Resolution or the Policy adopted by this Resolution is for any reason held to be invalid or unconstitutional by the decision or legislation of any court of competent jurisdiction, or by reason of preemptive legislation, such decision or legislation shall not affect the validity of the remaining portions of this Resolution or the Policy, and to this end, the provisions of this Resolution and the Policy are each declared to be severable. The City Council declares that it would have passed this Resolution and the attached Policy, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that one or more of the sections, subsections, sentences, clauses, or phrases thereof is declared invalid or unconstitutional.

Section 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

Section 7. Repeal. Resolution 6062 of the City passed and adopted on August 28, 2019 is hereby repealed in its entirety by this Resolution 6071.

Section 8. Certification. The City Clerk shall certify to the adoption of this Resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 9th day of October, 2019.



Eduardo De La Riva, Mayor

ATTEST:



Gerardo Mayagoitia, City Clerk

APPROVED AS TO FORM:



Roxanne Diaz, City Attorney

I, Gerardo Mayagoitia, City Clerk of the City of Maywood, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Maywood held on the 9th day of October, 2019 by the following vote:

AYES: Marquez, Alvarez, Medina, Lara, De La Riva

NOES:

ABSTAINED:

ABSENT:



Gerardo Mayagoitia, City Clerk

EXHIBIT A

CITY-WIDE POLICY REGARDING PERMITTING REQUIREMENTS AND DEVELOPMENT STANDARDS FOR WIRELESS TELECOMMUNICATIONS FACILITIES (PURSUANT TO CHAPTER 3 OF TITLE 7 OF THE MAYWOOD MUNICIPAL CODE)

ARTICLE 1. GENERAL PROVISIONS

SECTION 1.1. PURPOSE AND INTENT

- A. On September 26, 2018, the Federal Communications Commission ("FCC") adopted a Declaratory Ruling and Third Report and Order, FCC 18-133 (the "Report and Order"), in connection with two informal rulemaking proceedings entitled Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment, WT Docket No. 17-79, and Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84. The regulations adopted in the Report and Order significantly curtail the local authority over wireless and wireline communication facilities reserved to State and local governments under sections 253 and 704 in the federal Telecommunications Act. Numerous legal challenges to the Report and Order have been raised but its regulations have become effective while such challenges are pending. Although the provisions may well be invalidated by future action, the City recognizes the practical reality that failure to comply with the Report and Order while it remains in effect will likely result in greater harm to the City's interests than if the City ignored the FCC's ruling. Accordingly, the City Council adopts this Policy ("Policy") as a means to accomplish such compliance that can be quickly amended or repealed in the future without the need to amend the City's Municipal Code.
- B. The City of Maywood intends this Policy to establish reasonable, uniform and comprehensive standards and procedures for wireless telecommunications facilities construction, installation, collocation, modification, operation, relocation and other deployment and removal within the City's territorial boundaries, consistent with and to the extent permitted under federal and California state law. The standards and procedures contained in this Policy are intended to, and should be applied to, protect and promote public health, safety and welfare, and balance the benefits from advanced wireless telecommunications services with local values, which include without limitation the aesthetic character of the City. This Policy is also intended to reflect and promote the community interest by (1) ensuring that the balance between public and private interests is maintained; (2) protecting the City's visual character from potential adverse impacts and/or visual blight created or exacerbated by wireless telecommunications facilities and related telecommunications infrastructure; (3) protecting and preserving the City's environmental resources; (4) protecting and preserving the City's public rights-of-

way and municipal infrastructure located within the City's public rights-of-way; and (5) promoting access to high-quality, advanced wireless services for the City's residents, businesses and visitors.

- C. This Policy is not intended to, nor shall it be interpreted or applied to: (1) prohibit or effectively prohibit any personal wireless service provider's ability to provide personal wireless services; (2) prohibit or effectively prohibit any entity's ability to provide any telecommunications service, subject to any competitively neutral and nondiscriminatory rules, regulations or other legal requirements for rights-of-way management; (3) unreasonably discriminate among providers of functionally equivalent personal wireless services; (4) deny any request for authorization to place, construct or modify personal wireless service facilities on the basis of environmental effects of radio frequency emissions to the extent that such wireless facilities comply with the FCC's regulations concerning such emissions; (5) prohibit any collocation or modification that the City may not deny under federal or California state law; (6) impose any unreasonable, discriminatory or anticompetitive fees that exceed the reasonable cost to provide the services for which the fee is charged; or (7) otherwise authorize the City to preempt any applicable federal or California law.

SECTION 1.2. DEFINITIONS

- A. Undefined Terms. Except as otherwise expressly defined herein, terms and phrases used in this Policy shall have the meaning ascribed to them in Chapter 3 of Title 7 of the Maywood Municipal Code, unless the context in which they are used clearly requires otherwise, or unless otherwise defined in 47 C.F.R. § 1.6002, as amended or superseded from time to time. If any definition assigned to any phrase, term or word in this Section 1.2 conflicts with any federal or state-mandated definition, the federal or state-mandated definition will control.
- B. Defined Terms.
1. "Accessory equipment" means the same as "antenna equipment" as defined by FCC in 47 C.F.R. § 1.6002(b), as may be amended or superseded.
 2. "Antenna" means the same as defined by the FCC in 47 C.F.R. § 1.6002(b), as may be amended or superseded.
 3. "Antenna equipment" means equipment, switches, wiring, cabling, power sources, shelters or cabinets associated with an antenna, located at the same fixed location as the antenna, and, when collocated on a structure, is mounted or installed at the same time as such antenna.
 4. "Base station" for purposes of an eligible facility request, means the same as defined by the FCC in 47 C.F.R. § 1.6100(b)(1), or any successor regulation, which defines that term as a structure or equipment at a fixed

location that enables FCC-licensed or authorized wireless communications between user equipment and a communications network.

5. "City Engineer" means the City Engineer of the City of Maywood.
6. "Collocation" means the same as defined by the FCC in 47 C.F.R. § 1.6002(g), as may be amended or superseded.
7. "Community Development Director" means the Community Development Director of the City of Maywood.
8. "Concealed" or "concealment" means camouflaging techniques that integrate the transmission equipment into the surrounding natural and/or built environment such that the average, untrained observer cannot directly view the equipment and would not likely recognize the existence of the wireless facility or concealment technique.
9. "Construction codes" means the California Building, Fire, Electrical, Plumbing and/or Mechanical Codes adopted by the City.
10. "CPUC" means the California Public Utilities Commission.
11. "Decorative pole" means any pole that includes decorative or ornamental lighting, features and/or materials intended to enhance the appearance of the pole or the public right-of-way in which the pole is located. Decorative or ornamental features include, but are not limited to, fluted poles, ornate luminaires and artistic embellishments. Cobra head luminaires and octagonal shafts made of concrete or crushed stone composite material are not considered decorative or ornamental.
12. "Department" means:
 - (a) For wireless telecommunications facilities located in the PROW, or on City infrastructure or City-owned or City-operated buildings or facilities regardless of where located in the City, "department" means the Public Works Department of the City of Maywood.
 - (b) For wireless telecommunications facilities located on all other property in the City, "department" means the Community Development Department of the City of Maywood.
13. "Eligible facility request" means a request for approval of an eligible facility pursuant to Section 6409(a), and as defined by the FCC in 47 C.F.R. § 1.6100(b)(3), or any successor regulation, which defines that term as any request for modification of an existing tower or base station that does not substantially change the physical dimensions of such tower or base station, involving: (1) collocation of new transmission equipment; (2) removal of transmission equipment; or (3) replacement of transmission equipment.

14. "FCC Shot Clock" means the presumptively reasonable time frame within which the City generally must act on a given wireless application, as defined by the FCC and as may be amended or superseded. (See also Section 2.3(E) and Section 3.4(B) of this Policy.)
15. "Municipal Code" means the Maywood Municipal Code, as amended from time to time.
16. "Notice of deficiency" means a notice issued by the applicable department identifying information and/or documentation necessary in order for the City to deem a wireless telecommunications facilities permit application complete.
17. "Ordinance" means Chapter 3 of Title 7 of the Maywood Municipal Code, as may be amended from time to time.
18. "RF" means radio frequency or electromagnetic waves.
19. "SCJPC" means the Southern California Joint Pole Committee.
20. "Structure" for this Policy, means the same as defined by the FCC in 47 C.F.R. § 1.6002(m), as may be amended or superseded.
21. "Support structure" means a structure in the public right-of-way other than a pole or a tower to which a wireless telecommunications facility is attached at the time of the application.
22. "Tower", for purposes of an eligible facilities request, means the same as defined by the FCC in 47 C.F.R. § 1.6100(b)(9), or any successor regulation, which defines that term as any structure built for the sole or primary purpose of supporting any FCC-licensed or authorized antennas and their associated facilities, including structures that are constructed for wireless communications services including, but not limited to, private, broadcast, and public safety services, as well as unlicensed wireless services and fixed wireless services such as microwave backhaul, and the associated site. Examples include, but are not limited to, monopoles, monotrees and lattice towers.

ARTICLE 2. SMALL WIRELESS FACILITIES

SECTION 2.1. APPLICABILITY; REQUIRED PERMITS AND APPROVALS

- A. **Applicable Facilities.** Except as expressly provided otherwise in this Policy, the provisions in this Policy shall be applicable to all existing small wireless facilities and all applications and requests for authorization to construct, install, attach, operate, collocate, modify, reconstruct, relocate, remove or otherwise deploy small

wireless facilities within the City's jurisdictional and territorial boundaries, including within the public rights-of-way, on any property, buildings, facilities or other structures located within the PROW, on any property or buildings owned or operated by the City of Maywood located anywhere else in the City, or on private property.

- B. Approval Authority. The approval authority for small wireless facilities in public rights-of-way, or on City-owned or City-operated buildings or facilities regardless of where located, shall be the City Engineer or his or her designee. The approval authority for small wireless facilities located on all other property shall be the Community Development Director or his or her designee.
- C. Small Wireless Facility Permit (SWFP). A small wireless facility permit, subject to the approval authority's prior review and approval, is required for any small wireless facility proposed on an existing, new or replacement structure, including but expressly not limited to any City-owned building or structure.
- D. Requests for Approval pursuant to Section 6409(a). Requests for approval to collocate, replace or remove transmission equipment or other wireless facilities at an existing wireless tower or base station submitted pursuant to Section 6409(a), and qualifying as an "eligible facility" pursuant to Section 6409(a) and applicable federal regulations, shall require approval of an Eligible Facility Permit (EFP), reviewed in accordance with Section 6409(a), and Article 3 of this Policy, and all other standards required by law.
- E. Other Permits and Approvals. In addition to a small wireless facility permit, the applicant shall obtain all other permits and regulatory approvals as may be required by the City or any other federal, state or local government agencies, including but expressly not limited to any ministerial permits and/or other approvals issued by other City departments or divisions, or approval by Southern California Edison for utility pole attachments in compliance with FCC, CPUC and/or SCJPC pole attachment rules. All applications for ministerial permits submitted in connection with a proposed small wireless facility must contain a valid small wireless facility permit issued by the City for the proposed facility. Any application for any ministerial permit(s) submitted without such SWFP may be denied without prejudice. Furthermore, any SWFP granted under this Policy shall remain subject to all lawful conditions and/or legal requirements associated with such other permits or approvals.

SECTION 2.2. SMALL WIRELESS FACILITY PERMIT APPLICATION REQUIREMENTS

- A. Application Contents. All applications for a small wireless facility permit must include all the information and materials required in this subsection (A).
 - 1. Application Form. The applicant shall submit a complete, duly executed SWFP application using the then-current City form, which must include the

information and documentation described in this subsection (A), and in accordance with the original and number of copies and format required by the department.

2. Application Fee. The applicant shall submit the applicable small wireless facility permit application fee (non-recurring) as set forth in this Policy, the Ordinance, or as established by City Council resolution, or otherwise in such amount as presumed "reasonable" by the FCC in the Small Wireless Facilities Order. See also, Section 2.5(A)(16), of this Policy. Batched applications must include the applicable SWFP application fee for each SWF in the batch. If no permit application fee has been established, then the applicant shall submit a signed written statement that acknowledges that the applicant will be required to reimburse the City for its reasonable costs incurred in connection with the application within ten (10) days after the City issues a written demand for reimbursement.
3. Address Labels; Public Notices. The applicant shall submit address labels for all properties and record owners of properties within 300 feet of the proposed installation. Notice of the SWFP application shall be provided in accordance with Section 2.4. Insufficient postage and/or illegible addressing shall be a basis to deem the application incomplete.
4. Construction Drawings. The applicant shall submit true and correct construction drawings, prepared, signed and stamped by a California licensed or registered engineer, that depict all the existing and proposed improvements, equipment and conditions related to the proposed project and project site, which includes without limitation any and all poles, posts, pedestals, traffic signals, towers, streets, sidewalks, pedestrian ramps, driveways, curbs, gutters, drains, handholes, manholes, fire hydrants, equipment cabinets, antennas, cables, trees and other landscape features. The construction drawings must: (i) contain cut sheets that contain the technical specifications for all existing and proposed antennas and accessory equipment, which includes without limitation the manufacturer, model number and physical dimensions; (ii) identify all structures within 250 feet from the proposed project site and call out such structures' overall height above ground level; (iii) depict the applicant's plan for electric and data backhaul utilities, which shall include the locations for all conduits, cables, wires, handholes, junctions, transformers, meters, disconnect switches, and points of connection; and (iv) demonstrate that the proposed project will be in full compliance with all applicable health and safety laws, regulations or other rules, which includes without limitation all building codes, electric codes, local street standards and specifications, CPUC regulations and orders including, but not limited to, CPUC General Order 95 and 128, and the SCJPC pole attachment rules.
5. Site Plan. The applicant shall submit a site plan and survey prepared, signed and stamped by a California licensed or registered engineer. The

site plan and survey must identify and depict the proposed project site and all existing boundaries, encroachments, buildings, walls, fences and other structures within 250 feet from the proposed project site, which includes without limitation all: (i) traffic lanes; (ii) all private properties and property lines; (iii) above and below-grade utilities and related structures and encroachments; (iv) fire hydrants, roadside call boxes and other public safety infrastructure; (v) streetlights, decorative poles, traffic signals and permanent signage; (vi) sidewalks, driveways, parkways, curbs, gutters and storm drains; (vii) benches, trash cans, mailboxes, kiosks and other street furniture; and (viii) existing trees, planters and other landscaping features.

6. Photographs and Photo Simulations. The applicant shall submit site photographs and photo simulations that show the existing location and proposed small wireless facility in context from at least three vantage points within the public streets or other publicly accessible spaces, together with a vicinity map that shows the proposed site location and the photo location for each vantage point. At least one simulation must depict the SWF from a vantage point approximately 50 feet from the proposed support structure or location.
7. Project Narrative and Justification. The applicant shall submit a written statement that explains in plain factual detail why the proposed wireless telecommunications facility qualifies as a “small wireless facility” as defined by the FCC in 47 C.F.R. § 1.6002(l). A complete written narrative analysis must state the applicable standard and all the facts that allow the City to conclude the standard has been met. Bare conclusions not factually supported do not constitute a complete written analysis. As part of the written statement the applicant must also include (i) whether and why the proposed support is a “structure” as defined by the FCC in 47 C.F.R. § 1.6002(m); and (ii) whether and why the proposed wireless telecommunications facility meets each required finding as provided in Section 2.4 of this Policy.
8. RF Compliance Report. The applicant shall submit an RF exposure compliance report that certifies that the proposed small wireless facility, as well as any collocated wireless telecommunications facilities, will comply with applicable federal RF exposure standards and exposure limits. The RF exposure compliance report must be prepared and certified by an RF engineer acceptable to the City. The RF exposure compliance report must include the actual frequency and power levels (in watts effective radiated power) for all existing and proposed antennas at the site and exhibits that show the location and orientation of all transmitting antennas and the boundaries of areas with RF exposures in excess of the uncontrolled/general population limit (as that term is defined by the FCC) and also the boundaries of areas with RF exposures in excess of the controlled/occupational limit (as that term is defined by the FCC). Each such

boundary shall be clearly marked and identified for every transmitting antenna at the project site.

9. Regulatory Authorization. The applicant shall submit evidence of the applicant's regulatory status under federal and California law to provide the services and construct the SWF proposed in the application.
10. Site Agreement. When determined necessary by the approval authority in order to more fully protect the public health and safety, and/or when installation is proposed on a City-owned or City-operated structure requiring terms and conditions for such use that are not otherwise sufficiently addressed in this Policy, the City may require the applicant to enter into a site agreement. In such cases, the City may require and the applicant shall submit a partially-executed site agreement on a form prepared by the City that states the terms and conditions for such use by the applicant. No changes shall be permitted to the City's form site agreement except as may be indicated on the form itself. Any unpermitted changes to the City's form site agreement shall be deemed a basis to deem the application incomplete. Refusal to accept the terms and conditions in the City's site agreement shall be an independently sufficient basis to deny the application. The City may, but is not required to, enter into a master agreement upon an applicant's request, when multiple facilities are proposed.
11. Title Report and Property Owner's Authorization. The applicant must submit a title report issued within 30 days from the date the applicant filed the SWFP application; and (ii) if the applicant is not the property owner, a written authorization signed by the non-City property owner that authorizes the applicant to submit a SWFP application in connection with the subject property and also demonstrating that the property owner approves the application and installation or collocation of the proposed wireless telecommunications facility. The following additional requirements shall also be met:
 - a. Southern California Edison. If the SWF is proposed on a pole or other support structure owned by Southern California Edison (SCE), the applicant shall indicate the status of the following in the application and submit prior to obtaining encroachment permit for construction:
 - i. Final plans approved by Southern California Edison;
 - ii. SCE Letter of Authorization;
 - iii. SCE Consent Letter;
 - iv. SCE Disconnect Letter;
 - v. Lighting Study for the proposed installation, collocation or modification will be required if the proposed site deviates from

the existing lighting levels as determined by the City Engineer,
and

- vi. Any other documents required by SCE.
- b. Other Utility. If the SWF is proposed on a pole or other structure owned by any other public or private utility, the applicant shall provide detailed plans approved by the utility and all authorizations required by that utility.
- c. SCJPC. For any proposed SWF on a wooden utility pole or other pole subject to any pole attachment rules, including but not limited to the SCJPC, the applicant must submit the following with the application:
 - i. Any and all documents demonstrating that such pole is subject to the applicable pole attachment rules, all applicable pole attachment requirements, and the manner in which the proposed facility complies with the applicable pole attachment rules;
 - ii. All plans approved by the SCJPC or other owner; and
 - iii. If required by the SCJPC for a pole attachment, the applicant must provide sufficient information to Southern California Edison to permit it to file a Notice of Intention to Place Wireless Antenna as well as the SCJPC approval for installation or collocation of the small wireless facility.
- 12. Acoustic Analysis. The applicant shall submit a written statement for the proposed SWF and all associated equipment including all environmental control units, sump pumps, temporary backup power generators and permanent backup power generators demonstrating compliance with the City's noise regulations. In addition to the acoustic statement, the applicant may submit evidence from the equipment manufacturer(s) that the ambient noise emitted from all the proposed equipment will not, both individually and cumulatively, exceed the applicable noise limits.
- 13. Wind Velocity Test. The applicant must include an evaluation of high wind load capacity of the proposed SWF, including but not limited to the impact of a modification or collocation to an existing wireless telecommunications facility as part of the structural analysis submitted with the application.
- 14. Justification for Non-Preferred Location or Structure. If a SWF is proposed anywhere other than the most preferred location or the most preferred structure within 500 feet of the proposed location as described in Section 2.6(B) or (C), the applicant shall demonstrate with clear and convincing written evidence all of the following:

- a. A clearly defined technical service objective, and a map showing areas that meets that objective;
 - b. A technical analysis that includes the factual reasons why a more preferred location(s) and/or more preferred structure(s) within 500 feet of the proposed location is not technically feasible;
 - c. Bare conclusions that are not factually supported do not constitute clear and convincing written evidence.
15. Historic Preservation Review. If a SWF is proposed on any building or structure designated as historic in the City, the City shall comply with all city, county, state and federal laws applicable to modifications or attachments to historic buildings and structures.
16. Traffic Control Plan. The applicant must include a traffic control plan if the proposed SWF is to be sited on any street adjacent to or within a non-residential zone.
- B. Additional Requirements. The City Council authorizes the approval authority to develop, publish and from time to time update or amend permit application requirements, forms, checklists, guidelines, informational handouts and other related materials that the approval authority finds necessary, appropriate or useful for processing any SWFP application governed under this Policy. All such requirements and materials must be in written form and publicly stated to provide all interested parties with prior notice.

SECTION 2.3. SMALL WIRELESS FACILITY PERMIT APPLICATION SUBMITTAL AND COMPLETENESS REVIEW

- A. Requirements for a Duly Filed Application. Any application for a small wireless facility permit will not be considered duly filed unless submitted in accordance with the requirements in this Subsection (A).
- 1. Submittal in Person. All applications for SWFPs shall be submitted in person at Maywood City Hall, 4319 Slauson Avenue, Maywood, California 90270 to the attention of the City Engineer.
 - 2. Submittal Appointment. The City may require that all SWFP applications must be submitted to the City at a pre-scheduled appointment with the approval authority. The requirement for an appointment shall be published on the applicable department's website and posted at the department's front counter. Potential applicants may generally submit either one application or one batched application per appointment as provided below. Potential applicants may schedule successive appointments for multiple applications whenever feasible and not prejudicial to other applicants for any other development project. If an appointment is required, the approval authority shall use reasonable efforts to offer an appointment within five working days

after the approval authority receives a written request from a potential applicant. If an appointment is required, any purported application received without an appointment, whether delivered in-person, by mail or through any other means, will not be considered duly filed, whether the City retains, returns or destroys the materials received.

3. Pre-Submittal Conferences. The City encourages, but does not require, potential applicants to schedule and attend a pre-submittal conference with the approval authority for all proposed projects that involve small wireless facilities. A voluntary pre-submittal conference is intended to streamline the review process through informal discussion between the potential applicant and staff that includes, without limitation, the appropriate project classification and review process; any latent issues in connection with the proposed project, including compliance with generally applicable rules for public health and safety; potential concealment issues or concerns (if applicable); coordination with other City departments responsible for application review; and application completeness issues.
- B. **Applications Deemed Withdrawn.** To promote efficient review and timely decisions, and to mitigate unreasonable delays or barriers to entry caused by chronically incomplete applications, any SWFP application governed under this Policy will be automatically deemed withdrawn by the applicant when the applicant fails to tender a substantive response to the approval authority within sixty (60) calendar days after the approval authority deems the application incomplete in a written notice to the applicant. As used in this subsection (b), a “substantive response” must include all materials identified as necessary to deem the SWFP application complete in the approval authority's notice of deficiency.
- C. **Batched Applications.** Applicants may submit SWFP applications individually or in a batch; provided, that the number of small wireless facilities in a batch should be limited to five and all facilities in the batch should be substantially the same with respect to equipment, configuration, and support structure. Applications submitted as a batch shall be reviewed together, provided that each application in the batch must meet all the requirements for a complete application, which includes without limitation the application fee for each application in the batch. If any individual application within a batch is deemed incomplete, the entire batch shall be automatically deemed incomplete. If any application is withdrawn or deemed withdrawn from a batch, all other applications in the same batch shall be automatically deemed withdrawn. If any application in a batch fails to meet the required findings for approval, the entire batch shall be denied.
- D. **Additional Procedures.** The City Council authorizes the approval authority to establish other reasonable rules and regulations for duly filed SWFP applications, which may include without limitation regular hours for appointments with applicants, as the approval authority deems necessary or appropriate to organize, document and manage the application intake process. All such rules and

regulations must be in written form and publicly stated to provide all interested parties with prior notice.

E. FCC Shot Clocks. SWFP applications shall be processed in compliance with the following federally established timelines:

1. Subject to tolling provisions in this Subsection (E), the City shall have sixty (60) days from the date of receipt of an application for a small wireless facility permit to collocate one or more small wireless facilities on a structure, within which to act on the application. The foregoing period shall be ninety (90) days for applications to install one or more SWFs involving no collocation, or where SWFs identified in the application will be both collocated and not collocated.
2. Unless otherwise agreed upon in writing by the applicant and City, for an initial application to install one or more SWFs, if the City notifies the applicant on or before the 10th day after submission that the application is materially incomplete, and identifies the missing documents or information and the specific rule or regulation creating the obligation to submit such documents or information, the time for the City to act on the SWFP application is tolled, and the shot clock date calculation shall restart at zero on the date on which the applicant submits all the documents and information identified by the City in the notice of deficiency to render the application complete.
3. For any resubmitted application following the City's notice of deficiency, the time for the City to act on the application shall be tolled for the number of days from:
 - a. The day after the date when the City notifies the applicant in writing that the applicant's supplemental submission was not sufficient to render the application complete and identifies the missing documents or information that need to be submitted based on the City's original request under Subsection (E)(2), above, until;
 - b. The date when the applicant submits all the documents and information identified by the City to render the SWFP application complete, provided the notice pursuant to Subsection (E)(3)(A), above is served on or before the 10th day after the date when the applicant makes a supplemental submission in response to the City's request under Subsection (E)(2), above.
4. The "shot clock date" or starting date for a SWFP application is determined by counting forward, beginning on the day after the date when the application was submitted, by the number of calendar days of the shot clock period identified in this Subsection (E), provided, that if the date calculated in this manner is a local, State, or federal holiday within the City or State

("legal holiday"), the shot clock date is the next business day after such date. The term "business day" means any week day that is not a legal holiday of the City or State.

5. Timelines for processing SWFP applications for installation on any utility owned pole, including poles owned by the Southern California Edison, shall be governed by applicable FCC, CPUC, and/or SCJPC rules.
6. The applicant's response and submission of supplemental materials and information in response to a notice of deficiency must be given to the City in one submittal packet.

SECTION 2.4. SMALL WIRELESS FACILITY PERMIT APPROVALS AND DENIALS

- A. Public Notice. Prior to any approval, conditional approval or denial, public notice shall be mailed by the City to all properties and record owners and occupants of properties within a 300-foot radius of the project site in accordance with this Subsection (A).
 1. Form of Notice. The public notice shall be completed and submitted by the applicant as part of the SWFP application package for City approval, and shall be in a form and content that complies with the requirements of this Subsection and the City's application requirements.
 2. Mailing. The notice shall be mailed not less than five (5) business days prior to installation of the mock-up and will include photo simulations depicting before and after images.
 3. Contents. The notice shall be prepared by the applicant and submitted for City approval along with address labels as provided in Section 2.2(A)(3), and must contain the following information:
 - a. A general project description;
 - b. The applicant's identification and contact information as provided on the application submitted to the City;
 - c. Contact information for the City to use to communicate with the applicant;
 - d. A statement that the approval authority will act on the SWFP application without a public hearing but that the approval authority will, for a minimum of ten (10) days from the date of the notice, accept written public comments that evaluate the SWFP application for compliance with the standards in this Policy and the Ordinance; and

- e. A statement that the FCC requires the City to act on SWFP applications, which includes any administrative appeals, in sixty (60) days for attachments to existing structures and ninety (90) days for new structures, unless the applicant voluntarily agrees to toll the timeframe for review.
- B. Public Comment. Within ten (10) days from service of the notice, any interested person may submit comments on the proposed SWF to the City by U.S. mail or through the City's website. Any timely public comments received will be considered during the approval authority's review of the application.
- C. Administrative Review by Approval Authority. Not less than ten (10) days after the public notice required in Subsection (A), the approval authority shall review a complete and properly filed application for a small wireless facility and except as otherwise provided in Section 2.4(A), may act on such application without a public hearing.
- D. Required Findings. The approval authority may approve or conditionally approve a complete and duly filed application for a small wireless facility permit when the approval authority finds:
 - 1. The proposed project meets the definition for a "small wireless facility" as defined by the FCC;
 - 2. The proposed SWF would be in the most preferred location provided in Section 2.6(A) or the applicant has demonstrated with clear and convincing evidence in the written record that any more-preferred location(s) within 500 feet would be technically infeasible;
 - 3. The proposed SWF would not be located on a prohibited support structure identified in this Policy;
 - 4. The proposed SWF would be on the most preferred support structure provided in Section 2.6(B) or the applicant has demonstrated with clear and convincing evidence in the written record that any more-preferred support structure(s) within 500 feet would be technically infeasible;
 - 5. The proposed SWF complies with all applicable aesthetic, design and development standards in this Policy;
 - 6. The applicant has demonstrated that the proposed SWF will be in compliance with all applicable construction codes, and health and safety regulations, including but expressly not limited to, the Americans with Disabilities Act, and all FCC regulations and guidelines for human exposure to RF emissions; and
 - 7. All public notices required for the application have been given.

- E. Conditional Approvals; Denials without Prejudice. Subject to any applicable federal or California laws, nothing in this Policy is intended to limit the approval authority's ability to conditionally approve or deny without prejudice any SWFP application as may be necessary or appropriate to ensure compliance with this Policy.
- F. Decision Notices. Within five days after the approval authority acts on a SWFP application or before the applicable FCC Shot Clock expires (whichever occurs first), the approval authority shall notify the applicant of the decision by written notice. If the approval authority denies the application (with or without prejudice), the written notice must contain the reasons for the decision.
- G. Appeals. Any decision to approve, conditionally approve or deny a small wireless facility shall be appealable directly to the City Manager or his/her designee for non-compliance issues. Appeals shall be filed within five (5) calendar days of a decision having been rendered. The appeal shall be made on a form prescribed by the Department, and shall include a letter identifying the name, address and contact information for the appellant, the specific reasons for the appeal based on the alleged noncompliance with the required findings in Section 2.4(D), and all supporting documentation and information. Any such appeal shall be subject to the appeal fees established in the City's Master Fee Schedule. Appeals from an approval will not be permitted to the extent that the appeal is based on environmental effects from RF emissions that comply with all applicable FCC regulations. The appeal hearing shall be conducted in accordance with Chapter 4 of Title 1 of this code, except that the City Council shall issue its final decision on the appeal no later than thirty days after the filing of the appeal or before the applicable FCC Shot Clock expires (whichever occurs first).

SECTION 2.5. STANDARD CONDITIONS OF APPROVAL

- A. General Conditions. In addition to all other conditions adopted by the approval authority, small wireless facility permits issued under this Policy shall be automatically subject to the conditions in this subsection (A).
 - 1. Permit Term. As provided in Section 7-3.05 of the Ordinance, the SWFP will automatically expire ten (10) years and one day from its issuance unless California Government Code § 65964(b) or other state or federal law authorizes the City to establish a shorter term for public safety or other reasons. Any other permits or approvals issued in connection with any collocation, modification or other change to this small wireless facility, which includes without limitation any permits or other approvals deemed-granted or deemed-approved under federal or state law, will not extend this term limit unless expressly provided otherwise in such permit or approval or required under federal or state law.
 - 2. Permit Extension. No sooner than 365 days (twelve months) prior to the expiration date of the SWFP, the permittee may submit an application for permit renewal. To be eligible for an extension, the permittee must

demonstrate that the subject small wireless facility is in compliance with all the conditions of approval associated with this permit and all applicable provisions in the Maywood Municipal Code and this Policy that exist at the time the decision to renew the permit is rendered. The approval authority shall have discretion to modify or amend the conditions of approval for permit renewal on a case-by-case basis as may be necessary or appropriate to ensure compliance with this Policy. Upon approval of the extension, the permit will automatically expire ten (10) years and one day from its issuance, except when California Government Code § 65964(b), as may be amended or superseded in the future, or other state or federal law, authorizes the City to establish a shorter term for public safety reasons.

