



**SOUTH GATE CITY COUNCIL
SOUTH GATE HOUSING AUTHORITY
SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY OF
SOUTH GATE**

SPECIAL JOINT MEETING AGENDA

BUDGET SESSION (PART 1)

Thursday, June 24, 2021 at 5:00 p.m.

TELECONFERENCE

DIAL-IN-NUMBER: 1 (669) 900-6833

MEETING ID: 844 4004 2344

<https://us02web.zoom.us/j/84440042344>

I. Call To Order/Roll Call

CALL TO ORDER	Al Rios, Mayor
ROLL CALL	Carmen Avalos, City Clerk

II. City Officials

MAYOR	CITY CLERK
Al Rios	Carmen Avalos

VICE MAYOR	CITY TREASURER
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Maria del Pilar Avalos Gregory Martinez

COUNCIL MEMBERS INTERIM CITY MANAGER

Maria Davila Chris Jeffers

Denise Diaz

Gil Hurtado

CITY ATTORNEY

Raul F. Salinas

COVID 19 Meeting Procedures

Pursuant to Governor Newsom’s Executive Order N-29-20, dated March 17, 2020, members of the South Gate City Council, staff, and the public will participate in the June 24, 2021 meeting via a teleconference. To avoid exposure to COVID-19 this meeting will be held with City Council Members participating via teleconference by calling Dial-in-Number: 1 (669) 900-6833 and Meeting ID: 844 4004 2344 and <https://us02web.zoom.us/j/84440042344>

Procedure for Participation:

Any person wanting to participate may request to “speak” on an agenda item. Once acknowledged and authorized by the Mayor the person may speak. Alternatively, any person may submit comments on an item electronically by emailing cavalos@sogate.org. Submissions by email must be received ***45 minutes*** prior to the posted start time of the meeting if emailing subject/public comment. *All emails will be made part of the record, copies to City Council and filed.*

Subject line should read: **COMMENTS FOR ITEM _____, MEETING OF JUNE 24, 2021.**

Please note, you will enter the meeting muted, but if you want to comment on an Agenda Item or during the public comment portion of the Agenda, raise your hand or press *9 at the appropriate time indicated by the Mayor. When you are selected to speak, you will hear that you are unmuted, this is the time to make your public comments.

Your patience with these changes is appreciated as the City adjusts to new ways of conducting business during the COVID-19 pandemic.

Thank you.

Accessibility: Reasonable accommodations for individuals with

disabilities will be handled on a case-by-case basis and in accordance with the Americans with Disabilities Act and Governor Newsom's Executive Order N-29-20. Please call the Office of the City Clerk at 323.563.9510.

III. Meeting Compensation Disclosure

Pursuant to Government Code Section 54952.3: Disclosure of compensation for meeting attendance by City Council Members is \$650 monthly regardless of the amount of meetings.

IV. Open Session Agenda

1. Approval Of Fiscal Year 2021/22 Continuing Appropriation Resolutions

The City Council, South Gate Housing Authority and the Successor Agency to the Community Development Commission of the City of South Gate will consider adopting the following Resolutions pertaining to the Municipal Budget: (CM)

- a. A **Resolution** _____ of the City Council of the City of South Gate adopting a Continuing Resolution for purposes of finding municipal services for a period not to exceed the appropriation of Fiscal Year 2020/21 level until August 30, 2021, or the adoption of the Fiscal Year 2021/22 Municipal Budget, whichever occurs first;

- b. A **Resolution** _____ of the South Gate Housing Authority adopting a Continuing Resolution for purposes of funding Housing Authority services for a period not to exceed the appropriation of Fiscal Year 2020/21 level until August 30, 2021, or the adoption of the Fiscal Year 2021/22 Municipal Budget, whichever occurs first; and

- c. A **Resolution** _____ of the Successor Agency to the Community Development Commission of the City of South Gate adopting a Continuing Resolution for the purposes of funding the Successor Agency services for a period not to exceed the appropriation of the Fiscal Year 2020/21 level until August 30, 2021, or the adoption of the Fiscal Year 2021/22 Municipal Budget, whichever occurs first.

