

AGENDA

FOR THE ADJOURNED MEETING OF THE: CITY COUNCIL

FEBRUARY 4, 2012 9:00 A.M.

Council Chambers 11710 Telegraph Road Santa Fe Springs, CA 90670

William K. Rounds, Mayor Richard J. Moore, Mayor Pro Tem Luis M. González, Councilmember Joseph D. Serrano, Sr., Councilmember Juanita A. Trujillo, Councilmember

<u>Public Comment:</u> The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please complete the card that is provided at the entrance to the Chambers and hand the card to the City Clerk or a member of staff. City Council will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. City Council will hear public comment on matters not listed on the agenda during the Oral Communications period.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

<u>Please Note:</u> Staff reports, and supplemental attachments, are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday and every other Friday. Telephone (562) 868-0511.

City Council Meeting

1. CALL TO ORDER

2. ROLL CALL

Luis M. González, Councilmember Joseph D. Serrano, Sr., Councilmember Juanita A. Trujillo, Councilmember Richard J. Moore, Mayor Pro Tem William K. Rounds, Mayor

NEW BUSINESS

3. <u>Discussion of Budget Adjustment Items Related to the Elimination of Redevelopment</u>

Recommendation: That the City Council discuss the effect of the elimination of Redevelopment on the City's Budget and the need for budget adjustments.

4. Adoption of CalPERS Two-Years Additional Service Credit Early Retirement Incentive Program and Receipt of Related Cost Information

RECOMMENDATION: That the City Council adopt the CalPERS Two-Years Additional Service Credit Early Retirement Incentive Program, receive related cost information, and authorize the City Manager and staff to prepare a resolution and required certifications for adoption by the City Council on February 23, 2012.

5. CLOSED SESSION

CONFERENCES WITH LABOR NEGOTIATORS (Section 54957.6)

(a) <u>Agency Designated Representatives:</u> City Manager, Director of Finance and Administrative Services, Human Resources Manager, Fire Chief

Employee Organization: Santa Fe Springs Firefighters Association

(b) <u>Agency Designated Representatives:</u> City Manager, Director of Finance and Administrative Services, Human Resources Manager

Employee Organization: Santa Fe Springs City Employees Association

(c) Agency Designated Representatives: City Manager

<u>Employee Organization</u>: Santa Fe Springs Executive, Management, and Confidential Association

6. ORAL COMMUNICATIONS

This is the time when comments may be made by interested persons on matters not on the agenda having to do with City business.

7. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.

Anita Jimenez

Anita Jimenez Deputy City Clerk February 1, 2012

Date

Redevelopment Elimination Study Session City of Santa Fe Springs City Council



Redevelopment Study Session

streamlined organization to maintain as many government for greater efficiency and a more services as possible and the jobs that support Clearly, the City of Santa Fe Springs can no Redevelopment cuts. We MUST retool City challenge is greater than responding to the longer do business as usual. As well, our those services.

Fundamentals

- Tax Increment = \$32 million
- \$10 mil (Pays Debt)
- \$10.4 mil impact on City Budget (Direct/Indirect)
- \$10 mil balance = pass thrus, State Take-aways and discretionary reserves
- Gross Impact \$13.4 mil

Council Priorities

A Safe Community

Public safety is the city's top priority. All other programs and services hinge on...remaining a safe community.

A Fiscally Sound Community

The city's conservative fiscal philosophy and its approach to budgeting ensure programs and services are provided efficiently. Efforts to protect local control of city revenues are critical to the city's future success.

Responsive City Government

City officials and staff embody the city's motto...and are responsive to community

Quality Planning and Infrastructure

.. is a clean and attractive community. Comprehensive strategic planning efforts serve to enhance future residential, commercial and industrial development. Capital projects are prioritized to ensure infrastructure and public facilities are properly maintained

A Strong Local Economy

The city promotes a business friendly environment that creates good jobs and generates needed revenues.

Quality of Life

The city strives to serve the community's social, recreational and cultural needs to enhance our high quality of life.

