

**CITY OF SOUTH GATE
REGULAR CITY COUNCIL MEETING
MINUTES
TUESDAY, JUNE 11, 2019**

CALL TO ORDER Jorge Morales, Mayor called a Regular City Council meeting to order at 6:35 p.m.

INVOCATION Father Eduardo Bresciani, St. Margaret's Church

PLEDGE OF ALLEGIANCE Jesus Cuevas, South Gate Police Officer

ROLL CALL Carmen Avalos, City Clerk

PRESENT Mayor Jorge Morales, Vice Mayor Denise Diaz, Council Member Al Rios, Council Member Maria Davila and Council Member Maria Belén Bernal; City Manager Michael Flad, City Attorney Raul F. Salinas

LATE City Treasurer Gregory Martinez arrived at 7:30 p.m.

1 PRESENTATIONS The City Council presented a Certificate of Appreciation to South Gate Police Officer Jesus Cuevas in recognition for receiving the 2018 MADD Award for his 49 Driving Under the Influence arrests.

2 CITY COUNCIL The City Council conducted a Public Hearing and unanimously introduced Ordinance No. 2362 entitled – Ordinance of the City Council of the City of South Gate, California, amending certain Subsections of Sections 1.02.040 (Prohibited Uses of City Seal), 1.02.050 Authorized Uses of City Seal), and 1.02.060 (Specially Permitted Uses of the City Seal), of Chapter 1.02 (City Seal), of Title 1 (Administration and Personnel), of the South Gate Municipal Code regarding use of the City Seal by motion of Council Member Bernal and seconded by Council Member Davila.

Council Member Bernal requested that the Ordinance be included in any future candidate forum for any upcoming elections, provide a list of both approved and denied requests to the members of City Council and include the statutory references based on a misuse or unauthorized use of the seal.

Art Cervantes, Assistant City Manager/Director of Public Works gave a brief presentation on this item.

Mayor Morales asked if the City Manager approves the use of the seal will there be a follow up with Council Members.

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CITY COUNCIL
CONT'D

Mike Flad, City Manager stated that his recommendation is that Council would be notified anytime that he authorized the use of the City Seal.

Council Member Rios asked what would be an example of why this process would need to be stream lined.

Mr. Cervantes explained that there is one particular prohibition that states that the City Seal on printed or written material in support or opposition on any state or federal legislation requires specific approval by the Council. If this Council would approve a letter of support for a bill with this particular provision there is a possibility that because it uses the City Seal it might have to go through this approval. If we wanted to support a business that was sponsoring a community event and we wanted them to use the City Seal to publicize the event, it would require the City Council to conduct a public hearing for approval.

Mayor Morales asked if anyone in the audience wishes to speak on this item.

Virginia Johnson, 5751 McKinley Avenue said that she hopes that the City Seal will never be used for political purposes or friends of friend's usage that provides monetary gains.

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

Council Member Bernal stated that at least two months ago she alerted the City Manager and Assistant City Manager that a realtor was using the logo and they did it again recently. Do the proposed changes include any fines for people who do not have authorization to use the logo?

Raul F. Salinas, City Attorney said that there are a number of federal protections that are available to us. Typically, the City will send out a notice that they are infringing on our seal and that it is an unauthorized use. We would insist that they cease and desist and threaten them with legal action. Under the statute you can recover attorney's fees as a result. In the course of the City Attorney's tenure with the City we have had a few cases of infringement. In the advent of social media it is easier for folks to cut and paste and try to put it on their social media pages.

Mr. Flad asked if we should write into the ordinance failure to adhere or violations to the procedures can result in.

Mr. Salinas stated that it could be put into the ordinance but it is not required because the protections are already available to the City. From a

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legal perspective it is not needed from a stylistic and fairness argument we could amend that.

Mayor Morales asked if there was a legal definition for a seal. The City currently has both a logo and a seal. The ordinance only covers the seal, will there be different language for the logo?

Mr. Flad stated that we are drawing a distinction between the seal and the logo and will be coming back with separate language for the logo. Currently the logo does not require a Public Hearing to use the logo but staff can bring this back as a separate item.

Council Member Davila remembers that in past elections people have taken pictures of the City Seal that is in the entrance of the City for campaigning. What can we do in order to stop this?

Mr. Flad answered that there are different rules for when a person for examples stands in front of a police car and then uses the picture for campaigning.

Carmen Avalos, City Clerk said that candidates cannot use anything that has official City logos or seals under the law. More specially if someone takes a picture with someone in their uniform, anything that identifies the City has to be gone. If someone takes a picture in front of City Hall that is considered a public domain. What is not a public domain is the seal and logo.

