



SOUTH GATE BUDGET SUBCOMMITTEE MEETING AGENDA

Tuesday, April 16, 2019 at 4:00 p.m.

Call To Order/Roll Call

CALL TO ORDER Maria Belen Bernal, Council Member

ROLL CALL Carmen Avalos, City Clerk

SUBCOMMITTEE MEMBERS

Council Member 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 Administrative Services Department. (ADMIN SVCS)

Documents:

[ITEM 1 REPORT 041619.PDF](#)

2. Property Tax Information

The Subcommittee Members will consider receiving and filing the detailed information on Property Taxes. (ADMIN SVCS)

Documents:

[ITEM 2 REPORT 041619.PDF](#)

3. Minutes

The Subcommittee Members will consider approving the meeting minutes of February 19, 2019. (CLERK)

Documents:

[ITEM 3 REPORT 041619.PDF](#)

Adjournment

I, Carmen Avalos, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted April 15, 2019 at 3:35 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

8650 California Avenue, South Gate, California 90280
(323) 563-9510 * fax (323) 563-5411 * www.cityofsouthgate.org

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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
April 16, 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 the March meeting, the Community Development and Public Works Departments made their presentations. At this April meeting, the Administrative Services Department will make their presentation.

ATTACHMENT: None.



City of South Gate
Budget Subcommittee
April 16, 2019

STAFF REPORT

AGENDA ITEM NO. 2

TO: Budget Subcommittee

FROM: Jackie Acosta, Director of Administrative Services

SUBJECT: Property Tax Information

PURPOSE: To provide detailed information on Property Taxes.

RECOMMENDED ACTION: Receive and File.

BACKGROUND: Property taxes are a major source of revenues for many California cities, however the property tax system is very complex. This report has been prepared to provide some historical information about property taxes and how they are assessed as well as to also to provide information on the various assessments that are billed to local property owners.

Historical Information:

Property taxes in California date back to 1850 when California became the 31st state. For 60 years, until 1910, property taxes were a state tax. In 1910, the "Separation of Sources Act" was passed which made property tax a local government revenue and established the principle of separate revenue sources for state and local governments. That concept lasted for 68 years, until 1978, when Proposition 13 passed and changed the landscape of local government finance drastically. Prior to the passage of Proposition 13, each city annually assessed a property tax at the rate they deemed necessary to provide the revenue needed, that when combined with all their other estimated revenues for that year, would fund all of the city services being provided. When Proposition 13 passed, it did four things:

- Limited the tax rate for property taxes to 1% of the full cash value of the property and established that the annual growth in assessed value could increase no more than the rate of inflation or 2%, whichever is less.
- Determined that the only exceptions to this 2% limitation would be for those properties which transferred ownership or for those properties which increased in value through the addition of new construction.

- Determined that these limitations did not apply to special assessments or voter-approved indebtedness in place at the time of Prop 13's adoption.
- Returned control of the property tax allocation to the state.

Now that the 1% limit had been set, a formula had to be developed to determine how that 1% would be allocated among the various taxing entities (county, cities and special districts). The formula that was developed for cities was that each city would get a share of the 1% based on the average of the city's property tax rate which it had levied in each of the three prior years. For example, if a city had levied 10% property tax in 1977, a 11% property tax in 1976, and an 11.5% property tax in 1975, that city would get 11.33% of the 1% property tax revenue collected by the County from property owners in their city $((10 + 11 + 11.5) / 3 = 10.667)$. In South Gate's case, back in 1922, the city's founding fathers had determined (presumably) that in order to get the voters to vote in favor of becoming an incorporated city, they would promise that South Gate would not levy a city property tax. Therefore, in 1978 when Proposition 13 (Prop. 13) passed and this formula was developed, South Gate had been levying a 0% property tax rate. Clearly, the average of 0%, 0% and 0% is 0% and that is how the City of South Gate came to be known as a "no/low property tax" city.