3. Post-Installation Certification. Within sixty (60) calendar days after the permittee commences full, unattended operations of a small wireless facility approved or deemed-approved, the permittee shall provide the approval authority with documentation reasonably acceptable to the approval authority that the SWF has been installed and/or constructed in strict compliance with the approved construction drawings and photo simulations. Such documentation shall include without limitation as-built drawings, and site photographs.
4. Build-Out Period. Each small wireless facility permit will automatically expire twelve (12) months from the approval date unless the permittee obtains all other permits and approvals required to install, construct and/or operate the approved SWF, which includes without limitation any construction or other permits or approvals required by any federal, state or local public agencies with jurisdiction over the subject property, the SWF or its use. If this build-out period expires, the permittee may request an extension in writing to be approved by the City Engineer. If denied, the permittee may resubmit a complete application, including all application fees, for the same or substantially similar project.
5. Site Maintenance. The permittee shall keep the site, which includes without limitation any and all improvements, equipment, structures, access routes, fences and landscape features, in a neat, clean and safe condition in accordance with the approved construction drawings and all conditions of this SWFP. The permittee shall keep the site area free from all litter and debris at all times. The permittee, at no cost to the City, shall remove and remediate any graffiti or other vandalism at the site within 48 hours after the permittee receives notice or otherwise becomes aware that such graffiti or other vandalism occurred.
6. Compliance with Laws. The permittee shall maintain compliance at all times with all federal, state and local statutes, regulations, orders or other rules that carry the force of law ("laws") applicable to the permittee, the subject property, the small wireless facility or any use or activities in connection with the use authorized in this small wireless facility permit, which includes

without limitation any laws applicable to human exposure to RF emissions. The permittee expressly acknowledges and agrees that this obligation is intended to be broadly construed and that no other specific requirements in these conditions are intended to reduce, relieve or otherwise lessen the permittee's obligations to maintain compliance with all laws. No failure or omission by the City to timely notice, prompt or enforce compliance with any applicable provision in the Municipal Code, this Policy, the approved SWFP or any other permit applicable to that small wireless facility, any permit condition or any applicable law or regulation, shall be deemed to relieve, waive or lessen the permittee's obligation to comply in all respects with all applicable provisions in the Municipal Code, this Policy, the SWFP, any other permit, any permit condition, or any applicable law or regulation.

7. Adverse Impacts on Other Properties. The permittee shall use all reasonable efforts to avoid any and all unreasonable, undue or unnecessary adverse impacts on nearby properties that may arise from the permittee's or its authorized personnel's construction, installation, operation, modification, maintenance, repair, removal and/or other activities on or about the site. The permittee shall not perform or cause others to perform any construction, installation, operation, modification, maintenance, repair, removal or other work that involves heavy equipment or machines except during normal construction work hours authorized by the Municipal Code. The restricted work hours in this condition will not prohibit any work required to prevent an actual, immediate harm to property or persons, or any work during an emergency declared by the City or other state or federal government agency or official with authority to declare a state of emergency within the City. The approval authority may issue a stop work order for any activities that violate this condition in whole or in part.
8. Inspections; Emergencies. The permittee expressly acknowledges and agrees that the City's officers, officials, staff, agents, contractors or other designees may enter onto the site and inspect the improvements and equipment. City's officers, officials, staff, agents, contractors or other designees may, but will not be obligated to, enter onto the site area without prior notice to support, repair, disable or remove any improvements or equipment in emergencies or when such improvements or equipment threatens actual, imminent harm to property or persons. The permittee expressly waives any claims and releases the City in advance from any and all liabilities for such actions taken by the City as authorized herein. The permittee, if present, may observe the City's officers, officials, staff, contractors or other designees while any such inspection or emergency action occurs.
9. Permittee's Contact Information. Within ten (10) days from the final approval, the permittee shall furnish the City with accurate and up-to-date contact information for a person responsible for the small wireless facility, which includes without limitation such person's full name, title, direct

telephone number, 24/7 emergency telephone number, facsimile number, mailing address and email address. The permittee shall keep such contact information up-to-date at all times and promptly provide the City with updated contact information if either the responsible person or such person's contact information changes.

10. Indemnification and Assumption of Risk. To the maximum extent permitted by law, the permittee shall defend, indemnify and hold the City, City Council and the City's boards, commissions, agents, officers, officials, employees and volunteers (collectively, the "indemnitees"), harmless with respect to any and all (i) damages, liabilities, injuries, losses, costs and expenses and from any and all claims, stop notices, demands, lawsuits, writs and other actions proceedings ("claims") brought against any of the indemnitees to challenge, attack, seek to modify, set aside, void or annul the City's approval of this permit, and (ii) other claims of any kind or form, whether for personal injury, death or property damage, that arise from or in connection with the permittee's or its agents', directors', officers', employees', contractors', subcontractors', licensees' or customers' acts or omissions in connection with this small wireless facility permit or the small wireless facility. In the event the City becomes aware of any claims, the City will use best efforts to promptly notify the permittee who shall reasonably cooperate in the defense. The permittee expressly acknowledges and agrees that the City shall have the right to approve, which approval shall not be unreasonably withheld, the legal counsel providing the City's defense, and the permittee shall promptly reimburse City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. The permittee expressly acknowledges and agrees that the permittee's indemnification obligations under this section are a material consideration that motivates the City to approve this small wireless facility permit, and that such indemnification obligations will survive the expiration, revocation or other termination of this small wireless facility permit.

The permittee understands and agrees that by locating its small wireless facility in the public rights-of-way, there is a real risk that some or all its facility may be damaged or destroyed. By accepting the SWFP and locating its small wireless facility in the public right-of-way, the permittee nevertheless expressly and knowingly assumes all such potential risks, including all costs of repair and replacement, to the extent such damage or destruction is caused by the acts or omissions of any third party, or by City agents when acting pursuant to Section 2.5 (A)(8), above.

11. Performance bond required for small wireless facilities within public rights-of-way or on other City property of any kind. Before the City issues any permits required to commence construction in connection with this SWFP, the permittee shall post a performance bond from a surety in a form acceptable to the approval authority in an amount reasonably necessary to cover the cost to remove the improvements and restore all affected areas

based on a written estimate from a qualified contractor with experience in small wireless facility removal. The written estimate must include the cost to remove all equipment and other improvements, which includes without limitation all antennas, radios, batteries, generators, utilities, cabinets, mounts, brackets, hardware, cables, wires, conduits, structures, shelters, towers, poles, footings and foundations, whether above ground or below ground, constructed or installed in connection with the SWF, plus the cost to completely restore any areas affected by the removal work to a standard compliant with applicable laws and substantially to their original condition. In establishing or adjusting the bond amount required under this condition, and in accordance with California Government Code § 65964(a), the approval authority shall take into consideration any information provided by the permittee regarding the cost to remove the wireless facility to a standard compliant with applicable laws. The performance bond shall expressly survive the duration of the permit term to the extent required to effectuate a complete removal of the subject wireless facility in accordance with this condition.

12. Permit Revocation. The approval authority may recall this approval for review at any time due to complaints about noncompliance with applicable laws or any approval conditions attached to this approval after notice and an opportunity to cure the violation is provided to the permittee. If the noncompliance thereafter continues, the approval authority may, following notice and an opportunity for the permittee to be heard (which hearing may be limited to written submittals), revoke the SWFP approval or amend the conditions as the approval authority deems necessary or appropriate to correct any such noncompliance.
13. Records retention requirements for all small wireless facilities within public rights-of-way or on City-owned or operated buildings or structures. The permittee shall maintain complete and accurate copies of all permits and other regulatory approvals issued in connection with the permitted small wireless facility, which includes without limitation this approval, the approved plans and photo simulations incorporated into this approval, all conditions associated with this approval and any ministerial permits or approvals issued in connection with this approval. In the event that the permittee does not maintain such records as required in this condition, any ambiguities or uncertainties that would be resolved through an inspection of the missing records will be construed against the permittee. The permittee may keep electronic records; provided, however, that hard copies or electronic records kept in the City's regular files will control over any conflicting provisions in the permittee's electronic copies, and complete originals will control over all other copies in any form.
14. Abandoned Wireless Telecommunications Facilities. A small wireless facility shall be deemed abandoned if not operated for any continuous six-month period. Within ninety (90) days after a SWF is abandoned or deemed

abandoned, the permittee shall completely remove the SWF and all related improvements and shall restore all affected areas to a condition compliant with all applicable laws, which includes without limitation the Municipal Code. In the event that the permittee does not comply with the removal and restoration obligations under this condition within said 90-day period, the City shall have the right (but not the obligation) to perform such removal and restoration with or without notice, and the permittee shall be liable for all costs and expenses incurred by the City in connection with such removal and/or restoration activities.

15. Landscaping. The permittee shall replace any landscape features damaged or displaced by the construction, installation, operation, maintenance or other work performed by the permittee or at the permittee's direction on or about the site. If any trees are damaged or displaced, the permittee shall hire and pay for a licensed arborist to select, plant and maintain replacement landscaping in an appropriate location for the species. Only workers under the supervision of a licensed arborist shall be used to install the replacement tree(s). Any replacement tree must be substantially the same size, and same species, as the damaged tree unless otherwise approved by the approval authority. The permittee shall, at all times, be responsible to maintain any replacement landscape features.
16. Cost reimbursement applicable to small wireless facilities within public rights-of-way. The permittee acknowledges and agrees that (i) the permittee's request for authorization to construct, install and/or operate the SWF will cause the City to incur costs and expenses; (ii) the permittee shall be responsible to reimburse the City for all costs incurred in connection with the permit, which includes without limitation costs related to application review, permit issuance, site inspection and monitoring, and any other recurring and non-recurring costs reasonably related to or caused by the request for authorization and the permit to construct, install and/or operate the SWF; (iii) any application fees required for the application may not cover all such reimbursable costs and that the permittee shall have the obligation to reimburse City for all such costs ten (10) days after a written demand for reimbursement and reasonable documentation to support such costs; and (iv) the City shall have the right to withhold any permits or other approvals in connection with the SWF until and unless any outstanding costs have been reimbursed to the City by the permittee. The recurring and non-recurring fees charged to the permittee pursuant to this subsection and this Policy shall be no less than the "presumed reasonable" fees stated by the FCC in the Report and Order.

If the City Council has, by resolution, adopted recurring and non-recurring fees applicable to small wireless facility permits, then those fees shall be paid in lieu of the fees set forth above in this Subsection (A)(16).

17. Future undergrounding programs applicable to small wireless facilities within public rights-of-way. Notwithstanding any term remaining on any SWFP, if other utilities or communications providers in the PROW underground their facilities in the segment of the PROW where the permittee's SWF is located, the permittee must also underground its equipment, except the antennas and any approved electric meter, at approximately the same time, and in compliance with all applicable CPUC orders, rules, and regulations. Accessory equipment such as radios and computers that require an environmentally controlled underground vault to function shall not be exempt from this condition. Small wireless facilities installed on wood utility poles that will be removed pursuant to the undergrounding program may be reinstalled on a streetlight that complies with the City's standards and specifications. Such undergrounding shall occur at the permittee's sole cost and expense except as may be reimbursed through tariffs approved by the CPUC for undergrounding costs.
18. Electric meter upgrade requirements applicable to small wireless facilities within public rights-of-way. If Southern California Edison or other public or private commercial electric utility provider adopts or changes its rules obviating the need for a separate or ground-mounted electric meter and enclosure, the permittee on its own initiative and at its sole cost and expense shall remove the separate or ground-mounted electric meter and enclosure. Prior to removing the electric meter, the permittee shall apply for any encroachment and/or other ministerial permit(s) required to perform the removal. Upon removal, the permittee shall restore the affected area to its original condition that existed prior to installation of the equipment.
19. Rearrangement and relocation requirements applicable to small wireless facilities within public rights-of-way. The permittee acknowledges that the City, in its sole discretion and at any time, may: (i) change any street grade, width or location; (ii) add, remove or otherwise change any improvements in, on, under or along any street owned by the City or any other public agency, which includes without limitation any sewers, storm drains, conduits, pipes, vaults, boxes, cabinets, poles and utility systems for gas, water, electric or telecommunications; and/or (iii) perform any other work deemed necessary, useful or desirable by the City (collectively, "City work"). The City reserves the rights to do any and all City work without any admission on its part that the City would not have such rights without the express reservation in this small wireless facility permit. If the City Engineer determines that any City work will require the permittee's SWF located in the PROW to be rearranged and/or relocated, the permittee shall, at its sole cost and expense, do or cause to be done all things necessary to accomplish such rearrangement and/or relocation. If the permittee fails or refuses to either permanently or temporarily rearrange and/or relocate the permittee's SWF within a reasonable time after the City Engineer's notice, the City may (but will not be obligated to) cause the rearrangement or relocation to be performed at the permittee's sole cost and expense. The

City may exercise its rights to rearrange or relocate the permittee's SWF without prior notice to permittee when the City Engineer determines that the City work is immediately necessary to protect public health or safety. The permittee shall reimburse the City for all costs and expenses in connection with such work within ten (10) days after a written demand for reimbursement and reasonable documentation to support such costs is mailed to the permittee.

SECTION 2.6. LOCATION REQUIREMENTS.

- A. Purpose and Intent. To better assist applicants and the approval authority in understanding and responding to the community's aesthetic preferences and values, subsections (B) and (C) set out listed preferences for locations and support structures to be used in connection with small wireless facilities in an ordered hierarchy. Applications that involve less-preferred locations or structures may be approved so long as the applicant demonstrates that either (1) no more preferred locations or structures exist within 500 feet from the proposed site; or (2) any more preferred locations or structures within 500 feet from the proposed site would be technically infeasible as supported by clear and convincing evidence in the written record. Subsection (D) identifies "prohibited" support structures on which the City shall not approve any small wireless facility permit application for any competitor or potential competitor.
- B. Locational Preferences. The City prefers small wireless facilities to be installed in locations, ordered from most preferred to least preferred, as follows:
1. Any location in a non-residential zone or non-residential Specific Plan designation;
 2. Any location in a residential zone 250 feet or more from any structure approved for a residential use;
 3. If located in a residential area, a location that is as far as possible from any structure approved for a residential use.

For purposes of these location preferences, the applicant's proposed location in the public right-of-way shall be classified by the same zoning district that applies to the nearest adjacent parcel.

- C. Support Structures in Public Rights-of-Way. The City prefers small wireless facilities to be installed on support structures in the public rights-of-way, ordered from most preferred to least preferred, as follows:
1. Existing or replacement streetlight poles;
 2. New, non-replacement streetlight poles;
 3. New or replacement traffic signal poles;

4. New, non-replacement poles;
 5. Existing or replacement wood utility poles.
- D. Prohibited Support Structures in Public Rights-of-Way. The City prohibits small wireless facilities to be installed on the following support structures:
1. Decorative poles;
 2. Signs;
 3. Any utility pole scheduled for removal or relocation within 12 months from the time the approval authority acts on the small wireless facility permit application;
 4. New, non-replacement wood poles.

SECTION 2.7. DESIGN STANDARDS.

A. General Standards.

1. Noise. Noise emitted from small wireless facilities and all accessory equipment and transmission equipment must comply with all applicable City noise control standards.
2. Lights. Small wireless facilities shall not include any lights that would be visible from publicly accessible areas, except as may be required under FAA, FCC, other applicable regulations for health and safety. All equipment with lights (such as indicator or status lights) must be installed in locations and within enclosures that mitigate illumination impacts visible from publicly accessible areas. The provisions in this Subsection (A)(2) shall not be interpreted or applied to prohibit installations on streetlights or luminaires installed on new or replacement poles as may be required under this Policy.
3. Landscape Features. Small wireless facilities shall not displace any other existing landscape features unless: (a) such displaced landscaping is replaced with native and/or drought-resistant plants, trees or other landscape features approved by the approval authority and (b) the applicant submits and adheres to a landscape maintenance plan. The landscape plan must include existing vegetation, and vegetation proposed to be removed or trimmed, and the landscape plan must identify proposed landscaping by species type, size and location. Landscaping and landscape maintenance must be performed in accordance with all applicable provisions of the Municipal Code.
4. Site Security Measures. Small wireless facilities may incorporate reasonable and appropriate site security measures, such as locks and anti-climbing devices, to prevent unauthorized access, theft or vandalism. The

approval authority shall not approve any barbed wire, razor ribbon, electrified fences or any similarly dangerous security measures. All exterior surfaces on small wireless facilities shall be constructed from or coated with graffiti-resistant materials.

5. Signage; Advertisements. All small wireless facilities must include signage or a tamper proof tag not to exceed one (1) square feet in sign area that accurately identifies the site owner/operator, the owner/operator's site name or identification number and a toll-free, 24/7 emergency number to the owner/operator's network operations center. SWFs may not bear any other signage or advertisements unless expressly approved by the City, required by law or recommended under regulations of the FCC, Division of Occupational Safety and Health ("CalOSHA") of the California Department of Industrial Relations, or the federal Occupational Safety and Health Administration and/or other State or United States governmental agencies for compliance with RF emissions regulations.
6. Compliance with Health and Safety Regulations. All small wireless facilities shall be designed, constructed, operated and maintained in compliance with all generally applicable health and safety regulations, which includes without limitation all applicable regulations for human exposure to RF emissions and compliance with the federal Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.).
7. CPUC and SCJPC Rules, Regulations, and Orders. Small wireless facilities, including but not limited to those proposed to be attached to poles owned or operated by the Southern California Edison, must comply with all applicable rules, regulations and orders of the CPUC. Such CPUC rules, regulations and orders include, but are not limited to, General Order 95 and 128, which establish minimum separation from electrical lines. SWFs proposed to be attached to poles owned or operated by the SCJPC must also comply with all applicable rules, regulations and requirements of the SCJPC. In the event of any conflict between any provision of this Policy and the provisions of the CPUC or SCJPC rules, regulations, orders, or requirements, the CPUC or SCJPC rules, regulations, orders or requirements shall govern.

B. Small Wireless Facilities within Public Rights-of-Way.

1. Antennas.
 - a. Concealment. All antennas and associated mounting equipment, hardware, cables or other connectors must be completely concealed within an opaque antenna shroud or radome. The antenna shroud or radome must be painted a flat, non-reflective color to match the underlying support structure.

- b, Antenna Volume. Each individual antenna may not exceed three cubic feet in volume.

2. Accessory Equipment.

- a. Installation Preferences. All non-antenna accessory equipment shall be installed in accordance with the following preferences, ordered from most preferred to least preferred: (i) underground in any area in which the existing utilities are primarily located underground; (ii) on the pole or support structure; or (iii) integrated into the base of the pole or support structure. Applications that involve lesser-preferred installation locations may be approved so long as the applicant demonstrates that no more preferred installation location would be technically feasible as supported by clear and convincing evidence in the written record.
- b. Undergrounded Accessory Equipment. All undergrounded accessory equipment must be installed in an environmentally controlled vault that is load-rated to meet the City's standards and specifications. Underground vaults located beneath a sidewalk must be constructed with a slip-resistant cover. Vents for airflow shall be flush-to-grade when placed within the sidewalk and may not exceed two feet above grade when placed off the sidewalk. Applicants shall not be permitted to install an underground vault in a location that would cause any existing tree to be materially damaged or displaced.
- c. Pole-Mounted Accessory Equipment. All pole-mounted accessory equipment must be installed flush to the pole to minimize the overall visual profile. If any applicable health and safety regulations prohibit flush-mounted equipment, the maximum separation permitted between the accessory equipment and the pole shall be the minimum separation required by such regulations. All pole-mounted equipment and required or permitted signage must be placed and oriented away from adjacent sidewalks and structures. Pole-mounted equipment may be installed behind street, traffic or other signs to the extent that the installation complies with applicable public health and safety regulations. All cables, wires and other connectors must be routed through conduits within the pole, and all conduit attachments, cables, wires and other connectors must be concealed from public view. To the extent that cables, wires and other connectors cannot be routed through the pole, applicants shall route them through a single external conduit or shroud that has been finished to match the underlying support structure. Exposed cables or wires are prohibited.
- d. Base-Mounted Accessory Equipment. All base-mounted accessory equipment must be installed within a shroud, enclosure or pedestal

integrated into the base of the support structure. All cables, wires and other connectors routed between the antenna and base-mounted equipment must be concealed from public view.

- e, Ground-Mounted Accessory Equipment. The approval authority shall not approve any ground-mounted accessory equipment including, but not limited to, any utility or transmission equipment, pedestals, cabinets, panels or electric meters, unless specific and unique conditions of the site would make ground mounting less aesthetically and visually intrusive to public view, than an otherwise preferred location, as set forth in a written finding by the approval authority.
 - f. Accessory Equipment Volume. All accessory equipment associated with a small wireless facility installed above ground level shall not cumulatively exceed: (i) nine (9) cubic feet in volume if installed in a residential district; or (ii) seventeen (17) cubic feet in volume if installed in a non-residential district. The volume calculation shall include any shroud, cabinet or other concealment device used in connection with the non-antenna accessory equipment. The volume calculation shall not include any equipment or other improvements placed underground.
3. Streetlights. The City may require applicants that propose to install small wireless facilities on an existing streetlight to remove and replace the existing streetlight with one substantially similar to the design(s) for SWFs on streetlights described in any and all applicable City and/or Southern California Edison policies and standards, as applicable. To mitigate any material changes in the street lighting patterns, the replacement pole must: (a) be located as close to the removed pole as possible; (b) be aligned with the other existing streetlights; and (c) include a luminaire at substantially the same height and distance from the pole as the luminaire on the removed pole. All antennas must be installed above the pole within a single, canister style shroud or radome that tapers to the pole.
4. Wood Utility Poles. To the extent permitted or allowed by the SCJPC pole attachment rules or regulations, applicants that propose to install SWFs on an existing wood utility pole must install all antennas in a radome above the pole unless the applicant demonstrates that mounting the antennas above the pole would be technically infeasible as supported by clear and convincing evidence in the written record. Side-mounted antennas on a stand-off bracket or extension arm must be concealed within a shroud. All cables, wires and other connectors must be concealed within the radome and stand-off bracket. The maximum horizontal separation between the antenna and the pole shall be the minimum separation required by applicable health and safety regulations.

5. New, Non-Replacement Poles. Applicants that propose to install a small wireless facility on a new, non-replacement pole must install a new streetlight substantially similar to the City's and/or Southern California Edison's standards and specifications but designed to accommodate wireless antennas and accessory equipment located immediately adjacent to the proposed location. If there are no existing streetlights in the immediate vicinity, then, subject to approval of Southern California Edison, if applicable, the applicant may install a metal or composite pole capable of concealing all the accessory equipment either within the pole or within an integrated enclosure located at the base of the pole. The pole diameter shall not exceed twelve (12) inches and any base enclosure diameter shall not exceed sixteen (16) inches. All antennas, whether on a new streetlight or other new pole, must be installed above the pole within a single, canister style shroud or radome that tapers to the pole.
6. Encroachments over Private Property. Small wireless facilities may not encroach onto or over any private or other property outside the public rights-of-way without the property owner's express written consent.
7. Backup Power Sources. Fossil-fuel based backup power sources shall not be permitted within the public rights-of-way; provided, however, that connectors or receptacles may be installed for temporary backup power generators used in an emergency declared by federal, state or local officials.
8. Obstructions; Public Safety and Circulation. Small wireless facilities and any associated equipment or improvements shall not physically interfere with or impede access to any: (a) worker access to any above-ground or underground infrastructure for traffic control, streetlight or public transportation, including without limitation any curb control sign, parking meter, vehicular traffic sign or signal, pedestrian traffic sign or signal, barricade reflectors; (b) access to any public transportation vehicles, shelters, street furniture or other improvements at any public transportation stop; (c) worker access to above-ground or underground infrastructure owned or operated by any public or private utility agency; (d) fire hydrant or water valve; (e) access to any doors, gates, sidewalk doors, passage doors, stoops or other ingress and egress points to any building appurtenant to the rights-of-way; or (f) access to any fire escape. Above ground improvements must be setback a minimum of 2 feet from existing or planned sidewalks, trails, curb faces or road surfaces.
9. Utility Connections. All cables and connectors for telephone, data backhaul, primary electric and other similar utilities must be routed underground in conduits large enough to accommodate future collocated wireless facilities. Undergrounded cables and wires must transition directly into the pole base without any external doghouse. All cables, wires and connectors between the underground conduits and the antennas and other accessory equipment

shall be routed through and concealed from view within: (a) internal risers or conduits if on a concrete, composite or similar pole; or (b) a cable shroud or conduit mounted as flush to the pole as possible if on a wood pole or other pole without internal cable space. The approval authority shall not approve new overhead utility lines or service drops merely because compliance with the undergrounding requirements would increase the project cost.

10. Spools and Coils. To reduce clutter and deter vandalism, excess fiber optic or coaxial cables shall not be spooled, coiled or otherwise stored on the pole outside equipment cabinets or shrouds.
11. Electric Meters. Small wireless facilities shall use flat-rate electric service or other method that obviates the need for a separate above-grade electric meter. If flat-rate service is not available, applicants may install a shrouded smart meter. The approval authority shall not approve a separate ground-mounted electric meter pedestal unless required by Southern California Edison or other utility company.
12. Street Trees. To preserve existing landscaping in the public rights-of-way, all work performed in connection with small wireless facilities shall not cause any street trees to be trimmed, damaged or displaced. If any street trees are damaged or displaced, the applicant shall be responsible, at its sole cost and expense, to plant and maintain comparably sized replacement trees approved by the approval authority at the site for the duration of the permit term.
13. Lines of Sight. No wireless facility shall be located so as to obstruct pedestrian or vehicular lines-of-sight or sight distance, or in any other location determined by the City's traffic engineer as creating any risk to the public health and safety.

C. Small Wireless Facilities Outside of Public Rights-of-Way

1. Setbacks. Small wireless facilities on private property may not encroach into any applicable setback for structures in the subject zoning district.
2. Backup Power Sources. The approval authority shall not approve any fossil fuel generators or other similarly noise or odor producing generators in or within 250 feet from any residence; provided, however, the approval authority may approve sockets or other connections used for temporary backup generators.
3. Parking; Access. Any equipment or improvements constructed or installed in connection with any SWFs must not reduce any parking spaces below the minimum requirement for the subject property. Whenever feasible, SWFs must use existing parking and access rather than construct new parking or access improvements. Any new parking or access improvements

must be the minimum size necessary to reasonably accommodate the proposed use and comply with all applicable development standards.

4. Freestanding Small Wireless Facilities. All new poles or other freestanding structures that support small wireless facilities must be made from a metal or composite material capable of concealing all the accessory equipment, including cables, mounting brackets, radios, and utilities, either within the support structure or within an integrated enclosure located at the base of the support structure. All antennas must be installed above the pole in a single, canister-style shroud or radome. The support structure and all transmission equipment must be painted with flat/neutral colors that match the support structure. The pole diameter shall not exceed twelve (12) inches and any base enclosure diameter shall not exceed sixteen (16) inches.
5. Small Wireless Facilities on Existing Buildings.
 - a. All components of building-mounted wireless facilities must be completely concealed and architecturally integrated into the existing facade or rooftop features with no visible impacts to or visibility from any publicly accessible areas. Examples include, but are not limited to, antennas and wiring concealed behind existing parapet walls or facades replaced with RF-transparent material and finished to mimic the replaced materials.
 - b. If the applicant demonstrates with clear and convincing evidence that integration with existing building features is technically infeasible, the applicant may propose to conceal the wireless facility within a new architectural element designed to match or mimic the architectural details of the building including length, width, depth, shape, spacing, color, and texture.
6. Small Wireless Facilities on Existing Lattice Tower Utility Poles.
 - a. Antennas must be flush-mounted to the side of the pole and designed to match the color and texture of the pole. If technologically infeasible to flush-mount an antenna, it may be mounted on an extension arm that protrudes as little as possible from the edge of the existing pole provided that the wires are concealed inside the extension arm. The extension arm shall match the color of the pole.
 - b. Wiring must be concealed in conduit that is flush-mounted to the pole. The conduit and mounting hardware shall match the color of the pole.
 - c. All accessory equipment must be placed underground unless undergrounding would be technically infeasible as supported by clear and convincing evidence in the written record. Above-ground accessory equipment mounted on a pole, if any, shall be enclosed in

a cabinet that matches the color and finish of the structures on which they are mounted. Above-ground cabinets not mounted on a structure, if any, shall be dark green in color.

- d. No antenna or accessory equipment shall be attached to a utility line, cable or guy wire.
- e. The installation must otherwise comply with the SCJPC pole attachment rules, and rules and regulations of Southern California Edison or other utility pole owner.

7. Small Wireless Facilities on Existing Wood Utility Poles.

- a. All antennas must be installed within a cylindrical shroud (radome) above the top of the pole unless the applicant demonstrates that mounting antennas above the pole would be technically infeasible as supported by clear and convincing evidence in the written record.
- b. All antennas must be concealed within a shroud (radome) designed to match the color of the pole, except as described in subsection (7)(e).
- c. No antenna or accessory equipment shall be attached to a utility line, cable or guy wire.
- d. If it is technically infeasible to mount an antenna above the pole, it may be flush-mounted to the side of the pole. If it is technically infeasible to flush-mount the antenna to the side of the pole, it may be installed at the top of a stand-off bracket/extension arm that protrudes as little as possible beyond the side of the pole. Antenna shrouds on stand-off brackets must be a medium gray color to blend in with the daytime sky.
- e. Wires must be concealed within the antenna shroud, extension bracket/extension arm and conduit that is flush-mounted to the pole. The conduit and mounting hardware shall match the color of the pole.
- f. All accessory equipment must be placed underground, unless undergrounding would be technically infeasible as supported by clear and convincing evidence in the written record. Above-ground accessory equipment mounted on a pole, if any, shall be enclosed in a cabinet that matches the color and finish of the pole. Above-ground cabinets not mounted on a structure, if any, shall be dark green in color.
- g. If the utility pole is owned or operated by the SCJPC, the installation must otherwise comply with the SCJPC pole attachment rules, and

rules and regulations of Southern California Edison or other utility pole owner.

SECTION 2.8 EXCEPTIONS.

- A. Standard. In accordance with Section 7-3.10 of the Ordinance, an exception from the strict locational, physical, development or other design requirements of this Policy may be granted by the approval authority in his or her discretion, when it is shown to the approval authority's satisfaction based on substantial evidence that, because of special, unique circumstances applicable to the proposed location, the strict application of the requirements of this Policy would deprive the applicant of privileges enjoyed by other permittees in the vicinity operating a similar facility.
- B. Justification Analyses. If the applicant contends that it is entitled to an exception, the application must also include a written explanation, along with all information, reports, studies and other documents necessary for the City to evaluate the request for an exception to the requirements of this Policy. The narrative must demonstrate with clear and convincing evidence that denial of the small wireless facility would violate state and/or federal law, violate the provisions of the Ordinance or this Article, as applied to the applicant, or deprive the applicant of its rights under state and/or federal law.
- C. Findings. An exception from the strict locational, physical, development or other design requirements of this Policy may be granted by the approval authority in his or her discretion, when it is shown to the approval authority's satisfaction, based on substantial evidence, any of the following:
 - 1. Because of special, unique circumstances applicable to the proposed location and/or the proposed small wireless facility, the strict application of the requirements of this Policy would deprive the applicant of privileges enjoyed by other permittees in the vicinity operating a similar WTCF; or
 - 2. Denial of the SWF as proposed would violate federal law, state law, or both; or
 - 3. A provision of this Policy with regard to locational, physical, development or design requirements, section, as applied to applicant, would deprive applicant of its rights under federal law, state law, or both.
- D. Conditions. Any exception granted shall be subject to such conditions as will assure that the adjustment thereby authorized shall not constitute a grant of special privileges inconsistent with the limitations upon other wireless telecommunications providers seeking to locate any small wireless facility in the area where such property is situated.

SECTION 2.9 PERMIT EXTENSIONS.

