AGENDA

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

WEDNESDAY, SEPTEMBER 8, 2021 AT 7:00 PM

Maywood City Council Chambers
4319 E. Slauson Avenue, Maywood, CA 90270
www.cityofmaywood.com

I. CALL TO ORDER/ROLL CALL

CALL TO ORDER
ROLL CALL

II. CITY OFFICIALS

MAYOR
Ricardo Lara

MAYOR PRO TEM
Heber Marquez

COUNCIL MEMBERS
Eduardo De La Riva
Frank Garcia
Jessica Torres

CITY CLERK
Flor Aguiluz

CITY TREASURER
Mary Mariscal

CITY MANAGER
Jennifer E. Vasquez

CITY ATTORNEY
Roxanne Diaz

III. COVID-19 MEETING PROCEDURES

PUBLIC ADVISORY: THE CITY COUNCIL CHAMBERS WILL NOT BE OPEN TO THE PUBLIC
Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, this meeting will be conducted telephonically through Zoom and broadcast live on the City's Facebook page. Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Council Chambers will not be open for the meeting. Council Members will be participating telephonically and will not be physically present in the Council Chambers.

If you would like to speak on an agenda item, you can access the meeting remotely via zoom:

Join by phone 1-669-900-6833 Enter Meeting ID: 896 6285 5534 Passcode: 302106
OR
Please click the link below to join the webinar:
https://us02web.zoom.us/j/89662855534?pwd=QjJVdUVtMjFOUzUxTFpDNlBaTDlVUT09
Passcode: 302106

If you want to comment during the public comment portion of the agenda, Press *9 on your phone or raise your hand in the zoom controls and we will select you from the meeting cue. NOTE: Your phone number will appear on the screen unless you first dial *67 before dialing the numbers as shown above.

The City wants you to know that you can also submit your comments by email to shirley.quinones@cityofmaywood.org. To give adequate time to print out your comments for consideration at the meeting, please submit your written comments prior to 4:30 p.m.; or if you are unable to email, please call the City Clerk's Office at (323) 562-5714 by 4:30 p.m.

If you wish to have your comments read to the Council Members during the appropriate Public Comment period, please indicate in the Subject Line "FOR PUBLIC COMMENT" and list the item number you wish to comment on. Comments that you want read to the Council will be subject to the three minute time limitation (approximately 350 words). Written comments that are only to be provided to Council and not read at the meeting will be distributed to the Council prior to the meeting.

Pursuant to the Executive Order, and in compliance with the Americans with Disabilities Act, if you need special assistance to participate in the Council meeting, please contact the City Clerk's Office, (323) 562-5714 within 48 hours of the meeting.

IV. MAYOR, COUNCILMEMBERS AND STAFF COMMENTS

V. PUBLIC PARTICIPATION (Agenda Items; Time allotted: 3 minutes)

Speakers wishing to address the City Council on an item on the agenda may use the instructions provided in section III. COVID - 19 MEETING PROCEDURES on page 1 of this agenda.

If you want to comment during the public comment portion of the agenda, Press *9 on your phone or raise your hand in the zoom controls and we will select you from the meeting cue. NOTE: Your phone number will appear on the screen unless you first dial *67 before dialing the numbers as shown above.

VI. PRESENTATIONS

PROCLAMATION RECOGNIZING CHILDHOOD CANCER AWARENESS MONTH

VII. PUBLIC HEARING

VIII. 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 OF AUGUST 25, 2021 CITY COUNCIL MEETING

2. RESOLUTION NO. 6194 OF THE CITY COUNCIL OF THE CITY OF MAYWOOD AND SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY APPROVING THE WARRANTS FOR PAYMENT

3. MONTHLY CASH AND INVESTMENT REPORT TO COUNCIL AUGUST 2021

4. CONSIDERATION OF APPROVING THE COMMUNITY BENEFIT FUND APPLICATION FROM MAYWOOD ACADEMY HIGH SCHOOL BAND IN THE AMOUNT OF $5,000

5. APPROVAL OF RESOLUTION NO. 6195 ESTABLISHING THE LEAVE PROVISIONS FOR THE CLASSIFICATIONS OF FINANCE DIRECTOR AND DIRECTOR OF BUILDING AND PLANNING

6. APPROVAL TO APPLY AND RECEIVE FUNDS FROM THE STATE OF CALIFORNIA PROPOSITION 68 PER CAPITA GRANT PROGRAM AND ADOPT RESOLUTION NO. 6196

IX. DISCUSSION/ACTION ITEMS

7. CONSIDERATION OF APPROVING A SUPPORT POSITION ON THE CAL CITIES 2021 ANNUAL CONFERENCE RESOLUTIONS

8. CONSIDERATION OF TEMPORARILY CONDUCTING HYBRID CITY MEETINGS ENABLING MEMBERS OF THE CITY COUNCIL AND THE PUBLIC TO PARTICIPATE REMOTELY OR IN-PERSON.

9. UPDATE ON THE CITY'S SEWER SYSTEM MAINTENANCE AND POINT REPAIRS, AUTHORIZE THE CITY MANAGER TO PROCEED WITH MAINTENANCE OF THE SEWER SYSTEM BY LOS ANGELES COUNTY THROUGH THE CITY'S GENERAL SERVICES REQUEST AGREEMENT AND

APPROVE THE RELATED BUDGET ADJUSTMENT

X. CLOSED SESSION

Conference with Legal Counsel, Initiation of Litigation, Government Code Section 54956.9(d)(4), Number of cases: 1

Conference with Real Property Negotiators, Government Code Section 54956.8; 4747 56^{th} Street; City of Maywood Negotiator: Jennifer Vasquez, City Manager; Negotiating Party: Victor Huerta; Under Negotiation: Price and Terms of Payment

XI. PUBLIC PARTICIPATION (Non-Agenda Items; Time allotted: 3 minutes)

Speakers wishing to address the City Council on non- agenda item you may use the following:

Speakers wishing to address the City Council on a non- agenda item you may use the instructions provided in section III. COVID - 19 MEETING PROCEDURES on page 1 of this agenda.

If you want to comment during the public comment portion of the agenda, Press *9 on your phone or raise your hand in the zoom controls and we will select you from the meeting cue. NOTE: Your phone number will appear on the screen unless you first dial *67 before dialing the numbers as shown above.

XII. ADJOURNMENT - The next Regular Meeting of the Maywood City Council is Wednesday, September 22, 2021 at 7:00 p.m.

PUBLIC ACCESS TO MEETING AGENDA AND AGENDA PACKETS

I, ______________________________, Flor Aguiluz, City Clerk or Shirley Quinones, Deputy City Clerk, hereby certify that this agenda was duly posted by law at 4319 E. Slauson Avenue, Maywood, CA 90270 and the City Website. Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the Maywood City Hall, 4319 E. Slauson Avenue, Maywood CA 90270. If you challenge in court any discussion or action taken concerning an item on this Agenda, you may be limited to rising only those issues you or someone else raised during the meeting or in written correspondence delivered to the City at or prior to the City's consideration of the item at the meeting. In compliance with the ADA, if you need special assistance for the meeting, call (323) 562-5723 within 72 hours prior to the meeting so the City can make reasonable arrangements to ensure accessibility.

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Proclamation

Childhood Cancer Awareness Month
September 2021

WHEREAS, each year worldwide, there are more than 400,00 youth and children under the age of 19 diagnosed with cancer, and

WHEREAS, childhood cancer is the #1 disease-related cause of death for children in the United States and many other countries; and

WHEREAS, two-thirds of those who survive childhood cancer endure chronic health conditions from the toxic effects of cancer treatment, including secondary cancers and other life-threatening illness; and

WHEREAS, the causes of childhood cancer are largely unknown and more studies are needed to understand which treatments work best for children; and

WHEREAS, cancer treatment for children often must differ from traditional adult treatments to take into account children's developmental needs and other factors; and

WHEREAS, many children are affected by this deadly disease and more must be done to raise awareness and find a cure.

NOW, THEREFORE, BE IT RESOLVED, I, Ricardo Lara, Mayor of the City of Maywood and on behalf of the City Council, proclaim September as Childhood Cancer Awareness Month in Maywood and ask all Maywood residents to support those affected by childhood cancer.

On this 8th day of September 2021

Ricardo Lara
Mayor

AGENDA ITEM NO. 1

MINUTES

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

WEDNESDAY, AUGUST 25, 2021 AT 7:00 PM

I. CALL TO ORDER/ROLL CALL

Mayor Lara called to order approximately at 7:01 p.m.

II. CITY OFFICIALS

MAYOR
Ricardo Lara (present)

MAYOR PRO TEM
Heber Marquez (teleconference)

COUNCIL MEMBERS
Eduardo De La Riva (teleconference
Frank Garcia (teleconference)
Jessica Torres (teleconference)

CITY CLERK
Flor Aguiluz (teleconference)

CITY TREASURER
Mary Mariscal (teleconference)

CITY MANAGER
Jennifer E. Vasquez (present)

CITY ATTORNEY
Roxanne Diaz (teleconference)

STAFF PRESENT:

Hrant Manuelian, Finance Director (teleconference)
Steve Fowler, Director of Building and Planning (teleconference)
Shirley Quinones, Deputy City Clerk (present)

III. COVID-19 MEETING PROCEDURES

PUBLIC ADVISORY: THE CITY COUNCIL CHAMBERS WILL NOT BE OPEN TO THE PUBLIC PURSUANT TO GOVERNOR GAVIN NEWESOM'S EXECUTIVE ORDER N-29-20 THIS MEETING WAS HELD AS A TELECONFERENCE MEETING. OBSERVERS WERE ABLE TO VIEW THE MEETING LIVESTREAMED VIA THE CITY'S FACEBOOK AT:
https://www.facebook.com/cityofmaywood OR BY ZOOM AT:
Teleconference 1-669-900-6833 Meeting ID: 823 7759 9302Passcode: 461907 **or**
https://us02web.zoom.us/j/82377599302?pwd=cm5vMTVENVJPMTRqb2NSRldZZlBvQT09
Passcode: 461907

Comments may have been submitted via e-mail to shirley.quinones@cityofmaywood.org by 4:30 p.m. prior to meeting and by teleconference any time prior to closure of the public comment portion of the item(s) under consideration.

IV. MAYOR, COUNCILMEMBERS AND STAFF COMMENTS

Mayor, Council Members and City Manager provided community updates.

V. PUBLIC PARTICIPATION (Agenda Items; Time allotted: 3 minutes)

The following spoke on Agenda items:

1) People Exhibit 1

VI. PRESENTATIONS

ECO-RAPID TRANSIT CHAIR ALI TAJ AND EXECUTIVE DIRECTOR MICHAEL KODAMA WILL PROVIDE AN UPDATE ON THE DRAFT WEST SANTA ANA BRANCH EIR/EIS AND THE SB1 PACIFIC/RANDOLPH & FLORENCE/SALT LAKE STATION PLANS.

Chair Ali Taj and Executive Director Michael Kodama from Eco-Transit gave updates on the Draft West Santa Ana Branch EIR/EIS and the SB1 Pacific/Randolph Y Florence/Salt Lake Station Plans.

METRO PLANNING TO PRESENT RAIL TO RIVER ACTIVE TRANSPORTATION CORRIDOR - SEGMENT B PROJECT UPDATES

Anthony Jusay from L.A. Metro gave updates to the Rail to River Active Transporation Corridor - Segment B Project.

SHERIFF'S UPDATE

Deputy Aguayo presented crime trends in the City of Maywood.

VII. PUBLIC HEARING

None

VIII. CONSENT CALENDAR

1. MINUTES OF THE AUGUST 11, 2021 CITY COUNCIL MEETING

Motion to approve the Minutes of the August 11, 2021 City Council Meeting by De La Riva. Second by Garcia. AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

2. 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

Motion to adopt Resolution No. 6193 of the City of Maywood and Successor Agency to the Maywood Community Redevelopment Agency approving the Warrants for Payment by De La Riva. Second by Garcia. AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

3. REVENUE REPORT FOR JULY 2021

Motion to file and receive the Revenue Report for July 2021 by De La Riva. Second by Garcia. AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

4. AUTHORIZATION FOR RELEASE OF REQUEST FOR PROPOSAL (RFP) FOR ENGINEERING AND DESIGN SERVICES FOR SEWER IMPROVEMENTS ON 52^{ND} STREET BETWEEN FISHBURN AVENUE AND 52 PLACE AND 52 PLACE BETWEEN 52 STREET AND CUDAHY AVENUE

Motion to authorize the release of the Request for Proposal (RFP) for Engineering and Design Services for sewer improvements on 52nd Street between Fishburn Avenue and 52 Place and 52 Street and Cudahy Avenue by De La Riva. Second by Garcia. AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

5. AN ORDINANCE OF THE CITY OF MAYWOOD AMENDING CHAPTER 7 OF TITLE 3 OF THE MAYWOOD MUNICIPAL CODE TO ESTABLISH THE CITY MANAGER'S AUTHORITY TO APPROVE CERTAIN CHANGE ORDERS FOR PUBLIC PROJECTS

Motion to adopt Ordinance 21-02 of the City of Maywood Amending Chapter 7 of Title 3 of the Maywood Municipal Code to establish the City Manager's authority to approve certain change orders for public projects by Mayor Lara. Second by Mayor Pro Tem Marquez. AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

Item #5 was pulled for further discussion and the City Attorney gave a report.

IX. DISCUSSION/ACTION ITEMS

6. DISCUSSION AND DIRECTION REGARDING THE CITY'S ALLOCATION FROM THE AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)

Staff received direction from City Council regarding the City's allocation from the American Rescue Plan Act of 2021 (ARPA).

X. CLOSED SESSION

None

XI. PUBLIC PARTICIPATION (Non-Agenda Items; Time allotted: 3 minutes)

The following spoke on Non-Agenda items:

1) Asia Powell (submitted by email)
2) Carmen Perez (submitted by email)
3) Taliha Escamilla (submitted by email)
4) Alejandra Castaneda (submitted by email)
5) People Exhibit 1 (submitted by teleconference)
6) Gerry Mayagoitia (submitted by teleconference)

XII. ADJOURNMENT

Meeting adjourned at approximately 9:12 p.m. to the next meeting of the Maywood City Council, August 25, 2021 at 7:00 p.m.

____

Ricardo Lara, Mayor

ATTEST:

____

Flor Aguiluz, City Clerk

RESOLUTION NO. 6194

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 Director of Finance, and

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

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

NOW, THEREFORE, BE IT RESOLVED, that the listed Warrants and Wire Transfers/Automated Clearing House (ACH) Transactions for $419,277.59 are hereby ratified:

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

PASSED, APPROVED AND ADOPTED THIS 8th day of September, 2021.

Ricardo Lara, Mayor

ATTEST:

Flor Aguiluz, City Clerk

APPROVED AS TO FORM:

Roxanne Diaz, City Attorney

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

I, Flor Aguiluz, City Clerk of the City Council of the City of Maywood, do hereby certify that foregoing Resolution No. 6194 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 8th day of September, 2021 by the following roll call vote, to wit:

AYES:

NAYES:

ABSENT:

ABSTAINED:

Flor Aguiluz, City Clerk

City of Maywood
Summary Warrants for Payment and Wire Transfers/ACH Transactions
Council Meeting Date
Wednesday, September 8, 2021

Accounts Payable			Amount
Accounts Payable prepaid warrants for payment: Checks No. 088822 - 088837		$	17,708.90
Accounts Payable regular warrants for payment: Checks No. 088838 - 088859		$	84,477.95
	Sub-total	$	102,186.85

Wire Transfers/ACH Transactions

08/05/21	CalPERS Unfunded Liability Payment Plan - Safety & Misc. Employees	$	129,862.92
08/05/21	CalPERS Health Premium September 2021	$	30,932.20
08/19/21	Payroll Pay Period - 8/1/2021 - 8/14/2021	$	43,600.32
08/19/21	CalPERS Employer Contribution - 8/1/2021 - 8/14/2021	$	6,713.60
08/19/21	CalPERS fees for GASB-68 reports & schedules	$	1,050.00
08/20/21	ADP Payroll Fees	$	6.80
08/23/21	Policy 9143213-21 Workers Comp Insurance FY 21/22	$	39,715.84
09/01/21	US Bank - Merchant Fees	$	526.29
09/01/21	California Joint Powers Insurance Authority (CJPIA) repayment plan agreement - September 2021	$	12,000.00
09/02/21	Payroll Pay Period - 8/15/2021 - 8/28/2021	$	45,562.44
09/02/21	CalPERS Employer Contribution - 8/15/2021 - 8/28/2021	$	7,120.33
	Sub-total	$	317,090.74
	Total Demands	**$**	**419,277.59**

City of Maywood
Detail Warrants for Payment
Warrants No. 088822 to 088859

Check No.	Prepaids	Date	Vendor Name	Check Amt	Transaction Description
088822	P	9/2/2021	Gladys Zaldunbide	*850.00	Emergency Rental Assistance for Victor Venegas
088823	P	9/2/2021	Sparkletts Drinking Water Corp	139.17	City Hall Office Water
088824	P	9/2/2021	Angel Villegas	865.08	Retiree Medical Reimbursement September 2021
088825	P	9/2/2021	Brent Talmo	617.17	Retiree Medical Reimbursement September 2021
088826	P	9/2/2021	Bruce Leflar	1,196.68	Retiree Medical Reimbursement September 2021
088827	P	9/2/2021	Christine M. Locher	238.25	Retiree Medical Reimbursement September 2021
088828	P	9/2/2021	Edward Ahrens	1,196.68	Retiree Medical Reimbursement September 2021
088829	P	9/2/2021	Tri-City Mutual Water Company	4,704.30	Various Locations 06-22-2021 to 08-25-2021
088830	P	9/2/2021	Paul Pine	1,598.58	Retiree Medical Reimbursement September 2021
088831	P	9/2/2021	Preferred Benefit Insurance Administrators, Inc.	2,478.60	Dental & Vision Insurance August 2021
088832	P	9/2/2021	Robert Leach	1,005.00	Retiree Medical Reimbursement September 2021
088833	P	9/2/2021	Ronald Lindsey	1,274.32	Retiree Medical Reimbursement September 2021
088834	P	9/2/2021	Scott C. Anderson	1,196.68	Retiree Medical Reimbursement September 2021
088835	P	9/2/2021	Sprint	573.95	Cell Phone Service 07/24/2021 to 08/23/2021
088836	P	9/2/2021	U.S. Bank Corporate Payment System	565.22	Credit Card Expense 07/16/21-08/11/21
088837	P	9/2/2021	Vernon, City of	59.22	Slauson & Downey 07-08-2021 to 08-05-2021
088838		9/2/2021	Amazon Capital Services	104.66	Office Supplies
088839		9/2/2021	Bartel Associates, LLC	573.00	OPEB Valuation Final Report 06/30/2020
088840		9/2/2021	Cat Specialties, Inc.	628.11	City Hats with Logo - Public Works Uniforms
088841		9/2/2021	City Clerks Assocation	200.00	Membership Due
088842		9/2/2021	CivicPlus, LLC	18,817.43	Hosting & Security Annual Fee Media Annual Fee
088843		9/2/2021	Occupational Health Centers of CA	82.50	Covid Testing
088844		9/2/2021	County of Los Angeles Department of Animal Control	8,470.18	Animal Control Services July 2021
088845		9/2/2021	Crosstown Electrical & Data, Inc.	1,932.00	Crosstown prev maint august 2021
088846		9/2/2021	Elim HVAC	22,325.00	Sheriff's Dept A/C Unit Install YMCA A/C Unit Install
088847		9/2/2021	Flor Aguiluz	300.00	September 2021 City Clerk Stipend
088848		9/2/2021	Graffiti Protective Coatings	1,780.00	August 2021 Bus Shelter Maintenance
088849		9/2/2021	HdL Software, LLC	1,025.92	Quarterly Use Fee-Permit Track Soft 09-01-2021 to 11-30-2021
088850		9/2/2021	Infinity Technologies	3,680.00	Monthly IT Fee for Services August 2021
088851		9/2/2021	Interwest Consulting Group	4,445.81	Plan Review and Permit Technician Services July 2021
088852		9/2/2021	L.B. Johnson Hardware Co.	140.18	Building Maintenance and Public Works supplies
088853		9/2/2021	LGP Equipment Rentals	406.96	Public Works Equipment Rental
088854		9/2/2021	Mary Mariscal	50.00	September 2021 Treasurer Stipend
088855		9/2/2021	Metropolitan Transportation Commission	1,500.00	Annual Subscription Street Saver 10-31-21 to 10-31-22
088856		9/2/2021	National Plant Services, Inc.	2,100.00	2 Month Jetting
088857		9/2/2021	North Star Landcare	10,221.25	Landscape Services August 2021 Tree Maintenance
088858		9/2/2021	Perez Plumbing Appliance Repair & Contractor	1,695.00	Emergency Repair Services - City Hall, Sheriff's Substation and Riverfront Park
088859		9/2/2021	Phoenix Group Information Systems	3,999.95	July 2021 Citation Processing Collection Agency Services
			TOTAL:	**$102,186.85**	

Check 088822 reissued due to lost check - already approved in prior warrants

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 3.

