

**CITY OF SANTA FE SPRINGS
MINUTES
FOR THE ADJOURNED MEETINGS OF THE:
PUBLIC FINANCING AUTHORITY
WATER UTILITY AUTHORITY
COMMUNITY DEVELOPMENT COMMISSION
AND CITY COUNCIL**

July 26, 2011

1. CALL TO ORDER

Mayor Serrano called the Adjourned Public Financing Authority, Water Utility Authority, Community Development Commission, and City Council meetings to order at 6:06 p.m.

2. ROLL CALL

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

Also present: Thaddeus McCormack, City Manager; Steve Skolnik, Commission/City Attorney; Paul Ashworth, Director of Planning & Community Development; Don Jensen, Director of Public Works; Dino Torres, Director of Police Services; Maricela Balderas, Director of Family & Human Services; Jose Gomez, Director of Finance & Administrative Services; Alex Rodriguez, Fire Chief; and Anita Jimenez, Deputy City Clerk

PUBLIC FINANCING AUTHORITY

3. CONSENT AGENDA

A. Approval of Minutes of the June 23, 2011 Regular Public Financing Authority Meeting

Recommendation: That the Public Financing Authority approve the minutes as submitted.

B. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

Recommendation: That the Public Financing Authority receive and file the report.

Vice-Chair Rounds moved the approval of Items 3A and B; Director Trujillo seconded the motion which carried unanimously.

WATER UTILITY AUTHORITY

4. CONSENT AGENDA

- A. Approval of Minutes of the Regular Water Utility Authority Meeting of June 23, 2011

Recommendation: That the Water Utility Authority approve the minutes as submitted.

- B. Update on the Status of Water-Related Capital Improvement Projects

Recommendation: That the Water Utility Authority receive and file the report.

Director González moved the approval of Items 4A and B; Director Moore seconded the motion which carried unanimously.

COMMUNITY DEVELOPMENT COMMISSION

5. REPORTS OF THE CITY MANAGER AND EXECUTIVE DIRECTOR

Thaddeus McCormack reported a setback in the construction at the Neighborhood Center – the contractor defaulted on the project. There have been many problems with the contractor however the bonding agent is the responsible party and is in the process, in conjunction with the City, of selecting a new contractor to complete the project.

Steve Skolnik added that it may not be the case that the contractor defaulted, but rather that the bonding agent has removed the contractor from the project and has taken over.

Vice-Chair Rounds asked what percentage of the job has been completed. Don Jensen responded that 50-60% of the project has been completed and the contractor has been paid approximately 30-35%. A freeze on additional payments to the contractor is in effect.

There was no report from the Executive Director.

6. CONSENT AGENDA

- A. Approval of Minutes of the Adjourned Community Development Commission Meeting of June 18, 2011

- B. Approval of Minutes of the Regular Community Development Commission Meeting of June 23, 2011

Recommendation: That the Community Development Commission approve the minutes as submitted.

Vice-Chair Rounds moved the approval of Items 6A and B; Commissioner Trujillo

seconded the motion which carried unanimously.

NEW BUSINESS

7. Approval of Ameron Settlement

Recommendations: That the Community Development Commission: (1) Approve the settlement with Ameron (amount confidential); and (2) Authorize Commission Attorney to execute a settlement agreement.

Steve Skolnik stated that it was not necessary to hold a Closed Session on this item because it had already been addressed in his confidential memo to the Council. It would not be appropriate to disclose the details of the settlement agreement until it is final at which time it will become a public document.

Thaddeus McCormack stated that the money would be put into the reserve and thanked the Steve Skolnik for his hard work on this case.

Commissioner González moved the approval of Item 7; Commissioner Moore seconded the motion which carried unanimously.

Chairperson Serrano recessed the meetings at 6:12 p.m. for the Commission to go into Closed Session.

8. **CLOSED SESSION**

Conference with Legal Counsel--Anticipated Litigation

Initiation of litigation pursuant to subdivision (c) of Section 54956.9:

One case

Chairperson Serrano reconvened the meetings at 6:35 p.m.

The Commission Attorney reported that the following motion was made in Closed Session:

Approve participation in the Cerritos legal action to challenge AB 26 and AB 27, and authorize the Commission Attorney to execute documents related thereto, including a retainer agreement with Rutan & Tucker, with sharing of the costs based on proportional tax increment amounts.