Documents:

V. Special Meeting Adjournment

I, Carmen Avalos, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted on June 22, 2021 at 3:46 p.m., as required by law.

Carmen Avalos, CMC
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

In compliance with the American with Disabilities Act, if you need special assistance to participate in the City Council Meetings, please contact the Office of the City Clerk.

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

City of South Gate

CITY COUNCIL; SOUTH GATE HOUSING AUTHORITY; AND SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE

RECEIVED

JUN 22 2021

AGENDA BILL

For the Special Meeting of: June 24, 2021

Originating Department: City Manager's Office

CITY OF SOUTH GATE OFFICE OF THE CITY MANAGER

7:45am

Interim City Manager: Chris Jeffers

SUBJECT: APPROVAL OF FISCAL YEAR 2021/22 CONTINUING APPROPRIATION RESOLUTIONS FOR THE CITY OF SOUTH GATE; SOUTH GATE HOUSING AUTHORITY AND THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE

PURPOSE: To ensure continued operations while the Legislative Bodies for the City of South Gate; South Gate Housing Authority; and the Successor Agency consider the proposed Municipal Budget for Fiscal Year 2021/22 for their respective entities.

RECOMMENDED ACTIONS: The City Council, South Gate Housing Authority and the Successor Agency to the Community Development Commission of the City of South Gate will consider adopting the following Resolutions pertaining to the Municipal Budget:

- a. A Resolution of the City Council of the City of South Gate adopting a Continuing Resolution for purposes of funding municipal services for a period not to exceed the appropriation of Fiscal Year 2020/21 level until August 30, 2021, or the adoption of the Fiscal Year 2021/22 Municipal Budget, whichever occurs first;
b. A Resolution of the South Gate Housing Authority adopting a Continuing Resolution for purposes of funding Housing Authority services for a period not to exceed the appropriation of Fiscal Year 2020/21 level until August 30, 2021, or the adoption of the Fiscal Year 2021/22 Municipal Budget, whichever occurs first; and
c. A Resolution of the Successor Agency to the Community Development Commission of the City of South Gate adopting a Continuing Resolution for the purposes of funding the Successor Agency services for a period not to exceed the appropriation of the Fiscal Year 2020/21 level until August 30, 2021, or the adoption of the Fiscal Year 2021/22 Municipal Budget, whichever occurs first.

FISCAL IMPACT: Adoption of the proposed Resolution(s) will authorize appropriations of 1/12 of the previous year's operation budget per month, in the amount not to exceed of \$21,000,000, until the

adoption of the Fiscal Year 2021/22 Municipal Budget or expiration of the proposed Resolution(s), whichever occurs first.

ANALYSIS: Government Code Section 53901 requires each local agency to file its budget with the county auditor within 60 days after the beginning of its fiscal year. If an agency does not have a “formal budget”, it must file a listing of its anticipated revenues together with its expenditures for the fiscal year in progress.

As a result of several key vacancies and the impending departure of the Director of Administrative Services has impacted our ability to complete a timely and transparent Proposed Municipal Budget for Fiscal Year 2021/22 for each of the Legislative Bodies.

To allow sufficient time for the Legislative Bodies for each of those entities to review and be prepared to engage staff with appropriate questions and provide guidance, additional time is needed to finalize the Municipal Budget for Fiscal Year 2021/22 for presentation. Unfortunately, that additional time will take the effected agencies beyond the June 30th timeframe. The proposed Resolutions will allow for full services to continue uninterruptedly while staff submits the Municipal Budget for review and consideration.

In addition, staff will present a general overview of roles and responsibilities involved in a municipal budget consideration.

BACKGROUND: In order to maintain City services for the citizens, authorization must be approved to fund routine and needed services past June 30, 2021.

A Municipal Budget addresses city policies, city operations and communicates the anticipated financial activities to both the public and rating Legislative Bodies. If a Municipal Budget is not ultimately adopted, it would likely require disclosures to rating agencies and in future financial reports; and, it provides no direction to staff or the public as to what the City activities would be for the applicable year.

