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

WEDNESDAY, DECEMBER 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: This meeting will be conducted pursuant to the provisions of Government Code Section 54953(e) (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act in compliance with Government Code Section 54953(e) during a proclaimed State of Emergency. For this meeting, members of the City Council and City Staff are permitted to attend the meeting by teleconference and such teleconference locations are not accessible to the public and are not subject to special posting requirements. Some members of the City Council and staff may attend the meeting at City Hall in the City Council Chambers located at 4319 E. Slauson Avenue. The City Council Chambers, however, will not be open to the Public. The meeting will be broadcast using the

Zoom platform as well as broadcasted live on the City's Facebook page.

To maximize public health and safety while still maintaining transparency and public access, members of the public can observe and participate in the meeting virtually via Zoom or follow the meeting live via the City's Facebook page. Public participation is highly encouraged using the virtual platform. Below is information on how the public may observe and participate in the meeting.

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: 865 1582 9140 Passcode: 439420
OR
Please click the link below to join the webinar:
https://us02web.zoom.us/j/86515829140?pwd=Zzl5TDZnbUQwK3FuamZpOWhTcE9GZz09
Passcode: 439420

To participate in the meeting by providing public comment via teleconference/video conference:
Live real-time verbal public comments may be made by members of the public joining the meeting via Zoom. Zoom access information is provided above. Use the "raise hand" feature (for those joining by phone, press *9 to "raise hand") during the public participation period for agenda items or during the public participation period for non-agenda items. The Zoom Host will call on people to speak by name provided or last 4 digits of phone number.

Before the meeting: You can also submit your public comments for the record in advance by 4:30 pm the day of the meeting by email to shirley.quinones@cityofmaywood.org; or if you are unable to email, please call the City Clerk's Office at (323) 562-5714. Your comment will be made part of the written record but will NOT be read verbally at the meeting.

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.

VI. PRESENTATIONS

SHERIFF'S UPDATE

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 NOVEMBER 24, 2021 CITY COUNCIL MEETING

2. RESOLUTION NO. 6208 OF THE CITY COUNCIL OF THE CITY OF MAYWOOD AND SUCCESSOR AGENCY TO THE MAYWOOD COMMUNITY REDEVELOPMENT AGENCY APPROVING THE WARRANTS FOR PAYMENT

3. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAYWOOD ADDING ARTICLE 5 (MANDATORY ORGANIC WASTE DISPOSAL REDUCTION) TO TITLE 6, CHAPTER 2, ADDING SECTION 8-20.03 TO TITLE 8, CHAPTER 20 AND ADDING SECTION 8-19.04 TO TITLE 8, CHAPTER 19 OF THE MAYWOOD MUNICIPAL CODE, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA

4. RECONSIDERATION OF THE CIRCUMSTANCES OF THE COVID-19 STATE OF EMERGENCY TO DETERMINE WHETHER THE LEGISLATIVE BODIES OF THE CITY OF MAYWOOD WILL CONTINUE TO HOLD MEETINGS VIA TELECONFERENCING AND MAKING FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(3).

5. CONSIDERATION OF APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH PHOENIX INFORMATION SYSTEMS GROUP FOR PROCESSING PARKING PERMITS, PARKING CITATIONS AND ADMINISTRATIVE CITIATIONS.

6. ADOPT RESOLUTION NO. 6209 ESTABLISHING THE LEAVE PROVISIONS FOR FULL-TIME EXEMPT EMPLOYEES

IX. DISCUSSION/ACTION ITEMS

7. RESOLUTION NO. 6210 OF THE CITY COUNCIL OF THE CITY OF MAYWOOD APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF PENSION OBLIGATION BONDS; ADOPTING A PENSION FUNDING POLICY AND OTHER MATTERS RELATING THERETO

8. ADOPTION OF RESOLUTION NO. 6211 AUTHORIZING THE CITY TO ENTER THE

SETTLEMENT AGREEMENTS RELATED TO THE NATIONAL OPIOID LITIGATION.

9. CONSIDERATION OF THE RENEWAL OF A COMMERCIAL CANNABIS MICROBUSINESS LICENSE FOR CHRON MAYWOOD, LLC

X. CLOSED SESSION

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

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.

XII. ADJOURNMENT - The next Regular Meeting of the Maywood City Council is Wednesday, December 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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AGENDA ITEM NO. 1

MINUTES

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

WEDNESDAY, NOVEMBER 24, 2021 AT 7:00 PM

I. CALL TO ORDER/ROLL CALL

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

II. CITY OFFICIALS

MAYOR
Ricardo Lara (present)

MAYOR PRO TEM
Heber Marquez (present)

COUNCIL MEMBERS
Eduardo De La Riva (present)
Frank Garcia (present)
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 (present)
Steve Fowler, Director of Building and Planning (present)
Shirley Quinones, Deputy City Clerk (present)

III. COVID-19 MEETING PROCEDURES

PUBLIC ADVISORY: THE CITY COUNCIL CHAMBERS ARE NOT OPEN TO THE PUBLIC pursuant to the provisions of Government Code Section 54953(e) (as amended by AB 361), which authorizes teleconferenced meetings under the Brown Act in compliance with Government Code Section 54953(e) during a proclaimed State of Emergency.

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: 885 5072 9201 Passcode: 190022 or

https://us02web.zoom.us/j/88550729201?pwd=c3RVdWFLZEJDN2ZjdmxjTVlpeWVjdz09
Passcode: 190022

Live real-time verbal public comments were made by members of the public joining the meeting via the Zoom platform.

IV. MAYOR, COUNCILMEMBERS AND STAFF COMMENTS

Mayor, Council Members and City Manager provided community updates.

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

None

VI. PRESENTATIONS

None

VII. PUBLIC HEARING

INTRODUCTION FOR FIRST READING OF ORDINANCE NO. 21-03, BY TITLE ONLY AS FOLLOWS: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAYWOOD ADDING ARTICLE 5 (MANDATORY ORGANIC WASTE DISPOSAL REDUCTION) TO TITLE 6, CHAPTER 2, ADDING SECTION 8-20.03 TO TITLE 8, CHAPTER 20 AND ADDING SECTION 8-19.04 TO TITLE 8, CHAPTER 19 OF THE MAYWOOD MUNICIPAL CODE, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA

Motion to introduce for First Reading of Ordinance No. 21-03, by title only as follows: An Ordinance of the City Council of the City of Maywood adding Article 5 (Mandatory Organic Waste Disposal Reduction) to Title 6, Chapter 2, adding Section 8-20.03 to Title 8, Chapter 20 and adding Section 8-19.04 to Title 8, Chapter 19 of the Maywood Municipal Code, making determination of exemption under CEQA and wave full reading of Ordinance No. 21-03 by De La Riva. Second by Mayor Pro Tem Marquez.
AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

The following spoke on the Public Hearing item:
None

VIII. CONSENT CALENDAR

1. MINUTES OF NOVEMBER 10, 2021 CITY COUNCIL MEETING

   Motion to approve the Minutes of the November 10, 2021 City Council Meeting by Mayor Pro Tem Marquez. Second by De La Riva. AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

2. RESOLUTION NO. 6205 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. 6205 of the City of Maywood and Successor Agency to the Maywood Community Redevelopment Agency approving the Warrants for Payment by Mayor Pro Tem Marquez. Second by De La Riva.
AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

3. MONTHLY CASH AND INVESTMENT REPORT TO COUNCIL OCTOBER 2021

Motion to receive and file Monthly Cash and Investment Report to Council by Mayor Pro Tem Marquez. Second by De La Riva.
AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

4. CONSIDERATION OF A REQUEST FROM MAYWOOD ACADEMY HIGH SCHOOL BAND TO EXPAND THE USAGE OF THEIR AWARDED COMMUNITY BENEFIT FUND GRANT

Motion to approve the expanded use of the Community Benefit Fund awarded to Maywood Academy High School Band on September 8, 2021 to include the purchase of equipment, uniforms, equipment repair and transportation by Mayor Pro Tem Marquez. Second by De La Riva.
AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

5. CONSIDERATION OF RESOLUTION NO. 6206 OF THE CITY COUNCIL OF THE CITY OF MAYWOOD APPROVING THE APPLICATION FOR FUNDING FROM THE URBAN AND COMMUNITY FORESTRY GRANT PROGRAM OF THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION ("CAL FIRE")

Motion to adopt Resolution No. 6206 authorizing an application for funding from CAL FIRE Urban and Community Forestry Grant Program as provided through Proposition 68 and authorize the City Manager to conduct all negotiations, execute, and submit all documents for the grant by Mayor Pro Tem Marquez. Second by De La Riva.
AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

6. CONSIDERATION OF APPROVING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MAYWOOD AND KIMLEY-HORN AND ASSOCIATES, INC.TO PROVIDE PLANNING & ENGINEERING SERVICES FOR THE PREPARATION OF A LOCAL ROADWAY SAFETY PLAN (LRSP)

Motion to approve the Professional Service Agreement with Kimley-Horn and Associates, Inc. to provide Planning & Engineering Services for the Preparation of Local Roadway Safety Plan (LRSP) for a total amount of $71,787.91 and authorize the Mayor to execute the Agreement in a form approved by the City Attorney by De La Riva. Second by Garcia.
AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

Item #6 was pulled for further discussion.

7. CONSIDERATION OF A RESOLUTION NO. 6207 OF THE CITY COUNCIL APPROVING PARTICIPATION IN THE TRANSFER AGREEMENT WITH LOS ANGELES COUNTY FLOOD CONTROL DISTRICT AND AUTHORIZING THE MAYOR TO EXECUTE THE CONTRACT FOR SAFE,CLEAN, WATER PROGRAM FUNDING

Motion to adopt Resolution No. 6207 approving the City's participation in the Transfer Agreement between the Los Angeles County Flood Control District and the City of Maywood for the Safe, Clean, Water Program and authorizes the Mayor to execute the contract by Mayor Pro Tem Marquez. Second by De La Riva. AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

IX. DISCUSSION/ACTION ITEMS

8. CONSIDERATION OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF MAYWOOD AND THE LOS ANGELES DODGERS FOUNDATION TO BUILD A DODGERS DREAMFIELD AT MAYWOOD PARK.

Motion to approve Memorandum of Understanding (MOU) between the City of Maywood and the Los Angeles Dodgers Foundation in a form approved by the City Attorney and City Manager to build a Dodgers Dreamfield at Maywood Park and appropriate $328,817 from the general fund for the City's portion of the total project cost for the Dodgers Dreamfield at Maywood Park by Mayor Lara. Second by Garcia.
AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

9. CONSIDERATION OF THE PROCUREMENT OF PREFABRICATED RESTROOM, BLEACHERS AND SHADE STRUCTURE THROUGH THE NATIONAL PURCHASING COOPERATIVE – BUYBOARD FOR THE MAYWOOD BASEBALL FIELD.

Motion to 1) Authorize the purchase and installation of a prefabricated restroom from the Public Restroom Company (PRC) for the Maywood Baseball Field, through the National Purchasing Cooperative (dba Buyboard); and 2) Authorize the purchase and installation of bleachers from Southern Bleacher Company for the Maywood Baseball Field, through the National Purchasing Cooperative (dba Buyboard); and 3) Authorize the purchase and installation of a shade structure from USA Shade & Fabric Structures (dba Shade Structures, Inc.) for the Maywood Baseball Field, through the National Purchasing Cooperative (dba Buyboard); and 4) Appropriate $341,388 for the purchase and installation of a prefabricated restroom; and 5) Appropriate $39,729 for the purchase and installation of bleachers; and 6) Appropriate $40,795 for the purchase and installation of the shade structure by Mayor Pro Tem Marquez. Second by Mayor Lara.
AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

10. CONSIDERATION OF APPROVING A PAYMENT AGREEMENT BETWEEN CITY OF MAYWOOD AND CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CJPIA) AND APPROPRIATE $562,133.48 FROM THE GENERAL FUND

Motion to 1) approve the payment agreement between the City of Maywood and the California Joint Powers Insurance Authority (CJPIA); and 2) direct the Mayor to execute the agreement; and 3) approve a budget amendment in the amount of $562,133.48 in general funds by Garcia. Second by De La Riva.
AYES: De La Riva, Garcia, Torres, Marquez, Lara. PASSES

X. CLOSED SESSION

None

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

The following spoke on Non-Agenda items:

1) David Perez (submitted via teleconference)
2) Veronica Guardado (submitted via teleconference)

XII. ADJOURNMENT

Meeting adjourned at approximately 8:21 p.m. to the Regular City Council Meeting on Wednesday, December 8, 2021 at 7:00 p.m.

Ricardo Lara, Mayor

ATTEST:

Flor Aguiluz, City Clerk

RESOLUTION NO. 6208

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 $227,584.41 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 DECEMBER, 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. 6208 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 December, 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, December 8, 2021

Accounts Payable			**Amount**
Accounts Payable prepaid warrants for payment: Checks No. 089094 - 089114		$	19,637.95
Accounts Payable regular warrants for payment: Checks No. 089115 - 089145		$	151,302.94
	Sub-total	$	170,940.89
Wire Transfers/ACH Transactions			
11/17/21 Wells Fargo - Trustee Fee for Period 10/18/2021-10/17/2022		$	5,000.00
11/19/21 ADP Payroll Fees		$	386.30
11/24/21 Payroll Pay Period - 11/7/2021 - 11/20/2021		$	44,651.96
11/24/21 CalPERS Employer Contribution - 11/7/2021 - 11/20/2021		$	6,605.26
	Sub-total	$	56,643.52
	Total Demands	**$**	**227,584.41**

City of Maywood
Detail Warrants for Payment
Warrants No. 089094 to 089145

Check No.	Prepaids	Date	Vendor Name	Check Amt	Transaction Description	Fund
089094	P	12/1/2021	Angel Villegas	865.08	Retiree Medical Reimbursement December 2021	General Fund - 01
089095	P	12/1/2021	AT&T	745.21	Elevator Emergency Phone Line 10/10/2021 - 11/09/2021	General Fund - 01
089096	P	12/1/2021	AT & T Long Distance	88.81	Elevator Emergency Line October 2021	General Fund - 01
089097	P	12/1/2021	Brent Talmo	617.17	Retiree Medical Reimbursement December 2021	General Fund - 01
089098	P	12/1/2021	Bruce Leflar	1,196.68	Retiree Medical Reimbursement December 2021	General Fund - 01
089099	P	12/1/2021	Christine M. Locher	238.25	Retiree Medical Reimbursement December 2021	General Fund - 01
089100	P	12/1/2021	CoreLogic Solutions, LLC.	150.00	Property Finder November 2021	General Fund - 01
089101	P	12/1/2021	Edward Ahrens	1,196.68	Retiree Medical Reimbursement December 2021	General Fund - 01
089102	P	12/1/2021	Paul Pine	1,598.58	Retiree Medical Reimbursement December 2021	General Fund - 01
089103	P	12/1/2021	QDoxs	118.53	Copier Base Charge November 2021	General Fund - 01
089104	P	12/1/2021	Robert Leach	1,005.00	Retiree Medical Reimbursement December 2021	General Fund - 01
089105	P	12/1/2021	Ronald Lindsey	1,274.32	Retiree Medical Reimbursement December 2021	General Fund - 01
089106	P	12/1/2021	Scott C. Anderson	1,196.68	Retiree Medical Reimbursement December 2021	General Fund - 01
089107	P	12/1/2021	Southern California Edison	88.78	5317 Atlantic PED 10/15/2021 - 11/15/2021	Gas Tax - 04
089108	P	12/1/2021	Sparkletts Drinking Water Corp	118.70	City Hall Office Water	General Fund - 01
089109	P	12/1/2021	Sprint	571.78	Cell Phone Service: 10/24/2021 to 11/23/2021	General Fund - 01
089110	P	12/1/2021	The Gas Company	22.25	4317 Slauson Ave. 10/07/2021-11/08/2021	General Fund - 01
089111	P	12/1/2021	Time Warner Cable	625.60	Internet & phone Service November 2021	General Fund - 01
089112	P	12/1/2021	U.S. Bank Corporate Payment System	7,291.55	Credit Card Expense 10/19/21-11/11/21	General Fund - 01
089113	P	12/1/2021	Xerox	14.18	November 2021 Base Charge & Printing Fee	General Fund - 01
089114	P	12/1/2021	Xerox Financial Services	614.12	Lease Payment 09-15-2021 - 11-29-2021	General Fund - 01
089115		12/1/2021	A-A Backflow Testing	128.00	Building Maintenance	General Fund - 01
089116		12/1/2021	All Around Fire Protection	357.50	Building Maintenance	General Fund - 01
089117		12/1/2021	Amazon Capital Services	483.37	Office Supplies	General Fund - 01
089118		12/1/2021	Active Universal Capital, LLC	7,675.32	Crossing Guard Services - October 2021	Gas Tax - 04
089119		12/1/2021	Bordin Semmer LLP	2,781.74	Legal Services - August 2021 Liability Claim	General Fund - 01

City of Maywood
Detail Warrants for Payment
Warrants No. 089094 to 089145

Check No.	Prepaids	Date	Vendor Name	Check Amt	Transaction Description	Fund
089120		12/1/2021	County of Los Angeles Department of Animal Control	7,868.50	Animal Control Services October 2021	General Fund - 01
089121		12/1/2021	Crosstown Electrical & Data, Inc.	132.00	Pine/56th/Fishburn locate and survey poles	Street Lighting Fund - 62
089122		12/1/2021	Dapeer, Rosenblit & Litvak, LLP	217.00	Code Enforcement Legal Services October 2021	General Fund - 01
089123		12/1/2021	Diana Cho & Associates	510.00	CDBG Consulting Pavement Rehab Sept 2021	CDBG - 16
089124		12/1/2021	Eduardo De la Riva	490.00	Reimbursement Thanksgiving Dinner City supplies sponsored event	General Fund - 01
089125		12/1/2021	Flor Aguiluz	300.00	December 2021 City Clerk Stipend	General Fund - 01
089126		12/1/2021	Global Equipment Company, Inc.	3,575.40	Bench and Picnic Tables (x2)	General Fund - 01
089127		12/1/2021	HdL Software, LLC	1,025.92	Quarterly Use Fee-Permit Track Software 12-01-21 to 02-28-22	Sewer Fund - 35
089128		12/1/2021	Myers & Sons Hi-Way Safety, Inc.	260.82	Street Maintenance	Gas Tax - 04
089129		12/1/2021	Hub Cities Consortium	6,087.72	CDBG Grant Funding Utility/Rent Assistance	CDBG - 16
089130		12/1/2021	Los Angeles Regional Food Bank	150.00	Mobile Food Pantry	General Fund - 01
089131		12/1/2021	L.B. Johnson Hardware Co.	258.19	Building and Street Maintenance	General Fund - 01
089132		12/1/2021	Mary Mariscal	50.00	December 2021 Treasurer Stipend	Street Lighting Fund - 62
089133		12/1/2021	Municipal Code Corporation	1,709.36	Ordinance Codification	General Fund - 01
089134		12/1/2021	Nationwide Environmental Services	7,410.00	Street Sweeping Services November 2021	General Fund - 01
089135		12/1/2021	Perez Plumbing Appliance Repair & Contractor	665.00	Building Maintenance	CDBG - 16
089136		12/1/2021	Phoenix Group Information Systems	12,426.72	October 2021 Citation Processing FTB Intercept Letters October 2021 Parking Citation Processing October 2021 Permit Processing Fees	General Fund - 01
089137		12/1/2021	Ron's Maintenance, Inc	4,114.00	Storm Drain Maintenance	Gas Tax - 04
089138		12/1/2021	Richards, Watson & Gershon	49,612.02	Legal Services General October 2021	General Fund - 01
089139		12/1/2021	Sanchez Awards	215.54	Employee Appreciation Award Plaque and Nameplates	General Fund - 01
089140		12/1/2021	Staples Business Advantage	86.26	Office Supplies	General Fund - 01
089141		12/1/2021	The Home Depot Pro	522.56	Tree Lighting 2021 - Supplies for Tree	General Fund - 01
089142			SPOILED		SPOILED	

City of Maywood
Detail Warrants for Payment
Warrants No. 089094 to 089145

Check No.	Prepaids	Date	Vendor Name	Check Amt	Transaction Description	Fund
089143		12/1/2021	Transtech Engineers, Inc	25,740.00	City Engineering Services	General Fund - 01 Gas Tax - 04 Sewer - 35 Street Lighting Fund - 62
089144		12/1/2021	Van Lant & Fankhanel, LLP	15,000.00	City's 2020-2021 Annual Audit Services	General Fund - 01
089145		12/1/2021	Willdan Financial Services	1,450.00	Professional Services User Fee Study for the City of Maywood Oct 2021	General Fund - 01
			TOTAL:	**$170,940.89**		

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 3.

DATE:	December 8, 2021
TO:	HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM:	JENNIFER VASQUEZ, CITY MANAGER
BY:	JENNIFER VASQUEZ, CITY MANAGER
SUBJECT:	AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAYWOOD ADDING ARTICLE 5 (MANDATORY ORGANIC WASTE DISPOSAL REDUCTION) TO TITLE 6, CHAPTER 2, ADDING SECTION 8-20.03 TO TITLE 8, CHAPTER 20 AND ADDING SECTION 8-19.04 TO TITLE 8, CHAPTER 19 OF THE MAYWOOD MUNICIPAL CODE, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA

RECOMMENDATION:
Staff recommends that the City Council adopt Ordinance No. 21-03.

BACKGROUND:
The City Council introduced the attached ordinance at their meeting on November 24, 2021, waived full reading and read the ordinance by title only.

DISCUSSION:
The ordinance is being provided for its adoption.

LEGAL REVIEW:
This report and ordinance have been reviewed by the City Attorney.

FISCAL IMPACT:
There is no fiscal impact to the City due to adopting this ordinance.

ATTACHMENT(S)
1. Ordinance No. 21-03 Mandatory Organic Waste Disposal Reduction

ORDINANCE NO. 21-03

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAYWOOD ADDING ARTICLE 5 (MANDATORY ORGANIC WASTE DISPOSAL REDUCTION) TO TITLE 6, CHAPTER 2, ADDING SECTION 8-20.03 TO TITLE 8, CHAPTER 20 AND ADDING SECTION 8-19.04 TO TITLE 8, CHAPTER 19 OF THE MAYWOOD MUNICIPAL CODE, AND MAKING A DETERMINATION OF EXEMPTION UNDER CEQA

WHEREAS, the City of Maywood, California ("City") is a municipal corporation, duly organized under the constitution and laws of the State of California;

WHEREAS, Assembly Bill ("AB") 939 of 1989, the California Integrated Waste Management Act of 1989, requires the City to reduce, reuse, and recycle (including composting), solid waste generated in the City to the maximum extent feasible before any incineration or landfill disposal of waste, to conserve water, energy, and other natural resources, and to protect the environment;

WHEREAS, AB 341 of 2011 places requirements on businesses, including multi-family property owners with five or more dwelling units, that generate a specified threshold amount of solid waste to arrange for recycling services and requires the City to implement a mandatory commercial recycling program;

WHEREAS, AB 1826 of 2014 requires businesses, including multi-family property owners with five or more dwelling units, that generate a specified threshold amount of solid waste, recycling, and organic waste per week to arrange for recycling services for that waste, and requires the City to implement a mandatory commercial organics recycling program to divert organic waste from such businesses;

WHEREAS, AB 827 of 2019, with respect to certain businesses that offer products for immediate consumption, imposes requirements for on-site recycling and organic waste containers, including that these containers be placed adjacent to trash containers, be visible, easily accessible, and clearly marked. AB 827 further provides that certain businesses that arrange for gardening or landscaping services shall require the contract or work agreement between the business and the gardening or landscaping service require that the organic waste generated by those services be managed in compliance with Chapter 12.8 of Part 3 of Division 30 of the California Public Resources Code;

WHEREAS, Senate Bill ("SB") 1383 of 2016, the Short-lived Climate Pollutant Reduction Act of 2016, requires the California Department of Resources Recycling and Recovery ("CalRecycle") to develop regulations to reduce organics in landfills as a source of methane. These regulations, adopted in 2020 ("SB 1383 Regulations"), place requirements on multiple entities including the City; single-family residential households; commercial businesses, including multi-family property owners with five or more dwelling units; commercial edible food generators; haulers, including self-haulers; food recovery organizations; and food recovery services to support achievement of statewide organic waste disposal reduction targets;

WHEREAS, the SB 1383 Regulations require the City to adopt and enforce an ordinance or other enforceable mechanism to implement relevant provisions of the SB 1383 Regulations;

WHEREAS, this Ordinance implements the requirements of the SB 1383 Regulations;

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

SECTION 1.

Chapter 2, Title 6 of the Maywood Municipal Code is hereby amended to add a new Article 5 (Mandatory Organic Waste Disposal Reduction) to read as follows:

"Article 5 – Mandatory Organic Waste Disposal Reduction

6-2.501 Definitions

For the purposes of this Article, the following words, terms, phrases, and their derivations have the meanings given herein. Terms not defined in this section and defined elsewhere in this Code shall have the same meanings herein unless the context otherwise requires. In the event of a conflict between a definition in this Code and a definition in 14 CCR Section 18982, the definitions in Section 18982 shall control for the purposes of this Article. Additionally, for the purposes of this Article, the definitions in 14 CCR Section 18982 shall control for terms used in this Article and not defined in this Code. When consistent with the context, words used in the present tense include the future tense, and words in the singular number include the plural number. Unless otherwise specified herein, references to a statute or regulation means the statute or regulation, as amended, supplemented, superseded and replaced from time to time.

"Blue Container" has the same meaning as in 14 CCR Section 18982(a)(5) and shall be used only for the purpose of storage and collection of Source Separated Recyclable Materials. Notwithstanding the foregoing, functional containers purchased prior to January 1, 2022 that are used for the storage and collection of Source Separated Recyclable Materials and that do not comply with the color requirements of 14 CCR Section 18982(a)(5) shall be deemed to be Blue Containers and are not required to be replaced until the end of the useful life of those containers or January 1, 2036, whichever is earlier.

"CalRecycle" means the California Department of Resources Recycling and Recovery, which is the Department designated with responsibility for developing, implementing, and enforcing the SB 1383 Regulations on the City (and others).

"California Code of Regulations" or "CCR" means the State of California Code of Regulations. CCR references in this Article are preceded with a number that refers to the relevant title of the CCR (e.g., "14 CCR" refers to Title 14 of the CCR).

"City" means the City of Maywood.

"City Manager" means the City Manager of the City or his/her designee.

“Collector” means an individual, partnership, joint venture, unincorporated private organization, or private corporation regularly engaged in the business of providing collection services and operating under the provisions of a franchise or collection agreement approved by the City Council of the City authorizing the exclusive or non-exclusive right to provide Solid Waste, including recycling services and organic waste, services.

“Commercial Business” or “Commercial” means a firm, partnership, proprietorship, joint-stock company, corporation, or association, whether for-profit or nonprofit, strip mall, industrial facility, or a Multi-Family Residential Dwelling; or, as otherwise defined in 14 CCR Section 18982(a)(6). A multi-family residential dwelling that consists of fewer than five (5) units is not a Commercial Business for purposes of implementing this Article.

“Commercial Edible Food Generator” includes a Tier One or a Tier Two Commercial Edible Food Generator as defined herein. For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).

“Compliance Review” means a review of records by the City to determine compliance with this Article.

“Community Composting” means any activity that composts green material, agricultural material, food material, and vegetative food material, alone or in combination, and the total amount of feedstock and Compost on-site at any one time does not exceed 100 cubic yards and 750 square feet, as specified in 14 CCR Section 17855(a)(4); or, as otherwise defined in 14 CCR Section 18982(a)(8).

“Compost” means the product resulting from the controlled biological decomposition of organic Solid Wastes that are Source Separated from the municipal Solid Waste stream, or which are separated at a centralized facility; or, as otherwise defined in 14 CCR Section 17896.2(a)(4).

“Compostable Plastics” means plastic materials that meet the ASTM D6400 standard for compostability; or, as otherwise described in 14 CCR Section 18984.1(a)(1)(A) or 18984.2(a)(1)(C).

“Container Contamination” or “Contaminated Container” means a container, regardless of color, that contains Prohibited Container Contaminants; or, as otherwise defined in 14 CCR Section 18982(a)(55).

“County” means the County of Los Angeles.

“C&D” means construction and demolition debris including discarded materials generally considered to be not water soluble and non-hazardous in nature, including but not limited to steel, copper, aluminum, glass, brick, concrete, asphalt material, pipe, gypsum, wallboard, and lumber from the construction or destruction of a structure as part of a construction or demolition project or from the renovation of a structure and/or landscaping, including rocks, soils, tree remains, trees, and other vegetative matter that normally results from land clearing, landscaping and development operations for a construction project; and remnants of new materials, including but not limited to cardboard, paper, plastic, wood, and metal scraps from any construction and/or landscape project.

“Designee” means an entity that the City contracts with or otherwise arranges to carry out any of the City’s responsibilities of this Article as authorized in 14 CCR Section 18981.2; or, as otherwise defined in 14 CCR Section 18982(a)(15). A Designee may be a government entity, a Collector, a Hauler, a private entity, or a combination of those entities.

“Edible Food” means food intended for human consumption; or, as otherwise defined in 14 CCR Section 18982(a)(18). For the purposes of this Article or as otherwise defined in 14 CCR Section 18982(a)(18), “Edible Food” is not Solid Waste if it is recovered and not discarded. Nothing in this Article or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code.

“Enforcement Action" means an action of the City to address non-compliance with this Article including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies; or, as otherwise defined in 14 CCR Section 18982(a)(19).

“Enforcement Official” means the City Manager, chief operating officer, executive director, Regional or County Agency Enforcement Official, or other executive in charge or the City’s authorized Designee who is/are partially or wholly responsible for enforcing this Article.

“Excluded Waste” means hazardous substance, hazardous waste, infectious waste, designated waste, volatile, corrosive, medical waste, infectious, regulated radioactive waste, and toxic substances or material that facility operator(s), which receive materials from the City and its Generators, reasonably believe(s) would, as a result of or upon acceptance, transfer, processing, or disposal, be a violation of local, State, or Federal law, regulation, or ordinance, including: land use restrictions or conditions, waste that cannot be disposed of in Class III landfills or accepted at the facility by permit conditions, waste that in the City’s Enforcement Official’s or its Designee’s, reasonable opinion would present a significant risk to human health or the environment, cause a nuisance or otherwise create or expose the City, or its Designee, to potential liability; but not including de minimis volumes or concentrations of waste of a type and amount normally found in Single-Family or Multi-Family Solid Waste after implementation of programs for the safe collection, processing, recycling, treatment, and disposal of batteries and paint in compliance with Sections 41500 and 41802 of the Public Resources Code.

“Food Distributor” means a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores; or, as otherwise defined in 14 CCR Section 18982(a)(22).

“Food Facility” has the same meaning as in Section 113789 of the Health and Safety Code.

“Food Recovery” means actions to collect and distribute food for human consumption that otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

“Food Recovery Organization” means an entity that engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities; or, as otherwise defined in 14 CCR Section 18982(a)(25), including, but not limited to:

(1) A food bank as defined in Section 113783 of the State Health and Safety Code;

(2) A nonprofit charitable organization as defined in Section 113841 of the State Health and Safety code; and

(3) A nonprofit charitable temporary food facility as defined in Section 113842 of the State Health and Safety Code;

A Food Recovery Organization is not a Commercial Edible Food Generator for the purposes of this Article and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

"Food Recovery Service" means a person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery; or, as otherwise defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator for the purposes of this Article and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

"Food Scraps" means all food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.

"Food Service Provider" means an entity primarily engaged in providing food services to institutional, governmental, Commercial, or industrial locations of others based on contractual arrangements with these types of organizations; or, as otherwise defined in 14 CCR Section 18982(a)(27).

"Food-Soiled Paper" means compostable paper material that has come in contact with food or liquid, such as, but not limited to, compostable paper plates, paper coffee cups, napkins, pizza boxes, and milk cartons.

"Food Waste" means Food Scraps, Food-Soiled Paper, and Compostable Plastics.

"Generator" means a person or entity that is responsible for the initial creation of Solid Waste, and with respect to Organic Waste, means a person or entity that is responsible for the initial creation of Organic Waste; or, as otherwise defined in 14 CCR Section 18982(a)(48).

"Gray Container" has the same meaning as in 14 CCR Section 18982(a)(28) and shall be used for the purpose of storage and collection of Mixed Waste. Notwithstanding the foregoing, functional containers purchased prior to January 1, 2022 that are used for the storage and collection of Mixed Waste and that do not comply with the color requirements of 14 CCR Section 18982(a)(28), shall be deemed to be Gray Containers and are not required to be replaced until the end of the useful life of those containers or January 1, 2036, whichever is earlier.

"Green Container" has the same meaning as in 14 CCR Section 18982(a)(29) and shall be used for the purpose of storage and collection of Source Separated Green Container Organic Waste. Notwithstanding the foregoing, functional containers purchased prior to January 1, 2022 that are used for the storage and collection of Source Separated Green Container Organic Waste and that do not comply with the color requirements of 14 CCR Section 18982(a)(29) shall be deemed to be Green Containers and are not required to be replaced until the end of the useful life of those containers or January 1, 2036, whichever is earlier.

"Green Waste" means leaves, grass, weeds, landscape and pruning waste, and wood materials from trees and shrubs and similar materials.

"Grocery Store" means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments; or, as otherwise defined in 14 CCR Section 18982(a)(30).

"Hauler" means a person or entity who collects material from a Generator and delivers it to a reporting entity, end user, or a destination outside of the State. "Hauler" includes Collectors, public contract haulers, Food Waste Self-Haulers, and Self-Haulers. A person who transports material from a reporting entity to another person is a transporter, not a hauler."