Approximately 10 years later, because several no/low property tax cities were financially strapped, legislation was passed by the State legislature to address this issue. That legislation was Assembly Bill (AB) 1187. AB 1187, ordered counties to give a portion of their share of the 1% property tax revenue to these cities. The law stated that in the first year of enactment, the County would share 1% of the revenues collected from the 1% property tax levy of each no/low property tax city with that no/low property tax city. The law also stated that the percentage to be shared with each no/low property tax city would increase incrementally over 7 years, from 1% to 2%, then to 3%, until it reached 7%. Subsequent to AB 1187, the state took a share of cities and counties property tax revenue under the Educational Revenue Augmentation Fund (ERAF) legislation, which has eroded South Gate's 7% share of the 1% property tax revenue down to approximately 6.15%. Prop. 13 is the reason why the City of South Gate gets a significantly lower percentage of the property tax collected by Los Angeles County (from property owners in South Gate) than most other cities get from the property owners in their cities. As the allocation of the 1% property tax collected was set by the formula included in Prop. 13, it is not subject to renegotiation by the City as it affects the distribution to the County and all other special districts.

Components of the Property Tax Bill:

As to the actual levies that show up on the property tax bill of a typical residential property owner in South Gate, they fall into one of three categories: 1) the 1% general tax levy, 2) voted indebtedness, and 3) direct assessments. (Attachment No. 1).

Category 1 – General Tax Levy:

The 1% general tax levy is 1% of the assessed value of the land and the improvements on the land (house, garage, etc.) and is levied on all real property (fixed property) in the State of California (See No. 1 on Attachment No. 1). The assessed value of each property is determined by the Los Angeles County Assessor and is shown on the bottom half of the annual property tax bill (See the Section labeled AV on Attachment No. 1). The assessed value for each parcel of land is transmitted to the Los Angeles County Auditor-Controller who then places the levy on the secured tax roll. The Los Angeles County Auditor-Controller then issues the property tax bill to the property owner of record of each parcel. When the property tax bill is paid by the property owner, it is paid to the Los Angeles County Tax Collector.



The 1% property tax revenue generated from within the city of South Gate is received by the County Tax Collector and then divided up among all of the various taxing entities that serve the city of South Gate. A bar chart showing how each dollar of property tax revenue collected is allocated to each taxing entity is attached as Attachment No. 2. The largest share of that property tax revenue (26.58%) goes to the Los Angeles County General Fund. The next largest share (20.58%) goes to the Los Angeles Unified School District. The Los Angeles County Consolidated Fire District receives 16.24% to fund the costs of the Los Angeles County Fire Department which services the city of South Gate. The Los Angeles County Library services provided to the city are also funded through the 1% general tax levy, with 2.12% going to the Los Angeles County Library Department. The remainder of the 1% is allocated among a number of other county departments and special districts that provide services to the city, as shown on Attachment No. 2.

Category 2 – Voted Indebtedness:

Voted indebtedness comes about through ballot measures that were passed, at some time in the past, allowing the taxing entity to issue bonds for various purposes and to repay those bonds by levying an additional tax on the taxable assessed value of the real property. The three current voted indebtedness levies assessed on South Gate property owners and the rates assessed are:

- Metropolitan Water District - .003500% of the taxable assessed value. The charge on this particular property tax bill using this rate (.003500%) and the taxable assessed value of this property (\$61,176) is \$2.14. (See No. 2 on Attachment No. 1)
- Community College - .045990% of the taxable assessed value. The charge on this particular property tax bill using this rate (.045990%) and the taxable assessed value of this property (\$61,176) is \$28.13. (See No. 3 on Attachment No. 1)
- Unified Schools - .122192% of the taxable assessed value. The charge on this particular property tax bill using this rate (.122192%) and the taxable assessed value of this property is \$74.75. (see No. 4 on Attachment No. 1)

The funds received through the Metropolitan Water District levy go directly to the Metropolitan Water District which is an organization formed in 1941 that oversees the building of aqueducts to facilitate water delivery to Southern California. The funds received through the Community College levy from Gateway cities go primarily to support Cerritos Community College, however, there are other regional community colleges that benefit from this voter approved debt. The funds received through the Unified Schools levy from South Gate property owners go to the Los Angeles Unified School District.