ATTACHMENTS:

- A. Proposed Resolution of the City of South Gate
- B. Proposed Resolution of the South Gate Housing Authority
- C. Proposed Resolution of the South Gate Successor Agency
- D. Municipal Budget 101 PowerPoint

RESOLUTION NO.

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,
CALIFORNIA, ADOPTING A CONTINUING RESOLUTION FOR PURPOSES
OF FUNDING MUNICIPAL SERVICES FOR A PERIOD NOT TO EXCEED
THE APPROPRIATION OF FISCAL YEAR 2020/21 LEVEL UNTIL
AUGUST 30, 2021, OR THE ADOPTION OF THE FISCAL YEAR 2021/22,
WHICHEVER OCCURS FIRST**

WHEREAS, the City of South Gate (“City”) requires additional time before the City Council will be able to adopt its annual Municipal Budget for Fiscal Year 2021/22; and

WHEREAS, the City is required to make routine and monthly payment for goods, services and miscellaneous maintenance as necessary to continue day-to-day operations of the City government.

NOW, THEREFORE, THE CITY COUNCIL FOR THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council does hereby declare that the above recitals are true and correct and incorporated herein by reference.

SECTION 2. The City Council does hereby approve interim City expenditures to continue funding municipal services through August 30, 2021, or the adoption of the Municipal Budget for Fiscal Year 2021/22, whichever occurs first.

[Remainder of page left blank intentionally.]

SECTION 3. The City Council does hereby authorize the City Manager to continue City operations, including payroll and purchase of routine and monthly payment for goods, services and miscellaneous maintenance as necessary to continue day-to-day operations of the City government in order to keep the City in operation, in the amount not to exceed the sum of \$21,000,000.

SECTION 4. The City Council does hereby direct that any expenditures for previously unapproved capital projects be presented to the City Council for approval, excluding annual maintenance projects.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED this 24th day of June 2021.

CITY OF SOUTH GATE:

By: _____
Al Rios, Mayor

ATTESTED:

By: _____
Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:

By:  _____
Raul F. Salinas, City Attorney

SOUTH GATE HOUSING AUTHORITY RESOLUTION NO. _____

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE SOUTH GATE HOUSING AUTHORITY OF THE
CITY OF SOUTH GATE, CALIFORNIA, ADOPTING A CONTINUING
RESOLUTION FOR PURPOSES OF FUNDING HOUSING AUTHORITY
SERVICES FOR A PERIOD NOT TO EXCEED THE APPROPRIATION OF
FISCAL YEAR 2020/21 LEVEL UNTIL AUGUST 30, 2021, OR THE ADOPTION
OF THE FISCAL YEAR 2021/22, WHICHEVER OCCURS FIRST**

WHEREAS, the South Gate Housing Authority (“Housing Authority”) requires additional time before the Housing Authority will be able to adopt its annual Municipal Budget for Fiscal Year 2021/22; and

WHEREAS, the Housing Authority is required to make routine and monthly payment for goods, services and miscellaneous maintenance as necessary to continue day-to-day operations of the Housing Authority government.

NOW, THEREFORE, THE HOUSING AUTHORITY OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Housing Authority does hereby declare that the above recitals are true and correct and incorporated herein by reference.

SECTION 2. The Housing Authority does hereby approve interim Housing Authority expenditures to continue funding municipal services through August 30, 2021, or the adoption of the Municipal Budget for Fiscal Year 2021/22, whichever occurs first.

[Remainder of page left blank intentionally.]

SECTION 3. The Housing Authority does hereby authorize the Executive Director to continue Housing Authority operations, including payroll and purchase of routine and monthly payment for goods, services and miscellaneous maintenance as necessary to continue day-to-day operations of the Housing Authority government in order to keep the Housing Authority in operation, in the amount not to exceed the sum of \$21,000,000.