"Hauler Route" means the designated itinerary or sequence of stops for each segment of the City's collection service area; or, as otherwise defined in 14 CCR Section 18982(a)(31.5).

"High Diversion Organic Waste Processing Facility" means a facility that is in compliance with the reporting requirements of 14 CCR Section 18815.5(d) and meets or exceeds an annual average mixed waste organic content recovery rate of 50 percent between January 1, 2022 and December 31, 2024, and 75 percent after January 1, 2025, as calculated pursuant to 14 CCR Section 18815.5(e) for Organic Waste received from the "Mixed Waste Organic Collection Stream" as defined in 14 CCR Section 17402(a)(11.5); or, as otherwise defined in 14 CCR Section 18982(a)(33).

"Inspection" means a site visit where the City or its Designee reviews records, containers, and an entity's collection, handling, recycling, or landfill disposal of Organic Waste or Edible Food handling to determine if the entity is complying with requirements set forth in this Article; or, as otherwise defined in 14 CCR Section 18982(a)(35).

"Large Event" means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event; or, as otherwise defined in 14 CCR Section 18982(a)(38).

"Large Venue," means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation of the venue facility; or, as otherwise defined in 14 CCR Section 18982(a)(39). For purposes of this Article and implementation of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of this Article and implementation of 14 CCR, Division 7, Chapter 12, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue.

"Local Education Agency" means a school district, charter school, or county office of education that is not subject to the control of the City's regulations related to Solid Waste; or, as otherwise defined in 14 CCR Section 18982(a)(40).

“Mixed Waste” or “Mixed Waste Organic Collection Stream” means Organic Waste, including Food Waste, collected in a container that is required by 14 CCR Section 18984.1, 18983.2 or 18984.3 to be taken to a High Diversion Organic Waste Processing Facility; or, as otherwise defined in 14 CCR Section 17402(a)(11.5).

“Multi-Family Residential Dwelling” or “Multi-Family” means of, from, or pertaining to residential premises with five (5) or more dwelling units. Multi-Family premises do not include hotels, motels, or other transient occupancy facilities, which are considered Commercial Businesses.

“Non-Compostable Paper” includes, but is not limited to, paper that is coated in a plastic material that will not breakdown in the composting process; or, as otherwise defined in 14 CCR Section 18982(a)(41).

“Non-Organic Recyclables” means non-putrescible and non-hazardous recyclable wastes including, but not limited to, bottles, cans, metals, plastics and glass; or, as otherwise defined in 14 CCR Section 18982(a)(43).

“Notice of Violation” or “NOV” means a notice that a violation has occurred that includes a compliance date to avoid an action to seek penalties; or, as otherwise defined in 14 CCR Section 18982(a)(45) or further explained in 14 CCR Section 18995.4.

“Organic Waste” means Solid Waste containing material originated from living organisms and their metabolic waste products, including, but not limited to, food, green material, landscape and pruning waste, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges; or, as otherwise defined in 14 CCR Section 18982(a)(46). Biosolids and digestate are as defined by 14 CCR Section 18982(a).

“Paper Products” include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or, as otherwise defined in 14 CCR Section 18982(a)(51).

“Printing and Writing Paper” include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or, as otherwise defined in 14 CCR Section 18982(a)(54).

“Prohibited Container Contaminants,” means the following unless otherwise defined in 14 CCR Section 18982(a)(55):

(1) discarded materials placed in the Blue Container that are not identified as acceptable Source Separated Recyclable Materials for the Blue Container;

(2) discarded materials placed in the Green Container that are not identified as acceptable Source Separated Green Container Organic Waste for the Green Container, including carpet, hazardous wood waste and Non-Compostable Paper;

(3) discarded materials placed in the Gray Container that are identified as acceptable Source Separated Recyclable Materials to be placed in the Blue Container and/or Source Separated Green Container Organic Waste to be placed in the Green Container; and,

(4) Excluded Waste placed in any container.

“Recovery” means any activity or process described in 14 CCR Section 18983.1(b); or, as otherwise defined in 14 CCR Section 18982(a)(49).

“Recycled-Content Paper” means Paper Products and Printing and Writing Paper that consists of at least 30 percent, by fiber weight, postconsumer fiber; or, as otherwise defined in 14 CCR Section 18982(a)(61).

“Regional Agency” means regional agency as defined in Public Resources Code Section 40181.

“Regional or County Agency Enforcement Official” means a Regional Agency or county agency enforcement official, which the City may designate with responsibility for enforcing the ordinance in conjunction or consultation with the City’s Enforcement Official.

“Remote Monitoring” means the use of the internet of things (IoT) and/or wireless electronic devices to visualize the contents of Blue Containers, Green Containers, and Gray Containers for purposes of identifying the quantity of materials in containers (level of fill) and/or presence of Prohibited Container Contaminants.

“Restaurant” means an establishment primarily engaged in the retail sale of food and drinks for on-premises or immediate consumption; or, as otherwise defined in 14 CCR Section 18982(a)(64).

“Route Review” means a visual Inspection of containers along a Hauler Route for the purpose of determining Container Contamination and may include mechanical Inspection methods such as the use of cameras; or, as otherwise defined in 14 CCR Section 18982(a)(65).

“SB 1383” means Senate Bill 1383 of 2016 approved by the Governor of the State on September 19, 2016, which added Sections 39730.5, 39730.6, 39730.7, and 39730.8 to the State Health and Safety Code, and added Chapter 13.1 (commencing with Section 42652) to Part 3 of Division 30 of the State Public Resources Code, establishing methane emissions reduction targets in a Statewide effort to reduce emissions of short-lived climate pollutants, as amended, supplemented, superseded, and replaced from time to time.

“SB 1383 Regulations” means the Short-Lived Climate Pollutants: Organic Waste Reduction regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of 14 CCR and 27 CCR.

“Self-Hauler” means a person or entity, who, in compliance with all applicable requirements of this Article, hauls Solid Waste, Organic Waste or recyclable materials he or she has generated to another person or entity, provided such hauling is undertaken through the use of the person or entity’s own equipment and employees and does not include the contracting or subcontracting of hauling services with any third party, including but not limited to, any Hauler that is not franchised, licensed, or permitted to perform any variety of solid waste handling services within the City; or, as otherwise defined in 14 CCR Section 18982(a)(66). Self-Hauler also includes a person or entity who back-hauls waste. Back-Haul means generating and transporting Organic Waste to a destination owned and operated by the Generator using the Generator's own employees and equipment; or, as otherwise defined in 14 CCR Section 18982(a)(66)(A).

"Single-Family" means of, from, or pertaining to any residential premises with fewer than five (5) units.

"Solid Waste" unless otherwise defined in State Public Resources Code Section 40191, means all putrescible and nonputrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, dewatered, treated, or chemically fixed sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semi-solid wastes, and other discarded solid and semisolid wastes, with the exception that Solid Waste does not include any of the following wastes:

(1) Hazardous waste, as defined in the Public Resources Code Section 40141.

(2) Radioactive waste regulated pursuant to the Radiation Control Law (Chapter 8 (commencing with Section 114960) of Part 9 of Division 104 of the Health and Safety Code).

(3) Medical waste regulated pursuant to the Medical Waste Management Act (Part 14 (commencing with Section 117600) of Division 104 of the Health and Safety Code). Untreated medical waste shall not be disposed of in a Solid Waste landfill, as defined in Public Resources Code Section 40195.1. Medical waste that has been treated and deemed to be Solid Waste shall be regulated pursuant to Division 30 of the Public Resources Code.

"Source Separated" means materials, including commingled recyclable materials, that have been separated or kept separate from the Solid Waste stream, at the point of generation, for the purpose of additional sorting or processing those materials for recycling or reuse in order to return them to the economic mainstream in the form of raw material for new, reused, or reconstituted products, which meet the quality standards necessary to be used in the marketplace; or, as otherwise defined in 14 CCR Section 17402.5(b)(4). For the purposes of this Article, Source Separated shall include separation of materials by the Generator, property owner, property owner's employee, property manager, or property manager's employee into different containers for the purpose of collection such that Source Separated materials are separated from Mixed Waste or other Solid Waste for the purposes of collection and processing of those materials.

"Source Separated Blue Container Organic Waste" means Source Separated Organic Waste that can be placed in a Blue Container that is limited to the collection of that Organic Waste and Non-Organic Recyclables; or, as otherwise defined by 14 CCR 17402(a)(26.7) and 18982(a)(43) or specified in 14 CCR Section 18984.1 (a) and (b) or Section 18984.2 (a)(2). Source Separated Blue Container Organic Waste includes Paper Products, Printing and Writing Paper, wood and dry lumber and textiles unless otherwise specified by the City but excludes Source Separated Green Container Organic Waste.

"Source Separated Green Container Organic Waste" means Source Separated Organic Waste that can be placed in a Green Container, including Green Waste, that is limited to the collection of that Organic Waste; or as otherwise specified in 14 CCR 18984.1 (a) and (b), and excludes Food Waste and Source Separated Blue Container Organic Waste, carpets, Non-Compostable Paper, and textiles.

"Source Separated Recyclable Materials" means Source Separated Non-Organic Recyclables and Source Separated Blue Container Organic Waste.

"State" means the State of California.

"Supermarket" means a full-line, self-service retail store with gross annual sales of two million dollars ($2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items; or, as otherwise defined in 14 CCR Section 18982(a)(71).

"Tier One Commercial Edible Food Generator" means a Commercial Edible Food Generator that is one of the following; or, as otherwise defined in 14 CCR Section 18982(a)(73):

(1) Supermarket;

(2) Grocery Store with a total facility size equal to or greater than 10,000 square feet;

(3) Food Service Provider;

(4) Food Distributor; or,

(5) Wholesale Food Vendor.

"Tier Two Commercial Edible Food Generator" means a Commercial Edible Food Generator that is one of the following; or, as otherwise defined in 14 CCR Section 18982(a)(73):

(1) Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet;

(2) Hotel with an on-site Food Facility and 200 or more rooms;

(3) Health facility with an on-site Food Facility and 100 or more beds;

(4) Large Venue;

(5) Large Event;

(6) A State agency with a cafeteria with 250 or more seats or total cafeteria facility size equal to or greater than 5,000 square feet; or

(7) A Local Education Agency facility with an on-site Food Facility.

"Wholesale Food Vendor" means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination; or, as otherwise defined in 14 CCR Section 189852(a)(76).

6-2.502. Compliance with SB 1383 and SB 1383 Regulations

Generators, Commercial Edible Food Generators, Food Recovery Organizations, Food Recovery Services, Haulers, and owners of facilities, operations and activities that recover Organic Waste are subject to SB 1383 and the SB 1383 Regulations. The foregoing shall fully comply with all applicable requirements of SB 1383, SB 1383 Regulations, this Article, and any collection agreement in effect. In the event of a conflict between the provisions of this Article and other provisions of this Code, the provisions of this Article shall control. In the event of a conflict between the provisions of the SB 1383 Regulations and the provisions of this Article, the SB 1383 Regulations shall control.

6-2.503. Requirements for Single-Family Generators

Single-Family Generators shall comply with the following requirements, except Single-Family Generators that meet the Self-Hauler requirements of this Code:

(a) Subscribe to, and be automatically enrolled in, the City's three-container (Gray Container, Green Container, and Blue Container) collection services for Mixed Waste, Source Separated Green Container Organic Waste, and Source Separated Recyclable Materials as described below in Section 6-2.503 (b). The City shall have the right to review the number and size of a Generator's containers to evaluate adequacy of container capacity provided for each type of collection service for proper separation of materials and containment of materials; and Single-Family Generators shall adjust their service level for their collection services as requested by the City.

(b) Participate in the City's three-container collection services by placing designated materials in designated containers as described in this paragraph, and not place Prohibited Container Contaminants in collection containers. Generators shall place only Source Separated Green Container Organic Waste in the Green Container; only Source Separated Recyclable Materials in the Blue Container; and all other Solid Waste (including Mixed Waste and Food Waste) except Excluded Waste, in the Gray Container.

(c) Nothing in this Section prohibits Single-Family Generators from preventing or reducing waste generation, managing Organic Waste on site and/or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

6-2.504. Requirements for Commercial Business Generators, including Multi-Family Residential Dwellings

(a) Except Commercial Businesses, including Multi-Family Residential Dwellings, that meet the Self-Hauler requirements of this Code, Generators that are Commercial Businesses, including Multi-Family Residential Dwellings, shall comply with the following requirements:

    (1) Subscribe to, and be automatically enrolled in the City's three-container (Gray Container, Blue Container and Green Container) collection services for Mixed Waste,

Source Separated Green Container Organic Waste, and Source Separated Recyclable Materials and comply with requirements of those services as described in subsection (a)(2) of this section. The City shall have the right to review the number and size of a Generator's containers, the type of collection service, and frequency of collection to evaluate adequacy of container capacity provided for each type of collection service for proper separation of materials and containment of materials; and Commercial Businesses, including Multi-Family Residential Dwellings, shall adjust their service level for their collection services as requested by the City.

(2) Participate in the City's three-container collection services by placing designated materials in designated containers as described in this paragraph, and not placing Prohibited Container Contaminants in collection containers. Generators shall place only Source Separated Green Container Organic Waste in the Green Container; only Source Separated Recyclable Materials in the Blue Container; and all other Solid Waste(including Mixed Waste and Food Waste) except Excluded Waste, in the Gray Container.

(b) Except for Multi-Family Residential Dwellings, Generators that are Commercial Businesses, shall comply with the following requirements:

(1) Provide containers for the collection of Source Separated Green Container Organic Waste and Source Separated Recyclable Materials in all indoor and outdoor areas where disposal containers are provided for customers, for materials generated by that business. Such containers shall be adjacent to disposal containers and visible and easily accessible. Such containers do not need to be provided in restrooms. If a Commercial Business does not generate any of the materials that would be collected in one type of container, as demonstrated through an approved de minimis waiver per Section 6-2.505, then the business does not have to provide that particular container in all areas where disposal containers are provided for customers. Pursuant to 14 CCR Section 18984.9(b), the containers provided by the Commercial Business shall have either:

(i) A body or lid that conforms with the container colors provided through the collection service provided by the City. A Commercial Business is not required to replace functional containers, including containers purchased prior to January 1, 2022, that do not comply with the requirements of this subsection prior to the end of the useful life of those containers, or prior to January 1, 2036, whichever comes first.

(ii) Container labels that include language or graphic images, or both, indicating the primary material accepted and the primary materials prohibited in that container, or containers with imprinted text or graphic images that indicate the primary materials accepted and primary materials prohibited in the container; or, as otherwise provided in 14 CCR Section 18984.8.

(2) Prohibit employees from placing materials in a container not designated for those materials per the City's collection service or, if self-hauling, per the Commercial

Businesses' instructions to support its compliance with its self-haul program in accordance with Section 6.2-509.

(3) Periodically inspect Blue Containers, Gray Containers, and Green Containers, for contamination and inform employees if containers are contaminated and of the requirements to keep contaminants out of those containers pursuant to 14 CCR Section 18984.9(b)(3).

(c) All Generators that are Commercial Businesses, including Multi-Family Residential Dwellings, shall comply with the following requirements.

(1) Provide or arrange for collection services consistent with this Article for employees, contractors, tenants, and customers and supply and allow access to adequate number, size and location of collection containers with sufficient labels or colors conforming to subsection(b)(1) of this section for employees, contractors, tenants, and customers, consistent with the City's collection service and Article 3 of Chapter 12 of Division 7 of Title 14 of the CCR; or, if self-hauling, per the Commercial Businesses' instructions to support its compliance with its self-haul program, in accordance with Section 6-2.509.

(2) Annually provide information to employees, contractors, tenants, and customers about Organic Waste Recovery requirements and about proper sorting of Source Separated Recyclable Materials, and Source Separated Green Container Organic Waste.

(3) Provide information as described in subsection (c)(2) of this section before or within fourteen (14) days of occupation of the premises to new tenants.

(4) Provide or arrange access for the City or its agent to their properties during all Inspections conducted in accordance with Section 6.2-511 to confirm compliance with the requirements of this Article.

(5) Accommodate and cooperate with the City's Remote Monitoring program, if applicable, for Inspection of the contents of containers for Prohibited Container Contaminants to evaluate Generator's compliance.

(6) If generating two (2) cubic yards or more of total Solid Waste per week (or other threshold defined by the State), require that any contract or work agreement between the owner, occupant, or operator of the Commercial Business and a gardening or landscaping service specify that the Organic Waste generated by those services be managed in compliance with Chapter 12, Part 3, Division 30 of the Public Resources Code.

(d) Generators that are Commercial Businesses, including Multi-Family Residential Dwellings, may receive waivers pursuant to Section 6-2.505 for some requirements of this section.

(e) If a Commercial Business wants to self-haul, meet the Self-Hauler requirements of this Code, including Section 6.2-509.

(f) Nothing in this Section prohibits Generators that are Commercial Businesses, including Multi-Family Residential Dwellings, from preventing or reducing waste generation, managing Organic Waste on site, or using a Community Composting site pursuant to 14 CCR Section 18984.9(c).

(g) Commercial Businesses that are Tier One or Tier Two Commercial Edible Food Generators shall comply with Food Recovery requirements, pursuant to Section 6.2-506.

6-2.505. Waivers for Generators

(a) The City, at its discretion and in accordance with 14 CCR Section 18984.11 or as otherwise authorized by CalRecycle, may grant one or more of the following types of waivers to a Generator of Organic Waste.

(1) De Minimis Waivers. The City may waive a Commercial Business' (including Multi-Family Residential Dwellings) obligations to comply with some or all of the Organic Waste requirements of this Article if the Commercial Business provides documentation, or the City has evidence demonstrating, that the Commercial Business meets one of the following criteria:

(i) The Commercial Business' total Solid Waste collection service is two cubic yards or more per week and Organic Waste subject to collection in a Blue Container or Green Container comprises less than 20 gallons per week per applicable container of the business' total waste; or,

(ii) The Commercial Business' total Solid Waste collection service is less than two cubic yards per week and Organic Waste subject to collection in a Blue Container or Green Container comprises less than 10 gallons per week per applicable container of the business' total waste.

(2) Physical Space Waivers. The City may waive a Commercial Business', including Multi-Family Residential Dwellings, or property owner's obligations to comply with some or all of the recyclable materials and/or Organic Waste collection service requirements of this Article if the City has evidence from its own staff, a Collector, a Hauler, licensed architect, or licensed engineer demonstrating that the premises lacks adequate space for the collection containers required for compliance with the Organic Waste collection requirements of this Article.

(d) Review and Approval of Waivers.

(1) Commercial Businesses, including Multi-Family Residential Dwellings, requesting a waiver shall submit a completed application form to the City for a waiver specifying the waiver type requested, type of collection services for which they are requesting a waiver, the reason for such waiver, and documentation supporting such request. Commercial Businesses, including Multi-Family Residential Dwellings who so request a waiver shall reapply to the City for a waiver upon the expiration of the waiver period and shall submit any required documentation, and/or fees/payments as required by the

City. Failure to submit a completed application shall equate to an automatic denial of said application.

(2) Upon waiver approval, the City shall specify the duration for which the waiver is valid.

(3) A waiver holder shall notify City if circumstances change such that such waiver holder may no longer qualify for the waiver granted, in which case a waiver will be rescinded.

(4) Any waiver holder must cooperate with the City for any on-site assessment of the appropriateness of the waiver.

(5) The City shall revoke a waiver upon a determination that any of the circumstances justifying a waiver are no longer applicable.

6-2.506. Requirements for Commercial Edible Food Generators

(a) Tier One Commercial Edible Food Generators must comply with the requirements of this Section commencing January 1, 2022, and Tier Two Commercial Edible Food Generators must comply with the requirements of this Section commencing January 1, 2024, pursuant to 14 CCR Section 18991.3.

(b) Large Venue or Large Event operators, not providing food services, but allowing for food to be provided by others, shall require Food Facilities operating at the Large Venue or Large Event to comply with the requirements of this Section, commencing January 1, 2024.

(c) Commercial Edible Food Generators shall comply with the following requirements:

(1) Arrange to recover the maximum amount of Edible Food that would otherwise be disposed.

(2) Contract with or enter into a written agreement with Food Recovery Organizations or Food Recovery Services for:

(A) the collection of Edible Food for Food Recovery; or,

(B) acceptance of the Edible Food that the Commercial Edible Food Generator self-hauls to the Food Recovery Organization for Food Recovery.

(3) Shall not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.

(4) Allow the City's designated enforcement entity or designated third party enforcement entity to access the premises and review records kept pursuant to 14 CCR Section 18991.4.

(5) Keep records that include the following information, or as otherwise specified in 14 CCR Section 18991.4:

(A) A list of each Food Recovery Service or Food Recovery Organization that collects or receives its Edible Food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).

(B) A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).

(C) A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:

(i) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.

(ii) The types of food that will be collected by or self-hauled to the Food Recovery Service or Food Recovery Organization.

(iii) The established frequency that food will be collected or self-hauled.

(iv) The quantity of food, measured in pounds recovered per month, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.

(d) No later than February 1 of each year commencing on February 1, 2023 for Tier One Commercial Edible Foods Generators and on February 1, 2025 for Tier Two Commercial Edible Food Generators, Commercial Edible Food Generators shall provide a Food Recovery report to the City that includes the following information:

(1) A copy of all contracts or written agreements established under 14 CCR Section 18991.3(b).

(2) The quantity of food, measured in annual pounds recovered, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.

(3) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.

(4) Any additional information required by the City or the City's Designee.

(e) Nothing in this Article shall be construed to limit or conflict with the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017 (approved by the Governor of the State on September 25, 2017, which added Article 13 (commencing with Section 49580) to Chapter 9 of Part 27 of Division 4 of Title 2 of the Education Code, and amended Section 114079 of the Health and Safety Code, relating to food safety, as amended, supplemented, superseded and replaced from time to time.

6-2.507. Requirements for Food Recovery Organizations and Services

(a) Food Recovery Services collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(1):

(1) The name, address, and contact information for each Commercial Edible Food Generator from which the service collects Edible Food.

(2) The quantity in pounds of Edible Food collected from each Commercial Edible Food Generator per month.

(3) The quantity in pounds of Edible Food transported to each Food Recovery Organization per month.

(4) The name, address, and contact information for each Food Recovery Organization that the Food Recovery Service transports Edible Food to for Food Recovery.

(b) Food Recovery Organizations collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records, or as otherwise specified by 14 CCR Section 18991.5(a)(2):

(1) The name, address, and contact information for each Commercial Edible Food Generator from which the organization receives Edible Food.

(2) The quantity in pounds of Edible Food received from each Commercial Edible Food Generator per month.

(3) The name, address, and contact information for each Food Recovery Service that the organization receives Edible Food from for Food Recovery.

(c) Food Recovery Organizations and Food Recovery Services shall inform Generators about California and Federal Good Samaritan Food Donation Act protection in written communications, such as in their contract or agreement established under 14 CCR Section 18991.3(b).

(d) Food Recovery Organizations and Food Recovery Services that have their primary address physically located in the City and contract with or have written agreements with one or more Commercial Edible Food Generators pursuant to 14 CCR Section 18991.3(b) shall report to the City the total pounds of Edible Food recovered in the previous calendar year from the Tier One and Tier Two Commercial Edible Food Generators they have established a contract or written agreement with pursuant to 14 CCR Section 18991.3(b) no later than February 1 of each year, commencing in 2022.

(e) Food Recovery Capacity Planning

Food Recovery Services and Food Recovery Organizations operating in the City shall provide information and consultation to the City, upon request, regarding existing, or proposed new or expanded, Food Recovery capacity that could be accessed by the City and its Commercial Edible Food Generators. A Food Recovery Service or Food Recovery Organization contacted by the City shall respond to such request for information within 60 days, unless a shorter timeframe is otherwise specified by the City.

6-2.508. Requirements for Haulers, Facility Operators and Community Composting Operations

(a) Requirements for Haulers. Haulers, including Collectors, permitted Haulers, and licensed Haulers providing residential, Commercial, or industrial Organic Waste collection services and/or and Source Separated Recyclable Materials collection services to Generators within the City's boundaries shall meet the requirements of 14 CCR Division 7, Chapter 12 and the following requirements as conditions of approval of a contract, agreement, or other authorization with the City to collect Organic Waste:

(1) Through written notice to the City annually on or before January 31, identify the facilities to which they will transport Organic Waste, including facilities for Source Separated Recyclable Materials, Source Separated Green Container Organic Waste and Mixed Waste.

(2) Comply with the applicable requirements of 14 CCR, Division 7, Chapter 12, Article 3.

(3) Transport Source Separated Recyclable Materials, Mixed Waste, and, as applicable, Source Separated Green Container Organic Waste to a facility, operation, activity, or property that recovers Organic Waste as defined in 14 CCR, Division 7, Chapter 12, Article 2.

(4) Obtain applicable approval of the City pursuant to 14 CCR Section 18988.1 and keep a record of the documentation of its approval by the City.

(b) Haulers, including any Collector, permitted Hauler, and licensed Hauler, authorized to collect Organic Waste shall comply with education, equipment, signage, container labeling, container color, contamination monitoring, reporting, and other requirements contained within its franchise agreement, permit, license or other agreement approved by the City Council of the City or granted or issued by the City.

(c) Except as otherwise specified in an applicable franchise or collection agreement, all Haulers, including permitted Haulers and licensed Haulers, shall provide the City with quarterly reports on the dates described in subsection (d) of this section of the amount of Organic Waste and Source Separated Recyclable Materials delivered to each Solid Waste facility, operation, activity, or property that processes or recovers Organic Waste or Source Separated Recyclable Materials. This report shall include the following information:

(1) Delivery receipts and weight tickets from the entity accepting the waste.

(2) The amount of material in cubic yards or tons transported by the Hauler to each entity.

(3) Notwithstanding subsections (c)(1) and (c)(2) of this section, if the material is transported to an entity that does not have scales on-site, or employs scales incapable of weighing the Hauler's vehicle in a manner that allows it to determine the weight of materials received, the Hauler is not required to record the weight of material but shall keep a record of the entities that received the Organic Waste.

(4) The location of the facilities to which the Organic Waste and/or Source Separated Recyclable Materials were taken during the previous quarter.

(d) The quarterly reporting periods described in subsection 6-2.508(c) shall be as follows:

Reporting Period	*Due Date*
January 1—March 30	May 1
April 1—June 30	August 1
July 1—September 30	November 1
October 1—December 31	February 1

(e) Subsections (a)-(d) of this section are not applicable to a Hauler that is transporting Source Separated Organic Waste, consistent with Article 1, Chapter 9, Part 2, Division 30, commencing with Section 41950 of the Public Resources Code, to a Community Composting site or that is lawfully transporting C&D in a manner that complies with 14 CCR Section 18989.1 and applicable requirements of this Code.

(f) Requirements for Facility Operators and Community Composting Operations

(1) Owners of facilities, operations, and activities that recover Organic Waste, including, but not limited to, Compost facilities, in-vessel digestion facilities, and publicly-owned treatment works shall, upon the City's request, provide the City information regarding available and potential new or expanded capacity at their facilities, operations, and activities, including information about throughput and permitted capacity necessary for planning purposes. Entities contacted by the City shall respond within 60 days.

(2) Community Composting operators, upon the City's request, shall provide information to the City to support Organic Waste capacity planning, including, but not limited to, an estimate of the amount of Organic Waste anticipated to be handled at the Community Composting operation. Entities contacted by the City shall respond within 60 days, unless a shorter timeframe is otherwise specified by the City.

6-2.509. Self-Hauler Requirements

In addition to any other requirements for Self-Haulers contained in this Code:

(a) Self-Haulers of Organic Waste shall comply with the requirements in 14 CCR Section 18988.3.

(b) Self-Haulers shall source separate all recyclable materials and Organic Waste generated on-site from Solid Waste in a manner consistent with 14 CCR Section 18984.1(a), or shall haul Organic Waste to a High Diversion Organic Waste Processing Facility as specified in 14 CCR Section 18984.3.

(c) Self-Haulers shall haul their Source Separated Recyclable Materials to a facility that recovers those materials; and haul their Source Separated Organic Waste to a Solid Waste facility, operation, activity, or property that processes or recovers Source Separated Organic Waste. Alternatively, Self-Haulers may haul Organic Waste to a High Diversion Organic Waste Processing Facility.

(d) Self-Haulers that are Commercial Businesses (including Multi-Family Residential Dwellings) shall complete and retain on-site a self-hauling form certifying that all self-hauling activities will be completed in accordance with this Article or any other applicable law or regulation. A copy of such form shall be submitted to the City and updated annually with business license renewals and shall be available to the City upon request.

(e) Self-Haulers that are Commercial Businesses (including Multi-Family Residential Dwellings) shall keep a record of and provide the City with quarterly reports on the dates described in subsection 6-2.509(f) of the amount of Organic Waste and Source Separated Recyclable Materials delivered to each Solid Waste facility, operation, activity, or property that processes or recovers Organic Waste or Source Separated Recyclable Materials. The records and reports shall include the following information:

    (1) Delivery receipts and weight tickets from the entity accepting the waste.

    (2) The amount of material in cubic yards or tons transported by the Generator to each entity.

    (3) Notwithstanding subsection (e)(1) and (e)(2) of this section, if the material is transported to an entity that does not have scales on-site, or employs scales incapable of weighing the Self-Hauler's vehicle in a manner that allows it to determine the weight of materials received, the Self-Hauler is not required to record the weight of material but shall keep a record of, and report on, the entities that received the Organic Waste.

    (4) The location of the facilities to which the Organic Waste and/or Source Separated Recyclable Materials were taken during the previous quarter.

(f) The quarterly reporting periods described in Section 6-2.509(e) shall be as follows:

Reporting Period	*Due Date*
January 1—March 30	May 1
April 1—June 30	August 1

July 1—September 30	November 1
October 1—December 31	February 1

(g) A Single-Family Organic Waste Generator that self-hauls Organic Waste is not required to record or report information in subsections (e) and (f) of this section.

6-2.510. Procurement Requirements for Direct Service Providers and Vendors

Direct service providers to the City and all vendors providing Paper Products and Printing and Writing Papers must comply with the City's policy regarding recovered organic waste product procurement, including Recycled-Content Paper procurement.

6-2.511. Inspections and Investigations by the City

(a) City representatives or the City's Designee, including a Collector, are authorized to conduct Inspections and Investigations, at random or otherwise, of any collection container, collection vehicle loads, or transfer, processing, or disposal facility for materials collected from Generators, or Source Separated materials to confirm compliance with this Article by Generators, Commercial Businesses (including Multi-Family Residential Dwellings), property owners, Commercial Edible Food Generators, Haulers, Self-Haulers, Food Recovery Services, and Food Recovery Organizations, subject to applicable laws. This Section does not allow the City, its Designees or agents to enter the interior of a private residential property for inspection. For the purposes of inspecting Commercial Business containers for compliance with this Article, the City may conduct container Inspections, including using Remote Monitoring, for Prohibited Container Contaminants.

(b) A regulated entity shall provide or arrange for access during all Inspections (with the exception of residential property interiors) and shall cooperate with the City representative, the City's Designee or Collector during such Inspections and investigations. Such Inspections and investigations may include confirmation of proper placement of materials in containers, Edible Food Recovery activities, records, or any other requirement of this Article described herein. Failure to provide or arrange for:

(1) access to an entity's premises;

(2) installation and operation of Remote Monitoring equipment; or,

(3) access to records for any Inspection or investigation

is a violation of this Article and may result in penalties described herein.

(c) Any records obtained by the City during its Inspections, Remote Monitoring, and other reviews shall be subject to the requirements and applicable disclosure exemptions of the Public Records Act as set forth in State Government Code Section 6250 et seq.

(d) The City representative, the City's Designees, a Collector and agents are authorized to conduct any Inspections, Remote Monitoring, or other investigations as reasonably necessary to further the goals of this Article, subject to applicable laws.

(e) The City shall receive written complaints from persons regarding an entity that may be potentially non-compliant with SB 1383 Regulations, including receipt of anonymous complaints in accordance with 14 CCR Section 18995.3.

6-2.512. Enforcement

(a) Violation of any provision of this Article shall constitute grounds for issuance of a Notice of Violation and assessment of a fine by the Enforcement Official. Enforcement Actions under this Article are issuance of an administrative citation and assessment of a fine. The City's procedures on imposition of administrative fines set forth in Chapter 2 of Title 1 of this Code are hereby incorporated in their entirety, as modified from time to time, and shall govern the imposition, enforcement, collection, and review of administrative citations issued to enforce this Article and any rule or regulation adopted pursuant to this Article, except as otherwise indicated in this Article.

(b) Enforcement pursuant to this Article may be undertaken by the Enforcement Official.

(c) Process for Enforcement

(1) City Enforcement Officials and/or Designee will monitor compliance with the chapter through Compliance Reviews, Route Reviews, investigation of complaints, and an Inspection program. City Enforcement Officials and/or their designee may also monitor compliance with the chapter randomly. Section 6-2.511 City code establishes City's right to conduct Inspections and investigations.

(2) For incidences of Prohibited Container Contaminants found in containers, City or its Designee will issue an informational notice of contamination to any Generator found to have Prohibited Container Contaminants in a container. Such notice will be provided via a cart tag or other communication immediately upon identification of the Prohibited Container Contaminants or within 15 days after determining that a violation has occurred. If the City or its Designee observes Prohibited Container Contaminants in a Generator's containers on more than two (2) consecutive occasion(s), the City or the City's Designee may assess contamination processing fees or the City may assess contamination penalties on the Generator.