Council Member Davila asked how we can make sure that future candidates for City elections know that they cannot use the seal for the purpose of campaigning.

Mr. Salinas said that the City can put out a flyer including the language from the ordinance. It can also be included in the candidate training that is hosted by the City Clerk's Office.

Ms. Avalos stated that there will be changes being brought before Council that will include recent changes in the election law and dates.

Council Member Bernal asked if this authorization provided by the City Clerk's Office prior to this ordinance that is being recommended now.

Mr. Flad answered that it was supposed to come before City Council.

Ms. Avalos said that under our municipal code the City Clerk is actually the holder of the seal. The City Clerk has received requests when the City

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is hosting an event that is being sponsored by an organization like Waste Management and she has approved requests like this before.

3
BUDGET

The City Council conducted a Public Hearing and approved A, B, C, D, E, F and G by motion of Council Member Bernal and seconded by Council Member Davila.

- a. Opened the continued Public Hearing;
- b. Received final comments on the proposed Fiscal Year 2019/20 Municipal Budget from the City Manager and Director of Administrative Services;
- c. Took public testimony;
- d. Closed the Public Hearing;
- e. Reviewed and discussed the proposed Fiscal Year 2019/20 Municipal Budget, as necessary;
- f. Approved the personnel changes contained in the proposed Fiscal Year 2019/20 Municipal Budget as described on page 2 of this Agenda Bill; and
- g. Adopted Resolution No. 7870 entitled - A Resolution of the City Council of the City of South Gate, California, approving the Fiscal Year 2019/20 Municipal Budget.

Mike Flad, City Manager and Jackie Acosta, Director of Administrative Services gave a brief presentation on this item.

Mayor Morales asked if anyone in the audience wishes to speak on this item.

Nick Godoy, 8611 San Gabriel Avenue asked when staff refers to funds is that funds that are invested in or are there any penalties for moving them to the General Fund.

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

Ms. Acosta responded that there are no penalties involved. None of the fee funds that we have talked about transferring to the General Fund are required to be used in a certain manor or accounted for separately.

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BUDGET CONT'D

Transferring the expenditures to the General Fund is not going to be an issue and there are no revenues coming in.

Council Member Bernal stated that PERS is a fund that needs to be reviewed and currently the City pays a share and the employees pay a share of the cost. How soon are we going to have to review the sharing of the costs for PERS. If we are going to start renegotiating with employees it is a good time to start having those conversations. Council Member Bernal is not saying that it should be part of the decision for this year but would like to know what staff is thinking of.

Ms. Acosta stated that the City no longer picks up any portion of the employee's share. Over the years in local government it has become common for the City to pay the employer share which has been seven or eight percent depending on the different benefit levels and to the employees themselves have a share and over the years the City started as a benefit picking up the employee share also which was tradition for many years. Many City's went away from that after Public Employee's Pension Reform and the City of South Gate did that also. About five or six years ago we negotiated with the employees and now they pick up the whole share and we pay the employer's share. Now what we are thinking of and many Cities have done is to have the employees even pick up a portion of the employers share and we will start negotiations shortly after the first of the year or before the end of this year. The unions are aware that we will be discussing some of these issues and some have said that they will be ready to start before we take a break over the holidays or right after we get back. It will be implemented this year so whatever is agreed upon can be implemented next fiscal year.

Council Member Bernal said that she would like to pair those conversations with the request she made of Ms. Acosta months ago on looking into a trust that the employee's themselves can pay into that currently do not have a retiree medical plan. We know that our police officers do but all our other employee's do not. Essentially, the way it was explained was they themselves pay into it and obviously employees do not retire all at the same time so they can all benefit and would like to learn more.

Council Member Bernal asked is staff is looking at any new ways for potential new revenues.

Mr. Flad responded that staff has had many internal conversations. Ideally it is revenue generating that directly does not impact residents. For example the Transit and Occupancy Tax is very low when you compare South Gate to other Cities. We are at eight percent and the average is at about ten percent. There are Cities that are about fifteen percent.

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BUDGET CONT'D

Council Member Bernal inquired if all the salary increases have been paid including retroactive pay.

Ms. Acosta stated that when the agreements were first approved yes. Most of them did not have a retroactive component and got paid immediately after the Council's adoption but they were three year agreements. Everyone has received their increases for the last two years and the increase for the 2020 Fiscal Year goes into effect with the first pay period of the new Fiscal Year and are budgeted in tonight's budget.