Commissioner Trujillo moved the approval of Item 8; Commissioner González seconded the motion which carried unanimously.

CITY COUNCIL

9. **CONSENT AGENDA**

A. Approval of Minutes of the Adjourned City Council Meeting of June 18, 2011

Recommendation: That the City Council approve the minutes as submitted.

B. Approval of Minutes of the Regular City Council Meeting of June 23, 2011

Recommendation: That the City Council approve the minutes as submitted.

Councilmember Moore moved the approval of Items 9A and B; Councilmember Trujillo seconded the motion, which carried unanimously.

ORDINANCE FOR PASSAGE

10. Ordinance No. 1024 – Ordering the Levy of a Special Tax in Accordance with the Amended and Restated Rate and Method of Apportionment within CFD No. 2002-1

Recommendation: That the City Council adopt Ordinance No. 1024, an ordinance of the City Council ordering the levy of a special tax in accordance with the amended and restated rate and method of apportionment within CFD No. 2002-1.

The City Attorney read the ordinance by title and stated that this was the second reading after the Public Hearing which was held on April 14, 2011.

Mayor Pro Tem Rounds moved to waive further reading and adopt Ordinance No. 1024; Councilmember Moore seconded the motion which carried by the following roll call vote:

Ayes: González, Moore, Rounds, Serrano, Trujillo

Noes: None

Absent: None

11. Ordinance No. 1025 – Ordering the Levy of a Special Tax in Accordance with the Amended and Restated Rate and Method of Apportionment within CFD No. 2004-1

Recommendation: That the City Council adopt Ordinance No. 1025, an ordinance of the City Council ordering the levy of a special tax in accordance with the amended and restated rate and method of apportionment within CFD No. 2004-1.

The City Attorney read the ordinance by title and stated that this was the second reading after the Public Hearing which was held on April 14, 2011.

Councilmember Trujillo moved to waive further reading and adopt Ordinance No. 1025; Mayor Pro Tem Rounds seconded the motion which carried by the following roll call vote:

Ayes: González, Moore, Rounds, Serrano, Trujillo

Noes: None

Absent: None

12. **UNFINISHED BUSINESS**

Fiscal Year 2011-12 City Budget Follow Up Actions

Recommendation: That the City Council, Community Development Commission, and Water Utility Authority authorize the following: (1) Adopt the adjustments to the Fiscal Year 2011-12 Budget as presented herein under “Budget Adjustment Recommendations”; (2) Establish the Utility User’s Tax (UUT) Rate at 3.5% for FY 2011-12; and, (3) For implementation in FY 2012-13, direct Staff to develop a UUT Single-Pay

Option Program with a two percent (2%) discount.

Thaddeus McCormack stated that the budget reflected a \$1.2 million deficit and stated that the City Council had given staff direction to try to close the gap through employee MOUs. Jose Gomez outlined the adjustments as follows: \$600,000 in labor savings; Medical Insurance Premiums rose only 4.1% as opposed to the 10% projected increase; Projected Sales Tax Revenue Increase of \$736,000; Offsetting Increase from Water fund; Elimination of Vehicle License Fee (VLF) – loss of \$63,000; Position Reclassification – increased cost of \$7,200.

The City Manager stated that also included in the budget was the continuation of the Utility Users' Tax rate of 3.5% for 2011-2012 with an option of a 2% discount to businesses that prepay the full amount in 2012-13. Councilmember Moore asked what the time requirement would be for the discount to apply. Thaddeus McCormack stated that staff would return to Council with recommendations regarding the details of the plan.

Councilmember González asked what happened to the VLF. The City Manager explained that the State also took this money away from cities.

Councilmember Trujillo moved the approval of Item 12; Councilmember Moore seconded the motion, which carried by the following roll call vote:

Ayes: González, Moore, Rounds, Serrano, Trujillo

Noes: None

Absent: None

NEW BUSINESS

13. Adoption of Resolutions No. 9339 and No. 9340 and the Approval of Two Contracts with the State Department of Education

Recommendation: That the City Council approve Resolutions No. 9339 and No. 9340 authorizing the renewal of Contracts No. CSPP-0177 and No. CFCC-1009 with the State Department of Education for Fiscal Year 2011/2012 for the purpose of providing child care and development services for children ages birth through 5 years of age.

Councilmember González moved the approval of Item 13; Mayor Pro Tem Rounds seconded the motion which carried unanimously.