(3) With the exception of violations of contamination of container contents, City shall issue a Notice of Violation requiring compliance within 60 days of issuance of the notice.

(4) Absent compliance by the respondent within the deadline set forth in the Notice of Violation, City shall commence an action to impose penalties, via an administrative citation and fine, pursuant to Chapter 1.24 and 1.28 of this Code.

Notices shall be sent to "owner" at the official address of the owner maintained by the tax collector for the County Assessor or if no such address is available, to the owner at the address of the Multi-Family Residential Dwelling or Commercial Business, depending upon available information.

(d) Penalty Amounts for Types of Violations

For the purposes of this Article, the penalty levels for violations of the provisions are as follows:

(1) For a first violation, the amount of the base penalty shall be $100 per violation.

(2) For a second violation, the amount of the base penalty shall be $200 per violation.

(3) For a third or subsequent violation, the amount of the base penalty shall be $500 per violation.

(e) Compliance Deadline Extension Considerations

The City may extend the compliance deadlines set forth in a Notice of Violation if it finds that there are extenuating circumstances beyond the control of the respondent that make compliance within the deadlines impracticable, including the following:

(1) Acts of God such as earthquakes, wildfires, flooding, and other emergencies or natural disasters;

(2) Delays in obtaining discretionary permits or other government agency approvals; or,

(3) Deficiencies in Organic Waste recycling infrastructure or Edible Food Recovery capacity and the City is under a corrective action plan with CalRecycle pursuant to 14 CCR Section 18996.2 due to those deficiencies."

(f) Appeals

Administrative citations or fines imposed under this Article may be appealed pursuant to Section 1-4.01.

<u>Section 2.</u>

Chapter 20, Title 8 of the Maywood Municipal Code is hereby amended by adding a new Section 8-20.03 to read as follows:

"8-20.03 Additional Requirements

Notwithstanding any other provision in this code, property owners or their building or landscape designers, including anyone requiring a building or planning permit, plan check, or landscape design review from the City, who are constructing a new (Single-Family, Multi-Family, public, institutional, or Commercial) project with a landscape area greater than 500 square feet, or rehabilitating an existing landscape with a total landscape area greater than 2,500 square feet, shall comply with Sections

492.6(a)(3)(B) (C), (D), and (G) of the Model Water Efficient Landscape Ordinance, including sections related to use of Compost and mulch, as amended on September 15, 2015."

Section 3.

Chapter 19, Title 8 of the Maywood Municipal Code is hereby amended by adding a new Section 8-19.04 to read as follows:

"8-19.04. Organics Recycling Requirements

In addition to any other requirements of this chapter, the following requirements also apply:

(a) For projects covered by the California Green Building Standards Code, 24 CCR, Part 11, the applicants must, as a condition of the City's permit approval, comply with the following:

(1) Where five (5) or more Multi-Family dwelling units are constructed on a building site, provide readily accessible areas that serve occupants of all buildings on the site and are identified for the storage and collection of Blue Container and Green Container materials, consistent with the collection program offered by the City, or comply with provision of adequate space for recycling for Multi-Family and Commercial premises pursuant to Sections 4.408.1, 4.410.2, 5.408.1, and 5.410.1 of the California Green Building Standards Code, 24 CCR, Part 11 as amended July 1, 2019 and effective January 1, 2020.

(2) Where new commercial construction or additions will result in more than 30% of the floor area, provide readily accessible areas identified for the storage and collection of Blue Container and Green Container materials, consistent with the collection program offered by the City, or shall comply with provision of adequate space for recycling for Multi-Family and Commercial premises pursuant to Sections 4.408.1, 4.410.2, 5.408.1, and 5.410.1 of the California Green Building Standards Code, 24 CCR, Part 11 as amended July 1, 2019 and effective January 1, 2020.

(b) For Organic Waste commingled with C&D, the requirements of 24 CCR Sections 4.408.1 and 5.408.1, as amended July 1, 2019 and effective January 1, 2020 shall be complied with."

Section 4. CEQA. The City Council finds that this Ordinance is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15308 on the grounds that it can be seen with certainty that the enhanced solid waste regulations, as provided for in this Ordinance will not have a significant effect on the environment and that the new requirements, which strengthen requirements for the handling of solid waste, represent actions by a regulatory agency (the City) for the protection of the environment.

Section 5. Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, without regard to whether any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

Section 6. Operative Date. Sections 1, 2, and 3 of this Ordinance shall become operative on January 1, 2022.

Section 7. Effective Date of Ordinance. This Ordinance shall take effect and be in force thirty (30) days after its passage.

Section 7. Certification of Publication. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published or posted in the manner prescribed by law.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Maywood this 8th day of December, 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 Ordinance No. **21-03** 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 December, 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. 4.

DATE: December 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: RECONSIDERATION OF THE CIRCUMSTANCES OF THE COVID-19 STATE OF EMERGENCY TO DETERMINE WHETHER THE LEGISLATIVE BODIES OF THE CITY OF MAYWOOD WILL CONTINUE TO HOLD MEETINGS VIA TELECONFERENCING AND MAKING FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 54953(e)(3).

RECOMMENDATION:

Staff recommends that the City Council has (i) reconsidered the circumstances of the COVID-19 state of emergency and (2) find that the State and local officials (the County of Los Angeles) continue to recommend measures to promote social distancing and the state of emergency continues to directly impact he ability of members of the City's legislative bodies to meet safety in person.

BACKGROUND:

The City Council and its legislative bodies have met remotely through the pandemic to protect the health and safety of the public and staff. The factual circumstances exist for the City's legislative bodies to continue to hold meetings pursuant to AB361. The state of emergency is still in effect and on October 13, 2021, the City Council adopted Resolution No. 6200 finding that state and local officials (the County of Los Angeles) have recommended measures to promote social distancing as a result of the Covid-19 state of emergency and meeting in person would present imminent risks to the health or safety of attendees at the meeting of the City Council and all other legislative bodies of the City. On November 10, 2021, the City Council reconsidered the findings and continued to make the required findings in order to meet remotely in accordance with AB361.

DISCUSSION:

As the Delta variant continues to be dominant in the County, the introduction of the new Omicron variant in the State and flu season, continuing the flexibility of teleconferences will allow the continuation of the City's business, so that Council or Planning Commission meetings would not have to be canceled should members have health concerns or are sick. It would also provide the flexibility for each member of a legislative body to determine for themselves based on their own health matters whether attending a meeting will be a risk to their health and safety. The California Department of Public Health and the federal Centers for Disease Control and Prevention ("CDC") caution that the Delta variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations. The CDC also continues to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be exposed to COVID-19 when they are closer than 6 feet apart from others for longer periods of time.

Even if the City Council continues to make the findings as required, the City Council and the City's planning commission can continue to meet in person and the chambers will remain closed. This determination, however, would allow the City to make adjustments if needed.

To continue to have the ability to meet remotely pursuant to Government Code Section 54953(e) (AB 361), the City Council must make certain findings no later than 30 days after teleconferencing for the first time pursuant to AB361, and every 30 days thereafter. Accordingly, by reconsidering the circumstances of the state of emergency created by the COVID-19 pandemic and finding that the state of emergency continues to directly impact the ability of the members of the City's legislative bodies to meet safely in person and that state and local officials continue to recommend measures for social distancing, the public meetings of the City of Maywood can continue to be conducted by Zoom for the next 30 days. Accordingly, staff recommends making the findings so the City's legislative bodies may continue to use virtual teleconferenced meetings in compliance with Government Code Section 54953(e).

LEGAL REVIEW:

The City Attorney has reviewed this report.

FISCAL IMPACT:

There is no financial impact if the City Council makes the determination under AB 361 as the City has been meeting in a remote format since the onset of the pandemic in March 2020.

ATTACHMENT(S)

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 5.

DATE:	December 8, 2021
TO:	HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM:	JENNIFER VASQUEZ, CITY MANAGER
BY:	HRANT MANUELIAN, FINANCE DIRECTOR
SUBJECT:	CONSIDERATION OF APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH PHOENIX INFORMATION SYSTEMS GROUP FOR PROCESSING PARKING PERMITS, PARKING CITATIONS AND ADMINISTRATIVE CITIATIONS.

RECOMMENDATION:

Staff recommends that the City Council award a three-year professional services agreement for processing of parking permits, parking citations, and administrative citation processing to Phoenix in the form approved by the City Attorney and find that it is in the best interest of the City and its administrative operations not to informally bid the agreement pursuant to Section 3-4.13(e).

BACKGROUND:

The City currently contracts with Phoenix to provide these collection services. All collection of fees for citations and parking permits is currently handled by Phoenix. The City does not take in any payments for these items at the front counter.

DISCUSSION:

The processing of parking permits and citations is a specialized area and the City has relied on the expertise of Phoenix to provide these services to the City. The City has been on a month-to-month agreement with Phoenix since July 2019. Staff desires to ensure that the services continue in place and therefore is recommending a new formal agreement with Phoenix. The cost for these services is detailed in the agreement and will vary based on the number of citations processed for the month. Since these are for the collection of revenue for citations and parking permits and Phoenix has handled these services for a number of years and has the infrastructure in place to do so, the City Manager has determined that it is in the best interest of the City and its administrative operations to dispense with the municipal code provision regarding the bidding process for these revenue collection services. Accordingly, pursuant to Section 3-4.13 of the City's Municipal Code, which provides for exceptions to the bidding process, the City Manager is requesting that City Council concur with this determination and find that the waiver of the applicable bidding requirements is in the best interests of the City and our administrative operations as this is a vital source of revenue. Continuity with the same vendor will achieve this purpose.

LEGAL REVIEW:

The City Attorney has reviewed this report.

FISCAL IMPACT:
There is no fiscal impact as these services have already been budgeted for.

ATTACHMENT(S)
1. Phoenix Contract for 12082021

PHOENIX GROUP Information Systems, a California Corporation
2677 N. Main Street, Suite 440
Santa Ana, CA 92705
(Hereinafter referred to as "PHX")

Agrees to provide to:
City of Maywood
4319 E Slauson Ave,
Maywood, CA 90270

(Hereinafter referred to as "AGENCY")

(Citizen, student, cited person Hereinafter referred to as "INDIVIDUAL")

1.0 PROCESSING SERVICES PROVIDED
PHX will provide the AGENCY with a citation processing management system and access to the database via Internet and Wincite™.

1.1 Payment Dispositions: The AGENCY will forward any payment information as well as cancellations, dismissals, voids, corrections and/or other relevant information pertaining to the citation(s) status. PHX will update the AGENCY on a monthly basis regarding status of payment updates. The AGENCY may also update this information directly to the database remotely.

1.2 Registered Owner Information: PHX will be responsible for maintaining online communications with the California DMV. This communication is required as part of this agreement to request registered owner information.

1.3 Parking Delinquent Notices: PHX will generate and mail the notices for citations that have been referred to PHX by AGENCY following the guidelines set forth in CVC 40207.

Notices are sent from PHX to the Registered Owner (RO) of the cited vehicle. RO information is gathered from current DMV records. The notice will include all the information included on the citation and consequences for nonpayment, and/or any additional information required by the code section. The notice of violation includes a remittance return portion for payment. Additional letters may be generated if required by AGENCY.

2.0 PAYMENT PROCESSING

Payment processing services are provided by PHX for AGENCY. PHX has an internal online payment processing capability to insure correct payment and due date.

PHX will do everything in its power to reduce duplicate payments.

2.1 Invoicing: Invoices for total services provided by PHX (processing, collections, and additional, (agreed upon) fees, will be sent monthly to AGENCY.

2.2 Bank Returned Checks: Fees established by the AGENCY for bank returned checks and additional follow-up will be included to the citation/account as directed by AGENCY.

2.3 Credit Card Payments: Credit Card payments will be accepted by Phone and/or Internet. The INDIVIDUAL can have the ability to connect to an optional secured website provided by PHX. Access to INDIVIDUAL information will be available based on a License Plate or Citation number. Wincite™ will access, store, and present, data in real time. Data is comprised of citation and INDIVIDUAL information and includes total amount due (may include credit card fees) before final authorization is complete. Payments can be made with Discover, MasterCard, Visa, or AMX. The INDIVIDUAL will be charged a credit card transaction fee of $3.95 or 3.25% with no additional costs passed on to the AGENCY.

2.4 Credit Card Charge Back: The process includes the following:

1. Charge back notification received by PHX
2. PHX locates the citation(s) that were paid on the transaction being disputed
3. A letter of dispute describing the charge is sent to the credit card company
4. If the dispute is found in favor of the credit card holder, then the charge back is accepted and a notice of unpaid fees are sent to the registered owner
5. PHX reverses the payment of the citation(s) and reopens the citation(s) immediately
6. PHX enters notes regarding the credit card payment information including, but not limited to:
    a. Original Transaction ID(s)
    b. Chargeback ID(s)
    c. Any pertinent correspondence regarding the charge back
7. Charge back paperwork is then filed by PHX for later retrieval if necessary
8. Charge backs are reflected in the monthly reporting

2.5 Bank Account and Depositing Procedures:

Mail (INDIVIDUAL Non-Electronic Payments) will be picked up from a local Post Office daily and normally processed within 24 hours. The bank deposits are endorsed to the bank selected by your AGENCY. Payments can be taken at both AGENCY site and at PHX. AGENCY shall have an internal on-line payment processing capability to enter payment data.

2.6 Changes to Payment Processing Procedures

The AGENCY retains the right to change the banking procedure. Changes to the procedure will be agreed upon in writing between the AGENCY and PHX.

3.0 CUSTOM WEBSITE

PHX will create a website and link for public inquiry and payment. The website will simulate the AGENCY'S existing website to provide consistency when the public is transitioning from the AGENCY'S existing website to PHX provided pay site. Website will be integrated with any existing PHX web services.

The credit card option will be set-up and maintained by PHX at no additional costs to AGENCY. The services include:

1. Setting up a custom header and footer based on graphics approved by AGENCY
2. All merchant fees
3. Internet security and website fees
4. Provide for the ability to make payments, contest the citation, and provide any governing rules that are applicable

3.1 Remote Data Entry: Remote data entry capability will be provided via the Internet using Internet Explorer and Wincite™. Each operator within the AGENCY will be set up with a unique password and security level. Individual function levels will include view only, edit, add, and dismiss/void, capabilities.

3.2 User accounts: Accounts may be established by the AGENCY and/or PHX. Access is limited to employees of the AGENCY only. This limitation specifically excludes PHX and/or consultants. Exceptions to the limitation must be approved in writing by PHX and AGENCY.

3.3 Hardware/Software (Equipment) Requirements: A minimum operating system with Microsoft Internet Explorer 7.0 or greater and Windows XP Pro or greater will be required by the AGENCY to access systems and services provided by PHX. PHX will provide Wincite™ to the AGENCY for citation data and reporting access. Any license requirements to operate any software not provided by PHX will be the responsibility of the AGENCY.

3.4 Online PHX Services Provided: PHX will provide the following to the AGENCY:

1. Access to the citation data is available by citation number, vehicle license number, name, or VIN number
2. All citation information
3. Current status of the citation
4. Delinquent notice information, due date, mailing date
5. Administrative review, hearing court appeals, and disposition information
6. Payment information, including all date, amounts, and payment codes
7. Registered owner information and Electronic facsimile of the original citation

3.5 Additional Programming: The AGENCY is responsible to notify PHX of any additional programming needed.

Additional Programming	$150.00 Per Hour	Any additional programming outside scope of contract

4.0 REPORTING

PHX will supply AGENCY with electronic monthly reporting. The reports will be supplied to the AGENCY in a PDF format available for access, using Adobe Reader, with the option to export to Excel. The reports will include (if applicable) but is not limited to the following**: (Additional requirements to be submitted to PHX in writing.)**

1. Monthly Billing Report
2. Officer Summary Report
3. Officer Summary Y-T-D Monthly Recap
4. Void/Dismiss Report by Operator
5. Habitual Offender Hot Sheet Report and Detail
6. DMV Monthly Reports
7. Out of State Revenue Detail Report
8. Revenue Collection Detail Report
9. Revenue Distribution Surcharge Report
10. Contested Citations pending and outcome
11. Refunds 'Due' Report
12. FTB or Special Collections Report

The monthly production report schedule may change as needed. Reporting information may also be provided to the AGENCY in Excel or other method mutually agreeable to both parties. **Additional requirements to be submitted to PHX in writing.**

5.0 SURCHARGES

It is the responsibility of the AGENCY to identify and outline to PHX all surcharges (fees) applicable for the AGENCY. PHX will provide a monthly Surcharge Disbursement Report that includes the surcharges identified by the AGENCY as part of the monthly reports as identified in Section 4.0 REPORTING. The AGENCY will disburse surcharges funds directly to the County; if applicable.

6.0 OWNERSHIP OF SOFTWARE

AGENCY acknowledges that the software provided by PHX and software programs provided by PHX and used by the AGENCY have been developed by PHX. The software provided is the **PROPIETARY AND INTELECTUAL PROPERTY** of PHX. AGENCY agrees that all rights to any intellectual property is **Confidential Information** and shall remain the exclusive property of the PHX.

7.0 COLLECTIONS AND FTB

PHX will pursue INDIVIDUALS with unpaid citations that meet the criteria of special collections and/or Franchise Tax Board collections (FTB). PHX Collections Criteria includes: Not paid, Not suspended, and in an OPEN status. PHX will mail out a delinquent letter of warning. If the citation remains unpaid PHX will use one or several collections efforts including but not limited to: Special Collections and/or FTB Collections.

All payment updates by FTB will be forwarded to PHX by AGENCY for updating and reporting.

8.0 Parking Citation Processing Program Costs

In consideration of the services provided to the AGENCY the AGENCY agrees to pay the following fee schedule:

Item	Price	Description
1. Monthly Fee	$150.00	Parking Database – Unlimited City Access
2. Per Electronic Cite Processed	$0.40	Per Electronic Cite Processed
3. Per Manual Cite Processed	$0.80	Per Manual Cite Processed
4. Out of State citations	25%	Out of State processing includes any costs charged by the state for the registered owner. The percentage is only for citations that are collected.
5. Notice of Violation / Delinquent Notice	$0.89	A notice of violation (delinquent notice) is sent after an INDIVIDUAL received the initial citation as a courtesy reminder. If applicable, A second notice of delinquency is sent if the payment is not made by the initial due date.
6. Payment Processing/Updates	$0.00	Cost per payment processed included
7. Postage*	First Class Rates	Current First Class rates will be charged for all correspondence mailed.
8. Credit Card Payments	No Charge to City	A credit card processing fee of $3.95 or 3.25%, whichever is greater, will be charged to the INDIVIDUAL at no cost to the AGENCY.
8a. Credit Card Chargebacks	$30.00	If a chargeback occurs, the citation is re-opened and the administrative fee is added – pass though cost for the City.
9. Special Custom Letter *	$1.50	Special letters are custom notices used as follow-up for hearing dates, review results, hearing results, or habitual violations (Scofflaw), Pre-intercept letters.
10. Bank returned checks	$10.00	Monthly Fee for the creation, processing and monitoring of all payment plans in compliance with legislative bill 503. This legislation is mandatory in California.
11. Refunds	$5.00	Bank account must be accessed and controlled by PHX. The AGENCY will approve (In writing) each refund in advance of disbursement. (**Optional Service)**
12. Expedited Collections	20%	If bail amount is recovered after 90 days.
13. AB503 Payment Plan Processing	$245.00	As mandated by the State of California, allowing all individuals that can show proof of indigent status to apply, payment plan creation, late fees and DMV in abatement, correspondence with both applicant and agency.
14. FTB Collections	15% +$1.35 per ssn# lookup	Activated Based on age of collections. Percentage is based on bail amount collected.
15. Online Contesting	$0.00	This service charge of $95.00 a month was waived and included at no cost.

9.0 Preferential Parking Permit Costs

Item	Price	Description
16. Online Parking Permit Management Database and Software	$395.00	Monthly Fee - Online permits management system database, monthly charge to include real-time permit look up in association with Wincite Mobile LPR application.
17. Permit Processing Fee	$0.95	Per Permit processed.
18. Permit Fulfillment	$1.50	Hand Fulfillment, verification of documents and preparation for mailing.
19. Postage	First Class Rates	Current First Class rates will be charged for all correspondence mailed.
20. Temporary Permits	$0.75	Online permits purchased
21. Custom Letters	$1.50	Custom fulfillment Letter generated to applicant
22. Additional Software Design and Custom verification process, Customer Service	$150.00	Per hour cost if programming changes are requested. All charges will be approved in advance. This incudes additional Staff time necessary for all additional verification, correspondence with applicants and customer service. Charged when applicable.

10.0 Administrative Citation Processing Costs

Item	Price	Description
23. Monthly Fee	$150.00	Administrative Database – Unlimited City Access
24. Cost per Citation	$1.95	Cost per payment processed
25. Notice of Violation	$1.50	A notice of violation letter is charged per letter for each citation that reaches the delinquent period.
26. Letters Issued	$1.50	Hearing letters, FTB letters, any custom letters.
27. Postage	First Class Rates	Current First Class rates will be charged for all correspondence mailed.
28. Expedited Collections	20%	If bail amount is recovered after 90 days.
29. FTB Collections	15% +$1.35 per ssn# lookup	Activated Based on age of collections. Percentage is based on bail amount collected.

Mobile Enforcement	
Android HHU | Wi-Fi only w/ military grade protective case, phone can be supplied by City and cost of device will be waived.	TBD
Wincite Mobile Software License | Unlimited site license; One-time charge per unit	$695.00
Software Installation/configuration | One-time charge per unit	$100.00
TSC Alpha 3R | Bluetooth Printer w/ 2-year warranty / Protective environmental case * Price is determined at purchase time can vary.	*$680.00
Hardware/Software Support | ongoing monthly charge per unit	$40.00
LPR real time accessibility | ongoing monthly charge per unit	$60.00

10.1 Payment plans and settlement agreements: If AGENCY chooses to allow payment arrangements due to INDIVIDUAL financial hardship PHX will establish the number of payments and the final due date of the citation. The citation will be suspended to an agreed upon date in Wincite™ in accordance to payment arrangement between the AGENCY and the INDIVIDUAL.

10.2 Postal Increases: In the event of a postal increase PHX will provide the adjustment of fees to offset the postal increase; such increases will be notified to the AGENCY in writing.

11.0 DATA RETENTION POLICY

Data will be removed and/or archived from the system daily. Data archived from the system will be retained by PHX in an archived database and is retained for a period of five years unless returned to the AGENCY before that time. The AGENCY has the option to request such data.

11.1 Criteria for removal/archival of data will be: **Closed citations:** Any citation date older than 18 months, and has been closed for a period of one year. **Open citations:** Any citations open that is not on DMV hold, and older than 24months. Regardless of age open citations that are on DMV files with a hold on the registration will remain on the system until DMV clears the citation.

11.2 Hard copy data: Hard copy files can be returned to the AGENCY or shredded by PHX for the AGENCY; this will be done twice a year; if first agreed to in writing by both AGENCY and PHX. For example, anything from January - June will be returned to the AGENCY the following January.

Archival Data Retrieval	$50.00	Bi-annual

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12.0 TERM AND RENEWALS:
Except, as otherwise stated, these and conditions shall be in effect between both parties: Commencing on 10/2/2021 this agreement will be binding until 10/2/2024. This agreement will automatically renew for subsequent one-year periods until 10/2/2026. Prices and fees are subject to change in accordance with the CPI (Consumer Price Index) and State and County municipal fee schedule. PHX will notify AGENCY of any changes prior to renewal date. AGENCY will be notified in writing by PHX of any agreement changes and/or fee increases. Changes will not take effect until written approval received from AGENCY.

12.1 Return and Ownership of Citation Data: All electronic and handwritten citations, reports, electronic media, and other relevant documents, shall be the property of the AGENCY and shall be returned to the AGENCY upon either the completion of this Agreement or the termination of this Agreement within 15 days. This including copies and reproductions assembled or prepared by PHX employees, agents, and/or officers, in connection with this Agreement

12.2 Exclusivity: AGENCY agrees to utilize only the services of PHX during the term of this agreement for the processing of citations and all other signed services. AGENCY also agrees to not directly, or indirectly, divulge **TRADE SECRETS, PROPIETARY, AND/OR INTELECTUAL PROPERTY** of PHX to any unauthorized person or entity. This Non-Disclosure obligation shall survive the termination of this agreement.

12.3 Books and Records: PHX will maintain adequate books and records for citations forwarded to PHX for processing. Upon two week written prior notice all records shall be available for inspection or audit by AGENCY at PHX's location during regular working hours.

13.0 LIMITATION OF LIABILITY
PHX's sole liability to the AGENCY, or any third party, for claims arising out of errors or omissions in the services provided is as follows: To furnish a correct report or data and to correct AGENCY files provided that AGENCY promptly advised PHX. PHX shall not have any liability under this Agreement for any money damages resulting from claims made by AGENCY for delays, non-service, errors, omissions, interruptions, in the services provided.

14.0 INSURANCE
PHX shall procure and maintain for the duration of the contract the following insurance against claims for injuries to persons or damages of property. Claims may arise from, or in connection, with the performance of the Contract by PHX agents, representatives, employees, or sub-contractors.

A. General Liability: $1,000,000 combined single limit for each occurrence.
B. Workers' Compensation as required by the Labor Code of the State of California.

15.0 CONFIDENTIAL/FILE SECURITY
Reasonable security provisions will be provided by PHX to insure the access to AGENCY computer records and files will be available only to the AGENCY. PHX cannot guarantee against loss or alteration of computer records but will take extraordinary precautions to prevent such occurrences. PHX will hold all AGENCY data in strict confidence and shall not provide any data to any other party unless directed by AGENCY in writing or as ordered by a lawful local, state, or federal entity.

16.0 SECTION HEADINGS
Section headings that appear in this Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of text.

17.0 COMMENCEMENT OF WORK
Work shall not commence under the Contract until a fully executed agreement has been received by PHX and PHX has been given approval to proceed.

18.0 Additional applicable clauses (This section is left blank intentionally)

19.0 MISCELLANEOUS
19.1 This Agreement shall be governed and construed in accordance with the laws of the State of California.

19.2 The waiver of any breach of any provision of this Agreement shall not constitute a waiver of any subsequent breach of the same or other provisions of this agreement.

19.3 If any provision of this Agreement shall not be enforceable the remainder of this Agreement shall remain in full force.

19.4 All provision of this Agreement shall be binding upon both parties.

19.5 The Agreement contains the entire understanding between PHX and AGENCY upon the commencement date supersedes and replaces all prior agreements, negotiations, proposals, or representations, regarding warranty and/or services.

19.6 PHX agrees that it is an independent organization and that its officers and employees are not employees of the AGENCY, nor are they entitled to any benefits as AGENCY employees as a result of the execution of this contract.

Accepted:	Accepted:
PHOENIX GROUP INFORMATION SYSTEMS	**CITY OF MAYWOOD**
______________________ SIGNATURE	______________________ SIGNATURE
______________________ TYPE OR PRINTED NAME	______________________ TYPE OR PRINTED NAME
______________________ TITLE	______________________ TITLE
______________________ DATE	______________________ DATE

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 6.

DATE:	December 8, 2021
TO:	HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM:	JENNIFER VASQUEZ, CITY MANAGER
BY:	JENNIFER VASQUEZ, CITY MANAGER
SUBJECT:	ADOPT RESOLUTION NO. 6209 ESTABLISHING THE LEAVE PROVISIONS FOR FULL-TIME EXEMPT EMPLOYEES

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 6209 Establishing the Leave Provisions for Full-Time Exempt Employees.

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.

On September 8, 2021, the City Council adopted Resolution No. 6195 Establishing the leave provisions for the classifications of Finance Director and Director of Building and Planning. This resolution did not address the leave provisions for other full-time exempt employees.

DISCUSSION:

The leave provisions are in line with the most recently adopted MOU between the City and the Maywood Employee Association and those for the Finance Director and Director of Building and Planning.

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. 6209

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD ESTABLISHING THE LEAVE PROVISIONS FOR FULL-TIME EXEMPT EMPLOYEES

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, City adopted Resolution No. 6195 Establishing the Leave Provisions for the Classifications of Finance Director and Director of Building and Planning; and

WHEREAS, there is a need to establish the leave provisions for full-time exempt employees;

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

Section 1. The City Council of the City of Maywood hereby approves the Leave Benefits for full-time exempt employees, attached hereto as Exhibit "A".

Section 2. This Resolution and Exhibit "A" shall establish leave provisions for full-time exempt employees.

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

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

____
Ricardo Lara, Mayor

ATTEST: APPROVED AS TO FORM:

____
Flor Aguiluz, City Clerk

____
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. 6209 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 December, 2021 by the following roll call vote, to wit:

AYES:

NAYES:

ABSENT:

ABSTAINED:

Flor Aguiluz, City Clerk

“Exhibit A”

LEAVE PROVISIONS

LEAVE PROVISIONS
Applicable only to Full-Time Exempt Employees (“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 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
Employees 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
Employees shall be entitled to the same leave as provided to other employees of the City.

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 7.

DATE: December 8, 2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: HRANT MANUELIAN, FINANCE DIRECTOR

SUBJECT: RESOLUTION NO. 6210 OF THE CITY COUNCIL OF THE CITY OF MAYWOOD APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF PENSION OBLIGATION BONDS; ADOPTING A PENSION FUNDING POLICY AND OTHER MATTERS RELATING THERETO

RECOMMENDATION:
Staff recommends that the City Council adopt Resolution No. 6210 authorizing the execution and delivery of a preliminary official statement, a bond purchase agreement and a continuing disclosure agreement in connection with the issuance, sale and delivery of pension obligation bonds; adopting a pension funding policy and other matters relating thereto.

BACKGROUND:
The City of Maywood ("City") has approximately $18.995 million in unfunded obligations to the California Public Employees' Retirement System (the "System") with respect to safety and miscellaneous employees under the program of the System (the "Pension Obligation"). Due to low prevailing interest rates in the capital markets, the City has an opportunity to refinance the Pension Obligation by selling pension obligation bonds (the "Bonds") at a much lower interest rate than it currently pays to the System. The System amortizes the Pension Obligation over a fixed period of time, charges the City a high rate of interest (currently 7%), and structures amortization payments in a way that is causing the City to face steep increases in pension expenses over the next 10 fiscal years.

On April 28, 2021, the City Council approved the refinancing of the Pension Obligation by issuing the Bonds and taking certain other actions in connection therewith, specifically, authorizing staff to undertake a Validation Action to Validate the issuance of the Bonds pursuant to a Trust Agreement approved by City Council and a pledge of legally available general funds and Retirement Tax Revenues to refinance the Pension Obligation. The Validation has since been completed and a final judgment granted by the Court and the City is now in a position to sell the Bonds.

Staff and the Finance Team have been working diligently to prepare the Bond issue for sale and have prepared the proposed financing structure, recommended Pension Funding Policy and additional legal documentation as discussed below. Staff is recommending a repayment term for the Bonds of 30 years to properly align the repayment of the Bonds with the City's annual receipts from its Retirement Tax .

The action item before the City Council tonight approves the form of and authorizes the execution of certain documentation necessary to complete the sale of the Bonds, specifically the Preliminary Official Statement, a bond purchase agreement and a continuing disclosure agreement. In addition, the resolution authorizes the adoption of a “Pension Funding Policy” to provide guidelines and direction for the City with the management of any remaining or potential future Pension Obligations that may arise.

DISCUSSION:

The City Council adopted a retirement plan pursuant to the Public Employees’ Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the “Retirement Law”). The Retirement Law obligates the City to (1) make annual contributions to the System, to fund pension benefits for its employees, (2) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (3) appropriate funds for the purposes described in (1) and (2). The City is obligated to make certain payments to the System in respect of the Pension Obligation under the Retirement Law and the System Contract.

As described previously to the City Council, and based on current actuarial assumptions, the issuance of the proposed Bonds to refund the Pension Obligations of the Miscellaneous Plan (ID 4191618335) and the Safety Plan (ID 4191618335), and the other actions contemplated by the Resolution, are anticipated to result in substantial annual budgetary savings. Savings are estimated to be approximately $425,000 initially and increase to more than $700,000 over the next 10 years when compared to the current Pension Obligation repayment schedule imposed by the System. Because current interest rates in the taxable municipal bond market are substantially lower than the 7% (soon to 6.8%) the City currently pays on the Pension Obligation to the System, the City has an opportunity to refinance the Pension Obligation at a much lower interest rate (4.25% was used to calculate these estimates). Ultimate savings are subject to change and are dependent upon numerous factors, including prevailing interest rates at the time of the sale of the Bonds and the repayment structure chosen.

The City previously authorized the issuance of the Bonds on April 28, 2021. Tonight, the City Council considers approving the balance of the documentation necessary to complete the Bond issue.

The attached Resolution approves the attached form of Preliminary Official Statement, which is the primary disclosure document that will be used to describe the Bonds, their security, and the City to potential investors. The Resolution also approves the attached form of and execution of the Bond Purchase Agreement which is the contract that will be executed between the Underwriter and the City on the day the Bonds are priced. The Resolution also approves the attached form of a Continuing Disclosure Agreement, which requires the City to provide certain updated financial and operating information to the markets on an ongoing basis, and is required by the Underwriter in order to sell the City’s Bonds to the Public. These are each “form” documents because certain information will need to be added after the Bonds are sold to reflect the final terms of the sale.

The Resolution also adopts a City Pension Funding Policy. The Pension Funding Policy sets forth certain goals and guidelines to be used by the City to inform future actions relating to the management of its Pension Obligations that may remain or be newly created after the issuance of the Bonds. Such a policy is able to be modified as deemed necessary by the City Council and is intended to formalize the City’s intention of prudently managing its Pension Obligations going forward. Having a Pension Funding Policy in place is generally looked upon favorably by bond investors and credit rating agencies and therefore should assist the City with the sale of the Bonds on terms as favorable as possible.