DATE:	September 8, 2021
TO:	HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM:	JENNIFER VASQUEZ, CITY MANAGER
BY:	HRANT MANUELIAN, FINANCE DIRECTOR
SUBJECT:	MONTHLY CASH AND INVESTMENT REPORT TO COUNCIL AUGUST 2021

RECOMMENDATION:
Staff recommends that the City Council receive and file the cash and investments report for August 2021.

BACKGROUND:
The City's Finance Department prepares a monthly cash and investments report for the City Council's review. The report shows the City's cash position at the month's end as well as investments.

DISCUSSION:
The City has historically only invested its cash in the Local Agency Investment Fund (LAIF), which is a State fund with low risk and also low investment returns. As of August 31, 2021, the City has approximately $5.3M invested in the LAIF. The current return as of 8/31/2021 is 0.22%. In the June 24, 2020 City Council meeting, the Maywood City Council approved the City to invest in the PERS section 115 trust accounts for both the PERS pension liability and the Other Post Employment Benefits (OPEB) liability.

On September 22, 2020, the City invested $250,000 into each of the section 115 trust accounts. The City transferred $250,000 into each of the accounts for a total of $500,000. The City has since increased its position in each of these funds by an additional $750,000 each. To date, the City has invested $1,000,000 in each fund for a total of $2,000,000. The expected annual return on these accounts is 3%-5%. The funds used to invest in the accounts come from unrestricted general funds as the eventual expenditures are also general fund expenditures.

The attached report shows the cash and investments as of August 31, 2021. The cash and investment balances are across all funds of the City and includes restricted, unrestricted, and budgeted amounts. These balances do not represent the available balance for spending as most of these are either restricted or have already been appropriated for in the City budget. The purpose of this report is to show the cash and investment balances as of reported on date only and does not represent the City’s available fund balance.

LEGAL REVIEW:
The City Attorney has reviewed this report.

FISCAL IMPACT:
There is no fiscal impact involved with this action.

ATTACHMENT(S)
1. Attachment No. 1 Cash and Investments Report

City of Maywood
Cash and Investments Report
As of August 31, 2021

Description	Type	Ending Balance 8/31/2021
US Bank	Cash	9,725,630.25
Local Agency Investment Fund	LAIF	5,377,915.44
CalPers California Employers' Retiree Benefit Trust (CERBT)	Section 115 Trust	1,102,776.55
CalPers California Employers' Pension Prefunding Trust (CEPPT)	Section 115 Trust	1,046,336.54
		17,252,658.78

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 4.

DATE: September 8, 2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: SHIRLEY QUINONES, EXECUTIVE ASSISTANT/DEPUTY CITY CLERK

SUBJECT: CONSIDERATION OF APPROVING THE COMMUNITY BENEFIT FUND APPLICATION FROM MAYWOOD ACADEMY HIGH SCHOOL BAND IN THE AMOUNT OF $5,000

RECOMMENDATION:
Staff recommends that the City Council approves the Community Benefit Fund application from Maywood Academy High School Band in the amount of $5,000. This recommendation is based on the applicant providing documentation to support their application and its evaluation.

BACKGROUND:
The Application is dated July 26, 2021 and was received by the applicant in person in the second week of August . The City of Maywood has established a “Community Based Fund” to support community-based programs and activities. Applicant eligibility is determined by the City’s Community Benefit Fund Guidelines and Procedures (“Guidelines”) for the distribution of funds to eligible organizations that provide community-based programs, community activities and educational activities.

On May 26, 2021, the City Council awarded Maywood Academy High School Marching Band $600 for transportation costs to represent the City of Maywood at the Westchester 4th of July parade. The total cost used for transportation of Maywood's youth was $437.75, which was paid by the City directly to the bussing company.

DISCUSSION:
Only "Eligible Organizations" may apply for this grant. Per the grant guidelines, this includes non-profit agencies that provide programs or services to residents of the city, a school or school-based/affiliated organization in the city or other city-based organizations. The Eligible Organization must also be in existence prior to submitting an application and have a record of successfully providing the services for which funding is requested.

According to the requester’s application, Maywood Academy High School Band has been in existence since 2006, and is a school located in the City. Due to the requestor being part of a school that is located in the City, they fit into a category that makes them eligible to receive funds.

The Guidelines also require that an Eligible Organization provide an eligible service or activity defined as a program, service, activity, event or other similar activity that has a benefit to the residents of the City or a specified target group by: (i) enhancing the quality of life or the delivery of services in the City; or (ii) providing educational opportunities for the residents or students of the City.

The applicant states that the high school band is requesting funds for bus transportation to various events. These events include, but not limited to, parades, concerts, festivals, and shows. Maywood Academy High School Band and Color Guard will be serving as a musical ambassador for the Community of Maywood.

It is the applicant's mission to increase a positive atmosphere for the students and by exposing them to different cultures. They further explain that such exposure will enlighten the public of the positive impact Maywood has to offer.

LEGAL REVIEW:

The City Attorney has reviewed this report.

FISCAL IMPACT:

The City Council budgeted $75,000 in the Community Benefit Fund for fiscal year 2021/2022. There have been no expenditures from this account in FY 21/22. No additional budget appropriation is needed.

F.Y. 20-21 Impact: $5,000	**Current F.Y. Budget:** $75,000
Fund Impacted: General Fund	**Budget adjustment requested:** $0
Source of funds: General	**Updated Account Budget:** $75,000
Account Number: 01-681-5237-03000-0000	**For fiscal year:** 2021/2022

ATTACHMENT(S)

1. CBF- Maywood Academy HS Band Application FY 2021-2022
2. CBF- Maywood Academy HS Band Report FY 2020-2021

CITY OF MAYWOOD

COMMUNITY BENEFIT FUND APPLICATION

Please Type/Print Information
(attach additional pages as needed)

Application Funding Cycle — **Date of Application:** July 26, 2021

☑ **S1: July 1 - December 31**

☐ **S2: January 1 - June 30** — **Amount Requested:** 5,000

Organization Name: Maywood Academy Band	**Phone Number:** 818 633-0656
Street Address: 6125 Pine Ave	**Fax Number:**
City, State, Zip: Maywood CA 90270	**Federal EIN:**
Contact Person: Reginald A. Smith	
Contact Email Address: ras9950@LAUSD.net	

Provide a detailed description of your organization. For example, are you a school, school-based or affiliated entity, youth program, community based organization, etc.

We are a musical entertainment organization of Maywood Academy High School AKA The Nighthawk Marching Band & Colorguard

Does your organization have non-profit status with the Internal Revenue Service?
Yes ☐ **No** ☒ **(If yes, attach documentation)**

How long has this organization been in existence (provide date)? We have been in existence since 2019

Is the organization located/based in Maywood or does it provide programs or services to Maywood residents? Yes ☒ **No** ☐ **If yes, please explain.** We exist to provide a musical experience for the students of Maywood - to serve as musical ambassador for the Community of Maywood

Describe how the requested funds will be used? Attach a proposed budget.

The money will be used for bus transportation to events (Parades, Concert Festivals, Field shows, etc) To promote awareness of the Community of Maywood, Student Music Education, and to promote student's self-esteem.

What is the anticipated time-frame to provide the proposed program, service, event activity or goods and the expenditure of the requested funds?

The funds are needed for the start of the School year "August 16 2021" and expenditure should conclude at the end of the School year 2022

Describe the organization's efforts in obtaining funding from other sources?

We are asking the School for funding, we currently have a fundraiser going on -

How will the requested funds have a benefit to Maywood residents?

Yes - The funds will benefit the students of Maywood Academy High School

How will the requested funds enhance the quality of life or the delivery of services for Maywood residents?

Yes - It's my mission to increase a positive image of Maywood Academy and the Community of Maywood, & the City of Maywood!!!

How will the requested funds provide educational opportunities for Maywood residents or students? As we perform in venues outside of Maywood, our kids learn how others people live. Students learn about different cultures, students begin to develop a positive self-esteem.

Has your organization previously received funding from the City of Maywood?

Yes ☒ **No** ☐ **If yes, identify the use of the funds, total amount and fiscal year in which the funds were received.** In June 20 the Nighthawk Band received $600 for transportation to the Westchester 4th of July parade.

Is a member of your organization's board or executive leadership a City employee, an elected or appointed City official, or a family member of a City employee or elected or appointed City official? Yes ☐ **No** ☒ **If yes, please explain.**

By my signature below, I hereby certify, under penalty of perjury, that I am qualified to sign for and bind the named organization and that the information contained within and submitted with this application is complete, true and accurate. I have received a copy of the Community Benefit Fund Guidelines and Procedures and agree to abide by its provisions. If awarded funding, an agreement will be required to be executed.

Date: 2021 7-26-2021	**Signature:** Reginald A. Smith			
Print Name and Title: Reginald A Smith Band Director				
Date Received	**Eligibility Verified**	**Date Approved**	**Date Denied**	**Amount Awarded**

CITY OF MAYWOOD

COMMUNITY BENEFIT FUND REPORT

This report is to be completed within 45 days upon receipt of the Community Benefit Fund grant and sent to Shirley Quinones, Executive Assistant/Deputy City Clerk at shirley.quinones@cityofmaywood.org. All inquiries regarding funding, please contact Hrant Manuelian, Finance Director at hrant.manuelian@cityofmaywood.org.

AWARED ORGANIZATION/SCHOOL: Maywood Academy High School Marching Band
DATE AWARDED FUNDS: May 28, 2021
TOTAL GRANT AMOUNT USED: $437.75
TOTAL REMAINING GRANT AMOUNT: $162.25
NUMBER OF PARTICIPANTS IN THE EVENT/PROGRAM: 26
NARRATIVE ON HOW THE COMMUNITY BENEFIT FUND GRANT WAS USED? The grant was for $600. This grant allowed Maywood Academy High School Band to travel to the City of Westchester. We performed a patriotic melody for the 4th of July Parade. The Bus transported & returned to Maywood by 2pm. Without the funds from this grant we would not have had the opportunity & ability to participate. Big thanks

DETAIL HOW THE AWARDED COMMUNITY BENEFIT FUND GRANT IMPACTED THE COMMUNITY OF MAYWOOD? $600 was granted to provide transportation to the Westchester Chamber of commorce 4th July Parade.

1. This provided an Educational performance for the Maywood Academy highschool students. Because of this parade we (band) have gotten better.
2. We had a Cultural Exchange of ideas between our students and the community of Westchester.
3. Positive News Paper release about our community and Maywood Academy High School!

PLEASE PROVIDE ADDITIONAL SUPPORTING DOCUMENTS THAT SHOW HOW THE GRANT WAS USED (INCLUDE AT LEAST TWO IMAGES).

Please see attachments

Maywood Academy Senior High School's Marching Nighthawks Band

The award-winning Marching Nighthawk Band and Color Guard first participated in the 2019 parade and went on later that year to place fourth in LAUSD's Band and Drill Team Championship.

Under the direction of Reggie Smith, Liz Hinojose, Cesar Lara and Drum Major Gabriel Mendoza, they're representing their theme for the 2021-2022 school year, "Building Back Better!"

The Nighthawk Band and Color Guard would like to thank the Mayor of Maywood, Ricardo Lara, and their City Council for giving them funding for their bus today, so they could have the opportunity to be ambassadors of good will and spirit to represent the beautiful city of Maywood!

The Nighthawks would also like to thank Maywood Academy High School Principal Maricella Garcia and her supportive staff for their help in preparing the students for this trip. Lastly, The Nighthawks would like to say "thank you" to their wonderful band, staff, students and parents.

Maywood Academy High School would like to extend their hands in friendship to their wonderful neighbors in Westchester!

L.A. City Controller Ron Galperin

Los Angeles Controller Ron Galperin is the taxpayers' watchdog at City Hall, who ensures that public dollars are spent efficiently and

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Area Booster's v
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Happy Fourth

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Maywood Academy
High School
Marching Band

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 5.

DATE: September 8, 2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: JENNIFER VASQUEZ, CITY MANAGER

SUBJECT: APPROVAL OF RESOLUTION NO. 6195 ESTABLISHING THE LEAVE PROVISIONS FOR THE CLASSIFICATIONS OF FINANCE DIRECTOR AND DIRECTOR OF BUILDING AND PLANNING

RECOMMENDATION:
Staff recommends that the City Council approve Resolution No. 6195 Establishing the Leave Provisions for the Classifications of Finance Director and Director of Building and Planning.

BACKGROUND:
The City had previously adopted Resolution No. 5892 Approving the Memorandum of Understanding (MOU) between all the Exempt and Non-Exempt Employees Regarding City Leave Benefits Dated March 22, 2017 through June 30, 2020. Now that this MOU is expired, there is a need to establish the leave provisions for the classifications of Director of Finance and Director of Building and Planning.

DISCUSSION:
The proposed leave included in Exhibit A of the resolution for sick and vacation leave remains the same as that which was included in the expired MOU. Furthermore, the other leave provisions are in line with the most recently adopted MOU between the City and the Maywood Employee Association.

Lastly, it should be noted that the expired MOU provided 20 hours of personal leave; this is not included in the proposed Resolution. Instead, to be more inline with other cities, Administrative Leave is being proposed in the amount of 32 hours. This is leave that is granted annually and must be used during that year.

LEGAL REVIEW:
The City Attorney has reviewed this report.

FISCAL IMPACT:
There is no fiscal impact related to adopting this Resolution as the classifications are included in the current budget.

ATTACHMENT(S)

RESOLUTION NO. 6195

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD ESTABLISHING THE LEAVE PROVISIONS FOR THE CLASSIFICATIONS OF FINANCE DIRECTOR AND DIRECTOR OF BUILDING AND PLANNING

WHEREAS, the City had previously adopted Resolution No. 5892 Approving the Memorandum of Understanding (MOU) between all the Exempt and Non-Exempt Employees Regarding City Leave Benefits Dated March 22, 2017 Through June 30, 2020; and

WHEREAS, the MOU has expired; and

WHEREAS, there is a need to establish the leave provisions for the Finance Director and Director of Building and Planning;

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

Section 1. The City Council of the City of Maywood hereby approves and adopts the Leave Benefits for the Finance Director and Director of Building and Planning, attached hereto as Exhibit “A”.

Section 2. This Resolution shall supersede and replace Resolution No 5892 and shall control over any conflicting resolution or policy.

Section 3. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 8th day of September 2021.

____
Ricardo Lara, Mayor

ATTEST:

____
Flor Aguiluz , City Clerk

APPROVED AS TO FORM:

____
Roxanne Diaz, City Attorney

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

I, Flor Aguiluz, City Clerk of the City of Maywood, do hereby certify that the foregoing Resolution No. 6195 was duly passed and adopted by the City Council of the City of Maywood at a regular meeting held on the 8th day of September 2021 by the following votes:

AYES:

NOES:

ABSTAIN:

ABSENT:

____
Flor Aguiluz, City Clerk

“Exhibit A”
Leave Provisions

LEAVE PROVISIONS
(Applicable only to Finance Director and Director of Building and Planning (“Employees”)

Vacation Terms:

A. Employees may accrue up to a maximum of 240 hours of unused vacation leave. Upon reaching 240 hours, Employees shall earn no additional vacation accrual until their balance of accrued but unused vacation leave is reduced below 240 hours. Upon a written administrative determination of the City Manager that work demands prevent an Employee from using vacation time on a timely basis, the City Manager may permit an Employee to exceed the maximum accrual cap by a specified amount and for a specified time, not to exceed 40 hours’ excess accrual of vacation time over six (6) months. The City Manager may also require a plan designed to bring the Employee back into compliance with regular vacation accrual limits. It is the responsibility of the Employee to arrange for timely use or, to the extent available, cash conversion of vacation time well in advance of reaching the maximum accrual limit.

B. An Employee who has accrued in excess of 240 hours will be paid for the excess vacation on a dollar for-dollar basis on June 30, or the last workday in which City Hall is open prior to June 30. Cash out request forms are due to the Finance Department no later than two weeks prior to when checks will be issued to eligible City employees. Not to exceed a maximum of 80 hours to pay out.

C. If an Employee cannot use their vacation time due to administration determination, the Employee shall be entitled to the stated cash-out provisions, as determined by the City Manager in his or her sole discretion.

D. Employees will accrue vacation leave at 160 hours annually. Vacation hours will accrue at a rate of 6.154 hours per pay period.

E. City Hall will be closed on all days between the Christmas Eve and New Year Holidays. Except as otherwise determined by the City Manager, City services will be suspended, and Employees will not be scheduled to work during this time. Employees shall be allowed to utilize available vacation hours.

Sick Leave Terms:
Employees will be subject to the following sick leave policy:

A. Employees will be credited 72 hours of sick leave at the beginning of each fiscal year and may accrue up to 240 sick leave hours.

Administrative Leave

Employees will be credited 32 hours of Administrative Leave at the beginning of each fiscal year; such hours shall not be carried over to the next fiscal year.

Holidays

Directors shall be entitled to the same paid holidays as provided to other employees of the City. The holidays are subject to change by the City Council.

Bereavement Leave

Directors shall be entitled to the same leave as provided to other employees of the City.

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 6.

DATE: September 8, 2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: JENNIFER VASQUEZ, CITY MANAGER

SUBJECT: APPROVAL TO APPLY AND RECEIVE FUNDS FROM THE STATE OF CALIFORNIA PROPOSITION 68 PER CAPITA GRANT PROGRAM AND ADOPT RESOLUTION NO. 6196

RECOMMENDATION:

It is recommended that the City Council Approve Resolution No. 6196 authorizing staff to file an application with the California Department of Parks and Recreation's Office of Grants and Local Services (OGAL) to receive funding from the Proposition 68 Per Capita Grant program.

BACKGROUND:

In June 2018, California voted in Proposition 68 (the Parks, Environment, and Water Bond) authorizing funding for state & local parks, environmental protection projects, water infrastructure projects, and flood protection projects. The early rounds of fund distribution were competitive and/or need-based. The current round, labelled the General Per Capita Program, makes $185M in funding available to local municipalities for local park rehabilitation, improvement and creation. Based on a per capita basis, funds will be allocated to cities based on population size, with a minimum allocation of $200,000. The City has been allocated $177,952.

Additionally, under Proposition 68 there is an Urban County Per Capita allocation of $13,875,000. These additional funds are available for Per Capita grants to cities and districts in urbanized counties (a county with a population of 500,000 or more) providing park and recreation services within jurisdictions of 200,000 or less in population. An entity eligible to receive funds under this subdivision shall also be eligible to receive funds available under the General Per Capita Program (PRC §80061(b)). The City of Maywood has been allocated $16,684.

DISCUSSION:

The grant funding process starts with the City Council's authorization through resolution. A single resolution may be used for multiple project applications. The funds from Prop 68 will be added to the funding sources for park improvement projects identified by the City Council at a later meeting. The grant process includes submitting an application packet and finalizing a contract with the state.

LEGAL REVIEW:

The City Attorney has reviewed this report.

FISCAL IMPACT:

Approval of the Resolution will allow the City to apply and receive funds from the Proposition 68 Per Capita Grant program in an amount of $177, 952 and $16,684 under the Urban County Per Capita allocation.

ATTACHMENT(S)

RESOLUTION NO. 6196

RESOLUTION OF THE CITY OF MAYWOOD APPROVING APPLICATION(S) FOR PER CAPITA GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Per Capita Grant Program, setting up necessary procedures governing application(s); and WHEREAS, said procedures established by the State Department of Parks and Recreation require the grantee's Governing Body to certify by resolution the approval of project application(s) before submission of said applications to the State; and

WHEREAS, the City of Maywood (grantee) will enter into a contract(s) with the State of California to complete project(s);

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Maywood hereby:

Section 1. Approves the filing of project application(s) for Per Capita program grant project(s); and

Section 2. Certifies that said grantee has or will have available, prior to commencement of project work utilizing Per Capita funding, sufficient funds to complete the project(s); and

Section 3. Certifies that the grantee has or will have sufficient funds to operate and maintain the project(s), and

Section 4. Certifies that all projects proposed will be consistent with the park and recreation element of the City's general plan (PRC §80063(a)), and

Section 5. Certifies that these funds will be used to supplement, not supplant, local revenues in existence as of June 5, 2018 (PRC §80062(d)), and

Section 6. Certifies that it will comply with the provisions of §1771.5 of the State Labor Code, and

Section 7. (PRC §80001(b)(8)(A-G)) To the extent practicable, as identified in the "Presidential Memorandum--Promoting Diversity and Inclusion in Our National Parks, National Forests, and Other Public Lands and Waters," dated January 12, 2017, the City will consider a range of actions that include, but are not limited to, the following:
(A) Conducting active outreach to diverse populations, particularly minority, low income, and disabled populations and tribal communities, to increase awareness within those communities and the public generally about specific programs and opportunities.
(B) Mentoring new environmental, outdoor recreation, and conservation leaders to increase diverse representation across these areas.
(C) Creating new partnerships with state, local, tribal, private, and nonprofit organizations to expand access for diverse populations.