14. Resolution No. 9341 Approving and Authorizing an Application for the 2011/2012 Used Oil Payment Program (2nd Cycle)

Recommendation: That the City Council adopt Resolution No. 9341 approving participation through CalRecycle for the 2011/2012 2nd Cycle Used Oil Payment Program, and designate the City Manager to execute all necessary applications, contracts, payment requests, agreements, and amendments for the Grant.

Mayor Pro Tem Rounds moved the approval of Item 14; Councilmember Trujillo seconded the motion which carried unanimously.

Mayor Serrano recessed the meetings at 6:45 p.m.

Mayor Serrano reconvened the meetings at 7:10 p.m.

15. INVOCATION

The Invocation was led by Councilmember Trujillo.

16. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the Parks & Recreation Staff. New staff introduced themselves.

INTRODUCTIONS

17. No representatives from the Youth Leadership Committee present.

18. Mayor Serrano introduced Chamber representatives Dennis Turner, PDQ Rentals and Wendy Meador, Tangram Interiors.

19. ANNOUNCEMENTS

Maricela Balderas gave the Community Services announcements.

PRESENTATIONS

20. Introduction of New Santa Fe Springs Policing Team Members

Mayor Serrano called on Dino Torres who then introduced Capt. Aviv Barr. Capt. Barr introduced the new members of the SFS policing team: Jonathan Herrick and Edgar Cabral.

21. Introduction of New City Employees

See item 16.

22. Proclaiming the Month of July as “Parks and Recreation Month”

Mayor Serrano called on Carole Joseph to give background on “Parks and Recreation Month.” Carole Joseph called on Jimmy Mendoza, President of the Parks and Recreation Committee to accept the proclamation along with other Parks and Recreation Committee members present. Mayor Serrano read and presented the proclamation.

23. APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

Mayor Pro Tem Rounds appointed Drew Bobadilla to the Youth Leadership Committee.

24. ORAL COMMUNICATIONS

Mayor Serrano opened Oral Communications at 7:30 p.m. There being no one wishing to speak, Mayor Serrano closed Oral Communications at 7:31 p.m.

25. EXECUTIVE TEAM REPORTS

Don Jensen reported that Caltrans was trying to set up public information meetings sometime in August regarding the freeway widening projects that will affect City residents especially those near Florence and the I-5 freeway. Caltrans will also try to schedule meetings with business owners near the Carmenita project in October.

Councilmember Moore asked the following questions: 1). Would the Villages Project still be developed if Comstock defaulted on their loan and the property went into foreclosure?; 2). Does the developer owe the City any money or vice versa?; 3). How much does the developer owe on the two properties they purchased?; 4). The developer agreed to pay on the net tax increase over the next 15 years. What if the amount doesn't equal the amount owed?; 5). Did we loan the developer \$1.8 million to secure financing? What is the status of that loan?; 6). In November 2005, the CDC loaned the developer \$2,960,000. What is the status of the loan?; Comstock sold some properties to Far West Development. Are these properties within the Heritage Springs Maintenance District? Don Jensen answered that the Villages is not within the Heritage Springs Street Maintenance Assessment District. Paul Ashworth answered in regard to the other questions that the information would all be compiled and provided to Council for review.

Councilmember Moore requested a presentation of actual 2010-11 expenditures by all departments once all the figures had been compiled.

Councilmember Moore reported that the proposed Purchasing Policy was ready for the Mayor's review, and further proposed that staff also review the document and bring suggestions to the Council for consideration.

Mayor Serrano stated that he and Mayor Pro Tem Rounds, who were on the Villages Subcommittee, were not aware that the Villages were in foreclosure. Mayor Serrano stressed that the City Council needs to be informed about such issues. He also stated that he was unhappy with the artwork lighting at the Villages.

Councilmember Trujillo reminded staff of the importance of providing the Council with clear and accurate information in a proactive manner, so that they are able to better answer questions of concerned residents and businesses. In addition, Councilmember Trujillo stressed the importance of maintaining a high standard of customer service.

26. ADJOURNMENT

At 7:50 p.m., Mayor Serrano adjourned the meetings in memory of longtime resident Amelia Covarrubias and the families and victims of the shooting incident in Oslo, Norway.

/s/ Joseph D. Serrano
Mayor

ATTEST:

/s/ Anita Jimenez
Deputy City Clerk