Category 3 – Direct Assessments:

- LACO VECTR CNTRL – Los Angeles County Vector Control. This FY 2017/18 assessment of \$8.97 is to fund vector control operations that protect the community from known vectors (mosquitoes, black fly, etc.). The 2017/18 rate for this assessment is a base rate of \$5.63 for residential, commercial, and agricultural parcels plus \$3.34 for each acre or portion of an acre, up to a maximum assessment of \$20.00 per parcel. (See No. 5 on Attachment No. 1)



- COUNTY PARK DIST – Los Angeles County Park District. This FY 2017/18 assessment of \$6.53 goes to the Los Angeles Regional Park and Open Space District which is a special district under the direction of the Los Angeles County Parks & Recreation Department. The voters of Los Angeles County created the Los Angeles County Regional Park and Open Space District (Open Space District) when they approved Proposition A in the November 3, 1992, General Election. Proposition A (Prop A) authorized an annual assessment on nearly all of the 2.25 million parcels of real property in the County. Prop A funded \$540 million for the acquisition, restoration or rehabilitation of real property for parks and park safety, senior recreation facilities, gang prevention, beaches, recreation, community or cultural facilities, trails, wildlife habitats, or natural lands, and maintenance and servicing of those projects. On November 5, 1996, the County’s voters approved another Prop A to fund an additional \$319 million of parks and recreation projects and additional funds for maintenance and servicing of those projects. The annual fee is assessed based on the following formula: \$11.81 per acre of land, plus a flat amount of \$5.07 for the dwelling. This direct assessment is set to sunset on June 30, 2019. The district maintains a website that provides information about the district and projects funded by the district in each supervisorial district. The website is: <http://openspacedistrict.lacounty.info> (See No. 6 on Attachment No. 1)
- MWD STANDBY #13 – Metropolitan Water District Standby #13. This FY 2017/18 assessment of \$10.44 covers the continuous operation and maintenance of capital improvements, i.e. infrastructure such as water storage facilities. In the event that the local water provider is not able to provide your water, they would be able to tap into this these water storage facilities. Single family residential properties are assessed at the rate of \$10.44 per taxable acre, with the minimum assessment being \$10.44. (See No. 7 on Attachment No. 1)
- TRAUMA/EMERG SRV – Los Angeles County Trauma & Emergency Services. This FY 2017/18 assessment of \$48.42 provides funding to help build and sustain the County-wide system of trauma centers, emergency medical services, bio-terrorism preparedness and response and services for the indigent. The County-wide trauma system is administered by the County of Los Angeles Department of Health Services and services the public through an integrated network of hospitals, health centers and clinics. The assessment is levied at the rate of 4.24 cents (\$0.0424) per square foot of improvements on the property. (See No. 8 on Attachment No. 1)
- FLOOD CONTROL – Los Angeles County Flood Control District. This FY 2017/18 assessment of \$23.36 is for flood control services. The funding collected through this direct assessment pays for the operation and maintenance of flood control systems infrastructure and facilities (storm drains, open channels and catch basins). The flood control system exists in order to prevent street flooding. The rate of the assessment is calculated as \$28.85 times the acreage of the parcel times a runoff factor, which is based on how pervious the parcel is. (See No. 9 on Attachment No. 1)
- RPOSD MEASURE A – Los Angeles Regional Open Space District. This FY 2017/18 assessment of \$17.13 stems from the Safe, Clean Neighborhood Parks and Beaches



Measure (Measure A) which was approved by the voters on November 8, 2016 in order to continue the acquisition, restoration or rehabilitation of real property for parks and park safety, senior recreation facilities, gang prevention, beaches, recreation, community or cultural facilities, trails, wildlife habitats, or natural lands, and maintenance and servicing of those projects that was originally authorized under Proposition A. The basis of the assessment is 1.5 cents (\$0.015) times the square footage of the improvements on the property. (See No. 10 on Attachment No. 1)