(D) Identifying and implementing improvements to existing programs to increase visitation and access by diverse populations, particularly minority, low-income, and disabled populations and tribal communities.
(E) Expanding the use of multilingual and culturally appropriate materials in public communications and educational strategies, including through social media strategies, as appropriate, that target diverse populations.
(F) Developing or expanding coordinated efforts to promote youth engagement and empowerment, including fostering new partnerships with diversity-serving and youth-serving organizations, urban areas, and programs.
(G) Identifying possible staff liaisons to diverse populations.

Section 8. Agrees that to the extent practicable, the project(s) will provide workforce education and training, contractor and job opportunities for disadvantaged communities (PRC §80001(b)(5)).

Section 9. Certifies that the grantee shall not reduce the amount of funding otherwise available to be spent on parks or other projects eligible for funds under this division in its jurisdiction. A one-time allocation of other funding that has been expended for parks or other projects, but which is not available on an ongoing basis, shall not be considered when calculating a recipient's annual expenditures. (PRC §80062(d)).

Section 10. Certifies that the grantee has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Procedural Guide; and

Section 11. Delegates the authority to the City Manager, or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the grant scope(s); and

Section 12. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines

PASSED, APPROVED AND ADOPTED THIS 8th day of SEPTEMBER, 2021.

____
Ricardo Lara, Mayor

ATTEST:

____
Flor Aguiluz, City Clerk

APPROVED AS TO FORM:

____
Roxanne Diaz, City Attorney

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

I, Flor Aguiluz, City Clerk of the City Council of the City of Maywood, do hereby certify that the foregoing Resolution No. 6196 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 8th day of September, 2021 by the following roll call vote, to wit:

AYES:

NAYES:

ABSENT:

ABSTAINED:

____
Flor Aguiluz, City Clerk

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 7.

DATE:	September 8, 2021
TO:	HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM:	JENNIFER VASQUEZ, CITY MANAGER
BY:	SHIRLEY QUINONES, EXECUTIVE ASSISTANT/DEPUTY CITY CLERK
SUBJECT:	CONSIDERATION OF APPROVING A SUPPORT POSITION ON THE CAL CITIES 2021 ANNUAL CONFERENCE RESOLUTIONS

RECOMMENDATION:
Staff recommends that the City Council support the following resolutions that will be considered at the Cal Cities General Assembly Meeting on Friday, September 24, 2021:

1) Resolution of the League of California Cities calling on the State Legislature to pass legislation that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jursdiction.

2) Resolution of the League of California Cities calling on the Governor and the Legislature to work with the League and other stakeholders to provide adequate regulatory authority and necessary funding to assist cities with these railroad right-of-way areas so as to adequately deal with illegal dumping, graffiti and homeless encampments that proliferate along the rail lines and result in public safety issues. The League will work with its member cities to educate federal and state officials to the quality of life and health impacts this challenge has upon local communities, especially those of color and/or environmental and economic hardships.

BACKGROUND:
At its meeting of July 28, 2021 the Maywood City Council appointed Mayor Pro Them Heber Marquez to serve as the City's voting delegate at the 2021 Annual Business Meeting. At that same meeting, Council appointed Councilmembers Eddie Del La Riva and Jessica Torres to serve as the City's alternate voting delegates. The Annual Business Meeting will take place at the League's General Assembly Meeting on Friday, September 24, 2021 at 12:30 p.m.

A copy of the 2021 Annual Conference Resolutions Packet is attached which includes background information, support letters from various Cities, and League staff analyses of the subject resolutions.

DISCUSSION:
At its annual business meeting, the League adopts policy resolutions on issues of statewide importance that have direct bearing on municipal affairs and are of broad municipal interest. The League's primary means for developing policy is through their standing policy committees and Board of Directors. Additionally, any city,

elected or appointed city officials or League Division, Department or Policy Committee may submit a resolution sixty days before the business meeting. This year's General Assembly and business meeting will be held during the annual conference on Friday September 24. This year there are two resolutions being considered by the General Assembly.

Resolution No. 1 - Resolution of the League of California Cities ("Cal Cities") calling on the State Legislature to pass legislation that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impactsthat fulfillment centers have on host cities but also provides a fair share to California Cities that do no and/or cannot have a fulfillment counter within their jurisdiction

This resolution is referred to the Revenue and Taxation Policy Committee. The City of Rancho Cucamonga is sponsoring the Resolution in concurrence from the Cities of El Cerritos; La Canada Flintridge,La Verne, Lakewood, Moorpark, Placenta, Sacramento and Town of Apple Valley. The City of Rancho Cucamonga is sponsoring this resolution to "address the issues of how sales and use taxes are distributed in the 21st century." The Resolution calls on Cal Cities to request the legislature to pass legislation that provides for a fair and equitable distribution of the Badley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jurisdiction.

Sales tax is a primary revenue stream for most California cities and serves as one of the top revenue sources for the City of Maywood. With the growth of e-commerce and a decline in brick-and-mortar stores, an increasing portion of cities' sales tax revenue is derived from county sales tax pools. Cities and counties collect a 1% Bradley Burns local sales and use tax on the purchase of tangible goods within a jurisdiction. In 2018, the United States Supreme Court ruled in Wayfair vs. South Dakota that states could charge and collect tax on purchases even if the seller does not have a physical presence in the state, hence making online sales from out-of-state retailers subject to sales and use tax. These "out of state" retailers do not have a physical presence in the state and ship goods from fulfillment centers within California operated by third parties. As such, sales tax revenues generated by these retailers are collected in the county pool of the jurisdiction where a product was shipped from (i.e. where a fulfilment center is located) and distributed to member jurisdictions within that county. Recently, a large out-of-state online retailer shifted its ownership structure to own and operate its own fulfillment centers within California, resulting in its reclassification as an "in-state" retailer. Per the California Department of Tax and Fee Administration's (CDTFA) regulations, sales tax generated by this retailer is no longer collected in a countywide pool to be shared by jurisdictions within that county but is solely allocated to the city that hosts the retailer's fulfillment center. The City of Rancho Cucamonga therefore proposed a resolution for consideration by Cal Cities member jurisdictions to advocate for an equitable distribution of the local sales tax from in-state online purchases and to take into account where a product is shipped to, not solely where it is shipped from or the location of a fulfillment center. Per the sponsoring City, the impetus behind the Resolution is the concentration of sales tax revenue from in-state online sales in cities with fulfillment centers, which deprives neighboring jurisdictions of much needed revenue and subjects them to the impacts of these warehouses (increased traffic, air pollution, damaged roads, etc.) without the accompanying funds to address these concerns. Furthermore, the sponsoring city argues that some municipalities are "built out" without the commercial space or option to host a fulfillment center and are therefore immediately at a disadvantage to benefit from tax proceeds of in-state online sales. While Maywood does not have a fulfillment center, it has seen an increase in sales tax revenues from online sales via allocations from the county pool. Between the third and fourth quarters of 2019 and 2020, respectively, the City of Maywood saw an increase of 89% and 51% in revenues received from the county pool. Although the City has not yet experienced a decrease in sales tax from the county pool we expect it will in the coming quarters as more than 90% of cities are experiencing a loss in sales tax revenue due to the change in this online retailer's ownership structure. To address this revenue loss and the inequitable distribution of sales tax revenue from in-state online purchases, staff recommends the Council direct the voting delegate or alternate delegate to vote in support of Resolution Number 1. Incorporating such a stance into Cal Cities' policy goals will allow the organization to more effectively advocate for an assessment of the existing tax structure, a re-evaluation of the allocation formula, and a more equitable distribution of sales tax revenues that will ultimately benefit the City of Maywood and its residents.

Resolution No. 2 - Resolution of the League of California Cities calling on the Governor and the Legislature to work with the League and other stakeholders to provide adequate regulatory authority and necessary funding to assist cities with these railroad right-of-way areas so as to adequately deal with illegal dumping, graffiti and homeless encampments that proliferate along the rail lines and result in public safety issues. The League will work with its member cities to educate federal and state officials about the quality of life and health impacts this challenge has upon local communities, especially those of color and/or environmental and economic hardships.

Proposed by the City of South Gate, this resolution advocates further funding for the California Public Utilities Commission ("CPUC") to exercise its authority to enforce maintenance of the railroad right-of-way by railroad operators within the state. The resolution specifically addresses the issue of illegal dumping, graffiti, and homeless encampments that are prevalent along railroad segments within cities and unincorporated areas. Of issue is the lack of regulatory authority that local governments possess to conduct abatements along the railroad right-of-way, which classifies as private property, as well as the lack of oversight to require railroad operators to conduct maintenance and cleanups on a regular basis or in a timely manner. Railroad segments intersect the City of Maywood and are owned and/or operated by Union Pacific. When the City receives a complaint or identifies a deposit of bulky waste on or along a railroad segment, City staff contacts the railroad owner and/or operator to conduct a clean-up. However, this process may take weeks to months, exacerbating safety issues due to debris along the railroad right-of-way, humanitarian concerns due to the presence of trash and illegal dumping along the tracks in Maywood. Due to the lack of response and because of residents' concerns regarding blight and neighborhood aesthetics, City staff and the City's waste hauler conduct clean-up sweeps on Randolph; it has gotten to be such a nuisance that such sweeps occur fourtimes a week.

The goal of this resolution is two-fold; it aims to increase funding for the CPUC to scale up its inspection of over 6,000 miles of rail lines within the state, as well as allocate funds and provide regulatory authority to cities to immediately address concerns regarding illegal dumping, homeless encampments, and graffiti along railroad segments that intersect their jurisdiction. This resolution is in line with the City's efforts to promote beautiful, thriving neighborhoods and a high quality of life for its residents. Staff recommends the Council direct the voting delegate or alternate delegate to vote in support of Resolution Number 2.

LEGAL REVIEW:

The City Attorney has reviewed this report.

FISCAL IMPACT:

There is no fiscal impact associated with this action. Costs for registration, travel, and attendance at the annual conference are budgeted in the Fiscal Year 2021-2022 Adopted Budget.

ATTACHMENT(S)

1. 2021 Annual Conference Resolution Packet

LEAGUE OF CALIFORNIA CITIES

Annual Conference Resolutions Packet

2021 Annual Conference Resolutions

2021 ANNUAL CONFERENCE & EXPO
LEAGUE OF CALIFORNIA CITIES
SACRAMENTO SEPTEMBER 22-24

September 22 - 24, 2021

INFORMATION AND PROCEDURES

RESOLUTIONS CONTAINED IN THIS PACKET: The League of California Cities (Cal Cities) bylaws provide that resolutions shall be referred by the president to an appropriate policy committee for review and recommendation. Resolutions with committee recommendations shall then be considered by the General Resolutions Committee at the Annual Conference.

This year, two resolutions have been introduced for consideration at the Annual Conference and referred to Cal Cities policy committees.

POLICY COMMITTEES: Three policy committees will meet virtually one week prior to the Annual Conference to consider and take action on the resolutions. The sponsors of the resolutions have been notified of the time and location of the meetings.

GENERAL RESOLUTIONS COMMITTEE: This committee will meet at 1:00 p.m. on Thursday, September 23, to consider the reports of the policy committees regarding the resolutions. This committee includes one representative from each of Cal Cities regional divisions, functional departments, and standing policy committees, as well as other individuals appointed by the Cal Cities president. Please check in at the registration desk for room location.

CLOSING LUNCHEON AND GENERAL ASSEMBLY: This meeting will be held at 12:30 p.m. on Friday, September 24, at the SAFE Credit Union Convention Center.

PETITIONED RESOLUTIONS: For those issues that develop after the normal 60-day deadline, a petition resolution may be introduced at the Annual Conference with a petition signed by designated voting delegates of 10 percent of all member cities (48 valid signatures required) and presented to the Voting Delegates Desk at least 24 hours prior to the time set for convening the Closing Luncheon & General Assembly. This year, that deadline is 12:30 p.m., Thursday, September 23. Resolutions can be viewed on Cal Cities Web site: www.cacities.org/resolutions.

Any questions concerning the resolutions procedures may be directed to Meg Desmond mdesmond@calcities.org.

GUIDELINES FOR ANNUAL CONFERENCE RESOLUTIONS

Policy development is a vital and ongoing process within Cal Cities. The principal means for deciding policy on the important issues facing cities is through Cal Cities seven standing policy committees and the board of directors. The process allows for timely consideration of issues in a changing environment and assures city officials the opportunity to both initiate and influence policy decisions.

Annual conference resolutions constitute an additional way to develop Cal Cities policy. Resolutions should adhere to the following criteria.

Guidelines for Annual Conference Resolutions

1. Only issues that have a direct bearing on municipal affairs should be considered or adopted at the Annual Conference.

2. The issue is not of a purely local or regional concern.

3. The recommended policy should not simply restate existing Cal Cities policy.

4. The resolution should be directed at achieving one of the following objectives:

   (a) Focus public or media attention on an issue of major importance to cities.

   (b) Establish a new direction for Cal Cities policy by establishing general principals around which more detailed policies may be developed by policy committees and the board of directors.

   (c) Consider important issues not adequately addressed by the policy committees and board of directors.

KEY TO ACTIONS TAKEN ON RESOLUTIONS

Resolutions have been grouped by policy committees to which they have been assigned.

Number	Key Word Index	Reviewing Body Action		
		1	2	3

1 - Policy Committee Recommendation to General Resolutions Committee
2 - General Resolutions Committee
3 - General Assembly

HOUSING, COMMUNITY & ECONOMIC DEVELOPMENT POLICY COMMITTEE

		1	2	3
2	Securing Railroad Property Maintenance			

REVENUE & TAXATION POLICY COMMITTEE

		1	2	3
1	Online Sales Tax Equity			

TRANSPORTATION, COMMUNICATION & PUBLIC WORKS POLICY COMMITTEE

		1	2	3
2	Securing Railroad Property Maintenance			

KEY TO ACTIONS TAKEN ON RESOLUTIONS *(Continued)*

Resolutions have been grouped by policy committees to which they have been assigned.

KEY TO REVIEWING BODIES

1. Policy Committee
2. General Resolutions Committee
3. General Assembly

ACTION FOOTNOTES

* Subject matter covered in another resolution

** Existing League policy

*** Local authority presently exists

KEY TO ACTIONS TAKEN

A	Approve
D	Disapprove
N	No Action
R	Refer to appropriate policy committee for study
a	Amend+
Aa	Approve as amended+
Aaa	Approve with additional amendment(s)+
Ra	Refer as amended to appropriate policy committee for study+
Raa	Additional amendments and refer+
Da	Amend (for clarity or brevity) and Disapprove+
Na	Amend (for clarity or brevity) and take No Action+
W	Withdrawn by Sponsor

Procedural Note:
The League of California Cities resolution process at the Annual Conference is guided by the Cal Cities Bylaws.

1. **RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES ("CAL CITIES") CALLING ON THE STATE LEGISLATURE TO PASS LEGISLATION THAT PROVIDES FOR A FAIR AND EQUITABLE DISTRIBUTION OF THE BRADLEY BURNS 1% LOCAL SALES TAX FROM IN-STATE ONLINE PURCHASES, BASED ON DATA WHERE PRODUCTS ARE SHIPPED TO, AND THAT RIGHTFULLY TAKES INTO CONSIDERATION THE IMPACTS THAT FULFILLMENT CENTERS HAVE ON HOST CITIES BUT ALSO PROVIDES A FAIR SHARE TO CALIFORNIA CITIES THAT DO NOT AND/OR CANNOT HAVE A FULFILLMENT CENTER WITHIN THEIR JURISDICTION**

Source: City of Rancho Cucamonga
Concurrence of five or more cities/city officials:
Cities: Town of Apple Valley; City of El Cerrito; City of La Canada Flintridge; City of La Verne; City of Lakewood; City of Moorpark; City of Placentia; City of Sacramento
Referred to: Revenue and Taxation Policy Committee

WHEREAS, the 2018 U.S. Supreme Court decision in *Wayfair v. South Dakota* clarified that states could charge and collect tax on purchases even if the seller does not have a physical presence in the state; and

WHEREAS, California cities and counties collect 1% in Bradley Burns sales and use tax from the purchase of tangible personal property and rely on this revenue to provide critical public services such as police and fire protection; and

WHEREAS, in terms of "siting" the place of sale and determining which jurisdiction receives the 1% Bradley Burns local taxes for online sales, the California Department of Tax and Fee Administration (CDTFA) determines "out-of-state" online retailers as those with no presence in California that ship property from outside the state and are therefore subject to use tax, not sales tax, which is collected in a countywide pool of the jurisdiction where the property is shipped from; and

WHEREAS, for online retailers that have a presence in California and have a stock of goods in the state from which it fulfills orders, CDTFA considers the place of sale ("situs") as the location from which the goods were shipped such as a fulfillment center; and

WHEREAS, in early 2021, one of the state's largest online retailers shifted its ownership structure so that it is now considered both an in-state and out-of-state retailer, resulting in the sales tax this retailer generates from in-state sales now being entirely allocated to the specific city where the warehouse fulfillment center is located as opposed to going into a countywide pool that is shared with all jurisdictions in that County, as was done previously; and

WHEREAS, this all-or-nothing change for the allocation of in-state sales tax has created winners and losers amongst cities as the online sales tax revenue from the retailer that was once spread amongst all cities in countywide pools is now concentrated in select cities that host a fulfillment center; and

WHEREAS, this has created a tremendous inequity amongst cities, in particular for cities that are built out, do not have space for siting a 1 million square foot fulfillment center, are not located along a major travel corridor, or otherwise not ideally suited to host a fulfillment center; and

WHEREAS, this inequity affects cities statewide, but in particular those with specific circumstances such as no/low property tax cities that are extremely reliant on sales tax revenue as well as cities struggling to meet their RHNA obligations that are being compelled by the State to rezone precious commercial parcels to residential; and

WHEREAS, the inequity produced by allocating in-state online sales tax revenue exclusively to cities with fulfillment centers is exasperated even more by, in addition to already reducing the amount of revenue going into the countywide pools, the cities with fulfillment centers are also receiving a larger share of the dwindling countywide pool as it is allocated based on cities' proportional share of sales tax collected; and

WHEREAS, while it is important to acknowledge that those cities that have fulfillment centers experience impacts from these activities and deserve equitable supplementary compensation, it should also be recognized that the neighboring cities whose residents are ordering product from that center now receive no revenue from the center's sales activity despite also experiencing the impacts created by the center, such as increased traffic and air pollution; and

WHEREAS, the COVID-19 pandemic greatly accelerated the public's shift towards online purchases, a trend that is unlikely to be reversed to pre-pandemic levels; and

NOW, THEREFORE, BE IT RESOLVED that Cal Cities calls on the State Legislature to pass legislation that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jurisdiction.

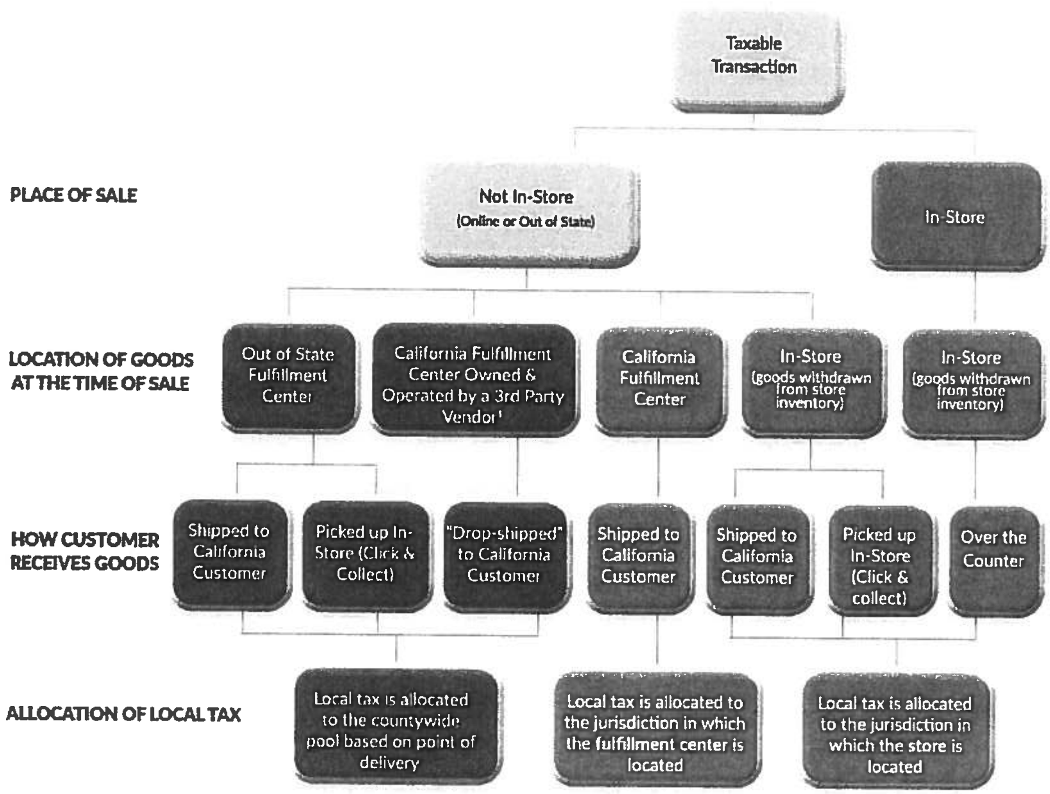
Background Information to Resolution

Source: City of Rancho Cucamonga

Background:
Sales tax is a major revenue source for most California cities. Commonly known as the local 1% Bradley-Burns tax, since the 1950's, cities have traditionally received 1 cent on every dollar of a sale made at the store, restaurant, car dealer, or other location within a jurisdiction's boundaries.