Council Member Bernal realizes that there have been many discussions on allowing alcohol with the rental of the Municipal Auditorium and she is still against this but would like to consider the possibility of opening this option up to nonprofit organizations as a potential source of revenue. It is a whole different crowd. People are working at these events and they don't usually last late into the evening. We do this with Pageant of the Trees where it is a much more controlled environment and it is a group of professional supporting a very important cause.

Mr. Flad said that this can be added to the work program and we can come up with different goals.

Council Member Bernal asked if the 2.7 million dollar shortfall was being recommended and if the funds will be pulled from the CalPERS stabilization.

Ms. Acosta responded that there is about \$425,000.00 in one time revenue and there is about \$113,000.00 in one time expenditures. The true net shortfall that we are recommending 2.3 million dollars come out of the CalPERS stabilization fund. If the Council wants to take it from the unassigned fund balance you can do that but the budgeted CalPERS stabilization fund which has 6 million dollars was basically set aside for this very purpose. This is our best estimate at this time of what our revenues will be and what our expenditures will be. At the end of the day when the next fiscal year is over we hope we will not have to use the reserve at all. If in fact we are short at the end of the year, this is staff's recommendation.

Mr. Flad explained that the City estimates the revenues low and estimates on the high side of the expenditures. Every year for the last six years we have shown a deficit but we have not shown one to date. The Department Heads do an outstanding job. If they do not have to spend it they simply do not spend it. With many organizations around May, accounts payable sees a spending increase but this is not the case with South Gate.

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BUDGET CONT'D

Council Member Bernal requested a list of associations and dues that City Council has subscribed to in the last two years.

Mr. Flad stated that this Council does a very good job of representing the City regionally and at the State level. These funds are not only used to train individuals but to advocate and represent at the State level, with Senate Bill 50. As the State is trying to take local control away for housing, Council did take action to represent the City. Included in the budget is also travel for advocacy.

Mayor Morales stated that last year he traveled a lot to Sacramento but the cost came from Contract Cities not the City's budget.

Council Member Bernal stated that she is a strong supporter of having the officers on the street and knows that the Chief is committed to this also. She noticed that there is over 1 million dollars in overtime for Patrol. Have we ever done an analysis of whether it is better to hire new officers instead of allocating these funds for overtime?

Randy Davis, Chief of Police stated it would be much better to hire at full staff and pay them at straight time. Unfortunately, the nature of recruitment as experienced by law enforcement across the country is very challenging. Everyone is vying for the same candidate pool and we do not have as many quality applicants as we did five to ten years ago. The Police Department hired seven police officers last year and twenty five employees last year total and we are constantly recruiting. As we see the positions filled and we see the 85th officer hired and out on his own we will begin to see reductions in the overtime accounts.

Council Member Bernal asked what the Capital Outlay Expense, Senior Services, are used for under the Parks Budget.

Paul Adams, Director of Parks and Recreation responded that the Senior Center is the only building that doesn't have an alarm system on it and we are experiencing problems with homeless sneaking in and hiding or trying to break in at night. We felt it was time to add some security there also, the auditorium and park yard.

Council Member Bernal has mentioned to staff the idea of Community Gardens or cleaning vacant lots. City Treasurer Martinez has mentioned in the past that the Boy Scouts have adopted the area near the Dollar Tree on San Carlos and there is a similar lot next to what used to be a dental office. If she can get a list of similar areas she would be willing to work with our local Girl Scouts and Boy Scouts to do clean up or some type of community garden. As long as liability is low there is an interest from the scouting groups as well as local churches.

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BUDGET CONT'D

Mayor Morales added that the City of Paramount went through a huge transition and part of that transition was that they looked into a similar program looking at their vacant lots, then building white picket fences around those properties which made a positive difference.

Mr. Flad stated that he has met with Joe Perez, Community Development Director and can provide a list to Council of properties and add it to the work program. As it comes out we will have to add it to the budget.

Mayor Morales stated that he recently had a conversation with a resident. The City has an operating revenue of over 51 million and he wants to know how much of this comes from the extra one cent sales tax approved in 2007.

Ms. Acosta responded that that last year of actual revenue 2017/2018 and the City received a little over 10 million. This year we look on track to be at about 11.3 million. Combined with what we get from the state the City receives about 22 million from the state.

COMMENTS FROM THE AUDIENCE

Cesar Zaldivar-Motts, Executive Director South East Community Development Corporation said that about 25-years ago their agency was formed as a regional and economic development nonprofit organization to serve the residents of South Gate and surrounding Cities. They have operated several projects and provided services throughout the South East. Currently, their main focus is on reducing the digital divide in the South East area. About 33% of our residence are experiencing the digital divide. Their agency has established computer centers along the South East area and they are here to talk to Council and Staff about opening a center in South Gate. They also have a mobile unit that has been at many City events and a technology center in Bell where they provided classes for youth and adult. One of the challenges they were having at the Bell Tech Center is picking up donations from schools, nonprofits, businesses and even government agencies. Many times we were not able to pick up the items, which would result in a loss of revenue for us. However, with the assistance of Vice Mayor Diaz we were able to receive a grant award from Marathon for \$50,000.00 to buy a truck.