LEGAL REVIEW:

The City Attorney has reviewed this report.

FISCAL IMPACT:

Current estimates show that refinancing the City’s Pension Obligation by issuing the Bonds could produce annual savings of approximately $425,000 rising to about $700,000 over the next 10 years when compared to the current amortization of the Pension Obligation being paid by the City to the System. Furthermore, this approach will realign the payment of substantially all of the unfunded Pension Obligation to the Retirement Tax

Revenues where it belongs, creating more General Fund capacity to provide additional services and finance other projects as the City may see fit.

ATTACHMENT(S)

1. Form of Preliminary Official Statement - Maywood 2021 POB
2. Form of Bond Purchase Agreement - Maywood 2021 POB
3. Continuing Disclosure Agreement - Maywood 2021 POB
4. Pension Funding Policy-Maywood

RESOLUTION NO. 6210

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF PENSION OBLIGATION BONDS; ADOPTING A PENSION FUNDING POLICY AND OTHER MATTERS RELATING THERETO

WHEREAS, the City of Maywood, California (the "City") is a municipal corporation and a general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California.

WHEREAS, on March 5, 1974 the voters of the City approved an initiative to pay for the obligation of the City to participate in the State of California retirement system, now the California Public Employees' Retirement System (the "System"), and the results of such regular general municipal election were confirmed by Resolution No. 2670.

WHEREAS, the City is obligated by the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended, to make payments to the System relating to pension benefits accruing to the System's members.

WHEREAS, on April 28, 2021, the City Council of the City passed and adopted Resolution No. 6173 (the "Authorizing Resolution"), authorizing the issuance of pension obligation bonds (the "Pension Obligation Bonds") to refinance outstanding pension obligations of the City to the System, approving the form of and authorizing the execution and delivery of a Trust Agreement and authorizing a validation action, approving the assignment and pledge of the Retirement Tax (as defined therein), and other matters relating thereto.

WHEREAS, on August 25, 2021, the Superior Court of the State of California, County of Los Angeles, entered a judgment validating all proceedings in Case No. 21STCV17871 by and for the City in connection with the Authorizing Resolution and validating any and all contracts and agreements executed in connection with the Pension Obligation Bonds, including the assignment and pledge of the Retirement Tax and the form of Trust Agreement approved by the Authorizing Resolution; and determining the Pension Obligation Bonds to be exempt from and not subject to the debt limitation set forth in Article XVI., Section 18 of the California Constitution.

WHEREAS, the City Council of the City desires to proceed with the issuance and delivery of one or more series of Pension Obligation Bonds consistent with the Authorizing Resolution.

WHEREAS, there is on file with the City Clerk the proposed form of Preliminary Official Statement (the "Preliminary Official Statement") relating to the Pension Obligation Bonds.

WHEREAS, there is on file with the City Clerk the proposed form of Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into between the City and Raymond James & Associates, Inc., as underwriter, relating to the Pension Obligation Bonds.

WHEREAS, there is on file with the City Clerk the proposed form of Continuing Disclosure Agreement (the

"Continuing Disclosure Agreement") to be entered into between the City and a dissemination agent to be named therein (the "Dissemination Agent"), relating to the Pension Obligation Bonds and Additional Bonds.

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

Section 1. The recitals above are true and correct and are incorporated herein by this reference.

Section 2. This City Council hereby finds and declares that the issuance of the Pension Obligation Bonds to refund Pension Obligations of the Miscellaneous Plan (CalPERS ID 4191618335) and the Safety Plan (CalPERS ID 4191618335), and the other actions contemplated by this Resolution are in the best interests of the City.

Section 3. The proposed form of Preliminary Official Statement is hereby approved, with such revisions, amendments and completions as shall be approved by any of the Mayor (or in his absence, the Mayor Pro Tem), or the City Manager of the City (the "Authorized Representatives") with the advice of Disclosure Counsel, in order to make the Preliminary Official Statement final as of its date, except for the omission of certain information, as permitted by Section 240.15c2-12(b)(1) of Title 17 of the Code of Federal Regulations ("Rule 15c2-12"), and any certificate relating to the finality of the Preliminary Official Statement under Rule 15c2-12. Any Authorized Representative is authorized and directed to execute and deliver a final Official Statement in the form of the Preliminary Official Statement, with such additions and changes as may be approved by Disclosure Counsel and any Authorized Representative executing the same, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Bond Purchase Agreement is hereby approved. The Authorized Representatives are each hereby authorized and directed for and on behalf of the City, to execute and deliver the Bond Purchase Agreement, substantially in the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto (including, but not limited to changes, deletions and additions as may be required) as such Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement.

Section 5. The proposed form of Continuing Disclosure Agreement is hereby approved. Any Authorized Representative is hereby authorized and directed for and on behalf of the City, to execute and deliver the Continuing Disclosure Agreement, substantially in the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto (including, but not limited to changes, deletions and additions as may be required) as such Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 6. The Pension Funding Policy on file with the City Clerk is hereby adopted and approved. The City Manager is hereby authorized to make any non-substantive changes to the Pension Funding Policy from time to time necessary or desirable for the implementation thereof.

Section 7. This Resolution does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Resolution's effective date. Any such amended part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Resolution.

Section 8. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the Authority intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

Section 9. The Authorized Representatives of the City are, and each of them is, authorized and directed to do any and all things and to take any and all actions and execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by the Authorizing Resolution, this Resolution and otherwise to carry out, give effect to and comply with the terms and intent thereof, including the purchase of municipal bond insurance or surety for the Pension Obligation Bonds. All actions heretofore taken by any Authorized Representative or any officer, employee or agent of the City with respect to the issuance, delivery and sale of the Pension Obligation Bonds or in connection with or related to any of the agreements referred to herein, are hereby approved, confirmed and ratified.

Section 10. This Resolution may be executed with electronic signatures in accordance with Government Code of the State of California §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

Section 11. The Mayor, or presiding officer, is hereby authorized to affix their signature to this Resolution signifying its adoption by the City Council of the City of Maywood, and the City Clerk, or their duly appointed deputy, is directed to attest thereto

Section 12. This Resolution becomes effective immediately upon adoption.

PASSED, APPROVED AND ADOPTED THIS 8th day of December, 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. 6210 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 December, 2021 by the following roll call vote, to wit:

AYES:

NAYES:

ABSENT:

ABSTAINED:

Flor Aguiluz, City Clerk

NEW ISSUE BOOK-ENTRY-ONLY

RATING:
S&P "____" (See "RATING" herein.)

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the City ("Bond Counsel"), interest on the Series 2021 Bonds is exempt from personal income taxes imposed by the State of California. Interest on the Series 2021 Bonds is includable in the gross income of the owners of the Series 2021 Bonds for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2021 Bonds. See "TAX MATTERS."

$_________*

CITY OF MAYWOOD
TAXABLE PENSION OBLIGATION BONDS
SERIES 2021

Dated: Date of Delivery **Due: June 1, as shown on the inside cover**

The $_________* City of Maywood Taxable Pension Obligation Bonds, Series 2021 (the "Series 2021 Bonds") will be issued as fully registered bonds in book-entry form only, initially registered in the name of Cede & Co., New York, New York, as nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Series 2021 Bonds will be in principal amounts of $5,000 or in any integral multiples thereof. Interest on the Series 2021 Bonds will be payable on June 1 and December 1 of each year, commencing June 1, 2022, and principal payable on the Series 2021 Bonds will be paid on June 1 in the years set forth on the maturity schedule on the inside cover of this Official Statement. Payments of principal of and interest on the Series 2021 Bonds will be paid by U.S. Bank National Association, as trustee (the "Trustee"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Series 2021 Bonds. See "THE SERIES 2021 BONDS."

The Series 2021 Bonds are being issued pursuant to the provisions of a Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), between the City of Maywood, California (the "City") and the Trustee, to (i) refinance a portion of the City's outstanding obligation to the California Public Employees' Retirement System with respect to certain of the City's defined benefit retirement plans for its current and retired safety and miscellaneous employees, and (ii) pay the costs of issuing the Series 2021 Bonds. See "FINANCING PLAN." The City is not funding a debt service reserve fund for the Series 2021 Bonds.

The Series 2021 Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2021 BONDS - Redemption."

The Series 2021 Bonds will be payable by the City from any source of legally available funds. Furthermore, the City has pledged the Retirement Tax Revenues as security for the Series 2021 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS" and "RISK FACTORS."

The City filed a complaint in the Superior Court of the State of California for the County of Los Angeles pursuant to the procedures available to it under California Code of Civil Procedure Section 860 and following, seeking judicial validation of the transactions relating to the issuance of the Series 2021 Bonds. On August 25, 2021, the court entered a default judgment to the effect, among other things, that the CalPERS Contract (as defined herein) and the Series 2021 Bonds are valid and binding obligations of the City under the Constitution and laws of the State. Pursuant to Section 870 of the California Code of Civil Procedure and Rule 2(a) of the California Rules of Court, the period during which a notice of appeal of this judgment could be timely filed has expired. As no challenge to the judgment was filed by the time of such expiration, the judgment has become final, binding, and conclusive in accordance with State of California law. See "VALIDATION PROCEEDINGS."

THE OBLIGATIONS OF THE CITY UNDER THE SERIES 2021 BONDS, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF INTEREST AND PRINCIPAL WHEN DUE, ARE OBLIGATIONS OF THE CITY IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTERCLAIM. NEITHER THE SERIES 2021 BONDS NOR THE OBLIGATION OF THE CITY TO MAKE PAYMENTS ON THE SERIES 2021 BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE OF CALIFORNIA, OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

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* Preliminary, subject to change.

The Series 2021 Bonds are offered when, as and if sold and issued, subject to the approval as to their legality by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the City. Nixon Peabody LLP is serving as Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney and for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California. It is anticipated that the Series 2021 Bonds will be available for delivery through the book-entry facilities DTC on or about December 29, 2021.

Raymond James & Associates, Inc.

Dated: December ____, 2021

$__________*

CITY OF MAYWOOD
TAXABLE PENSION OBLIGATION BONDS
SERIES 2021

MATURITY SCHEDULE

Price: ___%

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	CUSIP† (Base No.)

$________ ___% Term Bonds due June 1, 20__ ; Yield: ___%; CUSIP: __________†

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Ratings on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of investors. None of the City, the Underwriter, or the Municipal Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2021 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2021 Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2021 Bonds.

CITY OF MAYWOOD, CALIFORNIA

CITY COUNCIL

Ricardo Lara, *Mayor*
Heber Marquez, *Mayor Pro Tem*
Eddie De La Riva, *Councilmember*
Frank Garcia, *Councilmember*
Jessica Torres, *Councilmember*

TREASURER

Mary Mariscal

CITY OFFICIALS

Jennifer E. Vasquez, *City Manager*
Mary Mariscal, *City Treasurer*
Hrant Manuelian, *Finance Director*
Flor Aguiluz, *City Clerk*
Roxanne Diaz, *City Attorney*

SPECIAL SERVICES

Bond Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Disclosure Counsel

Nixon Peabody LLP
Los Angeles, California

Municipal Advisor

Kosmont Transactions Services, Inc.
Manhattan Beach, California

Trustee

U.S. Bank National Association
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized by the City of Maywood, California (the "City") or the Underwriter to give any information or to make any representations, other than as contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Series 2021 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2021 Bonds. Statements contained in this Official Statement that involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein has been furnished by the City and includes information from sources that are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access ("EMMA") website.

The City maintains a website. The information presented therein is not part of this Official Statement and should not be relied on in making investment decisions with respect to the Series 2021 Bonds. Unless otherwise expressly stated, references to Internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including any content on the City's website) is incorporated in this Official Statement by reference. The City make no representation regarding the accuracy or completeness of the information presented on such websites.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

OFFICIAL STATEMENT

$__________*
CITY OF MAYWOOD
TAXABLE PENSION OBLIGATION BONDS
SERIES 2021

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Series 2021 Bonds being offered, and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement.

General

This Official Statement, which includes the cover page, the inside cover page and attached appendices, provides certain information in connection with the sale and delivery of the $_________* City of Maywood Taxable Pension Obligation Bonds, Series 2021 (the "Series 2021 Bonds"). The Series 2021 Bonds and any Additional Bonds (as defined herein) are collectively referred to herein as the "Bonds." Capitalized terms used and not otherwise defined herein shall have the meanings given in the Trust Agreement (as defined herein).

The City

The City of Maywood (the "City") is located in Los Angeles County (the "County"), approximately 6 miles from downtown Los Angeles. The City is bordered by the cities of Bell on the south, Vernon on the north and west, Huntington Park on the southwest, and Commerce on the east. The City covers approximately 1.14 square miles and had a population of 27,670 as of January 1, 2021.

Incorporated in 1924, the City operates as a general law city with a council-manager form of government. The mayor is elected by the five-member City Council each year. The City Manager, City Clerk, and City Attorney are appointed and serve at the will of the City Council. See APPENDIX A – "SELECTED FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND COUNTY."

Authority for the Series 2021 Bonds

The City is authorized under the provisions of Articles 10 and 11 (commencing with 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), to issue its bonds for the purpose of refunding certain outstanding obligations of the City. The Series 2021 Bonds are being issued pursuant to the Act, Resolution No. 6173 adopted by the City Council of the City on April 28, 2021 and the provisions of a Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), by and between the City and U.S. Bank National Association, as trustee (the "Trustee").

Purpose

The proceeds of the sale of the Series 2021 Bonds will be used to (i) refinance a portion of the City's outstanding obligation to the California Public Employees' Retirement System (the "CalPERS")

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* Preliminary, subject to change.

with respect to certain of the City's defined benefit retirement plans for its current and retired safety and miscellaneous employees, and (ii) pay the costs of issuing the Series 2021 Bonds. See "FINANCING PLAN."

The City is not funding a debt service reserve fund for the Series 2021 Bonds.

Pension Policy

[Like most municipalities throughout the State, the City is incurring rising pension costs and growing unfunded pension liabilities. The City adopted a pension policy on December 8, 2021 to formally establish its pension funding and stabilization policy. The pension policy, among other things, provides guidance in making annual budget decisions and creating sustainable and affordable budgets for pension obligations. The issuance of the Series 2021 Bonds is part of the City's strategy under the pension policy to address a significant unfunded liability to each of the City's plans with CalPERS. In addition to creating a more affordable and sustainable shape for its pension costs, the City has determined that the Series 2021 Bonds should help create enhanced resiliency for the City's General Fund to handle adverse economic situations in the future.]

The Series 2021 Bonds

Interest on the Series 2021 Bonds will be payable on June 1 and December 1 of each year, commencing June 1, 2022 (each an "Interest Payment Date"), and principal payable on the Series 2021 Bonds will be paid on June 1 in the years set forth on the maturity schedule on the inside cover of this Official Statement. The Series 2021 Bonds are being issued as fully registered bonds and, when executed and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The Series 2021 Bonds will be issued in denominations of $5,000 or any integral multiple thereof. Individual purchases of Series 2021 Bonds will be made in book-entry form only. Payments of principal of and interest on the Series 2021 Bonds are to be made to purchasers by DTC through DTC Participants. Purchasers will not receive physical delivery of the Series 2021 Bonds purchased by them.

The Series 2021 Bonds are subject to optional and mandatory redemption as described herein. See "THE SERIES 2021 BONDS - Redemption."

Security for the Series 2021 Bonds

The Series 2021 Bonds will be payable by the City from any source of legally available funds, including amounts in the City's General Fund. The City has pledged the Retirement Tax Revenues (certain voter approved special retirement tax) as security for the Series 2021 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS – Retirement Tax Revenues." The obligations of the City under the Series 2021 Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. Neither the Series 2021 Bonds nor the obligation of the City to make payments on the Series 2021 Bonds constitute an indebtedness of the City, the State of California, or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction. The City will irrevocably assign and pledge to the Trustee under the Trust Agreement, in trust for the security of the Owners all of the City's rights, title and interest in and to all money and securities for deposit in, or deposited in, the Bond Fund established under the Trust Agreement and any investment earnings thereon, and any collateral security for, and all proceeds of, any of the foregoing.

Additional Bonds

The City may at any time issue additional bonds ("Additional Bonds"), solely for the purpose of (i) satisfying any obligation to make payments to CalPERS pursuant to the Retirement Law relating to pension benefits accruing to the CalPERS' members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (ii) refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding, subject to certain conditions that are specified in the Trust Agreement. Such Additional Bonds may be secured by the Retirement Tax on a parity with the Series 2021 Bonds. If such Additional Bonds are secured by the Retirement Tax, a certificate of the City stating that for the Fiscal Year preceding the issuance of such Additional Bonds, Retirement Tax Revenues were at least 1.20 times maximum annual debt service on the Bonds secured by the Retirement Tax including such Additional Bonds proposed to be issued. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS" and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Issuance of Additional Bonds."

Judicial Validation

The City filed a complaint in the Superior Court of the State of California for the County pursuant to the procedures available to it under California Code of Civil Procedure Section 860 and following, seeking judicial validation of the transactions relating to the issuance of Bonds, including the Series 2021 Bonds. On August 25, 2021, the court entered a default judgment to the effect, among other things, that the contracts relating to the City's retire plans between the City and CalPERS (the "CalPERS Contract") and the Bonds are valid and binding obligations of the City under the Constitution and laws of the State. Pursuant to Section 870 of the California Code of Civil Procedure, the thirty-day period during which a notice of appeal of this judgment could be timely filed has passed. The City has not received notice of any appeal of the judgment. See "VALIDATION PROCEEDINGS."

Continuing Disclosure

The City has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB") certain annual financial information and operating data and notice of certain enumerated events. The City's covenants have been made in order to assist the Underwriter in complying with the Securities and Exchange Commission's Rule 15c2-12 ("Rule 15c2-12"). See "CONTINUING DISCLOSURE."

Summaries Not Definitive

The summaries and references of the Series 2021 Bonds, the Trust Agreement and the other documents, statutes, reports and other instruments referred to in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each document, statute, report, or instrument. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT" for summaries of certain of the provisions of the Trust Agreement.

FINANCING PLAN

The City is a member of CalPERS and, as such, is obligated by Retirement Law and the CalPERS Contract to make contributions to CalPERS to (a) fund pension benefits with respect to certain safety and miscellaneous employees of the City, (b) amortize the unfunded actuarial liability ("UAL") with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b). The Series 2021

Bonds are being issued to (i) refinance a portion of the City's outstanding obligation to CalPERS with respect to certain of the City's defined benefit retirement plans for its current and retired miscellaneous employees, and (ii) pay the costs of issuing the Series 2021 Bonds. See APPENDIX A – "SELECTED FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY – CERTAIN FINANCIAL AND OPERATIONAL INFORMATION RELATING TO THE CITY OF MAYWOOD – City Employee Retirement Plan."

ESTIMATED SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of the proceeds from the sale of the Series 2021 Bonds:

Sources:	
Principal of Series 2021 Bonds	$
Total Sources	$
Uses:	
Pension Payments	
Costs of Issuance[1]	$
Total Uses	$

[1] Costs of issuance include fees and expenses for Bond Counsel, Disclosure Counsel, Municipal Advisor, Trustee, printing expenses, rating fees, underwriter's discount and other miscellaneous costs.

THE SERIES 2021 BONDS

General

The Series 2021 Bonds will be issued in the form of fully registered bonds, without coupons, in denominations of $5,000 or any integral multiple of thereof, and will be dated the date of issuance to the original purchaser. The Series 2021 Bonds will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement. Principal represented by the Series 2021 Bonds is payable on June 1 in each of the years and in the amounts set forth on the inside front cover of this Official Statement. Interest on the Series 2021 Bonds is payable on each Interest Payment Date and continuing to and including the date of maturity or redemption, whichever is earlier.

Payment of interest on the Series 2021 Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Series 2021 Bonds registration books kept by the Trustee as the registered owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on the Interest Payment Date by first-class mail to such registered owner at the address as it appears in such books; provided that upon the written request of the Owner of $1,000,000 or more in aggregate principal amount of Series 2021 Bonds received by the Trustee prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds. As defined in the Trust Agreement, the term "Record Date" means the close of business on the 15th day of the month preceding any Interest Payment date, whether or not such day is a Business Day.

Book-Entry System

The Series 2021 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). So long as DTC, or Cede & Co. as its nominee, is the registered owner of all Series 2021 Bonds, all payments on the Series 2021 Bonds will be made directly to DTC, and disbursement of such payments to the DTC "Participants" (as defined in APPENDIX F) will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (as defined in APPENDIX F) will be the responsibility of the Participants. See APPENDIX F – "BOOK-ENTRY SYSTEM."

Redemption*

Optional Redemption. The Series 2021 Bonds maturing on or before June 1, 20__ are not subject to optional redemption prior to maturity. The Series 2021 Bonds maturing on or after June 1, 20__ are subject to redemption prior to their maturity date, at the option of the City, pro rata within a maturity on any date on or after June 1, 20__, at a redemption price equal to the principal amount of the Series 2021 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2021 Term Bonds maturing on June 1, 20__ are subject to mandatory sinking fund redemption on June 1 in each year, commencing June 1, 20__, at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption, without premium. The principal amount of such term bonds to be so redeemed and the dates therefor shall be as follows.

Redemption Date (June 1)	Principal Amount

* Maturity Date

Make-Whole Optional Redemption. [From the date of issuance, the Series 2021 Bonds maturing on June 1, _________ and June 1, _______ (together, the "Make-Whole Bonds") are subject to redemption prior to their stated maturity, at the option of the City, from lawfully available funds, as a whole or in part (by pro rata pass-through distribution of principal within a maturity as described below), on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of such Make-Whole Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Make-Whole Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Make-Whole Bonds are to be redeemed, discounted to the date on which such Make-Whole Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus __ basis points, date.

plus, in each case, accrued interest on such Make-Whole Bonds to be redeemed to the redemption date. The Make-Whole Bonds maturing on June 1, 20__ and June 1, 20__ are also subject to the optional redemption set forth in Section 2.03(a) above on or after June 1, 20__.

* Preliminary, subject to change.

"Treasury Rate" as such term is used above means, with respect to any redemption date for a particular Series 2021 Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2021 Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

At the request of the City in a Written Request of the City to the Trustee, the redemption price of the Make-Whole Bonds to be redeemed at the option of the City will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City, at the City's expense to calculate such redemption price. The City and the Trustee may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.]

Selection of Bonds for Redemption. If less than all of the Outstanding Bonds are to be redeemed prior to maturity, redemption payments will be made on a pro rata basis within a maturity to each Owner in whose name such Bonds are registered at the close of business on the 15th day of the calendar month immediately preceding the redemption date.

So long as the Bonds are held in book-entry form, Bonds equal to $5,000 or any integral multiple thereof will be redeemed within a maturity on a pro rata pass-through distribution of principal basis in accordance with DTC procedures; and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the portions of the Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

It is the City's intent that the redemption allocations described in the Trust Agreement with respect to the Bonds within a maturity be made on a pro rata pass-through distribution of principal basis. However, the City can provide no assurance that DTC, the Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis.

"Pro rata" means, in connection with any optional redemption in part, with respect to the allocation of amounts to be redeemed, the application to such amounts of a fraction, the numerator of which is equal to the amount of the specific maturity of the Bonds held by an Owner of such Bonds, and the denominator of which is equal to the total amount of such maturity of Bonds, then Outstanding.

Notice of Redemption. If the City elects to redeem Bonds as provided above, notice of redemption shall be mailed by first class mail or electronically transmitted by the Trustee, on behalf and at the expense of the City, not less than 20 nor more than 60 days prior to the redemption date to the respective Owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. The Trustee shall also provide such additional notice of redemption of Bonds at the time and as may be required by the MSRB. Each notice of redemption shall state the date of such notice, the Bonds to be redeemed, the Series and date of issue of such Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each notice of optional redemption shall also state that such optional redemption may be rescinded by the City and that, unless such redemption is so rescinded, and provided that on said date funds are available for payment in full of the Bonds then called for redemption, on said date there will become due and payable on each of such Bonds the redemption price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Failure by the Trustee to give notice to any one or more of the Information Services or Securities Depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

Conditional Notice of Redemption. The City shall have the right to rescind any optional redemption by providing the Trustee with written notice of such rescission at least two Business Day prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Additional Bonds

In addition to the Series 2021 Bonds the City may at any time issue Additional Bonds, solely for the purpose of (i) satisfying any obligation to make payments to CalPERS pursuant to the Retirement Law relating to pension benefits accruing to the CalPERS' members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (ii) refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding, subject to certain conditions that are specified in the Trust Agreement. Such Additional Bonds may be secured by the Retirement Tax on a parity with the Series 2021 Bonds. If such Additional Bonds are secured by the Retirement Tax, a certificate of the City stating that for the Fiscal Year preceding the issuance of such Additional Bonds, Retirement Tax Revenues were at least 1.20 times maximum annual debt service on the Bonds secured by the Retirement Tax including such Additional Bonds proposed to be issued. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Issuance of Additional Bonds." ***The City has the capacity to enter into other obligations payable from the City's General Fund without the consent of or prior notice to the Owners of the Bonds.*** See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS" and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Issuance of Additional Bonds."

DEBT SERVICE SCHEDULE

The following table shows the debt service schedule with respect to the Series 2021 Bonds, assuming no optional redemptions.

Bond Year Ending June 1	Principal	Interest	Total
Total			

4835-1829-7597.5

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS

General

The Series 2021 Bonds and any Additional Bonds issued under the Trust Agreement are payable from any source of legally available funds of the City, including but not limited to amounts held by the City on deposit in its General Fund. Each Fiscal Year the City will include in its budget a provision to provide funds in an amount sufficient to pay the principal, premium, if any, and interest on the Bonds coming due in such Fiscal Year, but only to the extent that such amounts exceed the amount of available funds then on deposit in the Bond Fund (described below), and shall make annual appropriations for all such amounts. If such principal, premium, if any, and interest on the Bonds coming due in any Fiscal Year exceeds the sum of amounts budgeted in respect thereof, together with amounts then on deposit in the Bond Fund, then the City shall amend or supplement the budget to provide for such excess amounts.

The City irrevocably assigns and pledges to the Trustee under the Trust Agreement, in trust for the security of the Owners on the terms set forth in the Trust Agreement all of the City's rights, title and interest in and to all money and securities for deposit in, or deposited in, the Bond Fund and any investment earnings thereon, and any collateral security for, and all proceeds of, any of the foregoing. The City agrees under the Trust Agreement to promptly deposit or cause to be deposited with the Trustee on or before each Record Date an amount sufficient to pay the principal of, if any, and interest coming due on the next Interest Payment Date, including as applicable from Retirement Tax Revenues.

The City has pledged the Retirement Tax Revenues as security for the Series 2021 Bonds. The City covenants to take all action to levy, or cause to be levied, the Retirement Tax in accordance with applicable law, including the Constitution of the State, in an amount sufficient to pay debt service on all Outstanding Bonds that are secured by Retirement Tax Revenues, subject to the maximum tax rate imposed on the Retirement Tax y Section 96.31 of the Revenue and Taxation Code of the State of California.

Bond Fund

All amounts payable by the City will be promptly deposited by the Trustee upon receipt in a special fund designated as the "Bond Fund" and will be held in trust by the Trustee. On or before each Interest Payment Date or date fixed for redemption of Bonds, the Trustee will transfer from the Bond Fund, in immediately available funds, for deposit into the following respective accounts (each of which is created under the Trust Agreement and which the Trustee will maintain in trust separate and distinct from the other funds and accounts established under the Trust Agreement), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of funds sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any account subsequent in priority. All money in each of such accounts will be held in trust by the Trustee and applied, used and withdrawn only for the purposes described below.

Interest Account. On each Interest Payment Date, the Trustee will set aside from the Bond Fund and deposit into the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. No deposit need be made into the Interest Account if the amount that it contains is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. All money in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

Principal Account. On or before each principal payment date, the Trustee will set aside from the Bond Fund and deposit into the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such principal payment date into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such principal payment date. No deposit need be made into the Principal Account if the amount it contains is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such principal payment date plus the aggregate amount of all sinking fund payments required to be made on such principal payment date for all Outstanding Term Bonds.

All money in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds, as applicable, as they become due and payable, whether at maturity or redemption, except that any money in any sinking fund account will be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such Sinking Account was created.

The Trustee will establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each series and maturity, designated as the "Sinking Account" (if more than one such account is established for such series, inserting the series and maturity designation of such Bonds). With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee will apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the series and maturity for which such Sinking Account was established, upon the notice and in the manner pursuant to the Trust Agreement; provided that, at any time prior to giving such notice of such redemption, the Trustee may, upon the Written Request of the City, apply moneys in such Sinking Account to the purchase for cancellation of Term Bonds of such series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account), as may be directed by the City, except that the purchase price (excluding accrued interest) will not exceed the redemption price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment. If, during the twelve-month period immediately preceding said mandatory sinking account payment date, the Trustee has purchased Term Bonds of such series and maturity with moneys in such Sinking Account, such Bonds so purchased will be applied, to the extent of the full principal amount thereof, as applicable, to reduce such mandatory sinking account payment.

Surplus Account. On the Business Day following the last Interest Payment Date of each Fiscal Year, or on such other date as provided in a Supplemental Trust Agreement, any moneys remaining in the Bond Fund will be deposited by the Trustee in the Surplus Account. So long as no Event of Default has occurred and is continuing, moneys deposited in the Surplus Account will be transferred by the Trustee to or upon the order of the City, as specified in a Written Request of the City.

Retirement Tax Revenues

The City levies a special retirement tax (the "Retirement Tax") that was approved in 1974 to fund the City's obligations under the CalPERS Contract, which is levied on taxable and/or assessable property in the City at a rate of 0.50 per $100 of assessed valuation. Revenues received by or payable to the City pursuant to such special retirement tax are referred to herein as the "Retirement Tax Revenues." If or to the extent the Retirement Tax Revenues are insufficient or unavailable in any Fiscal Year to pay the debt service on the Series 2021 Bonds, the City shall make such payments from its General Fund.

Although the 1974 ballot measure approving the Retirement Tax authorizes the City to levy the Retirement Tax in an amount sufficient to provide sufficient revenues to meet all of the City's obligations for contributions to CalPERS for all and maximum benefits provided under the Retirement Law, the maximum tax rate for the Retirement Tax was capped by Assembly Bill 377 ("AB 377"), enacted in July 1983 as Chapter 491 of Statutes of 1983 (now codified as Section 96.3 of the California Revenue and Taxation Code). AB 377 prohibits the levying of a retirement tax to pay for pension system costs in excess of the rate imposed in Fiscal Year 1982-83 or 1983-84, whichever is higher. The Fiscal Year 1982-83 and Fiscal Year 1983-84 rates were $0.162181 per $100 of assessed valuation, which established the maximum rate of the Retirement Tax. The current rate of the Retirement Tax levied by the City is $0.10 per $100 of assessed valuation.

Moreover, California courts have held that Proposition 13, discussed below, permits additional property taxation to pay for pension plans with special tax authority approved by voters prior to July 1, 1978; provided, the imposition of such tax is limited to the funding of employee retirement benefits at a level not in excess of the retirement benefits in existence prior to July 1, 1978 (the "Pre-Proposition 13 Pension Liability"). The City engaged Bartel Associates, LLC ("Bartel"), an independent actuary, to determine the portion of the UAL that constitute Pre-Proposition 13 Pension Liability. The Series 2021 Bonds are being used to refund only the portion of the UAL that constitutes Pre-Proposition 13 Pension Liability, and accordingly all of the Retirement Tax Revenues will be available to pay the debt service on the Series 2021 Bonds, subject to the maximum tax rate established by AB 377.

Historical Retirement Tax Revenues. The following table shows the amount of Retirement Tax revenues received by the City in Fiscal Years 2016-17 through 2020-21. The maximum annual debt service on the Series 2021 Bonds is $__________.

Historical Retirement Tax Revenues

	FY 2016-17	***FY 2017-18***	***FY 2018-19***	***FY 2019-20***	***FY 2020-21***
Retirement Tax Revenue Allocated to the City	$657,660	$1,015,366	$1,136,079	$1,144,422	$1,248,820

Source: City of Maywood.

RISK FACTORS

Purchase of the Series 2021 Bonds will constitute an investment subject to certain risks, including the risk of nonpayment of principal and interest. Before purchasing any of the Series 2021 Bonds, prospective investors should carefully consider, among other things, the risk factors described below. However, the following is not meant to be an exhaustive listing of all the risks associated with the purchase of the Series 2021 Bonds. Moreover, the order of presentation of the risk factors does not necessarily reflect the order of their importance.

Limitation of Remedies

The rights of the owners of the Series 2021 Bonds are subject to the limitations on legal remedies against cities in the State, including applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, in effect, and to the application of general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or in law.

Bankruptcy

The enforceability of the rights and remedies of the Owners and the obligations of the City may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, in effect; usual equitable principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose.

In addition to the limitation on remedies contained in the Trust Agreement, the rights and remedies provided in the Trust Agreement may be limited by and are subject to the provisions of federal bankruptcy laws. The City is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the "Bankruptcy Code"). However, the City is a municipality and therefore may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts.

If the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Such a bankruptcy could adversely affect the payments under the Trust Agreement. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt that may have priority of payment superior to that of the Owners of the Series 2021 Bonds; and (iv) the possibility of the adoption of a plan (the "Plan") for the adjustment of the City's debt without the consent of the Trustee or all of the Owners of the Series 2021 Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable and in the best interests of creditors.