Over the years, however, this simple tax structure has evolved into a much more complex set of laws and allocation rules. Many of these rules relate to whether or not a given transaction is subject to sales tax, or to use tax – both have the same 1% value, but each applies in separate circumstances. The California Department of Tax and Fee Administration (CDTFA) is responsible for administering this system and issuing rules regarding how it is applied in our state.

The following chart created by HdL Companies, the leading provider of California sales tax consulting, illustrates the complex structure of how sales and use tax allocation is done in California, depending on where the transaction starts, where the goods are located, and how the customer receives the goods:



¹ *In this scenario the retailer does not own a stock of goods in California and sales orders are negotiated/processed out of state. An out of state company is not required to hold a seller's permit for an in-state third party warehouse if they do not own a stock of goods at the time of sale.*

With the exponential growth of online sales and the corresponding lack of growth, and even decline, of shopping at brick and mortar locations, cities are seeing much of their sales tax growth coming from the countywide sales tax pools, since much of the sales tax is now funneled to the pools.

Recently, one of the world's largest online retailers changed the legal ownership of its fulfillment centers. Instead of having its fulfillment centers owned and operated by a third-party vendor, they are now directly owned by the company. This subtle change has major impacts to how the 1% local tax is allocated. Following the chart above, previously much of the sales tax would have followed the green boxes on the chart and been allocated to the countywide pool based on point of delivery. Now, much of the tax is following the blue path through the chart and is allocated to the jurisdiction in which the fulfillment center is located. (It should be noted that some of the tax is still flowing to the pools, in those situations where the fulfillment center is shipping goods for another seller that is out of state.)

This change has created a situation where most cities in California – more than 90%, in fact – are experiencing a sales tax revenue loss that began in the fourth quarter of calendar year 2021. Many cities may not be aware of this impact, as the fluctuations in sales tax following the pandemic shutdowns have masked the issue. But this change will have long-term impacts on revenues for all California cities as all these revenues benefiting all cities have shifted to just a handful of cities and counties that are home to this retailer's fulfillment centers.

This has brought to light again the need to address the issues in how sales and use taxes are distributed in the 21st century. Many, if not most cities will never have the opportunity have a warehouse fulfillment center due to lack of space or not being situated along a major travel corridor. These policies especially favor retailers who may leverage current policy in order to negotiate favorable sales tax sharing agreements, providing more money back to the retailer at the expense of funding critical public services.

With that stated, it is important to note the many impacts to the jurisdictions home to the fulfillment centers. These centers do support the ecommerce most of us as individuals have come to rely on, including heavy wear and tear on streets – one truck is equal to about 8,000 cars when it comes to impact on pavement – and increased air pollution due to the truck traffic and idling diesel engines dropping off large loads. However, it is equally important that State policies acknowledge that entities without fulfillment centers also experience impacts from ecommerce and increased deliveries. Cities whose residents are ordering products that are delivered to their doorstep also experience impacts from traffic, air quality and compromised safety, as well as the negative impact on brick-and-mortar businesses struggling to compete with the sharp increase in online shopping. These cities are rightfully entitled to compensation in an equitable share of sales and use tax. We do not believe that online sales tax distribution between fulfillment center cities and other cities should be an all or nothing endeavor, and not necessarily a fifty-fifty split, either. But we need to find an equitable split that balances the impacts to each jurisdiction involved in the distribution of products purchased online.

Over the years, Cal Cities has had numerous discussions about the issues surrounding sales tax in the modern era, and how state law and policy should be revisited to address these issues. It is a heavy lift, as all of our cities are impacted a bit differently, making consensus difficult. We believe that by once again starting the conversation and moving toward the development of laws and policies that can result in seeing all cities benefit from the growth taxes generated through online sales, our state will be stronger.

It is for these reasons, that we should all aspire to develop an equitable sales tax distribution for online sales.

LETTERS OF CONCURRENCE

Resolution No. 1

July 19, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The Town of Apple Valley strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at Cal Cities 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool. Now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents.

We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the Town of Apple Valley concurs that the resolution should go before the General Assembly. If you have any questions regarding the Town's position in this matter, please do not hesitate to contact the Town Manager at 760-240-7000 x 7051.

Sincerely,

Curt Emick
Mayor

July 21, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Letter of Support for the City of Rancho Cucamonga's Resolution for Fair and Equitable Distribution of the Bradley Burns 1% Local Sales Tax

Dear President Walker:

The City of El Cerrito supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the Cal Cities 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Previously, all sales tax revenue generated by this retailer's sales went into a countywide pool and was distributed amongst the jurisdictions in the pool; now the revenue from in-state sales goes entirely to the city where the fulfillment center is located and the packages are shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution, and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities such as El Cerrito who have no chance of ever obtaining a fulfillment center as we are a built out, four square mile, small city. Additionally, cities not situated along major travel corridors and no/low property tax cities that rely on sales tax revenue are especially impacted, as well as cities struggling to build much needed affordable housing that may require rezoning commercial parcels in order to meet their RHNA allocations.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies serve to divide local agencies, exacerbate already difficult municipal finances, and in the end results in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better, and we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of El Cerrito concurs that the resolution should go before the General Assembly.

Sincerely,

Paul Fadelli, Mayor
City of El Cerrito

cc: El Cerrito City Council
City of Rancho Cucamonga

EST LA CAÑADA FLINTRIDGE

City Council
Terry Walker, Mayor
Keith Eich, Mayor Pro Tem
Jonathan C. Curtis
Michael T. Davitt
Richard B. Gunter III

July 14, 2021

Ms. Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of La Cañada Flintridge strongly supports the City of Rancho Cucamonga's effort to introduce a resolution for consideration by the General Assembly at CalCITIES' 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1% Bradley Burns local tax revenue (sales tax) from in-state online retailers be allocated to the jurisdiction from which the package was shipped, as opposed to going into a countywide pool, as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as an out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the jurisdiction where the fulfillment center is located and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state transactions even though their packages are delivered to locations within those cities' borders and paid for by residents in those locations. Cities that abut jurisdictions with fulfillment centers experience fulfillment centers' impacts just as much, such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers, that was once spread amongst all cities in countywide pools, is now concentrated in select cities fortunate enough to host a fulfillment center. This benefits only those few hosting jurisdictions and is particularly unfair to cities who have no chance of ever hosting a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely heavily on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably eager to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances and, in the end, result in a net loss of local government sales tax proceeds that simply serve to make private

One Civic Center Drive, La Cañada Flintridge, CA 91011 • (818) 790-8880 • Fax (818) 790-7536
www.lcf.ca.gov

sector businesses even more profitable at the expense of cities' residents. We should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of La Cañada Flintridge concurs that the proposed resolution should go before the General Assembly.

Sincerely,

Terry M Walker

Terry Walker
Mayor

CITY OF LA VERNE
CITY HALL

3660 "D" Street, La Verne, California 91750-3599
www.cityoflaverne.org

July 19, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of La Verne strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution, and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities which have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are

SISTER CITIES

General Administration 909/596-8726 • Water Customer Service 909/596-8744 • Community Services 909/596-8700
Public Works 909/596-8741 • Finance 909/596-8716 • Community Development 909/596-8706 • Building 909/596-8713
Police Department 909/596-1913 • Fire Department 909/596-5991 • General Fax 909/596-8737

especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exacerbate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end, result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of La Verne concurs that the resolution should go before the General Assembly.

Sincerely,

Bob Russi
City Manager
City of La Verne

Steve Croft
Vice Mayor

Ariel Pe
Council Member

Vicki L. Stuckey
Council Member

Todd Rogers
Council Member

Jeff Wood
Mayor

July 15, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of Lakewood strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities that have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Lakewood concurs that the resolution should go before the General Assembly.

Sincerely,

Jeff Wood

Jeff Wood
Mayor

Lakewood

5050 Clark Avenue, Lakewood, CA 90712 • (562) 866-9771 • Fax (562) 866-0505 • www.lakewoodcity.org • Email: service1@lakewoodcity.org

CITY OF MOORPARK

799 Moorpark Avenue, Moorpark, California 93021
Main City Phone Number (805) 517-6200 | Fax (805) 532-2205 | moorpark@moorparkca.gov

July 14, 2021

TRANSMITTED ELECTRONICALLY

Cheryl Viegas-Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of Moorpark strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies of the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates both as an in-state online retailer and as an out-of-state online retailer. Whereas all sales tax revenues generated by this retailer's sales previously went into countywide pools and were distributed amongst the jurisdictions in the pool, sales tax revenues from in-state sales now go entirely to the city where the fulfillment center is located and the package is shipped from. Cities that do not have a fulfillment center now receive no sales tax revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution, and deteriorating road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenues from large online retailers that were once spread amongst all cities in countywide pools are now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted, as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone limited commercial properties for residential land uses.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and ultimately result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses more profitable at the expense of everyone's residents. We can do better than this, and we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Moorpark concurs that the resolution should go before the General Assembly at the 2021 Annual Conference in Sacramento.

Sincerely,

Janice Parvin

Janice S. Parvin
Mayor

cc: City Council
City Manager

The People are the City

Mayor
CRAIG S. GREEN

Mayor Pro Tem
CHAD P. WANKE

Councilmembers:
RHONDA SHADER
WARD L. SMITH
JEREMY B. YAMAGUCHI

City Clerk:
ROBERT S. MCKINNELL

City Treasurer
KEVIN A. LARSON

City Administrator
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

July 14, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of Placentia strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the 1 percent (1%) Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas, all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their RHNA allocations that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Placentia concurs that the resolution should go before the General Assembly. Should you have any questions regarding this letter, please contact me at (714) 993-8117 or via email at administration@placentia.org.

Sincerely,

Damien R. Arrula
City Administrator

SACRAMENTO
Office of the City Manager

Leyne Milstein
Assistant City Manager

City Hall
915 I Street, Fifth Floor
Sacramento, CA 95814-2604
916-808-5704

July 19, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Walker:

The City of Sacramento strongly supports the City of Rancho Cucamonga's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

Current policies by the California Department of Tax and Fees (CDTFA) require that the one percent Bradley Burns local tax revenue from in-state online retailers be allocated to the jurisdiction from which the package was shipped from, as opposed to going into a countywide pool as is the practice with out-of-state online retailers. Earlier this year, one of the largest online retailers shifted its ownership structure and now operates as an in-state online retailer as well as out-of-state online retailer. Whereas all sales tax revenue generated by this retailer's sales previously went into a countywide pool and was distributed amongst the jurisdictions in the pool, now the revenue from in-state sales goes entirely to the city where the fulfillment center is located, and the packages shipped from. Cities that do not have a fulfillment center now receive no revenue from this retailer's online in-state sales transactions, even when the packages are delivered to locations within the cities' borders and paid for by residents in those locations. Cities that border jurisdictions with fulfillment centers also experience its impacts such as increased truck traffic, air pollution and declining road conditions.

This all-or-nothing practice has created clear winners and losers amongst cities as the online sales tax revenue from large online retailers that was once spread amongst all cities in countywide pools is now concentrated in select cities fortunate enough to host a fulfillment center. This has created a growing inequity amongst California cities, which only benefits some and is particularly unfair to cities who have no chance of ever obtaining a fulfillment

Leyne Milstein
Assistant City Manager

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center, such as those that are built out or are not situated along major travel corridors. No/low property tax cities that rely on sales tax revenue are especially impacted as well as cities struggling to meet their Regional Housing Needs Allocation (RHNA) that are being pressured by Sacramento to rezone precious commercial parcels to residential.

The current online sales tax distribution policies are inherently unfair and exasperate the divide between the winners and losers. Ultimately, the real winners may be the retailers, who leverage these policies to negotiate favorable sales tax sharing agreements from a small group of select cities understandably wanting to host fulfillment centers. The current online sales tax distribution policies unfairly divide local agencies, exacerbate already difficult municipal finances, and in the end, result in a net loss of local government sales tax proceeds that simply serve to make private sector businesses even more profitable at the expense of everyone's residents. We can do better than this. And we should all aspire to develop an equitable sales tax distribution of online sales that addresses the concerns noted above.

For these reasons, the City of Sacramento concurs that the resolution should go before the General Assembly.

Sincerely,

Leyne Milstein (Jul 19, 2021 14:48 PDT)

Leyne Milstein
Assistant City Manager

League of California Cities Staff Analysis on Resolution No. 1

Staff: Nicholas Romo, Legislative Affairs, Lobbyist

Committee: Revenue and Taxation

Summary:
This Resolution calls on the League of California Cities (Cal Cities) to request the Legislature to pass legislation that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jurisdiction.

Background:
The City of Rancho Cucamonga is sponsoring this resolution to *"address the issues in how sales and use taxes are distributed in the 21st century."*

The City notes that *"sales tax is a major revenue source for most California cities. Commonly known as the local 1% Bradley-Burns tax, since the 1950's, cities have traditionally received 1 cent on every dollar of a sale made at the store, restaurant, car dealer, or other location within a jurisdiction's boundaries. Over the years, however, this simple tax structure has evolved into a much more complex set of laws and allocation rules. Many of these rules relate to whether or not a given transaction is subject to sales tax, or to use tax – both have the same 1% value, but each applies in separate circumstances.*

Recently, one of the world's largest online retailers changed the legal ownership of its fulfillment centers. Instead of having its fulfillment centers owned and operated by a third-party vendor, they are now directly owned by the company. This subtle change has major impacts to how the 1% local tax is allocated.

This change has created a situation where most cities in California – more than 90%, in fact – are experiencing a sales tax revenue loss that began in the fourth quarter of calendar year 2021. Many cities may not be aware of this impact, as the fluctuations in sales tax following the pandemic shutdowns have masked the issue. But this change will have long-term impacts on revenues for all California cities as all these revenues benefiting all cities have shifted to just a handful of cities and counties that are home to this retailer's fulfillment centers."

The City's resolution calls for action on an unspecified solution that *"rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jurisdiction,"* which aims to acknowledge the actions taken by cities to alleviate poverty, catalyze economic development, and improve financial stability within their communities through existing tax sharing and zoning powers.

Ultimately, sponsoring cities believe *"that by once again starting the conversation and moving toward the development of laws and policies that can result in seeing all cities benefit from the growth taxes generated through online sales, our state will be stronger."*

Sales and Use Tax in California

The Bradley-Burns Uniform Sales Tax Act allows all local agencies to apply its own sales and use tax on the same base of tangible personal property (taxable goods). This tax rate currently is fixed at 1.25% of the sales price of taxable goods sold at retail locations in a local jurisdiction, or purchased outside the jurisdiction for use within the jurisdiction. Cities and counties use this 1% of the tax to support general operations, while the remaining 0.25% is used for county transportation purposes.

In California, all cities and counties impose Bradley-Burns sales taxes. California imposes the sales tax on every retailer engaged in business in this state that sells taxable goods. The law requires businesses to collect the appropriate tax from the purchaser and remit the amount to the California Department of Tax and Fee Administration (CDTFA). Sales tax applies whenever a retail sale is made, which is basically any sale other than one for resale in the regular course of business. Unless the person pays the sales tax to the retailer, they are liable for the use tax, which is imposed on any person consuming taxable goods in the state. The use tax rate is the same rate as the sales tax rate.

Generally, CDTFA distributes Bradley-Burns tax revenue based on where a sale took place, known as *a situs-based system*. A retailer's physical place of business—such as a retail store or restaurant—is generally the place of sale. "Sourcing" is the term used by tax practitioners to describe the rules used to determine the place of sale, and therefore, which tax rates are applied to a given purchase and which jurisdictions are entitled to the local and district taxes generated from a particular transaction.

California is primarily an origin-based sourcing state – meaning tax revenues go to the jurisdiction in which a transaction physically occurs if that can be determined. However, California also uses a form of destination sourcing for the local use tax and for district taxes (also known as "transactions and use taxes" or "add-on sale and use taxes"). That is, for cities with local add-on taxes, they receive their add-on rate amount from remote and online transactions.

Generally, allocations are based on the following rules:

- The sale is sourced to the place of business of the seller - whether the product is received by the purchaser at the seller's business location or not.
- If the retailer maintains inventory in California and has no other in state location, the source is the jurisdiction where the warehouse is situated. *This resolution is concerned with the growing amount of online retail activity being sourced to cities with warehouse/fulfillment center locations.*
- If the business' sales office is located in California but the merchandise is shipped from out of state, the tax from transactions under $500,000 is allocated

via the county pools. The tax from transactions over $500,000 is allocated to the jurisdiction where the merchandise is delivered.

- When a sale cannot be identified with a permanent place of business in the state, the sale is sourced to the allocation pool of the county where the merchandise was delivered and then distributed among all jurisdictions in that county in proportion to ratio of sales. *For many large online retailers, this has been the traditional path.*

Online Sales and Countywide Pools

While the growth of e-commerce has been occurring for more than two decades, led by some of the largest and most popular retailers in the world, the dramatic increase in online shopping during the COVID-19 pandemic has provided significant revenue to California cities as well as a clearer picture on which governments enjoy even greater benefits.

In the backdrop of booming internet sales has been the steady decline of brick-and-mortar retail and shopping malls. For cities with heavy reliance on in-person retail shopping, the value of the current allocation system has been diminished as their residents prefer to shop online or are incentivized to do so by retailers (during the COVID-19 pandemic, consumers have had no other option but to shop online for certain goods). All the while, the demands and costs of city services continue to grow for cities across the state.

As noted above, the allocation of sales tax revenue to local governments depends on the location of the transaction (or where the location is ultimately determined). For in-person retail, the sales tax goes to the city in which the product and store are located - a customer purchasing at a register. For online sales, the Bradley Burns sales tax generally goes to a location other than the one where the customer lives – either to the city or county where an in-state warehouse or fulfillment center is located, the location of in-state sales office (ex. headquarters) or shared as use tax proceeds amongst all local governments within a county based on their proportionate share of taxable sales.

Under current CDTFA regulations, a substantial portion of local use tax collections are allocated through a countywide pool to the local jurisdictions in the county where the property is put to its first functional use. The state and county pools constitute over 15% of local sales and use tax revenues. Under the pool system, the tax is reported by the taxpayer to the countywide pool of use and then distributed to each jurisdiction in that county on a pro-rata share of taxable sales. If the county of use cannot be identified, the revenues are distributed to the state pool for pro-rata distribution on a statewide basis.

Concentration of Online Sales Tax Revenue and Modernization

Sales tax modernization has been a policy goal of federal, state, and local government leaders for decades to meet the rapidly changing landscape of commercial activity and ensure that all communities can sustainably provide critical services.

For as long as remote and internet shopping has existed, policy makers have been concerned about their potential to disrupt sales and use tax allocation procedures that underpin the funding of local government services. The system was designed in the early twentieth century to ensure that customers were paying sales taxes to support local government services within the community where the transactions occurred whether they resided there or not. This structure provides benefit to and recoupment for the public resources necessary to ensure the health and safety of the community broadly.

City leaders have for as long been concerned about the loosening of the nexus between what their residents purchase and the revenues they receive. Growing online shopping, under existing sourcing rules, has led to a growing concentration of sales tax revenue being distributed to a smaller number of cities and counties. As more medium and large online retailers take title to fulfillment centers or determine specific sales locations in California as a result of tax sharing agreements in specific cities, online sales tax revenue will be ever more concentrated in a few cities at the control of these companies. Furthermore, local governments are already experiencing the declining power of the sales tax to support services as more money is being spent on non-taxable goods and services.

For more on sales and use tax sourcing please see Attachment A.

State Auditor Recommendations

In 2017, the California State Auditor issued a report titled, "The Bradley-Burns Tax and Local Transportation Funds, noting that:

"Retailers generally allocate Bradley Burns tax revenue based on the place of sale, which they identify according to their business structure. However, retailers that make sales over the Internet may allocate sales to various locations, including their warehouses, distribution center, or sales offices. This approach tends to concentrate Bradley Burns tax revenue into the warehouses' or sales offices' respective jurisdictions. Consequently, counties with a relatively large amount of industrial space may receive disproportionately larger amounts of Bradley Burns tax, and therefore Local Transportation Fund, revenue.

The State could make its distribution of Bradley Burns tax revenue derived from online sales more equitable if it based allocations of the tax on the destinations to which goods are shipped rather than on place of sale."

The Auditor's report makes the following recommendation:

"To ensure that Bradley-Burns tax revenue is more evenly distributed, the Legislature should amend the Bradley-Burns tax law to allocate revenues from Internet sales based on the destination of sold goods rather than their place of sale."

In acknowledgement of the growing attention from outside groups on this issue, Cal Cities has been engaged in its own study and convening of city officials to ensure pursued solutions account for the circumstances of all cities and local control is best protected. These efforts are explored in subsequent sections.