SECTION 4. The Housing Authority does hereby direct that any expenditures for previously unapproved capital projects be presented to the Housing Authority for approval, excluding annual maintenance projects.

SECTION 5. The Recording Secretary shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED this 24th day of June 2021.

SOUTH GATE HOUSING AUTHORITY:

By: _____
Al Rios, Chairperson

ATTESTED:

By: _____
Carmen Avalos, Recording Secretary
(SEAL)

APPROVED AS TO FORM:

By:  _____
Raul F. Salinas, Authority Counsel

SOUTH GATE SUCCESSOR AGENCY RESOLUTION NO. _____

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE,
CALIFORNIA, ADOPTING A CONTINUING RESOLUTION FOR PURPOSES OF
FUNDING SUCCESSOR AGENCY SERVICES FOR A PERIOD NOT TO
EXCEED THE APPROPRIATION OF FISCAL YEAR 2020/21 LEVEL UNTIL
AUGUST 30, 2021, OR THE ADOPTION OF THE FISCAL YEAR 2021/22,
WHICHEVER OCCURS FIRST**

WHEREAS, the Successor Agency to the Community Development Commission of the City of South Gate (“Successor Agency”) requires additional time before the Successor Agency will be able to adopt its annual Municipal Budget for Fiscal Year 2021/22; and

WHEREAS, the Successor Agency is required to make routine and monthly payment for goods, services and miscellaneous maintenance as necessary to continue day-to-day operations of the Successor Agency government.

NOW, THEREFORE, THE SUCCESSOR AGENCY OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Successor Agency does hereby declare that the above recitals are true and correct and incorporated herein by reference.

SECTION 2. The Successor Agency does hereby approve interim Successor Agency expenditures to continue funding municipal services through August 30, 2021, or the adoption of the Municipal Budget for Fiscal Year 2021/22, whichever occurs first.

[Remainder of page left blank intentionally.]

SECTION 3. The Successor Agency does hereby authorize the Executive Director to continue Successor Agency operations, including payroll and purchase of routine and monthly payment for goods, services and miscellaneous maintenance as necessary to continue day-to-day operations of the Successor Agency government in order to keep the Successor Agency in operation, in the amount not to exceed the sum of \$21,000,000.

SECTION 4. The Successor Agency does hereby direct that any expenditures for previously unapproved capital projects be presented to the Successor Agency for approval, excluding annual maintenance projects.

SECTION 5. The Recording Secretary shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED this 24th day of June 2021.

**SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF
SOUTH GATE:**

By: _____
Al Rios, Chairperson

ATTESTED:

By: _____
Carmen Avalos, Recording Secretary
(SEAL)

APPROVED AS TO FORM:

By:  _____
Paul F. Salinas, Agency Counsel

The background features a light blue to white gradient. Numerous water droplets of various sizes are scattered across the surface, with some larger droplets in the lower right and smaller ones in the upper left and center. The droplets have a realistic, glossy appearance with highlights and shadows.

CITY OF SOUTH GATE

BUDGET PROCESS 101

The background is a light blue gradient with several realistic water droplets of various sizes scattered across the surface, particularly concentrated in the top-left and bottom-right corners.

BUDGETS AND BUDGET PROCESSES

WHAT IS A BUDGET?

WHAT IS IN A BUDGET?

WHAT IS A "FUND"?

CAPITAL IMPROVEMENT PROGRAM (CIP)

WHAT IS A BUDGET?

- IS AN ESTIMATE OF REVENUES AND EXPENDITURES FOR A SET PERIOD OF TIME
- A BUDGET SHOULD ACHIEVE THE FOLLOWING:
 - BALANCED REVENUES AND EXPENDITURES
 - REFLECT THE COMMUNITY'S PRIORITIES/VISION
 - PROVIDE GOOD ESTIMATES OF REVENUES/EXPENDITURES BY FUND
 - ANCHORED TO LONG TERM FORECASTS (FIVE YEARS MINIMUM)
 - PROVIDE ACTUAL REVENUE/EXPENSE HISTORY TO GAUGE ACCURACY OF FORECASTS
 - MEET LEGAL OBLIGATIONS OF THE AGENCY

WHAT IS IN A BUDGET?