Further, if the City is in bankruptcy, the parties (including the Trustee and the Owners) may be prohibited from taking any action to collect any amount from the City or to enforce any obligation of the City, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the Owners of the Series 2021 Bonds from funds in the Trustee's possession.

The Series 2021 Bonds are not secured by any property other than the Retirement Tax Revenues and funds that the City has actually deposited with the Trustee, and the City is not obligated to deposit any funds with the Trustee until the fifteenth day of the month preceding an Interest Payment Date. The Series 2021 Bonds are not secured by the funds in the City treasury allocated to pay debt service on the Series 2021 Bonds. If the City is in bankruptcy, it may not be obligated to make any further deposits with the Trustee, it may not be obligated to make any further allocations to the payment of debt service, and it may not be obligated to turn over to the Trustee any moneys that have been allocated in the City treasury. As a result, the Series 2021 Bonds would likely be treated as unsecured obligations of the City in the bankruptcy case. Under such circumstances, the Owners could suffer substantial losses. The City may be able, without the consent and over the objection of the Trustee or the Owners, to alter the priority, interest rate, payment terms, maturity dates, payment sources, covenants, and other terms or provisions of the Trust Agreement and the Series 2021 Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2021 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Series 2021 Bonds, or result in losses to the Owners. Regardless of any specific adverse determinations in a City bankruptcy proceeding, the fact of a City bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2021 Bonds.

Bankruptcies in the City of Stockton, the City of San Bernardino and the City of Detroit have brought scrutiny to pension obligation bonds. In the San Bernardino bankruptcy, the Court held that in the event of a municipal bankruptcy, payments on pension obligation bonds, such as the Series 2021 Bonds, were unsecured obligations and not entitled to the same priority of payments made to CalPERS. A variety of events, including, but not limited to, additional rulings adverse to the interests of bond owners in bankruptcy cases could prevent or materially adversely affect the rights of Owners to receive payments on the Series 2021 Bonds in the event the City files for bankruptcy. Accordingly, in the event of bankruptcy, it is likely that the Owners may not recover all of their principal and interest.

Bond Counsel's opinion will be qualified to the extent the enforceability of the Series 2021 Bonds and the Trust Agreement may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally or as to the availability of any particular remedy. No opinion is being delivered by Bond Counsel relating to the treatment of the Series 2021 Bonds or the Trust Agreement or any related matter in a City bankruptcy proceeding.

State Audit

Pursuant to the California State Auditor's "high-risk local government agency audit program," the California State Auditor released its audit report 2015-803 regarding the City (the "State Audit Report") on October 3, 2016. The full text of the State Audit Report may be found on the California State Auditor's website at: https://www.auditor.ca.gov/pdfs/reports/2015-803.pdf (which website and the information contained therein are not incorporated by reference herein) or by contacting the City Finance Director. According to the State Audit Report, the audit revealed that the City continues to face fiscal challenges that threaten its ability to provide services to its residents. Further, numerous aspects of the City's operations were ineffective.

In releasing the State Audit Report, the California State Auditor identified the following potential key risks and made the following key recommendations. See, however, the full text of the State Audit Report.

Key Risks

- *Inadequate oversight of city operations*: Maywood's City Council has failed to properly oversee the City's operations and has allowed numerous financial and administrative problems to remain uncorrected, such as the City's failure to maximize revenue and lack of the most rudimentary internal controls. Further, it has accepted flawed budgets and frequently ignored its municipal code when it approved non-competitively bid contracts.

- *Ongoing general fund deficit*: Maywood has reported a general fund deficit for the last six years, and it continues to face significant financial challenges. It has lost substantial amounts of revenue because it has not collected on parking citations and business license fees, and its budgets have not addressed significant overdue debts that threaten its ability to provide city residents with such services as law enforcement and maintenance of public roads.

Key Recommendations

- Better oversee the City's financial and administrative functions, including carefully monitoring the city administrator's performance and efforts to improve the City's financial condition, addressing the City's overdue debt, and ensuring contracts are competitively bid when required.

- City management develop and implement effective budgeting policies and procedures; several recommendations to maximize revenue and improve its financial condition.

The City submitted to the California State Auditor an updated corrective action plan in October 2019. The California State Auditor reported that it reviewed the plan and found the City had made progress toward resolving some of the concerns raised in its State Audit Report. However, as of October 2019 the City still had not finalized or obtained approval of the City Council for many of the policies that were under development when the City submitted its initial update in April 2017. Additionally, although the City paid one of its overdue obligations, a large portion of the City's outstanding debt, which was another problem the California State Auditor had highlighted in its State Audit Report continues to remain unaddressed.

The City submitted to the California State Auditor an updated corrective action plan in August 2021 and is awaiting a response.

Pension Benefit Liability

Many factors influence the amount of the City's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of CalPERS retirement system laws, changes in the levels of benefits provided or in the contribution rates of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the City to its pension plans as a result of which the City would be obligated to make additional payments to its pension plans in order to fully fund of the City's obligations to its pension plans.

Natural Disasters

From time to time, the City is subject to natural calamities or other disasters that may adversely affect economic activity in the City and City finances. In addition, many scientists have predicted that on-going global climate change will bring about more severe extreme weather events, such as heat waves and prolonged drought periods. The occurrence of natural or other disasters could result in substantial damage to the City and affect the City's economy and finances.

Seismic. The City, like most communities in California, is an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. There are a number of active and potentially active faults that are located within the vicinity of the City.

Flooding. The City is not in not located in a flood risk zone.

Wildfire Risks. In recent years, portions of California have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures, even in areas not previously thought to be prone to wildfires. Such areas affected by wildfires are more prone to flooding and mudslides that can further lead to the destruction of homes and therefore reduced property values. The City is not located in a wildfire risk zone.

Limited Obligation of the City; Dilution of Retirement Tax Revenues

The obligation of the City to pay debt service on the Series 2021 Bonds does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation other than the Retirement Tax. The obligation of the City to pay debt service payments on the Series 2021 Bonds does not constitute a debt or indebtedness of the City, the State of California or any of its political subdivisions, in contravention of any constitutional or statutory debt limitation or restriction.

The City is permitted to expend for any municipal purpose or otherwise incur other evidences of indebtedness or other obligations payable from the City's General Fund without the consent of Owners of the Series 2021 Bonds. A variety of national, state or regional factors, which are beyond the control of the City could reduce the amount of the City's General Fund revenues.

The City may at any time issue Additional Bonds, solely for the purpose of i) satisfying any obligation to make payments to CalPERS pursuant to the Retirement Law relating to pension benefits accruing to the CalPERS' members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or ii) refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding, subject to certain conditions that are specified in the Trust Agreement. Such Additional Bonds may be secured by the Retirement Tax on a parity with the Series 2021 Bonds. If such Additional Bonds are secured by the Retirement Tax, a certificate of the City stating that for the Fiscal Year preceding the issuance of such Additional Bonds, Retirement Tax Revenues were at least 1.20 times maximum annual debt service on the Bonds secured by the Retirement Tax including such Additional Bonds proposed to be issued. The issuance of such Additional Bonds may dilute the Retirement Tax Revenues available to pay debt service on the Series 2021 Bonds.

Public Health Emergencies

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020 the World Health Organization ("WHO") announced the official name for the outbreak of a new disease ("COVID-19") caused by a strain of novel coronavirus, an upper respiratory tract illness which has since spread across the globe. The WHO has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the Mayor of the City, the Governor of the State and the President of the United States.

Beginning in early 2020, to mitigate the public health impacts from COVID-19, the County implemented and revised, from time to time, shelter-in-place ("Shelter-in-Place") emergency orders, which directed individuals to stay home, except for limited travel for the conduct of essential services. The outbreak resulted in the imposition of restrictions on mass gatherings, universities and schools. Many retail establishments (including restaurants, bars and nightclubs, entertainment venues and gyms) were closed or restricted in response to the Shelter-in-Place orders.

The Governor of the State announced similar Shelter-in-Place emergency orders effective for the entire State. On August 28, 2020, the State adopted a color coded, four-tiered framework to guide restrictions and reopening statewide, depending on improvements or declines in public health indicators. For a time, the State imposed additional restrictions based on hospital intensive care unit capacity.

The spread of COVID-19 and the public health responses by government authorities contributed to negative economic impacts throughout the world, including the City. On June 8, 2020 the National Bureau of Economic Research announced that the U.S. officially entered into a recession in February 2020, which lasted approximately two months.

In response to improving public health indicators, the County began to incrementally ease restrictions beginning in January 2021. On June 15, 2021, the State generally eliminated the four-tier classification system, with the aim of bringing the State back to pre-pandemic operations. There can be no assurances, however, against a resurgence of the disease and imposition of similar or more restrictive public health restrictions in response. Variants of the coronavirus responsible for COVID-19 could lead to greater disease rates. The longer-term effectiveness of vaccines is yet unproven, and future vaccination rates cannot be predicted with certainty. Thus, the duration, severity and economic effects of the pandemic remain uncertain in many respects.

The ultimate impact of COVID-19 on the operations and finances of the City is not fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. Further, there could be other public health emergencies that could have material adverse effects on the operations and finances of the City.

Cybersecurity

The City, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations and finances. As a recipient and provider of personal, private or other electronic sensitive information, the City is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the City's systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The City provides training to its staff on phishing and safe browsing and how to avoid potential cyber threats. No assurances can be provided, however, that the security and operational control measures of the City will be successful in guarding against any and each cyber threat or breach.

Articles XIIIC and XIIID of the California Constitution

See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS - Articles XIIIC and XIIID of the State Constitution," for information about certain risks to the City's General Fund revenues under Articles XIIIC and Article XIIID of the California Constitution.

Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the Series 2021 Bonds, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the City.

Municipal Bond Insurance Policy

[In the event of default of the payment of the scheduled principal of or interest on the Series 2021 Bonds when all or some becomes due, the Trustee on behalf of any owner of the Series 2021 Bonds shall have a claim under the Policy for such payments. The Insurer may direct and must consent to any remedies with respect to the Series 2021 Bonds and the Insurer's consent may be required in connection with amendments to any applicable documents relating to the Series 2021 Bonds.

The Insurer will have the ability to direct the actions of the Trustee, give consents and waivers, and take other actions without regard to the views of the Owners of any Series 2021 Bonds.

The S&P long-term ratings on the Series 2021 Bonds are dependent in part on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the S&P long-term ratings of the Insurer and the ratings on the Series 2021 Bonds will not be subject to downgrade and such event could adversely affect the market price of the Series 2021 Bonds or the marketability (liquidity) for the Series 2021 Bonds. See "BOND INSURANCE" and "RATINGS" herein.

The obligations of the Insurer are unsecured contractual obligations and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the City nor the Underwriter has made independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the City to make the debt service payments on the Series 2021 Bonds and the claims paying ability of the Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information regarding the Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Insurer.]

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIII A of the State Constitution

Section 1(a) of Article XIII A of the State Constitution ("Article XIII A") limits the maximum ad valorem tax on real property to 1% of full cash value (as defined in Section 2 of Article XIII A), to be collected by counties and apportioned according to law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to (i) *ad valorem* taxes to pay interest or redemption charges on indebtedness approved by the voters prior to July 1, 1978, or (ii) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition, or (iii) any bonded indebtedness incurred by a school district, community college district or county office of education for the construction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities approved after November 8, 2000 by 55% of the voters of the district or county, as appropriate, voting on the proposition. Section 2 of Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment" ("Full Cash Value"). The Full Cash Value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Taxpayers in the City may appeal the determination of the Los Angeles County Assessor of the Full Cash Value of their property. At any given point in time, appeals are pending in the City. If the assessed value of a property is reduced as a result of an assessment appeal, the reduction is borne by relevant taxing agencies, including the City.

Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above.

The voters of the State have approved amendments to Article XIII A. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reappraisal under Article XIII A. Another amendment permits the State Legislature to allow persons over the age of 55 who meet certain criteria or "severely disabled homeowners" who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence. Another amendment permits the State Legislature to allow persons who are either 55 years of age or older, or who are "severely disabled," to transfer the old residence's assessed value to their new residence located in either the same or a different county and acquired or newly constructed within two years of the sale of their old residence.

In 1990, the voters approved a further amendment of Article XIII A to permit the State Legislature to exclude from the definition of "new construction" certain additions and improvements, including seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIII A has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of property damaged or destroyed in a disaster.

Section 4 of Article XIII A provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose "special taxes."

Article XIII B of the State Constitution – Gann Limit

State and local government agencies in the State are each subject to an annual "appropriations limit" imposed by Article XIII B of the State Constitution ("Article XIII B"). Article XIII B prohibits government agencies and the State from spending "appropriations subject to limitation" in excess of the appropriations limit imposed. The base year for establishing such appropriations limit is fiscal year 1978-79. "Appropriations subject to limitation" are generally authorizations to spend "proceeds of taxes," which include all, but are not limited to, tax revenues, and the proceeds from (i) regulatory licenses, user charges or other user fees to the extent that such proceeds exceed "the cost reasonably borne by that entity in providing the regulation, product, or service," (ii) the investment of tax revenues, and (iii) certain subventions received from the State. No limit is imposed on appropriations of funds which are not "proceeds of taxes," appropriated for debt service on indebtedness existing prior to the passage of Article XIII B or authorized by the voters, or appropriations required to comply with certain mandates of courts or the federal government.

As amended at the June 5, 1990 election by Proposition 111, Article XIII B provides that, in general terms, an agency's appropriations limit is based on the limit for the prior year adjusted annually to reflect changes in cost of living, population and, when appropriate, transfer of financial responsibility of providing services from one governmental unit to another. Proposition 111 liberalized the aforementioned adjustment factors as compared to the original provisions of Article XIII B. If an agency's revenues during any two consecutive fiscal years exceed the combined appropriations limits for those two years, the excess must be returned by a revision of tax rates or fee schedules within the two subsequent fiscal years.

Section 7900, et seq. of the State Government Code defines certain terms used in Article XIII B and sets forth the methods for determining the appropriations limits for local jurisdictions. The City's appropriations limit for fiscal year 2021-22 is $9,537,086.

Articles XIII C and XIII D of the State Constitution – Proposition 218 and Proposition 26

On November 5, 1996, the voters of the State approved Proposition 218, the "Right to Vote on Taxes Act." Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

Article XIII C of the State Constitution ("Article XIII C") requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City require a majority vote, and taxes for specific purposes, even if deposited in the general fund, require a two-thirds vote. The voter approval requirements of Article XIII C reduce the City's flexibility to deal with fiscal problems by raising revenue through new or extended or increased taxes and no assurance can be given that the City will be able to raise taxes in the future to meet increased expenditure requirements.

Article XIII D of the State Constitution ("Article XIII D") contains several provisions making it generally more difficult for local agencies to levy and maintain "assessments" for municipal services and programs. "Assessment" is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property.

Article XIII D also contains several provisions affecting a "fee" or "charge," defined for purposes of Article XIII D to mean "any levy other than an ad valorem tax, a special tax, or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) with respect to any parcel or person, exceed the proportional cost of the service attributable to the parcel, (iv) are for a service not actually used by, or immediately available to, the owner of the property in question, or (v) are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The City must then hold a hearing upon the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the City may not impose or increase the fee or charge. Moreover, except for fees or charges for sewer, water and refuse collection services (or fees for electrical and gas service, which are not treated as "property related" for purposes of Article XIII D), no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds voter approval by the electorate residing in the affected area. The City has three enterprise funds that are self-supporting from fees and charges (refuse, water and electricity), two of which (water and refuse) have been judicially determined to be property-related for purposes of Article XIII D.

However, California courts have held that property-related fees which are used by a city for general fund purposes and which are not compensation to the city for the costs of providing the related service are an impermissible tax under Article XIII D.

In addition to the provisions described above, Article XIII C extends the people's initiative power to the reduction or repeal of local taxes, assessments, and fees and charges imposed prior to its effective date (November 1996). Consequently, the voters of the City could, by future initiative, repeal, reduce or prohibit the future imposition or increase of any local tax, assessment, fee or charge. The California Supreme Court held in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) that, under Article XIII C local voters by imitative may reduce a public agency's water rates and delivery charges, as those are property-related fees or charges within the meaning of Article XIII D, and noted that the initiative power described in Article XIII C may extend to a broader category of fees and charges than the property-related fees and charges governed by XIII D ("assessment," "fee" and "charge," are not defined in Article XIII C, so it was initially unclear whether the definitions of these terms in Article XIII D (which are generally property-related as described above) would limit the scope of the initiative power set forth in Article XIII C). Accordingly, the Article XIII C initiative power could potentially apply to non-property-related revenue sources that currently constitute a substantial portion of general fund revenues. No assurance can be given that the voters of the City will not, in the future, approve initiatives that repeal, reduce or prohibit the future imposition or increase of local taxes, assessments, fees or charges.

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Proposition 26 also provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Proposition 1A

As part of then-Governor Schwarzenegger's agreement with local jurisdictions, Senate Constitutional Amendment No. 4 was enacted by the State Legislature and subsequently approved by the voters as Proposition 1A ("Proposition 1A") at the November 2004 election. Proposition 1A amended the State Constitution to, among other things, reduce the State Legislature's authority over local government revenue sources by placing restrictions on the State's access to local governments' property, sales, and vehicle license fee revenues as of November 3, 2004.

Proposition 1A prohibits the State from mandating activities on cities, counties or special districts without providing for the funding needed to comply with the mandates. If the State does not provide funding for the mandated activity, the requirement on cities, counties or special districts to abide by the mandate would be suspended. In addition, Proposition 1A expanded the definition of what constitutes a mandate on local governments to encompass State action that transfers to cities, counties and special districts financial responsibility for a required program for which the State previously had partial or complete responsibility. The State mandate provisions of Proposition 1A do not apply to schools or community colleges or to mandates relating to employee rights.

Proposition 22

Proposition 22 ("Proposition 22") which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. Proposition 22 prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives. Due to the prohibition with respect to the State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). In addition, Proposition 22 supersedes Proposition 1A of 2006. Accordingly, the State is prohibited from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

Statutory Limitations

A statutory initiative ("Proposition 62") was adopted by State voters at the November 4, 1986 General Election, which (1) requires that any tax for general governmental purposes imposed by local governmental entities be approved by resolution or ordinance adopted by two-thirds vote of the governmental agency's legislative body and by a majority of the electorate of the governmental entity voting in such election, (2) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters within that jurisdiction voting in such election, (3) restricts the use of revenues from a special tax to the purpose or for the service for which the special tax was imposed, (4) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A, (5) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities and (6) requires that any tax imposed by a local governmental entity on or after August 1, 1985 be ratified by a majority vote of the electorate voting in such election within two years of the adoption of the initiative or be terminated by November 15, 1988. Proposition 62 requirements are generally not applicable to general taxes and special taxes levied prior to its November 4, 1986 effective date.

On September 28, 1995, the California Supreme Court filed its decision in *Santa Clara County Local Transportation Authority v. Carl Guardino*, 11 Cal. 4th 220 (1995) ("Santa Clara"), which upheld a Court of Appeal decision invalidating a 1/2-cent countywide sales tax for transportation purposes levied by a local transportation authority. The California Supreme Court based its decision on the failure of the authority to obtain a two-thirds vote of the electorate for the levy of a "special tax," as required by Proposition 62. The Santa Clara decision did not address the question of whether or not it should be applied retroactively.

In deciding the Santa Clara case on Proposition 62 grounds, the Court disapproved the decision in *City of Woodlake v. Logan*, 230 Cal. App. 3d 1058 (1991) ("Woodlake"), where the Court of Appeal had held portions of Proposition 62 unconstitutional as a referendum on taxes prohibited by the State Constitution. The State Supreme Court determined that the voter approval requirement of Proposition 62 is a condition precedent to the enactment of each tax statute to which it applies, while referendum refers to a process invoked only after a statute has been enacted. Numerous taxes to which Proposition 62 would apply were imposed or increased without voter approval in reliance on Woodlake. The Court notes as apparently distinguishable, but did not confirm, the decision in *City of Westminster v. County of Orange*, 204 Cal. App. 3d 623 (1988), which held unconstitutional the provision of Proposition 62 requiring voter approval of taxes imposed during the "window period" of August 1, 1985 until November 5, 1986. Proposition 62 as an initiative statute does not have the same level of authority as a constitutional initiative, but is analogous to legislation adopted by the State Legislature. After the passage of Proposition 218, certain provisions of Proposition 62 (e.g., voter approval of taxes) are now governed by the State Constitution.

Following the Santa Clara decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62. On June 4, 2001, the State Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association v. City of La Habra, et al.* ("La Habra"). In this case, the court held that a public agency's continued imposition and collection of a tax is an ongoing violation upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D and the propositions described above were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the City or local districts to increase revenues or to increase appropriations which may affect the City's revenues or its ability to expend its revenues.

STATE OF CALIFORNIA BUDGET INFORMATION

General. Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at *www.lao.ca.gov*. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on cities in the State, may be found at the website of the State Treasurer, *www.treasurer.ca.gov*. The information referred to is prepared by the respective State agency maintaining each website and not by the City or the Authority, and the City and the Authority can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references. Actions by the State, including through its budget process may have material impacts on the City's operations and finances.

2021-22 State Budget. On July 16, 2021, Governor Newsom signed into law the Fiscal Year 2021-22 State Budget (the "2021-22 State Budget"). The 2021-22 State Budget totals about $262.6 billion. General Fund spending would increase over Fiscal Year 2020-21 by about $30.4 billion (18.3%) to $196.4 billion. The State is projected to end the Fiscal Year 2020-21 with available general fund reserves that include: $15.8 billion in the Budget Stabilization Account (the General Fund's "rainy-day" fund) for fiscal emergencies; $900 million in the Safety Net Reserve (used to maintain benefits and services for CalWORKs and Medi-Cal participants during economic downturns) and $4.5 billion in the Public School System Stabilization Account (the Proposition 98 "rainy-day" fund used to lessen the impact of State revenue volatility on K-14 schools). The multi-year forecast reflects a budget roughly in balance; however, risks to the economic forecast remain, including a stock market decline that would significantly reduce State revenues.

Future State Budgets. No prediction can be made by the City as to whether the State will encounter budgetary problems in future fiscal years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures. There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the City has no control. See, however, "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Proposition 1A" and "– Proposition 22" herein.

VALIDATION PROCEEDINGS

The City, acting pursuant to the provisions of Sections 860 *et seq.* of the California Code of Civil Procedure, filed a complaint in the Superior Court of the State of California for the County seeking judicial validation of the transactions relating to the issuance of the Bonds, and certain other matters *(City of Maywood vs. All Persons Interested, etc.,* Case No. 21STCV17871). On August 25, 2021, the court entered a default judgment (the "Default Judgment") to the effect, among other things, that the CalPERS Contract and Bonds are valid and binding obligations of the City under the Constitution and laws of the State. As no challenge to the Default Judgment was filed by the time of such expiration, the Default Judgment has become final, binding, and conclusive in accordance with California law. In issuing its approving opinion, Norton Rose Fulbright US LLP, Bond Counsel, will rely on the Default Judgment, among other things.

UNDERWRITING

Raymond James & Associates, Inc. (the "Underwriter") has agreed, subject to certain customary conditions precedent to closing, to purchase the Series 2021 Bonds from the City at a price equal to $_________ (representing the principal amount of the Series 2021 Bonds, less an underwriter's discount of $_______).

The Underwriter intends to offer the Series 2021 Bonds to the public initially at the prices set forth on the inside cover page of this Official Statement, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2021 Bonds to the public. In connection with the offering of the Series 2021 Bonds, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the Series 2021 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

TAX MATTERS

State Income Tax

In the opinion of Bond Counsel, under existing law interest on the Series 2021 Bonds is exempt from personal income taxes of the State of California. Except as set forth in the preceding sentence, Bond Counsel will provide no opinion in connection with the issuance or offering of the Series 2021 Bonds with regard to any federal, state or local tax consequence of the ownership or disposition of or the receipt of interest on any Series 2021 Bond. A copy of the form of opinion of Bond Counsel relating to the Series 2021 Bonds is included in Appendix E.

Federal Income Tax Considerations

The following is a general summary of certain federal income tax consequences of the purchase and ownership of the Series 2021 Bonds. The discussion is based upon the Internal Revenue Code of 1986 (the "Code"), United States Treasury Regulations, rulings and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect.

Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2021 Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, or (ii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2021 Bonds under local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series 2021 Bonds pursuant to this offering for the issue price that is applicable to such Series 2021 Bonds and who will hold their Series 2021 Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Series 2021 Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2021 Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2021 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2021 Bonds (including their status as U.S. Holders or Non-U.S. Holders).

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2021 BONDS.

U.S. Holders

Interest on the Series 2021 Bonds. Bond Counsel has rendered no opinion regarding the exclusion pursuant to section 103(a) of the Code of interest on the Series 2021 Bonds from gross income for federal income tax purposes. The City has taken no action to cause, and does not intend, interest on the Series

2021 Bonds to be excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. The City intends to treat the Series 2021 Bonds as debt instruments for all federal income tax purposes, including any applicable reporting requirements under the Code. THE CITY EXPECTS THAT THE INTEREST PAID ON A SERIES 2021 BOND GENERALLY WILL BE INCLUDED IN THE GROSS INCOME OF THE OWNER THEREOF FOR FEDERAL INCOME TAX PURPOSES WHEN RECEIVED OR ACCRUED, DEPENDING UPON THE TAX ACCOUNTING METHOD OF THAT OWNER.

Disposition of Series 2021 Bonds, Inclusion of Original Issue Discount and Treatment of Market Discount. To the extent that the issue price of any maturity of the Series 2021 Bonds is less than the amount to be paid at maturity of such Series 2021 Bonds by more than a *de minimis* amount (excluding amounts stated to be interest and payable at least annually over the term of such Series 2021 Bonds), the difference may constitute original issue discount ("OID"). U.S. Holders of Series 2021 Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Amortizable Bond Premium. A holder of a Series 2021 Bond that purchased that bond for an amount that was greater than its stated redemption price at maturity will be considered to have purchased the Series 2021 Bond with "amortizable bond premium" equal in amount to such excess. A U.S. Holder of a Series 2021 Bond purchased with amortizable bond premium may elect to amortize such premium using a constant yield method over the remaining term of the Series 2021 Bond and may offset interest otherwise required to be included in respect of the Series 2021 Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Bond held by a U.S. Holder that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Series 2021 Bond. However, if the Series 2021 Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Series 2021 Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS. That a Series 2021 Bond was purchased by the holder with amortizable bond premium may affect the computation of includable original issue discount for that holder.

Sale or other Taxable Disposition of a Bond; Market Discount. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement or other taxable disposition of a Series 2021 Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2021 Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2021 Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Series 2021 Bond (generally, the purchase price paid by the U.S. Holder for the Series 2021 Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series 2021 Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series 2021 Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for the Series 2021 Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Under current law, a U.S. Holder of a Series 2021 Bond who did not purchase that Series 2021 Bond in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition (or earlier partial principal payment) of such Series 2021 Bond, to recognize as ordinary income a portion of the gain (or partial principal payment), if any, to the extent of the accrued "market discount." In general, market discount is the amount by which the price paid for such Series 2021 Bond by such a subsequent purchaser is less than the stated redemption price at maturity of that Series 2021 Bond (or, in the case of a Series 2021 Bond bearing original issue discount, is less than the "revised issue price" of that Series 2021 Bond (as defined below) upon such purchase), except that market discount is considered to be zero if it is less than one quarter of one percent of the principal amount times the number of complete remaining years to maturity. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Series 2021 Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The recharacterization of gain as ordinary income on a subsequent disposition of such Series 2021 Bonds could have a material effect on the market value of such Series 2021 Bonds.

Medicare Tax. Certain non-corporate U.S. Holders of Series 2021 Bonds are subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" (in the case of individuals) or "undistributed net investment income" (in the case of estates and certain trusts) for the relevant taxable year and (2) the excess of the U.S. Holder's "modified adjusted gross income" (in the case of individuals) or "adjusted gross income" (in the case of estates and certain trusts) for the taxable year over a certain threshold (which in the case of individuals is between $200,000 and $250,000, depending on the individual's circumstances). A U.S. Holder's calculation of net investment income generally will include its interest income on the Series 2021 Bonds and its net gains from the disposition of the Series 2021 Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are an individual, estate, or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the Series 2021 Bonds.

Information Reporting and Backup Withholding. Payments on the Series 2021 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Series 2021 Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Series 2021 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2021 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the current rate of 30% (subject to change) on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business.

The foregoing notwithstanding, but subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," and assuming the interest income of the Non-U.S. Holder on the Series 2021 Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will not be subject to 30% withholding, or any lower rate specified in an income tax treaty, if such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the Non-U.S. Holder provides a statement to the payor certifying, under penalties of perjury, that the Non-U.S. Holder is not a United States person and providing the name and address of such Non-U.S. Holder; (ii) such interest is treated as not effectively connected with a United States trade or business of the Non-U.S. Holder; (iii) such interest payments are not made to a person within a foreign country that the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Series 2021 Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) the Non-U.S. Holder is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) the Non-U.S. Holder is not a bank receiving interest on the Series 2021 Bonds pursuant to a loan agreement entered into in the ordinary course of the Non-U.S. Holder's banking trade or business.

Assuming payments on the Series 2021 Bonds are treated as portfolio interest within the meaning of Sections 871 and 881 of the Code, then no withholding under Section 1441 and 1442 of the Code and no backup withholding under Section 3406 of the Code is required with respect to an owner or intermediary who has provided a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," any capital gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement or other taxable disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," under current U.S. Treasury Regulations, payments of principal and interest on any Series 2021 Bonds to a Non-U.S. Holder will not be subject to any backup withholding tax requirements if the Non-U.S. Holder of the Series 2021 Bond or a financial institution holding the Series 2021 Bond on behalf of the Non-U.S. Holder in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a Non-U.S. Holder provides the certification, the certification must give the name and address of such Non-U.S. Holder, state that such Non-U.S. Holder is not a United States person, or, in the case of an individual, that such Non-U.S. Holder is neither a citizen nor a resident of the United States, and the Non-U.S. Holder must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the

U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Series 2021 Bonds and sales proceeds of Series 2021 Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and will apply to "foreign passthru payments" but no earlier than two years after the date of publication of final regulations defining the term "foreign passthru payment." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series 2021 Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series 2021 Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

Effect of Defeasance. Pursuant to the Trust Agreement, the Series 2021 Bonds are subject to legal defeasance without the consent of the Owners of the Series 2021 Bonds. Defeasance of any Series 2021 Bond may be treated as a taxable constructive exchange of that Series 2021 Bond, in which event the holder generally would recognize gain or loss for federal income tax purposes equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as described above) and the holder's adjusted tax basis in such Series 2021 Bond (described above).

LITIGATION

The City is not aware of any pending or threatened litigation concerning the validity of the Series 2021 Bonds, the Trust Agreement or challenging any action taken by the City with respect thereto. Furthermore, the City is not aware of any pending or threatened litigation to restrain, enjoin, question or otherwise affect the Trust Agreement or in any way contesting or affecting the validity or enforceability of any of the foregoing or any proceedings of the City taken with respect to any of the foregoing.

There are a number of lawsuits and claims pending and threatened against the City unrelated to the Series 2021 Bonds, the Trust Agreement or matters with respect thereto. It is the opinion of the City, after consultation with the City Attorney, as of the date hereof that none of the litigation, claims and threatened litigation against the City will materially affect the City's finances or impair its ability to make debt service payments on the Series 2021 Bonds.

FINANCIAL STATEMENTS

The City's financial statements for the Fiscal Year ended June 30, 2020, included in APPENDIX B hereto, have been audited by Van Lant & Fankhanel, LLP (the "Auditor"). The Auditor was not requested to consent to the inclusion of its report in APPENDIX B and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in the Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

MUNICIPAL ADVISOR

The City has retained Kosmont Transactions Services, Inc., as Municipal Advisor in connection with the authorization and delivery of the Series 2021 Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

RATING

S&P Global Ratings ("S&P") has assigned its rating of "__" to the Series 2021 Bonds. Such rating reflects only the views of S&P. Any explanation of the significance of such rating may only be obtained from S&P. The information set forth on rating agency websites is not incorporated by reference herein. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any particular rating will continue for any given period of time or that any of them will not be revised downward, suspended or withdrawn entirely by a rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2021 Bonds.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Owners and Beneficial Owners of the Series 2021 Bonds pursuant to a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"), by and between the City and Kosmont Transactions Services, Inc., as dissemination agent, to provide certain financial information and operating data relating to the City (the "Annual Report") no later than March 31 following the end of each fiscal year, commencing with the report for Fiscal Year 2020-21, and to provide notices of the occurrence of certain enumerated events through the EMMA System. The specific nature of the information to be contained in the Annual Report and the enumerated events is set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

[In the previous five years, the City failed to timely file its audited financial statements for the Fiscal Years 2017-18 and 2016-17 as audited financial statements were not available at such time the annual reports were required to be filed with EMMA. However, the City failed to file unaudited financial statements when audited financial statements were not available. The annual reports also omitted certain operating data.

The City has taken all remedial actions to cure all of the prior failures. The City intend to continue working with outside consultants to ensure that it comply with all of its continuing disclosure obligations.]

APPROVAL OF LEGAL PROCEEDINGS

The issuance of the Series 2021 Bonds is subject to the approving opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the City, to be delivered in substantially the form set forth in APPENDIX E. Norton Rose Fulbright US LLP in its role as Bond Counsel has undertaken no responsibility to the owners of the Series 2021 Bonds or any other party for the accuracy, completeness or fairness of this Official Statement or any other offering material related to the Series 2021 Bonds, and expresses no opinion to the Owners with respect thereto. Certain legal matters also will be passed upon for the City by the City Attorney and Nixon Peabody LLP, as Disclosure Counsel, and for the Underwriter by its counsel Jones Hall, A Professional Law Corporation, San Francisco, California. All of the fees of Bond

Counsel, Disclosure Counsel and Underwriter's Counsel with regard to the Series 2021 Bonds are contingent upon the issuance and delivery of the Series 2021 Bonds

EXECUTION AND DELIVERY

The execution and delivery of this Official Statement has been authorized by the City.

