



SOUTH GATE BUDGET SUBCOMMITTEE MEETING AGENDA

Tuesday, March 19, 2019 at 5:00 p.m.

Call To Order/Roll Call

CALL TO ORDER Maria Belen Bernal, Mayor
ROLL CALL Carmen Avalos, City Clerk

SUBCOMMITTEE MEMBERS

Mayor Maria Belen Bernal **City Clerk**
Council Member Al Rios Carmen Avalos
City Treasurer Greg Martinez

Administration Services

Director Jackie Acosta
Deputy Director Kim Sao

Meeting Compensation Disclosure

Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by the Budget Subcommittee is \$0 monthly regardless of the amount of meetings.

1. Department Presentations

The Budget Subcommittee Members will consider hearing department presentation on operations by Community Development and Public Works directors'. (ADMIN SVCS)

Documents:

[ITEM 1 REPORT 031919.PDF](#)

2. Sales Tax Receipts

The Budget Subcommittee Members will consider receiving and filing an accounting of sales tax receipts for the past ten years. (ADMIN SVCS)

Documents:

[ITEM 2 REPORT 031919.PDF](#)

3. Minutes

The Budget Subcommittee Members will consider approving the meeting minutes of January 29, 2019. (CLERK)

Documents:

[ITEM 3 REPORT 031919.PDF](#)

Adjournment

I, Carmen Avalos, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted March 14, 2019 at 6:03 p.m., as required by law.

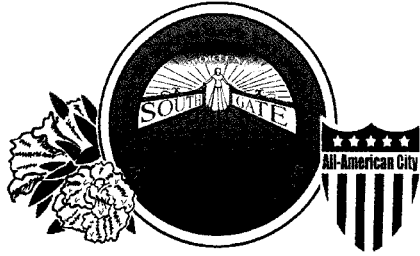
Carmen Avalos,
City Clerk

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office

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Notification 48 hours prior to the City Council Meeting will enable the City to make reasonable arrangements to assure accessibility.

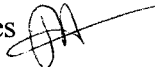


City of South Gate
Budget Subcommittee
March 19, 2019

STAFF REPORT

AGENDA ITEM NO. 1

TO: Budget Subcommittee

FROM: Jackie Acosta, Director of Administrative Services 

SUBJECT: Departmental Presentations on Departmental Operations

PURPOSE: To provide the Subcommittee Members with a more in depth look at the day-to-day operations of each department and the opportunity to ask questions.

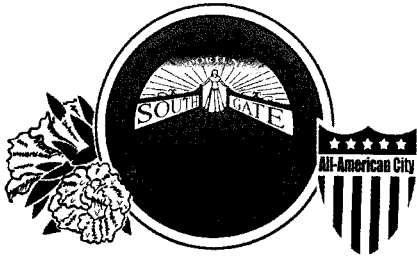
RECOMMENDED ACTION: Hear the department director's presentations.

BACKGROUND: Early on in the development of the Budget Subcommittee, the Subcommittee members stated that they would like to know more about the day-to-day operations of each department to gain a better understanding of the hands-on, everyday work that the staff are doing. Therefore, staff had notified the department directors that they would be asked to make such presentations at an upcoming Subcommittee meeting. The February, March and April meetings have been set for these presentations. At the February meeting, the Parks & Recreation and Police Departments made their presentations. At this March meeting, Community Development and Public Works will provide their presentations, and at the April meeting, the Administrative Services Department will provide their presentation.

ATTACHMENT: None.



Recycled Paper



STAFF REPORT

AGENDA ITEM NO. 2

TO: Budget Subcommittee

FROM: Jackie Acosta, Director of Administrative Services 

SUBJECT: Sales Tax Receipts

PURPOSE: To provide an accounting of sales tax receipts for the past ten years.

RECOMMENDED ACTION: Receive and file.

BACKGROUND: Sales taxes are the city's largest source of revenue in the General Fund. The Budget Subcommittee requested to know how much revenue the City has received since FY 2008/09 when the city started receiving the sales taxes generated by Measure P – the city's 1% local sales tax – which was approved by the voters on June 3, 2008.