Andy Carrasco, Board Vice President South East Community Development Corporation said that he appreciates the partnership. About a month ago they were here with Spectrum and Speaker Rendon about how important it is to close the digital divide.

Mike McCormick, Board President, South East Community Development Corporation said that this presentation check from Marathon is to show their commitment to South Gate and they will continue to provide these opportunities through STEM and STEAM education and public safety.

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COMMENTS FROM THE AUDIENCE CONT'D

Dr. Fabian Corona, 3329 Tweedy Boulevard said that he recently met Council Member Al Rios at the Health Fair that was held at South Gate Park. He traveled to Sacramento to lobby for Health Care Benefits and recently working with his Optometry Association they were able to put in this year's budget adult MediCal to allow them to receive material benefits. Over the past 10 years any adult that has MediCal and came into the clinic couldn't get glasses covered with their insurance. Many just walked out. His hope is that the next health care victory will be in the form of a children's vision bill by the State mandating that children get a vision exam before they start their academic career. He invited Council to come visit the clinic and see the services they provide the community.

Virginia Johnson, 5751 McKinley Avenue stated that there was a very bad smell on the Karmont Avenue Area. This smell comes from the mulch plant, Green Wise Soil, on Miller Way. The company's logo is we bring green things to life but it should add it brings humans to brink of extinction. According to former Council Member Bill DeWitt this company was only supposed to have a temporary lease. Since the City knows the history of the property during the Robles era, she hopes it is not really GWS, but the title of the mulch company is Green Wise Soil or GWS. On Thursday, May 30th there were two vendors down the middle of Ms. Johnson's street beeping their horns loudly. The City took care of the problems with the ice cream trucks but now with this new problem it will only get worse.

Nick Godoy, 8611 San Gabriel Avenue spoke about the delineators by the 710 Freeway. He also said that on Otis across the tracks on the southwest corner the green light can barely be seen. Once again, the intersection at Sam's and the Azalea Center are being blocked by drivers.

REPORTS AND COMMENTS FROM CITY OFFICIALS

Joe Perez, Community Development Director reminded everyone that the Chamber of Commerce will be having their 3rd annual Business Expo on June 18th at the South Gate Park Auditorium.

Mike Flad, City Manager mentioned that on June 14th is the main fundraiser for the Rotary Club and he invited all the Council to attend. It is being held at the Rio Hondo Golf Course and it raises money for scholarships for South Gate's youth.

Raul F. Salinas, City Attorney responded to Ms. Johnson's comments. He explained that the City was embroiled in litigation over that parcel that was being leased out to UWS. UWS is a large corporation that has its roots in Central California and came down here to open up shop. In our pursuit of the transactions involving Jorge Garrido, he was the subject of a criminal indictment and he did appeal. The City did sue him personally in

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REPORTS AND COMMENTS FROM CITY OFFICIALS

CONT'D

which the City received a settlement payment from him and we also followed him through the bankruptcy proceedings. In the course of that we were able to dissolve that lease. When we entered into the lease with UWS not GWS which was a direct lease with the City and the current tenant of that property.

Carmen Avalos, City Clerk stated that we had an election last week. We have a new senator and Measure EE did not pass. She informed everyone about the new voting system for 2020. Last week, my staff and I attended the LA County Elections 2020 Boot Camp. We had the pleasure of having Secretary of State Padilla attend the boot camp. Mr. Padilla noted that there are many changes to come.

Ms. Avalos also stated that this Thursday, June 13th the LA County will be bringing the voting system to allow the public to have the opportunity to view it and use it at the Girl's Club House.

Greg Martinez, City Treasurer stated the street fair turned out well. He stated that Mr. Bill De Witt had a concern and asked him to talk about striping of intersections near schools.

Mr. Martinez stated that tomorrow is a SPA 7 meeting in Downey regarding the homeless count.

Council Member Davila attended the street fair and noted low attendance. She also attended the South Gate Middle School culmination. The school had 540 students promoting and attended the Erwin Orchard Family Fun Day on Saturday.

Council Member Davila congratulated Public Works for their recognition.

Council Member Davila reminded Council of the Council of Governments conference scheduled for this month.

