

**CITY OF SANTA FE SPRINGS  
MINUTES FOR THE REGULAR ADJOURNED  
MEETINGS OF THE COMMUNITY DEVELOPMENT  
COMMISSION AND CITY COUNCIL**

**FEBRUARY 10, 2011**

**1. CALL TO ORDER**

Mayor Serrano called the Community Development Commission and City Council meetings to order at 4:43 p.m.

**2. ROLL CALL**

Present: Commissioners/Councilmembers González, Moore, Trujillo, Vice Chairperson/Mayor Pro Tem Rounds, and Chairperson/Mayor Serrano

Also present: Thaddeus McCormack, City Manager; Anita Jimenez, Deputy City Clerk; Steve Skolnik, City Attorney; Paul Ashworth, Director of Planning & Community Development; Don Jensen, Director of Public Works; Dino Torres, Director of Police Services; Hilary Keith, Director of Library & Cultural Services; Jose Gomez, Director of Finance & Administrative Services; Alex Rodriguez, Fire Chief

**BUDGET STUDY SESSION**

Mayor Serrano called on City Manager Thaddeus McCormack. Mr. McCormack stated that the focus of the Study Session is on protecting the City's assets pursuant to the Governor's proposal to eliminate Redevelopment Agencies, within the context of memorializing past and current practices through contractual relationships. City Attorney Steve Skolnik stated that if Redevelopment Agencies were eliminated, the City would be faced with a spectrum of potential exposures, ranging from likely-secure assets to clearly-vulnerable assets. For example, the State will not likely be able to take tax increment that is dedicated for the servicing of bonded indebtedness. However, otherwise unallocated funds would be clearly vulnerable to being taken by the State should the Governor's proposal come to fruition.

Rather than attempt to hastily protect the Agency's assets through more "secure" actions vis-à-vis the spectrum of potential exposure (e.g., Going out to Bond or initiating new Capital projects), staff recommended that the Council/Commission formalize certain practices through contracts, in hopes that the State will view existing assets, and to the greatest extent possible, future assets under the sanctity of the contractual relationships between the City and the Commission, which should be noted are two separate and distinct legal entities. The items being considered tonight will memorialize this historical practice. It has been historical past practice to use Redevelopment Agency funds for Capital Improvement projects. We regard these as legal obligations of the Redevelopment Agency, even though heretofore written contracts have not been entered into. The City's Redevelopment Agency funds 20% of employee costs for those employees who work in the Redevelopment Agency. These costs, including retirement costs, will continue in the future. If they are not paid by the Redevelopment Agency, they will have to be paid from the General Fund. The agendized agreements and Resolutions are intended to contractual memorialize these practices.

Mayor Serrano stated that, after his recent trip to Sacramento to testify before an Assembly hearing, many legislators have a much better understanding of how Redevelopment Agencies work and that many cities are taking some of the same actions that are being proposed here tonight. Councilmember González stated that he believes that the Governor's plan to eliminate Redevelopment Agencies is a ploy to get cities to begin spending money to boost the economy. Councilmember González stated that he would prefer to see the CIP projects focus on infrastructure. He stated that the City would not be blackmailed by scare tactics and should move ahead slowly.

The City Manager suggested that the Council name a subcommittee to study the issues further. Mayor Serrano named Councilmembers González and Moore to the subcommittee.

Jose Gomez gave a detailed presentation to the Council.

### **NEW BUSINESS**

#### 3. Consideration of Various Actions to Protect Redevelopment Funding for Essential Expenditures

- A. Resolution No. 9298 – A Resolution of the City Council of the City of Santa Fe Springs, Approving a Cooperation Agreement and Making Findings Pursuant to Section 33445 of the California Health and Safety Code

**Recommendation:** That the City Council adopt Resolution No. 9298, approving a Cooperation Agreement between the City and the Community Development Commission and making findings pursuant to Section 33445 of the California Health and Safety Code.

- B. Resolution No. 258-2011 – A Resolution of the Community Development Commission of the City of Santa Fe Springs, Approving a Cooperation Agreement and Making Findings Pursuant to Section 33445 of the California Health and Safety Code

**Recommendation:** That the Community Development Commission adopt Resolution No. 258-11, approving a Cooperation Agreement between the City and the Community Development Commission and making findings pursuant to Section 33445 of the California Health and Safety Code.