Cal Cities Revenue and Taxation Committee and City Manager Working Group
In 2015 and 2016, Cal Cities' Revenue and Taxation Policy Committee held extensive discussions on potential modernization of tax policy affecting cities, with a special emphasis on the sales tax. The issues had been identified by Cal Cities leadership as a strategic priority given concerns in the membership about the eroding sales tax base and the desire for Cal Cities to take a leadership role in addressing the associated issues. The policy committee ultimately adopted a series of policies that were approved by the Cal Cities board of directors. Among its changes were a recommended change to existing sales tax sourcing (determining where a sale occurs) rules, so that the point of sale (situs) is where the customer receives the product. The policy also clarifies that specific proposals in this area should be carefully reviewed so that the impacts of any changes are fully understood. See "Existing Cal Cities Policy" section below.

Cal Cities City Manager Sales Tax Working Group Recommendations
In the Fall of 2017, the Cal Cities City Managers Department convened a working group (Group) of city managers representing a diverse array of cities to review and consider options for addressing issues affecting the local sales tax.

The working group of city managers helped Cal Cities identify internal common ground on rapidly evolving e-commerce trends and their effects on the allocation of local sales and use tax revenue. After meeting extensively throughout 2018, the Group made several recommendations that were endorsed unanimously by Cal Cities' Revenue and Taxation Committee at its January, 2019 meeting and by the board of directors at its subsequent meeting.

The Group recommended the following actions in response to the evolving issues associated with e-commerce and sales and use tax:

Further Limiting Rebate Agreements: The consensus of the Group was that:

- Sales tax rebate agreements involving online retailers should be prohibited *going forward*. They are inappropriate because they have the effect of encouraging revenue to be shifted away from numerous communities and concentrated to the benefit of one.
- Any type of agreement that seeks to lure a retailer from one community to another within a market area should also be prohibited *going forward*. Existing law already prohibits such agreements for auto dealers and big box stores.

Shift Use Tax from Online Sales, including from the South Dakota v. Wayfair Decision Out of County Pools: The Group's recommendation is based first on the principle of "situs" and that revenue should be allocated to the jurisdiction where the use occurs. Each city and county in California imposed a Bradley Burns sales and use tax rate under state law in the 1950s. The use tax on a transaction is the rate imposed where the purchaser resides (the destination). These use tax dollars, including new revenue from the South Dakota v. Wayfair decision, should be allocated to the destination jurisdiction whose Bradley Burns tax applies and not throughout the entire county.

- Shift of these revenues, from purchases from out of state retailers including transactions captured by the South Dakota v. Wayfair decision, out of county pools to full destination allocation on and after January 1, 2020.
- Allow more direct reporting of use taxes related to construction projects to jurisdiction where the construction activity is located by reducing existing regulatory threshold from $5 million to $100,000.

Request/Require CDTFA Analysis on Impacts of Sales Tax Destination Shifts: After discussion of numerous phase-in options for destination sourcing and allocation for sales taxes, the Group ultimately decided that a more complete analysis was needed to sufficiently determine impacts. Since the two companies most cities rely on for sales tax analysis, HdL and MuniServices, were constrained to modeling with transaction and use tax (district tax) data, concerns centered on the problem of making decisions without adequate information. Since the CDTFA administers the allocation of local sales and use taxes, it is in the best position to produce an analysis that examines:

- The impacts on individual agencies of a change in sourcing rules. This would likely be accomplished by developing a model to examine 100% destination sourcing with a report to the Legislature in early 2020.
- The model should also attempt to distinguish between business-to-consumer transactions versus business-to-business transactions.
- The model should analyze the current number and financial effects of city and county sales tax rebate agreements with online retailers and how destination sourcing might affect revenues under these agreements.

Conditions for considering a Constitutional Amendment that moves toward destination allocation: Absent better data on the impacts on individual agencies associated with a shift to destination allocation of sales taxes from CDTFA, the Group declined to prescribe if/how a transition to destination would be accomplished; the sentiment was that the issue was better revisited once better data was available. In anticipation that the data would reveal significant negative impacts on some agencies, the Group desired that any such shift should be accompanied by legislation broadening of the base of sales taxes, including as supported by existing Cal Cities policy including:

- Broadening the tax base on goods, which includes reviewing existing exemptions on certain goods and expanding to digital forms of goods that are otherwise taxed; and
- Expanding the sales tax base to services, such as those commonly taxed in other states.

This Resolution builds upon previous work that accounts for the impacts that distribution networks have on host cities and further calls on the organization to advocate for changes to sales tax distribution rules.

The Resolution places further demands on data collected by CDTFA to establish a "fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases." Such data is proposed to be collected by SB 792 (Glazer, 2021). More discussion on this topic can be found in the "Staff Comments" section.

Staff Comments:

Proposed Resolution Affixes Equity Based, Data Driven Approach to Existing Cal Cities Policy on Sales Tax Sourcing

The actions resulting from this resolution, if approved, would align with existing policy and efforts to-date to modernize sales tax rules. While not formalized in existing Cal Cities policy or recommendations, city managers and tax practitioners generally have favored proposals that establish a sharing of online sales tax revenues rather than a full destination shift. City leaders and practitioners across the state have acknowledged during Cal Cities Revenue and Taxation and City Manager's working group meetings that the hosting of fulfillment centers and ancillary infrastructure pose major burdens on local communities including detrimental health and safety impacts. This acknowledgement has moved mainstream proposals such as this one away from full revenue shifts towards an equity-based, data driven approach that favors revenue sharing. This Resolution would concretely affix this approach as Cal Cities policy.

More Data is Needed to Achieve Equity Based Approach

A major challenge is the lack of adequate data to model the results of shifting in-state online sale tax revenues. Local government tax consultants and state departments have limited data to model the effects of changes to sales tax distribution because their information is derived only from cities that have a local transactions and use tax (TUT). Tax experts are able to model proposed tax shifts using TUTs since they are allocated on a destination basis (where a purchaser receives the product; usually a home or business). However, more than half of all cities, including some larger cities, do not have a local TUT therefore modeling is constrained and incomplete.

Efforts to collect relevant sales tax information on the destination of products purchased online are ongoing. The most recent effort is encapsulated in SB 792 (Glazer, 2021), which would require retailers with online sales exceeding $50 million a year to report to CDTFA the gross receipts from online sales that resulted in a product being shipped or delivered in each city. The availability of this data would allow for a much more complete understanding of online consumer behavior and the impacts of future proposed changes to distribution. SB 792 (Glazer) is supported by Cal Cities following approval by the Revenue and Taxation Committee and board of directors.

Impact of Goods Movement Must Be Considered

As noted above, city leaders and practitioners across the state acknowledge that the hosting of fulfillment centers and goods movement infrastructure pose major burdens on local communities including detrimental health, safety, and infrastructure impacts. Not least of which is the issue of air pollution from diesel exhaust. According to California Environmental Protection Agency (Cal EPA):

"Children and those with existing respiratory disease, particularly asthma, appear to be especially susceptible to the harmful effects of exposure to airborne PM from diesel exhaust, resulting in increased asthma symptoms and attacks along with decreases in lung function (McCreanor et al., 2007; Wargo, 2002). People that live or work near heavily-traveled roadways, ports, railyards, bus yards, or trucking distribution centers may experience a high level of exposure (US EPA, 2002; Krivoshto et al., 2008). People that spend a significant amount of time near heavily-traveled roadways may also experience a high level of exposure. Studies of both men and women demonstrate cardiovascular effects of diesel PM exposure, including coronary vasoconstriction and premature death from cardiovascular disease (Krivoshto et al., 2008). A recent study of diesel exhaust inhalation by healthy non-smoking adults found an increase in blood pressure and other potential triggers of heart attack and stroke (Krishnan et al., 2013) Exposure to diesel PM, especially following periods of severe air pollution, can lead to increased hospital visits and admissions due to worsening asthma and emphysema-related symptoms (Krivoshto et al., 2008). Diesel exposure may also lead to reduced lung function in children living in close proximity to roadways (Brunekreef et al., 1997)."

The founded health impacts of the ubiquitous presence of medium and heavy-duty diesel trucks used to transport goods to and from fulfillment centers and warehouses require host cities to meet increased needs of their residents including the building and maintenance of buffer zones, parks, and open space. While pollution impacts may decline with the introduction of zero-emission vehicles, wide scale adoption by large distribution fleets is still in its infancy. Furthermore, the impacts of heavy road use necessitate increased spending on local streets and roads upgrades and maintenance. In addition, many cities have utilized the siting of warehouses, fulfillment centers, and other heavy industrial uses for goods movements as key components of local revenue generation and economic development strategies. These communities have also foregone other land uses in favor of siting sales offices and fulfillment networks.

All said, however, it is important to acknowledge that disadvantaged communities (DACs) whether measured along poverty, health, environmental or education indices exist in cities across the state. For one example, see: California Office of Environmental Health Hazard Assessment (OEHHA) CalEnviroScreen. City officials may consider how cities without fulfillment and warehouse center revenues are to fund efforts to combat social and economic issues, particularly in areas with low property tax and tourism-based revenues.

The Resolution aims to acknowledge these impacts broadly (this analysis does not provide an exhaustive review of related impacts) and requests Cal Cities to account for them in a revised distribution formula of the Bradley Burns 1% local sales tax from in-state online purchases. The Resolution does not prescribe the proportions.

Clarifying Amendments
Upon review of the Resolution, Cal Cities staff recommends technical amendments to provide greater clarity. *To review the proposed changes, please see Attachment B.*

Fiscal Impact:
Significant but unknown. The Resolution on its own does not shift sales tax revenues. In anticipation and mitigation of impacts, the Resolution requests Cal Cities to utilize online sales tax data to identify a fair and equitable distribution formula that accounts for the broad impacts fulfillment centers involved in online retail have on the cities that host them. The Resolution does not prescribe the revenue distribution split nor does it prescribe the impacts, positive and negative, of distribution networks.

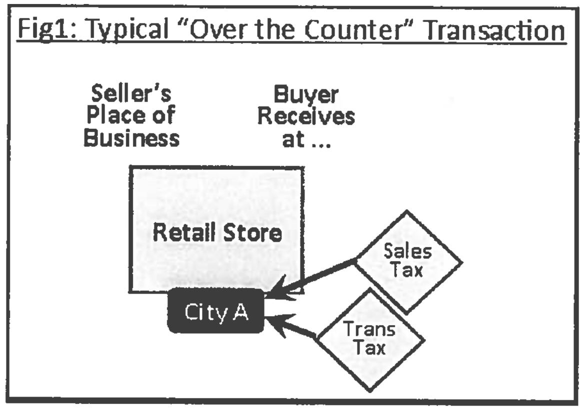
Existing Cal Cities Policy:

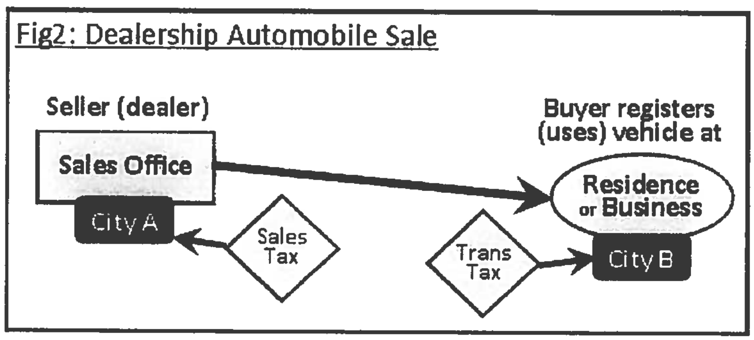
- Tax proceeds collected from internet sales should be allocated to the location where the product is received by the purchaser.
- Support as Cal Cities policy that point of sale (situs) is where the customer receives the product. Specific proposals in this area should be carefully reviewed so that the impacts of any changes are fully understood.
- Revenue from new regional or state taxes or from increased sales tax rates should be distributed in a way that reduces competition for situs-based revenue. (Revenue from the existing sales tax rate and base, including future growth from increased sales or the opening of new retail centers, should continue to be returned to the point of sale.)
- The existing situs-based sales tax under the Bradley Burns 1% baseline should be preserved and protected.
- Restrictions should be implemented and enforced to prohibit the enactment of agreements designed to circumvent the principle of situs-based sales and redirect or divert sales tax revenues from other communities, when the physical location of the affected businesses does not change. Sales tax rebate agreements involving online retailers are inappropriate because they have the effect of encouraging revenue to be shifted away from numerous communities and concentrated to the benefit of one. Any type of agreement that seeks to lure a retailer from one community to another within a market area should also be prohibited going forward.
- Support Cal Cities working with the state California Department of Tax and Fee Administration (CDTFA) to update the county pool allocation process to ensure that more revenues are allocated to the jurisdiction where the purchase or first use of a product occurs (usually where the product is delivered). Use Tax collections from online sales, including from the South Dakota v Wayfair Decision, should be shifted out of county pools and allocated to the destination jurisdiction whose Bradley Burns tax applies and not throughout the entire county.

Support:
The following letters of concurrence were received:
Town of Apple Valley
City of El Cerrito
City of La Canada Flintridge
City of La Verne
City of Lakewood

City of Moorpark
City of Placentia
City of Sacramento

Attachment A





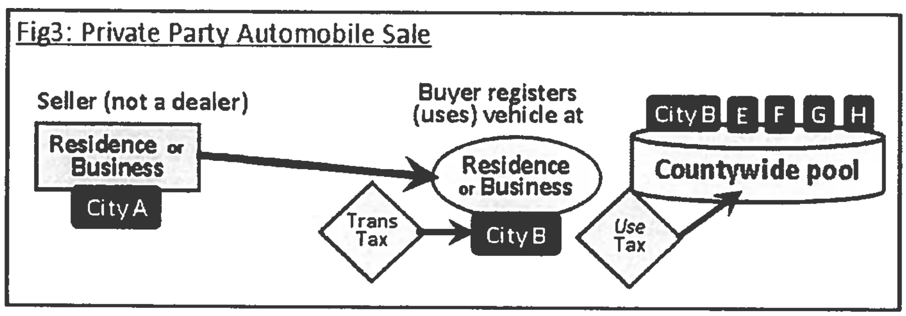
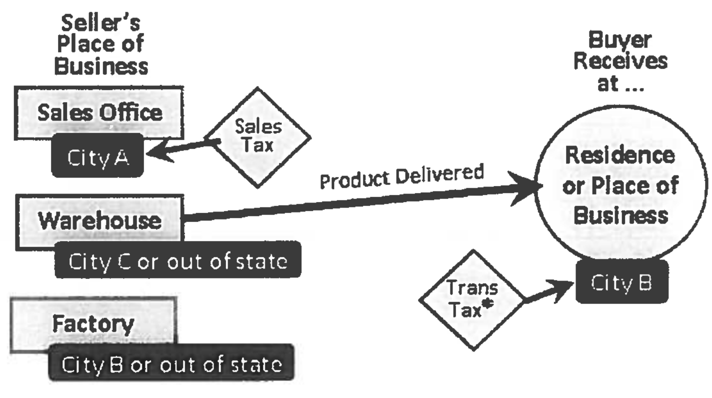
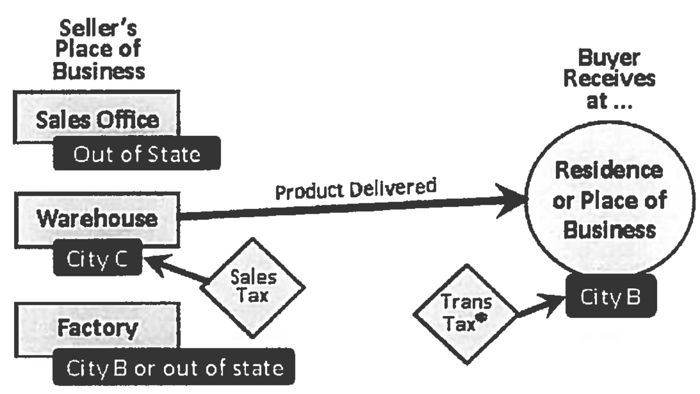


Fig4: Remote (Online) Sale—In-State Business Office

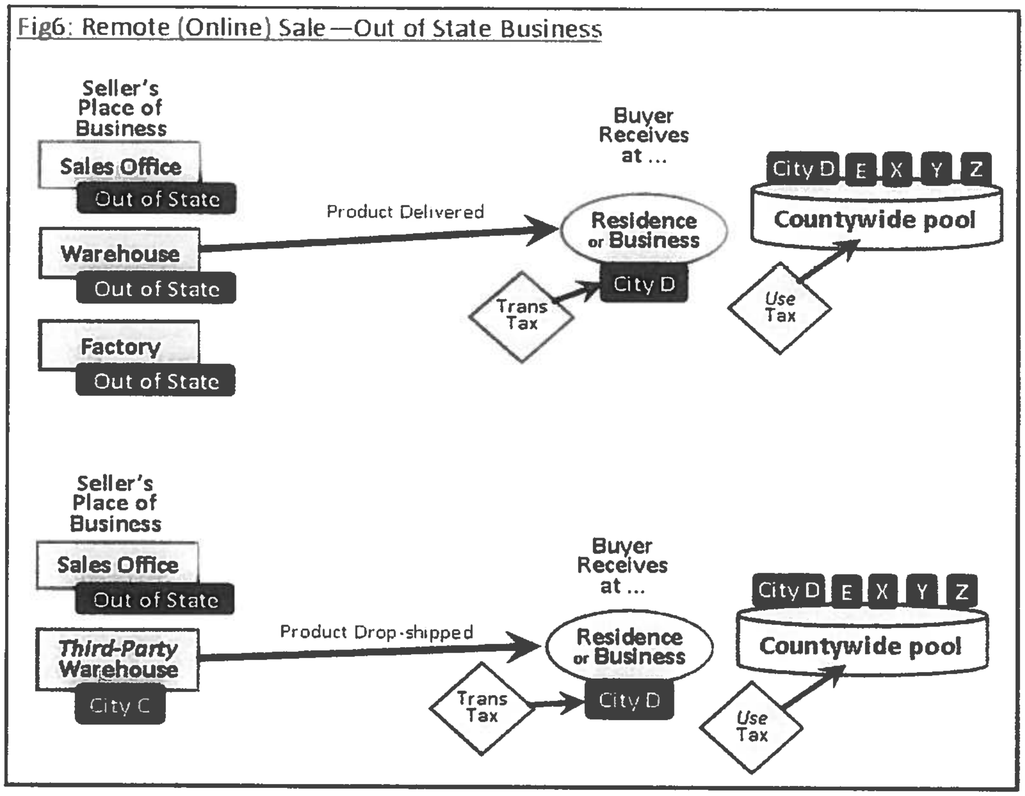


*If the seller is in the same Transactions and Use Tax "district" as the buyer, then the seller is responsible for collecting and remitting the tax. If the buyer is in a different district, the buyer is responsible.

Fig5: Remote (Online) Sale—In-State Warehouse, Out-of-State Sales Office



*If the seller is in the same Transactions and Use Tax "district" as the buyer, then the seller is responsible for collecting and remitting the tax. If the buyer is in a different district, the buyer is responsible.



GUIDELINES FOR ALLOCATION OF LOCAL TAX - ONLINE AND IN-STORE

Place of Sale	Location of Goods at the Time of Sale	How Customer Receives Goods	Allocation of Tax
Online - Order is placed or downloaded outside California	California Fulfillment Center	Shipped to California Customer	Local tax is allocated to the jurisdiction in which the fulfillment center is located
Online - Order is placed or downloaded in California	California Fulfillment Center	Shipped to California Customer	Per CDTFA Regulation 1802, local tax is allocated to the jurisdiction where the order is placed
Online	Out of State Fulfilment Center	Shipped to California Customer	Local tax is allocated to the countywide pool based on point of delivery
Online	Out of State Fulfilment Center	Picked Up In-Store (Click & Collect)	Local tax is allocated to the countywide pool based on point of delivery
Online	California Fulfillment Center Owned and Operated by Third Party Vendor	Drop-Shipped to California Customer	Local tax is allocated to the countywide pool based on point of delivery
Online	In-Store (Goods withdrawn from store inventory)	Shipped to California Customer	Local Tax is allocated to the jurisdiction where the store is located
Online	In-Store (Goods withdrawn from store inventory)	Picked Up In-Store (Click & Collect)	Local Tax is allocated to the jurisdiction where the store is located
In-Store	In-Store (Goods withdrawn from store inventory)	Over the Counter	Local Tax is allocated to the jurisdiction where the store is located

Courtesy of HdL Companies

Tax Incentive Programs, Sales Tax Sharing Agreements

In recent years, especially since Proposition 13 in 1978, local discretionary (general purpose revenues) have become more scarce. At the same time, options and procedures for increasing revenues have become more limited. One outcome of this in many areas has been a greater competition for sales and use tax revenues. This has brought a rise in arrangements to encourage certain land use development with rebates and incentives which exploit California's odd origin sales tax sourcing rules.