- CNTY SAN DIST 01 – Los Angeles County Sanitation District. This FY 2017/18 assessment of \$178.00 is for the maintenance and repairs of the main trunk sewer lines which the City’s sewer lines connect with. The main trunk sewer lines connect with the City’s sewer lines and then transport the wastewater to the nearest Sanitation District facility where the wastewater is treated (cleaned) so that the water can be reused for the irrigation of parks and parkways or distributed back into rivers, lakes and the ocean. The assessment is \$178.00 per “sewage unit.” (See No. 11 on Attachment No. 1)
- CB MWD STDBY CHG – Central Basin Municipal Water District. This FY 2017/18 assessment of \$10.00 pays for the upkeep of infrastructure connected to the local aqueducts to ensure water can travel safely and uncontaminated to the local water purveyor. Single family residential properties are assessed at a rate \$10.00 per acre of taxable acreage, with the minimum assessment being \$10.00 for parcels of one acre or less. (See No. 12 on Attachment No. 1)
- LA CO FIRE DEPT – Los Angeles County Fire Department. This FY 2017/18 assessment of \$67.38 is authorized by a special tax that was approved by the Los Angeles County voters in 1997 to provide funding to the Los Angeles County Fire Department for fire and emergency medical services. (See No. 13 on Attachment No. 1)
- MAINT DIST #1 – City of South Gate Street Light and Landscape Maintenance District. This FY 2017/18 assessment of \$118.95 is for the maintenance and operation of street lights, street trees, landscaping, hardscapes, traffic signals and related facilities. The basis of this assessment in front footage of each parcel and the zone the property is located in. The zones were created based on the level of benefits provided in each zone. (See No. 14 on Attachment No. 1)

I hope this information provides answers to all questions related to the assessment of property taxes in the City of South Gate and where those property tax dollars go and what those property tax dollars are used for. The Los Angeles County Auditor-Controller’s Office also provides a great deal of information about property tax bills on its website at the following link. <http://lacountypropertytax.com/portal/bills/annualbill.aspx>

ATTACHMENTS:

- 1) Property tax bill for a residential parcel in the City of South Gate
- 2) City of South Gate – Property Tax Dollar Breakdown



ANNUAL PROPERTY TAX BILL

CITIES, COUNTY, SCHOOLS AND ALL OTHER TAXING AGENCIES IN LOS ANGELES COUNTY
SECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2017 TO JUNE 30, 2018
JOSEPH KELLY, TREASURER AND TAX COLLECTOR

FOR ASSISTANCE CALL 1(213) 974-2111 OR 1(888) 807-2111, ON THE WEB AT lacountypropertytax.com

ASSESSOR'S ID. NO. CK

PROPERTY IDENTIFICATION
ASSESSOR'S ID. NO. : [REDACTED]

OWNER OF RECORD AS OF JANUARY 1, 2017
SAME AS BELOW

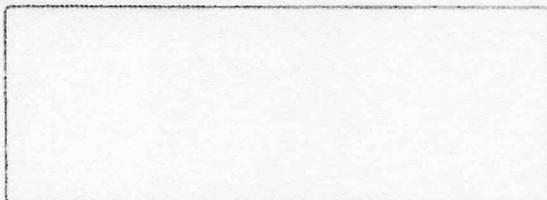
MAILING ADDRESS
[REDACTED]
SOUTH GATE CA 90280-6440

DETAIL OF TAXES DUE FOR				AMOUNT
AGENCY	AGENCY PHONE NO.	RATE		
1 GENERAL TAX LEVY ALL AGENCIES		1.000000	\$	611.76
2 VOTED INDEBTEDNESS				
3 METRO WATER DIST		.003500	\$	2.14
4 COMMNTY COLLEGE UNIFIED SCHOOLS		.045990		28.13
		.122192		74.75
DIRECT ASSESSMENTS				
5 LACO VECTR CNTRL	(800) 273-5167		\$	8.97
COUNTY PARK DIST	(833) 265-2600			6.53
MWD STANDBY #13	(866) 807-6864			10.44
TRAUMA/EMERG SRV	(866) 587-2862			48.42
6 FLOOD CONTROL	(626) 458-5165			23.36
7 RPOSD MEASURE A	(833) 265-2600			17.13
8 CNTY SAN DIST 01	(562) 908-4288			178.00
9 CB MWD STDBY CHG	(866) 807-6864			10.00
10 LA CO FIRE DEPT	(323) 881-6151			67.38
11 MAINT DIST #1	(866) 807-6864			118.95