- A. Time of application. A permittee may apply for extensions of its SWFP in increments of no more than ten years and no sooner than 180 days (six months) prior to expiration of the permit. Any request for an extension that is filed less than 180 days (six months) prior to expiration shall require a new permit in accordance with the application and procedural requirements of the then-current requirements of this code.
- B. Application requirements. In addition to all other requirements of this Section, the permittee's application for extension shall include proof that the permittee continues to have the legal authority to occupy and use the PROW or other public or private property for the purpose set forth in its SWFP, that the SWFP site as it exists at the time of the extension application is in full compliance with all applicable City permits issued for the site, and shall be accompanied by an affidavit and supporting documentation that the SWFP is in compliance with all applicable FCC, FAA and other governmental regulations. At the approval authority's discretion, additional studies and information may be required of the applicant. The application shall be accompanied by the fee for renewal, as set by the City Council from time to time. Grounds for non-renewal of the WTCFP shall include, but are not limited to, the permittee's failure to submit the affidavit or proof of legal authority to occupy or use the proposed site. The burden is on the permittee to demonstrate that the WTCF complies with all requirements for an extension.
- C. Approval Authority Decision. If a SWFP has not expired at the time a timely application is made for an extension, the approval authority may administratively extend the term of the permit for subsequent ten-year terms upon verification of continued compliance with the findings and conditions of approval under which the application was originally approved, all provisions set forth in Subsection (B). above, and any other applicable provisions of the Municipal Code that are in effect at the time the permit extension is granted. The approval authority's decision shall be issued in the form of a written decision in accordance with Section 2.4(F) of this Policy. The approval authority's decision on an application for an extension of a SWFP may be appealed in accordance with Section 2.4.G of this Article.

ARTICLE 3 ELIGIBLE FACILITIES UNDER SECTION 6409(a).

SECTION 3.1 SCOPE.

This Article further implements the requirements for the proposed modification or collocation of all proposed WTCFs in the City that qualify as Eligible Facilities under the Ordinance and Section 6409(a). This Article and all applications and permits processed pursuant to this Article shall be interpreted in a manner to be consistent with the requirements of the Ordinance and applicable law.

SECTION 3.2 ELIGIBLE FACILITY REQUIRED PERMITS AND APPROVALS

- A. Standard. An application for approval of an eligible facility request shall comply with all requirements set forth in this Section 3.2 and applicable law.
- B. Required Permits.
 - 1, Eligible Facility Permit (EFP). A request for approval of an eligible facility pursuant to Section 6409(a) shall require approval of an eligible facility permit issued in accordance with this Article 3.
 - 2. Other Permits and Approvals. In addition to an eligible facility permit, the applicant shall obtain all other permits and regulatory approvals as may be required by the City or any other federal, state or local government agencies, including but expressly not limited to any ministerial permits and/or other approvals issued by other City departments or divisions, approval by Southern California Edison for utility pole attachments in compliance with FCC, CPUC and/or SCJPC pole attachment rules. All applications for ministerial permits submitted in connection with a proposed eligible facility must contain a valid EFP issued by the City for the proposed facility. Any application for any ministerial permit(s) submitted without such small wireless facility permit may be denied without prejudice. Furthermore, any EFP granted under this Policy shall remain subject to all lawful conditions and/or legal requirements associated with such other permits or approvals.

SECTION 3.3 ELIGIBLE FACILITY PERMIT APPLICATION REQUIREMENTS.

- A. Application Contents. All applications for a small wireless facility permit must include all the information and materials required in this Subsection (A).
 - 1. Application Form. The applicant shall submit a complete, duly executed EFP application using the then-current City form, which must include the information and documentation described in this Subsection (A), and in accordance with the original and number of copies and format required by the department.
 - 2. Application Fee. The applicant shall submit the applicable EFP application fee (non-recurring) as set forth in this Policy, the Ordinance, or as established by City Council resolution, or otherwise in such amount as presumed "reasonable" by the FCC in the Small Wireless Facilities Order or any other applicable FCC ruling or order. See also, Section 2.5(A)(16), of this Policy.
 - 3. Address Labels; Public Notices. The applicant shall submit address labels for all properties and record owners of properties within 300 feet of the proposed installation. Notice of the EFP application shall be provided in

accordance with Section 3.4(A) of this Article. Insufficient postage and/or illegible addressing shall be a basis to deem the application incomplete.

4. Identification of Eligible Facilities Request. An applicant who contends that the proposed WTCF constitutes an eligible facility under Section 6409(a) shall clearly indicate in the application that the applicant is claiming eligible facilities status under Section 6409(a), in accordance with the City-approved form.
5. Section 6409(a) Justification Analysis. The application shall include a written statement that explains in factual detail the basis for the applicant's claim that the proposed wireless telecommunications facility is an eligible facility and whether and why Section 6409(a) and the related FCC regulations at 47 C.F.R. § 1.6100 et seq., or any successor regulation, require approval for the specific proposed eligible facility. The applicant's written statement shall include the following:
 1. The applicable standard and all the facts that allow the City to conclude the standard and qualification as an eligible facility has been met;
 2. An explanation and analysis setting forth whether and why the support structure qualifies as an existing tower or existing base station; and
 3. An explanation and analysis setting forth whether and why the proposed collocation or modification does not cause a substantial change in height, width, excavation, equipment cabinets, concealment or permit compliance.
6. Eligible Facility Plans. Detailed construction plans of the proposed eligible facility, including height, shape, size and nature of construction in accordance with the requirements established by the approval authority. The plans shall include, but are not limited to, a fully dimensioned diagram of the proposed eligible and antennas, including height, diameter, design, shape, size, structural integrity, power output and frequency, power generators (if any), nature of construction, and purpose of the facility, and technical engineering specifications, economic and other pertinent factors governing selection of the proposed design, together with evidence that demonstrates that the proposed facility has been designed to the minimum height and diameter required from a technological standpoint for the proposed site. The plans for a monopole must provide sufficient detail to demonstrate that the structure will be able to accommodate at least one other similar telecommunications provider in addition to the applicant. The plans should include a diagram showing the separation between the proposed eligible facility and any existing facility or facilities on the same support structure or site.

7. Site Plans. A fully-dimensioned site/landscaping plan that includes, at a minimum, the following information: specific placement of the proposed tower, equipment shelters, and any other WTCF on the site; setbacks from adjacent property lines; the location of existing structures, trees, and other significant site features identifying those features proposed to be removed; the type and locations of plant materials proposed to screen antenna and other components; the proposed materials and color(s) for the eligible facility, and all other information required by the approval authority.
8. Photographs and Photo Simulations. Photographs of the eligible facility and all antenna, equipment and components; accurate and scaled photo-simulations showing views of the proposed eligible facility from surrounding residential properties and public rights-of-way at varying distances and angles with a map indicating the locations used for the analysis and their distances from the site.
8. Additional Requirements. The EFP application shall also comply with the following provisions of Article 2, Section 2.2:
 - a. Section 2.2(a)(8), RF Compliance Report.
 - b. Section 2.2(a)(9), Regulatory Authorization.
 - c. Section 2.2(a)(10), Site Agreement.
 - d. Section 2.2(a)(11), Title Report and Property Owner's Authorization.
 - e. Section 2.2(a)(12), Acoustic Analysis.
 - f. Section 2.2(a)(13), Wind Velocity Test.
 - g. Section 2.2(a)(15), Historic Preservation.
 - h. Section 2.2(a)(16), Traffic Control Plan.

SECTION 3.4 ELIGIBLE FACILITY PERMIT APPLICATION SUBMITTAL AND COMPLETENESS REQUIREMENTS.

- A. Requirements for a Duly Filed Application. Any application for an eligible facility permit will not be considered duly filed unless submitted in accordance with the requirements of this subsection (A).
 1. Incorporation by reference. An application for an EFP shall comply with the provisions of Article 2, Section 2.3, Subsections (A), (B), (C) and (D) of this Policy.
- B. FCC Shot Clock; Timeline for Review and Action. The timeline for review of and action on an EFP application shall begin to run when the application is submitted

in writing to the department but may be tolled by mutual agreement or upon the City's issuance of a notice of deficiency to the applicant pursuant to Subsection (B)(2) of this section. Applications shall be processed in conformance with the time periods and procedures established by applicable state and federal law, and FCC regulations and orders. The following provisions shall apply:

1. 60 Days. Within sixty (60) days of the date on which an applicant submits a written request seeking approval of an eligible facilities request under this section, the City will approve the application unless the City determines that the application is not covered by this section or the 60-day deadline is tolled pursuant to mutual agreement or Subsection (B)(2).
2. Tolling of Shot Clock. The 60-day timeframe for review of a proposed eligible facility shall begin to run when the application for the EFP is submitted in writing to the Department but may be tolled by mutual agreement or upon the City's issuance of a notice of deficiency to the applicant pursuant to this subsection.
 - a. First Notice of Deficiency. Within thirty (30) days of the City's receipt of the initial application for an EFP, Department staff shall provide written notice to the applicant that the application is complete or incomplete. If the application is incomplete, the notice shall clearly and specifically delineate all missing information and documents. The 30-day shot clock date shall be tolled until the applicant makes a supplemental submission in response to the city's notice of deficiency.
 - b. Subsequent Notices of Deficiency. Within ten (10) days of each supplemental submission, the City shall deem the EFP application complete or incomplete. If the supplemental submission is incomplete, the notice shall clearly and specifically delineate all missing information and documents from the supplemental submission based on the information or documents identified in the first notice delineating missing information or documentation. The 10-day timeframe is tolled in the case of second or subsequent notices pursuant to this procedure. Second or subsequent notices of incompleteness may not specify missing documents or information that were not delineated in the original notice of incompleteness.
3. One Submittal. The applicant's response and submission of supplemental materials and information in response to a notice of deficiency must be given to the City in one submittal packet.

SECTION 3.4 ELIGIBLE FACILITY PERMIT APPROVALS AND DENIALS.

- A. Public Notice. Prior to any approval, conditional approval or denial of an EFP, public notice shall be mailed by the City to all properties and record owners and

occupants of properties within a 300-foot radius of the proposed eligible facility site in accordance with this Section.

1. Form of Notice. The public notice shall be completed and submitted by the applicant as part of the application package for City approval, and shall be in a form and content that complies with the requirements of this Section and the City's application requirements.
 2. Mailing. The notice shall be mailed not less than five (5) business days prior to installation of the mock-up and will include photo simulations depicting before and after images.
 3. Contents. The notice shall be prepared by the applicant and submitted for City approval along with address labels as provided in Section 3.3(A)(3), and must contain the following information:
 - a. All information required by Article 2, Section 2.4(A)(3)(a) through (c); and
 - b. A statement substantially similar to the following: "Federal Communications Commission regulations may deem this application granted by the operation of law unless the city approves or denies the application within 60 days from the filing date, or the city and applicant reach a mutual tolling agreement."
- B. **Public Comment.** Within ten (10) days from service of the notice, any interested person may submit comments on the proposed eligible facility to the City by U.S. mail or through the city's website. Any timely public comments received will be considered during the approval authority's review of the application.
- C. **Administrative Review by Approval Authority.** Not less than ten (10) days after the public notice required in Subsection (A), the approval authority shall review a complete and properly filed application for an eligible facility and except as otherwise provided in Section 2.4(A), may act on such application without a public hearing.
- D. **Required Findings for EFP Approval.** The approval authority shall approve or conditionally approve a complete and duly filed application for an eligible facility permit pursuant to Section 6409(a) and this Article if the approval authority makes all of the following findings.
1. The applicant has provided all forms, information, materials, and documentation for the proposed project required by this section;
 2. The proposed project is for the collocation, removal or replacement of transmission equipment on an existing wireless tower or base station;

3. The proposed project does not constitute a substantial change to the physical dimensions of the existing wireless tower or base station, as defined in Section 7-3.02 and this Policy; and
 4. The proposed project otherwise qualifies as an eligible facility under then-existing provisions of Section 6409(a).
- E. Criteria for Denial Without Prejudice. Notwithstanding any other provisions in this chapter, and consistent with all applicable federal laws and regulations, the approval authority may deny without prejudice an application for approval of an EFP when the approval authority finds that the proposed project:
1. Does not satisfy the findings for approval as an eligible facility under subsection (D) of this Section;
 2. Involves the replacement of the entire support structure;
 3. Violates any legally enforceable standard or permit condition related to compliance with generally applicable disability access requirements or other construction codes;
 4. Violates any legally enforceable standard or permit condition reasonably related to public health and safety then in effect; or
 5. Does not qualify for mandatory approval under Section 6409(a) for any lawful reason.
- F. Conditional Approvals. Subject to any applicable limitations in federal or state law, and in addition to the standard conditions of approval required by Section 3.6, nothing in this section is intended to limit the City's authority to conditionally approve an application for an EFP under Section 6409(a) to protect and promote the public health, safety and welfare in accordance with the Ordinance and this Policy, including, but not limited to, construction codes and such other reasonable time, place and manner conditions authorized under applicable federal and state laws and regulations. The standard conditions set forth in of Section 2.5 of Article 2 shall apply to all eligible facilities.
- G. Decision Notices. Within five days after the approval authority acts on an eligible facility permit application or before the applicable FCC Shot Clock expires (whichever occurs first), the approval authority shall notify the applicant of the decision by written notice. If the approval authority denies the application (with or without prejudice), the written notice must contain the reasons for the decision.
- H. Appeals. Any decision to approve, conditionally approve or deny an eligible facility shall be appealable directly to the City Council. Appeals shall be filed within five (5) calendar days of a decision having been rendered. The appeal shall be made on a form prescribed by the Department, and shall include a letter identifying the name, address and contact information for the appellant, the specific reasons for

the appeal based on the alleged noncompliance with the required findings in Section 2.8(C), and all supporting documentation and information. Any such appeal shall be subject to the appeal fees established in the City's Master Fee Schedule. Appeals from an approval will not be permitted to the extent that the appeal is based on environmental effects from RF emissions that comply with all applicable FCC regulations. The appeal hearing shall be conducted in accordance with Chapter 4 of Title 1 of this code, except that the City Council shall issue its final decision on the appeal no later than thirty days after the filing of the appeal or before the applicable FCC Shot Clock expires (whichever occurs first).

I. Deemed Approved.

1. If the City fails to act on an EFP application within the 60-day review period referenced in Section 3.3(B), subject to any tolling pursuant to written agreement or Subsection 3.3(B), the applicant may provide the City written notice that the time period for acting has lapsed.
2. The applicant shall provide written notice to the City at least seven (7) days prior to beginning construction or collocation pursuant to an EFP issued pursuant to a deemed approved application.
3. An EFP deemed approved pursuant to Section 6409(a) shall comply with all applicable construction codes deemed applicable by the approval authority.
4. Effect of Changes to Federal Law. This subsection does not and shall not be construed to grant any rights beyond those granted by Section 6409(a) and its implementing federal regulations. In the event Section 6409(a) or applicable regulations are stayed, amended, revised or otherwise not in effect, no modifications to an eligible facility shall be processed or approved under this subsection or any other provision of this Code.

SECTION 3.5 DESIGN STANDARDS

A. Requirements. All proposed eligible facilities in the PROW shall comply with the following aesthetic development and design standards unless the approval authority approves an exception pursuant to Section 7-3.10 of the Municipal Code and Article 2, Section 2.8 of this Policy.

1. Towers and Base Stations in the PROW. Towers and base stations proposed in the PROW shall be designed so that they do not constitute a substantial change as defined in Section 7-3.02 of the Municipal Code, Section 6409(a) and 47 C.F.R. § 1.6100(b), as amended or superseded.
2. Application of Federal and State Aesthetic, Development and Design Standards. All eligible facilities shall be subject to and comply with any applicable construction codes and other state and federal laws. In the event

that any applicable state and federal laws conflict with any requirement of this Article, the applicable law shall take precedence.

SECTION 3.6 STANDARD CONDITIONS OF APPROVAL.

All EFP approvals, whether approved by the approval authority or deemed approved by the operation of law, shall be automatically subject to the conditions in this Subsection, in addition to any conditions imposed pursuant to applicable law. The approval authority shall have discretion to modify or amend these conditions on a case-by-case basis as may be necessary or appropriate under the circumstances to protect public health and safety or allow for the proper operation of the approved eligible facility consistent with the goals of this section.

- A. Permit term. The City's grant or grant by operation of law of an EFP constitutes a federally-mandated modification to the underlying permit, approval or other prior regulatory authorization for the subject tower or base station pursuant to Section 6409(a), for ten years, subject to the following provisions. The City's grant or grant by operation of law of an EFP will not extend the term, if any, for any ministerial permit or other underlying prior regulatory permit, approval or other authorization. Accordingly, the term for an EFP approval shall be coterminous with the ministerial permit and other underlying permit, approval or other prior regulatory authorization for the subject tower or base station. This condition shall not be applied or interpreted in any way that would cause the term of the underlying permit for the modified facility to be less than ten years in total length, unless such underlying permit is abandoned or revoked pursuant to the Municipal Code or any other provision of federal or state law.
- B. Accelerated approval terms due to invalidation. In the event that any court of competent jurisdiction invalidates any portion of Section 6409(a) or any FCC rule that interprets Section 6409(a) such that federal law would not mandate approval for any eligible facilities request pursuant to Section 6409(a), such EFP approval shall automatically expire one year from the effective date of the judicial order, unless the decision would not authorize accelerated termination of any previously approved EFP or the approval authority grants an extension upon written request from the permittee that shows good cause for the extension, which includes without limitation extreme financial hardship. Notwithstanding anything in the previous sentence to the contrary, the approval authority may not grant a permanent exemption or indefinite extension. A permittee shall not be required to remove any equipment, components, structures and improvements approved under the invalidated EFP approval when it has submitted an application for either a small wireless facility permit under the Ordinance and this Policy for those WTCFs before the one-year period ends. If the SWFP is denied, the permittee shall remove all its equipment, components, structures and improvements before the one-year period ends.
- C. No waiver of standing. The approval of an EFP (either by express approval or by operation of law) does not waive, and shall not be construed to waive, any standing

by the City to challenge Section 6409(a), any FCC rules that interpret Section 6409(a) and/or any eligible facilities approval pursuant to Section 6409(a) (whether by the approval authority or by operation of law).

- D. Strict compliance with approved plans. Any application filed by the permittee for a ministerial permit to construct or install the eligible facility approved by an EFP must incorporate the EFP approval, all conditions associated with the EFP approval and the approved photo simulations into the project plans (the “approved plans”). The permittee must construct, install and operate the eligible facility in strict compliance with the approved plans. Any alterations, modifications or other changes to the approved plans, whether requested by the permittee or required by other departments or public agencies with jurisdiction over the eligible facility, must be submitted in a written request subject to the approval authority's prior review and approval, who may revoke the EFP approval if the Director finds that the requested alteration, modification or other change may cause a substantial change as that term is defined by Section 6409(a) or the FCC in 47 C.F.R. § 1.6100(b)(7), as may be re-numbered or amended.
- E. Additional Conditions. In addition to the conditions set forth in Subsections (A) through (D), above, the standard conditions set forth in Section 2.5(A)(3) through (19) shall apply to all EFP approvals.

ARTICLE 4 POLICIES, REGULATIONS AND FORMS

Section 4.1. Approval Authority Responsibility.

- A. Amendments and Supplemental Requirements.
 - 1. Due to rapidly changing technology and regulatory requirements, and pursuant to Section 7-3.04(b)(8) of the Ordinance, the City Council authorizes the approval authority to publish policies, rules, regulations and guidelines to serve as further regulatory guidance and clarification for WTCFPs issued by his or her department, and to issue updates at the approval authority's discretion to adjust for new technologies and regulations, and compliance therewith is a condition of approval in every SWFP and EFP.
 - 2. The approval authority is authorized to create all forms and notices required in order to administer the Ordinance and this Policy. All forms and notices shall be construed in a manner consistent with the Ordinance and this Policy, and applicable federal and state law.
- B. Publication. Any rules, regulations, guidelines and forms adopted by the approval authority to further implement the Ordinance and /or this Policy shall be published on the City's website, including the applicable department, and made available for inspection at the City.



Consent Calendar

AGENDA 5

ITEM NO. _____

CITY COUNCIL STAFF REPORT

DATE: OCTOBER 9, 2019

TO: HONORABLE MAYOR, AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER E. VASQUEZ, CITY MANAGER *JW*

RE: CONSIDERATION OF A RESOLUTION DELEGATING TO THE CITY MANAGER AUTHORITY TO ACCEPT OR REJECT DONATIONS OR GIFTS NOT EXCEEDING \$10,000 ON BEHALF OF THE CITY

RECOMMENDATION

Staff recommends that the City Council adopt the Resolution delegating authority to the City Manager to accept or reject donations or gifts on behalf of the City.

FISCAL IMPACT

None

LEGAL REVIEW

The City Attorney has reviewed this report

BACKGROUND

Government code section 37354 provides that the City Council may accept or reject donation or gifts, including gifts of cash or other valuable property. From time to time, the City may receive offers of donations from members of the community and other organizations for either a specific purpose or to be used for general public purposes. The proposed resolution will streamline the process and provides guidelines for the acceptance of donations by the City Manager for donations or gifts that do not exceed \$10,000.

DISCUSSION

Government Code Section 37354 requires that any donations of gifts, including cash or property, be placed on the formal agenda for the City Council's consideration and approval before gifts or donations can be accepted or rejected. In order to facilitate the process for smaller donations, staff is proposing that the City Manager be authorized to accept or reject any donations or gifts not exceeding \$10,000, on behalf of the City.

The proposed Resolution contains criteria for accepting donations to be used by the City Manager. The criteria is as follows:

- The donation of the item or fund for a designated purchase is consistent with existing City goals and objectives;
- Restrictions on the gift, if any, still render the funds or item practical to accept;
- Acceptance of a donation will not result in added costs or impact to the City's budget;
- Acceptance of a donation will not create a real or perceived conflict of interest;
- Acceptance of a donation will not result in the purchase of additional items to make donated items useful; and
- Acceptance of the donation will not bring hidden costs to the City such as starting a new program that the City would be unable to fund when the donation is exhausted.

In any case, the City Manager may refer any offer of a donation to the City Council for its determination on whether the donation is to be accepted or rejected. If there are no limitations on the use of any monetary donations, the City Manager shall deposit the funds into the General Fund. Last, a donation evaluation form has also been drafted to be used by the City Manager when evaluating the donation against the criteria in the Resolution.

ATTACHMENT(S)

Attachment No. 1- Resolution

Attachment No. 2- Donation Evaluation Form

RESOLUTION NO. 6072

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD
DELEGATING TO THE CITY MANAGER AUTHORITY TO ACCEPT OR REJECT
DONATIONS OR GIFTS NOT EXCEEDING \$10,000 ON BEHALF OF THE CITY**

WHEREAS, Government Code Section 37354 provides that "[t]he legislative body may accept or reject any gift, bequest, or device made to or for the city, or to or for any of its officers in their official capacity or in trust for any public purpose. It may hold and dispose of the property and the income and increase from the property for such uses as are prescribed in the terms of the gift, bequest, or device;"

WHEREAS, the City of Maywood ("City") desires to delegate the task of accepting or rejecting small gifts of money or other items of value to the City Manager as set forth in this Resolution;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MAYWOOD
HEREBY FINDS, DETERMINES AND RESOLVES AS FOLLOWS:**

Section 1. The City Council hereby delegates to the City Manager the authority to accept or reject offers of donations, gifts, including gifts of personal property or real property by will, money, equipment or in-kind contributions made to any City Department or the City in general up to Ten Thousand Dollars (\$10,000);

Section 2. The City Manager of her (his) designee shall use the following criteria in determining whether a donation may be accepted on behalf of the City:

A. The donation of the item or funds for a designated purchase is consistent with existing City goals and objectives.

B. The restrictions on the use of the item of funds make it practical to accept.

C. The restrictions on the disposal or retention of the item or funds make it practical to accept.

D. The acceptance of the item or funds does not create a conflict of interest or perceived conflict of interest for the City or its employees.

E. The acceptance of a donation will not result in an unacceptable increase to the City's budget.

F. The acceptance will not result in the purchase of additional items to make the donated item useful.

G. The donation will not bring hidden costs such as starting a new program the City would be unwilling or unable to fund when the donation has exhausted.

Section 3. If the donors do not prescribe any limitations or uses on monetary donations, the City Manager shall deposit such funds in the General Fund of the City.

Section 4. The City Manager may refer any offer of a donation to the City Council for its determination on whether the donation is to be accepted or rejected.

Section 5. The City Manager or her (his) designee is authorized to promulgate rules and regulations regarding procedures for the acceptance of donations.

PASSED, APPROVED AND ADOPTED THIS 9th day of October, 2019.


Eduardo De La Riva, Mayor

ATTEST:


Gerardo Mayagoitia, City Clerk

APPROVED AS TO FORM:


Roxanne Diaz, City Attorney

I, Gerardo Mayagoitia, City Clerk of the City Council of the City of Maywood do hereby certify that foregoing Resolution No. 6072 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 9th day of October, 2019 by the following roll call vote, to wit:

AYES: Marquez, Lara, De La Riva

NAYES: Alvarez, Medina

ABSENT:

ABSTAINED:


Gerardo Mayagoitia, City Clerk



FORM FOR EVALUATING DONATIONS OF \$10,000 OR LESS

DONOR NAME: _____

ADDRESS: _____ PHONE: _____

DONATION DESCRIPTION:

- ☐ PERSONAL PROPERTY _____
- ☐ REAL PROPERTY _____
- ☐ IN-KIND CONTRIBUTION _____
- ☐ MONETARY _____
- ☐ OTHER _____

CITY DEPARTMENT RECEIVING DONATION _____

RESTRICTIONS ON DONATION OR LIMITATION ON USE DESCRIPTION:

☐ IS THE DONATION TO BE USED FOR A SPECIFIC USE? ☐ YES ☐ NO. If YES, please explain:

PLEASE PROVIDE ANSWER AND EXPLANATION FOR EACH QUESTION:

- A. Is the donation of the item or fund for a designated purchase that is consistent with an existing City policy, program outcome or department goal?

- B. Please explain whether there are any restrictions on the use of the item or funds.

C. Please explain whether there are any restrictions on the disposal or retention of the item or funds.

D. Does the acceptance of the item or fund create a conflict of interest or perceived conflict of interest for the City or any of its employees?

E. Are there any costs associated with accepting the donation (i.e. maintenance fees, disposal costs, replacement costs, etc.)? If yes, please describe those costs.

F. Will the acceptance of the item result in an unacceptable increase to the City's budget? If the answer is yes, please explain the increase.

G. Will the acceptance of the item result in the purchase of additional items to make the donated item useful? If yes, please explain the additional purchases or requirements to make the donated item useful.

FOR USE BY THE CITY MANAGER'S DEPARTMENT

☐ APPROVE ☐ DENY ☐ REFER TO CITY COUNCIL MEETING OF _____

☐ DEPOSIT TO GENERAL FUND – ACCOUNT NUMBER _____

☐ DEPOSIT TO SPECIAL FUND – ACCOUNT NUMBER _____

SIGNATURE _____

DATE: _____



AGENDA
ITEM NO. 6

CITY COUNCIL STAFF REPORT

DATE: OCTOBER 9, 2019

TO: HONORABLE MAYOR, AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER E. VASQUEZ, CITY MANAGER *Jm*

RE: **PROPOSED CITY HALL CLOSURE DECEMBER 23, 2019 – DECEMBER 30, 2019.**

RECOMMENDATION

Staff recommends that the City Council approve the closure of City Hall for the holiday period beginning Monday, December 23, 2019 through Monday, December 30, 2019.

FISCAL IMPACT

There will be minimal savings due to the building being shut down.

LEGAL REVIEW

The City Attorney has reviewed this report.

BACKGROUND

The proposed holiday week begins on Monday, December 23, 2019 and continues through Monday, December 30, 2019. This proposed period of time is referred to as the "holiday closure" in this staff report.

It should be noted that the City's observed Christmas Eve holiday (December 24th), Christmas Day holiday (December 25th), New Year's Eve holiday (December 31st), and New Year's Day holiday (January 1st) will contribute to a shorten week for employees.

A similar closure, as proposed, also occurred last year and is common within other municipalities.

DISCUSSION

The recommendation proposed in this staff report will have City Hall closed for a total of eight (8) work days; of which four (4) are already scheduled holidays for employees. It is proposed that staff will utilize either vacation or compensatory leave for the four (4) non-holiday days. Additionally, as to not penalize staff that has not accumulated the needed leave balances management can assign specific tasks/projects at City Hall for those employees on a case by case basis. Additionally, it is proposed that the part-time public works maintenance workers are also provided the option to report to work.

Historically, the numbers of City Hall routine counter service requests between Christmas and New Year's Day are low. This holiday closure provides a good opportunity for employees to take extra time off before the end of the fiscal year while customer service demands are low.

The holiday closure would not impact emergency services.



AGENDA
ITEM NO. 7

CITY COUNCIL STAFF REPORT

DATE: OCTOBER 9, 2019

TO: HONORABLE MAYOR, AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER E. VASQUEZ, CITY MANAGER *JV*

RE: **CONSIDERATION OF A RESOLUTION DESIGNATING AN ALL-WAY STOP CONTROL AT EAST 56TH STREET AND LOMA VISTA AVENUE**

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution designating an all-way stop control at East 56th Street and Loma Vista and appropriating \$2,000 in available gas tax funds for the stop signs, sign posts, pavement striping and legends.

FISCAL IMPACT

The proposed project is gas tax eligible and if the City Council appropriates \$2,000 the new available fund balance will be \$172,600.

LEGAL REVIEW

City Attorney has reviewed this report.

BACKGROUND

In July, staff requested Interwest Consulting Group to evaluate the intersection of East 56th Street and Loma Vista Avenue for all-way stop controls due to safety concerns associated with school related traffic. The City's contract traffic

engineer provided the City with the attached memorandum regarding her findings in the field.

DISCUSSION

East 56th Street currently has a two-way stop control in the east-west direction. On Loma Vista Avenue there is no stop control in the north-south direction, which then forces pedestrians to cross the street without an assigned right-of-way. The traffic engineer conducted an analysis of placing an all-way stop sign at East 56th Street and Loma Vista Avenue ("Report") and determined that installation of an all-way stop would not create a hazardous condition for motorists or pedestrians.

As indicated in the Report, the traffic engineer determined that the warrant analysis for stop signs (conducted in accordance with Caltrans standards) did not meet the criteria for establishing an all-way stop sign. Notwithstanding, local agencies can still find that stop signs are warranted based on other criteria as determined by a professional traffic engineer. In this case, the traffic engineer found there was a need to control vehicle/pedestrian conflicts due to the large volume of school-related pedestrian activity combined with high vehicular traffic. In order to minimize such conditions, the traffic engineer opined that the installation of an all-way stop was warranted and would improve safety for both pedestrians and motorists.

Accordingly, based on the engineer's report, Staff is recommending that an all-way stop control be designated at East 56th Street and Loma Vista Avenue. This will place all-way stop controls at all the intersections surrounding Loma Vista Elementary School and Maywood Christian School. Furthermore, this would establish right-of-way controls for pedestrians walking to and from either school.

ATTACHMENTS

- 1) Resolution Designating an All-Way Stop Control at East 56th Street and Loma Vista Avenue
- 2) Memorandum dated September 20, 2019 from Nicole Jules, Consulting Traffic Engineer

ATTACHMENT 1

RESOLUTION NO. 6073

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD
DESIGNATING AN ALL-WAY STOP CONTROL AT EAST 56TH STREET AND
LOMA VISTA AVENUE**

WHEREAS, the City Council desires to establish an all way stop control at East 56th Street and Loma Vista Avenue; and

WHEREAS, California Vehicle Code Sections 21351, 21354 and 21355 grants local agencies the authority to place and maintain stop signs on local streets, including the discretion to designate any intersection under the jurisdiction of a local agency as a stop intersection;

WHEREAS, the City caused its Traffic Engineer to undertake an engineering evaluation and analysis of the proposed all-way stop control at East 56th Street and Loma Vista Avenue;

WHEREAS, based upon the analysis conducted, the Traffic Engineer provided the City with a professional opinion that the proposed installation of an all-way stop control at East 56th Street and Loma Vista Avenue is safe and appropriate;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MAYWOOD
RESOLVES, DETERMINES AND ORDERS AS FOLLOWS:**

Section 1. The recitals set forth above are true and correct and incorporated herein as if set forth in full.