The typical arrangement is a sales tax sharing agreement in which a city provides tax rebates to a company that agrees to expand their operations in the jurisdiction of the city. Under such an arrangement, the company generally agrees to make a specified amount of capital investment and create a specific number of jobs over a period of years in exchange for specified tax breaks, often property tax abatement or some sort of tax credit. In some cases, this has simply taken the form of a sales office, while customers and warehouses and the related economic activity are disbursed elsewhere in the state. In some cases the development takes the form of warehouses, in which the sales inventory, owned by the company, is housed.[6]

Current sales tax incentive agreements in California rebate amounts ranging from 50% to 85% of sales tax revenues back to the corporations.

Today, experts familiar with the industry believe that between 20% to 30% of local Bradley-Burns sales taxes paid by California consumers is diverted from local general funds back to corporations; over $1 billion per year.

The Source of Origin Based Sourcing Problems

Where other than over-the-counter sales are concerned origin sourcing often causes a concentration of large amounts of tax revenue in one location, despite the fact that the economic activity and service impacts are also occurring in other locations.

The large amounts of revenue concentrated in a few locations by California's "warehouse rule" origin sourcing causes a concentration of revenue far in excess of the service costs associated with the development.

In order to lure jobs and tax revenues to their communities, some cities have entered into rebate agreements with corporations. This has grown to such a problem, that 20% to 30% of total local taxes paid statewide are being rebated back to corporations rather than funding public services.

Moving to Destination Sourcing: The Concept[7]

A change from origin sourcing rules to destination sourcing rules for the local tax component of California's sales tax would improve overall revenue collections and distribute these revenues more equitably among all of the areas involved in these transactions.

A change from origin based sourcing to destination based sourcing would have no effect on state tax collections. However, it would alter the allocations of local sales and use tax revenues among local agencies. Most retail transactions including dining, motor fuel purchases, and in-store purchases would not be affected. But in cases where the property is received by the purchaser in a different jurisdiction than where the sales agreement was negotiated, there would be a different allocation than under the current rules.

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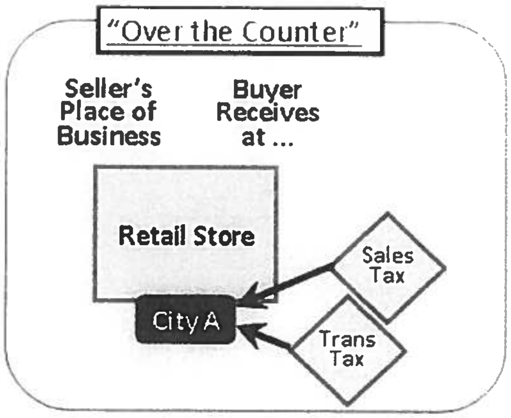
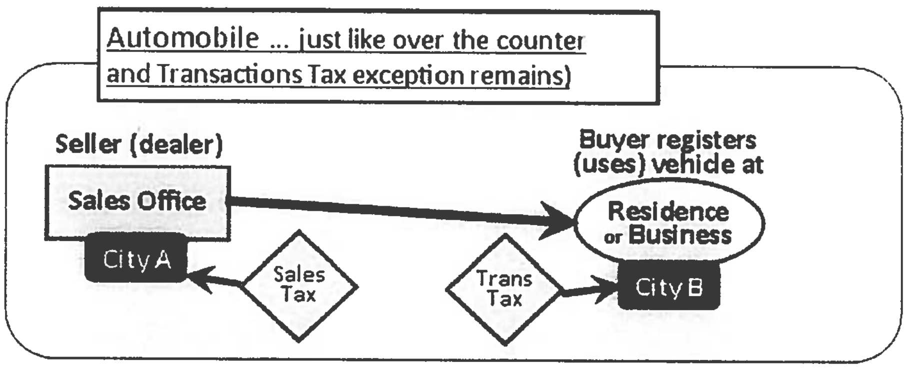
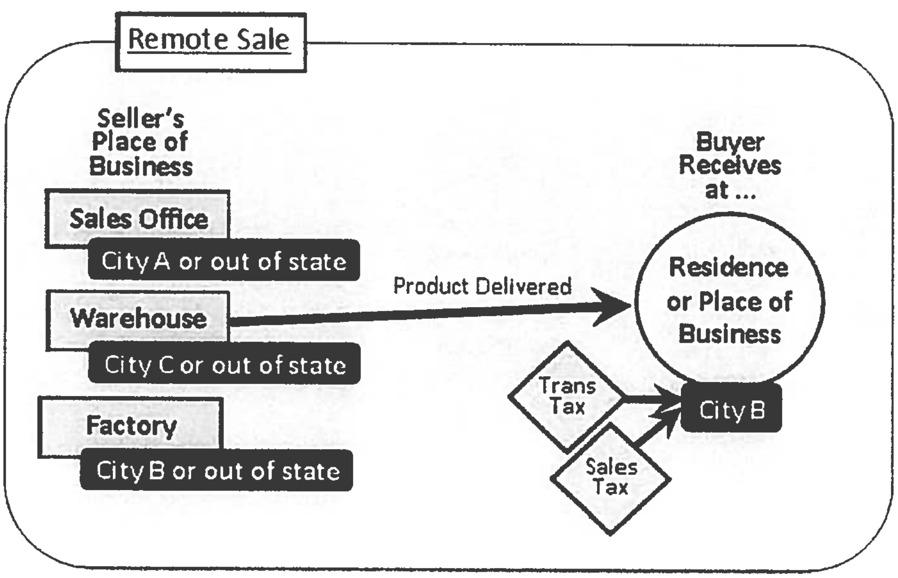
6 See Jennifer Carr, "Origin Sourcing and Tax Incentive Programs: An Unholy Alliance" Sales Tax Notes; May 27, 2013.

7 The same issues that are of concern regarding the local sales tax do not apply to California's Transactions and Use Taxes ("Add-on sales taxes") as these transactions, when not over the counter, are generally allocated to the location of use or, as in the case of vehicles, product registration. There is no need to alter the sourcing rules for transactions and use taxes.

Destination Sourcing Scenario 1: Full-On



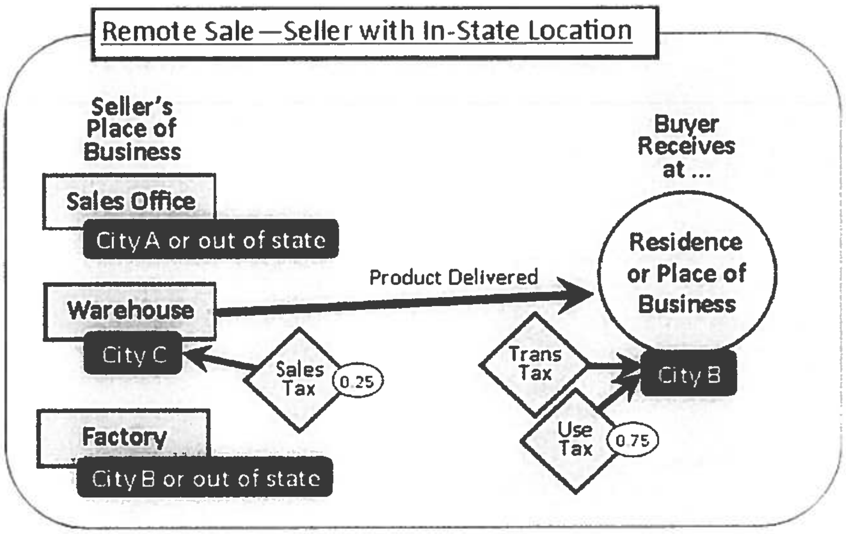


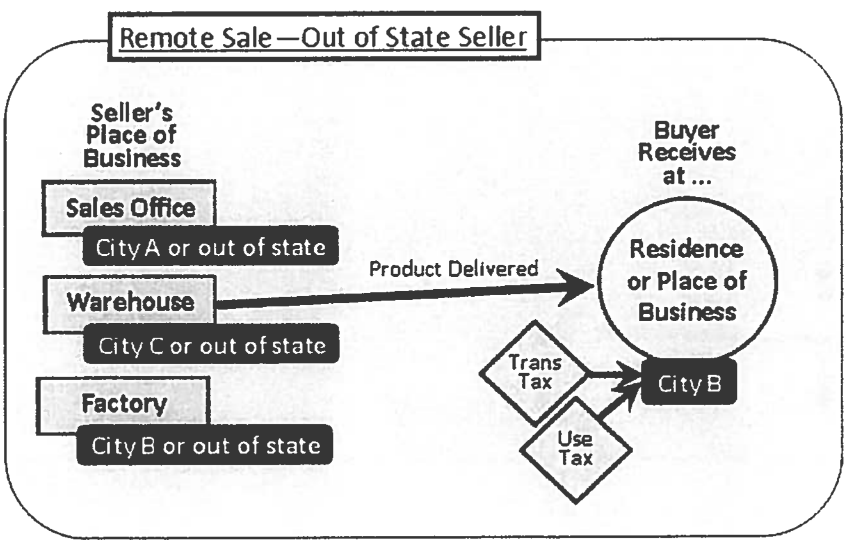


CaliforniaCityFinance.com

Destination Sourcing Scenario 2: Split Source

- Same as now for "over the counter" and automobile.
- Leave 0.25% on current seller if instate (origin)
- Could be phased in.





mjgc

RESOLUTION OF THE LEAGUE OF CALIFORNIA CITIES ("CAL CITIES") CALLING ON THE STATE LEGISLATURE TO PASS LEGISLATION THAT PROVIDES FOR A FAIR AND EQUITABLE DISTRIBUTION OF THE BRADLEY BURNS 1% LOCAL SALES TAX FROM IN-STATE ONLINE PURCHASES, BASED ON DATA WHERE PRODUCTS ARE SHIPPED TO, AND THAT RIGHTFULLY TAKES INTO CONSIDERATION THE IMPACTS THAT FULFILLMENT CENTERS HAVE ON HOST CITIES BUT ALSO PROVIDES A FAIR SHARE TO CALIFORNIA CITIES THAT DO NOT AND/OR CANNOT HAVE A FULFILLMENT CENTER WITHIN THEIR JURISDICTION

WHEREAS, the 2018 U.S. Supreme Court decision in *Wayfair v. South Dakota* clarified that states could charge and collect tax on purchases even if the seller does not have a physical presence in the state; and

WHEREAS, California cities and counties collect 1% in Bradley Burns sales and use tax from the purchase of tangible personal property and rely on this revenue to provide critical public services such as police and fire protection; and

WHEREAS, in terms of "siting" the place of sale and determining which jurisdiction receives the 1% Bradley Burns local taxes for online sales, the California Department of Tax and Fee Administration (CDTFA) determines "out-of-state" online retailers as those with no presence in California that ship property from outside the state and are therefore subject to use tax, not sales tax, which is collected in a countywide pool of the jurisdiction where the property is shipped from; and

WHEREAS, for online retailers that have a presence in California and have a stock of goods in the state from which it fulfills orders, CDTFA considers the place of sale ("situs") as the location from which the goods were shipped such as a fulfillment center; and

WHEREAS, in early 2021, one of the state's largest online retailers shifted its ownership structure so that it is now considered both an in-state and out-of-state retailer, resulting in the sales tax this retailer generates from in-state sales now being ~~entirely~~ allocated to ~~the specific city~~ cities where ~~the~~ warehouse fulfillment centers ~~is~~ are located as opposed to going into ~~a~~ countywide pools that ~~is~~ are shared with all jurisdictions in **those counties** ~~that County~~, as was done previously; and

WHEREAS, this all-or-nothing ~~change for the~~ allocation of in-state sales tax has created winners and losers amongst cities as the online sales tax revenue ~~from the retailer~~ that was once spread amongst all cities in countywide pools is now concentrated in select cities that host ~~a~~ fulfillment centers; and

WHEREAS, this has created a tremendous inequity amongst cities, in particular for cities that are built out, do not have space for siting ~~a 1 million square foot~~ fulfillment centers, are not located along a major travel corridor, or otherwise not ideally suited to host a fulfillment center; and

WHEREAS, this inequity affects cities statewide, but in particular those with specific circumstances such as no/low property tax cities that are extremely reliant on sales tax revenue as well as cities struggling to meet their **Regional Housing Needs Allocation** (RHNA) obligations that are being compelled by the State to rezone precious commercial parcels to residential; and

WHEREAS, the inequity produced by allocating in-state online sales tax revenue exclusively to cities with fulfillment centers is exasperated even more by, in addition to already reducing the amount of revenue going into the countywide pools, the cities with fulfillment centers are also receiving a larger share of the dwindling countywide pool as it is allocated based on cities' proportional share of sales tax collected; and

WHEREAS, while it is important to acknowledge that those cities that have fulfillment centers experience impacts from these activities and deserve equitable supplementary compensation, it should also be recognized that the neighboring cities whose residents are ordering products from **those** ~~**that**~~ centers now receive no **Bradley Burns** revenue ~~**from the center's sales activity**~~ despite also experiencing the impacts created by them ~~center~~, such as increased traffic and air pollution; and

WHEREAS, the COVID-19 pandemic greatly accelerated the public's shift towards online purchases, a trend that is unlikely to be reversed to pre-pandemic levels; and

NOW, THEREFORE, BE IT RESOLVED that Cal Cities calls on the State Legislature to pass legislation that provides for a fair and equitable distribution of the Bradley Burns 1% local sales tax from in-state online purchases, based on data where products are shipped to, and that rightfully takes into consideration the impacts that fulfillment centers have on host cities but also provides a fair share to California cities that do not and/or cannot have a fulfillment center within their jurisdiction.

2. **A RESOLUTION CALLING UPON THE GOVERNOR AND THE LEGISLATURE TO PROVIDE NECCESARY FUNDING FOR CUPC TO FUFILL ITS OBLIGATION TO INSPECT RAILROAD LINES TO ENSURE THAT OPERATORS ARE REMOVING ILLEGAL DUMPING, GRAFFITI AND HOMELESS ENCAMPMENTS THAT DEGRADE THE QAULITY OF LIFE AND RESULTS IN INCREASED PUBLIC SAFETLY CONCERNS FOR COMMUNITIES AND NEIGHBORHOODS THAT ABUTT THE RAILROAD RIGHT-OF-WAY.**

Source: City of South Gate
Concurrence of five or more cities/city officials:
Cities: City of Bell Gardens; City of Bell; City of Commerce; City of Cudahy; City of El Segundo; City of Glendora; City of Huntington Park; City of La Mirada; City of Long Beach; City of Lynwood; City of Montebello; City of Paramount; City of Pico Rivera
Referred to: Housing, Community and Economic Development; and Transportation, Communications and Public Works

WHEREAS, ensuring the quality of life for communities falls upon every local government including that blight and other health impacting activities are addressed in a timely manner by private property owners within its jurisdictional boundaries for their citizens, businesses and institutions; and

WHEREAS, Railroad Operators own nearly 6,000 miles of rail right-of-way throughout the State of California which is regulated by the Federal Railroad Administration and/or the California Public Utilities Commission for operational safety and maintenance; and

WHEREAS, the California Public Utilities Commission (CPUC) is the enforcing agency for railroad safety in the State of California and has 41 inspectors assigned throughout the entire State to inspect and enforce regulatory compliance over thousands of miles of rail line; and

WHEREAS, areas with rail line right-of-way within cities and unincorporated areas are generally located in economically disadvantaged zones and/or disadvantaged communities of color where the impact of blight further lowers property values and increases the likelihood of unsound sanitary conditions and environmental impacts upon them; and

WHEREAS, many communities are seeing an increase in illegal dumping, graffiti upon infrastructure and homeless encampments due to the lax and inadequate oversight by regulatory agencies; and

WHEREAS, local governments have no oversight or regulatory authority to require operators to better maintain and clean their properties as it would with any other private property owner within its jurisdictional boundaries. Thus such local communities often resort to spending their local tax dollars on cleanup activities or are forced to accept the delayed and untimely response by operators to cleaning up specific sites, and;

WHEREAS, that railroad operators should be able to provide local communities with a fixed schedule in which their property will be inspected and cleaned up on a reasonable and regular schedule or provide for a mechanism where they partner with and reimburse local governments for an agreed upon work program where the local government is enabled to remove items like illegal dumping, graffiti and encampments; and

WHEREAS, the State has made it a priority to deal with homeless individuals and the impacts illegal encampments have upon those communities and has a budgetary surplus that can help fund the CPUC in better dealing with this situation in both a humane manner as well a betterment to rail safety.

RESOLVED, at the League of California Cities, General Assembly, assembled at the League Annual Conference on September 24, 2021, in Sacramento, that the League calls for the Governor and the Legislature to work with the League and other stakeholders to provide adequate regulatory authority and necessary funding to assist cities with these railroad right-of-way areas so as to adequately deal with illegal dumping, graffiti and homeless encampments that proliferate along the rail lines and result in public safety issues. The League will work with its member cities to educate federal and state officials to the quality of life and health impacts this challenge has upon local communities, especially those of color and/or environmental and economic hardships.

Background Information to Resolution

Source: City of South Gate

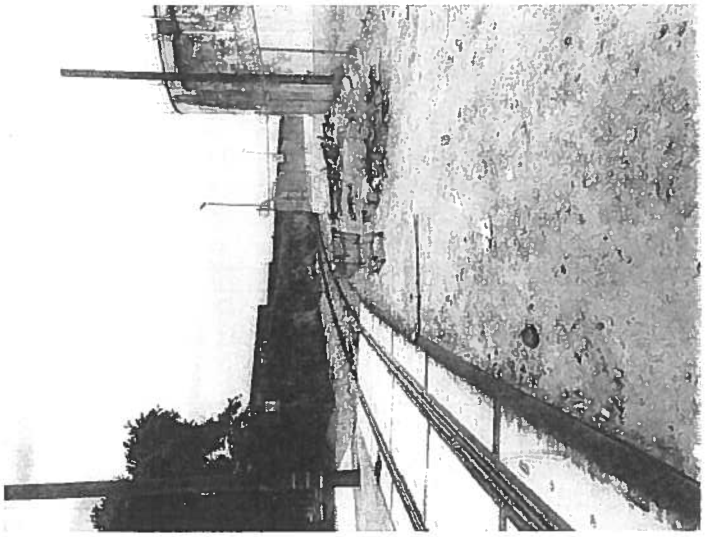
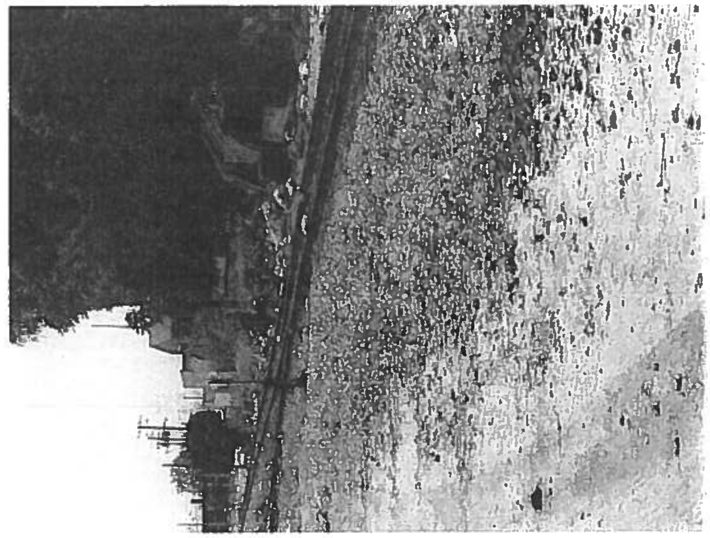
Background:
The State of California has over 6,000 miles of rail lines, with significant amount running through communities that are either economically disadvantaged and/or disadvantaged communities of color. While the Federal Railroad Administration (FRA) has primary oversight of rail operations, they delegate that obligation to the State of California for lines within our State. The administration of that oversight falls under the California Public Utilities Commission (CPUC). The CPUC has only 41 inspectors covering those 6,000 miles of railroad lines in the State of California. Their primary task is ensuring equipment, bridges and rail lines are operationally safe.

The right-of-way areas along the rail lines are becoming increasingly used for illegal dumping, graffiti and homeless encampments. Rail operators have admitted that they have insufficient funds set aside to clean up or sufficiently police these right-of-way areas, despite reporting a net income of over $13 billion in 2020. CPUC budget does not provide the resources to oversee whether rail operators are properly managing the right-of-way itself.

The City of South Gate has three rail lines traversing through its city limits covering about 4 miles. These lines are open and inviting to individuals to conduct illegal dumping, graffiti buildings and structures along with inviting dozens of homeless encampments. As private property, Cities like ourselves cannot just go upon them to remove bulky items, trash, clean graffiti or remove encampments. We must call and arrange for either our staff to access the site or have the rail operator schedule a cleanup. This can take weeks to accomplish, in the meantime residents or businesses that are within a few hundred feet of the line must endure the blight and smell. Trash is often blown from the right-of-way into residential homes or into the streets. Encampments can be seen from the front doors of homes and businesses.

South Gate is a proud city of hard working-class residents, yet with a median household income of just $50,246 or 65% of AMI for Los Angeles County, it does not have the financial resources to direct towards property maintenance of any commercial private property. The quality of life of communities like ours should not be degraded by the inactions or lack of funding by others. Cities such as South Gate receive no direct revenue from the rail operators, yet we deal with environmental impacts on a daily basis, whether by emissions, illegal dumping, graffiti or homeless encampments.

