



SOUTH GATE CITY COUNCIL
SOUTH GATE HOUSING AUTHORITY
SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION
OF THE CITY OF SOUTH GATE
SPECIAL JOINT BUDGET MEETING AGENDA

Monday, August 23, 2021 at 6:00 p.m.

**SOUTH GATE COUNCIL CHAMBERS OR
TELECONFERENCE**

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

MEETING ID: 857 0657 8003

<https://us02web.zoom.us/j/85706578003>

I. Call To Order/Roll Call Joint Meeting

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

II. City Officials Joint Meeting

MAYOR/CHAIRPERSON	CITY CLERK/RECORDING SECRETARY
Al Rios	Carmen Avalos
VICE MAYOR/VICE CHAIRPERSON	CITY TREASURER

Maria del Pilar Avalos	Gregory Martinez
COUNCIL MEMBERS/AGENCY MEMBERS	INTERIM CITY MANAGER/INTERIM EXECUTIVE DIRECTOR
Maria Davila	Chris Jeffers
Denise Diaz	
Gil Hurtado	CITY ATTORNEY/AUTHORITY COUNSEL
	Raul F. Salinas

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. Adoption Of Fiscal Year 2021-2022 Budgets And 5-Year Capital Improvement Program

The City Council, South Gate Housing Authority and the Successor Agency to the Community Development Commission of the City of South Gate will consider: (CM)

a. Hearing various presentations on the Fiscal Year 2021-22 Budget and 5-Year Capital Improvement Program for the entities; and

b. Approving a **Resolution** _____ adopting the Municipal Budget for Fiscal Year 2021-22 with the changes stipulated in Exhibit A for a total of \$195,760,608 for all funds.

Documents:

[ITEM 1 REPORT 08232021.PDF](#)

2. Resolution Approving Annual Gann Appropriations Limit For Fiscal Year 2021/22

The City Council will consider: (ADMIN SRVS)

a. Adopting a **Resolution** _____ approving and adopting the annual Gann Appropriations Limit for Fiscal Year 2021/22.

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 August 19, 2021 at 3:20 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.

AUG 19 2021
2:30pm

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

AGENDA BILL

For the Special Meeting of: August 23, 2021
Originating Department: City Manager's Office

Interim City Manager:


Chris Jeffers

Interim City Manager:


Chris Jeffers

SUBJECT: ADOPTION OF FISCAL YEAR 2021-2022 BUDGETS AND 5-YEAR CAPITAL IMPROVEMENT PROGRAM 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 continue hearing budget presentations from staff and review the proposed Fiscal Year 2021-22 budget for these various entities and consider the adoption of the proposed spending plan(s) as indicated in the Resolution attached for consideration.

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:

- a. Hear various presentations on the Fiscal Year 2021-22 Budget and 5-Year Capital Improvement Program for the entities; and
- b. Approve the Resolution adopting the Municipal Budget for Fiscal Year 2021-22 with the changes stipulated in Exhibit A for a total of \$195,760,608 for all funds.

FISCAL IMPACT: The proposed Budget for Fiscal Year 2021-22, all funds and entities, as amended is \$195,860,608. This amount includes transfers in and out of various funds. The General Fund accounts for \$62,772,260 including transfers out. The Successor Agency total Proposed Budget is \$5,165,581 and the Housing Authority is \$5,410,209 with transfer in. Total revenue estimate for all entities and funds is \$179,276,123. The differences are covered by the reserves one or more funds have accumulated for various proposed expenditures (primarily capital improvement projects).

ANALYSIS: At the Special meeting of July 12, 2021, staff provided a general overview of the Proposed 2021-22 Budget. On August 16, 2021, the City Council heard presentations from 6 departments/divisions and asked various questions during those presentations. Tonight is the follow up for the remaining departments to make a presentation (Community Development, Parks & Recreation,

Police and Public Works/CIP). At the conclusion of this third meeting, the City Council, South Gate Housing Authority, and Successor Agency will be asked to consider formally adopting the proposed spending plans, with the adjustments. Both previous special meetings were open to the public to hear and interact in accordance with the State's open meeting laws.

The Proposed Budget was put on the City's webpage for access and review by members of the public since July 12, 2021. Since then, several adjustments have been made to the proposed budget following reviews by staff and the City Council. These adjustments to the budget are outlined in the attached Exhibit A. The general fund proposed expenditure budget decreased by \$38,588, while other special revenue and capital funds proposed expenditure budget increased by \$338,615. The net change to the proposed budget pursuant to these adjustments totaled \$300,027. The total FY 2021-22 proposed all funds municipal budget, including the adjustments is \$195,860,608.