Section 2. Based on the analysis conducted by the City's Traffic Engineer, the City Council hereby designates and approves the installation of an all-way stop control at East 56th Street and Loma Vista Avenue.

Section 3. The Public Works Department is hereby authorized to install and maintain signs and other pavement markings as may be necessary and perform such other work as is necessary to implement the provisions of this Resolution.

Section 4. This Resolution shall be effective immediately upon its passage and approval.

Section 5. The City Clerk shall certify to the passage and adoption of this Resolution and shall enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 9th day of October 2019



Eduardo De La Riva, Mayor

ATTEST:



Gerardo Mayagoitia, City Clerk

APPROVED AS TO FORM:



Roxanne Diaz, City Attorney

I, Gerardo Mayagoitia, City Clerk of the City of Maywood, do hereby certify that the foregoing Resolution No. 6073 was adopted at a regular meeting of the City Council of the City of Maywood held on the 9th day of October, 2019 by the following vote:

AYES: Marquez, Alvarez, Medina, Lara, De La Riva

NOES:

ABSTAINED:

ABSENT:



Gerardo Mayagoitia, City Clerk

ATTACHMENT 2



MEMORANDUM

TO: JENNIFER VASQUEZ, MAYWOOD CITY MANAGER

FROM: NICOLE JULES, CONSULTING TRAFFIC ENGINEER

DATE: SEPTEMBER 20, 2019

SUBJECT: ALL-WAY STOP EVALUATION AT EAST 56TH STREET AND LOMA VISTA AVENUE

RECOMMENDATION:

Consider installation of all-way stop controls at the intersection of East 56th Street and Loma Vista Avenue.

FISCAL IMPACT:

Approval of the recommended action requires an expenditure of approximately \$1,750 to fund the cost of two stop signs, sign posts, pavement striping and legends.

BACKGROUND/DISCUSSION

In July, staff received a request to evaluate the intersection of East 56th Street at Loma Vista Avenue for all-way stop controls due to safety concerns associated with school-related traffic in the vicinity of Loma Vista Avenue Elementary School, Fishburn Avenue Elementary School and Maywood Christian School. The residents in this area are concerned with pedestrian safety associated with crossing school-aged children and the presence of heavy vehicle traffic during school drop off and dismissal hours. While the intersection currently has two-way stop controls on East 56th Street in the east-west direction, there are no stop controls in the north-south direction on Loma Vista Avenue, thereby forcing pedestrians to cross without assigned right-of-way. We investigated the subject intersection with respect to the need for all-way stop controls and due to the heavy presence of pedestrian activity combined with high vehicular traffic, it was determined that installation of all-way stop controls would improve safety for pedestrians and motorists.

East 56th Street is a 30-foot wide roadway with residential fronting development and on-street parking, both sides. There are sidewalks and curb & gutter improvements on all legs of the intersection, including access ramps at all quadrants. The intersection is a 4-leg intersection with stop controls only in the east-west direction on East 56th Street.



Field observations revealed that the area surrounding the intersection is fairly typically with regards to school circulation. The intersection is located directly between two schools, Loma Vista Avenue Elementary School and Maywood Christian School. During the arrival and dismissal periods there is a 20-30 minute window of congestion. Particularly during dismissal, large volumes of pedestrians are observed walking along E. 56th Street near the intersection of Loma Vista Avenue and because traffic does not stop at Loma Vista Avenue, pedestrians are forced to wait for long periods of time or run a risk of conflicting with traffic while attempting to cross the street. At other times, the roadway has light volume and little congestion. A review of the accident history at this location revealed no reported intersection-type accidents during the 12-month period ending July 2019.

An All-Way stop warrant analysis was conducted based on the 2014 California MUTCD, Multi-Way Stop Applications section. The warrants are primarily based on traffic collision history, traffic volumes, sight distance, and conflicts with pedestrians. The stop sign warrant analysis worksheet (see Attachment A to this report) provides the data that the analysis is based upon and indicates whether or not each warrant is met. The warrant sheet summarizes the findings and provides a recommendation based on field conditions and engineering judgment. While the intersection of Loma Vista Avenue and 56th Street does not meet the minimum volume warrant, the need to control vehicle/pedestrian

conflicts is warranted at this intersection due to the large volumes of school-related pedestrian activity. To minimize pedestrian/vehicle conflicts, installation of a stop controls on Loma Vista Avenue will assign the proper right-of-way for pedestrians to safely cross the street.

On June 13, 2018 City Council adopted a Resolution to establish all-way stop controls at the intersection of E. 58th Street and Carmelita Avenue for similar conditions. As seen in the exhibit below, establishing all-way stop controls at E. 56th Street and Loma Vista Avenue will place all-way stop controls at all the intersections surrounding Loma Vista Elementary School and Maywood Christian School and would establish right-of-way controls for pedestrians walking to and from either school.



Should the City choose to install stop signs and pavement markings on East 56th Street, it would be to establish right-of-way controls and therefore a Resolution approved by City Council is needed to establish the controls.

End of report

Attachments:

A - All-Way Stop Warrant Analysis Sheet (Loma Vista Avenue and E. 56th Street)



Multi-Way Stop Sign Installation CA MUTCD Warrant Guidance Analysis

MAJOR STREET

Loma Vista Drive

Approach Volume (ADT)

Approach(es)	
Northbound	Southbound
987	623

MINOR STREET

56th Street

Approach Volume (ADT)

Approach(es)	
Eastbound	Westbound
788	484

GUIDELINES:

- Engineering judgment should be used to establish intersection controls
- Multi-way stop control is used where the volume of traffic on the intersecting roads is approximately equal.

Reported Collisions	
Time Period	Jan - Dec 2018
Total	0
Correctable	0

- The decision to install multi-way stop control should be based on an engineering study that considers the following criteria:

Criteria Descriptions		Criteria Met?	Satisfied?
The volume of traffic on the intersecting roads is approximately equal (ratio close to 1.0)		No	NO
<i>Ratio of daily traffic volume on minor street to traffic volume on major street</i>		0.79	
A.	Where traffic control signals are justified, the multi-way stop is an interim measure that can be installed quickly to control traffic while arrangements are being made for the installation of the traffic control signal.	No	No
B.	Five or more reported crashes in a 12-month period that are susceptible to correction by a multi-way stop installation. Such crashes include right-turn & left-turn collisions as well as right-angle collisions.	No	No
<i>Number of reported correctable crashes in 12 months</i>		0	
C.	Minimum volumes:	No	
C.1	The vehicular volume entering the intersection from the major street approaches (total of both approaches) averages at least 300 vph for any 8 hours of an average day; and	no	No
<i>Average Veh., Bike, Ped Daily Volume (All Approaches)</i>		120	
C.2	The combined vehicular, pedestrian & bicycle volume entering the intersection from the minor street approaches (total of both approaches) averages at least 200 units per hour for the same 8 hours, with an average delay to minor-street vehicular traffic of at least 30 secs. per vehicle during the highest hour; but	no	
<i>Average Veh., Bike, Ped Daily Volume (Minor Street Approaches)</i>		74	No
<i>Average delay (secs) to minor-street vehicular traffic during highest hour</i>		0	
C.3	The 85th-percentile approach speed of the major-street traffic exceeds 40 mph, so the minimum vehicular warrants are 70% of the values provided in Items 1 & 2.	no	No
D.	Where no single criterion is satisfied, but where Criteria B, C.1 & C.2 are all satisfied to 80% of the minimum values. Criterion C.3 is excluded from this condition.	No	No
<i>Is 80% of minimum value of 4 crashes in 12-month period for Criteria B met?</i>		no	
<i>Is 80% of minimum value for Criteria C.1 (240 vph) met?</i>		no	
<i>Is 80% of minimum value for Criteria C.2 (160 vph) met?</i>		no	
One or more of the criteria is met and the warrant is satisfied.			NO
Option:			
<i>Other criteria that may be considered in an engineering study include:</i>			
A.	The need to control left-turn conflicts.	No	
B.	The need to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes	Yes	Yes
C.	Locations where a road user, after stopping, cannot see conflicting traffic & is not able to negotiate the intersection unless conflicting cross traffic is also required to stop	No	
D.	An intersection of 2 residential neighborhood collector (through) streets of similar design & operating characteristics where multi-way stop control would improve traffic operational	No	
One or more of the criteria is met and the warrant is satisfied.			Yes

Based on the analysis and engineering judgment, installation of a multi-way stop is recommended to control vehicle/pedestrian conflicts near locations that generate high pedestrian volumes.



AGENDA
ITEM NO. 8

CITY COUNCIL STAFF REPORT

DATE: OCTOBER 9, 2019

TO: HONORABLE MAYOR, AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER E. VASQUEZ, CITY MANAGER *JV*

RE: CONSIDERATION OF A RESOLUTION AMENDING THE CITY'S CLASSIFICATION PLAN TO ADD ADMINISTRATIVE ANALYST, COMMUNITY SERVICES LIAISON AND PUBLIC WORKS LEAD MAINTENANCE WORKER AND ADOPTING THE SALARY RANGE FOR THOSE POSITIONS

RECOMMENDATION

Staff recommends that the City Council adopt the proposed Resolution amending the Employee Classification Plan to add Administrative Analyst, Community Services Liaison, and Public Works Lead Maintenance Worker, adopt the corresponding salary range, authorize the funding for the additional positions and allocate \$63,965 from the available general fund balance for the salary and benefits.

FISCAL IMPACT

The City currently has the following full-time vacant positions: Administrative Assistant and Finance Specialist. The budget for the two positions including benefits total \$137,813.

Staff is proposing to utilize these funds for the positions of Administrative Analyst and Community Services Liaison. The Administrative Assistant and Finance Specialist would remain in the classification plan but become unfunded for this fiscal year. The annual range for Administrative Analyst is proposed to be \$62,400 to \$77,501. This range is comparable to the range established for professional mid-management positions in the City and is competitive within the surrounding area.

ATTACHMENT 1

RESOLUTION NO. 6074

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD,
CALIFORNIA, ESTABLISHING NEW EMPLOYEE JOB CLASSIFICATIONS AND
TITLES AND AMENDING THE CITY'S CLASSIFICATION PLAN**

WHEREAS, the City Manager is appointed as the Personnel Officer and per the City's Personnel Rules and Regulations shall prepare and maintain the classification plan; and

WHEREAS, the City Manager reviewed the current classification plan resulting in the development of new job classifications and titles based on the current and future needs of the City; and

WHEREAS, the City Manager is recommending the addition of Administrative Analyst, Community Services Liaison and Public Works Lead Maintenance Worker to the classification plan and the corresponding salary ranges for those positions; and

WHEREAS, the City Council per the City's Personnel Rules and Regulations shall approve any additions or deletions to the classification plan.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MAYWOOD
DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:**

Section 1. The recitals set forth above are true and correct and incorporated herein as if set forth in full.

Section 2. The City Council adopts the amended Classification Plan as set forth in Exhibit A.

Section 3. The City Council hereby establishes and approves the salary ranges for the newly added positions as follows:

<u>Position (Job Title) - Full Time</u>	<u>Range (Annual)</u>
Administrative Analyst	\$62,400 - \$77,501
Community Services Liaison	\$49,920 - \$62,001
Public Works Lead Maintenance Liaison	\$54,080 - \$67,167

Section 4. The City Council authorizes the City Manager to take all necessary steps to implement the Classification Plan.

Section 5. This Resolution shall be effective immediately upon its passage and approval.

Section 6. The City Clerk shall certify to the passage and adoption of this Resolution and shall enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 9th day of October 2019.


Eduardo De La Riva, Mayor

ATTEST:


Gerardo Mayagoitia, City Clerk

APPROVED AS TO FORM:


Roxanne Diaz, City Attorney

I, Gerardo Mayagoitia, City Clerk of the City of Maywood, do hereby certify that the foregoing Resolution No. 6074 was adopted at a regular meeting of the City Council of the City of Maywood held on the 9th day of October, 2019 by the following vote:

AYES: Marquez, Alvarez, Medina, Lara, De La Riva

NOES:

ABSTAINED:

ABSENT:


Gerardo Mayagoitia, City Clerk

EXHIBIT A

CITY OF MAYWOOD CLASSIFICATION PLAN

Accounting Specialist I
Accounting Specialist II
Administrative Analyst
Administrative Assistance
Building Inspection/Code Compliance Supervisor
City Manager
Code Compliance Officer I
Community Service Officer
Community Services Liaison
Customer Service Rep I
Customer Service Rep II
Director of Building and Planning
Executive Assistant
Finance Director
Finance Specialist
Fund Accountant
Parking Enforcement Officer I
Parking Enforcement Officer II
Public Works Coordinator
Public Works Lead Maintenance Worker
Public Works Maintenance Worker
Secretary of Building and Planning
Senior Parking Enforcement Officer

ATTACHMENT 2



ADMINISTRATIVE ANALYST- CITY MANAGER'S OFFICE

Definition:

Under direct supervision of the City Manager, performs a wide variety of administrative and public information tasks in coordination with multiple City departments and outside public agencies. Assists with City-wide marketing; participates in staff report review and agenda preparation; performs a wide range of special projects; coordinates assigned activities with other divisions, outside agencies, and general public.

Essential Job Duties:

The following tasks are essential for this position. Incumbents in this classification may not perform all of these tasks, or may perform similar related tasks not listed here.

- Conducts or directs assigned projects or program activity; performs research and statistical analysis; prepares reports of findings and recommendations as to appropriate action.
- As designated representative, leads or participates in committee activity; coordinates or conducts activities with other City departments, agencies and organizations and the community; contributes views and interests of the department in execution of assigned duties; provides information and serves as a resource.
- Provides assistance to department management, other City personnel and the public regarding personnel, administration, operational issues, policies or procedures.
- Participates in staff report review and agenda preparation.
- Participates in budget development and administration for assigned area of responsibility.
- Provides assistance in resolving operational and administration issues; identifies issues and conducts research to find alternative solutions; makes and assists in the implementation of recommendations.
- Plans, coordinates, and evaluates activities associated with assigned contracts; participates in research and evaluation of proposed contractual obligations and agreements; assists in contract negotiations and administration; monitors compliance with applicable contractual agreements.
- Coordinates grant administration activities; prepares, writes, reviews, and monitors grant applications; monitors existing programs for compliance with regulations.
- Analyzes federal, state, and local legislative proposals for impact on assigned operations.
- Prepares comprehensive technical records as well as analytical and statistical reports pertaining to the assigned area of responsibility including the preparation of conclusions and forecasts based on data summaries and other findings.
- Assists with the City's insurance, safety, loss control, and property/liability claims programs through outside vendor; initiates, recommends and implements policies; coordinates safety training programs with City-wide managers.
- Assists in gathering and disseminating information in conjunction with the City's Community Services Liaison, which include the City website, press releases, and newsletter.

Minimum Knowledge, Skill and Ability:

Knowledge of:

- Principles and practices of public administration and municipal government.
- Municipal operations.
- Principles underlying the laws and regulations of the municipality.
- Public administrative research methods, techniques, and report presentation.
- Professional writing techniques.
- Relevant mathematical principles and functions.
- Computers and office software applications.
- Functions, policies, and procedures of relevant departments and/or operations.
- English usage, spelling, grammar, and punctuation.

Skill and Ability to:

- Understand City programs and resources available to resolve municipal problems.
- Communicate with customers, clients, and the public in face-to-face, one on one and groups meetings and over the phone.
- Operate standard office equipment, a personal computer, and relevant software.
- Interpret and apply department policy.
- Communicate clearly and concisely, both orally and in writing.
- Research and compile information on a variety of programs and services.
- Maintain relevant program records.
- Establish and maintain effective working relationships with the public and all levels of staff and management.
- Successfully adapt in a high-volume, fast-paced working atmosphere with multiple activities.

Training and Experience:

Any equivalent combination of training and experience that provides the required knowledge, skills, and abilities could be considered qualifying. A typical way to obtain the knowledge, skills, and abilities would be a Bachelor's degree from an accredited college or university with major course work in public administration, business, political science, communication or a related field, and 3 years of relevant experience. Master's degree is desirable. Municipal experience preferred.

Licenses and Certificates:

Possession of a valid California driver's license is required by the date of hire.

Physical Requirements and Working Conditions:

- Requires vision (which may be corrected) to read small print.
- Requires mobility of arms to reach and dexterity of hands to grasp and manipulate small objects. Lower body mobility may not be required.
- Performs lifting, pushing, and/or pulling which does not exceed 50 pounds and is an infrequent aspect of the job.
- Subject to inside environmental conditions.
- May be required to work at a computer for prolonged periods.
- May be required to use personal vehicle in the course of employment.
- May be required to work evenings and on weekends.

- Maintains internal and external customer relations by using tact and diplomacy in all interactions with customers; establishes and maintains positive and effective working relationships with co-workers and those contacted in the course of work.
- Coordinates with outside agencies, acting as liaison to other internal staff; provides complex staff assistance to management staff.
- Establishes positive working relationships with City staff and the general public.
- Assumes responsibility for ensuring the duties of the position are performed in a safe and efficient manner.
- Attends and participates in professional group meetings; stays abreast of new developments within assigned area of responsibility; maintains awareness of federal, state and local regulations.
- Responds to and resolves difficult and sensitive citizen complaints and inquiries.

This description is representative of typical duties, and does not limit the assignment of other related duties and responsibilities to the position.

ATTACHMENT 3



COMMUNITY SERVICES LIAISON - CITY MANAGER'S OFFICE

Definition:

This position will be a key contributor in the management, strategic planning, and administrative oversight of programs which support the development and coordination of homeless and social services in the community. The incumbent will independently perform the most difficult and responsible analytical, financial, systems, statistical, management, and other administrative analyses duties in providing highly responsible staff support in assigned program areas.

Essential Job Duties:

The following tasks are essential for this position. Incumbents in this classification may not perform all of these tasks, or may perform similar related tasks not listed here:

- Performs a variety of tasks involving community relations activities as a liaison with citizens, city employees, agencies' representatives and professionals from various organizations.
- Reviews and resolves special problems encountered by citizens and community organizations.
- Performs data entry activities to record such contacts.
- Fieldwork requires evening and weekend assignments such as meeting with community organizations.
- Confers with and advises city departments and others in the administration regarding recommended changes and improvements in the community.
- Acts as departmental representative in meetings and conferences involving public and private groups and city officials.
- Coordinates special projects, including planning, research and presentations.
- Drafts correspondence regarding complaints, concerns, and questions.
- Coordinates public relations events, including the development and release of items such as brochures, visual presentations, or other public relations materials.
- Develops, implements, and maintains department files.
- Prepares reports including those that present objectives, scope, findings, and recommendations.
- Interaction requires substantial sensitivity and cooperation.
- Provides oral and/or written reference services and information assistance to the community at large.

- Develops and maintains a filing and tracking system covering disseminated information, referrals, requests, and complaints.
- Performs site visitations and surveys items/areas of complaint.
- Performs special assignments as requested.

This description is representative of typical duties, and does not limit the assignment of other related duties and responsibilities to the position.

Minimum Knowledge, Skill and Ability:

Knowledge of:

- Principles and practices of public administration and municipal government.
- Municipal operations.
- Principles underlying the laws and regulations of the municipality.
- Public administrative research methods, techniques, and report presentation.
- Professional writing techniques.
- Relevant mathematical principles and functions.
- Computer and office software applications.
- Functions, policies, and procedures of relevant departments and/or operations.
- English usage, spelling, grammar, and punctuation.

Skill and Ability to:

- Understand City programs and resources available to resolve municipal problems.
- Communicate with customers, clients, and the public in face-to-face, one-on-one, and group meetings and over the phone.
- Operate standard office equipment, a personal computer, and relevant software.
- Interpret and apply department policy.
- Communicate clearly and concisely, both orally and in writing.
- Research and compile information on a variety of programs and services.
- Maintain relevant program records.
- Establish and maintain effective working relationships with the public and all levels of staff and management.
- Successfully adapt in a high-volume, fast-paced working atmosphere with multiple activities.

Minimum Education Requirements:

Requires a Bachelor's degree in Liberal Arts, Business Administration, Public Administration, or a related field.

Minimum Experience Requirements:

Two years of experience in community organizational work, resource and referral services, or a closely related field are required.

Licenses and Certificates:

Possession of a valid class C California driver's license is required by the date of hire.

Physical Requirements and Working Conditions:

- Requires vision (which may be corrected) to read small print.

- Requires mobility of arms to reach and dexterity of hands to grasp and manipulate small objects. Lower body mobility may not be required.
- Performs lifting, pushing, and/or pulling which does not exceed 50 pounds and is an infrequent aspect of the job.
- Subject to inside environmental conditions.
- May be required to work at a computer for prolonged periods.
- May be required to use personal vehicle in the course of employment.
- May be required to work evenings and on weekends.
- This position is physically comfortable; the individual has discretion about walking, standing, etc.
- There are occasional minor discomforts from exposure to less-than-optimal temperature and air conditions.

Preferences:

Must have good oral and written communication skills as well as strong PC (Windows, Microsoft Office/Outlook) skills. Extensive community relations experience and knowledge of city services, community/social services are preferred. Experience in dealing with the public, community leaders, city officials, and dignitaries in a high volume/stressful setting preferred. Preference will be given to bilingual Spanish speakers.

ATTACHMENT 4



PUBLIC WORKS LEAD MAINTENANCE WORKER- COMMUNITY DEVELOPMENT-PUBLIC WORKS

Definition:

This is the lead supervision level in the Public Works Maintenance Worker Class series. Incumbents are assigned lead and work coordination responsibilities for a small group of Public Works Maintenance Workers. In addition, incumbents are assigned to operate a wide variety of heavy construction and maintenance equipment. The operation of this equipment is characterized by a high degree of skill in manipulation of hand and foot controls and accuracy in moving materials to exact specifications. This class is distinguished from the Public Works Maintenance Worker class in that incumbents have lead responsibilities in addition to skilled equipment operation duties. Incumbents in this class are subject to twenty-four hour "call-out" for road related emergencies.

Essential Job Duties:

The following tasks are essential for this position. Incumbents in this classification may not perform all of these tasks, or may perform similar related tasks not listed here.

- Prioritize daily duties, projects and assignments
- Provide excellent customer service to city staff and community members
- Understand and follow oral/written direction, policy and procedures.
- Sustain good work relationships with city contractors and other government agencies.
- Ability to work early mornings, nights, weekends and on-call, if needed
- Bulky item pick up throughout city limits from streets, alleys and city-owned properties.
- Weed mitigation,
- Small tree trimming,
- Curb and gutter clearance,
- Curb painting,
- Small area concrete repair and tripping hazard mitigation,
- Sign maintenance,
- Reporting of any utility/graffiti and other related issues using city app.
- Assists in resolving city staff facility requests and concerns (e.g. replacing light bulbs, fixtures, door issues, item relocation).
- Performs required labor involved in construction and maintenance of projects as part of a crew, including pavement cutting, ditch digging, manhole and line cleaning, main and pipe repair, laying pipe, trenching and backfilling.

This description is representative of typical duties, and does not limit the assignment of other related duties and responsibilities to the position.

Minimum Knowledge, Skill and Ability:

Knowledge of:

- Principles of Safety and Practices and communication.
- Basic Health and Hygiene
- Basic Math and Record Keeping
- Ability to communicate in Spanish is desirable

Skill and Ability to:

- Ability to work early mornings, nights, weekends and on-call, if needed
- Equipment utilized includes standard power and hand tools, two-way radio, drills, saws, roto-routers, grinders, landscaping tools, furniture movers, hand tools, electrical meters, energy management system, department vehicles, personal computer, smart phone, copier, calculator, fax machine and other standard office equipment,

Training and Experience:

Municipal experience preferred.

At least **THREE YEARS** work experience in a Municipal Public Works field position.

Equivalent to High School Diploma or GED.

Licenses and Certificates:

Possession of a valid California driver's license is required by the date of hire.

Physical Requirements and Working Conditions:

- Work is performed in office and field environments.
- May be subject to repetitive motion such as typing, data entry, and vision to monitor.
- May be subject to exposure to extreme weather conditions, hazardous chemicals, fumes, infectious diseases, toxic waste, air and water borne pathogens, unsafe and unhealthy building conditions, and rough or unstable terrain.
- May be subject to extended periods of bending, reaching, kneeling, climbing ladders, lifting or carrying building materials.
- Must be able to lift up to 50 pounds.
- Will be required to drive City Vehicles



AGENDA
ITEM NO. 9

CITY COUNCIL STAFF REPORT

DATE: OCTOBER 9, 2019
TO: HONORABLE MAYOR, AND MEMBERS OF THE CITY COUNCIL
FROM: JENNIFER E. VASQUEZ, CITY MANAGER *JV*
BY: ANTHONY RAINEY, INTERIM FINANCE DIRECTOR *AR*
RE: REVIEW OF CITY'S FINANCIAL STATEMENT AUDIT, FISCAL
YEAR ENDED JUNE 30, 2018

RECOMMENDATION

Staff recommends that the City Council receive and file the City's annual financial statements and compliance-related reports for the fiscal year ended June 30, 2018.

FISCAL IMPACT

There is no fiscal impact as a result of this action nor will it have any indirect or support cost requirements. There is no anticipated impact to other operational programs or capital projects as a result of this action.

LEGAL REVIEW

The City Attorney has reviewed this report.

BACKGROUND

The City contracted with Van Lant & Fankhanel, LLP, a firm of licensed certified public accountants, to audit the City of Maywood's financial statements for the fiscal year ending June 30, 2018. The goal of the independent audit is to provide reasonable assurance that the basic financial statements are free from material misstatement. Essentially this means that the auditors assess the risk that the financial statements could be materially misstated¹ due to fraud or error. Based on the auditor's review, they have provided the City with an unmodified (i.e. clean) opinion. The auditor has opined that the City's financial statements are presented fairly in all material respects and reflect the financial position of the City. This "unmodified" opinion is the optimal opinion to receive from an external auditor and represents continued improvement in financial management. The auditors deemed that it was unnecessary to perform a Single Audit. A Single Audit is required when the City receives \$750,000 or more in federal grant funding.

A general overview of the audit will be provided in conjunction with Brett Van Lant, a partner of the audit firm and lead for the City. Specific topics of the presentation will include:

- A. Introductory Section** – *Transmittal Letter used to communicate information on areas that may have an impact on the City's finances now and in the future.*
- B. Financial Section** - *The main body of the Annual Financial Report ("AFR") for reported year information.*
 - B1. Independent Auditor's Report** - *This replaces what was called the "Management Letter." This is – the City's report card on the content of the AFR.*
- C. Management's Discussion and Analysis** – *Not presented as the current City Manager and Interim Finance Director were not with the City in FY 2017/2018.*
- D. Basic Financial Statements:**
 - D1. Government-wide Financial Statements** – *overview of financial information including all of the City's operations by financial activity.*
 - D1.1 Statement of Net Position** - *The Statement of Net Position, similar to a balance sheet, reports total assets and liabilities of the City.*
 - D1.2 Statement of Activities**
 - D2. Fund Financial Statements** – *a detailed look at funds, reporting the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance*
 - D2.1 Balance Sheet** - *Governmental Funds*

¹ Untrue information in a financial statement that could affect the financial decisions of one who relies on the statement

D2.2 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

D2.3 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

D2.4 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances² of Governmental Funds to the Statement of Activities. *The Fund Balance for General Fund increased by approximately \$145,774 compared to FY 2017-18.*

D3. Fiduciary Fund Statements

D3.1 Statement of Net Position

D3.2 Statement of Changes in Net Position

D4. Notes to Financial Statements (Notes) – *a narrative explanation that accompanies the Basic Financial Statements.*

E. Required Supplementary Information:

E.1 Schedule of Funding Progress for Defined Benefit Postemployment Healthcare Plan³ (DPHP). *This is an “actuarially determined⁴” liability to estimate of future costs for retiree healthcare benefits.*

E.2. Schedule of the City’s Proportionate Share of the Net Pension Liability – *schedule of changes in the net pension liability and related ratios; schedule of contributions by plan. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 68 (Pensions) the City has a Net Pension Liability of \$17,433,755*

E.3. Schedule of Plan Contributions – *schedule of changes in the net Other Post-Employment Benefits (OPEB) liability and related ratios; schedule of contributions. Governmental Accounting Standards Board (GASB) Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB) Statement was implemented in Fiscal Year 2017-18. This increase OPEB liability on Statement of Net Position by \$2.8 million*

E.4. Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - *breakout of individual non-major funds – for funds that were presented in a cumulative manner in the Financial Section*

E.4.1 General Fund

E.4.2 Gas Tax Special Revenue Fund

E.4.3 Community Development Block Grant (CDBG) Grant
Special Revenue Fund

E.5 Notes to Required Supplementary Information

F. Supplementary Information:

² For accounting purposes, the excess of a fund’s assets over its liabilities. For budgeting purposes, the excess of a fund’s resources over its expenditures

³ City retiree postemployment healthcare plan contributions

⁴ Excess of the present value of a pension fund’s total of future benefits (payable to the pension plan participants) and fund administration expenses over the present value of the future normal cost of those benefits.

- F1. Non-Major Governmental Funds**
- F2. Combining Balance Sheet – Non-major Funds**
- F3. Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Funds**
- F4. Statement of Changes in Assets and Liabilities – Agency Fund**

The following is provided for 'context' regarding accounting and auditing "concepts" being presented by the External Auditor in understanding the Annual Financial Report.

G. Accounting and Financial Reporting Rules: Generally accepted accounting principles (GAAP) are the accounting rules followed by most accountants in business and government alike. GAAP provide a set of uniform minimum standards and guidelines for financial accounting and reporting. Therefore all financial statements prepared on a GAAP basis are comparable, regardless of the legal jurisdiction or geographic location of the government. California law requires cities to prepare their audited financial statements in conformity with GAAP. Because City Councilmembers have oversight responsibility for the City's financial operations, the rules that GAAP provide for the preparation of financial information to demonstrate accountability. As Councilmembers set policy that includes determining how much money the city may spend through the adoption of the annual operating and multi-year capital budgets, many benefits from obtaining independent financial audits can be realized:

1. The results of financial and compliance audits can help elected and appointed officials in their decision-making roles.
2. The additional assurances provided by audited financial statements and the audit testing of legal compliance allow officials to make more confident decisions concerning the future of municipal operations.
3. Audit results also may point the way to constructive changes that benefit the city and its officials.
4. Audits include a review of a city's internal accounting controls that helps curtail circumstances permitting inefficiencies or fraud.

H. Fund Accounting: For context, the City utilizes "Fund Accounting" to monitor and manage all revenues and expenditures. Fund accounting is a system for segregating financial resources to ensure and demonstrate legal compliance with restrictions or other special purposes as required by the Federal Government (as the City receives Federal Grants), State of California and County of Los Angeles (as the City receives revenues from them with certain restrictions to be used for specific purposes), and the City of Maywood Municipal Code.

I. How the City Separates Funds: The City allocates all revenues and expenditures into separate funds - each fund is like a separate bank account with certain restrictions and can only be used for specified purposes. A fund is also a self-balancing set of General Ledger accounts

used to record revenue inflows as ASSETS (like cash, wire transfers, automated clearing house (ACH) transactions, checks, credit card transactions) together with all related LIABILITIES and residual equities or balances and changes therein, which are segregated for the purpose of conducting specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

J. Fund Types Used by the City: Funds are divided into various types according to the legal restrictions imposed upon them or by their uses as explained below.