The State of California has record revenues to provide CPUC with funding nor only for safety oversight but ensuring right-of-way maintenance by operators is being managed properly. Rail Operators should be required to set aside sufficient annual funds to provide a regular cleanup of their right-of-way through the cities of California.

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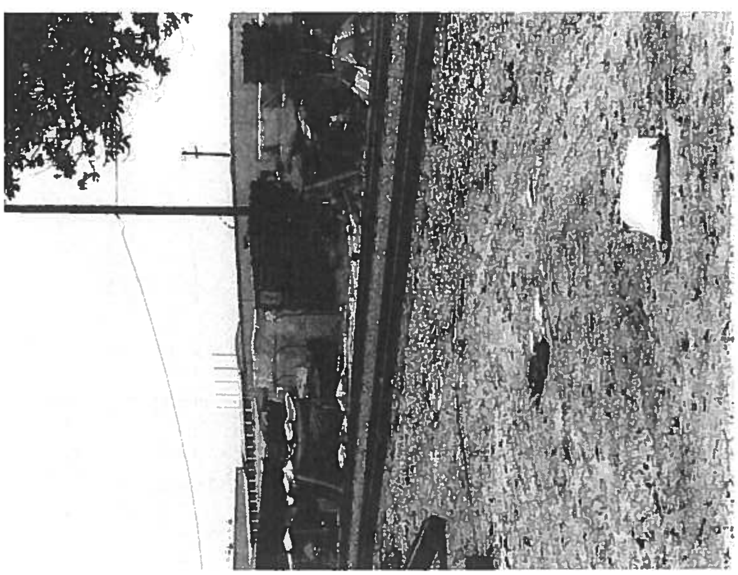


LETTERS OF CONCURRENCE
Resolution No. 2

City of Bell Gardens
7100 Garfield Avenue • Bell Gardens, CA 90201 • 562-806-7700 • www.bellgardens.org

CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 21, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The City of Bell Gardens supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Marco Barcena at 562-7761 if you have any questions.

Sincerely,

Marco Barcena
Mayor

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

City of Bell Gardens
7100 Garfield Avenue · Bell Gardens, CA 90201 · 562-806-7700 · www.bellgardens.org

CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 20, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

As a Councilwoman with the City of Bell Gardens, I support the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Lisseth Flores at (562) 806-7763 if you have any questions.

Sincerely,

Lisseth Flores

Lisseth Flores
Councilwoman

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

CITY OF SOUTH GATE ANNUAL CONFERNCE RESOLUTION

July 15, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The city of Bell supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Paul Philips, City Manager at 323-588-6211, if you have any questions.

Sincerely,

Alicia Romero
Mayor

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division,

6330 Pine Avenue, Bell, California 90201 • Phone (323) 588-6211 Fax (323) 771-9473

CITY OF COMMERCE

July 20, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Railroad Oversight Annual Conference Resolution

President Walker:

The City of Commerce supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League of California Cities' ("League") 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially disadvantaged communities of color that are home to the State's freight rail lines. While I am supportive of the economic base the railroad industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Edgar Cisneros, City Manager, via email at ecisneros@ci.commerce.ca.us or at 323-722-4805, should you have any questions.

Sincerely,

Mayor Leonard Mendoza

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

CITY OF **CUDAHY** CALIFORNIA

Incorporated November 10, 1960

5220 Santa Ana Street
Cudahy, California 90201
(323)773-5143

July 21, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

Dear President Walker:

The City of Cudahy supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State; their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impacts of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. If you have any questions, please do not hesitate to call my office at 323-773-5143.

Sincerely,

Jose Gonzalez
Mayor

CC: Chris Jeffers, City Manager, City of South Gate

City of El Segundo

Office of the Mayor

July 16, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The City of El Segundo supports the Los Angeles County Division's City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erodes the quality of life for our communities, increases blight, increases unhealthy sanitation issues, and negatively impacts our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact El Segundo Public Works Director Elias Sassoon at 310-524-2356, if you have any questions.

Sincerely,

Drew Boyles
Mayor of El Segundo

CC: City Council, City of El Segundo
Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org
Jeff Kiernan, League Regional Public Affairs Manager (via email)

350 Main Street, El Segundo, California 90245-3813
Phone (310) 524-2302 Fax (310) 322-7137

CITY OF GLENDORA CITY HALL (626) 914-8200

116 East Foothill Blvd., Glendora, California 91741
www.ci.glendora.ca.us

July 14, 2021

Cheryl Viegas Walker, President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

SUBJECT: SUPPORT FOR THE CITY OF SOUTH GATE'S ANNUAL CONFERENCE RESOLUTION

Dear President Walker:

The City of Glendora is pleased to support the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League of California Cities' 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue that many communities, small and large, are experiencing along active transportation corridors, particularly rail lines. Given the importance and growth of the ports and logistics sector, and the economic support they provide, we need to do more to ensure that conflicts are appropriately addressed and mitigated to ensure they do not become attractive nuisances. Our cities are experiencing increasing amounts of illegal dumping (trash and debris) and the establishment of encampments by individuals experiencing homelessness along roadways, highways and rail lines. Such situations create unsafe conditions – safety, health and sanitation – that impact quality of life even as we collectively work to address this challenge in a coordinated and responsible manner.

As members of the League of California Cities, Glendora values the policy development process provided to the General Assembly and strongly support consideration of this issue. Your attention to this matter is greatly appreciated. Should you have any questions, please feel free to contact Adam Raymond, City Manager, at araymond@cityofglendora.org or (626) 914-8201.

Sincerely,

Karen K. Davis
Mayor

C: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

PRIDE OF THE FOOTHILLS

Office of the Mayor

July 21, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Re: Resolution No. 2021-18 Supporting City of South Gate Annual Conference Resolution

President Walker:

The City of Huntington Park (City) supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento. Enclosed is Resolution No. 2021-18 adopted by the City Council of the City of Huntington Park.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impacts of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively affect our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact our City Manager, Ricardo Reyes, at 323-582-6161, if you have any questions.

Sincerely,

Graciela Ortiz
Mayor, City of Huntington Park

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

Enclosure(s)

CITY OF LA MIRADA
DEDICATED TO SERVICE

13700 La Mirada Boulevard
La Mirada, California 90638
P.O. Box 828
La Mirada, California 90637-0828
Phone: (562) 943-0131 Fax: (562) 943-1464
www.cityoflamirada.org

July 19, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, California 95814

SUBJECT: LETTER OF SUPPORT FOR CITY OF SOUTH GATE'S PROPOSED RESOLUTION AT CALCITIES ANNUAL CONFERENCE

President Walker:

The City of La Mirada supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City of South Gate's resolution seeks to address a critical issue within communities that are home to the State's freight rail lines. While the City of La Mirada is supportive of the economic base the railroad industry serves to the State, the rail lines have become places where illegal dumping and a growing homeless population are significant problems. The negative impact of these illegal activities decreases the quality of life for the La Mirada community, increases blight and unhealthy sanitation issues, and negatively impacts the City's ability to meet State water quality standards under the MS4 permits.

As members of the League, the City of La Mirada values the policy development process provided to the General Assembly. We appreciate your consideration on this issue. Please feel free to contact Assistant City Manager Anne Haraksin at (562) 943-0131 if you have any questions.

Sincerely,

CITY OF LA MIRADA

Ed Eng
Mayor

cc: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

July 22, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Support for City of South Gate Resolution—Cleanup Activities on Rail Operator Properties

Dear President Walker,

On behalf of the City of Long Beach, I write to support the City of South Gate's proposed resolution for the League of California Cities' (League) 2021 Annual Conference. This resolution seeks to direct the League to adopt a policy urging State and federal governments to increase oversight of rail operators' land maintenance. The City is a proponent of increased maintenance along railways and believes a League advocacy strategy would help expedite regional responses.

The COVID-19 pandemic has exacerbated the public health and safety concerns on rail rights-of-way, as trash, debris, and encampments have increased exponentially. These challenges erode the quality of life for our communities, increase blight, and contribute to public health and sanitation issues. To address these concerns, the City has engaged directly with regional partners to prioritize ongoing maintenance and cleanups, and has invested $4 million in the Clean Long Beach Initiative as part of the City's Long Beach Recovery Act to advance economic recovery and public health in response to the COVID-19 pandemic.

The City of South Gate's proposed resolution would further advance these efforts for interjurisdictional coordination. The increased oversight proposed by the resolution will help support better coordination and additional resources to address illegal dumping and encampments along private rail operator property. This is a critical measure to advance public health and uplift our most vulnerable communities. For these reasons, the City supports the proposed League resolution.

Sincerely,

THOMAS B. MODICA
City Manager

cc: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

City of
LYNWOOD

Incorporated 1921

OFFICE OF THE
MAYOR
MARISELA SANTANA

Lynwood All-America City

11330 Bullis Road, Lynwood, CA 90262
(310) 603-0220 x 200

CITY OF SOUTH GATE ANNUAL CONFERNCE RESOLUTION

July 20, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The City of Lynwood supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. These impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League our city values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Ernie Hernandez at (310) 603-0220 ext. 200, if you have any questions.

Sincerely,

Marisela Santana, Mayor

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

100 YEARS CITY OF MONTEBELLO CALIFORNIA 1920 2020

July 19, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: Resolution in Support of City of South Gate Annual Conference Resolution

President Walker:

The City of Montebello (City) supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento. Attached is the Resolution to be considered for adoption by the City Council of the City of Montebello at our July 28, 2021, City Council meeting.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State, their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erodes the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact our City Manager, René Bobadilla, at 323-887-1200, if you have any questions.

Sincerely,

Kimberly Cobos-Cawthorne

Kimberly Cobos-Cawthorne
Mayor, City of Montebello

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

PARAMOUNT
THE CITY
Safe, Healthy, and Attractive

BRENDA OLMOS
Mayor

VILMA CUELLAR STALLINGS
Vice Mayor

ISABEL AGUAYO
Councilmember

LAURIE GUILLEN
Councilmember

PEGGY LEMONS
Councilmember

July 19, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: SUPPORT FOR ANNUAL LEAGUE OF CITIES CONFERENCE GENERAL ASSEMBLY RESOLUTION

President Walker:

The City of Paramount supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento. The proposed resolution is attached

South Gate's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantage communities of color that are home to the State's freight rail lines. While supportive of the economic boon the freight industry serves to the State, their rail line rights of way have often become places where illegal dumping is a constant problem and where our growing homeless populations reside. The impact of these activities further erode the quality of life for our communities, increase blight, increase unhealthy sanitation issues and negatively impact our ability to meet State water quality standards under the MS4 permits.

As a member of the California League of Cities, the City of Paramount values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact City Manager John Moreno at (562) 220-2222 if you have any questions.

City of Pico Rivera
OFFICE OF THE CITY MANAGER
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(562) 801-4371
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Steve Carmona
City Manager

City Council
Raul Elias
Mayor
Dr. Monica Sánchez
Mayor Pro Tem
Gustavo V. Camacho
Councilmember
Andrew C. Lara
Councilmember
Erik Lutz
Councilmember

CITY OF SOUTH GATE ANNUAL CONFERENCE RESOLUTION

July 14, 2021

Cheryl Viegas Walker
President
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

RE: City of South Gate Annual Conference Resolution

President Walker:

The City of Pico Rivera supports the City of South Gate's effort to submit a resolution for consideration by the General Assembly at the League's 2021 Annual Conference in Sacramento.

The City's resolution seeks to address a critical issue within communities, especially those of economic disadvantage and disadvantaged communities of color that are home to the State's freight rail lines. While supportive of the economic base the industry serves to the State; their rail lines have often become places where illegal dumping is a constant problem and our growing homeless population call home. The impact of these activities further erodes the quality of life for our communities, increases blight, increases unhealthy sanitation issues, and negatively impacts our ability to meet State water quality standards under the MS4 permits.

As members of the League, our City values the policy development process provided to the General Assembly. We appreciate your time on this issue. Please feel free to contact Steve Carmona at (562) 801-4405 if you have any questions.

Sincerely,

City Manager
City of Pico Rivera

CC: Blanca Pacheco, President, Los Angeles County Division c/o
Jennifer Quan, Executive Director, Los Angeles County Division, jquan@cacities.org

League of California Cities Staff Analysis on Resolution No. 2

Staff: Damon Conklin, Legislative Affairs, Lobbyist
Jason Rhine, Assistant Director, Legislative Affairs
Caroline Cirrincione, Policy Analyst

Committees: Transportation, Communications, and Public Works
Housing, Community, and Economic Development

Summary:
The City of South Gate submits this resolution, which states the League of California Cities should urge the Governor and the Legislature to provide adequate regulatory authority and necessary funding to assist cities with railroad right-of-way areas to address illegal dumping, graffiti, and homeless encampments that proliferate along the rail lines and result in public safety issues.

Background:
California Public Utilities Commission (CPUC) Railroad Oversight
The CPUC's statewide railroad safety responsibilities are carried out through its Rail Safety Division (RSD). The Railroad Operations and Safety Branch (ROSB), a unit of RSD, enforces state and federal railroad safety laws and regulations governing freight and passenger rail in California.

The ROSB protects California communities and railroad employees from unsafe practices on freight and passenger railroads by enforcing rail safety laws, rules, and regulations. The ROSB also performs inspections to identify and mitigate risks and potential safety hazards before they create dangerous conditions. ROSB rail safety inspectors investigate rail accidents and safety-related complaints and recommend safety improvements to the CPUC, railroads, and the federal government as appropriate.

Within the ROSB, the CPUC employs 41 inspectors who are federally certified in the five Federal Railroad Administration (FRA) railroad disciplines, including hazardous materials, motive power and equipment, operations, signal and train control, and track. These inspectors perform regular inspections, focused inspections, accident investigations, security inspections, and complaint investigations. In addition, the inspectors address safety risks that, while not violations of regulatory requirements, pose potential risks to public or railroad employee safety.

CPUC's Ability to Address Homelessness on Railroads
Homeless individuals and encampments have occupied many locations in California near railroad tracks. This poses an increased safety risk to these homeless individuals of being struck by trains. Also, homeless encampments often create unsafe work environments for railroad and agency personnel.

While CPUC cannot compel homeless individuals to vacate railroad rights-of-way or create shelter for homeless individuals, it has the regulatory authority to enforce measures that can reduce some safety issues created by homeless encampments. The disposal of waste materials or other disturbances of walkways by homeless individuals can create tripping hazards in the vicinity of railroad rights-of-way. This would cause violations of Commission GO 118-A, which sets standards for walkway surfaces alongside railroad tracks. Similarly, tents, wooden structures, and miscellaneous debris in homeless encampments can create violations of

Commission GO 26-D, which sets clearance standards between railroad tracks, and structures and obstructions adjacent to tracks.

Homelessness in California
According to the 2020 Annual Homeless Assessment Report (AHAR) to Congress, there has been an increase in unsheltered individuals since 2019. More than half (51 percent or 113,660 people) of all unsheltered homeless people in the United States are found in California, about four times as high as their share of the overall United States population.

Many metro areas in California lack an adequate supply of affordable housing. This housing shortage has contributed to an increase in homelessness that has spread to railroad rights-of-way. Homeless encampments along railroad right-of-way increase the incidents of illegal dumping and unauthorized access and trespassing activities. Other impacts include train service reliability with debris strikes, near-misses, and trespasser injuries/fatalities. As of April 2021, there have been 136 deaths and 117 injuries reported by the Federal Railroad Administration over the past year. These casualties are directly associated with individuals who trespassed on the railroad.

Cities across the state are expending resources reacting to service disruptions located on the railroad's private property. It can be argued that an increase in investments and services to manage and maintain the railroad's right-of-way will reduce incidents, thus enhancing public safety, environmental quality, and impacts on the local community.

State Budget Allocations – Homelessness
The approved State Budget includes a homelessness package of $12 billion. This consists of a commitment of $1 billion per year for direct and flexible funding to cities and counties to address homelessness. While some details related to funding allocations and reporting requirements remain unclear, Governor Newsom signed AB 140 in July, which details key budget allocations, such as:

- $2 billion in aid to counties, large cities, and Continuums of Care through the Homeless Housing, Assistance and Prevention grant program (HHAP);
- $50 million for Encampment Resolution Grants, which will help local governments resolve critical encampments and transitioning individuals into permanent housing; and
- $2.7 million in onetime funding for Caltrans Encampment Coordinators to mitigate safety risks at encampments on state property and to coordinate with local partners to connect these individuals to services and housing.

The Legislature additionally provided $2.2 billion specifically for Homekey with $1 billion available immediately. This funding will help local governments transition individuals from Project Roomkey sites into permanent housing to minimize the number of occupants who exit into unsheltered homelessness.

With regards to this resolution, the State Budget also included $1.1 billion to clean trash and graffiti from highways, roads, and other public spaces by partnering with local governments to pick up trash and beautify downtowns, freeways, and neighborhoods across California. The program is expected to generate up to 11,000 jobs over three years.

Cities Railroad Authority
A city must receive authorization from the railroad operator before addressing the impacts made by homeless encampments because of the location on the private property. Additionally, the city

must coordinate with the railroad company to get a flagman to oversee the safety of the work crews, social workers, and police while on the railroad tracks.

A city may elect to declare the encampment as a public nuisance area, which would allow the city to clean up the areas at the railroad company's expense for failing to maintain the tracks and right-of-way. Some cities are looking to increase pressure on railroad operators for not addressing the various homeless encampments, which are presenting public safety and health concerns.

Courts have looked to compel railroad companies to increase their efforts to address homeless encampments on their railroads or grant a local authority's application for an Inspection and Abatement Warrant, which would allow city staff to legally enter private property and abate a public nuisance or dangerous conditions.

In limited circumstances, some cities have negotiated Memoranda of Understandings (MOU) with railroad companies to provide graffiti abatement, trash, and debris removal located in the right-of-way, and clean-ups of homeless encampments. These MOUs also include local law enforcement agencies to enforce illegally parked vehicles and trespassing in the railroad's right-of-way. MOUs also detailed shared responsibility and costs of providing security and trash clean-up. In cases where trespassing or encampments are observed, the local public works agency and law enforcement agency are notified and take the appropriate measures to remove the trespassers or provide clean-up with the railroad covering expenses outlined in the MOU.

Absent an MOU detailing shared maintenance, enforcement, and expenses, cities do not have the authority to unilaterally abate graffiti or clean-up trash on a railroad's right-of-way.

Fiscal Impact:
If the League of California Cities were to secure funding from the state for railroad clean-up activities, cities could potentially save money in addressing these issues themselves or through an MOU, as detailed above. This funding could also save railroad operators money in addressing concerns raised by municipalities about illegal dumping, graffiti, and homeless encampments along railroads.

Conversely, if the League of California Cities is unable to secure this funding through the Legislature or the Governor, cities may need to consider alternative methods, as detailed above, which may include significant costs.

Existing League Policy:
Public Safety:
Graffiti
The League supports increased authority and resources devoted to cities for abatement of graffiti and other acts of public vandalism.

Transportation, Communications, and Public Works
Transportation
The League supports efforts to improve the California Public Utilities Commission's ability to respond to and investigate significant transportation accidents in a public and timely manner to improve rail shipment, railroad, aviation, marine, highway, and pipeline safety

Housing, Community, and Economic Development

Housing for Homeless

Homelessness is a statewide problem that disproportionately impacts specific communities. The state should make funding and other resources, including enriched services, and outreach and case managers, available to help assure that local governments have the capacity to address the needs of the homeless in their communities, including resources for regional collaborations.

Homeless housing is an issue that eludes a statewide, one-size-fits-all solution, and collaboration between local jurisdictions should be encouraged.

Staff Comments:

Clarifying Amendments

Upon review of the Resolution, Cal Cities staff recommends technical amendments to provide greater clarity. To review the proposed changes, please see Attachment A.

The committee may also wish to consider clarifying language around regulatory authority and funding to assist cities with these efforts. The resolution asks that new investments from the state be sent to the CPUC to increase their role in managing and maintaining railroad rights-of-ways and potentially to cities to expand their new responsibility.

The committee may wish to specify MOUs as an existing mechanism for cities to collaborate and agree with railroad operators and the CPUC on shared responsibilities and costs.

Support:

The following letters of concurrence were received:

City of Bell Gardens
City of Bell
City of Commerce
City of Cudahy
City of El Segundo
City of Glendora
City of La Mirada
City of Paramount
City of Pico Rivera
City of Huntington Park
City of Long Beach
City of Lynwood
City of Montebello

ATTACHMENT A

2. A RESOLUTION CALLING UPON THE GOVERNOR AND THE LEGISLATURE TO PROVIDE ~~NECCESARY~~ NECESSARY FUNDING FOR ~~CUPC~~ THE CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) TO FUFILL ITS OBLIGATION TO INSPECT RAILROAD LINES TO ENSURE THAT OPERATORS ARE REMOVING ILLEGAL DUMPING, GRAFFITI AND HOMELESS ENCAMPMENTS THAT DEGRADE THE ~~QAULITY~~ QUALITY OF LIFE AND RESULTS IN INCREASED PUBLIC ~~SAFETLY~~ SAFETY CONCERNS FOR COMMUNITIES AND NEIGHBORHOODS THAT ABUT~~T~~ THE RAILROAD RIGHT-OF-WAY.