CITY OF MAYWOOD, CALIFORNIA

By: ___________________________________
City Manager

APPENDIX A

SELECTED FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND COUNTY

The following information relating to the City of Maywood, California (the "City") and the County of Los Angeles (the "County") is provided for informational purposes only. The Series 2021 Bonds (as defined in the forepart of this Official Statement) are payable solely as described in this Official Statement. Neither the Series 2021 Bonds nor the obligation of the City to make payments on the bonds constitute an indebtedness of the City, the State of California, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

COVID 19 Pandemic

The economic and demographic data contained in this Appendix A are the latest available, but are as of dates and for periods before the economic impact of the COVID 19 pandemic and measures instituted to slow it. Accordingly, they are not necessarily indicative of the current financial condition or future prospects of the City, the County or the region or of expected revenues to the General Fund. See "RISK FACTORS – Public Health Emergencies" in the forepart of this Official Statement.

General

The City. The City is located in the County, approximately 6 miles from downtown Los Angeles and 15 miles northeast of the Long Beach Harbor and the Pacific Ocean. The City covers approximately 1.14 square miles and had a population of 27,670 as of January 1, 2021.

Incorporated in 1924, the City operates as a general law city with a council-manager form of government. The mayor is elected by the five-member City Council each year. The City Manager, City Clerk, and City Attorney are appointed and serve at the will of the City Council.

The County. The County was established by an act of the State Legislature on February 18, 1850 as one of California's original 27 counties. With 4,061 square miles, the county borders 70 miles of coast on the Pacific Ocean. The County is home to 88 incorporated cities and many unincorporated areas. In between the large desert portions of the county – which make up around 40% of its land area – and the heavily urbanized central and southern portions sits the San Gabriel Mountains containing Angeles National Forest.

Government and Services

The City is a contract city which provides the following municipal services: street maintenance, public transportation, recreation, planning, landscape/park maintenance, lighting, as well as various youth, senior, and other community service programs. The City contracts with the County for police and certain maintenance services. Fire, library, sanitation, and health services are provided by the County and County assessment districts.

CERTAIN FINANCIAL AND OPERATIONAL INFORMATION RELATING TO THE CITY OF MAYWOOD

Financial Statements

The following table sets forth the City's General Fund assets, liabilities and fund balances based upon audited financial statements for Fiscal Years ended June 30, 2017 through June 30, 2020 and unaudited financial statements for Fiscal Year ended June 30, 2021.

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Table 1
City of Maywood
General Fund Balance Sheet For Fiscal Years Ended June 30, 2017 Through June 30, 2021

	2017	2018	2019	2020	(Unaudited)(1) 2021
ASSETS					
Cash and Investments	$4,685,920	$4,727,919	$4,659,181	$5,398,574	$6,474,257(2)
Restricted Cash	-	-	-	-	1,029,890(2)
Cash with Fiscal Agents	264,050	266,074	266,074	266,074	266,074
Receivables:					
Accounts	484,032	50,932	26,022	32,430	371,384(3)
Interest	-	-	-	10,108	1,952
Taxes Receivable	-	563,964	860,917	1,912,668	2,454,878(2)
Due from Other Funds	213,531	164,111	315,844	14,289	36,328
Due from Successor Agency	126,165	-	83,125	100,322	30,972
Prepaid Costs	26,814	43,239	450	9,667	27,799
Total Assets	$5,800,512	$5,816,239	$6,211,613	$7,744,132	$10,693,534
LIABILITIES					
Accounts payable	$1,008,252	$947,926	$1,248,637	$1,266,715	$1,155,917
Accrued liabilities	118,609	189,418	189,936	30,644	80,743
Termination Benefits Payable	270,000	200,000	-	-	-
Deposits	3,697	3,697	3,697	3,697	3,697
Payable to Successor Agency	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Total Liabilities	$4,000,558	$3,941,041	$4,042,270	$3,901,056	$3,840,357
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues-Taxes	$70,530	-	-	$98,630	$506,030
Unavailable Revenues-Grants	-	-	-	-	-
Total Deferred Inflows of Resources	$70,530	-	-	$98,630	$506,030
FUND BALANCES					
Nonspendable	$26,814	$43,239	$450	$9,667	$27,799
Restricted	264,050	266,074	266,074	266,074	266,074
Committed	-	-	24,715	24,715	24,715
Unassigned	1,438,560	1,565,885	1,878,104	3,443,990	6,028,559
Total Fund Balances	$1,729,424	$1,875,198	$2,169,343	$3,744,446	$6,347,147
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$5,800,512	$5,816,239	$6,211,613	$7,744,132	$10,693,534

(1) Amounts subject to change in the final audited financial statements.
(2) Increases from prior Fiscal Year are primarily due to increase in cannabis and other general sales taxes.
(3) Large increase from prior Fiscal Year is primarily due to a large receivable of citation collections resulting from an error by the citations collection company that the City uses.
Source: City of Maywood.

The following table summarizes the audited financial statements for the City's General Fund for the Fiscal Years ended June 30, 2017 through June 30, 2020 and unaudited financial statements for the Fiscal Year ended June 30, 2021.

Table 2
City of Maywood
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For Fiscal Years Ended June 30, 2017 through June 30, 2021

	2017	2018	2019	2020	(Unaudited)[1] 2021
REVENUES					
Taxes	$3,944,722	$4,726,774	$5,457,110	$7,623,936	$10,310,638[2]
Licenses and Permits[3]	755,308	1,014,857	860,971	575,407	507,837
Intergovernmental	2,563,995	3,542,053	3,657,230	3,481,498	3,479,190
Charges for Services	160,918	164,588	106,800	245,199	543,595
Use of Money and Property	85,660	89,296	129,027	147,093	107,443
Fines and Forfeitures	517,998	560,030	435,427	262,621	141,406
Legal Settlements	1,117	3,318	-	-	-
Miscellaneous	12,381	888,536	183,922	204,116	130,250
Total Revenues	$8,042,099	$10,989,452	$10,830,487	$12,539,870	$15,220,359
EXPENDITURES					
Current:					
General Government	$4,353,764	$4,017,095	$3,163,938	$3,272,594	$4,118,530
Public Safety	3,462,832	4,952,564	5,570,708	5,671,699	6,254,296
Community Development	530,767	703,537	871,389	1,114,059	1,539,078
Parks and Recreation	510,174	772,566	811,033	587,187	341,971
Capital Outlay	-	146,478	449,716	67,479	201,470
Debt Service:					
Principal	55,000	55,000	60,000	65,000	70,000
Interest and Fiscal Charges	200,806	196,438	189,394	183,642	181,796
Total Expenditures	$9,113,343	$10,843,678	$11,116,178	$10,961,660	$12,707,141
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$(1,071,244)	$145,774	$(285,691)	$1,578,210	$2,513,218
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	101,707	89,483
Transfers Out	-	-	(31,503)	(104,814)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	$(31,503)	$(3,107)	$89,483
CHANGE IN FUND BALANCES	$(1,071,244)	$145,774	$(317,194)	$1,575,103	$2,602,701
FUND BALANCES – BEGINNING OF YEAR	$2,800,668	$1,729,424	$1,875,198	$2,169,343	$3,744,446
PRIOR PERIOD ADJUSTMENTS	-	-	611,339	-	
FUND BALANCES – END OF YEAR	$1,729,424	$1,875,198	$2,169,343	$3,744,446	$6,347,147

(1) Amounts subject to change in the final audited financial statements.
(2) Increases from prior Fiscal Year are primarily due to increase in cannabis and other general sales taxes.
(2) Includes cannabis sales tax in the amounts of $264,546.05 and $879,011.51 for Fiscal Years 2017-18 and 2018-19, respectively.
Source: City of Maywood.

General Fund Revenue Sources

The table below provides the amount of General Fund revenues that each large source represents for the fiscal years shown. The City cannot predict the ultimate impacts on such revenues as a result of the COVID-19 pandemic and potential related economic consequences; however, such impacts may be material and adverse. See "RISK FACTORS – Public Health Emergencies."

Table 3
City of Maywood
General Fund Tax Revenues

Revenue Source	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Franchise & Collectors Fee	$369,430.52	$407,330.01	$251,366.47	$244,606.73	$480,117.08
Property Taxes[(1)]	625,814.13	776,761.71	1,141,271.56	674,799.57	762,845.05
Utility User Tax	922,846.00	948,229.65	939,470.35	942,674.59	1,118,937.23
Transfer Tax (Real Estate)	30,498.91	31,141.29	25,413.60	16,925.99	23,269.70
Transient Occupancy Tax	63,779.50	55,715.59	64,248.43	65,889.31	77,467.50
Cannabis Sales Tax[(2)]	-	-	-	2,565,770.19	4,140,841.12
Sales Tax Revenue	1,274,692.52	1,492,230.27	1,906,212.81	1,930,151.64	2,469,124.03
Pension Taxes[(3)]	657,660.16	1,015,365.87	1,129,126.78	1,183,117.98	1,248,820.38
Totals	$3,944,721.74	$4,726,774.39	$5,457,110.00	$7,623,936.00	$10,321,422.09

(1) Amount for Fiscal Year 2018-19 includes redevelopment taxes from Fiscal Years 2011-12 through 2016-17 that was approved for distribution by the State Department of Finance.
(2) Cannabis sales tax in the amounts of $264,546.05 and $879,011.51 were reflected in the audited statements as "Licenses and Permits" for Fiscal Years 2017-18 and 2018-19, respectively.
(3) Amounts constitute Retirement Tax, which the City deposits into a separate fund (Fund 14 Retiree Pension). However, the auditors combine such fund with the City's General Fund for financial statement presentation purposes.
Source: City of Maywood

Property Taxes. Taxes are levied by the County for each Fiscal Year on taxable real and personal property which is situated in the City as of the preceding January 1. Effective July 1, 1983, real property which changes ownership or is newly constructed is reassessed at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment, and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due.

For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." Unsecured property comprises all property not attached to land, such as personal property or business property. Boats and airplanes are examples of unsecured property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each Fiscal Year, and if unpaid become delinquent on December 10 and April 10, respectively, subject to a penalty of ten percent. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the Fiscal Year. Such property may thereafter be redeemed by payment of a penalty of 1.5 percent per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County Tax Collector.

Property taxes on the unsecured roll are due as of the January 1 lien date and, in general, become delinquent on August 31, subject to a ten percent penalty. If unsecured taxes are unpaid on October 31, an additional penalty of 1.5 percent attaches to them on the first day of each month until paid. The City has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and Recorder's office in order to obtain a lien on certain property of the taxpayer, and (4) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee.

Economic and other factors beyond the City's control, such as economic recession, deflation of land values, or the complete or partial destruction of taxable property caused by, among other things, earthquake, flood or other natural disaster could cause a reduction in the assessed value of taxable property in the City. See also "CONSTITUTIONAL AND STATUROY LIMITATIONS ON TAXES AND APPROPRIATIONS – Property Tax Limitations – Article XIIIA, XIIIB, XIIIC (Proposition 218)" and "– Article XIIIA Implementing Legislation."

No Teeter Plan. The Los Angeles County Board of Supervisors elected to discontinue the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sales Proceeds (commonly referred to as the "Teeter Plan") on July 1, 2009. Under the terms of the Teeter Plan, the County had remitted to local agencies the amount of uncollected taxes in exchange for retaining any subsequent delinquent payments, penalties and interest that would have been due to the local agency. As the Teeter Plan has been discontinued, the City's property tax revenues reflect both reduced property tax revenue from uncollected taxes and increased revenue from the subsequent receipt of delinquent taxes, interest and penalty payments.

Sales and Use Tax/Transactions and Use Tax. A sales tax is imposed on the privilege of consuming personal property in California. California does not tax services. The tax rate is established by the State Legislature, and is presently 7.25%, statewide (of which 1% is paid to the City pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law). The total tax rate in the City is currently 9.5%, which includes a 2.25% County wide tax. The State's actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution. In addition, many of California's cities, counties, and communities have special taxing authority to impose a transactions (sales) and use tax (aka "district tax") with local voter approval. These so-called district taxes increase the tax rate in a particular area by adding the local voter approved tax to the statewide tax. These district taxes can vary in rates, and more than one district tax may be in effect for a particular location aggregating up to the normal statutory maximum of 2.0%, or with special state legislative approval, an aggregate rate greater than 2.0%.

E-commerce. E-commerce retail sales have increased rapidly during the past ten years. In June 2018, the United States Supreme Court published its landmark decision in *South Dakota v. Wayfair* (the "Wayfair Decision"), holding that sales to a customer in a particular state alone are sufficient to create a nexus for purposes of determining whether a seller is required to collect sales taxes of the applicable state. Prior to the Wayfair Decision, courts had interpreted the dormant Commerce Clause of the United States Constitution to require that a company have a physical nexus in a state for the seller to be liable for the collection of that state's sales tax. Physical nexus is defined as having either property or payroll in the state, including a resident employee working from home or inventory stored in that state. Thus, prior to the Wayfair Decision, states had much more limited means to collect sales tax revenue from E-commerce.

Following the Wayfair Decision, on April 25, 2019 the State of California enacted Assembly Bill No. 147, pursuant to which California Department of Tax and Fee Administration has developed policies and procedures to govern the administration, collection and allocation of sales and use taxes for E-commerce retail sales. Among the factors that determine the allocation of sales and use tax revenue from E-commerce retail sales among California local jurisdictions such as the City, are the location from which the E-commerce order was placed, the location of the goods at the time of sale, the location of the fulfillment center.

Cannabis Tax. The City currently imposes a 10% tax on gross receipts for cannabis vehicle dispensaries, cannabis brick and mortar dispensaries and cannabis microbusinesses and 6% tax on gross receipts for cannabis cultivation, distribution, manufacturing and testing.

Although California has legalized the growing, sale and use of marijuana for medical and recreational purposes, it remains illegal under federal law. Marijuana is a Schedule 1 drug under the Controlled Substances Act, and its possession, sale, and distribution are federal crimes. No assurance can be made that due to an enforcement of federal laws, cannabis businesses will be able to continue operating their businesses. Any such event may have a materially adverse impact on the City's finances and ability to pay debt service on the Series 2021 Bonds.

Key Management

Jennifer E. Vasquez is the City Manager of the City. Ms. Vasquez has been in city management for 15 years. As the City Manager, Ms. Vasquez is under the direction of the City Council. She plans, organizes, controls, and directs City-wide operations, activities, departments, programs, and functions; supports the City Council as they provide direction and vision for the organization. Ms. Vasquez provides the overall leadership and direction to the entire City government; implements the policies of the City Council; supervises and evaluates the performance of assigned personnel. Ms. Vasquez is currently on her third year with the City.

Ms. Vasquez's professional experience also includes knowledge of public policy, government budgeting, economic/community development programs, and development of local/regional collaborative sector strategies. Throughout Ms. Vasquez's career she has also provided management over complex public works projects and affordable housing projects as well as projects funded through local, State and Federal agencies. Her experience includes project management of projects, planning, and organizing financing of projects.

Hrant Manuelian is the Finance Director of the City. Mr. Manuelian is a Certified Public Accountant with over 20 years of experience in Accounting and Finance. Mr. Manuelian plans, organizes, controls, directs the operations of the Finance Department which includes treasury, payroll, accounts payable, accounts receivable and general ledger; establishes and maintains the annual budget of the City; assures financial activities comply with established standards, requirements, laws, codes, regulations, accounting standards and best practices; coordinate and direct fiscal record-keeping, reporting, monitoring, analysis, and maintenance of City funds. Mr. Manuelian obtained a Bachelor of Science degree in Business Administration from University of California, Riverside. Mr. Manuelian has been with the City for two years.

Important City Policies

Debt Management Policy. The City adopted a Debt Management Policy on June 14, 2017 (the "Debt Policy"). The Debt Policy establishes prudent debt issuance guidelines, among other things, to ensure the City meets the following objectives outlined in the policy: (i) provide safe and cost effective means of debt issuance to fund the City's capital and operating plan and refinance existing debt; (ii) maintain moderate debt and debt service payments with effective planning and coordination; (iii) ensure all debt obligations will be met in a timely and efficient manner; (iv) ensure the term of the debt shall not exceed the expected useful life of the capital improvement; (v) mandate that the City comply will all debt covenants; ensure all required disclosure reports are filed on a timely basis; (vi) maintain effective communications with bond rating agencies and investors; and (vii) preserve financial flexibility. The City intends to issue debt for the purposes stated in the Debt Policy and to implement policy decisions incorporated in the City's annual operating budget.

Reserve Policy. The City adopted a Reserve Policy on August 12, 2020. The Reserve Policy provides that the City maintain General Fund Operating Reserves levels of no less than 20% of annual operating budget. The reserves may be used to provide temporary financing for unanticipated extraordinary needs of an emergency nature, such as major natural disasters, emergency storm drain repairs, litigation and/or settlement costs, pandemics, or unexpected liability caused by Federal or State legislative action.

If funds are spent from the operating reserves the funds should be replenished in the budget process during the subsequent fiscal year to maintain the minimum reserve balance.

The reserves will be calculated using the following years Adopted General Fund budgeted operating expenditures. Reserves will be evaluated annually in conjunction with the development of the City's annual operating budget and 5-year financial forecast. There is no maximum reserve level as any additional reserves would provide a greater level of fiscal security.

Pension Funding; Pension Stabilization Trust Fund. [TO COME]

Cybersecurity. [TO COME]

City Budget

Budget Process. The fiscal year of the City begins on the first day of July of each year and ends on the thirtieth day of June the following year. The City's Budget Policy provides a specific staff budget preparation timetable. During February and March of each year, the preliminary budget is developed for the upcoming fiscal year. In April, the first budget workshop with the City Council is held. In May, the second and third budget workshops with the City Council are held. In June, the budget is adopted at a public hearing. In January of the following year, a mid-year budget review is conducted and necessary adjustments to the budget are made.

Furthermore, the Finance Department monitors the City's operating budget throughout the Fiscal Year. Monthly reports are provided to the different departments showing their year-to-date budget vs. actuals for review. A monthly report comparing the year-to-date actual revenues vs. budgeted revenues along with explanations for major variances is provided to the City Council.

***Budgets and Actuals*.** The following table sets forth the City's amended budget, final budget, and actual General Fund revenues, expenditures and changes in fund balance for the Fiscal Years shown. The adopted budget is the original budget at the start of a Fiscal Year. Throughout the year, budget amendments may be authorized by the City Council which increase or decrease the City's spending authority ("amended budget"). Once the fiscal year is closed, the budget is no longer amended and it becomes the final budget. The variances between the budget and actual revenues and expenditures are common.

Table 4
City of Maywood General Fund
Comparison of Budgets to Actual Results

Fiscal Year Ending June 30,	Final 2020 Budget	2020 Actual	Variance	Final 2021 Budget	2021 Actual	Variance	Amended 2022 Budget
Revenues:							
Taxes	$5,836,200	$7,623,936	$1,787,736	$7,085,000			
Licenses and Permits	606,400	575,407	(30,993)	3,565,000			
Intergovernmental	2,820,000	3,481,498	661,498	-			
Charges for Services	286,900	245,199	(41,701)	84,000			
Use of Money and Property	116,000	147,093	31,093	101,400			
Fines and Forfeitures	418,000	262,621	(155,379)	190,500			
Miscellaneous	387,800	204,116	(183,684)	45,000			
Total Revenues	$10,471,300	$12,539,870	$2,068,570	$11,070,900			
Expenditures:							
Current:							
General Government	$2,419,301	$3,272,594	$(853,293)	3,440,532			
Public Safety	5,975,199	5,671,699	303,500	6,272,382			
Community Development	369,900	1,114,059	(744,159)	1,893,983			
Parks and Recreation	1,123,800	587,187	536,613	481,114			
Capital Outlay	-	67,479	(67,479)	-			
Debt Service:							
Principal	65,000	65,000	-	70,000			
Interest and Fiscal Charges	188,500	183,642	4,858	183,750			
Total Expenditures	$10,141,700	$10,961,660	$(819,960)	$12,341,761			
Excess (Deficiency) of Revenues Over Expenditures	$329,600	$1,578,210	$1,248,610	$(1,270,861)			
Other Financing Sources (Uses)							
Transfers In	-	101,707	101,707	587,000			
Transfers Out	-	(104,814)	(104,814)	-			
Total Other Financing Sources (Uses)	-	$(3,107)	$(3,107)	$587,000			
Change in Fund Balances	$329,600	$1,575,103	$1,245,503	$(683,861)			
Fund Balance - Beginning of Year	$2,169,343	$2,169,343	-	$3,744,446			
Fund Balance - End of Year	$2,498,943	$3,744,446	$1,245,503	$3,060,585			

Source: City of Maywood.

Assessed Valuation

The assessed valuation of property in the City is established by the County Assessor, except for public utility property which is assessed by the California State Board of Equalization (the "Board of Equalization"). Assessed valuations are reported at 100% of the full cash value of the property, as defined in Article XIII A of the California Constitution. Certain classes of property such as churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls.

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

Economic and other factors beyond the City's control, such as economic recession, deflation of land values, or the complete or partial destruction of taxable property caused by, among other things, earthquake, flood or other natural disaster could cause a reduction in the assessed value of taxable property in the City. See "RISK FACTORS."

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The following table sets forth a summary of the City's assessed valuations for the ten Fiscal Years shown.

Table 5
Assessed Valuation
Fiscal Years Ended June 30, 2013 to 2022

Fiscal Year	Local Secured	Utility	Unsecured	Total
2013	$815,486,137	$0	$19,662,489	$835,148,626
2014	828,527,669	0	17,803,693	846,331,362
2015	851,730,923	0	20,579,131	872,310,054
2016	898,348,386	0	19,944,964	918,293,350
2017	930,550,939	0	20,305,641	950,856,580
2018	976,086,123	0	21,538,459	997,624,582
2019	1,032,811,903	0	21,744,364	1,054,556,267
2020	1,090,036,796	0	21,048,735	1,111,085,531
2021	1,149,238,264	0	22,117,728	1,171,355,992
2022	1,177,521,706	0	22,137,185	1,199,658,891

Source: California Municipal Statistics, Inc.

The following table sets forth the classification of the assessed valuations for Fiscal Year 2021-22.

Table 6
Assessed Valuation Classification
Fiscal Year Ended June 30, 2022

Non-Residential:	2021-22 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Commercial/Office	$171,610,827	14.57%	244	7.21%
Vacant Commercial	3,761,778	0.32	20	0.59
Industrial	83,094,412	7.06	84	2.48
Vacant Industrial	1,977,578	0.17	14	0.41
Recreational	3,023,915	0.26	8	0.24
Government/Social/Institutional	3,427,461	0.29	25	0.74
Miscellaneous	1,034,623	0.09	7	0.21
Subtotal Non-Residential	$267,930,594	22.75%	402	11.88%
Residential:				
Single Family Residence	$385,767,450	32.76%	1,585	46.85%
Condominium	5,685,346	0.48	18	0.53
2-4 Residential Units	388,207,611	32.97	1,128	33.34
5+ Residential Units/Apartments	128,782,381	10.94	223	6.59
Vacant Residential	1,148,324	0.10	27	0.80
Subtotal Residential	$909,591,112	77.25%	2,981	88.12%
Total	$1,177,521,706	100.00%	3,383	100.00%

(1) Local secured assessed valuation excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

The following table sets forth the delinquency rates for the five Fiscal Years shown.

Table 7
Secured Tax Charges and Collections
Fiscal Years Ended June 30, 2017 to 2021

Fiscal Year	Secured Tax Charges	Amount Delinquent as of June 30	% Delinquent as of June 30
2017	$774,607.86	$9,199.72	1.19%
2018	810,128.82	10,067.20	1.24
2019	845,395.95	11,552.92	1.37
2020	884,124.05	19,944.62	2.26
2021	924,179.32	15,761.92	1.71

(1) Excludes redevelopment agency impounds.
Source: California Municipal Statistics, Inc.

Principal Property Taxpayers

The following table sets forth the top twenty property taxpayers in the City by taxable assessed value in Fiscal Year 2021-22.

Table 8
City of Maywood
Top Twenty Property Taxpayers

	Taxpayer	Primary Land Use	2021-22 Assessed Valuation	% of Total
1.	Maywood Village Center LLC	Commercial	$12,807,570	1.09%
2.	Mwcenter LLC	Commercial	10,800,000	0.92
3.	6135 6161 Atlantic Blvd	Shopping Center	9,649,818	0.82
4.	RFR Investments LLC	Industrial	9,626,357	0.82
5.	Food Express Inc.	Commercial	7,754,374	0.66
6.	EHJ3 Property LLC	Industrial	7,442,277	0.63
7.	SWK Properties LLC	Industrial	5,886,599	0.50
8.	M And M Capital Investments LLC	Commercial	5,749,257	0.49
9.	12909 Cordary LLC	Apartments	5,154,220	0.44
10.	5815 Maywood Avenue LLC	Industrial	4,746,068	0.40
11.	3728 Fruitland LLC	Industrial	4,625,184	0.39
12.	Dunn Edwards Corporation	Commercial	4,379,935	0.37
13.	Donna Lunt	Apartments	4,275,171	0.36
14.	KGJ Investments LLC	Commercial	4,176,222	0.35
15.	Asia Sea Investments Inc.	Commercial	4,065,958	0.35
16.	Boys Markets Inc.	Shopping Center	3,620,837	0.31
17.	Brilliant Investment LLC	Industrial	3,558,002	0.30
18.	J Vladimir Calderon	Commercial	3,503,927	0.30
19.	PCMA Property Inc.	Commercial	3,332,233	0.28
20.	Humberto Flores	Commercial	3,323,824	0.28
	Total		$118,477,833	10.06%

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth on the following table is a direct and overlapping debt report (the "Debt Report") for the City as of October 1, 2021. The Debt Report is included for general information purposes only. The Debt Report generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases long-term obligations issued by a public agency are payable from the general fund or other revenues of such public agency. The City has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith.

Table 9
City of Maywood
Statement of Direct and Overlapping Debt
(October 1, 2021)

2021-22 Assessed Valuation: $1,199,658,891

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 10/1/21
Metropolitan Water District of Southern California	0.036%	$ 9,659
Los Angeles Community College District	0.120	4,975,818
Los Angeles Unified School District	0.147	15,192,671
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT		$20,178,148
Less: Los Angeles Unified School District economically defeased bonds		129,741
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT		$20,048,407
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Los Angeles County General Fund Obligations	0.068%	$1,751,398
Los Angeles County Superintendent of Schools Certificates of Participation	0.068	2,701
Los Angeles County Sanitation District No. 1 Authority	3.292	32,362
Los Angeles Unified School District Certificates of Participation	0.147	177,444
City of Maywood Certificates of Participation	**100.**	**2,515,000**(1)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$4,478,905
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$13,247,304
GROSS COMBINED TOTAL DEBT		$37,904,357(2)
NET COMBINED TOTAL DEBT		$37,774,616

(1) Excludes the Series 2021 Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:
Total Gross Overlapping Tax and Assessment Debt..............1.68%
Total Net Overlapping Tax and Assessment Debt 1.67%
Combined Direct Debt ($2,515,000)..................................0.21%
Gross Combined Total Debt...3.16%
Net Combined Total Debt...3.15%

Ratio to Redevelopment Incremental Valuation ($732,546,719):
Overlapping Tax Increment Debt...1.81%

Source: California Municipal Statistics. Inc.

Long-Term Obligations

On November 18, 2008, the Maywood Public Financing Authority issued its Lease Revenue Refunding Bonds, Series A (the "2008 Bonds"), of which $2,660,000 was outstanding as of June 30, 2020. The 2008 Bonds are payable from lease payments paid by the City. Other than the lease payment obligations relating to the 2008 Bonds, the City has no other existing long-term indebtedness.

On October 28, 2014, the City received a letter from the State Controller's office stating the based upon its review the Maywood Community Development Commission had transferred $2,600,000 to the City that was not allowed under the redevelopment dissolution laws and requesting that such moneys be returned by the City to the Successor Agency to the Maywood Community Development Commission. The City responded in a letter dated September 24, 2014 that it disagreed with such finding. The City has not received any further correspondence from the State Controller's office regarding this matter. Pursuant to the redevelopment dissolution laws, funds may be recovered through an offset of sales and use tax or property tax allocations to the City. The City intends to aggressively defend its position if this matter were to proceed. The ultimate outcome, if this matter were to be litigated, and the full impact on the City's finances in the event of an unfavorable outcome, are uncertain. Such an unfavorable outcome may have a material adverse impact on the City's ability to pay debt service on the Series 2021 Bonds.

The City and the California Joint Powers Insurance Authority (the "JPIA"), one of the largest municipal self-insured pools providing risk management solutions to its members through a comprehensive portfolio of programs and services, including liability coverage, entered in a Payment Agreement, dated [November 10], 2021 (the "Payment Agreement"), which formalizes the repayment of the liability owing by the City to the JPIA in the amount of $9,313,135. Under the Agreement, the City [has made] a $500,000 lump sum payment and is obligated to pay 360 equal monthly payments in the amount of $22,355.58 beginning on January 1, 2022, which constitutes a 20% discount on the outstanding principal balance. If the City fails to make payments for six consecutive months, the discount is automatically revoked and shall be payable at the end of the term of the Payment Agreement.

The City's obligation to the JPIA was the result of significant liability claims as a result of significant claims against the City's police department, which was disbanded in June 2010, and ensuing cancellation of the City's participation in the JPIA risk pool.

Labor Contract

Currently, the City has one Memorandum of Understanding ("MOU") with the Maywood Employees' Association who represents the 14 budgeted positions within the City. The MOU expires on June 30, 2022. The City has not experienced a labor stoppage during the past five years and has generally experienced good relations with such employee group.

Investment Policy

In accordance with California Government Code, Sections 53600 through 53609, the City maintains an Investment Policy (the "Investment Policy"). This Investment Policy is reviewed at least annually. The Investment Policy contains elements and guidelines on investing public funds, such as authorized and suitable investments, liquidity, authorized financial institutions and dealers, safekeeping and custody, diversification, internal controls and performance standards, and ethical and fiduciary responsibilities.

City Employee Retirement Plan

The information below do not take into account the refunding of certain of the net pension liability by the Series 2021 Bonds.

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

The City sponsors three rate plans (two miscellaneous and one safety-inactive). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. The information set forth on such website is not incorporated herein by reference.

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2019 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications. The information set forth on such website is not incorporated herein by reference.

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	Miscellaneous PEPRA	Safety
Hire date	Prior to January 1, 2013	On or after January 1, 2013	Prior to June 1, 2007
Benefit formula	2% @ 55	2% @ 62	3% @ 50
Benefit vesting schedule	5 years' service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	62	50
Monthly benefits, as a % of eligible compensation	2%	2%	3%
Required employee contribution rates	7%	6.75%	n/a
Required employer contribution rates	11.031% + $237,434	7.732% + $809	n/a + $1,177,887

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

Beginning in Fiscal Year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was $1,416,130 in Fiscal Year 2020-21. The City's contributions to the Plan for the Fiscal year 2020-21 were $1,512,454.

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

As of June 30, 2021, the City reported a liability of $18,863,114 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability as of June 30, 2019 and 2020 was as follows:

Proportion – June 30, 2019	0.17687%
Proportion – June 30, 2020	0.17337%
Change – Increase (Decrease)	(0.00350%)

For the year ended June 30, 2021, the City recognized pension expense of $1,615,401. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,512,454	$ -
Differences between actual and expected experience	1,354,999	-
Changes in assumptions	-	78,579
Change in employer's proportion and differences	-	590,866
Differences between the employer's contributions and the employer's proportionate share of contributions	79,213	4,960
Net differences between projected and actual earnings on plan investments	442,995	-
Total	$ 3,389,661	$ 674,405

The $1,512,454 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	
2022	$ 28,130
2023	540,629
2024	414,716
2025	219,327
2026	-
Thereafter	-

Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

(1) Depends on entry age, service and type of employment
(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website. The information set forth on such website is not incorporated herein by reference.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund.

The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%

(1) An expected inflation of 2.0% used for this period.
(2) An expected inflation of 2.92% used for this period.

Discount Rate – The discount rate used to measure the total pension liability for CalPERS was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

On November 15, 2021, CalPERS announced the discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7.0%, due to a double digit (approximately 21.3%) net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy approved by the CalPERS Board of Administration in 2015, the double-digit return will trigger a reduction in the discount rate used to calculate employer and California Public Employees' Pension Reform Act of 2012 ("PEPRA") member contributions. To the extent actual investment returns differ from the assumed rate of return, the actual contribution requirements for fiscal year 2023-24 will differ from the projected contributions.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		6.15%
Net Pension Liability	$	25,127,997
Current Discount Rate		7.15%
Net Pension Liability	$	18,863,114
1% Increase		8.15%
Net Pension Liability	$	13,710,929

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

Other Post-Employment Benefits ("OPEB")

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

Benefits Provided - Employees are eligible for retiree health benefits if they retire from the City on or after age 50 and 5 years of service (age 52 for Miscellaneous PEPRA employees), and continue health insurance through a City-sponsored health insurance plan, the City will contribute the minimum monthly amount (as required by CalPERS) of the health insurance premium ($136 for both calendar years 2019 and 2020). In addition, there are currently 19 retirees receiving OPEB, benefits end at the age of 65 for 5 of them and 4 of them are receiving lifetime benefits. The City's health plan does not issue a publicly available financial report.