▶ **Governmental - Primarily supported by taxes**

- ▶ **General Fund** – *funds City Departments and Non-Departmental actions like debt service*
- ▶ **Special Revenue Funds** - *funds to record the proceeds from certain revenue sources (e.g. Federal, State, or County Governments) for which fund usage is restricted.(i.e. use for transportation, housing, law enforcement, infrastructure related projects)*
- ▶ **Capital Projects Funds** – *funds to finance on-going Capital Improvement Projects (CIPs)*

▶ **Proprietary - Primarily supported by user fees**

- ▶ **Enterprise Funds (Sewer Fund)** - *funds to record the proceeds from Sewer user fees*

▶ **Fiduciary – Assets held in trust or agency capacity for others**

- ▶ **Private-Purpose Trust** – *funds to account for the close-out activities of the Maywood Community Development Commission.*

K. Governmental Fund Reporting: There are generally limitations on the purpose that all or a portion of the resources of a City of Maywood fund may be used. These limitations can vary significantly, depending upon their source. The term “FUND BALANCE” (e.g. what is left over after the fund's ASSETS have been used to meet its LIABILITIES) reported in the Annual Financial Statement is categorized into three components (Nonspendable, Restricted, and Unrestricted) with each component identifying the extent that the City must abide by restrictions on the specific purposes that amounts in the specific fund can be spent. The three components of Fund Balance are as follows:

K1) Nonspendable: Resources that are:

- Not in spendable form, such as inventories, prepaids, long-term receivables, or non-financial assets held for resale, or

- Required to be maintained intact.
- *Nonspendable Fund Balance* represents the amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

K2) Restricted: Resources that are subject to externally enforceable legal restrictions; these restrictions would be either – 1) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) Imposed by law through constitutional provisions or enabling legislation. *Restricted Fund Balance* represents the amounts that are constrained to specific purposes by State or Federal laws or externally imposed condition by grantors or creditors.

K3) Unrestricted (comprised of either Committed, Assigned, or Unassigned components): **K3.1) Committed** Resources that are constrained to specific purposes by a formal action of the City Council such as an ordinance or resolution. The constraint remains binding unless removed in the same formal manner by the City Council; or **K3.2) Assigned** Resources that are constrained by the City's intent to be used for specific purposes, but that are neither 2) Restricted nor A) Committed. **K3.3) Unassigned** Resources that are within the GENERAL FUND, when the remaining resources, either positive or negative, are in excess of what are classified in one of the following – K1) Nonspendable, K2) Restricted, K3.1). Committed or K3.2). Assigned) - fund balance categories. Within all other GOVERNMENTAL FUNDS when there are negative residual resources in excess of what can be properly classified as K1) Nonspendable, K2) Restricted, or K3.1) Committed.

- L. Restricted Revenues:** Restricted Revenues in the Enterprise Fund and Special Revenue Fund are *restricted* for two reasons: First, legislation, law or grantor requirements restricting the uses of funds to specified purposes. Second, restricted revenues account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The following table provides an overview of the Restricted Revenue Source and its Specified Purpose:

RESTRICTED REVENUE SOURCE	SPECIFIED PURPOSE
"Gas Tax"	Portions of the tax rate per gallon levied by the State of California on all gasoline purchases are allocated to the City by the State. These funds are restricted to expenditure for transit and street-related purposes.
Transportation Development Act (TDA) Bikeway	Transportation Development Act (TDA) Article 3 bicycle and pedestrian local funds are allocated to the City on a per-capita basis. These funds are restricted to expenditure for design and construction of pedestrian and bicycle facilities and amenities (including wheelchair ramps).

RESTRICTED REVENUE SOURCE	SPECIFIED PURPOSE
Proposition A	Proposition A sales tax - an additional one-half of 1% tax on retail sales in Los Angeles County approved by voters in 1990 - are allocated to the City by Metro. These funds are restricted to expenditure for certain transportation related purposes.
Proposition C	Proposition C sales tax - an additional one-half of 1% tax on retail sales in Los Angeles County approved by voters in 1990 - are allocated to the City by Metro. These funds are restricted to expenditure for certain transportation related purposes.
Measure R	Measure R - an additional ½ of 1% sales tax approved by 2/3 of the Los Angeles County voters in 2008 - are allocated to the City by Metro. These funds are restricted to the certain traffic relief purposes.
Measure M	Measure M sales tax - an additional ½ of 1% tax on retail sales in Los Angeles County approved by voters in 2016 – are allocated to the City by Los Angeles County. These funds are restricted to the expenditure on projects to improve transportation and ease traffic congestion consistent with the Measure M County Ordinance #16-01.
Senate Bill 1 (SB 1)	The Road Repair and Accountability Act of 2017, also known as the "Gas Tax" and Senate Bill 1 (SB 1) - imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on diesel fuel, and registration taxes on motor vehicles are allocated to the City by the State . These funds are restricted to the expenditure on certain transportation purposes.
Surface Transportation Program (STP) Federal Grant	The Surface Transportation Program (STP) is a grant program of the U.S. Department of Transportation's (DOT's) Federal Highway Administration (FHWA) provides funding restricted to the expenditure of projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects.
Community Development Block Grant (CDBG)	Portions of the tax rate per gallon levied by the State of California on all gasoline purchases are allocated to the City by the State. These funds are restricted to expenditure on transit and street-related purposes.
Air Quality Management District (AQMD) Grant	Portions of the fees charged to register motor vehicles. These funds are allocated to the City by the South Coast Air Quality Management District (AQMD). These funds are restricted to expenditures on projects and programs that reduce emissions from mobile sources.
Supplemental Law Enforcement Services Fund (SLESF) Grant	The Supplemental Law Enforcement Services Fund (SLESF) program is a grant from the State of California Department of Finance's Supplemental Law Enforcement Services Fund that provides funding restricted to the expenditure of "front line law enforcement services."
Grant/Reimbursements from Federal/State/County Governments	Portions of the tax rate per gallon levied by the State of California on all gasoline purchases are allocated to the City by the State. These funds are restricted to expenditure on transit and street-related purposes.
Measure A	Portions of the tax rate per gallon levied by the State of California on all gasoline purchases are allocated to the City by the State. These funds are restricted to expenditure on transit and street-related purposes.
Lighting & Landscaping	Portions of the tax rate per gallon levied by the State of California on all gasoline purchases are allocated to the City by the State. These funds are restricted to expenditure on transit and street-related purposes.
Successor Agency Trust Fund - City of Maywood serves as the Successor Agency to the Maywood Redevelopment Agency	Portions of the tax rate per gallon levied by the State of California on all gasoline purchases are allocated to the City by the State. These funds are restricted to expenditure on transit and street-related purposes.

DISCUSSION

The External Auditor reported on the City's Internal Control and Compliance. For context, "controls" are merely the methods and procedures that are implemented by a City to help ensure the validity and accuracy of its financial statements. Controls do not ensure compliance with laws and regulations, but rather they are designed to help a City to comply with them. Most controls can be classified as preventive or detective.

- *Preventive Controls* are designed to discourage errors or irregularities. For example:
 - A manager's review of a requisition prior to the approval of a purchase order prevents inappropriate expenditures of a department's funds.
 - A computer application that asks for a password prevents unauthorized access to information on a City system.
- *Detective Controls* are designed to identify an error or irregularity after it has occurred. Examples include the following:
 - An exception report that detects and lists incorrect or incomplete transactions.
 - A manager's review of long distance telephone charges will detect improper or personal calls that should not have been charged to the account.

Internal Controls are all of the methods of control activities to attain:

- Effectiveness and efficiency of City operations.
- Reliability, completeness and timeliness of financial information is maintained.
- Compliance with applicable standards, laws and regulations.
- Resources are protected from waste, fraud and abuse.

The American Institute of Certified Public Accountants (AICPA) Statements on auditing standards, commonly abbreviated as SAS, provide guidance to external auditors on generally accepted auditing standards (GAAS) regarding auditing the City's financial statements and issuing a report. Statement of Auditing Standards Number 112 (SAS 112) introduced new definitions of *Significant Deficiency* and *Material Weakness* for reportable control deficiencies.

A *Significant Deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention to the City Council. When an External Auditor finds a Significant Deficiency they notify the City of this issue. A likely outcome is that the City will develop a Corrective Action Plan to correct the identified issue as soon as possible.

Van Lant & Fankhanel LLP identified the following three Significant Deficiencies:

1. **2018-002: Capital Asset Disposals and Inventory.** The External Auditor recommends the City develop and implement a policy for the disposal of surplus vehicles and equipment. The policy should clearly define the procedures to follow, including necessary approvals. In addition, the City should implement a provision to conduct an inventory of capital assets on an annual or bi-annual basis to increase controls over the misappropriation of capital assets.
 - **City Response:** *Management concurs with the auditors' recommendation. Finance will begin drafting a policy for the recorded valuation assets when they are initially acquired, capitalization of assets in a manner that minimizes the cost and effort of record keeping, and the determination of any salvage value of surplus vehicles and equipment. Following this, Finance will begin drafting a policy for the disposal of capital assets that are no longer needed and/or are beyond their useful life. Procedures will then be developed to provide updated inventories of capital assets to respective Department Directors and the City Manager with recommendations regarding disposal of these assets using a method that will return the most benefit to the City and on such terms and conditions deemed to be most appropriate and in the best interests of the City.*
2. **2018-004: Building Permits.** The External Auditor recommends the City input the rates as adopted by City Council and recalculate perform tests to ensure the fees for building permits are being properly charged.
 - **City Response:** *Management concurs with the auditors' recommendation. The Community Development Department will begin developing a process: 1) verify that the correct building permit fee amount within the Hinderliter, de Llamas & Associates (HdL) Building Permits application is current and correct and 2) taking a sample of some building permits fees and validating the calculations produced by calculating them on a spreadsheet to determine whether the results were the same. Community Development Department will then report any discrepancies its findings to Hinderliter, de Llamas & Associates (HdL) to implement any corrections or modifications.*
3. **2018-005: Issuance of Building Permits.** The External Auditor recommends the City implement a procedure to generate reports from the building permit module, periodically (daily, weekly, monthly) and have someone independent of the permit issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger.

- **City Response:** *Management concurs with the auditors' recommendation. Finance will begin developing a process to reconcile the data from the Hinderliter, de Llamas & Associates (HdL) Building Permits application and against the building receipts from the Abila MIP Fund Accounting application. Finance will also verify and validate the amounts of the fees that were charged and recorded reflect the current fee schedule. Finance will then develop a process to report its findings to the Community Development Department to implement any corrections or modifications.*

A **Material Weakness** arises when an internal control over financial reporting is found to be ineffective. When there is a reasonable possibility that an ineffective control could result in a significant misstatement of the City's financial statements, this is considered a Material Weakness. When an External Auditor finds a material weakness, they must notify the City of this issue. A likely outcome is that the City will develop a Corrective Action Plan to correct the identified issue as soon as possible.

Van Lant & Fankhanel LLP identified the following three Material Weaknesses:

1. **2018-001: Timeliness and Accuracy of Accounting Records.** The External Auditor recommends that all Balance Sheet accounts and other selected accounts be analyzed on a monthly, quarterly or other periodic basis as appropriate. They suggest a schedule of accounting functions to be performed monthly, quarterly, etc., be prepared with the provision for signing off by date and initials when the procedure is complete. The External Auditor recognized that the significant turnover in the Finance Department were contributing factors to their finding.
 - **City Response:** *Management concurs with the auditor's recommendation. Finance will initiate a routine review on a monthly basis of all balance sheet and other selected accounts. Finance will undertake the reconciliations of general ledger accounts and the compilation of interim balance sheets that identify significant trends and issues.*
2. **2018-003: General Maintenance Services Contracts.** The External Auditor recommends the City review the agreement for general maintenance services and determine if the services included in this agreement could be separated and competitively bid in order to involve additional qualified vendors competitively bidding on the projects. They recommend the City establish monthly project maximums, either on an hourly or cost basis to ensure sufficient controls over the activities for which the vendor is responsible. Finally, they recommend that the City establish procedures and thoroughly document the conclusions reached that the invoices submitted are correct through the verification that the supporting

documentation reconciles to the total charges and the City's obligation to pay old invoices. This process should clearly document a legal review and decision by the City's Attorney indicating a recommendation to pay.

- **City Response:** *Management concurs with auditors' recommendation. The City will begin developing a plan to formalize encumbrances that will serve as the "funding document" for contracts, agreements, or Memorandum of Understandings (MOUs). The City will assess Sections 3-4.05 – Purchase orders; Encumbrance of funds and 3-4.07 - Bidding procedure and 3-4.08 - Award of professional service contracts and 3-4.10 - Formal bidding procedures specified in the Municipal Code to establish procedures for: a) writing, reviewing and approving the scope of work; b) preparing bid or request for proposal solicitations; c) identifying the basis of the contract price for goods and services to be received; and d) working with the City Attorney in developing "not to exceed" requirements and other applicable clauses within contracts.*
3. **2018-006: Temporary Parking Permits.** The External Auditor recommends the City review the process that City Council decisions are approved to ensure they are in accordance with the City's ordinances. They recommend the City ensure that decisions that negatively impact the financial condition are discussed to determine if other alternatives for revenue sources are available.
- **City Response:** *Management concurs with the auditors' recommendation. There will be analysis in the fiscal impact portion of staff reports so that the City Council can consider the impacts of policy decisions.*

ATTACHMENT(S)

Attachment No. 1 – Presentation: City of Maywood FINANCIAL STATEMENT AUDIT, FISCAL YEAR ENDED JUNE 30, 2018 by Brett Van Lant, Partner, Van Lant & Fankhanel, LLP

Attachment No. 2 – Maywood Appropriations Limit Report Fiscal Year 2017 - 2018

Attachment No. 3 – Maywood Financial Statements Fiscal Year 2017 – 2018

Attachment No. 4 – Maywood Internal Control Report Fiscal Year 2017 – 2018

Attachment No. 5 – Maywood SAS 114 Conclusion Letter Fiscal Year 2017 - 2018

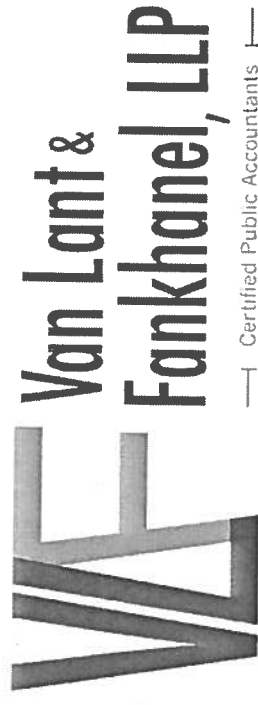
ATTACHMENT NO. 1

City of Maywood

FINANCIAL STATEMENT AUDIT

FISCAL YEAR ENDED JUNE 30, 2018

PRESENTED BY:
BRETT VAN LANT
PARTNER



Audit Process

Preliminary Interim Audit Fieldwork

- Assess the risk the financial statements could be materially misstated due to fraud or error
- Gain an understanding of design and implementation of internal controls over financial reporting including:
 - Cash receipts process, cash disbursements process, purchasing process, payroll process, various other significant audit areas
 - Review specific transactions, observe processes, inquire with City staff throughout the City

Audit Process – Cont.

Year-end Audit Fieldwork

- Audit balances and amounts in the City's financial statements
- Procedures involve auditor's judgment based on risk assessment
- Substantive testing of the balances and amounts to provide reasonable assurance
 - Confirmation, testing of transactions, inquiry of City Staff, analytical procedures

Reports and Letters Issued

Attachment #2 - Report on the City's Appropriations Limit

Attachment # 3 - Audit Report - Opinion on Financial Statements

Attachment #4 - Report on Internal Control and Compliance

Attachment # 5 - Statement on Auditing Standards (SAS) 114 Communication Letter

Audit Report on the Financial Statements (1 of 2)

Management's Financial Statements

Auditor's Responsibilities

- Express opinion
 - Reasonable assurance
- Conduct audit in accordance with applicable standards; obtain evidence
- Procedures involve auditor judgment
 - Risk assessment

Audit Report on the Financial Statements – (2 of 2)

Unmodified (clean) Opinion

Required Supplementary Information

- MD&A – not presented, Budgetary schedule, Pension and OPEB schedules
- Limited audit procedures – no opinion expressed

Other Supplementary Information

There were no restrictions imposed by management in performing our audit procedures

Financial Statement Key Figures

Governmental Accounting Standards Board (GASB) Statement No. 68 (Pensions)

- City has a Net Pension Liability of \$17,433,755

Fund Balance for General Fund increased approx. \$145,774 compared to FY 2017-18

Unrestricted Fund Balance in General Fund is approximately 14% of FY 2017-18 expenditures (1.7 months reserves)

- GFOA best practices recommends a minimum of 2 months operating reserves

Financial Statement Key Figures

Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*

- Statement implemented in FY 2017-18.
- Increase OPEB liability on Statement of Net Position by \$2.8 million

Actuarially determined liability

- Estimate of future costs for retiree healthcare benefits

Report on Internal Control and Compliance

Internal control over financial reporting

Consider internal control to determine what audit procedures to perform

Not to express an opinion

Compliance testing – no opinion

- Test for noncompliance that could be have a material impact on the financial statements

Report on Internal Control and Compliance

3 Material Weaknesses Identified:

- 2018-001: Timeliness and Accuracy of Accounting Records
- 2018-003: General Maintenance Services Contracts
- 2018-006: Temporary Parking Permits

Report on Internal Control and Compliance

3 Significant Deficiencies Identified:

- 2018-002: Capital Asset Disposals and Inventory
- 2018-004: Building Permits
- 2018-005: Issuance of Building Permits

Report on City's Appropriations Limit

Required by Article XIII B of the California Constitution

Specific procedures to test the calculation for the fiscal year ended June 30, 2018

- Agreed-Upon Procedures Report
- No exceptions to the City's calculation

Spending Limit from proceeds of taxes

- City is well below the appropriations limit

Statement of Auditing Standards (SAS) 114 Report

- Required Communication from auditors directly to “those charged with governance” – City Council
- Estimates
- Sensitive Disclosures
- Difficulties or Disagreements
- Other Audit Findings or Issues

Thanks

Thank you to City Staff for their
cooperation and assistance in
completing the audit.

Questions and Clarifications

Questions?
Clarifications?

ATTACHMENT NO. 2



**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

City Council
City of Maywood
Maywood, California

We have performed procedures enumerated below to be the accompanying Appropriations Limit worksheet of the City of Maywood, for the year ended June 30, 2018. These procedures, which were agreed to by the City of Maywood and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

Finding: No exceptions were noted as a result of our procedures.

Van Lant & Fankhanel, LLP
25901 Kellogg Street
Loma Linda, CA 92354

909.856.6879

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled *Article XIII B of the California Constitution*.

This report is intended solely for the use of the City Council and management of the City of Maywood and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Van Lant & Fankhaenel, LLP

September 17, 2019

CITY OF MAYWOOD
APPROPRIATIONS LIMIT COMPUTATION
2017 - 2018

	<u>2017 - 2018</u>
Change in Per Capital Personal Income	3.69%
Population Change	
County Population Growth	0.57%
Change in Per Capita Personal Income Converted to a Ratio	1.0369
Population Change Converted to a Ratio	1.0057
Calculation of Growth Factor	1.04281033
2016 - 2017 Appropriations Limit	<u>\$ 9,920,348</u>
2017 - 2018 Appropriations Limit	<u>\$ 10,345,041</u>
(\$9,920,348 x 1.04281033)	

ATTACHMENT NO. 3

CITY OF MAYWOOD
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2018

**City of Maywood
Annual Financial Report
Year Ended June 30, 2018**

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Independent Auditor's Report

The Honorable City Council
City of Maywood, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Maywood (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Van Lant & Fankhanel, LLP
25901 Kellogg Street
Loma Linda, CA 92354

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Maywood, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Financial Condition

As discussed in Note 10, the City, in prior years, has suffered substantial recurring losses in its General Fund, resulting in its inability to pay the claims liabilities to the California Joint Powers Insurance Authority (\$9.69 million). These issues raise uncertainties regarding future operations. Management's plans in regard to these matters are also described in Note 10. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Change in Accounting Principle

As described in Note 9 to the financial statements, in fiscal year 2017-18, the City adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented in the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context.

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The schedules listed in the Supplementary Information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the Supplementary Information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the Supplementary Information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 17, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant + Fankhaenel, LLP

September 17, 2019

BASIC FINANCIAL STATEMENTS

**City of Maywood
Statement of Net Position
June 30, 2018**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 11,201,494
Receivables:	
Accounts	50,932
Due from Other Governments	377,134
Taxes Receivable	563,964
Prepaid Costs	43,239
Restricted Cash and Investments	266,074
Capital Assets, Not Depreciated	5,605,846
Capital Assets, Depreciable, Net	26,845,154
Total Assets	<u>44,953,837</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	130,457
Deferred Outflows Related to Pensions	3,279,983
Total Deferred Outflows of Resources	<u>3,410,440</u>
LIABILITIES	
Accounts Payable and Accrued Liabilities	1,819,469
Termination Benefits Payable	200,000
Deposits Payable	3,697
Interest Payable	64,883
Payable to Successor Agency	2,600,000
Noncurrent Liabilities:	
Due Within One Year	85,350
Due in More Than One Year	32,976,462
Total Liabilities	<u>37,749,861</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to OPEB	263,628
Deferred Inflows Related to Pensions	726,994
Total Deferred Inflows of Resources	<u>990,622</u>
NET POSITION	
Net Investment in Capital Assets	29,666,000
Restricted For:	
Public Works	2,561,608
Community Development	731,501
Public Safety	397,656
Debt Service	266,074
Unrestricted	(23,999,045)
Total Net Position	<u>\$ 9,623,794</u>

The accompanying notes are an integral part of this statement.

**City of Maywood
Statement of Activities
Year Ended June 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Contributions and Grants	Governmental Activities
Governmental Activities:					
General Government	\$ 4,321,494	\$ 317,592	\$ -	\$ -	\$ (4,003,902)
Public Safety	3,771,866	1,045,116	139,416	-	(2,587,334)
Community Development	1,378,898	9,136	183,170	-	(1,186,592)
Parks and Recreation	872,153	160,703	-	-	(711,450)
Public Works	4,134,239	416,617	1,640,336	1,938,789	(138,497)
Interest and Fiscal Charges	195,246	-	-	-	(195,246)
Total Governmental Activities	<u>\$ 14,673,896</u>	<u>\$ 1,949,164</u>	<u>\$ 1,962,922</u>	<u>\$ 1,938,789</u>	<u>(8,823,021)</u>
General Revenues:					
Taxes:					
Property taxes, Levied for General Purposes					1,668,549
Transient Occupancy Taxes					55,716
Sales Taxes					1,577,874
Franchise Taxes					407,330
Utility User Taxes					948,230
Motor Vehicle in Lieu, Unrestricted					2,667,053
Use of Money and Property					92,749
Other					862,906
Total General Revenues					<u>8,280,407</u>
Change in Net Position					(542,614)
Net Position - Beginning of Year					13,381,273
Prior Period Adjustments					<u>(3,214,865)</u>
Net Position - End of Year					<u>\$ 9,623,794</u>

The accompanying notes are an integral part of this statement.

**City of Maywood
Balance Sheet
Governmental Funds
June 30, 2018**

	General Fund	Special Revenue Gas Tax	Capital Projects Street Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 4,727,919	\$ 2,635,524	\$ -	\$ 3,838,051	\$ 11,201,494
Cash with Fiscal Agents	266,074	-	-	-	266,074
Receivables:					
Accounts	50,932	-	-	-	50,932
Due from Other Governments	-	-	328,279	48,855	377,134
Taxes Receivable	563,964	-	-	-	563,964
Due from Other Funds	164,111	-	-	-	164,111
Prepaid Costs	43,239	-	-	-	43,239
Total Assets	\$ 5,816,239	\$ 2,635,524	\$ 328,279	\$ 3,886,906	\$ 12,666,948
LIABILITIES					
Accounts Payable	\$ 947,926	\$ 208,342	\$ 221,149	\$ 235,202	\$ 1,612,619
Accrued Liabilities	189,418	586	14,142	2,704	206,850
Termination Benefits Payable	200,000	-	-	-	200,000
Due to Other Funds	-	-	115,536	48,575	164,111
Deposits	3,697	-	-	-	3,697
Payable to Successor Agency	2,600,000	-	-	-	2,600,000
Total Liabilities	3,941,041	208,928	350,827	286,481	4,787,277
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues - Grants	-	-	328,279	74	328,353
Total Deferred Inflows of Resources	-	-	328,279	74	328,353
FUND BALANCES					
Nonspendable	43,239	-	-	-	43,239
Restricted	266,074	2,426,596	-	3,617,375	6,310,045
Unassigned	1,565,885	-	(350,827)	(17,024)	1,198,034
Total Fund Balances	1,875,198	2,426,596	(350,827)	3,600,351	7,551,318
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,816,239	\$ 2,635,524	\$ -	\$ 3,886,906	\$ 12,666,948

The accompanying notes are an integral part of this statement.

City of Maywood
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Fund Balances of Governmental Funds	\$ 7,551,318
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets of governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Capital Assets	70,604,720
Accumulated Depreciation	(38,153,720)

Revenues not received soon enough after year-end to be considered available are deferred in the funds. The availability criteria does not apply to the government-wide financial statements.	328,353
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Interest expenditures are recognized when due, and therefore, interest payable is not recorded in the governmental funds.	(64,883)
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Amounts for deferred inflows and deferred outflows related to the City's Net Pension and OPEB Liabilities are not reported in the funds:

Deferred Outflows Related to Pensions	3,279,983
Deferred Inflows Related to Pensions	(726,994)
Deferred Outflows Related to OPEB	130,457
Deferred Inflows Related to OPEB	(263,628)

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

2008 Refunding Bonds	(2,785,000)
Compensated Absences	(45,296)
Total OPEB Liability	(2,875,410)
Net Pension Liability	(17,433,755)
Claims Liability	(9,922,351)

Net Position of Governmental Activities	\$ <u>9,623,794</u>
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City of Maywood
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	General Fund	Special Revenue Gas Tax	Capital Projects Street Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 4,726,774	\$ 757,113	\$ -	\$ 1,288,275	\$ 6,772,162
Licenses and Permits	1,014,857	-	-	-	1,014,857
Intergovernmental	3,542,053	-	-	797,484	4,339,537
Charges for Services	164,588	-	-	216,299	380,887
Use of Money and Property	89,296	657	-	2,796	92,749
Fines and Forfeitures	560,030	-	-	-	560,030
Legal Settlements	3,318	-	-	-	3,318
Miscellaneous	888,536	-	-	-	888,536
Total Revenues	10,989,452	757,770	-	2,304,854	14,052,076
EXPENDITURES					
Current:					
General Government	4,017,095	-	-	-	4,017,095
Public Safety	4,952,564	-	-	171,127	5,123,691
Community Development	703,537	-	-	675,361	1,378,898
Parks and Recreation	772,566	-	-	-	772,566
Public Works	-	918,396	187,376	1,516,874	2,622,646
Capital Outlay	146,478	-	174,019	406,770	727,267
Debt Service:					
Principal	55,000	-	-	-	55,000
Interest and Fiscal Charges	196,438	-	-	-	196,438
Total Expenditures	10,843,678	918,396	361,395	2,770,132	14,893,601
Excess of Revenues Over (Under) Expenditures	145,774	(160,626)	(361,395)	(465,278)	(841,525)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Change in Fund Balances	145,774	(160,626)	(361,395)	(465,278)	(841,525)
Fund Balances - Beginning of Year	1,729,424	2,587,222	10,568	4,011,212	8,338,426
Prior Period Adjustments	-	-	-	54,417	54,417
Fund Balances - End of Year	\$ 1,875,198	\$ 2,426,596	\$ (350,827)	\$ 3,600,351	\$ 7,551,318

The accompanying notes are an integral part of this statement.

City of Maywood
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (841,525)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. The activity is reconciled as follows:

Cost of assets capitalized	504,233
Depreciation expense	(1,497,958)

Revenues not received soon enough after year-end to be considered available are deferred in the funds. The availability criteria does not apply to the government-wide financial statements.	79,206
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	55,000
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The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Net Pension Liability	(1,623,583)
Compensated Absences	(16,759)
CalPERS Payable	1,365,206
Total OPEB Liability	326,259

Amounts for deferred inflows and deferred outflows related to the City's Net Pension and OPEB Liabilities are not reported in the funds. This is the net change in deferred inflows and outflows related to these liabilities:

Deferred Outflows Related to Pensions	746,033
Deferred Inflows Related to Pensions	470,677
Deferred Outflows Related to OPEB	130,457
Deferred Inflows Related to OPEB	(263,628)

Accrued interest on bonds is not recorded in the governmental funds. This is the net change in accrued interest for the current period.	1,192
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Claims payable expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The following represents the net change:	22,576
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Change in Net Position of Governmental Activities	\$ (542,614)
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The accompanying notes are an integral part of this statement.

**City of Maywood
Statement of Net Position
Fiduciary Funds
June 30, 2018**

	Successor Agency Private-purpose Trust Fund	Agency Funds
ASSETS		
Cash and Investments	\$ 1,417,918	\$ 109,660
Cash with Fiscal Agent	-	-
Notes Receivable	-	-
Land Held for Resale	<u>1,780,000</u>	<u>-</u>
Total Assets	<u>3,197,918</u>	<u>\$ 109,660</u>
LIABILITIES		
Accounts Payable	43,190	\$ -
Accrued Liabilities	1,454	-
Deposits Payable	-	109,660
Pass-through Payable	258,369	-
Interest Payable	255,691	-
Bonds Payable	<u>15,400,583</u>	<u>-</u>
Total Liabilities	<u>15,959,287</u>	<u>\$ 109,660</u>
NET POSITION		
Net Position Held in Trust for Successor Agency	<u>\$ (12,761,369)</u>	

The accompanying notes are an integral part of this statement.

**City of Maywood
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2018**

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Taxes	\$ 307,490
Investment Income	<u>21,916</u>
Total Additions	<u>329,406</u>
DEDUCTIONS	
Administrative Costs	218,318
Cost of Bond Issuance	857,989
Interest on Bonds	<u>495,253</u>
Total Deductions	<u>1,571,560</u>
Change in Net Position	(1,242,154)
Net Position - Beginning of Year	<u>(11,519,215)</u>
Net Position - End of Year	<u><u>\$ (12,761,369)</u></u>

The accompanying notes are an integral part of this statement.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Maywood, California (City) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

A) Reporting Entity

The City of Maywood was incorporated on September 2, 1924, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. It is governed by an elected five member board.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the organization is able to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

All of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are reported with the interfund data of the City. The following organizations are considered to be component units of the City:

Maywood Financing Authority

The Maywood Financing Authority ("Authority") is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act. The City and the Commission formed the Authority by the execution of a joint exercise of powers agreement dated as of October 25, 1988. Pursuant to the Joint Exercise of Powers Act, the Authority is authorized to issue revenue bonds to provide funds to make loans to public entities; such revenue bonds are to be repaid from the repayments of such loans. The Authority is governed by a five-member Board which consists of all members of the City Council. The Mayor of the City is the Chairperson of the Authority. The City's Chief Administrative Officer (CAO) acts as the Executive Director, the City Clerk acts as the Secretary and the Finance Director of the City acts as the Treasurer of the Authority. Separate financial statements of the Authority are not prepared.

B) Measurement Focus and Basis of Accounting

The financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-Wide Financial Statements: The government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include the governmental activities of the primary government (including its blended component units). For the most part, the effect of interfund activity has been removed from these statements.

Government-wide financial statements are presented using the *economic resources measurement focus and accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. The basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services and payments made by parties outside the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements: The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds: Governmental funds are presented using the *modified-accrual basis of accounting* in the fund financial statements. Revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *available* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* (special assessments) are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* (special fees) transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

Governmental funds are presented using the *current financial resources measurement focus* in the fund financial statements. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

C) Fund Classifications

The funds designated as major funds are determined by a mathematical calculation consistent with GASB 34. The City reports the following major governmental funds:

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

General Fund

This fund is used to account for resources traditionally associated with governments, which are not legally required, or by sound financial management, to be accounted for in another fund.

Gas Tax Special Revenue Fund

This fund is used to account for the revenues and expenditures of the City's proportionate share of gas tax monies collected by the State of California which are used for street construction and maintenance.

Street Projects Capital Projects Fund

To account for the revenues and expenditures funded by grants for street related projects.

Additionally, the City reports the following fund types:

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Position and Statement of Changes in Fiduciary Net Position. The fiduciary fund is used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. Since these assets are being held for the benefit of a third party, these funds are not incorporated into the government-wide statements.

