

**MINUTES FOR THE ADJOURNED MEETING OF THE
CITY OF SANTA FE SPRINGS
CITY COUNCIL**

FEBRUARY 4, 2012

1. CALL TO ORDER

Mayor Rounds called the Adjourned City Council meeting to order at 9:12 a.m.

2. ROLL CALL

Present: Councilmembers González, Serrano, Trujillo, Mayor Pro Tem Moore, and Mayor Rounds

Also present: Thaddeus McCormack, City Manager; Paul Ashworth, Director of Planning & Community Development; Don Jensen, Director of Public Works; Dino Torres, Director of Police Services; Carole Joseph, Director of Parks & Recreation Services; Jose Gomez, Director of Finance & Administrative Services; Alex Rodriguez, Fire Chief; Anita Jimenez, Deputy City Clerk

NEW BUSINESS

3. Discussion of Budget Adjustment Items Related to the Elimination of Redevelopment

Recommendation: That the City Council discuss the effect of the elimination of Redevelopment on the City's Budget and the need for budget adjustments.

Mayor Rounds called on the City Manager who stated that he had recently attended a City Managers Conference where discussion focused on the seriousness of the current financial status of most cities that have been decimated by the elimination of redevelopment. He added that Santa Fe Springs has never had a more serious financial crisis to deal with than the current one. Through redevelopment projects, Santa Fe Springs became a thriving community and created many jobs. Most cities have lived within their means, but the State has not, and the State's resolution now is to take away redevelopment money from cities to balance their budget and leave cities to figure out how to move forward on their own. The Council's challenge now is to figure out how to recreate Santa Fe Springs into a modern thriving city without redevelopment funds. This is a sobering discussion.

Jose Gomez gave a slide presentation explaining the distribution of redevelopment revenues. Recently, redevelopment revenues produced \$31.5 million dollars in SFS annually. Approximately, \$3 million was used for Capital Improvement Projects, \$2 million on Pass-Throughs, \$2.3 on State Takeaway, \$2.3 on Discretionary Spending, \$11.5 million on Debt Service, and \$10.4 in Operating Budgets. Jose Gomez stated that it is difficult to determine exactly how much redevelopment money goes into each department's operating budget. The presentation included a list of new and proposed revenues totaling \$5.63 million, including: Unanticipated UUT revenues (\$1.5 million), UUT Rate Increase (\$1.5 Million), Unanticipated Sales Tax Revenue (\$1 million), New Property Tax (\$1.3 million), New Administrative Fees (\$0.3 million).

4A

The City Manager stated that these figures are still very conservative. He stated that it would require that residents, employees, and businesses would need to work together to close the financial hole left by the State. The City's resources have been taken away, but the needs of the community have not changed. City government must be retooled for greater efficiency and a more streamlined organization to maintain as many services as possible and the jobs that support those services.

At a recent study session, the Council priorities were reiterated – a safe community, a fiscally sound community, responsive City government, quality planning and infrastructure, a strong local economy, and quality of life. Possible cost-saving ideas were presented, but the City Manager made it clear that none of the suggestions had been acted upon yet. The cornerstones on which to build the savings will come from: Alternative Service Delivery, Revenue-generating Opportunities, Labor Cost-Savings, and Cost Containment. The challenges ahead include: Building a new Santa Fe Springs without redevelopment; Being ready to serve the public from day one; Functioning cohesively and effectively; Negotiating with labor groups; Eliminating positions; Restructuring; and, Going out to bid for some services.

The City Manager hopes to bring a preliminary budget for approval to the Council on February 16. Following that, discussions with labor groups, community meetings, and a Council Advisory Committee will be held, resulting in a final budget for approval for FY 2012-13 in May. An email address has been set up so that anyone with a cost-saving idea can submit it to ideasatsantafesprings.org.

Mayor Rounds thanked Thaddeus McCormack and Jose Gomez and stated that the Council has some very difficult decisions to make. The Council understands that people's livelihoods are at stake.

Councilmember Trujillo stated that this is not why she ran for City Council. This is a very hard thing to do to our neighbors and friends. She thanked the residents and employees who came to the meeting and for giving the Council their support.

Mayor Pro Tem Moore reiterated Councilmember Trujillo's comments. The Council needs to fairly address all the stakeholders. The number one priority is the community.

Councilmember González thanked everyone for coming to the meeting. He understands that employees are nervous and thanked them for making Santa Fe Springs a great City. The Council needs to keep in mind that the business community provides 90% of the City's income and that the Council needs to retain business in the City to keep it functioning. Another need is to protect and serve the business community.

4. Adoption of CalPERS Two-Years Additional Service Credit Early Retirement Incentive Program and Receipt of Related Cost Information

RECOMMENDATION: That the City Council adopt the CalPERS Two-Years Additional Service Credit Early Retirement Incentive Program, receive related cost information, and authorize the City Manager and staff to prepare a resolution and required certifications for adoption by the City Council on February 23, 2012.

The City Manager stated that a revised version of the Agenda Report has been provided to the Council with an extended date for the program to June 30, 2012.

Councilmember González moved the approval of Item 4; Councilmember Serrano seconded the motion which carried unanimously.

The City Manager stated that the Fire Association would like to extend the program to its eligible members and that there would be an item for consideration on the next agenda.

6. ORAL COMMUNICATIONS

At 9:48 a.m., the Mayor opened Oral Communications.

Renee Carlson, Vice President of the SFSCEA, stated that the future is scary for employees. She asked if there would be an incentive offered to those not eligible for retirement, as was done two years ago.

The City Manager stated that it was not included in this recommendation, but that all offers would be considered if they made sense fiscally.

Mayor Rounds closed Oral Communications at 9:50 a.m.

Mayor Rounds recessed the meeting at 9:50 a.m. for the Closed Session.

The City Manager stated that no actions will be taken during the Closed Session, therefore no report will follow, but everyone is welcomed to stay until the meeting is finished.

5. CLOSED SESSION

CONFERENCES WITH LABOR NEGOTIATORS (Section 54957.6)

- (a) Agency Designated Representatives: City Manager, Director of Finance and Administrative Services, Human Resources Manager, Fire Chief
- (c) Agency Designated Representatives: City Manager, Director of Finance and Administrative Services, Human Resources Manager
- (d) Agency Designated Representatives: City Manager

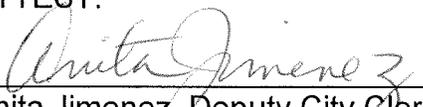
7. ADJOURNMENT

At 2:35 p.m., Mayor Rounds reconvened the meeting and adjourned to February 16 at 6:00 p.m.



William K. Rounds
Mayor

ATTEST:



Anita Jimenez, Deputy City Clerk

3-9-12

Date