ELECTRONIC FUND TRANSFER (EFT) NUMBER
ID#: [REDACTED] YEAR:17 SEQUENCE:000 1
PIN: [REDACTED]

For American Express, Mastercard and Visa payments call 1(888) 473-0835 and have available the EFT number listed above. Service fees will be charged.

SPECIAL INFORMATION



PROPERTY LOCATION AND/OR PROPERTY DESCRIPTION
[REDACTED] SOUTH GATE
TRACT # [REDACTED] LOT [REDACTED]

TOTAL TAXES DUE \$1,205.96
FIRST INSTALLMENT TAXES DUE NOV. 1, 2017 \$602.98
SECOND INSTALLMENT TAXES DUE FEB. 1, 2018 \$602.98

ASSESSOR'S REGIONAL OFFICE
REGION #12 INDEX: TRA:00664
SOUTH DISTRICT OFFICE
1401 E WILLOW STREET
SIGNAL HILL CA 90755
(562)256-1701

ROLL YEAR 17-18	CURRENT ASSESSED VALUE	TAXABLE VALUE
LAND	28,607	28,607
IMPROVEMENTS	39,569	39,569

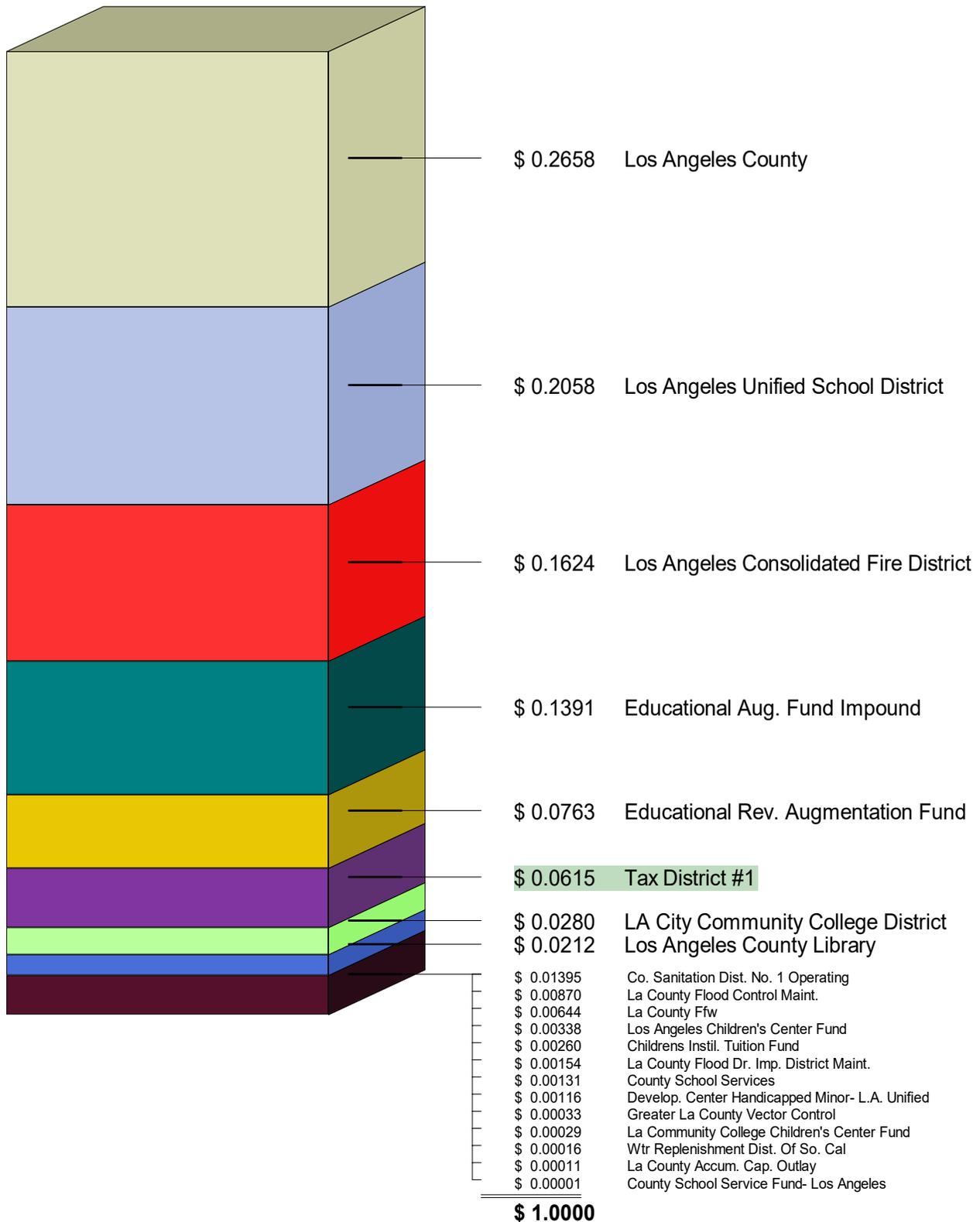
AV }

TOTAL 68,176
LESS EXEMPTION HOME 7,000
NET TAXABLE VALUE 61,176

ACCT. NO.: PRINT NO.: 437187 BILL ID.:

ANY RETURNED PAYMENT MAY BE SUBJECT TO A FEE UP TO \$50.00.

THE CITY OF SOUTH GATE PROPERTY TAX DOLLAR BREAKDOWN

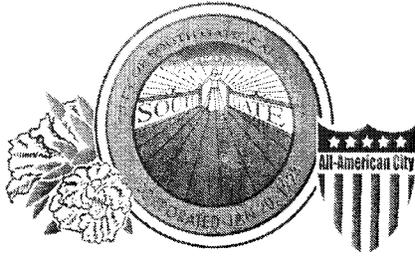


ATI (Annual Tax Increment) Ratios for Tax Rate Area 00664, Excluding Redevelopment Factors & Additional Debt Service

Data Source: Los Angeles County Assessor 2018/19 Annual Tax Increment Tables

Prepared On 12/28/2018 By MV