Source: City of South Gate
Concurrence of five or more cities/city officials
Cities: City of Bell Gardens; City of Bell; City of Commerce; City of Cudahy; City of El Segundo; City of Glendora; City of Huntington Park; City of La Mirada; City of Long Beach; City of Lynwood; City of Montebello; City of Paramount; City of Pico Rivera
Referred to: Housing, Community and Economic Development; and Transportation, Communications and Public Works

WHEREAS, ensuring the quality of life for communities falls upon every local government including that blight and other health impacting activities are addressed in a timely manner by private property owners within its jurisdictional boundaries for their citizens, businesses and institutions; and

WHEREAS, Railroad Operators own nearly 6,000 miles of rail right-of-way throughout the State of California which is regulated by the Federal Railroad Administration and/or the ~~California Public Utilities Commission~~ CPUC for operational safety and maintenance; and

WHEREAS, the ~~California Public Utilities Commission (~~CPUC~~)~~ is the enforcing agency for railroad safety in the State of California and has 41 inspectors assigned throughout the entire State to inspect and enforce regulatory compliance over thousands of miles of rail line; and

WHEREAS, areas with rail line right-of-way within cities and unincorporated areas are generally located in economically disadvantaged zones and/or disadvantaged communities of color where the impact of blight further lowers property values and increases the likelihood of unsound sanitary conditions and environmental impacts upon them; and

WHEREAS, many communities are seeing an increase in illegal dumping, graffiti upon infrastructure and homeless encampments due to the lax and inadequate oversight by regulatory agencies; and

WHEREAS, local governments have no oversight or regulatory authority to require operators to better maintain and clean their properties as it would with any other private property owner within its jurisdictional boundaries. Thus such local communities often resort to spending their local tax dollars on cleanup activities or are forced to accept the delayed and untimely response by operators to cleaning up specific sites, and;

WHEREAS, that railroad operators should be able to provide local communities with a fixed schedule in which their property will be inspected and cleaned up on a reasonable and regular schedule or provide for a mechanism where they partner with and reimburse local governments for an agreed upon work program where the local government is enabled to remove items like illegal dumping, graffiti and encampments; and

WHEREAS, the State has made it a priority to deal with homeless individuals and the impacts illegal encampments have upon those communities and has a budgetary surplus that can help fund the CPUC in better dealing with this situation in both a humane manner as well as a betterment to rail safety.

RESOLVED, at the League of California Cities, General Assembly, assembled at the ~~League~~ Cal Cities Annual Conference on September 24, 2021, in Sacramento, that ~~the~~ Cal Cities ~~League~~ calls for the Governor and the Legislature to work with ~~the~~ Cal Cities ~~League~~ and other stakeholders to provide adequate regulatory authority and necessary funding to assist cities with these railroad right-of-way areas so as to adequately deal with illegal dumping, graffiti and homeless encampments that proliferate along the rail lines and result in public safety issues. ~~The~~ Cal Cities ~~League~~ will work with its member cities to educate federal and state officials to the quality of life and health impacts this challenge has upon local communities, especially those of color and/or environmental and economic hardships.

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 8.

DATE: September 8, 2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: SHIRLEY QUINONES, EXECUTIVE ASSISTANT/DEPUTY CITY CLERK

SUBJECT: CONSIDERATION OF TEMPORARILY CONDUCTING HYBRID CITY MEETINGS ENABLING MEMBERS OF THE CITY COUNCIL AND THE PUBLIC TO PARTICIPATE REMOTELY OR IN-PERSON.

RECOMMENDATION:

Staff recommends that the City of City Council provide staff with direction to proceed with the implementation of temporary hybrid meetings to allow participation by members of the City Council and the public remotely or in-person.

BACKGROUND:

On March 17, 2020, Governor Newsom issued an Executive Order N-29-20 suspending portions of the Brown Act allowing local legislative bodies to conduct their meetings telephonically or by other electronic means. The Executive Order will sunset when the pandemic ends. The City has conducted their meetings over technology platform Zoom since April 22, 2020.

On June 11, 2021 Governor issued Executive Order N-08-21 maintaining the suspension of certain provisions of the Brown Act to continue to allow local legislative bodies to conduct their meetings telephonically or by other electronic means through September 30, 2021.

After September 30, 2021, the City Council members may continue to participate remotely or in person for all City Council meetings, at their option, pursuant to the provisions of the Brown Act. The Brown Act requirements for remote participation (i.e. teleconferencing) are as follows:

1) Each teleconference location from which a member will be participating in a public meeting must be noticed;
2) Each teleconference location must be accessible to the public;
3) Members of the public may address the body at each teleconference location;
4) Agendas must be posted at each teleconference location; and
5) During teleconference meetings, at least a quorum of the members of the local body must participate from locations within the agency's territory.

Until there is no longer a public health need to do so, staff wants to ensure that the public and elected officials can participate in City Council meetings remotely or in-person.

DISCUSSION:
Hybrid meetings have many benefits for the community and the public. Through online platforms, such as Zoom and Facebook, residents engage with the City Council and participate in meetings from various locations. This may increase participation for those who may experience travel restrictions due to things like ill health, childcare, or impaired mobility.

Due to increased transmission of the Delta variant, in-person meetings may also limit the people who can participate because it requires attendees to appear at a designated place during a specific time with potentially a large group of people.

When safe to do so, the City Council will meet in the City Council chambers, which is equipped to allow for members of the public to attend in person or virtually using Zoom. All members of the public participating in person will need to follow all applicable regulations, including any rules required by the City, the County, or other authorities regarding protection from the COVID-19 novel coronavirus.

During a meeting, if a member of the public wishes to speak on an agenda item, the Mayor can call upon individuals present in the room and ask individuals attending virtually to raise their hands and they will be called upon in the order listed. All members of the public will be provided equal time and ability to comment on each item, without regard to whether they are participating live or remotely, all in accordance with the Brown Act.

Staff had anticipated the return to Chambers and the use of a temporary hybrid meeting mode. As such, through research and in consultation with an audio visual professional, it is recommended that the following equipment be installed in the Council Chambers: four monitors for presentations, an integrated Teleconferencing System and a 360 degree auto-tracking camera to accommodate hybrid meetings. The auto-tracking camera will be able to automatically zoom into those speaking.

LEGAL REVIEW:
The City Attorney has reviewed and approved this report.

FISCAL IMPACT:
Staff is currently working on securing proposals for the proposed equipment and installation; one such proposal ranged between $15,000 to $20,000 depending on monitor size. It is recommended that, after a proposal is selected, funds from the American Rescue Plan Act of 2021 be used as this expenditure qualifies as an eligible use.

ATTACHMENT(S)

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 9.

DATE: September 8, 2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: MOHAMMAD MOSTAHKAMI, PE

SUBJECT: UPDATE ON THE CITY'S SEWER SYSTEM MAINTENANCE AND POINT REPAIRS, AUTHORIZE THE CITY MANAGER TO PROCEED WITH MAINTENANCE OF THE SEWER SYSTEM BY LOS ANGELES COUNTY THROUGH THE CITY'S GENERAL SERVICES REQUEST AGREEMENT AND APPROVE THE RELATED BUDGET ADJUSTMENT

RECOMMENDATION:
Staff recommends that City Council (a) receive and file the Sewer System Maintenance and Point Repairs Report; (b) authorize the City Manager to proceed with maintenance of the City's sewer system by Los Angeles County through the City's General Services Request Agreement; (c) authorize the City Manager to terminate the existing services with National Plant; and (d) approve the budget adjustment as outlined in the staff report.

BACKGROUND:
SEWER MASTER PLAN: In 2008, the City completed a Sanitary Sewer Master Plan which included a capacity evaluation and identified capacity-related improvement projects. The result of the study identified that a total of 192 sewer pipes were hydraulically or structurally deficient with an estimated improvement cost of $11,697,165. Additionally, a total of 115 sewer pipes were found to be structurally deficient through CCTV review with a total estimated improvement cost of $5,683,785, bringing the total cost of all sewer pipes recommended for replacement to $17,380,950. Sewer improvements began shortly after the study and to date, nearly 1 million has been spent on repairing sewer pipes.

SEWER POINT REPAIRS: Considering the City's limited available sewer funding, City staff in partnership with LA County developed a list of nine (9) highly critical sewer point repair locations. The list is based on the County's review of the City's videos, GIS layers, shapefiles, as-built plans, the City's sewer network map, etc.

In early 2021, staff met with LA County and sought their participation in expeditious repair of the listed point repairs through the City's General Services Agreement with the County. Soon after, the City through LA County's contractor completed two (2) point repairs located at Atlantic Boulevard/60th Street and Pine Street/56 Street intersections. Subsequently, two additional point repairs located on Slauson Avenue/Atlantic Boulevard and Slauson Avenue/Woodlawn Avenue intersections were completed in June 2021. Additionally, through further evaluation, it was determined that a recommended point repair along Atlantic Boulevard was no longer needed since it had been previously repaired (see attached list highlighting recently completed point repairs). Currently, staff is working with the County on the remaining four (4) point repairs.

Due to past Notice of Violations issued by the State Water Control Board, City staff has been in continuous communication with the Board's staff to report on the City's actions to ensure consistent maintenance and repair of the City's sewer infrastructure. The Board staff has been satisfied thus far with the City's timely progress on sewer improvements through the County's support and assistance.

DISCUSSION:

The City's sewer system has been maintained by National Plant based on their agreement with the City for sewer flushing and documentation effective January 24, 2018. Due to limited sewer funds, the maintenance of the system has been focused on 61 hotspot locations requiring frequent sewer cleaning. The agreement has already expired; however, National Plant has been maintaining the system on a month-to-month basis. A copy of the location of hotspot areas is attached.

Last year, the City approached the County to discuss sewer maintenance of the city's sewer system. This plan of action was also consulted with the State Water Board staff as the City continues to address the causes that led to past Notice of Violations. However, the County was reluctant to fully agree on it, as they wanted to be ensured that the City would commit funds to the identified hotspot point repairs (see attached list). Such repairs have begun and, through the funds collected through the Sewer Assessment, the City has been successful in repairing several areas. Considering completion of half of the point repairs through the County's assistance in less than a year and the favorable result of the City's biannual sewer audit completed in April 2020 by HDR, the County's On-Call Consultant, the County has recently agreed on taking on the sewer maintenance encompassing the 61 hot spot locations (copy attached) as well as annual inspection of 450 sewer manholes, and any unforeseen/extra work necessary based on the City's request and approval. A copy of the County's letter of agreement dated September 1, 2021, is attached. Staff recommends termination of National Plant Sewer cleaning services and authorization for LA County to commence phase I sewer maintenance as early as October 4, 2021.

This is considered the first phase of a two-phase process in which Phase 1 will be handled through the City's General Services Agreement with the County and Phase 2 will include the City in the County's sewer maintenance District/Zone, which is anticipated to occur in late 2022, at which time staff will seek City Council approval.

LEGAL REVIEW:
The City Attorney has reviewed this staff report.

FISCAL IMPACT:

The cost of this maintenance is funded through the Sewer Special Revenue Fund, which is funded by the sewer assessment levy. Currently, the City has budgeted $40,000 as these services are being provided quarterly. The County has proposed an annual cost of $86,000, however this includes monthly maintenance and a contingency of $13,100 for emergency services as needed. Therefore, a budget adjustment of $46,000 is needed in the Sewer Fund.

F.Y. 21-22 Impact: $86,000	**Current F.Y. Budget:** $40,000
Fund Impacted: Sewer Fund	**Budget adjustment requested:** $46,000
Source of funds: Sewer Assessments	**Updated Account Budget:** $86,000
Account Number: 35-645-5430	**For fiscal year:** 2021/2022

ATTACHMENT(S)

1. List of LA County Recommended Nine Sewer Point Repairs
2. List of 61 Hot spot locations for sewer cleaning
3. LA County Letter Dated September 1

City of Maywood

	No.	Name	MH 1	MH 2	Street	Diameter [inch]	Material	Length [feet]	Observation: Location	Proposed Corrective Method
1	1	01-014-01-015	01-014	01-015	61st St	8	VCP	280	**Broken hole with void visible and fracture multiple:** 277'; **Tap Break-in**: 106'; **Crack Multiple**: various locations; **Deposit Attahced Grease**: 14' - 72'	Point Repair: 277'
2	2	02-037 A_02-037	02-037 A	02-037	Atlantic Blvd	8	VCP	333	**Broken Hole and void visible**: 327'; **Fracture Multiple:** 4', 156'; **Crack Multiple**: various locations; **Crack:** various locations	Point Repair: 327'; Lining
3	3	02-037 B_02-037 A_0	02-037 B	02-037 A0	Atlantic Blvd	8	VCP	132	**Broken with fracture multiple**: 4' - 6'; **Crack Multiple**: various locations; **Collapsed and hole**: 132' (survey abandoned); Reverse inspection survey abandoned: 95' due to **Debris** blocking the line	Point Repair: 132'; Lining
4	4	02-054_02-053	02-054	02-053	Slauson Ave	10	VCP	333	**Fracture Multiple**: 27', 151', 156', 224', 257'; **Fracture**: 38', 51', 92', 146', 185', 197', 263'; **Tap Break-in:** 142'; **Crack Multiple**: various locations; **Deposits/Grease/Calcium**: 0' - 333'; **Joint Separated Large and hole:** 330'	Point Repair: 330'; Lining; Cleaning
5	5	02-076_02-075	02-076	02-075	Atlantic Blvd	8	VCP	246	**Broken**: 0'; **Repair patch with hole**: 180' - 183'; **Fracture Multiple:** 241'; **Tap Break-in**: 65', 167', 175'; **Crack Multiple:** 14', 117', 153', 169'; **Crack:** 42'	Point repair: 180' - 183'
6	6	02-250-02-249	02-250	02-249	56th St	8	VCP	340	**Hole with void visible:** 336'; **Fracture Multiple:** 299', 322'; **Crack Multiple: various locations**	Point repair: 336'; Lining
7	7	04-339-04-340-	04-339	04-340	Slauson Ave	10	VCP	371	**Fracture:** 88'; **Crack Multiple:** 172'; **Hole due to Offset Large and Alignment:** 330', 333'	Point repair: 330' - 333'
8	8	04-347-04-346-	04-347	04-346	52nd PL	10	VCP	282	**Hole**: 138'; **Fracture Multiple**: 217'; **Crack Multiple:** various locations; **Tap Break-in:** 21'	Point repair: 138'; Lining
9	9	04-388-04-389-	04-388	04-389	52nd PL	10	VCP	294	**Broken with fracture multiple:** 155'; **Hole:** 32'; **Crack Multiple:** 30'. **Deposit Attached** (Grease): 40' - 156'. **Obstacle**: 156' (survey abandoned); Reverse inspection: **High Water Level**	Point Repair: 155'; Lining

Repair work completed in February 2021

Repair work completed in June 2021

Repair work completed in prior to 2021

MAYWOOD SEWER HOT SPOTS LIST
(Revised August 20, 2021)

NO.	Hot Spots maintenance schedule (months)	Legacy Manhole's ID	Manhole's ID (GIS)	Street Name	Cross Street
1	1	03-289D	M-439	HELIOTROPE AVE	
2	1	03-289E	M-435	HELIOTROPE AVE	RANDOLPH AVE
3	1	03-283B	M-436	HELIOTROPE AVE	(SIPHON MH)
4	1	03-283A	M-437	HELIOTROPE AVE	(SIPHON MH)
5	1	03-283	M-300	HELIOTROPE AVE	RANDOLPH AVE
6	1	03-282	M-299	RANDOLPH AVE	
7	6	03-294	M-291	RANDOLPH AVE	VINEVALE AVE
8	6	03-289E	M-435	RANDOLPH AVE	HELIOTROPE AVE
9	1	03-289	M-425	HELIOTROPE AVE	60TH ST
10	1	03-289A	M-433	HELIOTROPE AVE	
11	1	03-289B	M-438	HELIOTROPE AVE	60TH PL
12	1	03-289C	M-434	HELIOTROPE AVE	60TH ST
13	1	03-289D	M-439	HELIOTROPE AVE	
14	6	01-004	M-442	ATLANTIC BLVD	RANDOLPH AVE
15	6	01-005	M-430	ATLANTIC BLVD	
16	6	01-006	M-429	ATLANTIC BLVD	61ST ST
17	6	01-032	M-428	ATLANTIC BLVD	
18	6	01-033	M-427	ATLANTIC BLVD	60TH ST
19	6	02-037A	M-449	ATLANTIC BLVD	59TH PL
20	6	02-037B	M-224	ATLANTIC BLVD	
21	6	02-076	M-400	ATLANTIC BLVD	
22	6	02-075	M-441	ATLANTIC BLVD	58TH ST
23	6	02-077	M-422	ATLANTIC BLVD	57TH ST
24	6	02-078	M-421	ATLANTIC BLVD	56TH ST
25	6	02-079	M-143	ATLANTIC BLVD	
26	6	02-068	M-14	SLAUSON AVE	EVERETT AVE
27	6	02-067	M-13	SLAUSON AVE	
28	6	02-066	M-12	SLAUSON AVE	LOMA VISTA AVE
29	6	02-065	M-11	SLAUSON AVE	
30	6	02-064	M-10	SLAUSON AVE	CARMELITA AVE
31	6	02-063	M-376	SLAUSON AVE	
32	6	02-062	M-375	SLAUSON AVE	CORONA AVE
33	6	02-061	M-374	SLAUSON AVE	
34	6	02-060	M-373	SLAUSON AVE	GIFFORD AVE
35	6	02-059	M-369	SLAUSON AVE	
36	6	02-058	M-370	SLAUSON AVE	FISHBURN AVE
37	6	02-057	M-371	SLAUSON AVE	

38	6	02-056	M-372	SLAUSON AVE	PINE AVE
39	6	02-055	M-230	SLAUSON AVE	
40	6	02-054	M-231	SLAUSON AVE	
41	6	02-053	M-408	SLAUSON AVE	ATLANTIC BLVD
42	6	03-276	M-426	ALAMO AVE	
43	6	03-277	M-306	ALAMO AVE	RANDOLPH AVE
44	6	04-317	M-305	ALAMO AVE	
45	6	01-012	M-248	PINE AVE	61ST ST
46	6	02-042	M-246	PINE AVE	
47	6	02-042A	M-446	PINE AVE	
48	6	03-295	M-290	MAYFLOWER AVE	RANDOLPH AVE
49	6	03-296	M-301	MAYFLOWER AVE	
50	6	03-297	M-287	MAYFLOWER AVE	61ST ST
51	6	03-298	M-272	MAYFLOWER AVE	
52	6	03-299	M-273	MAYFLOWER AVE	
53	6	04-407	M-358	DISTRICT AVE	
54	6	04-406	M-357	DISTRICT AVE	
55	6	04-405	M-356	DISTRICT AVE	
56	6	04-404	M-355	DISTRICT AVE	
57	6	04-403	M-354	DISTRICT AVE	
58	6	04-402	M-353	DISTRICT AVE	
59	6	04-401	M-352	DISTRICT AVE	
60	6	04-400	M-350	DISTRICT AVE	
61	1			58th street	Corona to Gifford

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
http://dpw.lacounty.gov

MARK PESTRELLA, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE REFER TO FILE: SM-1

September 1, 2021

Ms. Jennifer Vasquez
City Manager
4319 E. Slauson Avenue
Maywood, CA 90270

Dear Ms. Vasquez:

MAINTENANCE OF SANITARY SEWERS IN THE CITY OF MAYWOOD

Thank you for sharing information on the 24 miles of mainline and 450 manholes that make up the sanitary sewer system in the City of Maywood. As requested, the following is a cost estimate associated with various maintenance routines that we, if authorized by you, can perform during the course of this fiscal year:

Activity	Frequency	Quantity	Cost
Visual Manhole Inspections	Annually	450	$9,900
Sewer Cleaning	Monthly	3,000 ft	$43,200
Sewer Cleaning	Every 6 months	15,500 ft	$19,800
Contingency (e.g. emergency response, variation in quantities for above items, etc)	As needed	Allowance	$13,100
		TOTAL	**$86,000**

If the frequency and quantity of the work is acceptable to you, please enter your authorization into the City Service Request portal. We will subsequently bill the City based on our actual costs for each of the activities.

As discussed, the above does not include a cost estimate for repairs. To date we have performed 4 repairs at a total cost of approximately $187, 000. We hesitate to provide a unit cost for future repair work since each will have its own unique site conditions and scope of work. Therefore, we will continue to work with you to identify critical repair locations and perform that work under its own separate authorization.

We are pleased to have been of assistance in performing an audit of your Sanitary Sewer Management Plan and will continue to provide you with information on what is required to ultimately become part of the Consolidated Sewer Maintenance District.

If you have any questions, please contact Mr. Martin Moreno at (626) 300-3312 or mmoreno@pw.lacounty.gov.

Very truly yours,

MARK PESTRELLA, PE
Director of Public Works

William Winter

WILLIAM J. WINTER
Assistant Deputy Director
Sewer Maintenance Division

WJW:

cc: City Services (Derakhshani)