- A SUMMARY & DISCUSSION OF REVENUES AND EXPENSES
- FISCAL POLICIES
- HISTORY OF ACTUAL REVENUES AND EXPENSES
- PROJECTED REVENUES BY TYPE/SOURCE
- ESTIMATES OR PROPOSED EXPENDITURES BY FUNCTION, PROGRAMS, AND/OR DEPARTMENTS
- CAPITAL BUDGET – TIED TO CAPITAL IMPROVEMENT PROGRAM
- EXTRA FEATURES (WORKLOAD INDICATORS; PERFORMANCE MEASURES; PRIORITIES/GOALS)

WHAT IS A “FUND”?

- A FUND IS A SELF-BALANCING SET OF ACCOUNTS FOR ALL FINANCIAL TRANSACTIONS OF A SPECIFIC ACTIVITIES
- MOST AGENCY BUDGETS INCLUDE THE FOLLOWING TYPES OF SEPARATE “FUNDS”:
 - GENERAL FUND
 - INTERNAL/ENTERPRISE FUND(S)
 - SPECIAL REVENUE FUNDS
 - CAPITAL PROJECT FUND(S)
 - OTHERS: TRUST, AGENCY

TYPES OF FUNDS

- GENERAL FUND
 - GOVERNMENTS BASIC OPERATING FUND (MOST FLEXIBLE)
- SPECIAL REVENUE FUNDS
 - USED TO REPORT REVENUES THAT ARE LIMITED FOR SPECIFIC USES
- CAPITAL FUNDS
 - ACCOUNT FOR CONSTRUCTION, REHAB AND ACQUISITION OF CAPITAL ASSETS
- RESTRICTED FUNDS
 - ACCOUNT FOR BUSINESS-LIKE ACTIVITIES
 - INTERNAL SERVICE (TECHNOLOGY, AUTO SHOP, LIABILITY)
 - ENTERPRISE (WATER, TRASH, SEWER)
- DEBT SERVICE FUNDS
 - ACCOUNT FOR THE REPAYMENT OF DEBT

BUDGET ALTERNATIVES

- TERM TYPES:
 - ANNUAL – FISCAL YEAR (JULY 1 – JUNE 30)
 - BIENNIAL BUDGET (TWO FISCAL YEARS)
- BUDGET FORMATS:
 - LINE ITEM (OLD SCHOOL)
 - PERFORMANCE
 - PROGRAM (SOUTH GATE)
 - ZERO BASED
 - OTHERS

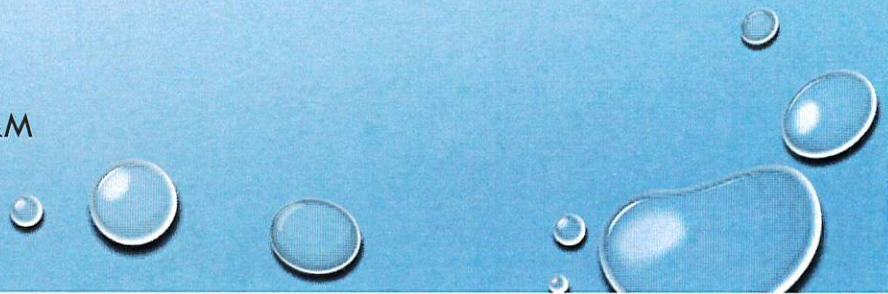
The background is a light blue gradient with several realistic water droplets of various sizes scattered across the surface. The droplets are most prominent in the top-left and bottom-right corners.