It is important to note that a budget is a plan which is not unmovable. Typically, reports on the budget are made periodically during the fiscal year. At a minimum, a mid-year budget should be conducted at which time staff reports on the current budget year and requests consideration of any adjustments that may be needed. At the same time, it allows staff to begin to solicit budget themes for the upcoming new fiscal year (FY 22-23) that the City Council may wish to explore when that proposed budget is presented.

Should the City Council be unable to adopt the resolution, due to time limitation or other reasons, staff requests that tonight's meeting be continued to August 24, 2021, and be reconvened prior to the opening of the Regular meeting of the City Council at 6:30 pm. The Continuing Appropriation Resolution expires on August 30, 2021.

BACKGROUND: A municipal budget addresses city policies, city operations and communicates the anticipated financial activities to both the public and Legislative Bodies of the impacted entities. This is the third public meeting reviewing the various proposed spending requests.

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.

At the June 24, 2021 joint meeting of the City Council, Housing Authority and Successor Agency, the various legislative bodies were asked to approve the Continuing Appropriation Resolution until August 30, 2021 or the adoption of the Fiscal Year 2021-22 budget, whichever ever occurred first. Those resolutions were unanimously approved by each entity.

Attachments: Proposed Resolution

RESOLUTION NO. _____

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

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,
SOUTH GATE HOUSING AUTHORITY AND SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE,
CALIFORNIA, ADOPTING THE MUNICIPAL BUDGET FOR FISCAL YEAR 2021/22**

WHEREAS, duly noticed special meetings to consider the proposed Fiscal Year (“FY”) 2021/22 Municipal Budget were held on July 12, August 16, and August 23, 2021;

WHEREAS, the City Manager has submitted to the City Council a Proposed Operating Budget for FY 2021/22 with total expenditures for all funds totaling \$195,860,608 and

WHEREAS, the City Council has held the budget study sessions, heard presentations, reviewed, discussed, and considered said budget during the regularly scheduled City Council meeting conducted on August 23, 2021;

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby adopts the Municipal Budget for FY 2021/22, with the changes stipulated in Exhibit A of this Resolution, for a total of \$195,760,608 for all funds.

SECTION 2. The City Council will reserve the right to make further adjustments to the Municipal Budget throughout the year at any publicly agendized meeting of the City Council/Housing Authority/Successor Agency.

SECTION 3. The City Council hereby authorizes the City Manager to make administrative budget adjustments to transfer appropriations from one line item to another within a fund at the overall departmental budget level as prescribed in the South Gate Municipal Code.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution, which shall be effective upon its adoption.

[Remainder of page left blank intentionally]

PASSED, APPROVED and ADOPTED this 23rd day of **August 2021**.

CITY OF SOUTH GATE:

By: _____
Al Rios, Mayor

ATTEST:

By: _____
Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: Raul F. Salinas (DZ)
Raul F. Salinas City Attorney

**City of South Gate
Adjustments to the Proposed Budget
Post Special Council Meeting on 7/12/2021**

Description	Account #	Fund 100 General	Fund 223 AQMD	Fund 224 Measure R	Fund 225 Measure M	Fund 268 ARPA	Fund 271 Park Enhancement	Fund 411 Water	Fund 412 Sewer	Fund 413 Refuse	Fund 521 Fleet	Fund 524 BIM	TOTAL
Estimated Ending Fund Balance @ 6/30/2022 (7/12/21 Version)		10,894,869	590,971	4,039,288	510,969	34,386,683	1,037,139	29,077,250	(22,385,171)	1,648,157	-	-	
Increase Election Services (CC)	100-140-11-6105	2,000											2,000
Decrease Grant Writing (CD)	100-601-42-6101	(20,000)											(20,000)
Reduce Staffing Augmentation Costs (CD)	100-603-41-6101	(20,000)											(20,000)
Increase Animal Services - SEAACCA (PD)	100-501-21-6104	19,562											19,562
Reallocate Audit Services Budget (AS)	100-301-12-6101 411-731-71-6101 413-733-51-6101	(15,000)						10,000		5,000			-
Client First Contract Amendment #3 (AS)	411-731-71-6101 268-310-12-6101					79,700		19,925					99,625
Core Network Equipment (AS)	268-310-12-9006					199,867							199,867
Move Sanitary Sewer Relining Project from Sewer Fund to ARPA (PW)	412-732-52-9504 268-900-12-7999 311-??-??-9504 311-4999					199,839			(199,839)				-
Move PD Fueling Station from Fleet Fund to AQMD (PW) (a)	223-610-49-9005 521-750-12-7999 311-4999		180,000								(180,000)		-
Correct Budget for Roof Repairs (PW) (b)	311-790-49-9909 524-710-12-7999 311-4999											(400,000)	(400,000)
Add/Correct Project 9474 Replacement of Damaged TS Poles (PW)	224-780-31-7999 311-790-31-9474 311-4999			172,687									172,687
Move Project Funding Sources from BIM Fund to Park Enhancement {c} (PW)	Various BIM projects						1,037,139					(1,037,139)	-
Reduction of Budget for Class/Comp Study in Non Departmental Fund (AS)	100-900-12-5101	(75,000)											(75,000)
Add Organization Study for size and use of consultants	100-900-12-6101 411-731-71-6101 413-733-51-6101	50,000						30,000		20,000			100,000
Add Consultant Cost for Eco-Rapid Transit (PW)	225-780-31-6101				5,063								5,063
Add Budget for City Wide Phone Systems	268-310-12-9006 411-731-71-9006 413-733-51-9006					77,520		38,760		38,760			155,040