General Ideas for Savings

- Restructuring/Consolidate Departments and Functions
- Merge job responsibilities {eliminate duplication of efforts)
- Outsource services to the County/other cities
- Reduce subsidies to non-profits
- Change in employee pension benefit
- Early Retirement—offering incentives
- Permanent Reduced work week; additional furlough days
- Utilize Technology
- Reduce Overtime
- Make full time positions part time
- Reduce spending on employee perks

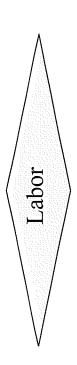
Cornerstones/Foundation



This category outlines organizational restructuring, service reductions or eliminations, and alternative service delivery methods that are recommended to reduce cost and achieve a balanced Amended Policy Budget.



This category outlines short-term opportunities to assess revenue generating opportunities. Medium- and long-term solutions can only be achieved through efforts that require more time and/or other measures not within the City Council's immediate control (e.g., ballot measures, etc.). In the current year, the following revenue generating opportunity will be evaluated: UUT, Transportation Center Parking Fees, Oil Barrel Tax, MRF Host Fee, Street Light District Assessment



This category reflects efforts to obtain direction from the City Council to authorize the City's negotiating team to seek compensation concessions and/or cost reduction measures in an effort to minimize on-going service cuts.



This category represents immediate measures that the City can put in place to contain expenditures in an effort to minimize on-going service cuts.

Cornerstones

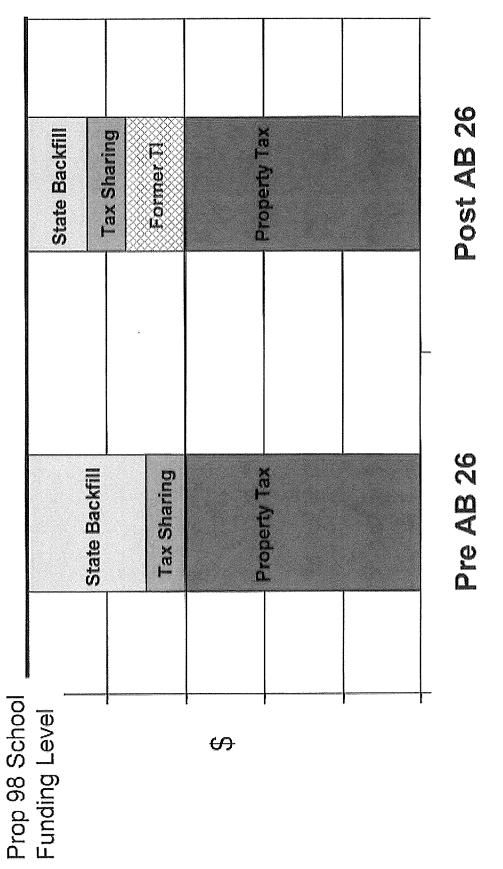
- Employees Paying their Share of retirement
- Look at UUT
- Dedicate Funding for CIPS
- Early Retirement Incentive
- Service Reductions

Issues/challenges

- Build a New Santa Fe Springs (without RDA)
- Ready to Serve the Public from Day One
- Avoid Three-legged Dog Syndrome
- Communication to Stakeholders
- Labor Negotiations
- Elimination of Positions
- Restructuring
- RFPs

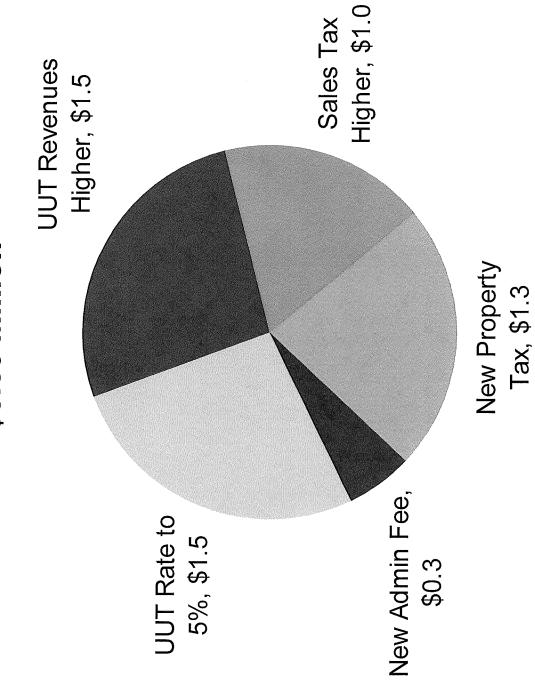
Redevelopment Study Session

- RDA Sub-Committee Meeting January 24 & 31
- Council Budget Study Session February 4
- Council Approval of Budget Strategy Feb. 16
- Discussions with Labor Groups late Feb
- Committees, Employee Meetings March/April Community Meetings, Council Advisory
- FY 2012-13 Budget Refined and Approved -May