Employees Covered by Benefit Terms – As of the June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	19
Active employees	23
	42

Contributions – The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employees and may be amended by agreements between the City and the bargaining units. The annual contributions to the Plan are based on the costs to provide the benefits as described above on a pay as you go basis. For the Fiscal Year ended June 30, 2021, the City's pay-as-you-go costs were $186,146. In addition, the City contributed $1,000,000 to a trust account established with the California Public Employers' Retiree Benefit Trust ("CERBT"). The CERBT issues a publicly available report that can be found on the CalPERS website. The information set forth on such website is not incorporated herein by reference.

Total OPEB Liability - The City's total OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	CalPERS 1997-2015 Experience Study; Scale MP-2020 for post-retirement mortality
Health Care Trend Rate	Non-Medicare 7.0% initial, 4.0% ultimate, Medicare 6.1% initial, 4.0% ultimate
Inflation Rate	2.75%
Participation at Retirement	50% of eligible actives will elect coverage at retirement
Salary Changes	3.00%
Discount Rate	6.25% at June 30, 2020 3.50% at June 30, 2019
Medical CPI	4.25% - used to project PERS statutory minimum benefit

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Rate of Return
All Equities	40%	4.820%
All Fixed Income	43%	1.470%
Real Estate Investment Trusts	8%	3.760%
All Commodities	4%	0.840%
Treasury Inflation Protected Securities (TIPS)	5%	1.290%
Total	100.00%	

Discount Rate – The discount rate used to measure the total OPEB liability was 6.25% and is based on the expected long-term rate of return of the CERBT- Strategy 2.

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (TOL)	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2019	$ 2,880,333	$ -	$ 2,880,333
Changes in the year:			
Service cost	28,221	-	28,221
Interest on the total OPEB liability	98,877	-	98,877
Changes of benefit terms	-	-	-
Employer Contributions	-	167,556	(167,556)
Employee Contributions	-	-	-
Actual vs. Expected Experience	721,279	-	721,279
Assumption Changes	(759,372)	-	(759,372)
Administrative Expense	-	(526)	526
Benefit payments, including refunds	(167,030)	(167,030)	-
Experience (Gains)/Losses	-	-	-
Net changes	(78,025)	-	(78,025)
Balance at June 30, 2020	$ 2,802,308	$ -	$ 2,802,308

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

	1% Decrease (5.25%)	Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB liability (asset)	$ 3,173,885	$ 2,802,308	$ 2,500,439

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

	1% Decrease	Current Healthcare Trend	1% Increase
Net OPEB liability (asset)	$ 2,501,942	$ 2,802,308	$ 3,167,059

OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that may be obtained from the California Public Employers' Retirement System (CalPERS) website.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments:	5 years
All other amounts:	Expected average remaining service lifetime (EARSL) (6.8 years at June 30, 2020)

For the year ended June 30, 2021, the City recognized OPEB expense of $74,005. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to the Measurement Date	$ 1,186,146	$ -
Differences between actual and expected experience	615,209	-
Changes in Assumptions	90,961	807,245
Net differences between projected and actual earnings on plan investments	-	-
Total	$ 1,892,316	$ 807,245

The $1,186,146 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as OPEB expense as follows:

Year Ending June 30,	
2022	$ (53,619)
2023	(53,617)
2024	(892)
2025	17,136
2026	(5,602)
Thereafter	(4,481)

CITY AND COUNTY DEMOGRAPHIC INFORMATION

Population

The following table shows a historical comparison of the respective populations of the City, the County and the State for the last five years.

Table 10
City of Maywood, Los Angeles County,
and the State Of California
Population Comparison[1]

Year	City of Maywood	Los Angeles County	State of California
2017	28,021	10,231,271	39,500,973
2018	28,029	10,254,658	39,740,508
2019	27,988	10,184,378	39,695,376
2020	27,837	10,135,614	39,648,938
2021	27,670	10,044,458	39,466,855

(1) As of January 1.
Source: State Department of Finance, 2010 Benchmark.

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Employment and Industry

The following table summarizes the annual average civilian labor force, employment and unemployment in the County for the calendar years 2016 through 2020.

Table 11
Los Angeles County
Civilian Labor Force, Employment and Unemployment
(Annual Averages)

	2016	2017	2018	2019	2020
Civilian Labor Force[(1)]	5,018,900	5,088,900	5,094,300	5,122,800	4,921,500
Employment	4,751,200	4,843,700	4,857,300	4,888,600	4,291,700
Unemployment	267,700	245,200	237,000	234,300	629,800
Unemployment Rate	5.3%	4.8%	4.7%	4.6%	12.8%
Wage and Salary Employment:[(2)]					
Total Farm	5,300	5,700	4,600	4,400	4,400
Mining, Logging and Construction	136,500	140,800	148,200	151,800	147,200
Manufacturing	362,000	350,400	342,600	340,700	313,800
Wholesale Trade	222,100	221,500	223,200	220,500	200,100
Retail Trade	424,600	426,100	424,800	417,900	378,600
Transportation, Warehousing, Utilities	188,900	198,200	203,600	213,000	208,600
Information	229,400	214,900	216,400	217,900	185,800
Finance and Insurance	138,100	137,500	136,500	135,200	131,500
Real Estate and Rental and Leasing	81,700	84,100	86,700	88,200	80,100
Professional and Business Services	603,000	612,100	630,400	643,900	593,300
Educational and Health Services	769,900	797,400	817,900	839,900	820,900
Leisure and Hospitality	510,000	524,600	536,500	547,200	394,400
Other Services	153,300	155,700	158,800	158,400	127,000
Federal Government	47,700	48,000	47,300	47,300	50,200
State Government	89,900	92,500	91,700	86,500	85,200
Local Government	439,100	445,600	451,600	453,000	430,300
Total, All Industries [(3)]	4,401,400	4,454,900	4,520,700	4,565,800	4,151,000

[(1)] Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
[(2)] Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
[(3)] Totals may not add due to rounding.
Source: Labor Division of the California State Employment Development Department, March 2020 Benchmark.

Major Employers

The following table lists the major employers within the County:

Table 12
County of Los Angeles
Major Employers – Listed Alphabetically
(As of March 2021)

Employer Name	Location	Industry
AHMC Healthcare Inc.	Alhambra	Health Care Management
Cedar-Sinai Medical Ctr	West Hollywood	Hospitals
Infineon Technologies Americas	El Segundo	Semiconductor Devices (mfrs)
JET Propulsion Laboratory	Pasadena	Research Service
Kaiser Permanente Los Angeles	Los Angeles	Hospitals
Long Beach City Hall	Long Beach	Government Offices-City/Village & Twp
Longshore Dispatch	Wilmington	Nonclassified Establishments
Los Angeles County Sheriff	Monterey Park	Government Offices-County
Los Angeles Intl Airport-Lax	Los Angeles	Airports
Los Angeles Medical Ctr	Los Angeles	Pathologists
Los Angeles Police Dept	Los Angeles	Police Departments
National Institutes of Health	Pasadena	Physicians & Surgeons
Northrop Grumman	Whittier	Engineers
Security Industry Specialist	Culver City	Security Systems Consultants
Six Flags Magic Mountain	Valencia	Amusement & Theme Parks
Sony Pictures Entertainment	Culver City	Motion Picture Producers & Studios
Space Exploration Tech Corp	Hawthorne	Aerospace Industries (mfrs)
University of Ca Los Angeles	Los Angeles	Schools-Universities & Colleges Academic
University of Ca Los Angeles	Los Angeles	University-College Dept/Facility/Office
USPS	Los Angeles	Post Offices
Vision X	Los Angeles	Call Centers
Walt Disney Co	Burbank	Water Parks
Water Garden Management	Santa Monica	Office Buildings & Parks

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2021 Edition.

Commercial Activity

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the City is presented in the following table.

Table 13
City of Maywood
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Total Retail and Food Services	Total All Outlets
	Taxable Transactions	Taxable Transactions
2016	$ 90,037	$110,915
2017	101,075	122,389
2018	123,975	150,615
2019	134,866	165,207
2020	134,705	161,871

Sources: California Department of Tax and Fee Administration.

The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions in the County is presented in the following table.

Table 14
Los Angeles County
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Number of Permits	Taxable Transactions
2016	312,039	$155,155,641
2017	313,226	160,280,130
2018	328,047	166,023,796
2019	342,359	172,313,603
2020	376,990	157,737,985

Source: California Department of Tax and Fee Administration.

Construction Activity

The following tables show a five year summary of the building permits issued in the City and the County and the valuation of building permits issued in the County.

Table 15
City of Maywood
Building Permits Issued

	2016	2017	2018	2019	2020
Number of Permits					
Single Family – Add/Alt	63	24	41	31	22
Single Family – New	3	-	4	4	6
Multiple Family – Add/Alt	1	3	4	14	6
Multiple Family –New	-	3	2	5	2
Commercial – Add/Alt	28	19	24	13	17
Commercial – New	2	2	-	1	2

Source: City of Maywood.

Table 16
Los Angeles County
Building Permit Valuation

	2016	2017	2018	2019	2020
Permit Valuation					
New Single-family	$2,162,018,197	$2,352,614,768	$2,277,101,470	$1,967,219,268	$1,874,304,481
New Multi-family	2,774,294,254	3,257,833,406	3,222,530,328	2,961,257,410	2,789,673,929
Res. Alterations/Additions	1,639,294,961	1,757,904,040	1,941,369,499	1,625,839,308	1,014,422,088
Total Residential	$6,575,607,412	$7,368,352,214	$7,441,001,297	$6,554,315,986	$5,678,400,498
New Commercial	$1,545,438,667	$1,811,376,311	$2,694,306,854	$2,281,379,729	$1,548,512,706
New Industrial	138,408,534	134,534,258	101,201,307	63,727,761	32,196,172
New Other	722,859,387	948,392,137	1,102,213,877	3,404,012,421	691,272,414
Alterations/Additions	2,880,916,592	3,143,200,189	2,796,375,274	840,481,816	1,241,068,077
Total Nonresidential	$5,287,623,180	$6,037,502,895	$6,694,097,312	$6,589,601,727	$3,513,049,369
New Dwelling Units					
Single Family	4,780	5,456	6,070	5,738	6,198
Multiple Family	15,589	17,023	17,152	15,884	14,056
Total	20,369	22,479	23,222	21,622	20,254

Source: Construction Industry Research Board, Annual Building Permit Summary.

APPENDIX B

CITY OF MAYWOOD ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

The following is a summary of certain provisions of the Trust Agreement which are not described elsewhere in the Official Statement. This summary does not purport to be comprehensive, and reference should be made to the Trust Agreement for a full and complete statement of its provisions.

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

FORM OF BOND COUNSEL OPINION

[Delivery Date]

City of Maywood
Maywood, California

$________
City of Maywood
Taxable Pension Obligation Bonds, Series 2021

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance of the City of Maywood (the "City") of its aggregate principal amount of City of Maywood Taxable Pension Obligation Bonds, Series 2021 (the "Bonds"). The Bonds are being issued by the City under the provisions of Articles 10 and 11 (commencing with 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and a Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), by and between the City and U.S. Bank National Association, as trustee. Capitalized terms used herein but not defined shall have the meanings ascribed to them in the Trust Agreement.

As Bond Counsel, we have examined applicable provisions of the Bond Law and copies certified to us as being true and complete copies of the proceedings of the City for the authorization and issuance of the Bonds. Our services as Bond Counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the City as we have considered necessary for the purposes of this opinion.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding limited obligations of the City as provided in the Trust Agreement, and are entitled to the benefits of the Trust Agreement. The Bonds are payable from any legally available moneys or funds of the City as provided under the Trust Agreement.

2. The Trust Agreement has been duly and validly authorized, executed and delivered by the City and, assuming the enforceability thereof against the Trustee, constitutes the legally valid and binding obligation of the City, enforceable against the City in accordance with its terms. The Trust Agreement creates a valid pledge of all money and securities for deposit in, or deposited in, the Bond Fund to secure the payment of principal of and interest on the Bonds from any source of legally available funds of the City.

3. Under existing law, interest on the Bonds is exempt from personal income taxes of the State of California.

The opinions expressed in paragraphs 1 and 2 above are qualified to the extent the enforceability of the Bonds and the Trust Agreement may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally or as to the availability of any particular remedy. The enforceability of the Bonds and the Trust Agreement is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, to the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and to the limitations on legal remedies against governmental entities in the State of California.

No opinion is expressed herein on the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

APPENDIX F

BOOK-ENTRY SYSTEM

The information in this APPENDIX F concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond will be issued for each annual maturity of the Series 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com*. The information set forth on such website is not incorporated herein by reference.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Series 2021 Bonds representing their ownership interests in Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority, the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Authority or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Series 2021 Bond Owner shall give notice to elect to have its Series 2021 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2021 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2021 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2021 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2021 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2021 Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2021 Bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE Series 2021 BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE SERIES 2021 BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

$[PAR]
CITY OF MAYWOOD
TAXABLE PENSION OBLIGATION BONDS, SERIES 2021

BOND PURCHASE AGREEMENT

[Pricing Date]

City of Maywood
4319 E. Slauson Ave.
Maywood, California 90270

Ladies and Gentlemen:

The undersigned Raymond James & Associates, Inc. (the "**Underwriter**") offers to enter into this Bond Purchase Agreement (this "**Purchase Agreement**") with the City of Maywood, California (the "**City**"), which, upon the acceptance by the City, will be binding upon the City and the Underwriter. This offer is made subject to acceptance by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 P.M., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement (defined herein).

Section 1. Purchase and Sale. Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the City of Maywood Taxable Pension Obligation Bonds, Series 2021 (the "**Bonds**") in the aggregate principal amount of $[PAR]. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on June 1 and December 1 in each year, commencing June 1, 2022 (each an "**Interest Payment Date**"), and will bear interest at the rates as set forth in Exhibit A hereto. In addition, the Bonds shall be subject to redemption as set forth in Exhibit A hereto. The purchase price for the Bonds shall be $_________ (which represents the principal amount of the Bonds of $[PAR], less an Underwriter's discount of $_________). [The City acknowledges that the Underwriter will on the Closing Date (as such term is defined herein), on behalf of the City, wire a portion of the purchase price in the amount of $________, as the premium for the Policy (as such term is defined herein), directly to _________ (the "**Insurer**").]

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering yields set forth in the Official Statement (defined herein); however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter agrees that, in connection with the public offering and initial delivery of the Bonds to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the final Official Statement prepared in connection with the Bonds, for the time period required under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-**

12"). Terms defined in the Preliminary Official Statement, and to be set forth in the final Official Statement are used herein as so defined.

The City acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iv) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the City has consulted its own financial and/or municipal, legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Section 2. <u>The Bonds</u>. The Bonds are being issued pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "**Refunding Law**"), the Trust Agreement, dated as of December 1, 2021 (the "**Trust Agreement**"), between the City and U.S. Bank National Association, as trustee (the "**Trustee**"), and Resolution Nos. 6173 and ____ adopted by the City Council of the City (the "**City Council**") on April 28, 2021 and December 8, 2021, respectively (collectively, the "**Resolutions**"). The Bonds shall be payable by the City from any source of legally available funds and secured by an irrevocable assignment and pledge by the City of the Retirement Tax Revenues (as defined in the Trust Agreement) and all the City's rights, title and interest in and to all money and securities for deposit in, or deposited in, the Bond Fund (as defined in the Trust Agreement) as provided in the Trust Agreement. Except as provided in the Trust Agreement with respect to the Retirement Tax, the Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The Bonds otherwise shall be as described in the Preliminary Official Statement and the Official Statement, the Refunding Law and the Legal Documents. The Underwriter's agreement to purchase the Bonds from the City is made in reliance upon the City's representations, covenants and warranties and on the terms and conditions set forth in this Purchase Agreement.

The City is obligated by the Public Employees' Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the "**Retirement Law**"), and the contract between the Board of Administration of the California Public Employees' Retirement System ("**PERS**"), established under Government Code sections 20000 through 21500 of the Retirement Law, and the City Council of the City, effective __________, 19__ (as amended, the "**PERS Contract**"), to make contributions to PERS to (a) fund pension benefits for its employees who are members of PERS, (b) amortize the unfunded actuarial liability with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b). The City participates in two retirement plans under the PERS Contract.

The proceeds of the Bonds will be used to: (i) refund a portion of the City's obligations to PERS evidenced by the two retirement plans in which the City participates pursuant to the PERS Contract and representing the current unfunded accrued liability (the "**Unfunded Liability**") with respect to certain pension benefits under the Retirement Law, and (ii) pay certain costs associated with the issuance and delivery of the Bonds, [including the premium for a municipal bond insurance policy to be issued by the Insurer insuring the Bonds maturing on June 1, 20__ through June 1, 20__, inclusive (the "**Policy**").]

Section 3. **Public Offering.** The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Section 4. **The Official Statement.** By its acceptance of this Purchase Agreement, the City ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated [POS Date] (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "**Preliminary Official Statement**") that the City has deemed "final" as of its date, for purposes of Rule 15c2-12 except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The City hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the City and the Underwriter (the "**Official Statement**")) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the Municipal Securities Rulemaking Board (the "**MSRB**"). To the extent required by applicable MSRB Rules, the City hereby confirms that it does not object to distribution of the Official Statement in electronic form.

Section 5. **Closing.** At 8:00 a.m., California time, on December 29, 2021 (the "**Closing Date**"), or at such other time or date as the City and the Underwriter mutually agree upon, the City shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York, New York ("**DTC**"), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the City shall deliver the documents hereinafter mentioned at the offices of Norton Rose Fulbright US LLP, Los Angeles, California ("**Bond Counsel**") or another place to be mutually agreed upon by the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the "**Closing**."

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of $5,000 and any integral multiple thereof as provided in the Trust Agreement, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The City acknowledges that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agrees to cooperate fully with the Underwriter in employing such services.

Section 6. **Representations, Warranties and Covenants of the City.** The City represents, warrants and covenants to the Underwriter as follows.

(a) The City is a municipal corporation and general law city of the State of California (the "**State**"), duly organized and validly existing pursuant to the Constitution and laws of the State.

(b) The City had full legal right, power and authority to adopt the Resolutions, and the City has, and at the Closing Date will have, full legal right, power and authority (i) to execute and deliver the Trust Agreement, the Continuing Disclosure Agreement dated as of December 1, 2021 between the City and [Kosmont Transactions Services, Inc.], as dissemination agent, relating to the Bonds (the "**Continuing Disclosure Agreement**") and this Purchase Agreement (collectively, the "**Legal Documents**"), to perform its obligations under the Legal Documents, and has by official action duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the Legal Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out, give effect to and consummate the transactions contemplated by the Legal Documents and the Resolutions.

(c) The City Council has duly and validly adopted the Resolutions at meetings of the City Council duly noticed and at which a quorum was present, and the Resolutions have not been modified or amended and are in full force and effect, and has duly approved the execution and delivery of the Bonds and the other Legal Documents, and the performance by the City of its obligations contained therein, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by each of said documents.

(d) The Bonds and the Legal Documents have been, and on or before the Closing Date will be, duly executed and delivered by the City, and, on the Closing Date, the Bonds, when authenticated and delivered to the Underwriter in accordance with the Trust Agreement, and the Bonds and the Legal Documents will constitute legally valid and binding obligations, enforceable against the City in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or limiting creditors' rights generally.

(e) On the Closing Date, the City will be, in compliance, in all material respects, with the Legal Documents.

(f) To the best knowledge of the City, the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, in each case which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents.

(g) To the best knowledge of the City , no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the City that has not been obtained is or will be required for the issuance and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Trust Agreement.

(h) To the best knowledge of the City, the adoption of the Resolutions and the execution and delivery by the City of the Legal Documents and the approval by the City of the Official Statement and compliance with the provisions on the City's part contained in the Legal Documents, will not conflict with, or result in a violation or breach of, or constitute a default under, any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject to, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry out its obligations under the Legal Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Legal Documents.

(i) Prior to the date hereof, the City has provided to the Underwriter for its review the Preliminary Official Statement, that the City has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Official Statement and the Official Statement, and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC, its book-entry system, the Insurer, the Policy, the information under the caption "TAX MATTERS" and in "APPENDIX E - FORM OF BOND COUNSEL OPINION," and information provided by the Underwriter, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC, its book-entry system, the Insurer, the Policy, and information provided by the Underwriter, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(j) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(k) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2020 as set forth in the Preliminary Official Statement and in the Official Statement fairly represent the financial position and results of operations of the City as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles. Except as disclosed in the Preliminary Official Statement, the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial position and results of operations of the City or in its operations since June 30, 2020 and, except as disclosed in the Preliminary Official Statement or the Official Statement, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(l) As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending with respect to which proper notice has been duly served upon the City, or, to the knowledge of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Legal Documents or the consummation of the transactions contemplated thereby or contesting the power of the City to enter into the Legal Documents; (iii) which may result in any material adverse change to the financial condition of the City or to its ability to make payment of principal or redemption price of and interest on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clause (i) through (iv) of this sentence.

(m) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years.

(n) Any certificate signed by any officer of the City authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter as to the statements made therein but not of the person signing such certificate.

(o) The City will promptly apply the proceeds of the Bonds to refund the Unfunded Liability as of the date of issuance of the Bonds and to pay costs associated with the issuance and delivery of the Bonds.

(p) During the period from the date hereof until the Closing Date, the City agrees to furnish the Underwriter with copies of any documents it files with any regulatory authority which are reasonably requested by the Underwriter.

(q) The City is not in material default, nor has the City been in material default at any time, as to the payment of principal or interest with respect to a material obligation issued by the City or with respect to a material obligation guaranteed by the City as guarantor.

(r) Except as disclosed in the Preliminary Official Statement and the Official Statement, as of the date hereof, the City does not have any revenue bonds, capital lease obligations, installment payment obligations or other material financial obligation, nor other material obligations secured by payments from the general fund of the City, except as disclosed in the Preliminary Official Statement and the Official Statement.

(s) The default judgment dated August 25, 2021, entered in favor of the City in connection with *City of Maywood v. All Persons Interested, et. al.* Case No. 21STCV17871 filed in the Superior Court of California, County of Los Angeles (the "**Default Judgment**") was duly entered, the appeal period has run without any appeal having been filed, and the default judgment is in full force and effect.

(t) The City has in full force and effect a Debt Management Policy that complies with Government Code Section 8855(i).

Section 7. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the City, as well as authorized representatives of the City Attorney, Bond Counsel, Nixon Peabody LLP, as disclosure counsel ("**Disclosure Counsel**") and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City of its obligations to be performed hereunder at or prior to the date of the Closing, and to the following additional conditions:

(a) The representations, warranties and covenants of the City contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true and correct in all material respects at the Closing; the City shall be in compliance with each of the agreements made by it in this Purchase Agreement (unless such agreements are waived by the Underwriter); and there shall not have occurred an adverse change in the financial position, results of operations or financial condition of the City which may result in any material adverse change in the business, properties, assets or the financial condition of the City or which may have a material adverse effect on the ability of the City to meet its obligations under the Trust Agreement;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Preliminary Official Statement and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) At the time of the Closing, no default shall have occurred or be existing under the Legal Documents, or any other agreement or document pursuant to which any of the City's financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would result in any material adverse change to the financial condition of the City or adversely impact its ability to make payment of principal or redemption price of and interest on the Bonds when due;

(d) In recognition of the desire of the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the reasonable judgment of the Underwriter by notification, in writing, to the City prior to delivery of and payment for the Bonds, if at any time prior to such time:

(i) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the reasonable judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(ii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(iii) an event occurs which in the reasonable opinion of the Underwriter requires a supplement or amendment to the Official Statement and: (i) the City refuses to prepare and furnish such supplement or amendment; or (ii) in the reasonable judgment of the Underwriter, the occurrence of such event materially and adversely affects the marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(iv) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds; or

(v) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration; or

(vi) an order, decree or injunction shall have been issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(vii) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement; or

(viii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(ix) the Comptroller of the Currency, the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements or financial responsibility requirements of broker dealers; or

(x) trading in securities on the New York Stock Exchange or other major exchange shall have been suspended or limited or minimum prices have been established on either such exchange which, in the Underwriter's reasonable judgment, materially adversely affects the marketability or market price of the Bonds; or

(xi) any rating of the Bonds, the rating of any securities of the City or any rating of the Insurer shall have been downgraded, withdrawn or placed on negative watch by a national rating service, which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(xii) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market, rendering the marketing and sale of the Bonds, or enforcement of sale contracts with respect thereto impracticable; or

(xiii) the commencement of any action, suit or proceeding described in Section 6(m).

(e) at or prior to the Closing, the Underwriter shall receive or have received the following documents, in each case to the reasonable satisfaction, in form and substance, of the Underwriter and Jones Hall, A Professional Law Corporation, San Francisco, California ("**Underwriter's Counsel**"):

(i) a copy of the Default Judgment;

(ii) all resolutions relating to the Bonds adopted by the City and certified by an authorized official of the City, authorizing the execution and delivery of the Legal Documents and the delivery of the Bonds and the Official Statement;

(iii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter; and

(iv) the approving opinion of Bond Counsel, dated the date of Closing and addressed to the City, in substantially the form attached as Appendix E to the Preliminary Official Statement and the Official Statement, together with a reliance letter thereon addressed to the Underwriter and the Insurer;

(v) a supplemental opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter and the Insurer, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions "INTRODUCTION," "THE SERIES 2021 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS," "VALIDATION PROCEEDINGS," and "TAX MATTERS," and in "APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT," AND APPENDIX E – "FORM OF OPINION OF BOND COUNSEL," and excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Trust Agreement, and Bond Counsel's final opinion relating to the Bonds, are accurate in all material respects as of the date of Closing;

(B) the Continuing Disclosure Agreement and the Purchase Agreement have been duly authorized, executed and delivered by the City and are the valid, legal and binding agreements of the City enforceable in accordance with their terms, except that the rights and obligations under the Continuing Disclosure Agreement and the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(vi) the Official Statement, executed on behalf of the City;

(vii) evidence that the ratings on the Bonds are as described in the Official Statement;

(viii) a certificate, dated the date of Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the date of Closing; (ii) to the best of such officer's knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Preliminary Official Statement and the Official Statement (other than information relating to DTC, its book-entry system, the Insurer, the Policy, the information under the caption "TAX MATTERS" and in "APPENDIX E - FORM OF BOND COUNSEL OPINION," and information provided by the Underwriter) did not as of their date and do not as of the Closing contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; (iv) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact on the City's ability to perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Preliminary Official Statement and the Official Statement;

(ix) an opinion dated the date of Closing and addressed to the Underwriter, the Insurer, and the Trustee, of the City Attorney of the City, substantially in the form attached as Exhibit B hereto;

(x) a letter of Nixon Peabody LLP, Los Angeles, California, a Disclosure Counsel to the City dated the date of Closing and addressed to the Underwriter substantially to the effect that: we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements; however, in connection with the Preliminary Official Statement and the Official Statement, we have reviewed certain documents and have participated in conferences in which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. During the course of our work on this matter, no facts have come to our attention that have caused us to believe that the Preliminary Official Statement as of its date, and the Official Statement as of its date or the date hereof (except for the following items, which we expressly exclude from the scope of this sentence: any financial, statistical and demographic data, forecasts, numbers, charts, estimates, assumptions, expressions of opinion, information concerning The Depository Trust Company and the book-entry system for the Bonds, and information concerning the Policy and the Insurer, that is contained or incorporated by reference in the Preliminary Official Statement and the Official Statement, and the appendices to the Preliminary Official Statement and the Official Statement) contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(xi) an opinion of counsel to the Trustee, addressed to the Underwriter, the Insurer and the City, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Trust Agreement;

(B) the Trust Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the other parties thereto, the Trust Agreement constitutes the valid, legal and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) the Trustee has duly authenticated the Bonds upon the order of City; and

(D) the Trustee's actions in executing and delivering the Trust Agreement are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(xii) a certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Trust Agreement;

(B) the Trustee is duly authorized to enter into the Trust Agreement and has duly executed and delivered the Trust Agreement, and assuming due authorization and execution by the other parties thereto, the Trust Agreement is legal, valid and binding upon the Trustee and enforceable against such party in accordance with its terms;

(C) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(D) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel's knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee's ability to complete the transactions contemplated by the Trust Agreement.

(xiii) the reports required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code of the State of California and Section 8855(i) and (j) of the Government Code;

(xiv) a copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book-entry system;

(xv) an opinion of Underwriter's Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter;

(xvi) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement and executed by the City;

(xvii) a certificate of the PERS actuary setting forth the amount of the discounted prepayment of the City to the System for Fiscal Year 2021-22;

(xviii) a certificate of Kosmont Transactions Services, Inc., as Municipal Advisor to the City (the "**Municipal Advisor**") satisfactory in form and substance to the Underwriter, to the effect that:

(A) the undersigned is an authorized officer of the Municipal Advisor, which has acted as municipal advisor to the City in connection with the issuance of the Bonds, and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(B) the Municipal Advisor has reviewed the Preliminary Official Statement and the final Official Statement; and

(C) nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Preliminary Official Statement as of the date of the pricing of the Bonds or its date or the Official Statement as of its date or the Closing Date contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(xix) evidence satisfactory to the Underwriter that the Bonds are insured under the Policy from the Insurer;

(xx) an opinion of counsel to the Insurer, in form and substance satisfactory to the Underwriter, Bond Counsel and Underwriter's Counsel, with respect to, among other matters, the Policy, and disclosures relating thereto in the Official Statement;

(xxi) a certificate of the Insurer, in form and substance satisfactory to the Underwriter, Bond Counsel, and Underwriter's Counsel, with respect to, among other matters, the Policy, and disclosures relating thereto in the Official Statement; and

(xxii) the City of Maywood CalPERS Miscellaneous and Safety Plans Pension Override Tax Study for ____ of Bartel Associates, LLC, dated ______, 2021; and

(xxiii) such additional legal opinions, Bonds, proceedings, instruments or other documents as the Underwriter or Underwriter's Counsel may reasonably request.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, this Purchase Agreement shall terminate, and except as set forth in Section 9 hereof, neither the Underwriter nor the City shall be under further obligation hereunder.

Section 8. <u>Changes in Official Statement</u>. Within 90 days after the Closing or within 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, or the City shall occur as a result of which it is necessary, in the reasonable opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the "end of the underwriting period" will be the date of Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

Section 9. **Expenses.** (a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, the Underwriter shall be under no obligation to pay, and the City shall pay out of the proceeds of the Bonds or any other legally available funds of the City, all expenses incidental to the performance of the City's obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter, the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities, the fees and disbursements of the City, the Trustee and its counsel, Bond Counsel, Disclosure Counsel, City Attorney, the Municipal Advisor, the City's actuary, accountants, engineers, appraisers, economic consultants and any other experts or consultants retained by the City in connection with the issuance and sale of the Bonds, rating agency fees, advertising expenses, and any other expenses not specifically enumerated in paragraph (b) of this section incurred in connection with the issuance and sale of the Bonds. The City shall pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the City's employees and representatives which are incidental to implementing this Purchase Agreement, including meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set forth herein, the City shall be under no obligation to pay, and the Underwriter shall be responsible for and pay (which may be included as an expense component of the Underwriter's discount), MSRB, CUSIP Bureau and CDIAC fees and expenses to qualify the Bonds for sale under any "blue sky" laws, and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this section, including the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter's Counsel.

Section 10. **Notices.** Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Raymond James & Associates, Inc., 39 E. Union Street, Pasadena, California 91103, Attention: José A. Vera, Managing Director. Any notice or communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City of Maywood, at the address first set forth above, Attention: City Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

Section 11. **Parties in Interest.** This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 12. **Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 13. **Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

[Signature Page Follows on Next Page]

Section 14. **Effectiveness**. This Purchase Agreement will become effective upon the execution of the acceptance hereof by an authorized officer of the City, and will be valid and enforceable as of the time of such acceptance.

RAYMOND JAMES & ASSOCIATES, INC.,
as Underwriter

By:____________________________________
Authorized Officer

Accepted:

CITY OF MAYWOOD

By:____________________________________
City Manager

Time of Execution: ____:____ California time

EXHIBIT A

MATURITY SCHEDULE

Maturity (June 1)	Principal Amount	Interest Rate	Yield	Price

C: Priced to optional redemption date of June 1, 20__, at par
I: Insured Bond.
T: Term Bond.

Redemption Provisions

Optional Redemption. The Bonds maturing on or before June 1, 20__ shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after June 1, 20__ shall be subject to redemption prior to their maturity date, at the option of the City, pro rata within a maturity on any date on or after June 1, 20__, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on June 1, 20__, are subject to mandatory sinking fund redemption on June 1 in each year, commencing June 1, 20__, at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate principal amounts and on June 1 in the years set forth in the following table:

Redemption Date (June 1)	Principal Amount

* Maturity Date

The Bonds maturing on June 1, 20__, are subject to mandatory sinking fund redemption on June 1 in each year, commencing June 1, 20__, at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate principal amounts and on June 1 in the years set forth in the following table:

Redemption Date (June 1)	Principal Amount

* Maturity Date

EXHIBIT B

FORM OF CITY ATTORNEY OPINION

[Closing Date]

December ___, 2021

City of Maywood
Maywood, California

Raymond James & Associates, Inc.
Pasadena, California

[Insurer]
New York, New York

Opinion of City Attorney

with reference to
$[PAR]
City of Maywood
Taxable Pension Obligation Bonds, Series 2021

Ladies and Gentlemen:

This opinion letter is being delivered to you pursuant to the Bond Purchase Agreement, [Pricing Date] (the "Purchase Agreement"), by and between the City of Maywood (the "City") and Raymond James & Associates, Inc., as Underwriter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement. We serve as City Attorney to the City. In such capacity, in connection with the issuance of the above-referenced bonds (the "Bonds"), we have examined the originals, certified copies, or copies otherwise identified to us as being true copies of the Legal Documents, and such other documents, certificates, and records as we have deemed relevant and necessary as the basis for the opinions set forth in this letter, including without limitation the default judgment in validation proceeding, dated August 25, 2021 (the "Judgment"), entered in favor of the City with respect to the action entitled *City of Maywood v. All Persons Interested in the Matter, etc.,* Case No. 21STCV17871, filed in the Superior Court of the State of California, County of Los Angeles. Relying on such examination and the Judgment and subject to the limitations and qualifications set forth in this letter, we are of the opinion under existing law that:

1. The City is a general law city duly organized and validly existing under and by virtue of the Constitution and laws of the State of California.