CAPITAL IMPROVEMENT PROGRAM (CIP)

- FOR INFRASTRUCTURE OR CAPITAL IMPROVEMENT
- MONEY COMES FOR A VARIETY OF SOURCES (IMPACT FEES, RESTRICTED TAXES, ENTERPRISE, GRANTS, DEBT)
- SUBJECT TO STATE LAW – BIDDING PROCESS AND PREVAILING WAGES
- CAPITAL IMPROVEMENT PROGRAM SHOULD LOOK FORWARD 5 PLUS YEARS



CIP – POLICY & GUIDELINES

- POLICY:
 - STATEMENT OF PLANS FOR CAPITAL PROJECTS
 - SPECIFIC GOALS (I.E., PCI FOR ROADS, EXISTING PLANS (WATER, PARKS, ETC.)
 - USE OF RESOURCES (WILL USUALLY IDENTIFY NEEDS BEYOND RESOURCES)
 - GUIDELINES:
 - PRESERVE AN EXISTING ASSET?
 - MITIGATE HEALTH OR SAFETY PROBLEM?
 - MANDATED BY STATE OR FEDERAL GOV.?
 - CONTRIBUTE TO CITY'S ECONOMIC HEALTH?
 - AVAILABLE FUNDING FOR CAPITAL PLUS ONGOING O&M
- 

ROLES OF THE BUDGET MAKERS:




The background is a light blue gradient with several realistic water droplets of various sizes scattered across the surface. The droplets have highlights and shadows, giving them a three-dimensional appearance. The text is centered in the upper half of the page.

CITY COUNCIL

- POLICY MAKERS
- PROVIDE OVERSIGHT
- ARE YOU CLEAR AS TO WHAT IS BEING PROPOSED
- IS THE FINANCIAL PICTURE CLEAR
- ARE THE PRIORITIES AND GOALS BEING ADDRESSED
- ARE FISCAL POLICIES BEING FOLLOWED
- REMEMBER IT IS A “PLAN” NOT A “STONE TABLET”



MANAGERS

- RECOMMENDATIONS
 - DO YOU UNDERSTAND HOW THE BUDGET AFFECTS THE OPERATIONS
 - ARE YOU ALIGNING THE BUDGET WITH CITY COUNCIL GOALS/OBJECTIVES
 - IS THE BUDGET BALANCED AND SUSTAINABLE FOR THE LONG TERM
 - MANAGE THE BUDGET
 - REVIEW BUDGET FOR IMPACTS
 - ARE YOU GETTING THE INFORMATION YOU NEED
- 

The background of the slide is a light blue gradient with several realistic water droplets of various sizes scattered across it. The droplets are most prominent in the top-left and bottom-right corners, with some smaller ones in the middle. The overall aesthetic is clean and modern.

DEPARTMENTS

- ARE THEY ALIGNED WITH CITY COUNCIL GOALS
- ARE YOU LOOKING FOR EFFECTIVE AND EFFICIENT PROCESS
- ARE YOU BEING TRANSPARENT
- ARE YOU MEETING THE GOALS/OBJECTIVES
- ARE YOU ASKING WHY, WHAT AND WHEN STRATEGICALLY
- ARE YOU COMMUNICATING “INTER” AND “INTRA” WITHIN THE ORGANIZATION

PUBLIC/OTHER STAKEHOLDERS

- IS THE BUDGET UNDERSTANDABLE
- IS IT TRANSPARENT
- IS A GOOD COMMUNICATION TOOL
- ARE COMMUNITY NEEDS BEING ADDRESSED
- ARE THE FINANCIAL RESOURCES BEING HANDLED PRUDENTLY

PROPOSED FY 2021-22

- NEAR FUTURE ACTIONS
- REVIEW BUDGET MESSAGE
- REVIEW SUMMARIES
- REVIEW DEPARTMENT PRESENTATIONS
- REVIEW CAPITAL IMPROVEMENT PLAN
- CONSIDERATION TO ADOPTION OF FY 21-22 FISCAL PLAN
- FOLLOW UP ACTION DURING THE YEAR
- PRESENTATION OF ANNUAL COMPREHENSIVE FINANCIAL REPORT (NOV/DEC)
- MID-YEAR BUDGET REVIEW (JANUARY 2022)
- QUARTERLY FISCAL INFORMATION SHARED