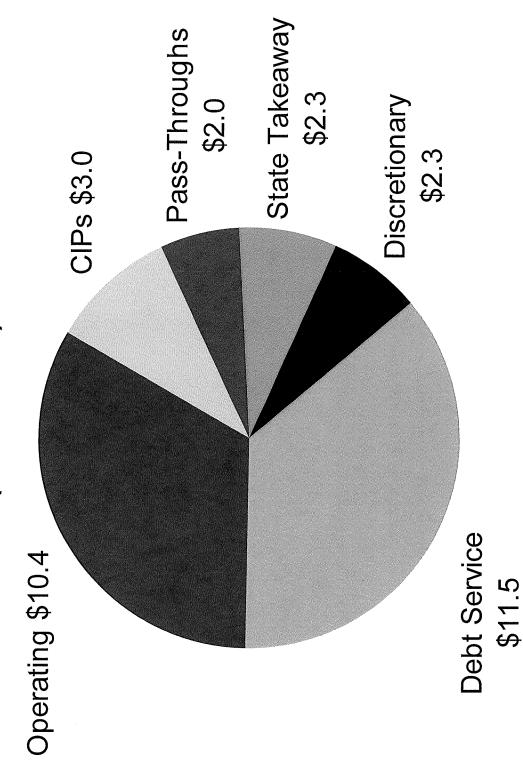


Net Result, State's Contribution to Local Govt. Reduced

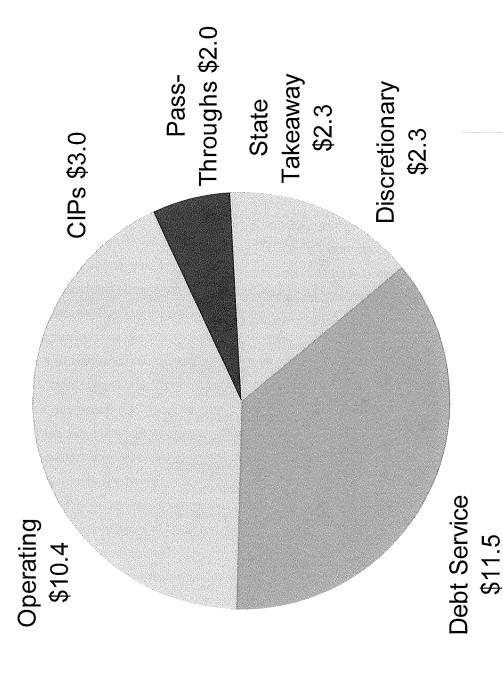
City Revenues - New and Increased **\$5.63 Million**

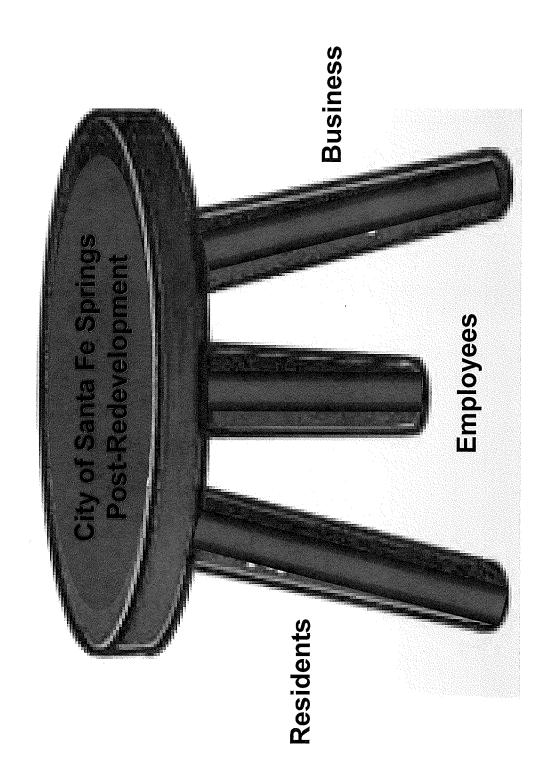


Historical RDA Tax Increment Revenues Total \$31.5 Million Annually (in millions)