2. Each of (i) Resolution No. 6173 of the City Council (the "Resolution"), and (ii) Resolution No. __ of the City Council (the "Supplemental Resolution"), which together approve and authorize the issuance of the Bonds, the execution and delivery of the Legal Documents, the delivery of the Official Statement, and related matters, was duly adopted at a regular meeting of the City

Council of the City, which was called and held on, respectively, April 28, 2021 and December 8, 2021, pursuant to law with all public notice required by law and at which a quorum was present and acting throughout, and each of the Resolution and the Supplemental Resolution is in full force and effect and has not been modified, amended or rescinded.

3. Except as disclosed in the Preliminary Official Statement and in the Official Statement, there is no action, suit or proceeding pending with respect to which proper notice has been duly served upon the City, or to the best of our knowledge, threatened against the City to (i) restrain or enjoin the execution or delivery of the Legal Documents, (ii) in any way contesting or affecting the validity of the Legal Documents, the Resolution, the Supplemental Resolution, or the authority of the City to enter into the Legal Documents, or (iii) in any way contesting or affecting the powers of the City in connection with any action contemplated by the Official Statement, the Resolution, the Supplemental Resolution, or the Legal Documents.

4. To the best of our knowledge, the execution and delivery of the Legal Documents by the City, and compliance by the City with the provisions thereof, do not and will not in any conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which conflict, breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents.

The opinions expressed herein are based on such examination of the law of the State of California as we deemed relevant for the purposes of this opinion. We have not considered the effect, if any, of the laws of any other jurisdiction upon matters covered by this letter. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in such documents. We express no opinion herein as to the status of the Bonds or the interest thereon, or the Legal Documents, under any federal securities laws or any state securities or "Blue Sky" law or any federal, state or local tax law. No opinion is expressed herein with respect to the validity of the Bonds for which the City is relying on the opinion given by Bond Counsel. Further, we express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, or waiver provisions contained in the Legal Documents. Without limiting any of the foregoing, we express no opinion as to any matter other than as expressly set forth above.

Whenever a statement herein is qualified by "to the best of our knowledge," it shall be deemed to indicate that, during the course of our representation of the City in connection with the financing described herein, no information that would give us current, actual knowledge of the inaccuracy of such statement has come to our attention. We have not, however, undertaken any independent investigation to determine the accuracy of such statements, and any limited inquiry undertaken by us during the preparation of this opinion letter should not be regarded as such investigation. No inference as to our knowledge of any matters bearing upon the accuracy of any such statement should be drawn from the fact of our representation of the City.

This opinion letter is furnished by us as City Attorney to the City. Except for the City, no attorney-client relationship has existed or exists between our firm and the addressees hereof in connection with the Bonds or by virtue of this opinion letter. This opinion letter is rendered solely in connection with the financing described herein, and may not be relied upon by you for any other purpose. We disclaim any obligation to update this opinion letter. This opinion letter and the opinions expressed herein shall not extend to, and may not be used, quoted, referred to, or relied upon by any other person, firm, corporation or other entity without our prior written consent; provided, however, a copy may be included in the transcript of the proceedings for the Bonds.

Very truly yours,

RICHARDS, WATSON & GERSHON,
A Professional Corporation

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of December 1, 2021, is executed and delivered by the City of Maywood (the "City") and Kosmont Transactions Services, Inc., as dissemination agent (the "Dissemination Agent"), in connection with the issuance of the $__________ City of Maywood Taxable Pension Obligation Bonds, Series 2021 (the "Bonds"). The Bonds are being issued pursuant to provisions of a Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), by and between the City and U.S. Bank National Association, as trustee (the "Trustee"). The City and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City and the Dissemination Agent for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report or any addendum thereto provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the City Manager of the City or his or her designee, or such other officer or employee as the City shall designate in writing to the Trustee and Dissemination Agent from time to time.

"Dissemination Agent" shall mean Kosmont Transactions Services, Inc., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Marketplace Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" shall mean the final Official Statement, dated December ____, 2021, relating to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than March 31 of each year, commencing March 31, 2022, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Agreement.

(b) Not later than fifteen days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the City of such failure to receive the Annual Report. The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall, to the extent information is known to it, file a report with the City and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or include by reference the following (unless otherwise stated, such information shall be as of the end of the most recent Fiscal Year and shall be with respect to the City):

(i) The Audited Financial Statements of the City for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Audited Financial Statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, dated December ____, 2021 relating to the Bonds (the "Official Statement") and the Audited Financial Statements shall be filed in the same manner as the Annual Report when such Audited Financial Statements become available.

(ii) Updated information for the prior Fiscal Year (unless otherwise noted) set forth in the following tables in the Official Statement:

"Historical Retirement Tax Revenues"

"Table 1 – City of Maywood General Fund Balance Sheet"

"Table 2 – City of Maywood General Fund Statement of Revenues, Expenditures, and Changes in Fud Balance"

"Table 3 – City of Maywood General Fund Tax Revenues"

"Table 5 – Assessed Valuation"

"Table 6 – Assessed Valuation Classification"

"Table 7 – Secured Tax Charges and Collections"

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's EMMA Website or filed with the SEC.

SECTION 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this section, upon the occurrence of any of the following events (in each case to the extent applicable) with respect to the Bonds, the City shall give, or cause to be given by so notifying the Dissemination Agent in writing and instructing the Dissemination Agent to give, notice of the occurrence of such event, in each case, pursuant to Section 5(c) hereof:

1. principal or interest payment delinquencies;

2. non-payment related defaults, if material;

3. modifications to the rights of the Bondholders, if material;

4. optional, contingent or unscheduled calls, if material, and tender offers;

5. defeasances;

6. rating changes;

7. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

8. unscheduled draws on the debt service reserves reflecting financial difficulties;

9. unscheduled draws on the credit enhancements reflecting financial difficulties;

10. substitution of the credit or liquidity providers or their failure to perform;

11. release, substitution or sale of property securing repayment of the Bonds, if material;

12. bankruptcy, insolvency, receivership or similar proceedings of the City, which shall occur as described below;

13. appointment of a successor or additional trustee or the change of name of a trustee, if material;

14. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

15. incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; or

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

For these purposes, any event described in item 12 of this Section 5(a) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The term financial obligation means a (1) debt obligation; (2) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (3) guarantee of (1) or (2). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(b) Upon receipt of notice from the City and instruction by the City to report the occurrence of any Listed Event, the Dissemination Agent shall provide notice thereof to the MSRB in accordance with Section 5(c) hereof. In the event the Dissemination Agent shall obtain actual knowledge of the occurrence of any of the Listed Events, the Dissemination Agent shall, immediately after obtaining such knowledge, contact the Disclosure Representative, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Section 5(c). For purposes of this Disclosure Agreement, "actual knowledge" of the occurrence of such Listed Event shall mean actual knowledge by the Dissemination Agent, if other than the Trustee, and if the Dissemination Agent is the Trustee, then by the officer at the corporate trust office of the Trustee with regular responsibility for the administration of matters related to the Trust Agreement. The Dissemination Agent shall have no responsibility to determine the materiality, if applicable, of any of the Listed Events.

(c) The City, or the Dissemination Agent, if the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, shall file a notice of such occurrence with the MSRB in a timely manner not more than ten business days after the occurrence of the event.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be Kosmont Transactions Services, Inc. The Dissemination Agent may resign by providing thirty days' written notice to the City and the Trustee. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the City. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the City in a timely manner and in a form suitable for filing.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the City) provided, the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder, and any provision of this Disclosure Agreement may be waived, provided that in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Disclosure Agreement shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Agreement, the Trustee (at the written request of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, but only to the extent funds in an amount satisfactory to the Trustee have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges and fees of the Trustee whatsoever, including, without limitation, fees and expenses of its attorneys), or any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VI of the Trust Agreement pertaining to the Trustee is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Trust Agreement and the Trustee and Dissemination Agent shall be entitled to the protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent and the Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent and Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or Trustee's respective negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent and the Trustee shall have no duty or obligation to review any information provided to them hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bondholders, or any other party. Neither the Trustee nor the Dissemination Agent shall have any liability to the Bondholders or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from this Disclosure Agreement. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the City:	City to Maywood 4319 E. Slauson Avenue Maywood, CA 90270 Attn: Finance Director Phone: (323) 562-5707
To the Dissemination Agent:	Kosmont Transactions Services, Inc. 1601 N. Sepulveda Boulevard, #382 Manhattan Beach, CA 90266 Attn: Dan Massiello Phone: (424) 297-1073
To the Trustee:	As provided in the Trust Agreement

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Trustee, the Dissemination Agent, the Participating Underwriter and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

CITY TO MAYWOOD

By____
City Manager

KOSMONT TRANSACTIONS SERVICES, INC.,
as Dissemination Agent

By____
Authorized Representative

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: City of Maywood

Name of Bond Issue: City of Maywood Taxable Pension Obligation Bonds, Series 2021

Date of Issuance: December ____, 2021

NOTICE IS HEREBY GIVEN that the City has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of December 1, 2021, with respect to the Bonds. [The City anticipates that the Annual Report will be filed by ___________________________.]

Dated:

KOSMONT TRANSACTIONS SERVICES, INC., on behalf of the City

cc: City

CITY OF MAYWOOD
Unfunded Accrued Liability (UAL) Pension Policy

PURPOSE

The purpose of this Unfunded Accrued Liability ("UAL") Pension Policy ("Policy") is to provide guidance on the development and adoption of a funding plan for any UAL that are calculated annually by the California Public Employees' Retirement System ("CalPERS"), or for any UAL remaining immediately after issuance of a pension obligation bond ("POB").

This funding Policy should also support the decision-making process of the City Council of the City of Maywood ("City Council") and should be consistent with the overall purpose and goals of the City of Maywood's public employee pension plans. As used in this Policy, "City" shall mean the City of Maywood and/or its related entities, as the context may require.

The City recognizes that a fiscally prudent Policy should achieve the following:

- Maintain the City's sound financial position;
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenditures, including meeting its ongoing payment obligations related to the City's POB, its normal employer pension rate component, and any new or remaining UAL after POB issuance;
- Protect the City's creditworthiness;
- Ensure that all pension funding decisions are structured to protect both current and future taxpayers, ratepayers, and residents of the City; and
- Ensure that the City's debt, including the structure of the City's POB and future UAL amortization, is consistent with the City's short- and long-term strategic planning goals, objectives, capital improvement program, fiduciary responsibilities, and/or annual adopted budgets.

BACKGROUND

The primary operating objective behind the provision of defined benefit pension plans is to provide for pension benefit security; i.e., ensure that sufficient assets will be accumulated to deliver promised benefits when they come due, thereby protecting pension benefits in situations that involve employer insolvency or bankruptcy. Establishing sound funding guidelines promotes pension benefit security. The City's pension benefit security objective is to fund the total of its CalPERS pension plans to a level between no less than 80%, and up to 100% of the total accrued liability whenever financially practicable.

The City is committed to processes that promote fiscal sustainability. These processes including employing long-term financial planning efforts; maintaining appropriate reserve levels; employing prudent practices in governance, management, budget administration, and financial reporting; and making all relevant information readily available to decision-makers and the public to improve the quality of decisions, identify policy goals, and demonstrate the City's commitment to long-term financial planning. Adherence to these processes that promote fiscal sustainability signals to rating agencies and the capital markets that the City is well managed and able to meet its fiscal obligations in a timely manner.

In furtherance of this Policy, the City has committed to a framework for funding the City's defined benefit pension plans, taking into account factors that are relevant to pension benefit security and the fiscal and operational health of the City. These factors include, but are not limited to the following:

- The financial position of the City;
- Stability of the City's pension plans (pension benefit security) and/or affordability of the City's annual pension-related payments;
- Terms of the City's CalPERS contract and collective bargaining agreements; and
- Minimum pension funding requirements under State law.

The City has identified several advantages to developing a funding policy that addresses pension liabilities. These advantages include, but are not limited to, the following:

- Allows for proper management of long-term pension liabilities, thereby minimizing both the short- and long-term fiscal effects of these liabilities on municipal operations development of annual operating budgets.
- Provides for a disciplined decision-making process, which contributes to better predictability in funding pension and other municipal obligations.
- Promotes transparency of funding decisions and comprehension of pension funding issues.

- Facilitates identification, understanding, and management of risk factors that affect the variability of pension funding obligations.

- Promotes the conceptualization and comprehension of pension benefit security.

REMAINING UNFUNDED ACCRUED LIABILITY

The City is in the process of issuing a POB that will generate bond proceeds for deposit with CalPERS, up to an amount equal to 100% of the estimated UAL as of June 30, 2021 (based on the latest actuarial valuation information available to the City). After the deposit of bond proceeds with CalPERS, the City may or may not have a remaining UAL balance still owed to CalPERS.

If the City issues a POB for less than the full 100% of the UAL, any remaining UAL will be accounted for as a separate General Fund pension obligation of the City, and, for purposes of this Policy, separate from any new increase in the City's UAL resulting from annual actuarial valuation report changes.

The City will create a payoff/funding plan that will address any remaining UAL immediately after the issuance of the POB. The remaining UAL will be paid off or fully funded within a twenty (20) year period from the date of issuance of the POB.

NEW UNFUNDED ACCRUED LIABILITY

Every June 30, CalPERS will complete a new actuarial valuation report and will calculate the City’s pension liability as of the new valuation date. If the value of the funded assets is not equivalent to this new liability amount, the City will incur a new UAL at that point in time. The City's new UAL may increase or decrease from year to year, due to the following factors:

- Changes in actuarial assumptions and experience changes (e.g., changes in the discount rate, changes in demographic experience, etc.);

- Changes in actuarial gains and losses due to asset returns being higher or lower than expected; and

- Changes in plan benefits ─ the City anticipates no changes to pension plan benefits except as mandated by law, and is in full compliance with provisions of the Public Employee Pension Reform Act of 2012 (PEPRA).

Due to the possibility of a new UAL developing, the City desires to create a policy to immediately address any new pension liabilities, or amortization bases, that arise ─ any new increase or decrease in the liability resulting from the annual actuarial valuation is identified as a separate line item, or amortization base, on the annual CalPERS actuarial valuation report. **Table 1**, below, lays out the parameters for paying off/funding the new UAL in a designated amount of time, based on the amount of the UAL, as follows:

Table 1
UAL Payoff Schedule

New Unfunded Accrued Liability (Any new liability incurred after the June 30, 2020 valuation report)	**Payoff / Funding Time Period**
$0 to $5,000,000	Within 1 to 5 years
$5,000,001 to $10,000,000	Within 6 to 10 years
$10,000,001 to $20,000,000	Within 11 to 15 years
Over $20,000,000	Within 16 to 20 years

Each year, when the City is provided with the annual valuation report from CALPERS, staff will present to the City Council, as part of the next budgetary cycle, the following:

- The dollar amount of the new liability (new amortization base);
- The number of years that staff is recommending to pay off/fund the liability;
- The dollar amount of the annual contribution to be made;
- The funding source(s) of the payments; and
- The short-term and long-term financial impacts on the City's General Fund reserve balance.

When a new amortization base results in a credit balance, the credit will be applied, first, to any negative bases during the same period and, secondly, against any prior year bases until the credit is fully exhausted. The remaining outstanding liability will then be recalculated and a new payoff schedule and annual contribution will be determined based on the payoff schedule in **Table 1**, above. New amortization repayment schedules should be kept under 20 years, thereby maximizing long-term savings.

PREPAYMENT OPTIONS

At the beginning of each fiscal year, the City will analyze the cost/benefits of prepaying any amount due CalPERS during that fiscal year. The City will strive to take advantage of any annual prepayment discount afforded by CalPERS.

FUNDING LEVELS

The City's target funding level will be 100% of the current UAL. The City will strive to achieve this funding level through debt refinancing, allocation of reserves, and/or cost containment measures. The total funding amount will be a combination of the amount on deposit with CalPERS, any funds deposited in a City established Section 115 trust, and any funds reserved by the City that are designated for pension liabilities.

FUNDING OPTIONS

Funding options for the remaining unfunded liability and/or any new UAL may include the use of a Section 115 Trust and/or allocating fund reserves from any allowable fund within the City, including a City established UAL/POB Amortization Fund.

SECTION 115 TRUST

A Section 115 Trust may be established to transfer funds to a trust to ensure that these funds will only be used for pension-related costs. Trust assets can be accessed to pay CalPERS at any time to reduce volatility and offset unexpected pension rate increases. The trust will have funds deposited into it at the discretion of the City Council, based on recommendations made by the City Manager or his/her designee during the annual budget adoption process. For the calculation of funding levels, monies put in a Section 115 Trust will be treated the same as putting monies on deposit with CalPERS.

ADDITIONAL DISCRETIONARY PAYMENTS

The City may make Additional Discretionary Payments ("ADP") to CalPERS at any time. After completion of the City's annual audit, City staff review and assess discretionary fund reserve balances to determine availability of discretionary funds for ADPs ─ ADP's should not adversely affect the general operations of the City. At the City's discretion, ADP's may be paid directly to CalPERS or invested in a City established Section 115 trust.

Approved:

City Manager: ________________________________ Date: ______________________

AGENDA REPORT
CITY OF MAYWOOD

AGENDA ITEM NO. 8.

DATE: December 8, 2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: ROXANNE DIAZ, CITY ATTORNEY

SUBJECT: ADOPTION OF RESOLUTION NO. 6211 AUTHORIZING THE CITY TO ENTER THE SETTLEMENT AGREEMENTS RELATED TO THE NATIONAL OPIOID LITIGATION.

RECOMMENDATION:

Staff recommends that the City Council Approve Resolution No. 6211 Authorizing the City to enter into the settlement agreements related to the National Opioid Litigation, agree to the terms of the memorandum of understanding allocating settlement process and authorize entry into the memorandum of understanding with the Attorney General and authorize the City Manager and City Attorney to take all actions necessary and convenient to implement the settlements.

BACKGROUND:

Between 2017 and 2020, the State of California, 51 of 58 California counties and approximately 28 California cities filed lawsuits against opioid manufactures and distributors seeking to abate the opioid crisis. Similar lawsuits were filed by almost all states and many cities and local governments within those states. These lawsuits were consolidated into one lawsuit in the Federal Court for the Northern District of Ohio. The Court converted the consolidated lawsuits into a class action lawsuit with the Plaintiff's Class consisting of all states and local governments in the United States. As a result, the City of Maywood is a Plaintiff in these lawsuits although the City is not required to pay any attorney fees or litigation costs.

The Court appointed a group of 30 attorneys representing state, county and city governments to serve as the Plaintiffs' Executive Committee to control the litigation on behalf of the Plaintiffs and, if possible, negotiate a settlement. In the last several months nationwide settlements have proposed to resolve all opioids litigation.

DISCUSSION:

Nationwide settlements have been proposed to resolve all Opioids Litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health and AmerisourceBergen ("Distributors"), and manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (collectively, "J&J").

These settlements will provide substantial funds to states and local political subdivisions for abatement of the opioid epidemic across the country and will impose transformative changes in the way the settling defendants conduct their business. Below is an outline of the settlement terms.

Settlement Basic Terms:

- Distributors will pay a maximum of $21 billion over 18 years.
- J&J will pay a maximum of $5 billion over no more than nine years.
- Of this potential $26 Billion- approximately $22.8 billion in settlement proceeds payable to state and local subdivisions.
- Based on the allocations formula for the States, the maximum amount California will receive will be approximately $2,263,923,602 with $339,538,340 being retained by the State and $1,924,335,342 being allocated to counties and cities within the State.
- Based on the allocation formula for counties and cities, Maywood will receive approximately $68,000 but the exact amount will not be determined until next year.

- The settlement proceeds to be paid to the states and local political subdivision will be in proportion to the number of states and local political subdivisions that approve the Settlements.
- Of the funds going directly to participating states and subdivisions, at least 85% must be used for abatement of the opioid epidemic.
- The settlements allow for a broad range of approved uses by state and local governments to abate the opioid epidemic. A list of approved uses is found at Exhibit E of the Master Settlement Agreements.

With respect to the California allocation, the National Settlements allots a certain amount of money to California to be allocated between the State and local governments. That amount is divided between State and California local governments by agreement (the "Allocation Agreements"). The Allocation Agreements split the dollars coming into California as follows:

1. 15% to a State Fund;
2. 70% to local governments in an Abatement Accounts Fund; and
3. 15% to litigating local governments in a Subdivision Fund.

Cities and counties must be aware that the Settlement Agreements and the Allocation Agreements require that the money in the Abatement Accounts Fund must be spent on remediation with no less than 50% of each local government's allocation in each calendar year spent on one or more of the following High Impact Abatement Activities:

1. The provision of matching funds or operating costs for substance use disorder facilities within the Behavioral Health Continuum Infrastructure Program;
2. Creating new or expanded Substance Use Disorder ("SUD") treatment infrastructure;
3. Addressing the needs of communities of color and vulnerable populations (including sheltered and unsheltered homeless populations) that are disproportionately impacted by SUD;
4. Diversion of people with SUD from the justice system into treatment, including by providing training and resources to first and early responders (sworn and non-sworn) and implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction; and/or
5. Interventions to prevent drug addiction in vulnerable youth.

The funds in the CA Abatement Accounts Fund will be divided according to an allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804). The percentage from the CA Abatement Accounts Fund allocated to each eligible local government (any county or city above 10,000 in population) is set forth in Appendix 1 to each Allocation Agreement. An Eligible Local Government's share of the CA Abatement Accounts Fund is a product of the total in the CA Abatement Accounts Fund multiplied by the City's percentage set forth in Appendix 1 (the "Local Allocation"). A City that is an Eligible Local Government will be allocated its Local Allocation only when it becomes a Participating

Subdivision by signing the Participation Agreements to the Settlements.

The City can elect a direct payment and, if so, it then must follow the use and reporting requirements in the Allocation Agreements and Settlement Agreements. The State agreements are available on-line at https://oag.ca.gov/opioids.

Every city should sign the settlements because this proposal is a product of years of litigation and years of settlement negotiations. Negotiators have put forward this deal because they believe it is the best deal to be had. Money is critical to addressing the opioid epidemic at this time. Also, by a City signing on, the County in which they reside receives money to combat the opioid epidemic. Once the City receives its allocation, it can determine how to best expend the funds that are in line with the settlement agreement.

The deadline for participating is January 2, 2022.

LEGAL REVIEW:
The City Attorney drafted this report.

FISCAL IMPACT:
There is no fiscal impact to the City. The City would receive its Settlement Funds that would be used for specific purposes limited to the treatment of opioid abusers and prevention of opioid abuse.

ATTACHMENT(S)

RESOLUTION NO. 6211

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MAYWOOD AUTHORIZING THE CITY TO ENTER INTO THE SETTLEMENT AGREEMENTS WITH MCKESSON CORPORATION, CARDINAL HEALTH, INC., AMERISOURCEBERGEN CORPORATION, JOHNSON & JOHNSON, JANSSEN PHARMACEUTICALS, INC., ORTHO-MCNEIL-JANSSEN PHARMACEUTICALS, INC., AND JANSSEN PHARMACEUTICA, INC., AGREE TO THE TERMS OF THE MEMORANDUM OF UNDERSTANDING ALLOCATING SETTLEMENT PROCEEDS, AND AUTHORIZE ENTRY INTO THE MEMORANDUM OF UNDERSTANDING WITH THE ATTORNEY GENERAL AND AUTHORIZE THE CITY MANAGER TO TAKE ALL ACTIONS NECESSARY AND CONVENIENT TO IMPLEMENT THE SETTLEMENTS

WHEREAS, the United States is facing an ongoing public health crisis of opioid abuse, addiction, overdose, and death. The State of California and California local governments spend billions of dollars each year to address the direct consequences of this crisis.

WHEREAS, since 2017, state and local governments in California and around the United States have been pursuing litigation against certain manufacturers, distributors, and retailers of opioid pharmaceuticals (the “Opioid Defendants”) in an effort to hold the Opioid Defendants financially responsible for the impact on of the Opioid Epidemic on the City of Maywood (“the City”) and resources necessary to combat the opioid epidemic;

WHEREAS, negotiations to settle claims against several of the Opioid Defendants, specifically McKesson Corporation, Cardinal Health, Inc., AmerisourceBergen Corporation, Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc., and Janssen Pharmaceuitca, Inc. (the “Settling Defendants”) have been ongoing for several years;

WHEREAS, negotiations with the Settling Defendants have resulted in proposed nationwide settlements of state and local government claims to settle the Litigation;

WHEREAS, the proposed terms of those proposed nationwide settlements have been set forth in the Distributors Master Settlement Agreement and the J&J Master Settlement Agreement (collectively “Settlement Agreements”) available for review on-line at https://nationalopioidsettlement.com/;

WHEREAS, copies of the Settlement Agreements as well as summary of the main terms of the Settlement Agreements, the deadlines for submitting the Participation Agreements to the Settlement Agreements and the MDL Court’s Order setting deadlines for any Plaintiff who declines to enter into the Settlement Agreements;

WHEREAS, the Settlement Agreements provide, among other things, for the payment of a certain sum to settling government entities in California including to the State of California and Participating Subdivisions upon occurrence of certain events as defined in the Settlement Agreements (“California Opioid Funds”);

WHEREAS, California local governments as well as the attorneys representing those local governments have engaged in extensive discussions with the State Attorney General’s Office (“AGO”) as to how the California Opioid Funds will be allocated, which has resulted in the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds- Distributor Settlement and the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds- Janssen Settlement (collectively the “Allocation Agreements,”) which are agreements between all of the entities identified in the Allocation Agreements;

WHEREAS, copies of the State Allocation Agreements are available on-line at https://oag.ca.gov/opioids ;

WHEREAS, the Allocation Agreements propose to allocate the California Opioid Funds 15% to a State Fund; 70% to local governments in an Abatement Accounts Fund; and 15% to litigating local governments in a Subdivision Fund. For the avoidance of doubt, all funds allocated to California from the Settlements will be combined pursuant to Allocation Agreements, and 15% of that total shall be allocated to the State of California (the “State of California Allocation”), 70% to the California Abatement Accounts Fund (“CA Abatement Accounts Fund Allocation”), and 15% to the California Subdivision Fund (“CA Subdivision Fund Allocation”);

WHEREAS, the funds in the CA Abatement Accounts Fund (the California Abatement Accounts Fund Allocation) will be allocated based on an allocation model developed in connection with the proposed negotiating class in the National Prescription Opiate Litigation (MDL No. 2804). The percentage from the CA Abatement Accounts Fund allocated to each eligible local government (any county or city above 10,000 in population) "Eligible Local Government") is set forth in Appendix 1 to each Allocation Agreement and provided to the Council with this Resolution. The City's share of the CA Abatement Accounts Fund is a product of the total in the CA Abatement Accounts Fund multiplied by the City's percentage set forth in Appendix 1 (the "Local Allocation").

WHEREAS, any city that is an Eligible Local Government will be allocated its Local Allocation share only when it becomes a Participating Subdivision by signing the Participation Agreements to the Settlements. The Local Allocation share for a city that is a Participating Subdivision will be paid to the county in which the city is located, rather than to the city, so long as: (a) the county is a Participating Subdivision, and (b) the city has not advised the Settlement Fund Administrator that it requests direct payment at least 60 days prior to a Payment Date as defined in the Settlement Agreements. However, in this case, the City desires direct payment.

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

Section 1. The City Council hereby approves and authorizes the City Manager to settle and release the City's claims against the Settling Defendants in exchange for the consideration set forth in the Settlement Agreements, Allocation Agreements including taking the following measures:

A. The execution on behalf of the City of the Participation Agreement to the Distributors Settlement Agreement and any and all documents ancillary thereto.

B. The execution on behalf of the City of the Participation Agreement to the Janssen Settlement Agreement and any and all documents ancillary thereto.

C. The execution on behalf of the City of the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds- Distributor Settlement.

D. The execution on behalf of the City of the Proposed California State-Subdivision Agreement Regarding Distribution and Use of Settlement Funds- Janssen Settlement Allocation Agreements.

Section 2. The City Manager shall have authority to, and is directed to, take all actions necessary or convenient on behalf of the City to implement and effectuate the agreements approved by this Resolution.

Section 3. All actions heretofore taken by the Council and other appropriate public officers and agents of the City with respect to the matters contemplated under this Resolution are hereby ratified, confirmed and approved.

Section 4. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED THIS 8th day of December, 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. 6211 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 December, 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. 9.

DATE: December 8, 2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: JENNIFER VASQUEZ, CITY MANAGER

BY: STEVE FOWLER, DIRECTOR OF BUILDING AND PLANNING

SUBJECT: CONSIDERATION OF THE RENEWAL OF A COMMERCIAL CANNABIS MICROBUSINESS LICENSE FOR CHRON MAYWOOD, LLC

RECOMMENDATION:
Staff recommends that the City Council approve the application for a commercial cannabis microbusiness license renewal for Chron Maywood (Chron), LLC, located at 5415 Maywood Avenue, for a one-year term expiring on December 8, 2022, and authorize the Director of Building and Planning to notify the applicant in writing of the City Council's decision.

BACKGROUND:
On August 28, 2019, the Maywood City Council adopted ordinance 19-03 that changed the status of commercial cannabis uses and businesses in the City. Most significantly, the ordinance banned the issuance of any new commercial cannabis licenses. Applications that were in the process had to have received their license and conditional use permit prior to the effective date of the Ordinance. The adoption of this ordinance also made any existing commercial cannabis business a non-conforming use subject to the provisions of section 15.2 of Appendix C of the Zoning Code.

Ordinance 19-03 ("Ordinance") created a process for the renewal of existing licenses. The ordinance details the application renewal process by establishing requirements to determine if an application can be renewed or denied. These requirements must be met to allow the City Council to determine whether a license should be renewed, or if there are grounds for denial.

This process requires that the City Council determines if the cannabis entities operate lawfully. The information necessary to make this determination is provided by Hinderliter, de Llamas & Associates ("HdL"). Every year, the business is inspected quarterly to determine if the business is operating in compliance with State law and the City's Ordinance. The inspection also ensures the business operates in a safe manner to protect both employees and customers at each business. Staff accompanies HdL on these inspections to verify compliance with the approved Conditions of Approval for the Conditional Use Permit. These inspections with their suggested remedial actions help to ensure proper operation prior to license renewal.

As part of this renewal process, HdL conducts criminal background checks on all owners, managers, employees, contractors and volunteers, employed in Maywood's commercial cannabis industry. All who are found to have disqualifying factors will not be permitted to work, own, manage or volunteer for a cannabis business in Maywood. HdL will also conduct a financial audit annually, which includes the verification of the tracking and tracing of the product and of matching the product with its respective transaction. This measure will detect illegal diversion or the sale of unlicensed (illegal) product, which is central to the verification of the lawful and complete remittance of the local cannabis tax.

DISCUSSION:

Chron's Conditional Use Permit was approved on June 19, 2018. Chron is a cannabis manufacturer, distributor, cultivator, and vehicle delivery operator that is currently finishing their tenant improvement and trying to obtain their business license. No audits or sales tax payments have been made as the business has not been in operation.

Chron currently has a microbusiness license with four components: vehicle delivery retail, cultivation, manufacturing and distribution. They are licensed by the State of California Bureau of Cannabis Control (license #C12-0000187-LIC) as a Level 1 Manufacturer, Retailer Non-Storefront, Distributor, and Cultivator, and their license is valid through July 15, 2022.

Renewals per the ordinance are to be renewed annually, but due to the pandemic, all cannabis renewal applications experienced a significantly delayed evaluation. In 2020, as the renewal process was about to start, the governor issued the first stay-at-home order which delayed on-site inspections. Due to company (HdL) policy, financial audits were suspended as well. This business was also slowed by their tenant improvement due to the pandemic.

As permitted by the Ordinance, the City Manager administratively extended the renewal timeline and after this long delay due to the pandemic, the evaluation of Chron's commercial cannabis license renewal application was completed.

All background checks will be conducted when we get closer to opening the business and the financial audits will be conducted once the business is in operation. The facility has been inspected by both our building inspector and assistant planner to verify compliance with all codes and requirements that are on the approved tenant improvement plans.

In conclusion, based on the inspections and investigations described in this report, Staff has determined that the business is in compliance and that none of the conditions in Section 5-45.05(b) exist and therefore, staff recommends that the City Council approve the renewal of the license.

LEGAL REVIEW:

The City Attorney has reviewed this report.

FISCAL IMPACT:

Chron will be taxed as a microbusiness for purposes of Cannabis Tax. As such, they will be taxed at the 10% Cannabis Sales Tax. Tax payments will be made directly to the City on a quarterly basis. Taxes collected help support the city and the services provided for the residents. Chron is not currently in operation and therefore no tax payments have been made. Issuance of the business license will allow Chron to operate as a microbusiness and generate cannabis tax as well as general sales tax for the City.

ATTACHMENT(S)