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone



City of South Gate
Budget Subcommittee
April 16, 2019

STAFF REPORT

AGENDA ITEM NO. 3

TO: Budget Subcommittee

FROM: Carmen Avalos, City Clerk

SUBJECT: APPROVAL OF MEETING MINUTES.

PURPOSE: To historically preserve the events of the Advisory Board Meetings.

RECOMMENDED ACTION: Approve the Regular Meeting minutes of February 19, 2019.

BACKGROUND: Amendments should be provided to the City Clerk's Office at least 24 hours prior to the meeting as to have verification of the record and allow for corrections to be made accordingly. A revised document will be provided to the subcommittee prior to the Meeting for adoption.

ATTACHMENTS: Minutes of the Budget subcommittee.

**MINUTES FOR THE REGULAR MEETING OF THE
BUDGET SUBCOMMITTEE
TUESDAY, FEBRUARY 19, 2019**

CALL TO ORDER The regular meeting of the Budget Subcommittee of the City of South Gate was called to order by Maria Belen Bernal, Mayor at 5:02 p.m.

ROLL CALL Carmen Avalos, City Clerk/Recording Secretary

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

LATE City Treasurer Greg Martinez arrived at 5:38 p.m.

**1
DEPARTMENT
PRESENTATIONS**

The Budget Subcommittee Members heard presentations on operations by department directors.