Fiscal Year	Bradley Burns Sales Tax – 1%	Measure P Local Sales Tax – 1%	Total By Fiscal Year
2008/09	\$6,831,238	\$3,767,426	\$10,598,664
2009/10	\$5,362,414	\$4,743,684	\$10,106,098
2010/11	\$5,697,857	\$5,379,035	\$11,076,892
2011/12	\$6,209,250	\$6,285,488	\$12,494,738
2012/13	\$6,976,806	\$6,505,550	\$13,482,356
2013/14	\$7,212,395	\$6,864,719	\$14,077,114
2014/15	\$8,571,444	\$8,633,679	\$17,205,123
2015/16	\$11,521,552	\$9,509,333	\$21,030,885
2016/17	\$11,135,987	\$9,486,553	\$20,622,540
2017/18	\$11,057,999	\$10,063,210	\$21,121,209
Ten-Year Total	\$80,576,942	\$71,238,677	\$151,815,619

ATTACHMENT:

- 1) Breakdown of the sales tax rate in the City of South Gate

Breakdown of Statewide Sales Tax Rate

	Prior to 1/1/2017	1/1/2017	7/1/2017	10/1/2017
State Taxes:	3.9375%	3.9375%	3.9375%	3.9375%
State - Local Public Safety Fund (Prop 172)	0.50%	0.50%	0.50%	0.50%
State - Education Protection Fund	0.25%	0.00%	0.00%	0.00%
State - Local Revenue Fund (1991 Realignment)	0.50%	0.50%	0.50%	0.50%
State - Local Revenue Fund (2011)	1.0625%	1.0625%	1.0625%	1.0625%
Total Statewide Tax Rate	6.25%	6.00%	6.00%	6.00%
County Taxes:				
Bradley-Burns County Transportation Fund	0.25%	0.25%	0.25%	0.25%
Total County Tax Rate	0.25%	0.25%	0.25%	0.25%
Local Taxes:				
Bradley-Burns Local - City or County Operations	1.00%	1.00%	1.00%	1.00%
Total Local Tax Rate	1.00%	1.00%	1.00%	1.00%
District Taxes:				
MTA – Prop A Transportation (11-4-1980)	0.50%	0.50%	0.50%	0.50%
MTA – Prop C Transportation (11-6-1990)	0.50%	0.50%	0.50%	0.50%
MTA – Measure R Transportation (11-4-2008)	0.50%	0.50%	0.50%	0.50%
MTA – Measure M Transportation (11-9-2016)	0.00%	0.00%	0.50%	0.50%
MTA – Measure H Homeless Programs (3-7-2017)	0.00%	0.00%	0.00%	0.00%
South Gate Transaction Tax (Measure P) (6-3-2008)	1.00%	1.00%	1.00%	1.00%
Total District Rate	2.50%	2.50%	3.00%	3.00%
Total Sales Tax Rate in South Gate	10.00%	9.75%	10.25%	10.25%

Legend:

The 1/4 cent State Education Protection Fund sales tax expired on January 1, 2017.

The 1/2 cent Measure M Transportation sales tax became effective on July 1, 2017.

The 1/4 cent Measure H sales tax that went into effect on October 1, 2017, does not apply in the City of South Gate because the City is already at the maximum combined district tax rate.

MINUTES FOR THE SPECIAL MEETING OF THE BUDGET SUBCOMMITTEE TUESDAY, JANUARY 29, 2019

CALL TO ORDER The special meeting of the Budget Subcommittee of the City of South Gate was called to order by Maria Belen Bernal, Mayor at 5:00 p.m.