The City's fiduciary funds include an agency fund and private-purpose trust fund. The agency fund uses the accrual basis of accounting to account for developer deposits. The agency fund is custodial in nature (assets equal liabilities) and therefore does not involve measurement of results of operations. The private-purpose trust fund accounts for the wind-down activities of the Maywood Community Development Commission.

D) Investments

Investments are reported in the accompanying balance sheet at fair value, except for nonparticipating certificates of deposit and investment contracts that would be reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

E) Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans), or "advances to/from funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as ""due to/from other funds."

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F) Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Nonspendable fund balances are reported in the governmental funds for amounts equal to the prepaid items since these amounts are not available for appropriation.

G) Capital Assets

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets received prior to the implementation of GASB Statement No. 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received. Capital assets, other than infrastructure assets, in excess of \$5,000 are capitalized if they have an expected useful life of one year or more. Infrastructure assets have a capitalization threshold of \$100,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

The following schedule summarizes the useful lives of capital assets:

Buildings	50 years
Land Improvements	50 years
Machinery and Equipment	5-15 years
Vehicles	8-15 years
Infrastructure	
Sewer, Curbs and Sidewalks	50 years
Roadways	35 years
Traffic Lights	25 years

Depreciation is calculated using the straight-line method over the estimated useful life of the asset in the government-wide financial statements.

H) Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the statement of net position in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

Governmental funds recognize bond premiums and discounts during the current period in the fund financial statements. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I) Classification of Net Position and Fund Balance

1) Net Position

In the Government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position which is represented by the current net book value, less the outstanding balance of any debt issued to finance these assets.

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents the net position of the City that is not externally restricted for any project or other purpose.

2) Fund Balance

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance or resolution to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council's action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

The City's governmental fund balances at June 30, 2018, are presented below:

	General Fund	Gas Tax Fund	Street Projects Fund	Nonmajor Funds	Total
Nonspendable:					
Prepays	\$ 43,239	\$	\$	\$	\$ 43,239
Restricted for:					
Community Development				101,733	101,733
Debt Service	266,074				266,074
Street Lighting				616,208	616,208
Public Works		2,426,596		2,899,434	5,326,030
Committed to:					-
Assigned to:					-
Unassigned:	1,565,885		(350,827)	(17,024)	1,198,034
Total Fund Balance	\$ 1,875,198	\$ 2,426,596	\$ (350,827)	\$ 3,600,351	\$ 7,551,318

J) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property tax calendar is as follows:

Lien Date	January 1 st	
Levy Date	July 1 st	
Due Date	First Installment – November 1 st	Second Installment – March 1 st
Delinquent Date	First Installment – December 11 th	Second Installment – April 11 th

Taxes are collected by Los Angeles County and are remitted to the City periodically. Dates and percentages are as follows:

December 10 th	30% Advance	May 15 th	Collection No. 2
January 16 th	Collection No. 1	July 31 st	Collection No. 3
April 10 th	10% Advance		

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently reports deferred outflows as a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. See Notes 8 and 9 for more information.

In addition to liabilities, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently reports deferred inflows as a result of the City's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

M) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position.

N) Non-major Deficit Fund Balances

The non-major Special Revenue CDBG and Prop 1B funds have deficit fund balances of \$5,440 and \$11,584, respectively, as of June 30, 2018. These deficits will be eliminated when future revenues are recognized.

O) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

GASB 83 - Certain Asset Retirement Obligations: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB 84 - Fiduciary Activities: This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB 87 – Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 88 – Certain Disclosures Related to Debt: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 90 – Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB 91 – Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

P) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Maywood's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 11,201,494
Cash and Investments Held by Bond Trustee	266,074
Statement of Fiduciary Net Position:	
Cash and Investments	<u>1,527,578</u>
Total Cash and Investments	<u>\$ 12,995,146</u>

Cash and Investments consist of the following:

Petty Cash	\$ 300
Deposits with Financial Institutions	12,710,514
Investments	<u>284,332</u>
Total Cash and Investments	<u>\$ 12,995,146</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS – Continued

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	2 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Certificates of Deposit	Yes	2 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Repurchase Agreements	270 days	None	None
Investment Contracts	30 years	None	None
Municipal Obligations	None	None	None

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS – Continued

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 36 Months	36 to 60 Months	More Than 60 Months
LAIF	\$ 18,258	\$ 18,258	\$ -	\$ -	\$ -
Held by Fiscal Agent:					
Money Market Funds	266,074	266,074	-	-	-
Total	\$ 284,332	\$ 284,332	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total Investment	Minimum Legal Rating	Rating as of Year End		
			AAA/AA	Aa	Not Rated
LAIF	\$ 18,258	N/A	\$ -	\$ -	\$ 18,258
Held by Fiscal Agent:					
Money Market Funds	266,074	N/A	266,074	-	-
Total	\$ 284,332		\$ 266,074	\$ -	\$ 18,258

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

2) CASH AND INVESTMENTS – Continued

value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2018, no deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. LAIF and money market funds are not subject to the fair value hierarchy and therefore, the City has no investments that are subject to the recurring fair value measurements.

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Current interfund receivables and payables as of June 30, 2018 are as follows:

		DUE FROM		
		Street Projects Fund	Non-major Governmental Funds	Total
DUE TO	General Fund	\$ 115,536	\$ 48,575	\$ 164,111
	Total	<u>\$ 115,536</u>	<u>\$ 48,575</u>	<u>\$ 164,111</u>

The purpose of these short-term interfund borrowings was to cover cash deficits at June 30, 2018.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

Payable to Successor Agency

The payable to the Successor Agency of \$2,600,000 in the General Fund and the Statement of Net Position is a result of repayments made by the Successor Agency to the City of Maywood. The California State Controller's Office reviewed asset transfers by the former Community Development Commission and Successor Agency and determined these repayments were not eligible under state law and are subject to repayment by the City to the Successor Agency. Therefore, a liability has been recorded in the General Fund and Statement of Net Position. Given the City's current financial condition, the City does not have the ability to repay the Successor Agency at this time. As a result, the receivable in the Successor Agency Private-purpose Trust Fund of \$2,600,000 is offset with an allowance for doubtful accounts of \$2,600,000.

4) CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,247,570	\$ -	\$ -	\$ 5,247,570
Construction in Progress	33,559	392,297	(67,580)	358,276
Total Capital Assets, Not Depreciated:	5,281,129	392,297	(67,580)	5,605,846
Capital Assets Being Depreciated:				
Buildings	13,035,914	-	-	13,035,914
Land Improvements	88,803	-	-	88,803
Machinery and Equipment	719,257	16,317	-	735,574
Vehicles	393,923	63,691	-	457,614
Infrastructure	50,581,461	99,508	-	50,680,969
Total Capital Assets, Depreciated:	64,819,358	179,516	-	64,998,874
Less Accumulated Depreciation:				
Buildings	(3,543,885)	(258,107)	-	(3,801,992)
Land Improvements	(54,801)	(2,955)	-	(57,756)
Machinery and Equipment	(670,470)	(12,769)	-	(683,239)
Vehicles	(297,761)	(13,539)	-	(311,300)
Infrastructure	(32,088,845)	(1,210,588)	-	(33,299,433)
Total Accumulated Depreciation	(36,655,762)	(1,497,958)	-	(38,153,720)
Net Capital Assets, Depreciated	28,163,596	(1,318,442)	-	26,845,154
Total Capital Assets, Net	\$ 33,444,725	\$ (926,145)	\$ (67,580)	\$ 32,451,000

Depreciation expense was charged in the following functions in the Statement of Activities:

General Government	\$ 96,431
Public Works	1,288,559
Public Safety	13,381
Parks and Recreation	99,587
Total	<u>\$ 1,497,958</u>

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

5) LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2018 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
2008 Refunding Bonds	\$ 2,840,000	\$ -	\$ 55,000	\$ 2,785,000	\$ 60,000
Net Pension Liability	15,810,172	1,623,583	-	17,433,755	-
Total OPEB Liability	-	3,201,669	326,259	2,875,410	-
Payable to CalPERS	1,365,206	-	1,365,206	-	-
Compensated Absences	28,537	28,537	11,778	45,296	25,350
Claims Liability	9,944,927	232,000	254,576	9,922,351	-
Total Governmental Activities	<u>\$ 29,988,842</u>	<u>\$ 5,085,789</u>	<u>\$ 2,012,819</u>	<u>\$ 33,061,812</u>	<u>\$ 85,350</u>

2008 Lease Revenue Refunding Bonds, Series A

On November 18, 2008, the Maywood Public Financing Authority of the City of Maywood issued \$3,185,000 in Lease Revenue Refunding Bonds, Series A. The 2008 series was used to advance refund the Authority's 1999 Certificates of Participation of \$2,540,000. The 2008 Lease Revenue Refunding Bonds, Series A will mature September 1, 2038. Interest on the 2008 Lease Revenue Refunding Bonds is payable on March 1 and September 1 of each year. The bonds accrue interest at rates that range from 6.50% to 7.00% annually. Future principal and interest payments on the 2008 Refunding Bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2019	\$ 60,000	\$ 192,700	\$ 252,700
2020	65,000	188,475	253,475
2021	70,000	183,750	253,750
2022	75,000	178,675	253,675
2023	80,000	173,250	253,250
2024 - 2028	495,000	770,875	1,265,875
2029 - 3033	700,000	563,500	1,263,500
2034 - 2038	995,000	270,025	1,265,025
2039	245,000	8,575	253,575
Totals	<u>\$ 2,785,000</u>	<u>\$ 2,529,825</u>	<u>\$ 5,314,825</u>

6) FIDUCIARY FUND LONG-TERM DEBT

2017A-1, 2017A-2, and 2017B Tax Allocation Refunding Bonds

In October 2017, the Successor Agency issued the 2017A-1, 2017A-2, and 2017B Tax Allocation Refunding Bonds in the amounts of \$13,698,439, \$174,073 and \$1,528,071, respectively, totaling \$15,400,583. The purpose of the bonds was to advance refund the 2007 Tax Allocation Bonds. The 2007 Tax Allocation Bonds were used to refund the former Community Development Commission's Variable Rate Demand Tax Allocation Bonds that were issued to fund certain redevelopment projects within the project area including property acquisitions, sewer improvements, street improvements, and recreational improvements. The 2017 bonds

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

6) FIDUCIARY FUND LONG-TERM DEBT - Continued

mature on August 1, 2037. Interest on the bonds is payable semi-annually on February 1 and August 1 of each year. The long-term debt is reported in the Successor Agency Private-purpose Trust Fund in the Statement of Fiduciary Net Position.

The Successor Agency refunded the 2007 Tax Allocation Bonds to reduce total debt service payments by approximately \$2,512,421, and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$456,347. Future principal and interest payment on the 2017 Tax Allocation Refunding Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 466,281	\$ 603,424	\$ 1,069,705
2020	538,668	581,525	1,120,193
2021	561,997	557,693	1,119,690
2022	586,333	533,734	1,120,067
2023	609,914	509,928	1,119,842
2024	633,944	485,424	1,119,368
2025	658,922	459,955	1,118,877
2026	684,883	433,482	1,118,365
2027	711,867	405,966	1,117,833
2028	739,915	377,366	1,117,281
2029	769,068	347,639	1,116,707
2030	799,369	316,741	1,116,110
2031	830,864	284,625	1,115,489
2032	863,600	251,244	1,114,844
2033	897,626	216,548	1,114,174
2034	932,992	180,485	1,113,477
2035	969,752	143,001	1,112,753
2036	1,007,961	104,040	1,112,001
2037	1,047,674	63,544	1,111,218
2038	1,088,953	21,452	1,110,405
Totals	<u>\$ 15,400,583</u>	<u>\$ 6,877,817</u>	<u>\$ 22,278,400</u>

7) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City uses the General Fund to account for and finance the related risks.

As of June 30, 2010, the City of Maywood was a member of the California Joint Powers Insurance Agency (Authority). The Authority is composed of various California Public Entities and is organized under a joint powers agreement pursuant to California Government Code 6500 et seq.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

7) RISK MANAGEMENT - Continued

The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee. A significant portion of the claims liability listed below is a result of the City's previous participation in the Authority's programs.

Subsequent to June 30, 2010, for workers' compensation the City has purchased coverage through the State Compensation Insurance Fund. In addition, the City has purchased insurance policies for the following exposures with the deductible or the amount of risk retention indicated in parenthesis: public employee dishonesty, etc. (\$25,000 deductible); general liability insurance policy (City retains risks up to \$500,000); property loss or damage (\$10,000 deductible/\$25,000 deductible for flood).

Liabilities are reported in the Statement of Net position when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as, inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends, and other economic and social factors.

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year. Changes in the balance of claims liabilities during the past two years are as follows:

<u>Fiscal Year</u>	<u>Claims Payable Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Claims Payable End of Year</u>
6/30/17	\$ 10,200,539	\$ -	\$ (255,612)	\$ 9,944,927
6/30/18	9,944,927	232,000	(254,576)	9,922,351

8) CITY EMPLOYEE RETIREMENT PLANS

General Information about the Defined Benefit Pension Plan

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police) and a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

8) CITY EMPLOYEE RETIREMENT PLANS - Continued

The City sponsors three rate plans (two miscellaneous and one safety-inactive). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2016 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2016 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

The Plan's provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA	Safety
	Prior to January 1, 2013	On or after January 1, 2013	Prior to June 1, 2007
Hire date			
Benefit formula	2% @ 55	2% @ 62	3% @ 50
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	62	50
Monthly benefits, as a % of eligible compensation	2%	2%	3%
Required employee contribution rates	7%	6.25%	n/a
Required employer contribution rates	8.921% + \$117,539	6.533% + \$7	n/a + \$914,909

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$1,032,055 in fiscal year 2018. The City's contributions to the Plan for the year ended June 30, 2018 were \$1,093,578.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the City reported a liability of \$17,433,755 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

8) CITY EMPLOYEE RETIREMENT PLANS - Continued

June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability as of June 30, 2016 and 2017 was as follows:

Proportion - June 30, 2016	0.18271%
Proportion - June 30, 2017	0.17579%
Change - Increase (Decrease)	-0.00692%

For the year ended June 30, 2018, the City recognized pension expense of \$1,616,175. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,093,578	\$ -
Differences between actual and expected experience	6,064	-
Changes in assumptions	1,760,078	-
Change in employer's proportion and differences	-	506,514
Differences between the employer's contributions and the employer's proportionate share of contributions	-	220,480
Net differences between projected and actual earnings on plan investments	420,263	-
Total	<u>\$ 3,279,983</u>	<u>\$ 726,994</u>

The \$1,093,578 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2019	\$ 124,895
2020	972,622
2021	608,918
2022	(247,024)
2023	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

8) CITY EMPLOYEE RETIREMENT PLANS - Continued

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depends on entry age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach.

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

8) CITY EMPLOYEE RETIREMENT PLANS - Continued

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	-0.40%	-0.90%

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 23,726,333
Current Discount Rate	7.15%
Net Pension Liability	\$ 17,433,755
1% Increase	8.15%
Net Pension Liability	\$ 12,269,470

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Long-term Payment Agreement to CalPERS

In 2016, the City entered into an agreement to pay \$2,730,412 to the California Public Employees' Retirement System (CalPERS) with payments beginning in January 2017 with the final payment to be made in May 2018. The payable is the result of the City not paying the required contributions for the inactive safety plan over several years. The final payment of \$1,365,206 was paid during the fiscal year and the balance is now paid in full.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018**

9) OTHER POST EMPLOYMENT BENEFITS

Plan Description – The City provides the same medical plans to retirees and surviving spouses as to its active employees, with the exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer. The plan is a single-employer defined benefit post-employment healthcare benefits plan.

Benefits Provided - Employees are eligible for retiree health benefits if they retire from the City on or after age 50 and 5 years of service (age 52 for Miscellaneous PEPPRA employees), and continue health insurance through a City-sponsored health insurance plan, the City will contribute the minimum monthly amount (as required by CalPERS) of the health insurance premium (\$128 and \$133 for the calendar years 2017 and 2018 respectively). In addition, there are currently 10 retirees receiving OPEB, benefits end at the age of 65 for 6 of them and 4 of them are receiving lifetime benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The City's health plan does not issue a publicly available financial report.

Employees Covered by Benefit Terms – As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	20
Active employees	17
	<u>37</u>

Contributions – The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employees and may be amended by agreements between the City and the bargaining units. The annual contributions to the Plan are based on the costs to provide the benefits as described above on a pay as you go basis. For the fiscal year ended June 30, 2018, the City's pay-as-you-go costs were \$130,457.

Total OPEB Liability - The City's total OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated June 30, 2018, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	CalPERS 1997-2015 Experience Study; Scale MP-2018 for post-retirement mortality
Health Care Trend Rate	Non-Medicare 7.5% initial, 4.0% ultimate, Medicare 6.5% initial, 4.0% ultimate
Inflation Rate	2.75%
Participation at Retirement	50% of eligible actives will elect coverage at retirement
Salary Changes	3.00%
Discount Rate	3.58% - Bond Buyer 20-Bond GO index
Medical CPI	4.25% - used to project PERS statutory minimum benefit

Discount Rate – The discount rate used to measure the total OPEB liability was 3.58 percent and is based on the Bond Buyer 20-Bond GO index.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

9) OTHER POST EMPLOYMENT BENEFITS - Continued

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2016	\$ 3,201,269
Changes in the year:	
Service cost	29,886
Interest on the total OPEB liability	90,247
Differences between expected and actual experience	-
Assumption Changes	(316,354)
Benefit payments, including refunds	(130,038)
Net changes	(326,259)
Balance at June 30, 2017	\$ 2,875,010

Sensitivity of the Total OPEB Liability to changes in the Discount Rate - The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability (asset)	\$ 3,324,791	\$ 2,875,410	\$ 2,524,671

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the Total OPEB liability of the City, as well as what the City's Total OPEB Liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB liability (asset)	\$ 2,577,716	\$ 2,875,410	\$ 3,273,315

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2018, the City recognized OPEB expense of \$67,565. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	\$ 130,457	\$ -
Changes of Assumptions	-	263,628
Net differences between projected and actual earnings on plan investments	-	-
Total	\$ 130,457	\$ 263,628

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

9) OTHER POST EMPLOYMENT BENEFITS - Continued

The \$130,457 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as follows:

Year Ending June 30,		
2019	\$	(52,726)
2020		(52,726)
2021		(52,726)
2022		(52,726)
2023		(52,724)
Thereafter		-

10) CITY'S FINANCIAL CONDITION AND MANAGEMENT'S PLANS

General Fund of the City of Maywood

The General Fund is typically the focal point in analyzing the financial health of the City because the General Fund is expected to be able to cover both its costs and to act as a financial backstop for other funds in the event of an insufficiency with respect to the other funds. As of June 30, 2018, the General Fund has an unassigned fund balance of \$1,565,885. However, due to the measurement focus of the General Fund, the fund balance does not take into account the approximately \$9 million in claims liabilities payable to CJPIA (see Note 7). Also, as described in Note 3, in prior years, the former Community Development Commission made repayments of \$2,600,000 to the City's General Fund. The State has determined these repayments will need to be returned to the Successor Agency, in accordance with State law.

In addition, a deficit unrestricted net position of \$24.0 million is reported in the Statement of Net Position, Governmental Activities.

Management's Plan to Improve the City's Financial Position

The issues of uncertainties regarding future operations, as noted in the Independent Auditor's report, have been an ongoing finding in prior fiscal year Auditor's reports. This ongoing concern was a result of both economic factors and financial decisions made in prior administrations which lead to the disbandment of the City in 2010. In April 2016, the City started its road to financial recovery by hiring permanent staff and rebuilding the internal organizational framework of the City. This long recovery process is both a challenge and a success to both residents and the City Council. In the rebuilding process, staff recognizes the hard work and dedication needed to bring the City back to full recovery that might take years to accomplish. We are proud of our employees who have accepted the challenges and vision to help the City recover to financial stability.

The City understands that it is essential that governments maintain adequate levels of fund balances to mitigate current and future risks (i.e. revenue shortfalls and/or unanticipated expenditures). The City has adopted austerity measures to reduce the structural deficit in response to the State Audit Report, as a result, there's a measurable effect on reduced expenditures and debt. For example, this is the third consecutive year that the City of Maywood is reporting a positive unassigned fund balance in our general fund.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

10) CITY'S FINANCIAL CONDITION AND MANAGEMENT'S PLANS - Continued

Although the positive unassigned fund balance does not take into account the measurement focus of the claims liability payable to CJPIA (Note 7), and the payable to the former Community Development Commission (Note 3), the City is working with all agencies to fulfill its financial obligations; to eliminate the non-bonded debt, build general fund reserves and ensure financial stability for the future of Maywood.

The Interim City Manager, under the direction of the City Council, is fully committed to strengthen the City's financial position, continue to provide essential services to our residents and establish financial credibility with outside agencies. In addition to our short-term projections and measures established in our annual budget, we are developing long-term financial planning and forecasting to better match our general fund revenue sources to our expenditures in anticipation of changes of financial trends. We are analyzing potential sources of revenue growth for long-term secure funding or reducing expenditures to match our revenues. For example, we are looking for ways to achieve greater long-term financial sustainability through such actions as:

- Incorporating longer-term financial focus through multi-year cash flow forecasting and budgets, and understanding sustainable long-term revenues and controlling expenditures.
- Building financial flexibility and lowering risk assessments to address emerging and unforeseen circumstance due to economic or financial conditions.
- Strategically managing debt and reserves to support municipal growth and services and infrastructure requirements in our community.

The Management Team, with the support of the City Council, is committed to continue applying prudent fiscal management practices and policies to address all financial matters that will affect current or future deficits in the general fund or future City services to the community.

The City initiated monthly payments to CJPIA (California Joint Power Insurance Authority) to express its commitment to the repayment of this \$ 9.9 million debt. The City Administrator met in January 2017 with representatives of CJPIA to discuss next steps and to review the City's progress in repayment of this debt and progress of sound risk management practices and principles. In October 2017 (previous City Administrator) and May 2019 (current City Manager) met with the insurance authority board regarding the current repayment status.

The City Manager is working with the CJPIA board members to regain liability and workers' compensation insurance coverage. Two phases have been identified as part of the process to regain insurance coverage. The City is currently working on meeting the different requirements stipulated by CJPIA board of director to complete phase I. Once the City is able to obtain insurance coverage from the insurance authority pool, the City will have better coverage and a lower cost as compared to the current commercial premiums and workers compensation insurance provided by the State. The savings resulting from the lower cost will then be used as additional payments on the insurance authority debt.

In November 2016, voters approved Proposition 64, a statewide initiative legalizing recreational use of pot for adults beginning in January 1, 2018. The measure permits cities to assess local taxes on cannabis businesses. In December 2016, an ordinance to permit medical marijuana businesses with certain zones in the City. In December 2017, the City began processing business license applications and conditional use permits for cannabis businesses (including cultivation, manufacturing, distribution and dispensary) meeting the qualifications and approval from the Planning Commission. The development agreement with cannabis business allows for a direct 6% tax that is expected to generate new revenues for the City.

City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018

10) CITY'S FINANCIAL CONDITION AND MANAGEMENT'S PLANS - Continued

In fiscal year 2016-17, the City hired two additional parking enforcement officers to enforce the City's parking regulations ordinance for the safety of the community and support the services provided. In fiscal year 2017-18, we expanded the department to include an additional part-time parking enforcement officer.

The City will continue to trade its available Prop A restricted funds with other cities in exchange of General Fund dollars at a favorable exchange rate for the City. Although this is considered one-time funds, we are reducing the reliance of this revenues to reduce the risk of a continued revenue funding for long-term financial balancing needs.

The city contracts with a vendor for sales tax analysis and tracking of all the businesses within the City that collect sales tax. The City has been able to identify businesses that do not have a business license or not renewed. The new sales tax tracking will assist in generating more sales tax for the City and provide vital trend information about the businesses in the City.

The City established a system to improve the Business License collection process requiring business owners to provide revenue documentation to determine the correct and accurate fee on their business license applications. This process was implemented in December of 2016, and will support the City by increasing the corresponding revenue. We are tracking this collection process to determine the effectiveness and compliance with businesses. This process is being implemented with many cities to effectively ensure fees are accurately calculated by the cities and revenues are accurately reported by businesses. This is considered the cost of doing business in a City and help offset the cost of providing this service.

Budgetary Control is an important piece to improve the City's financial status. As such, it is the primary priority of the Finance Department to continue delivering timely financial and budget reports for decision makers. The City has been making process and successful on implementing the different measures and recommendations made by the City and State Auditors and it's committed to improve the financial health of the General Fund. The City's Management Team is committed to continue working with the City Council on its course to improve the City's fiscal health.

11) TERMINATION BENEFITS PAYABLE

The \$200,000 termination benefit payable in the General Fund is the result of the former City Manager's employment contract being terminated in April 2016. The contract included a severance package of up to 18 months' salary, or \$270,000. The City, settled this with the former City Manager and subsequent to the end of the fiscal year paid \$200,000.

12) SUCCESSOR AGENCY PASS-THROUGH PAYABLE

The pass-through payable in the Successor Agency Private-purpose Trust Fund of \$258,369 is the result of a judicial determination between the Los Angeles Unified School District (LAUSD) and the County of Los Angeles. The amount owed is the portion that is due from the former Maywood Community Development Commission. It is anticipated these will be paid through future RPTTF revenues received by the Successor Agency.

**City of Maywood
Notes to Financial Statements
Year Ended June 30, 2018**

13) CONTINGENCIES

Los Angeles County District Attorney Investigation

On February 8, 2018, investigators with the Los Angeles County District Attorney's office (Public Integrity Division) served search warrants at City Hall, at properties of former and current members of the City Council and at the property of the city's general maintenance contractor. The records were requested pursuant to an ongoing investigation. It is unknown at this time what the outcome of the investigations will be. It is the opinion of Management that the investigations will have no impact on the City's financial statements.

14) PRIOR PERIOD ADJUSTMENTS

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, in fiscal year 2017-18. As a result, the beginning net position in the Statement of Activities was reduced by \$3,269,282.

In addition, the City recorded a restatement to increase the beginning net position in the Statement of Activities by \$54,417 for receivables that should have been recorded in the prior year. This is also an adjustment to the beginning fund balance of the Nonmajor Governmental Funds.

The net effect of the above adjustments was to reduce the beginning net position in the Statement of Activities by \$3,214,865.

REQUIRED SUPPLEMENTARY INFORMATION

**City of Maywood
Required Supplementary Information
Year Ended June 30, 2018**

**Schedule of Changes in Total OPEB Liability
And Related Ratios – Last Ten Fiscal Years***

	Measurement Period <u>2017</u>
Total OPEB Liability	
Service cost	\$ 29,886
Interest on total OPEB liability	90,247
Changes in assumptions	(316,354)
Changes in benefits	-
Benefit payments, including refunds	<u>(130,038)</u>
Net change in total OPEB liability	(326,259)
Total OPEB liability - beginning	3,201,669
Total OPEB liability - ending (a)	<u>\$ 2,875,410</u>
 Covered payroll	 \$ 799,045
Total OPEB liability as a percentage of covered payroll	 359.86%

*Fiscal year 2018 was the first year of implementation; therefore, not all 10 years of information is available.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

Benefit Changes: None

Changes in Assumptions: None

**City of Maywood
Required Supplementary Information
Year Ended June 30, 2018**

**Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Years***

<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a % of Payroll</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
2017	0.17579%	\$ 17,433,755	\$ 877,685	1986.33%	59.04%
2016	0.18271%	15,810,172	799,045	1978.63%	62.63%
2015	0.20124%	13,812,475	475,533	2904.63%	78.40%
2014	0.20141%	12,702,310	472,905	2686.02%	79.82%

Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: The discount rate for the 6/30/14 Valuation was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense. None for 6/30/15 Valuation. In 2017, the accounting discount rate changed from 7.65% to 7.15%.

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

**City of Maywood
Required Supplementary Information
Year Ended June 30, 2018**

**Schedule of Plan Contributions
Last 10 Years***

<u>Fiscal Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency/ (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2018	\$ 1,093,578	\$ (1,093,578)	\$ -	\$ 877,685	124.60%
2017	982,289	(982,289)	-	799,045	122.93%
2016	366,079	(366,079)	-	475,533	76.98%
2015	756,562	(49,725)	706,837	472,905	159.98%

Notes to the Schedule of Plan Contributions

Valuation Date: 6/30/2013, 6/30/2014, 6/30/2015, and 6/30/2016

*Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

City of Maywood
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,305,159	\$ 4,305,159	\$ 4,726,774	\$ 421,615
Licenses and Permits	736,404	736,404	1,014,857	278,453
Intergovernmental	2,620,000	2,620,000	3,542,053	922,053
Charges for Services	49,800	49,800	164,588	114,788
Use of Money and Property	73,000	73,000	89,296	16,296
Fines and Forfeitures	518,000	518,000	560,030	42,030
Legal Settlements	-	-	3,318	3,318
Miscellaneous	855,000	855,000	888,536	33,536
Total Revenues	9,157,363	9,157,363	10,989,452	1,832,089
EXPENDITURES				
Current:				
General Government	4,250,788	4,250,788	4,017,095	233,693
Public Safety	4,960,344	4,960,344	4,952,564	7,780
Community Development	834,118	834,118	703,537	130,581
Parks and Recreation	362,250	362,250	772,566	(410,316)
Debt Service:				
Principal	55,000	55,000	55,000	-
Interest and Fiscal Charges	196,440	196,440	196,438	2
Total Expenditures	10,658,940	10,658,940	10,843,678	(184,738)
Excess of Revenues Over (Under) Expenditures	(1,501,577)	(1,501,577)	145,774	1,647,351
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Change in Fund Balances	(1,501,577)	(1,501,577)	145,774	1,647,351
Fund Balances - Beginning of Year	1,729,424	1,729,424	1,729,424	
Fund Balances - End of Year	\$ 227,847	\$ 227,847	\$ 1,875,198	\$ 1,647,351

City of Maywood
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Gas Tax Special Revenue Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 579,490	\$ 579,490	\$ 757,113	\$ 177,623
Use of Money and Property	-	-	657	657
Total Revenues	579,490	579,490	757,770	178,280
EXPENDITURES				
Current:				
Public Works	708,033	708,033	918,396	(210,363)
Total Expenditures	708,033	708,033	918,396	(210,363)
Excess of Revenues Over (Under) Expenditures	(128,543)	(128,543)	(160,626)	(32,083)
Change in Fund Balances	(128,543)	(128,543)	(160,626)	(32,083)
Fund Balances - Beginning of Year	2,587,222	2,587,222	2,587,222	-
Fund Balances - End of Year	\$ 2,458,679	\$ 2,458,679	\$ 2,426,596	\$ (32,083)

City of Maywood
Notes to Required Supplementary Information
Year Ended June 30, 2018

BUDGETS AND BUDGETARY DATA

Before the beginning of the fiscal year, the Finance Director submits to the City Council a proposed budget for the year commencing the following July 1st. Public hearings are then conducted to obtain taxpayer comments and the budget is subsequently adopted through passage of a resolution.

All appropriated amounts are as originally adopted or as amended by the City Council and lapse at year-end. Encumbrances and continuing appropriations are rebudgeted on July 1st by Council action. Original appropriations may be modified by supplementary budget revisions and transfers among budget categories. The City Council approves all budget changes at the department level. The Finance Director is authorized to make budget transfers within departments. There were no significant budget amendments during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for the general fund, and certain special revenue, debt service and capital projects funds. Budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.

SUPPLEMENTARY INFORMATION

**City of Maywood
Nonmajor Governmental Funds
Year Ended June 30, 2018**

SPECIAL REVENUE FUNDS

CDBG - To account for the revenues and expenditures of the City's proportionate share of funds from the Housing and Community Development Authority for street improvements, housing programs and incentives, sidewalk repair program, fair housing, code enforcement, and other related projects.

Prop 1B - To account for the revenues and expenditures of Prop 1B activities.

Bikeway Grant - To account for the revenues and expenditures of the City's share of Transportation Development Act allocations restricted for design and construction of pedestrian and bicycle facilities and amenities.