Description	Account #	Fund 100	Fund 223 AQMD	Fund 224	Fund 225	Fund 268	Fund 271 Park	Fund 411	Fund 412	Fund 413	Fund 521	Fund 524	TOTAL
		General		Measure R	Measure M	ARPA	Enhancement	Water	Sewer	Refuse	Fleet	BIM	
Convert 1 Part Time Maintenance Helper to Part Time PERS Non ACA (PW)	412-732-52-5103								13,677				13,677
Repair Public Works Yard Surveillance System (d) (PW)	100-461-61-6101 411-731-61-6101 224-780-31-6101 225-780-31-6101 521-750-12-6101	1,850		1,850	1,850			1,850			1,850		9,250
Increase General Fund Grounds Maintenance for Police Radio and Lights (Parks)	100-460-61-9003	18,000											18,000
Boucher Law legal service for COVID IPP Plan Costs (CM)	268-900-12-6101					15,000							15,000
Add/Correct Costs for Capture Cam (PW)	411-731-71-6701							5,256					5,256
Net Increase / (Decrease) to Expenditure Budget		(38,588)	180,000	174,537	6,913	571,926	1,037,139	105,791	(186,162)	63,760	(178,150)	(1,437,139)	300,027
(a) Move Budget savings for transfer to AQMD of PD Fueling Station from Fleet Fund to General Fund	No account affect	180,000									(180,000)		-
(b) Move Budget savings from Budget decrease from Roof Repairs from BIM Fund to General Fund	No account affect	400,000										(400,000)	-
(c) Move Budget savings from moving Project funding to Park Enhancement from BIM Fund to General Fund	No account affect	1,037,139										(1,037,139)	-
(d) Move Budget deficit for PW Yard Surveillance System from Fleet Fund to General Fund	No account affect	(1,850)									1,850		-
Net Increase / (Decrease) to Fund Balance		1,615,289	-	-	-	-	-	-	-	-	(178,150)	(1,437,139)	
Estimated Ending Fund Balance @ 6/30/2022 (Updated 8/18/21)		12,548,746	410,971	3,864,751	504,056	33,814,757	-	28,971,459	(22,199,009)	1,584,397	-	-	

SUMMARY	General Fund	All Funds
Total Budget (7/12/21 version)	62,810,848	195,560,581
Add: Net Budget Adjustments	(38,588)	300,027
TOTAL EXPENDITURE BUDGET	62,772,260	195,860,608

AUG 19 2021
2:30pm

City of South Gate
CITY COUNCIL

AGENDA BILL

For the Regular Meeting of: August 23, 2021
Originating Department: Administrative Services

Department Director: *Kal* Kingsley Okereke City Manager: *Chris Jeffers* Chris Jeffers

SUBJECT: RESOLUTION APPROVING ANNUAL GANN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021/22

PURPOSE: To adopt a Resolution approving and adopting the annual Gann Appropriations Limit for Fiscal Year 2021/22.

RECOMMENDED ACTION: The City Council will:
a. Adopt a Resolution approving and adopting the annual Gann Appropriations Limit for Fiscal Year 2021/22.

FISCAL IMPACT: The total amount of the city proposed FY2021-22 appropriations subject to the GANN limit is \$45,045,116, well under the City's legal appropriation limit of \$93,797,393.

ANALYSIS: Article XIII B provides that the appropriations limit for Fiscal Year 2021-22 shall be calculated by adjusting the appropriations limit for the prior fiscal year for changes in inflation and population, except as otherwise provided for in Article XIII B and implementing state statutes.

To adjust for changes in inflation, the City of South Gate ("City") can use the higher of the percent change in the California Per Capita Personal Income (PCPI) or the percent change in the Non-Residential Assessed Valuation due to New Construction (NRAV-NC) within the City. Based on our analysis and calculations, the percent change in the NRAV-NC is higher, at 16.13%, than the percent change in the California PCPI, which is 5.73%.