Paul Adams, Director of Parks and Recreation stated the parks is organized in four different divisions. Administration handles capital improvement projects, facility rentals, payroll and purchasing.

The parks maintenance division which is grounds, facility maintenance, set up for events and work with volunteers.

The recreation services are all the activities that organize the sports leagues, set-up classes, teach swimming lessons.

The transportation division which provides transit services, phone-a-ride, The Gate bus fixed route service, discount sales of metro bus passes to seniors & students and recreation trip program.

Director Adams stated having 45 full-time employees and between 75 & 100 part-time employees. They utilize over 20,000 hours of volunteer labor to help supplement.

Director Adams stated that parks has about 10 million dollars in expenses, 3.8 million dollars in revenues and 1.2 million dollars in capital improvement projects. The expenses are to keep the parks clean and maintained. He stated that the revenue comes from two different sources. They get about two million dollars in revenue from Prop A which pays for the expenses for transit programs. The second revenue is primarily program fees that they charge and they have specific criteria goals on cost recover.

1
DEPARTMENT
PRESENTATIONS
CONT'D

Director Adams spoke about future projects and provided a staff report from the Parks & Recreation Commission meeting of February 14, 2019.

Mayor Bernal spent three hours with Mr. Adams and two of the main branches of his staff.

Mayor Bernal asked if anyone in the audience wished to speak on this item.

Nick Godoy, 8611 San Gabriel Avenue informed the Board that someone asked the JAA for their financial statements and it was denied.

Having no one else come forward, Mayor Bernal closed the audience portion.

Council Member Rios complimented Mr. Adams and staff for their hard work.

Council Member Rios asked how many parks we have and is the park on Southern Avenue considered one.

Director Adams stated that there are nine parks and the park on Southern Avenue is Cesar Chavez Park, but a portion of the park was known as State Street Park. Council heard different public comment that wanted State Street Park to remain as State Street Park.

City Treasurer Greg Martinez asked Mr. Adams for a list of age groups that are utilizing city buildings. He also questioned waiving fees for outside agencies, especially LAUSD. Does LAUSD allow non-profits and residents to use their school facilities?

Council Member Rios stated that an agreement with Legacy High School to use their fields was just approved.

Mayor Bernal addressed Mr. Godoy's concerns.

Randy Davis, Chief of Police stated that his presentation will focus on the operational. He stated 166 total employees at the police department which includes 85 police officers, 43 full-time civilian staff and 38 hour civilian staff.

Chief Davis spoke about services provided to the public, grants received for funding for personnel, traffic safety operations, enforcement operations & equipment and ballistic safety vests, the department's accomplishment, goals and objectives.

1
DEPARTMENT
PRESENTATIONS
CONT'D

Mayor Bernal thanked Chief Davis for his presentation.

Mayor Bernal asked if anyone in the audience wished to speak on this item. Seeing no one step forward; Mayor Bernal closed the audience portion.

Council Member Rios commended Chief Davis for all the good work he's done for the community.

Council Member Rios asked if juvenile crime is down also.

Chief Davis stated that all crimes are down. He thanked Council Member Rios for his comments and it's due to patrol staff, investigation measures and outreach to the community.

Treasurer Martinez believes the crimes are going up due to people not reporting the crimes.

Mayor Bernal asked about patrolling and scheduling.

Chief Davis stated Sunday thru Thursday is different from Friday and Saturday. We'll have six officers and a sergeant assigned during a shift. The city is broken up into five areas. One officer is assigned to each area. Two officers assigned to the east side or Hollydale area because it is difficult to access during the busy traffic time. On Saturdays the patrolling doubles.

Council Member Rios asked about the special gang unit. He inquired about active gangs in the city.

Chief Davis stated we have active gangs but it has changed dramatically. Ten years ago we had homicides that were between 8 to 14 per year. Every city has active gangs. The gangs are involved in human trafficking, narcotic sales, and taxing local businesses that go unreported.