Council Member Rios attended the Erwin Orchard Family Fun Day, the SELA Collaborative, and an event at the Slawson Education Center. On June 29th there will be an event at the General Motors Plant showcasing electric vehicles.

Council Member Bernal was able to complete the water program that she and Vice Mayor Diaz have been attending. It ended with a meeting with Speaker Rendon. She attended the Tweedy Mile Street Fair and had a lot of fun. She said that the Show Mobile is very old and we need to look at replacing it. She also requested a report on the City funds used for the Tweedy Mile Street Fair.

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REPORTS AND COMMENTS FROM CITY OFFICIALS

CONT'D

Vice Mayor Diaz was also able to complete the water program. She said that it was a very memorable experience. She will be attending the League Conference as a member of the Environmental Quality Commission.

Mayor Morales attended Mayor Garcetti's Meeting of the Mayors. The presentation was by the Los Angeles County Fire Departments and they shared that in 2017/2018 there were more deaths by suicide than deaths on duty. They are trying to find ways to address the impact of the trauma that they face and this made him think what services do we have available for South Gate Employees. He requested that the Chief bring back a report to Council about these programs.

Randy Davis, Chief Davis said that there has been a noticeable change with first responders over the past several years. We have a trauma support team that not only works with officers but all employees. Dispatchers needed to be included because they go through the situation with never seeing the end result leaving them to form unanswered mental pictures. It is not something to be ashamed of like it was twenty-years ago. An officer's mental health is critical not only to how they perform in the field but we want them to be able to enjoy their retirement afterwards.

Mayor Morales attended the Public Works Week activities and had the opportunity to speak with some of the elementary students.

Mayor Morales spoke on the homeless situation and we should put these items up for discussion at future meetings.

CONSENT CALENDAR

Agenda Items 4, 5, 6, 8 and 9 were unanimously approved by motion of Council Member Rios and seconded by Council Member Davila. Item 7 was pulled for discussion.

4 APPROPRIATIONS LIMIT

The City Council unanimously adopted Resolution No. 7871 entitled - A Resolution of the City Council of the City of South Gate, California, approving and adopting the annual Gann Appropriations Limit for Fiscal Year 2019/20 during consent calendar.

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5

SIDEWALK IMPROVEMENTS

The City Council unanimously approved A and B during consent calendar.

- a. Approved Amendment No. 1 to Contract No. 3447 with SouthStar Engineering & Consulting, Inc., to fund the already completed additional construction inspection services for the Citywide Sidewalk Improvement Project, Phase V, City Project No. 566-ST, in the amount not-to-exceed \$7,968; and
- b. Authorized the Mayor to execute Amendment No. 1 in a form acceptable to the City Attorney.

6

PUBLIC WORKS

The City Council unanimously approved A and B during consent calendar.

- a. Approved Amendment No. 4 to Contract No. 3131 with Willdan Engineering, Inc., to extend the contract term by three months, as necessary to provide as-needed engineering services through September 30, 2019, for an amount to be funded under the existing contract budget; and
- b. Authorized the Mayor to execute Amendment No. 4 in a form acceptable to the City Attorney.

7

WATER

The City Council unanimously authorized the Mayor to execute the letter opposing Central Basin Municipal Water District's new retail water meter charge by motion of Council Member Davila and seconded by Council Member Bernal.

8

QUARTERLY REPORT

The City Council unanimously received and filed the Quarterly Investment Report for the quarter ended March 31, 2019 during consent calendar.

9

INVESTMENTS

The City Council unanimously adopted the City's Annual Statement of Investment Policy during consent calendar.

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**10
WARRANTS**

The City Council unanimously approved the Warrants and Cancellations for June 11, 2019 by motion of Council Auditor Bernal and seconded by Council Member Davila.

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|------------------------------|-----------------------|
| Total of Checks: | \$1,828,358.65 |
| Voids | \$ (321,998.76) |
| Total of Payroll Deductions: | <u>\$ (14,093.44)</u> |
| Grand Total: | \$1,492,266.45 |

Cancellations: 77760, 77979, 79569, 80250, 80341, 80808, 82156, 82670, 82870, 83028

ADJOURNMENT

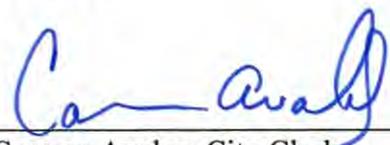
Mayor Morales adjourned the meeting at 8:56 p.m., by motion of Council Member Bernal and seconded by Council Member Davila.

PASSED and **APPROVED** this 25th day of June, 2019.

ATTEST:



Jorge Morales, Mayor



Carmen Avalos, City Clerk