ROLL CALL Carmen Avalos, City Clerk/Recording Secretary

PRESENT Mayor Maria Belen Bernal, Council Member Al Rios and City Treasurer Greg Martinez; City Staff Jackie Acosta, Director of Administrative Services, Kim Sao, Deputy Director of Administrative Services and City Clerk/Recording Secretary Carmen Avalos

1
2019 SCHEDULE
MEETINGS

The Subcommittee Members unanimously approved items 1 and 2 by motion of Mayor Bernal and seconded by Council Member Rios:

1. Reviewed and discussed the 2019 Schedule of Budget Subcommittee meetings; and
2. Approved the schedule as is, or as amended.

Jackie Acosta, Director of Administrative Services provided the Budget Calendar for FY 2019/20 Budget Preparation Process.

2
REVENUE & TAXATION

The Subcommittee Members reviewed and discussed the revenue funding sources received by the City.

Jackie Acosta, Director of Administrative Services gave an overview.

Mayor Bernal inquired on the 1% sales tax that was approved by the South Gate residents June 3, 2008.

Director Acosta reported that for 2008-2009 we received \$3.7 million; 2009-2010 we received \$4.7 million; 2010-2011 we received \$5.4 million; 2011-2012 we received \$6.3 million; 2012-2013 we received \$6.5 million; 2013-2014 we received \$6.8 million; 2014-2015 we received \$8.6 million; 2015-2016 we received \$9.5 million; 2016-2017 we received \$9.5 million; and 2017-2018 we received \$10 million.

For the next meeting Director Acosta will bring back information on the history of why this Measure P was passed, the situation of the City at that time, summarize what we have collected and it is used as part of the general fund to finance City expenses.

**EXCUSED FROM
MEETING**

At this time, 5:40 p.m. City Clerk Avalos, was excused from the meeting and departed from the Council Chambers.

**2
REVENUE & TAXATION
CONT'D**

The Subcommittee Members discussed grants that are received by the City and how the money is spent. They also asked about how many participants in their programs.

Director Acosta informed the Subcommittee Members that the department directors will have presentations starting at their next meeting.

**3
SB-90 CLAIMS**

The Subcommittee Members reviewed and discussed the SB-90 claims program.

Jackie Acosta, Director of Administrative Services stated that the SB-90 claims are the process by which local governments can get reimbursed for the costs incurred for programs mandated by the state. Ms. Acosta submitted five claims this year.

The Subcommittee questioned why certain claims were denied and would like to know more about MAXIMUS Consulting.

Director Acosta stated that this company files the City's SB-90 claims and we are paying them \$8,200.00.

**4
BUSINESS LICENSE CAP**

The Subcommittee Members reviewed and discussed the business license cap set forth in the South Gate Municipal Code.

Jackie Acosta, Director of Administrative Services stated that at the November 20, 2018 meeting, the Treasurer brought up the issue on the business license cap.

Council Member Rios asked Ms. Acosta to inquire with other cities if they have business license caps.

Mayor Bernal asked if anyone in the audience wished to speak on any of these items. Seeing no one step forward; Mayor Bernal closed the audience portion.

5
**TOPICS FOR UPCOMING
BUDGET SUBCOMMITTEE
MEETINGS**

The Subcommittee Members:

1. Reviewed and discussed a list of topics for future Budget Subcommittee meetings; and
2. Approved, augmented or changed the proposed list of future topics.

Mayor Bernal suggested waiving the departmental presentations because this will occur during the budget sessions.

Director Acosta's understanding was that the Budget Subcommittee wanted a more in-depth discussion with the Directors.

Mayor Bernal appreciates Ms. Acosta for refreshing her memory. The budget kick-off is limited due to all Council Members present.

Director Acosta stated the OPEB and CalPERS discussions should be dedicated at Budget Subcommittee meeting.

6
MINUTES

The Subcommittee Members unanimously approved the meeting minutes of November 20, 2018 by motion of Council Member Rios and seconded by Mayor Bernal.

ADJOURNMENT

Mayor Bernal unanimously adjourned the meeting at 7:11 p.m. seconded by Council Member Rios.

PASSED and APPROVED this 19th day of March, 2019.

ATTEST:

María Belén Bernal, Mayor

Carmen Avalos, City Clerk