Our gang unit are knowledgeable on the activity levels of the gangs. They file reports, cases with the District Attorney's Office, get search warrants, and get the SWAT team involved, we'll get gang team from other agencies.

2
PROPERTY TAX
DOLLAR BREAKDOWN

The Budget Subcommittee Members received and filed information on how each dollar of property tax collected by the County Los Angeles is distributed and what other Cities receive as their share of each property tax dollar.

2
PROPERTY TAX
DOLLAR BREAKDOWN
CONT'D

Jackie Acosta, Director of Administrative Services stated that at the last meeting we discussed property tax. She provided a bar chart showing the tax dollar breakdown.

Director Acosta will be providing a staff report showing how all property tax distribution came to be. How Prop 13 affected it way back in 1978.

Mayor Bernal stated this information helps her understand what other cities are getting and it's helpful to be able to inform residents from their property taxes a certain percentage is going to the school district.

Mayor Bernal stated newer cities have a special tax assessment for school districts.

Director Acosta stated cities that have their own school districts may have special assessments within their cities that have been voted on by the residents.

Mayor Bernal asked if we know the breakdown for other residents that don't participate with LAUSD. For example Hollydale has Paramount Unified School District and Downey Unified School District.

Director Acosta will get information for the Board Members. She stated that within the City of South Gate are 20 TRA's (tax rate areas)

Council Member Rios spoke about a proposed legislation to deal with Prop 13.

Director Acosta had heard it was garnering support and will get information for the Board Members.

Mayor Bernal asked if anyone in the audience wished to speak on this item. Seeing no one step forward; Mayor Bernal closed the audience portion.

3
TRANSACTION TAXES

The Budget Subcommittee Members received and filed the staff report on transaction taxes in other Gateway Cities.

Director Acosta stated that at the last meeting, Council Member Rios asked for a list of other cities that have received voter approval for a local sales tax.

Director Acosta stated there is a nine page document that the State Board of Equalization provides. She may provide document if the Subcommittee Members would like a copy.

Director Acosta stated that the City of Santa Fe Springs' local sales tax is 1 cent which was approved last November. The cities of Pico Rivera, Lynwood, Long Beach and Compton are 1 cent; the cities of Huntington Park and Cudahy are $\frac{3}{4}$ cent; and the cities of Downey, Commerce and Avalon are $\frac{1}{2}$ cent.

Treasurer Martinez asked if we are at the max right now.

Director Acosta stated the City of South Gate's rate is 10.25. The cap is at 2% countywide.

Mayor Bernal asked how the 10.25 is composed.

Director Acosta stated that 6% is considered statewide tax and a portion ($\frac{1}{2}$ cent) goes to Prop 172 (Public Safety Fund), local revenue fund is a realignment is $\frac{1}{2}$ percent, another local revenue fund from 2011 which is 1.0625. All of these make up the 6%.

We also have the Bradley Burns Transportation which is a .25 cent; Bradley Burns that goes back to cities which is 1%, district taxes (Metro Prop A) which was approved November 4, 1980 that's $\frac{1}{2}$ cent, Prop C approved November 6, 1990 that's $\frac{1}{2}$ cent, Measure R was approved November 2008 that's $\frac{1}{2}$ cent, Measure M approved November 2016 that's $\frac{1}{2}$ cent, and our Measure P for 1%.

We have 3% of district taxes, the legislative override and 1% local Bradley Burns, the 6 from the state, and .25% county make up the 10.25.

Director Acosta will provide a copy of the chart.

Council Member Rios questioned the bond measures.

Director Acosta stated that bond measures are on property tax bills.

Mayor Bernal asked if anyone in the audience wished to speak on this item.

Nick Godoy, 8611 San Gabriel Avenue stated how to avoid car sales tax.

Having no one else come forward, Mayor Bernal closed the audience portion.

ADJOURNMENT

Mayor Bernal unanimously adjourned the meeting at 7:33 p.m. seconded by Council Member Rios.

PASSED and **APPROVED** this 16th day of April, 2019.

ATTEST:

María Belén Bernal,

Carmen Avalos, City Clerk