Proposition C - To account for the revenues and expenditures of the City's proportionate share of funds from the Los Angeles County Metropolitan Transportation Authority funded by the ½ cent sales tax measure to be used for eligible project expenditures (such as management programs, bikeways and bike lanes, and pavement management systems).

Section 108 Loan - To account for revenues and expenditures related to the HUD Section 108 Loan.

Air Quality (AB2766/AQMD) - To account for the revenues and expenditures related to air pollution mitigation efforts.

STPL Local Fund - To account for the revenues and expenditures for local non-arterial street improvement projects.

Measure R - To account for the revenues received from Los Angeles County under Measure R that are to be used exclusively for transportation projects and improvements.

Proposition A - To account for the revenues and expenditures of the City's proportionate share of funds from the Metropolitan Transportation Authority funded by the ½ cent sales tax measure to be used exclusively to benefit public transit (such as fixed route and paratransit services and transportation demand management).

Measure M - To account for the "half-cent" local return revenues from the County-wide sales tax administered by Metro. These funds are to be used to pave local streets, potholes and traffic signals.

Public Safety Grants - To account for the revenues and expenditures of the City's grant funds to provide knowledge, resources products, and learning for police personnel.

Street Lighting - To account for the revenues of the City's special assessments and expenditures relating to lighting improvements.

**City of Maywood
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2018**

	Special Revenue			
	CDBG	Prop 1B	Bikeway Grant	Proposition C
ASSETS				
Cash and Investments	\$ -	\$ -	\$ 30,136	\$ 818,321
Receivables:				
Due from Other Governments	34,732	-	-	-
Total Assets	<u>\$ 34,732</u>	<u>\$ -</u>	<u>\$ 30,136</u>	<u>\$ 818,321</u>
LIABILITIES				
Accounts Payable	\$ 1,445	\$ -	\$ 15,340	\$ 86,518
Accrued Liabilities	1,662	-	-	302
Due to Other Funds	36,991	11,584	-	-
Total Liabilities	<u>40,098</u>	<u>11,584</u>	<u>15,340</u>	<u>86,820</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Grants	74	-	-	-
Total Deferred Inflows of Resources	<u>74</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	-	14,796	731,501
Unassigned	(5,440)	(11,584)	-	-
Total Fund Balances	<u>(5,440)</u>	<u>(11,584)</u>	<u>14,796</u>	<u>731,501</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 34,732</u>	<u>\$ -</u>	<u>\$ 30,136</u>	<u>\$ 818,321</u>

Special Revenue					
Section 108 Loan	Air Quality Improvement	STPL Local Fund	Measure R	Proposition A	Measure M
\$ 101,733	\$ 9,259	\$ 662,425	\$ 825,481	\$ 397,656	\$ 296,560
-	9,224	-	-	-	-
<u>\$ 101,733</u>	<u>\$ 18,483</u>	<u>\$ 662,425</u>	<u>\$ 825,481</u>	<u>\$ 397,656</u>	<u>\$ 296,560</u>
\$ -	\$ -	\$ -	\$ 46,909	\$ -	\$ -
-	-	-	559	-	-
-	-	-	-	-	-
-	-	-	47,468	-	-
-	-	-	-	-	-
-	-	-	-	-	-
101,733	18,483	662,425	778,013	397,656	296,560
-	-	-	-	-	-
<u>101,733</u>	<u>18,483</u>	<u>662,425</u>	<u>778,013</u>	<u>397,656</u>	<u>296,560</u>
<u>\$ 101,733</u>	<u>\$ 18,483</u>	<u>\$ 662,425</u>	<u>\$ 825,481</u>	<u>\$ 397,656</u>	<u>\$ 296,560</u>

CONTINUED

City of Maywood
Combining Balance Sheet
Non-Major Governmental Funds - Continued
June 30, 2018

	Special Revenue		
	Public Safety Grants	Street Lighting	Total
ASSETS			
Cash and Investments	\$ 5,634	\$ 690,846	\$ 3,838,051
Receivables:			
Due from Other Governments	-	4,899	48,855
Total Assets	<u>\$ 5,634</u>	<u>\$ 695,745</u>	<u>\$ 3,886,906</u>
LIABILITIES			
Accounts Payable	\$ 5,634	\$ 79,356	\$ 235,202
Accrued Liabilities	-	181	2,704
Due to Other Funds	-	-	48,575
Total Liabilities	<u>5,634</u>	<u>79,537</u>	<u>286,481</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Grants	-	-	74
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>74</u>
FUND BALANCES			
Restricted	-	616,208	3,617,375
Unassigned	-	-	(17,024)
Total Fund Balances	<u>-</u>	<u>616,208</u>	<u>3,600,351</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,634</u>	<u>\$ 695,745</u>	<u>\$ 3,886,906</u>

City of Maywood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2018

	Special Revenue			
	CDBG	Prop 1B	Bikeway Grant	Proposition C
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 434,879
Intergovernmental Revenue	361,713	-	-	-
Charges for Services	-	-	-	9,136
Use of Money and Property	-	-	43	986
Miscellaneous	-	-	-	-
Total Revenues	361,713	-	43	445,001
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Community Development	168,669	-	28,637	478,055
Parks and Recreation	-	-	-	-
Public Works	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	168,669	-	28,637	478,055
Excess (Deficiency) of Revenues Over Expenditures	193,044	-	(28,594)	(33,054)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	193,044	-	(28,594)	(33,054)
Fund Balances, Beginning of Year	(198,484)	(11,584)	(11,027)	764,555
Prior Period Adjustments	-	-	54,417	-
Fund Balances, End of Year	\$ (5,440)	\$ (11,584)	\$ 14,796	\$ 731,501

Special Revenue					
Section 108 Loan	Air Quality Improvement	STPL Local Fund	Measure R	Proposition A	Measure M
\$ -	\$ -	\$ -	\$ 327,020	\$ 526,376	\$ -
-	-	-	-	-	296,355
-	34,103	-	-	-	-
24	-	165	940	433	205
-	-	-	-	-	-
24	34,103	165	327,960	526,809	296,560
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	51,297	1,250,000	-
-	70,026	-	336,744	-	-
-	70,026	-	388,041	1,250,000	-
24	(35,923)	165	(60,081)	(723,191)	296,560
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24	(35,923)	165	(60,081)	(723,191)	296,560
101,709	54,406	662,260	838,094	1,120,847	-
-	-	-	-	-	-
\$ 101,733	\$ 18,483	\$ 662,425	\$ 778,013	\$ 397,656	\$ 296,560

CONTINUED

City of Maywood
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2018

	Special Revenue		
	Public Safety Grants	Street Lighting	Total
REVENUES			
Taxes	\$ -	\$ -	\$ 1,288,275
Intergovernmental Revenue	139,416	-	797,484
Charges for Services	-	173,060	216,299
Use of Money and Property	-	-	2,796
Miscellaneous	-	-	-
Total Revenues	139,416	173,060	2,304,854
EXPENDITURES			
Current:			
General Government	-	-	-
Public Safety	171,127	-	171,127
Community Development	-	-	675,361
Parks and Recreation	-	-	-
Public Works	-	215,577	1,516,874
Capital Outlay	-	-	406,770
Total Expenditures	171,127	215,577	2,770,132
Excess (Deficiency) of Revenues Over Expenditures	(31,711)	(42,517)	(465,278)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(31,711)	(42,517)	(465,278)
Fund Balances, Beginning of Year	31,711	658,725	4,011,212
Prior Period Adjustments	-	-	54,417
Fund Balances, End of Year	\$ -	\$ 616,208	\$ 3,600,351

City of Maywood
Statement of Changes in Assets and Liabilities
Agency Fund
Year Ended June 30, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and Investments	\$ 109,654	\$ 6	\$ -	\$ 109,660
Total Assets	<u>\$ 109,654</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 109,660</u>
LIABILITIES				
Deposits	\$ 109,654	\$ 6	\$ -	\$ 109,660
Total Liabilities	<u>\$ 109,654</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 109,660</u>

ATTACHMENT NO. 4



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

City Council
City of Maywood
Maywood, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Maywood (City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 17, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described as items 2018-001, 2018-003 and 2018-006 in the accompanying schedule of findings and responses to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described as items 2018-002, 2018-004, and 2018-005 in the accompanying schedule of findings and responses to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2018-003.

City of Maywood's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Van Lant + Fankhanel, LLP

September 17, 2019

CITY OF MAYWOOD
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018

2018-001 Timeliness and Accuracy of Accounting Records

Condition:

In preparation for the annual audit, the City's Finance staff performed significant analysis and reconciliations of various accounts in the City's general ledger. However, when we began our year-end audit fieldwork, it became apparent that certain accounts had not yet been thoroughly analyzed and reconciled to supporting records. This includes various receivables, unavailable revenue accounts, and capital assets. In addition, while performing audit procedures, we identified and proposed several material adjusting entries to the City's accounting records. Furthermore, *Statements on Auditing Standards No. 115, "Communicating Internal Control Related Matters Identified in an Audit"* states that "indicators of material weaknesses in internal control include: identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate the misstatement would not have been detected by the entity's internal control."

Reconciliation and review of all balance sheet accounts and various revenue and expenditure accounts on a recurring basis, and especially at year-end, is a vital part of maintaining the integrity of the accounting and financial reporting system. Periodic reconciliations of balance sheet and other selected accounts provide accurate data from which to base decisions, prevent costly errors and provide ease in identifying potential adjustments and corrections. If this is not done in a timely manner throughout the fiscal year, the year-end closing process tends to be more difficult and time-consuming, and may contribute to delays in issuing year-end reports. It should be noted, adjusting journal entries were being made to the City's accounting records as late as August 2019, approximately 12 months after the end of the fiscal year.

Criteria:

The City's management is responsible for establishing and maintaining effective internal controls over financial reporting to help ensure that appropriate goals and objectives are met. This responsibility includes the selection and application of accounting principles, ensuring that financial information is reliable and properly recorded, and evaluating and monitoring ongoing activities.

Cause of Condition:

Turnover in the Finance Department.

Potential Effect of Condition:

Material misstatements in the City's accounting records can go unnoticed without period and timely review of balance sheet accounts throughout the year and in a timely manner at year-end.

CITY OF MAYWOOD
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018

2018-001 Timeliness and Accuracy of Accounting Records - Continued

Recommendation:

Therefore, in order to maintain the integrity of the accounting and financial reporting system, and to ensure timely reporting, we recommend that all balance sheet accounts and other selected accounts be analyzed on a monthly, quarterly or other periodic basis as appropriate. We suggest a schedule of accounting functions to be performed monthly, quarterly, etc., be prepared with the provision for signing off by date and initials when the procedure is complete. We understand significant turnover in the finance department were contributing factors to the finding described above.

Client Response:

Management concurs with the auditor's recommendation. Finance will initiate a routine review on a monthly basis of all balance sheet and other selected accounts. Finance will undertake the reconciliations of general ledger accounts and the compilation of interim balance sheets that identify significant trends and issues.

**CITY OF MAYWOOD
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

2018-002 Capital Asset Disposals and Inventory

The following is a continuation of the prior year:

Condition:

Through our review of the City's policies and procedures, we found the City does not have a formal policy regarding the disposal of surplus City equipment and vehicles. Also, through our discussions with City staff, it appears that an inventory of City-owned capital assets has not been done for some time.

In addition, during the fiscal year, the City Council approved of the disposal of four vehicles. Through inquiry with City staff we were informed the vehicles were sold through a "closed auction" to the highest bidder, it appears that the closed auction was not open to the public. We were unable to obtain additional evidence on how the City advertised this auction because the employee in charge of the auction was no longer with the City.

Criteria:

In a strong internal control environment, policies should be established for the appropriate and transparent disposal of surplus property, vehicles, and equipment. The policy should provide clear guidance on the steps to be followed regarding surplus capital assets. This should include documentation of appropriate City Council authorization, and also require utilization of an open auction process, as applicable, to provide transparency in the disposal process.

In addition, procedures should be established to conduct inventories of City-owned vehicles and equipment on a periodic basis (annually, bi-annually). This will provide for increased internal controls over City-owned property.

Cause of Condition:

A surplus property disposal policy has not been established. In addition, City management has not provided direction to staff to conduct an inventory of City-owned assets.

Potential Effect of Condition:

Disposals of vehicles and equipment could be less than market value and the transparency of the process is diminished if a clear and defined process is not followed. Payments from the sale could be misappropriated.

CITY OF MAYWOOD
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018

2018-002 Capital Asset Disposals and Inventory - Continued

Recommendation:

We recommend the City develop and implement a policy for the disposal of surplus vehicles and equipment. The policy should clearly define the procedures to follow, including necessary approvals. In addition, the City should implement a provision to conduct an inventory of capital assets on an annual or bi-annual basis to increase controls over the misappropriation of capital assets.

Client Response:

Management concurs with the auditors' recommendation. Finance will begin drafting a policy for the recorded valuation assets when they are initially acquired, capitalization of assets in a manner that minimizes the cost and effort of record keeping, and the determination of any salvage value of surplus vehicles and equipment. Following this, Finance will begin drafting a policy for the disposal of capital assets that are no longer needed and/or are beyond their useful life. Procedures will then be developed to provide updated inventories of capital assets to respective Department Directors and the City Manager with recommendations regarding disposal of these assets using a method that will return the most benefit to the City and on such terms and conditions deemed to be most appropriate and in the best interests of the City.

**CITY OF MAYWOOD
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

2018-003 General Maintenance Services Contract

The following is a continuation from the prior year:

Condition:

While performing audit procedures we selected various disbursements to review for appropriateness and reasonableness in relation to the City's activities. We selected payments to a contractor hired by the City to perform general maintenance services, V&M Ironworks. During the year, the City paid this vendor approximately \$750,000. Although it appears the City went through a competitive procurement process and the contract was approved by City Council on September 14, 2016, V&M Ironworks was the sole bidder and the scope of services appears to be very broad. In addition, there was no contract maximum included in the agreement. Through our review of the invoices we found the City paid for various services that included street striping, sidewalk repair, along with janitorial services at City parks.

The services described above may be included in or interpreted to be included within the scope of services with this vendor; however, the City may benefit by performing a separate competitive bidding process for larger projects (street striping, City Hall renovations, sidewalk repair, etc.).

It should also be noted, based on our review of the December 2017 invoice, the supporting documentation includes handwritten timesheets, for each vendor employee working for the City. In total, this vendor charged 1,208 hours to the City of Maywood for the month of November 2017. It is unclear how the City can effectively oversee and review the significant number of hours and projects this vendor is working on. For example, City staff gave no indication that the totals (hours and materials) charged on the invoices were reconciled to the supporting timesheets, materials invoices, etc.

Also, the City accrued a payment to this vendor as of June 30, 2017 (payment made in October 2017) for \$53,640 for work described as performed in May 2010, more than 7 years earlier. Although this payment was approved by City Council on October 11, 2017, it raises questions as to why this issue was not corrected in a more timely manner (7 years later).

Criteria:

The City has established purchasing policies to ensure competitive pricing for various projects undertaken and services procured. It is difficult to determine, based on the size and scope of the agreement with V&M Ironworks, if the City is in compliance with its established purchasing policies. The City should establish contract maximums for amounts to be charged to the contract; for example, a not-to-exceed cost.

**CITY OF MAYWOOD
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

2018-003 General Maintenance Services Contract - Continued

In addition, in a strong internal control environment, procedures should be established to sufficiently review the detail of invoices and verify the supporting documentation reconciles to the total charges.

Also, the payment to V&M Ironworks of \$53,640 for work performed approximately 7 years earlier is an unusual transaction that should have gone through a legal review to determine the City's obligation to pay.

Cause of Condition:

City's agreement with the vendor is broad and does not contain a not-to-exceed maximum. The City did not provide evidence that a legal review was performed on a claim for payment of \$53,640 for work performed approximately 7 years earlier.

Potential Effect of Condition:

The vendor could charge significant hours to the City and be paid for costs that are not approved by City staff. In addition, there is no limit to the amount the vendor could charge the City. Also, the City may not be obligated to pay for work performed more than 7 years ago.

Recommendation:

We recommend the City review the agreement for general maintenance services and determine if the services included in this agreement could be separated and competitively bid in order to involve additional qualified vendors competitively bidding on the projects. In addition, the City should establish monthly project maximums, either on an hourly or cost basis to ensure sufficient controls over the activities for which the vendor is responsible.

Also, the City should establish procedures and thoroughly document the conclusions reached and the City's obligation to pay old invoices. This process should clearly document a legal review and decision by the City's attorney indicating a recommendation to pay.

Client Response:

Management concurs with auditors' recommendation. The City will begin developing a plan to formalize encumbrances that will serve as the "funding document" for contracts, agreements, or Memorandum of Understandings (MOUs). The City will assess Sections 3-4.05 - *Purchase orders; Encumbrance of funds* and 3-4.07 - *Bidding procedure* and 3-4.08 - *Award of professional service contracts* and 3-4.10 - *Formal bidding procedures* specified in the Municipal Code to establish procedures for: a) writing, reviewing and approving the scope of work; b) preparing bid or request for proposal solicitations; c) identifying the basis of the contract price for goods and services to be received; and d) working with the City Attorney in developing "not to exceed" requirements and other applicable clauses within contracts.

**CITY OF MAYWOOD
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

2018-004 Building Permits

Condition:

While performing audit procedures testing the building permits function, we were unable to recalculate a sample of the building permits selected. We tested the amounts charged on the building permits selected to the fee schedule adopted by City Council in 2016, however, we were unable to recalculate the fees in accordance with this fee schedule.

Criteria:

Fees for building permits should be charged in accordance with fee schedules adopted by the governing body.

Cause of Condition:

The City has not established controls to ensure that newly adopted rates are input into the building permits system. In addition, there are no procedures established to recalculate the fees after input or throughout the year to ensure the system is calculating the fees as desired.

Potential Effect of Condition:

The City could be undercharging for building permit fees, leading to lost revenues.

Recommendation:

We recommend the City input the rates as adopted by City Council and recalculate perform tests to ensure the fees for building permits are being properly charged.

Client Response:

Management concurs with the auditors' recommendation. The Community Development Department will begin developing a process: 1) verify that the correct building permit fee amount within the Hinderliter, de Llamas & Associates (HdL) Building Permits application is current and correct and 2) taking a sample of some building permits fees and validating the calculations produced by calculating them on a spreadsheet to determine whether the results were the same. Community Development Department will then report any discrepancies its findings to Hinderliter, de Llamas & Associates (HdL) to implement any corrections or modifications.

CITY OF MAYWOOD
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018

2018-005 Issuance of Building Permits

Condition:

The City's building permit system is an HdL permit software, separate from the City's general ledger accounting system. Payments for building permits are collected by the cashiers through the cash receipting system. The fees are calculated by the Building Official and the individual must pay at the cashier. However, there is no reconciliation being done between the permits issued and the revenues collected and posted to the general ledger for building permits.

Criteria:

In a strong internal control environment, permits issued should be reconciled with the revenues collected and recorded in the general ledger on a periodic basis to verify all permits issued have a corresponding cash receipt.

Cause of Condition:

The City does not reconcile the building permits issued to the revenues collected and recorded in the general ledger.

Potential Effect of Condition:

Building permits could be issued without a corresponding cash receipt being recorded in the City's general ledger and deposit in the City's bank account.

Recommendation:

We recommend the City implement a procedure to generate reports from the building permit module, periodically (daily, weekly, monthly) and have someone independent of the permit issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger.

Client Response:

Management concurs with the auditors' recommendation. Finance will begin developing a process to reconcile the data from the Hinderliter, de Llamas & Associates (HdL) Building Permits application and against the building receipts from the Abila MIP Fund Accounting application. Finance will also verify and validate the amounts of the fees that were charged and recorded reflect the current fee schedule. Finance will then develop a process to report its findings to the Community Development Department to implement any corrections or modifications.

**CITY OF MAYWOOD
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

2018-006 Temporary Parking Permits

Condition:

On June 14, 2017, the City Council approved through a vote, the removal of the overnight parking permit machines. This took away the ability for residents and visitors to purchase permits for overnight parking. No resolution was adopted for this. The City had established overnight parking permits in previous fiscal years that produced approximately \$230,000 in revenues in the 2016-17 fiscal year.

Criteria:

The City has had an unfavorable financial condition over the last several years, including not being able to pay down certain long-term liabilities, including claims liabilities and amounts payable to the Successor Agency. The suspension of a revenue stream of approximately \$230,000 causes a decrease in revenues when the City is working to improve its financial condition.

Potential Effect of Condition:

The loss of revenues could further delay the City's progress towards financial health.

Recommendation:

The City should review the process by which Council decisions are approved to ensure they are in accordance with the City's ordinances. In addition, the City should ensure that decisions that negatively impact the financial condition are discussed to determine if other alternatives for revenue sources are available.

Client Response:

Management concurs with the auditors' recommendation. There will be analysis in the fiscal impact portion of staff reports so that the City Council can consider the impacts of policy decisions.

ATTACHMENT NO. 5

September 17, 2019

City Council
City of Maywood
Maywood, CA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Maywood for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 25, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year, except for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimates for the net pension and total OPEB liabilities is based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office, and other sources. We evaluated the key factors and assumptions to develop these liabilities are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 4 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of the City's Financial Condition and Management's Plans in Note 10 contains information regarding the current financial condition of the General Fund and also management's plans to improve the financial condition. In addition, see the "Emphasis of Matter" regarding the City's financial condition on the auditor's report. This paragraph is a modification to a standard audit report as a result of the financial condition of the City's General Fund.

The disclosures for the net pension and total OPEB liabilities in Notes 8 and 9 to the financial statements are based on assumptions for discount rates, which could differ from actual experience. The notes disclose the differences in these liabilities if different assumptions are used in estimating these liabilities.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management:

- (1) Adjustments were made to capital assets.
- (2) Adjustments were made to record additional accounts receivable at year-end.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 17, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Findings and Recommendations:

In addition to our audit opinion on the financial statements, we issued our "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*" dated September 17, 2019, in which we identified material weaknesses and significant deficiencies in internal controls as well as other matters that are required to be reported.

Other Matters

We applied certain limited procedures to the required supplementary information, as listed in the City's financial statements, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (e.g., budgetary schedules, combining statements, individual fund statements), which accompany the financial statements but

are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Van Lant & Fankhauser, LLP



CITY COUNCIL STAFF REPORT

DATE: OCTOBER 9, 2019

TO: HONORABLE MAYOR, AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER E. VASQUEZ, CITY MANAGER *JV*

BY: *DM* DAVID MANGO, DIRECTOR OF BUILDING AND PLANNING

RE: PUBLIC HEARING TO CONSIDER ORDINANCE 19-06 AMENDING THE MAYWOOD ZONING ORDINANCE TO IMPLEMENT THE CITY'S HOUSING ELEMENT BY ESTABLISHING DEFINITIONS, DESIGNATING USES, AND ADOPTING LOCAL PLANNING AND APPROVAL REQUIREMENTS FOR SENIOR AND AFFORDABLE HOUSING, DENSITY BONUSES, AND EMERGENCY SHELTERS, AND MAKING A FINDING OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

RECOMMENDATION

Staff recommends that the City Council open the public hearing for comments and consider waiving full reading of Ordinance No. 19-06 and introduce and give first reading of Ordinance No. 19-06, by title only, as follows: "An Ordinance of the City of Maywood Amending the Maywood Zoning Ordinance to Implement the City's Housing Element by Establishing Definitions, Designating Uses, and Adopting Local Planning and Approval Requirements for Senior and Affordable Housing, Density Bonuses, and Emergency Shelters" and make a finding of exemption under the California Environmental Quality Act.

FISCAL IMPACT

There is no fiscal impact associated with the approval of this ordinance. However, the changes proposed in ordinance 19-06 are required to implement the City's Housing

Element. Failure to adopt a Housing Element that will be subsequently certified by the California Department of Housing and Community Development before November 30, 2019, will result in the loss of \$162,000 in SB-2 grant funding.

LEGAL REVIEW

The City Attorney has reviewed this report.

BACKGROUND

The State of California (State) requires that all jurisdictions adopt a General Plan. A General Plan provides a vision for a city's future and directs policy decisions that guide future growth and development of the particular community. The chapters of a General Plan are called "elements." State law requires that General Plans include eight elements, summarized below:

- **Land Use:** The Land Use Element designates the type, intensity, and general distribution of uses of land.
- **Circulation:** The Circulation Element is correlated with the land use element and identifies the general location and extent of existing and proposed roads, utilities, and facilities.
- **Conservation:** The Conservation Element addresses the conservation, development, and use of natural resources, including water, air quality, and energy; biological resources, such as plants and wildlife; and cultural and historical resources.
- **Open Space:** The Open Space Element details plans and measures for the long-range preservation and conservation of open space lands, including open space for the preservation of natural resources, the managed production of resources, outdoor recreation, and public health and safety.
- **Noise:** The Noise Element identifies and appraises noise problems within the community and informs land use distribution.
- **Safety:** The Safety Element establishes policies and programs to protect the community from risks associated with natural and human-made hazards, including seismic, geologic, flood, and wildfire hazards.
- **Environmental Justice:** The Environmental Justice Element is a newly required element. It differs from other General Plan elements because it only applies to jurisdictions with "disadvantaged communities" and requires those jurisdictions to identify objectives and policies to reduce the unique or compounded health risks found in these communities. Maywood is a disadvantaged community and will be required to prepare an Environmental Justice Element when the City's General Plan is updated.
- **Housing Element:** The State requires that all local governments adequately "plan" to meet the housing needs of everyone in each jurisdiction. Each jurisdiction must

demonstrate land use capacity to accommodate its share of the region's housing needs—this “share” is called the Regional Housing Needs Allocation (RHNA), which is determined by the State's Metropolitan Planning Organizations (MPOs). The MPO that Maywood is part of is the Southern California Association of Governments (SCAG). Local governments meet this requirement by adopting housing plans as part of their General Plan, also required by the State. State law mandating that housing be included as an element of each jurisdiction's General Plan is known as “housing element law.” California Department of Housing and Community Development (HCD) reviews each jurisdiction's Housing Element for consistency with State housing element law. An element is “certified” if HCD finds it to be consistent; if not, HCD issues written findings that identify changes that must be made for HCD to certify the Housing Element. In some cases, funding from state/federal housing programs can *only* be accessed if the jurisdiction has a compliant Housing Element.

Status of Maywood's Housing Element: Housing Elements must be completed, submitted, and certified by HCD within timeframes established by the State; these are referred to as Housing Element “cycles.” The 5th cycle for Maywood covers the time period from 2013-2021. The City submitted the draft Housing Element to HCD in January of 2014. In a response letter, HCD acknowledged receipt of the draft element, but notified the City that it would not be found in full compliance until “Maywood amends its zoning ordinance to permit year-round emergency shelter(s) without discretionary action.” Along with the emergency shelter deficiency, HCD also requested:

- That adequate sites would need to be zoned or rezoned to address any portion of unaccommodated need (RHNA).
- That the sites inventory in the draft element realistic capacity and suitability for development of vacant and non-vacant sites.
- That the City provide a timeline for implementation of housing programs to meet unaccommodated need.
- That the City amend zoning to allow the siting and permit process for manufactured housing in the same manner as conventional stick-built house.
- Further comments included the need to provide quantified objectives for housing production by income category and the need for public input.

Despite this notification of non-compliance, the City adopted the draft Housing Element in February of 2014 without making any revisions to address the findings. In February of 2019 a revised draft was submitted to HCD. This draft failed to address the 2014 findings, so in consultation with HCD, the City procured a more qualified consultant (Veronica Tam & Associates Inc.) to prepare the current draft element.

On August 12, 2019, a joint City Council/Planning Commission Study Session was held to discuss HCD's findings, which must be addressed to achieve a compliant Housing Element; consider Staff's recommendations; and provide direction to Staff.

In addition to making revisions to the draft Housing Element, the City must bring the zoning ordinance into compliance with current State law prior to the submittal of the 5th cycle Housing Element to HCD. HCD's key findings and the proposed revisions to the zoning ordinance (Ordinance 19-06) to address HCD's findings are discussed below.

On September 17, 2019, the Planning Commission held a duly noticed public hearing to amend the City's Zoning Ordinance to achieve a compliant Housing Element. The Planning Commission received public testimony and thereafter approved a resolution recommending that the City Council approve ordinance 19-06.

DISCUSSION

Each of HCD's three key findings is summarized below; each summary includes background information, a brief discussion of HCD's findings; and an overview of how the proposed Ordinance 19-06 (Attachment A) addresses HCD's findings.

1. UNACCOMMODATED HOUSING NEED FOR LOWER INCOME HOUSEHOLDS

Background: State law requires that Housing Elements include a parcel-specific inventory of sites ("sites inventory") that demonstrates the ability to accommodate each jurisdiction's unaccommodated housing need for lower income households. Maywood's unaccommodated need for the 5th cycle is 29 lower income units (18 very low and 11 low income households). The inventory must estimate the number of units that could be accommodated on each site based on existing zoning, existing uses, and known constraints; otherwise, the City must rezone within one year of adoption of the Housing Element to demonstrate compliance.

The State requires that the land included in the sites inventory be zoned for a minimum of 30 dwelling units per acre to facilitate lower income housing, and that the development be allowed by right (without discretionary review).

HCD Findings: HCD found the City's sites inventory to be inadequate because the residential density for R-3 (Multi-family Residential) and mixed use zones is a maximum of 20 dwelling units per acre; the City could not demonstrate that the unmet need could be accommodated; and the rezoning to accommodate the unmet need had not been completed within the required one-year time frame.

How the Proposed Zoning Ordinance Addresses HCD's Findings Regarding Unaccommodated Housing Need for the 5th Cycle: The City has an existing overlay (§4020—Residential, Specialty (R-S)) that allows senior citizen housing at a base density of 48 dwelling units per acre, although the City Council may determine actual density. The R-S overlay exists on 30 parcels, with two existing senior housing developments at densities of ±100 dwelling units per acre. Staff recommends

changing the existing R-S overlay to an R-SA (Residential, Senior and Affordable) overlay. As proposed, the R-SA overlay would:

- Continue to allow senior housing as a permitted use;
- Revise the base density for senior housing to 72 dwelling units per acre;
- Add housing affordable to lower-income households as a permitted use;
- Establish a base density of 48 dwelling units per acre by-right for affordable housing developments;
- Allow the density bonus provision (discussed in #2 below) to apply to the new R-SA overlay. (Note: If a developer requests the State-required density bonus for senior housing and also proposes that some or all of the senior housing dwelling units will be affordable, the State-required density bonuses will be additive for the senior units that are also affordable.)
- Allow rezoning to add the R-SA overlay to be initiated either by the City Council or by a developer.

Staff proposes that the revised R-SA overlay continue to apply to the properties that are currently zoned with the R-S overlay, and also recommends that existing Successor Agency owned properties be rezoned to include the R-SA overlay

2. DENSITY BONUS

Background: State law requires every jurisdiction to adopt an ordinance that complies with the State's law regarding density bonuses and other incentives. The City has an existing density bonus ordinance (§4025—Housing for Very Low Income

and Lower Income Households), but it has not been updated to remain current with State law.

HCD Finding: The City's existing density bonus ordinance (Housing for Very Low Income and Lower Income Households) must be updated to be consistent with State law.

How the Proposed Zoning Ordinance Addresses HCD's Findings Regarding Density Bonus: Staff recommends that §4025 (Housing for Very Low Income and Lower Income Households) be renamed "Density Bonus" for clarity and that it be updated to be consistent with the requirements of State density bonus law. The City Density Bonus Program does comply with State law in many areas. For instance, the Maywood program requires that the developer provides at least 20 percent of the total housing units for Lower Income Households, or 10 percent for Very Low Income Households, or 50 percent for qualifying Senior Citizen Household.