- C. Consideration of Agreement for Payment of Proportional Share of Unfunded Liabilities

**Recommendation:** That the City Council and Community Development Commission approve the Cooperation Agreement for Payment of Proportional Share of Unfunded Liabilities

Councilmember González moved the approval of Items 3A, 3B, and 3C; Councilmember Trujillo seconded. The motion carried by the following roll call vote:

Ayes: Councilmembers González, Moore, Trujillo, Mayor Pro Tem Rounds, Mayor Serrano  
Noes: None  
Abstain: None

Absent: None

D. Consideration of Exploring Bond Issue Opportunities

**Recommendation:** That the City Council and Community Development Commission direct Staff to further explore opportunities to pursue a bond issuance as discussed in the body of this report, and bring back recommendations at a subsequent City Council and CDC meeting.

After the agenda was posted, staff was informed that it would not be advisable to pursue a bond issuance at this time. The City would like to contractually bind the tax increment to present and future projects and formalize the past practice of current an on-going Community Development Commission obligations with the City. Councilmember Moore asked if doing so was not considered prioritizing one project over another. The City Manager said it was not and that a more traditional Capital Improvement Project Study Session would be held later on in the year, whereby Council/Commission would be able to formally assess and prioritize capital needs and projects. Councilmember Moore asked what would happen to the projects if the Governor succeeds in eliminating Redevelopment Agencies. The City Manager stated that it would hamper the City's ability to complete the projects, but the project list could still be reprioritized. Councilmember Trujillo asked if there was a time limit to complete the projects. The City Attorney said there was not.

Councilmember Moore moved to change the recommendation to read as follows: That the City Council and Community Development Commission 1) Direct staff to monitor circumstances to determine whether to explore opportunities to pursue a bond issuance as discussed in the body of this report and bring back recommendations at a subsequent City Council and CDC meeting; and, 2) Name a subcommittee to study this issue. Mayor Pro Tem Rounds seconded. The motion carried by the following roll call vote:

Ayes: Councilmembers González, Moore, Trujillo, Mayor Pro Tem Rounds, Mayor Serrano  
Noes: None  
Abstain: None  
Absent: None

Mayor Serrano appointed Councilmember Moore and Mayor Pro Tem Rounds to the subcommittee.

4. Required Payment to SERAF

A. City Resolution No. 9302 - Payment of Required SERAF to State for Fiscal Year 2010-11

**Recommendation:** That the City Council: 1) Adopt attached Resolution No. 9302, providing for the payment of the Supplemental Educational Revenue Augmentation Fund (SERAF) for FY 2010-11; and 2) Authorize the Director of Finance and Administrative Services to inform the Los Angeles County Auditor-Controller that the CDC will make its required contribution from the Low and Moderate Set Aside Funds.

B. CDC Resolution No. 259-2011 - Payment of Required SERAF to State for Fiscal Year 2010-11

**Recommendation:** That the Community Development Commission: 1) Adopt attached Resolution No. 259-2011, providing for the payment of the Supplemental Educational Revenue Augmentation Fund (SERAF) for FY 2010-11; and 2) Authorize the Director of Finance and Administrative Services to inform the Los Angeles County Auditor-Controller that the CDC will make its required contribution from the Low and Moderate Set Aside Funds.

Councilmember González moved the approval of Items 4A and 4B; Mayor Pro Tem Rounds seconded. The motion carried by the following roll call vote:

Ayes: Councilmembers González, Moore, Trujillo, Mayor Pro Tem Rounds, Mayor Serrano  
Noes: None  
Abstain: None  
Absent: None

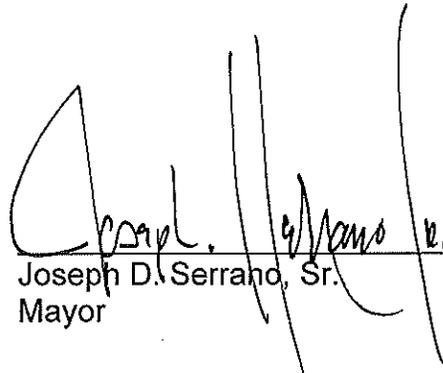
5. **ORAL COMMUNICATIONS**

This is the time when comments may be made by interested persons on matters not on the agenda having to do with City business.

Mayor Serrano opened Oral Communications at 5:33 p.m. There being no one wishing to speak, Mayor Serrano closed Oral Communications at 5:34 p.m.

6. **ADJOURNMENT**

Mayor Serrano adjourned the meeting at 5:35 p.m.



Joseph D. Serrano, Sr.  
Mayor

ATTEST:



Anita Jimenez, Deputy City Clerk

Date

3-10-11