To adjust for changes in population, the City can use the higher of the percent change in population growth in the City or the percent change in population growth in the County of Los Angeles. Based on our analysis and calculations, the percentage change in the population of the City of South Gate decreased this year by -0.46%, which is better than the percent change in population in the County of Los Angeles, which decreased by -1.33%. Therefore, using the Non-Residential Assessed Valuation due to New Construction (NRAV-NC) and the population growth factor for the City of South Gate will provide the City with a higher appropriations limit.

As calculated in the attached worksheet (Attachment A to the Resolution), the appropriations limit established for Fiscal Year 2021/22 is \$93,797,393. The amount of appropriations subject to the limit is \$45,045,116, leaving the City with an appropriations balance under the limit of \$48,752,277.

BACKGROUND: In November 1979, the citizens of California passed Proposition 4 (Gann Initiative amending Article XIII B), which placed limitations on the finances of state and local governments. It also provided a method of calculating and adopting the limitations. Article XIII B of the State Constitution requires cities to annually recalculate and adopt an appropriations limit, adjusted for changes in inflation and population. The League of California Cities has developed guidelines from the legislation and Article XIII B for consistent statewide implementation. The City is utilizing these guidelines in the calculation process.

ATTACHMENT: Proposed Resolution (with calculation of the annual Gann Appropriations Limit)

RESOLUTION NO. _____

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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE
APPROVING AND ADOPTING THE ANNUAL GANN APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2021/22 AS AMENDED BY PROPOSITION 111 PURSUANT TO
SECTION 7900 ET SEQ. OF THE GOVERNMENT CODE**

WHEREAS, the voters of the State of California on November 6, 1979, added Article XIII B to the Constitution of the State of California placing various limitations on the appropriations of state and local governments; and

WHEREAS, Article XIII B provides that the appropriations limit for Fiscal Year 2021/22 shall be calculated by adjusting the appropriations limit for the prior fiscal year for changes in inflation and population, except as otherwise provided for in Article XIII B and implementing state statutes; and

WHEREAS, Section 7902 of the Government Code provides the process with which to calculate the appropriations limit for Fiscal Year 2021-22 and subsequent years pursuant to Article XIII B; and

WHEREAS, Section 7910 of the Government Code requires cities to adopt a Resolution setting the annual appropriation limitation at a regularly scheduled meeting or a noticed special meeting; and

WHEREAS, the information necessary for making such adjustments is attached as Attachment A, which is incorporated herein and by reference made a part hereof; and

WHEREAS, the City of South Gate has complied with the provisions of Article XIII B in determining the appropriations limit for Fiscal Year 2021/22;

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City selects the percent increase in Non-Residential Assessed Valuation due to New Construction (NRAV-NC) as the inflation factor and the percent increase in the City of South Gate population growth as the population factor as stipulated in Exhibit A of this Resolution.

[Remainder of page left blank intentionally]

SECTION 2. An appropriations limit for Fiscal Year 2021/22 pursuant to Section 7902 of the Government Code shall be \$93,797,393 and the Appropriations Subject to Limitation in Fiscal Year 2021-22 shall be \$45,045,116.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution which shall be effective upon its adoption.

PASSED, APPROVED, and ADOPTED this 23rd day of August 2021.

CITY OF SOUTH GATE:

Al Rios, Mayor

ATTEST:

Carmen Avalos, City Clerk
(SEAL)

APPROVED AS TO FORM:

Raul F. Salinas (DS)
Raul F. Salinas, City Attorney

**CITY OF SOUTH GATE
APPROPRIATIONS LIMIT CALCULATION
FY 2021/22**

Step 1: Determine % change in population. (Use the higher %)

<u>Population Change</u>	<u>City</u>	<u>County</u>
Population 1/1/20	97,003	10,172,951
Population 1/1/21	96,553	10,037,774
Increase/(Decrease)	(450)	(135,177)
% of Change	-0.46%	-1.33%

Step 2: Determine Inflation Adjustment Factor. (Use the higher factor)

Net change in California Per Capita Income (PCI)	5.73%
Net change in non-residential new construction	16.13%

Step 3: Calculate Growth Factor

	<u>% Change</u>	<u>Ratio</u>
Use the higher of Step 1 & Step 2		
Step 1: Change in Population - City	-0.46%	0.9954
Step 2: Net change in non-residential new construction	16.13%	1.1613
Growth Factor for FY 2020/21		1.1559

Step 4: Calculate the Appropriation Limit

Appropriations Limit for prior fiscal year 2020-21.	\$ 81,145,742
X Growth Factor for FY 2021/22 (from step 3)	1.1559

Appropriations Limit for 2021/22 \$ 93,797,393

Appropriations Subject to Limit:

Proceeds of Taxes	45,045,116
Minus Exclusions	-
Appropriations Subject to Limit	<u>45,045,116</u>
Appropriations Over (Under) Limit	<u><u>\$ (48,752,277)</u></u>