Future Remaining Use of RDA Tax Increment Revenues \$31.5 Million





City of Santa Fe Springs

City Council Meeting

February 4, 2012

NEW BUSINESS – Amended Report

Adoption of CalPERS Two-Years Additional Service Credit Early
Retirement Incentive Program and Receipt of Related Cost Information

RECOMMENDATION

That the City Council adopt the CalPERS Two-Years Additional Service Credit Early Retirement Incentive Program, receive related cost information, and authorize the City Manager and staff to prepare a resolution and required certifications for adoption by the City Council on February 23, 2012.

BACKGROUND

As a result of the recent State Supreme Court action upholding the State's elimination of redevelopment agencies, the City of Santa Fe Springs is expecting to lose over \$30 million annually in redevelopment funds. This includes about \$13.4 million annually that is allocated towards operating and capital costs. Obviously, this action has a devastating impact on the City of Santa Fe Springs and other municipalities throughout the State that have utilized redevelopment as an important tool in creating and sustaining vibrant communities.

Given the magnitude of the City's challenge, there is no hope that it can cover such a deficit without resorting to a reduction in the workforce, among other measures. As a result, Staff is proposing adoption and implementation of a program that can have an immediate impact and assist the City in efforts to regain fiscal stability.

CalPERS Retirement Incentive Program - Miscellaneous (Non-Safety) Employees

Section 20903 of the Government Code provides cities with an opportunity to offer two additional years of CalPERS service credits to eligible employees (at least 50 years of age with at least 5 years of PERS service credits) as an incentive to retire. Vacated positions can subsequently be frozen, thus minimizing the number of layoffs and alleviating budget shortfalls.

Report Submitted By: Jose Gomez Date of Report: February 3, 2012

Finance and Administrative Services

City of Santa Fe Springs

City Council Meeting

February 4, 2012

If the City Council chooses to adopt the recommended action above, Staff would then present a required resolution for Council consideration at the February 23, 2012 meeting. The resolution would formally establish a 128-day window (from February 24, 2012 to June 30, 2012) for interested employees to retire. CalPERS then requires that those wishing to participate retire at least one day after the window has been opened, therefore the first day an employee would be eligible to retire would be February 25, 2012.

FISCAL IMPACT

The exact cost of the program is unknown at this point. It is first necessary to know how many employees will participate if the program is offered. However, Government Code Section 7507 requires that the City make public the cost to provide this benefit at this meeting assuming that everyone who meets the criteria would participate. For purposes of fulfilling this requirement, Staff has calculated the cost assuming that 50 employees (all the eligible City Miscellaneous employees) would participate. This amount, totaling \$2,873,814, would be payable by way of increased annual CalPERS contributions of \$217,054 over a twenty year period beginning in Fiscal Year 2014-15. In this highly improbably scenario, the retirement of all eligible employees would also result in annual salary savings totaling over \$3.9 million. These amounts are all calculated based on very specific CalPERS established formulas and cost factors. Again, the actual cost of the program will only be clearly known after the designated participation period.

The ultimate cost to implement the program will be financed by savings derived from position vacancies (resulting from employee retirements) and other budget saving measures approved by the City Council.