In contrast, the State Density Bonus Law is more inclusive. Incentives allowed under the State law include:

- At least 5% of the housing units are restricted to very low income residents.
- At least 10% of the housing units are restricted to lower income residents.
- At least 10% of the housing units in a for-sale common interest development are restricted to moderate income residents.
- At least 10% of the housing units are for transitional foster youth, disabled veterans or homeless persons, with rents restricted at the very low income level.
- The project donates at least one acre of land to the city or county for very low income units, and the land has the appropriate general plan designation, zoning, permits and approvals, and access to public facilities needed for such housing.
- The project is a senior citizen housing development (no affordable units required).
- The project is a mobile home park age-restricted to senior citizens (no affordable units required).

Staff recommends that, rather than reproduce the State density bonus requirements in the zoning ordinance, the City's density bonus ordinance refer to State regulations so that it will remain consistent if/when the State regulations are revised.

3. EMERGENCY SHELTERS

Background: State law (SB 2) requires every jurisdiction to identify at least one zone that allows emergency shelters "by right" to accommodate each jurisdiction's unsheltered homeless population. Maywood's unmet shelter need is 24 homeless persons—this number is determined by the Los Angeles Homeless Services Authority. (Note: The City is not required to construct, fund, operate, or provide emergency shelters.)

Emergency shelters may only be subject to development and operational standards that apply to residential or commercial development in the same zone, except that the local government may include zoning provisions that are consistent with State law (as specified in Government Code section 65583(a)(4)(A)).

Maywood's Zoning Ordinance was amended in 1995 to include provisions to permit emergency shelters in the Commercial Manufacturing (CM) zone, subject to a Conditional Use Permit (CUP). Since a CUP is a discretionary act, Maywood's zoning ordinance is not consistent with state law. The City's 4th Cycle Housing Element included a program (Program 3.3.8) to amend the City's zoning ordinance to allow

emergency shelters by right within one year of adoption of the Housing Element. Program 3.3.8 was not implemented, and it was carried forward to the City's 5th Cycle draft Housing Element.

HCD Findings: HCD determined that the Housing Element cannot be found in compliance with State law until the required re-zoning to allow emergency shelters by right is complete.

How the Proposed Zoning Ordinance Addresses HCD's Findings Regarding Emergency Shelters: Staff recommends that an emergency shelter (ES) overlay be created (new §4045—Emergency Shelters (ES)) and applied to properties identified on the map in Attachment 1.

The locations for the ES overlay are recommended for the following reasons:

- Provide enough potential locations for a shelter that could accommodate 24 homeless persons.
- Properties are located on a public transit route.
- Properties are located close to services and facilities that homeless persons may use or need.

The proposed ordinance also includes development and operational standards that are consistent with State law, as follows.

- Development standards:
 - Minimum structure requirements;
 - On-site waiting and intake areas;
 - Common facilities;
 - Lighting;
 - Security;
 - Parking;
 - Minimum separation between emergency shelters.
- Operational standards:
 - Supervision;
 - Security;
 - Limited term of stay;
 - Prohibition of camping/sleeping in vehicles.
- The requirement for a Management Plan that addresses specified items.

The proposed ordinance also includes revisions to §2020 (Definitions) to implement the revisions and additions to the Maywood zoning ordinance.

ENVIRONMENTAL ASSESSMENT

The actions contemplated by the proposed ordinance are exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) in that the Ordinance does not have the potential for causing a significant effect on the environment.

ATTACHMENT(S)

Attachment No. 1 – Ordinance 19-06

Attachment No. 2 – ES Overlay Map

Attachment No. 1 – R-SA Overlay Map

ATTACHMENT NO. 1

ORDINANCE NO. 19-06

AN ORDINANCE OF THE CITY OF MAYWOOD AMENDING THE MAYWOOD ZONING ORDINANCE TO IMPLEMENT THE CITY'S HOUSING ELEMENT BY ESTABLISHING DEFINITIONS, DESIGNATING USES, AND ADOPTING LOCAL PLANNING AND APPROVAL REQUIREMENTS FOR SENIOR AND AFFORDABLE HOUSING, DENSITY BONUSES, AND EMERGENCY SHELTERS

THE CITY COUNCIL OF THE CITY OF MAYWOOD DOES ORDAIN AS FOLLOWS:

Section 1. On October 9, 2019, the City Council held a duly noticed public hearing to amend the City's Zoning Ordinance. The City Council received public testimony and thereafter introduced this Ordinance.

Section 2. This Ordinance is consistent with the objectives, principles, and standards of the General Plan. The 2014-2021 Housing Element ("Housing Element") contains several policies that call for the provision of housing opportunities as outlined by the Regional Housing Needs Assessment, zoning for emergency shelters, and updates to existing density bonus regulations. Several of these policies call for the City's Zoning Ordinance and its development regulations to be updated to implement the goals and policies of the Housing Element. Accordingly, the City Council finds that this Ordinance conforms to the City's General Plan, including the Housing Element.

Section 3. Section 2020.010 ("A" Definitions) of the Maywood Zoning Ordinance is amended to add a new definition "Affordable Housing Development" to read as follows, with all other definitions to remain the same:

"Affordable Housing Development – Affordable housing development means a residential development where 100 percent of the dwelling units are restricted for lower income, very low, and/or extremely low income households, where "lower income," "very low income," and "extremely low income" have the meanings assigned to these terms in Sections 50079.5, 50105, and, 50106, respectively, of the California Health and Safety Code, as may be amended from time to time."

Section 4. Section 2020.040 ("D" Definitions) of the Maywood Zoning Ordinance is amended to add a new definition "Disabled Housing" to read as follows, with all other definitions to remain the same:

"Disabled Housing – Any housing development or dwelling unit that is designed and physically improved to accommodate persons with disabilities."

Section 5. Section 2020.050 ("E" Definitions) of the Maywood Zoning Ordinance is amended to add a new definition "Emergency Shelter" to read as follows, with all other definitions to remain the same:

“Emergency Shelter – Housing for homeless persons that has the same meaning as defined in subdivision (e) of Section 50801 of the California Health and Safety Code, as may be amended from time to time.”

Section 6. Section 2020.080 (“H” Definitions) of the Maywood Zoning Ordinance is amended to delete the following definitions: “Handicapped Housing,” “Housing, Low Cost,” “Housing, Moderate Cost,” and “Housing, Very Low Cost”.

Section 7. Section 2020.190 (“S” Definitions) of the Maywood Zoning Ordinance is amended to revise the existing definition of “Senior Citizen Housing Complexes” to read as follows:

“Senior Citizen Housing Complex – Senior citizen housing complex means licensed or unlicensed housing for persons 55 years of age or older, where care is not provided, and each dwelling unit has individual living, sleeping, or living/sleeping, bathing, and kitchen facilities, and includes such housing facilities as retirement villas, apartments, condominiums, etc. Senior citizen housing does not include state licensed rest homes, group homes, convalescent hospitals, etc., which are regulated by other provisions of this Ordinance.”

Section 8. Chapter 4020 (Residential Specialty) of the Maywood Zoning Ordinance is amended in its entirety to read as follows:

“4020 RESIDENTIAL, SENIOR AND AFFORDABLE HOUSING (R-SA)

4020.10 Intent and Purpose

The City recognizes that affordable housing in the community is a scarce resource and that the City has a responsibility to establish provisions that will work toward meeting the City’s State-mandated housing goals for very low income and lower-income households, as outlined in the Maywood General Plan. The City also recognizes the special housing needs of the senior citizen population in terms of housing affordability, accessibility to medical care, and proximity to retail and service commercial uses. The Residential – Senior and Affordable (R-SA) district is established as an overlay district as a means of creating opportunities for development, by right, of higher density affordable housing developments, where “affordable housing development” has the meaning assigned to the term in Subsection 2020.010 of the Maywood Zoning Ordinance; and senior citizen housing complexes, where “senior citizen housing complex” has the meaning assigned to the term in Subsection 2020.190 of the Maywood Zoning Ordinance.

4020.20 Permitted Uses

The primary permitted uses shall be affordable housing developments or senior citizen housing complexes. The underlying zone district shall determine other uses

permitted, unless otherwise indicated in Appendix A, Regulation of Uses by Zone District.

4020.30 General Provisions

- A.** The R-SA overlay district shall apply to certain areas in the City as specified on the Zoning Map.
- B.** Establishment of an R-SA overlay district may be initiated by the City Council or by an applicant in accordance with Section 5090 (Amendments) of the Maywood Zoning Ordinance.
- C.** Once an R-SA overlay district is established in accordance with Section 4020.30(B), development shall be permitted subject to Site Plan Review by the Director of Building and Planning.

4020.40 Qualifications, Agreement, and Terms

A. Affordable Housing Development

- 1. In order for a project to qualify as an affordable housing development, 100 percent of the dwelling unit in the development shall be provided for lower income, very low income, and/or extremely low income households; a mix of income levels is permissible. The income levels for the various units shall be prescribed in the Housing Agreement required pursuant to subsection (2) of this subsection.
- 2. In order to ensure the dwelling units remain available and affordable in accordance with this Section, the applicant shall comply with the requirements of Subsection 4025.70 (Housing Agreement and Terms).

B. Senior Citizen Housing Complex

- 1. In order for a project to qualify as a senior citizen housing complex, every dwelling unit within the development shall be occupied by at least one person 55 years of age or older.
- 2. A deed shall be recorded against the property restricting the dwelling units to senior citizens for a minimum of 55 years, or any longer time period specified in loan agreements or subsidy programs associated with the project. The deed restriction shall be recorded prior to issuance of a building permit for any structure in the development. The deed restriction shall run with the land and bind all future owners and successors in interest.

4020.50 Development Standards – General

Unless otherwise modified by the provisions of this Section, the development standards for the base zone district shall apply to all development subject to this Section.

4020.60 Required Area and Dimensions

A minimum lot size of 5,000 square feet shall be required.

4020.70 Maximum Lot Coverage

Lot coverage shall not exceed 70 percent.

4020.80 Maximum Density

A. Affordable Housing Development

The maximum permitted density shall be 48 units per acre.

B. Senior Citizen Housing Complex

The maximum permitted density shall be 72 units per acre.

C. Density Bonus

1. The provisions of this chapter do not preclude an applicant from applying for a density bonus in accordance with Section 4025 (Density Bonus).
2. Density bonuses as provided for in Section 4025 are additive to the base densities provided in this Section.

4020.90 Height Limit

The maximum permitted height shall be 50 feet or four stories, whichever is greater.

4020.100 Minimum Dwelling Unit Size

A. Affordable Housing Development

The following minimum dwelling unit sizes shall apply:

<i>Type of Unit</i>	<i>Minimum Size</i>
Bachelor	350 sq. ft.
One bedroom	500 sq. ft.
Two bedroom	750 sq. ft.
Three bedroom	900 sq. ft.
Four+ bedroom	150 sq. ft. for each additional bedroom

B. Senior Citizen Housing Complex

The following minimum dwelling unit sizes shall apply:

<i>Type of Unit</i>	<i>Minimum Size</i>
Bachelor	350 sq. ft.
One bedroom	500 sq. ft.
Two bedroom	650 sq. ft.
Three+ bedroom	800 sq. ft.

4020.110 Special Requirements for Senior Citizen Housing Complexes

The following special features shall be incorporated into all senior citizen housing complexes.

A. Disabled Access

All on-site facilities shall be accessible to persons with disabilities. This requirement shall also apply to any drop-off zones, bus stops, sidewalks, and similar features constructed in conjunction with the project.

B. Disabled Housing

At least 10 percent of the dwelling units shall accessible to persons with disabilities. Those units shall meet the standards set forth by Title 24, Part II of the California Administrative Code.

C. Elevators

Elevators shall be provided in all buildings which exceed one story in height. The number of elevators provided shall be consistent with building code requirements.

4020.120 Medical Facilities for Senior Citizen Housing Complexes

Medical facilities, if provided, shall not occupy more than 20 percent of the gross floor area of the development. The facilities shall be available only to residents of the development.

4020.130 Parking and Loading

Parking and loading facilities shall be provided as required by Chapter 4100 of this Ordinance.

4020.140 Open Space Standards

A. Affordable Housing Development – Required Open Space

1. **Total required open space.** A minimum of 100 square feet of open space shall be provided for each dwelling unit, including both private and common open space, as provided in this Subsection (A). Required front and side yards, driveways, and areas devoted to parking cannot be included in the calculation to satisfy open space standards.
2. **Private open space.** A minimum of 40 square feet per dwelling unit of the total open space required in Subsection (A)(1) shall be provided as private open space, directly accessible from the dwelling unit. Patios and balconies used to satisfy private open space shall have no dimension less than six feet.
3. **Common open space.** A minimum of 40 square feet per dwelling unit of the total open space required in Subsection (A)(1) shall be provided as common open space. The minimum dimension used to satisfy this requirement shall be 10 feet. Common open space shall be designed for use by all residents within the development, including both adults and children, and shall be conveniently accessed by all residents. Common open space may be provided as a yard, courtyard, or other open space, or as an enclosed space, or a combination thereof. An on-site community garden may be used to satisfy up to 20 percent of the total required open space.

B. Senior Citizen Housing Complex – Required Open Space

1. **Total required open space.** A minimum of 60 square feet per dwelling of open space shall be provided for each dwelling unit. Total required open space may be provided as private or common open space, or a combination thereof. Required front and side yards, driveways, and areas devoted to parking cannot be included in the calculation to satisfy open space standards.

2. **Private open space.** If private open space is provided to meet the total open space required in Subsection (B)(1), it shall be directly accessible from the dwelling unit and shall have no dimension less than six feet.
3. **Common open space.** If common open space is provided to meet the total open space required in Subsection (B)(1), it shall be designed for use by all residents within the development and shall be conveniently accessed by all residents. The minimum dimension used to satisfy this requirement shall be 10 feet. Common open space may be provided as a yard, courtyard, or other open space, or as an enclosed space, or some combination thereof. An on-site community garden may be used to satisfy up to 20 percent of the required common open space."

Section 9. Chapter 4025 (Housing for Very Low Income and Lower Income Households) of the Maywood Zoning Ordinance is hereby amended in its entirety to read as follows:

"4025 DENSITY BONUS

4025.10 Intent and Purpose

The City of Maywood recognizes that affordable housing is a scarce resource in the community and is committed to providing incentives which encourage development of such housing. This section establishes provisions that will work toward meeting the City's housing goals for very low income and lower income households, as outlined in the Maywood General Plan. These provisions implement Chapter 4.3 of California Planning and Zoning Law, California Government Code Division 1, Title 7 relating to density bonuses.

4025.20 References to State Law

This Section references Chapter 4.3 of California Planning and Zoning Law, California Government Code Division 1, Title 7, hereinafter referred to as the "state density bonus law," as may be amended from time to time. The terms used in this section shall have the meanings as set forth in the state density bonus law.

4025.30 General Provisions

When an applicant requests a density bonus for a housing development within, or for the donation of land within, the City, the

applicant shall receive a density bonus in accordance with the provisions of the state density bonus law and this Section.

4025.40 Application Process and Project Review Procedures for Density Bonus

All project applications for which a density bonus is being requested shall be subject to the following application process and project review procedures.

- A.** A pre-application meeting shall be held between the project developer and the Building and Planning Director, or his designee. The purpose of the meeting will be to review any preliminary development plans prepared by the developer and to discuss the type of density bonus the applicant will be requesting, and, if proposed, incentives or concessions, waivers or reduction of the City's development standards, and parking ratios, as provided for in the state density bonus law.
- B.** Following the pre-application meeting, the applicant for a density bonus shall submit the type of application ordinarily required for the type of project proposed (for example, a site plan for a multi-family residential development). The applicant also shall submit the additional the submittal requirements for a density bonus pursuant to Subsection 4025.50 concurrently with the application for the proposed project.
- C.** The Building and Planning Director shall notify the applicant for a density bonus whether the application is complete in accordance with the procedures established in Chapter 4.5 of California Planning and Zoning Law, California Government Code Division 1, Title 7, known as the Permit Streamlining Act.
- D.** If the Building and Planning Director notifies the applicant that the application is deemed complete, the Director shall provide the applicant with a determination as to the following:

 - 1. The amount of density bonus, calculated pursuant to subdivision (f) of Section 65915, for which the applicant is eligible.
 - 2. If the applicant request incentives or concessions pursuant to subdivision (d) or waivers or reductions of development standards pursuant to subdivision (e) of Section 65915, whether the applicant has provided adequate information

for the City to make a determination as to those incentives, concession, or waivers or reduction of development standards.

3. If the applicant requests a parking ratio pursuant to subdivision (p) of Section 65915, the parking ratio for which is applicant is eligible;
4. Any determination under this Subsection shall be based on the development project at the time the application is deemed complete. The applicable decision-maker shall adjust the amount of density bonus and parking ratios awarded pursuant to this Section based on any changes to the project during the course of development.

E. The project shall be subject to those applicable review procedures for the type of project proposed, as provided for in the Maywood Zoning Ordinance.

4025.50 Additional Submittal Requirements for Density Bonus

In addition to and concurrently with the submittal requirements for the applicable type of housing project proposed, the applicant shall submit the items listed below as reasonable documentation to establish eligibility for a requested density bonus, incentives or concessions, waivers or reduction of the City's development standards, and parking ratios as described in the state density bonus law.

- A.** A description of the requested density bonus, including:
1. The density and maximum number of dwelling units possible under the existing zoning without a density bonus.
 2. The percentage increase and number of dwelling units requested above the maximum allowable density.
 3. The number and percentage of dwelling units proposed by income level.
 4. Any proposed occupancy restrictions, such as restrictions to occupancy by seniors or to special needs tenants, and whether the units are proposed to be offered for sale or for rent.

- B.** If the application requests concessions or incentives, as defined in California Government Code Section 65915(k), the applicant shall include the following:
1. A description of the requested concessions or incentives.
 2. All documentation the applicant wishes to rely on to demonstrate how the incentives or concessions would result in identifiable and actual cost reductions necessary to meet affordability levels as opposed to the project without the concessions or incentives.
 3. If the applicant requests a waiver or reduction of any development standard based on an assertion that the development standard physically precludes the construction of a qualifying affordable housing development per California Government Code Section 65915(e), include the following:
 - a. A detailed description of the requested waiver or reduction of development standards.
 - b. All documentation the applicant wishes to rely on to show how the development standards physically preclude the construction of the qualified affordable housing development.
 - c. All documentation the applicant wishes to rely on to show that the waiver or reduction would not have a specific adverse impact, as defined in California Government Code Section 65589.5(d)(2), upon health, safety or the physical environment, including proposed mitigation or avoidance measures.
- C.** If the application requests parking ratios pursuant to California Government Code Section 65915(p), the following information shall be included:
1. The requested parking ratio.
 2. Information on the number of dwelling units and number of bedrooms in each dwelling unit.
- D.** If the application requests parking ratios per California Government Code Section 65915(p)(2) or (3), evidence to show

the proposal meets the criteria in those sections, including the distance to the nearest major transit stop, information on access to and any impediment to that transit stop from the housing development, information on the service provided at the transit stop, paratransit service available and its frequency, and any occupancy restrictions proposed.

- E. Citations to the legal standards and criteria upon which the density bonus, concession, incentive, waiver, reduction in development standards, or parking ratio is requested and an explanation, evidence, and findings showing how the applicant contends the proposal meets the applicable standards and criteria.
- F. Fees as required in accordance with Section 5060 (Fees and Deposits).

4025.60

Decisions and Findings

- A. The decision-making authority shall review the application for the density bonus and may approve, approve with conditions, or deny the request based on the applicable standards and criteria as provided for in the state density bonus law. The decision-making authority shall adopt findings supporting the decision.
- B. The decision-making authority shall not disprove the incentives or concessions requested by the applicant unless it makes written findings, based upon substantial evidence in the record, as to any of the following:
 - 1. The incentives or concessions do not result in identifiable and actual cost reductions, as defined in the state density bonus law, to provide for affordable housing costs, as defined in Section 500525.5 of the California Health and Safety Code, or for rents for the targeted units as specified in the state density bonus law.
 - 2. The incentives or concessions would have a specific, adverse impact, as defined in paragraph (2) of subdivision (b) of Section 65589.5 of the California Government Code, upon the health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific,

adverse impact without rendering the development unaffordable to low-income and moderate income households.

3. The concession or incentive would be contrary to state or federal law.

4025.70 Housing Agreement and Terms

In order to ensure that the units remain available and affordable as described in a density bonus application, as approved, the applicant shall enter into a Housing Agreement with the City and shall be recorded as a deed restriction on the property, as provided for in this subsection.

- A. The Housing Agreement shall be executed prior to recording any final or parcel map for the underlying property, or, where the housing development does not include a map, prior to the issuance of any building permit for the housing development.
- B. The Housing Agreement shall run with the land and be binding on all future owners and successors of interests in the housing development.
- C. The Housing Agreement shall follow a form determined by the City and be approved by the City Attorney and shall, at a minimum:
 1. Identify the unit(s) and income type of affordable housing unit(s) as approved;
 2. Require that the affordable housing unit(s) be kept available only for members of the identified income group(s), subject to the affordability restrictions for the qualifying households;
 3. Identify the means by which such continued availability shall be secured and enforced and the procedures under which the affordable housing units shall be leased and shall contain other such provisions the City may require.
- D. The units shall be made available to qualifying households as designated in the Housing Agreement for a minimum of 55 years, or any longer time period specified in loan agreements or subsidy programs associated with the project.

4025.80 Density Bonus Program Administration

The responsible Housing Authority will establish procedures for administration of the affordable units once they have been constructed. The affordability of the units specified in the Density Bonus Housing Agreement shall be monitored for compliance by the responsible Housing Authority."

Section 10. A new Chapter 4045 (Emergency Shelter (ES)) is hereby added to the Maywood Zoning Code read as follows:

"4045 EMERGENCY SHELTER (ES)

4045.10 Intent and Purpose

In accordance with State law, the City of Maywood recognizes it has a responsibility to identify at least one zone where an emergency shelter, necessary to meet the needs of the City's homeless population, can be located by-right in the city without a conditional use permit or any other discretionary permit. This Emergency Shelter (ES) district is established as an overlay district as a means of meeting the requirements of State law in an area near needed services and facilities.

4045.20 Permitted Uses

The primary permitted use shall be an emergency shelter. The underlying zone district shall determine other uses permitted, unless otherwise indicated in Appendix A, Regulation of Uses by Zone District. To accommodate the city's emergency housing need as required by Section 65583(a)(4) of the California Government Code, emergency shelters shall be allowed by right, subject to a Site Plan Review by the Director of Building and Planning and the provisions set forth herein.

4045.30 General Provisions

- A. The ES overlay district shall apply to certain areas in the General Commercial/Manufacturing (CM) zone district identified on the Zoning Map of the City. All emergency shelters shall be located within the physical boundaries of the ES overlay district.
- B. Emergency shelters shall be subject to those development standards that apply to development within the CM zone district.

- C. In addition, all emergency shelters shall comply with the standards as specified in Section 4045.40, as provided for in Government Code section 65583, subdivision (a)(4)(A).
- D. No individual or household may be denied emergency shelter because of an inability to pay.

4045.40 Standards Specific to Emergency Shelters in the ES Overlay District

- A. The following development standards shall apply to all emergency shelters:
 - 1. **Minimum Structure Requirements:** Each emergency shelter shall be located within an entirely enclosed, permanent structure. The structure must comply with all applicable adopted building and fire codes, including maximum occupancy restrictions.
 - 2. **On-Site Waiting and Intake Area:** Each emergency shelter shall provide an indoor area designated for waiting and client intake services. If the indoor area cannot accommodate all potential clients reasonably expected at any one time, an enclosed or screened exterior waiting area shall be designated that is located entirely on the subject property to prevent queuing into the public right-of-way.
 - 3. **Common Facilities:** The development may provide one or more of the following specific common facilities for the exclusive use of the residents and staff:
 - a. Central cooking and dining room(s).
 - b. Recreation room.
 - c. Counseling center.
 - d. Child care facilities.
 - e. Other support services.
 - f. Laundry Facilities
 - 4. **Lighting:** Adequate external lighting shall be provided for security purposes. The lighting shall be stationary, directed away from adjacent properties and public rights-

of-way, and of an intensity compatible with the neighborhood.

5. **Security:** Parking and outdoor facilities shall be designed to provide security for residents, visitors and employees.
 6. **Parking:** One (1) parking space shall be provided for each employee and non-client who will be on-site during peak periods as designated in the management plan in 4045.5 (4), plus one space per five (5) beds.
 7. **Minimum Separation:** Emergency shelters shall be located a minimum of three-hundred (300) feet apart, measured in a straight line between property lines of each shelter without regard to intervening structures or objects.
- B.** The following operational standards shall apply to all emergency shelters:
1. **Supervision:** A minimum of one (1) supervisory level staff member must be present on-site during hours of operation.
 2. **Security:** A minimum of one (1) security guard/officer must be present during all hours when the shelter is open. The security guard/officer shall be in addition to supervisory personnel required by subsection (G).
 3. **Limited Term of Stay:** The maximum length of stay at any one time for any person shall be six (6) months in any twelve (12) month period. The days shall not be required to be concurrent.
 4. **Camping/Sleeping in Vehicles Prohibited:** There shall be no camping or sleeping in vehicles permitted on the site of the shelter.

4045.50 Management Plan.

The emergency shelter operator/provider shall prepare and submit a written management plan with the application for Site Plan/Plot Plan Review—Administrative Approval, which demonstrates compliance with the requirements of this chapter. The management plan shall be approved by the Director prior to start of operations. The operator shall maintain the standards in the management plan at all times. The management plan shall include but is not limited to the following:

- A. Management, supervisory staff, and support staff.
- B. Eligibility criteria and number of clients to be served.
- C. Services to be provided.
- D. Estimated number of employees and non-clients (e.g., service providers, volunteers, etc.) anticipated to be on-site during peak periods.
- E. On-site security: In addition to the requirement for a security guard/officer pursuant to 4045.40 (B)(2), the management plan shall include provisions for onsite security, including lighting, security cameras, and other measures appropriate to provide for adequate health and safety of clients and management and to aid in avoiding the potential for nuisances near the site.
- F. Hours of operation and lights-out times. The hours of operation shall be posted on or by the main entrance door of the facility.
- G. Timing and location of outdoor activities.
- H. Loitering control.
- I. Standards governing expulsions.
- J. Good neighbor policies and practices.
- K. Refuse collection.
- L. Bed bug prevention.
- M. Separation of sleeping areas and restrooms by gender and for families.
- N. Emergency contact information. The most current emergency contact information shall be posted on or by the main entrance door of the facility.
- O. A floor plan and site plan that demonstrate compliance with all standards of this Chapter.

4045.60 Denial of an Emergency Shelter.

The City shall not disapprove an emergency shelter, or condition the approval of an emergency shelter in a manner that makes its development infeasible, except in accordance with Government Code Section 65589.5(d) or its successor provisions.”

Section 11. Table 4100.60 (Number of Parking Spaces Required) of the Maywood Zoning Ordinance is hereby amended to list a new Residential Use titled

“Affordable Housing Development” with the Required Number of Spaces to read as follows:

- “1 space/unit for bachelor and 1-bedroom units
- 2 spaces/unit for 2- and 3-bedroom units
- 2.5 spaces/unit for 4-bedroom units
- 0.5 space/bedroom for each additional bedroom, plus 1/4 guest space/unit”

Section 12. Appendix A (Regulation of Uses By Zone District) of the Maywood Zoning Ordinance is hereby amended to revise the title of “Senior Citizen Housing Development” and to provide land use listings for “Affordable Housing Development” and “Emergency Shelter” as follows, with all other listings to remain the same:

	R-3	R-SA	CC	C	CM	M	OS	PF	ES
Affordable Housing Development	X	P	X	X	O	X	X	X	X
Emergency Shelter	X	X	X	X	C	X	X	X	P
Senior Citizen Housing Complex	O	P	X	O	O	X	X	X	X

Section 13. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or its application to any person or circumstance, is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, phrase hereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 14. CEQA. The City Council hereby finds that it can be seen with certainty that there is no possibility that the adoption and implementation of this Ordinance may have a significant effect on the environment. This Ordinance is therefore exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations. Accordingly, the City Council, directs that a Notice of Exemption be filed with the County Clerk of the County of Los Angeles in accordance with CEQA Guidelines.

Section 15. Any provisions of the Maywood Municipal Code, or appendices thereto, or any other resolution or ordinance of the City, to the extent that they are inconsistent with this Ordinance, and no further, are hereby repealed.

Section 16. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published or posted in the manner prescribed by law.

PASSED, APPROVED AND ADOPTED this ____ day of ____ 2019.

Eduardo De La Riva, Mayor

ATTEST:

Gerardo Mayagoitia, City Clerk

APPROVED AS TO FORM:

Roxanne Diaz, City Attorney

I, Gerardo Mayagoitia, City Clerk of the City of Maywood, do hereby certify that the foregoing Ordinance was adopted at a regular meeting of the City Council of the City of Maywood held on the ____ day of ____, 2019 by the following vote:

AYES:

NOES:

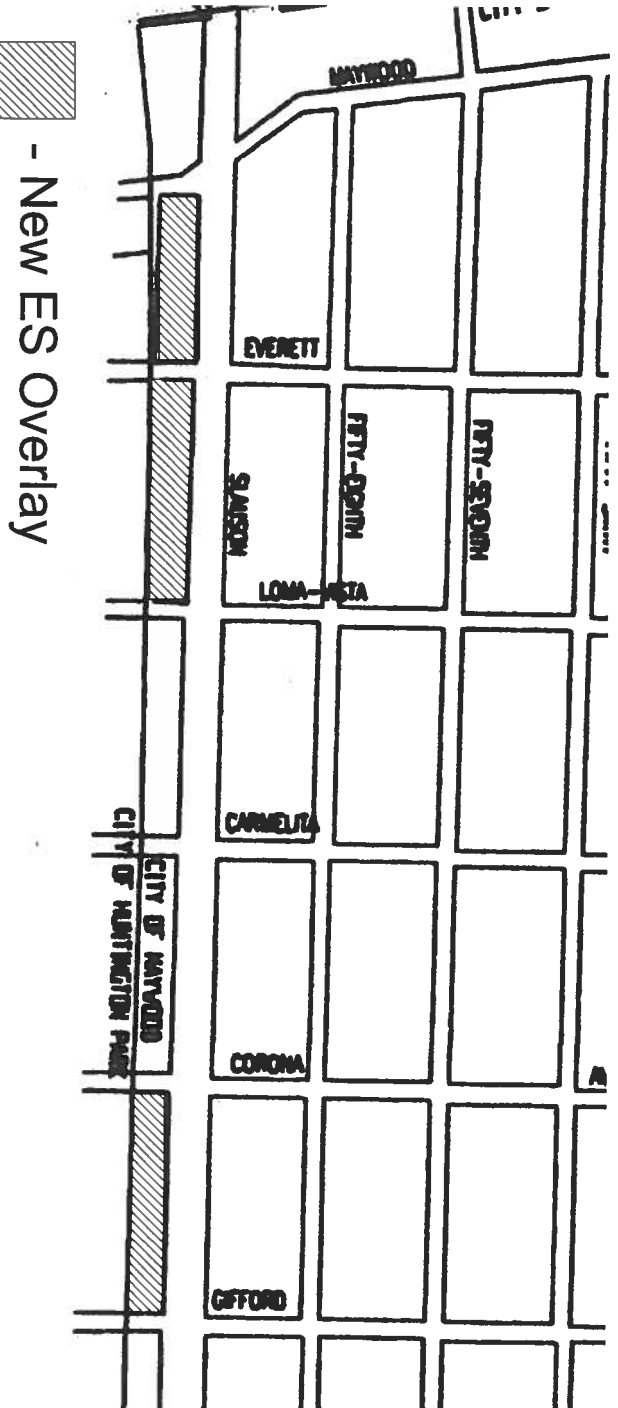
ABSTAINED:

ABSENT:

Gerardo Mayagoitia, City Clerk

ATTACHMENT NO. 2

Attachment 2



ATTACHMENT NO. 3

- New R-SA Overlay (Currently R-S Overlay)

- New R-SA Overlay (Currently R-S Overlay)