Thaddeus McCormack

City Manager

Report Submitted By: Jose Gomez Date of Report: February 3, 2012

Finance and Administrative Services

City of SFS FT Miscellanous Eligible Employees - Retirement Incentive

٢			(A)	(B)	(C)	$(D) = (B) \times (C)$	(E)	(D) / (E)
				(A x 1.08)	PERS		PERS 20-Year	Estimated
		Age as of	Annual	PERSable	Cost	Estimated	Ammortization	Annual
Employee		3-Feb-12	Pay Rate	Pay Rate*	Factor**	Cost	Factor	Cost
Employee	1	68.6	48,312	52,177	0.59	30,784	13.24	2,325
Employee	2	67.2	59,172	63,906	0.59	37,704	13.24	2,848
Employee	3	64.8	54,120	58,450	0.66	38,577	13.24	2,914
Employee	4	64.0	54,120	58,450	0.66	38,577	13.24	2,914
Employee	5	61.5	185,844	200,712	0.66	132,470	13.24	10,005
Employee	6	60.0	110,752	119,612	0.66	78,944	13.24	5,963
Employee	7	60.0	50,796	54,860	0.72	39,499	13.24	2,983
Employee	8	59.2	48,696	52,592	0.72	37,866	13.24	2,860
Employee	9	58.8	185,400	200,232	0.72	144,167	13.24	10,889
Employee	10	58.0	63,720	68,818	0.72	49,549	13.24	3,742
Employee	11	57.3	123,858	133,767	0.72	96,312	13.24	7,274
Employee	12	57.2	75,718	81,775	0.72	58,878	13.24	4,447
Employee	13	57.1	49,896	53,888	0.72	38,799	13.24	2,930
Employee	14	56.8	43,740	47,239	0.72	34,012	13.24	2,569
Employee	15	56.3	86,303	93,207	0.72	67,109	13.24	5,069
Employee	16	55.6	82,068	88,633	0.72	63,816	13.24	4,820
Employee	17	55.4	80,568	87,013	0.72	62,650	13.24	4,732
Employee	18	54.9	59,148	63,880	0.72	45,993	13.24	3,474
Employee	19	54.8	121,523	131,245	0.72	94,496	13.24	7,137
Employee	20	54.8	179,356	193,704	0.72	139,467	13.24	10,534
Employee	21	54.8	55,719	60,177	0.72	43,327	13.24	3,272
Employee	22	54.5	46,068	49,753	0.65	32,340	13.24	2,443
Employee	23	54.4	49,212	53,149	0.65	34,547	13.24	2,609
Employee	24	54.4	115,655	124,907	0.65	81,190	13.24	6,132
Employee	25	54.3	60,948	65,824	0.65	42,785	13.24	3,231
Employee	26	53.4	59,148	63,880	0.65	41,522	13.24	3,136
Employee	27	53.2	69,684	75,259	0.65	4 8,918	13.24	3,695
Employee	28	53.1	64,302	69,446	0.65	45,140	13.24	3,409
Employee	29	53.1	123,858	133,767	0.65	86,948	13.24	6,567
Employee	30	53.1	58,759	63,460	0.65	41,249	13.24	3,115
Employee	31	53.0	76,368	82,477	0.65	53,610	13.24	4,049
Employee	32	52.7	49,212	53,149	0.65	34,547	13.24	2,609
Employee	33	52.7	74,114	80,043	0.65	52,028	13.24	3,930
Employee	34	52.4	57,048	61,612	0.65	40,048	13.24	3,025
Employee	35	52.3	73,900	79,812	0.65	51,878	13.24	3,918
Employee	36	52.0	75,175	81,189	0.65	52,773	13.24	3,986
Employee	37	51.8	54,120	58,450	0.65	37,992	13.24	2,869
Employee	38	51.8	126,858	137,007	0.65	89,054	13.24	6,726
Employee	39	51.5	102,992	111,231	0.65	72,300	13.24	5,461
Employee	40	51.4	52,345	56,533	0.65	36,746	13.24	2,775
Employee	41	51.4	76,368	82,477	0.65	53,610	13.24	4,049
Employee	42	51.3	59,959	64,756	0.65	42,091	13.24	3,179
Employee	43	51.1	48,696	52,592	0.65	34,185	13.24	2,582
Employee	44	51.1	74,385	80,336	0.65	52,218	13.24	3,944
Employee	45	50.7	64,223	69,361	0.65	45,085	13.24	3,405
Employee	46	50.2	91,633	98,964	0.65	64,326	13.24	4,858
Employee	47	49.9	100,797	108,861	0.65	70,759	13.24	5,344
Employee	48	49.8	68,252	73,712	0.65	47,913	13.24	3,619
Employee	49	49.8	81,920	88,474	0.65	57,508	13.24	4,344
Employee	50	49.7	81,920	88,474	0.65	57,508	13.24	4,344
		:	\$ 3,956,748	\$ 4,273,288		\$ 2,873,814		\$ 217,054

^{*}Employee pensions are based on salary, plus tthe 8% City-paid Misc. Employee PERS contribution ** CalPERS provided the following cost factors:

Ages	Cost Factor		
50-54	0.65		
55-59	0.72		
60-64	0.66		
65+	0.59		