



CITY OF SANTA FE SPRINGS
ADJOURNED MEETINGS OF THE PUBLIC FINANCING
AUTHORITY, WATER UTILITY AUTHORITY, HOUSING
SUCCESSOR, SUCCESSOR AGENCY, AND CITY COUNCIL
AGENDA

TUESDAY, DECEMBER 10, 2024
AT 6:00 P.M.

TOWN CENTER HALL
11740 TELEGRAPH ROAD
SANTA FE SPRINGS, CA 90670

CITY COUNCIL

Jay Sarno, Mayor
William K. Rounds, Mayor Pro Tem
Joe Angel Zamora, Councilmember
Annette Rodriguez, Councilmember
Juanita Martin, Councilmember

CITY MANAGER

René Bobadilla, P.E.

CITY ATTORNEY

Rick Olivarez

CITY STAFF

Assistant City Manager
Fire Chief
Police Chief
Director of Community Services
Director of Finance
Director of Parks & Recreation
Director of Community Development
Director of Police Services
Director of Public Works

Nicholas Razo
Chad Van Meeteren
Aviv Bar
Maricela Balderas
Lana Dich
Gus Hernandez
Cuong Nguyen
Dino Torres
James Enriquez

NOTICES

This City Council Meeting ("Council") will be held in person and will meet at Town Center Hall, 11740 E. Telegraph Road, Santa Fe Springs, California.

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.

SB 1439: Effective January 1, 2023, City Council Members are subject to SB 1439 and cannot participate in certain decisions for a year after accepting campaign contributions of more than \$250 from an interested person. The Council Member would need to disclose the donation and abstain from voting.

Public Comments: 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 on the day of the meeting, please fill out a speaker card provided at the door and submit it to City Clerk staff. You may also submit comments in writing by sending them to the City Clerk's Office at cityclerk@santafesprings.org. All written comments received by 12:00 p.m. the day of the City Council Meeting will be distributed to the City Council and made a part of the official record of the meeting. Written comments will not be read at the meeting, only the name of the person submitting the comment will be announced. 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.

Council Meeting Start Times: If there is a closed session or study session scheduled on the agenda, the regular meeting shall be scheduled to start at 5:00 p.m. and open session shall start at 6:00 p.m. If there is no closed session or study session scheduled on the agenda, the regular meeting shall be scheduled to start at 6:00 p.m.

Please Note: Staff reports and supplemental attachments are available for inspection at the office of the City Clerk in City Hall, during regular business hours 7:30 a.m. – 5:30 p.m., Monday – Thursday. Telephone: (562) 868-0511.

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

INTRODUCTIONS

PRESENTATIONS

1. RECOGNITION OF OUTGOING MAYOR FROM LEGISLATIVE, BUSINESS, AND EDUCATIONAL REPRESENTATIVES
2. MAYOR YEAR-END RECAP

REGULAR BUSINESS

3. **ADOPTION OF RESOLUTION NO. 9940 DECLARING THE RESULTS OF THE CITY'S GENERAL MUNICIPAL ELECTION AND CONFIRM FINAL ADOPTION OF THE CITY'S ROADS DEDICATED PARCEL TAX ORDINANCE ADMINISTERED BY LOS ANGELES COUNTY AND CODIFIED UNDER NEW SUBCHAPTER SECTION 35.140 OF CHAPTER 35 (TAXATION) OF TITLE III (ADMINISTRATION) OF THE SANTA FE SPRINGS MUNICIPAL CODE (CITY CLERK)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt Resolution No. 9940, declaring the results of the November 5, 2024 General Municipal Election (Attachment "A"); and
- 2) Confirm and ratify adoption of Ordinance No. 1153, entitled "An Ordinance of the People of the City of Santa Fe Springs Amending Provisions of the Municipal Code to Enact a Special Parcel Tax for Roads" (Attachment "B").

ADMINISTRATION OF OATH OF OFFICE AND PRESENTATION OF CERTIFICATES

INSTALLATION OF MAYOR AND MAYOR PRO TEM

CHANGES TO AGENDA

PUBLIC COMMENTS ON NON-AGENDA & NON-PUBLIC HEARING AGENDA ITEMS

At this time, the general public may address the City Council on both non-agenda *and* non-public hearing agenda items. Comments relating to public hearing items will be heard during the public hearing. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City

Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the City Council.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

OLD BUSINESS – NONE

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any Ordinance.

PUBLIC FINANCING AUTHORITY

4. **MINUTES OF THE NOVEMBER 12, 2024 PUBLIC FINANCING AUTHORITY MEETINGS (CITY CLERK)**

RECOMMENDATION: It is recommended that the Public Financing Authority:

- 1) Approve the minutes as submitted.

5. **MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY (PFA) (FINANCE)**

RECOMMENDATION: It is recommended that the Public Financing Authority:

- 1) Receive and file the report.

WATER UTILITY AUTHORITY

6. **MINUTES OF THE NOVEMBER 12, 2024 WATER UTILITY AUTHORITY MEETINGS (CITY CLERK)**

RECOMMENDATION: It is recommended that the Water Utility Authority:

- 1) Approve the minutes as submitted.

7. **MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY (WUA) (FINANCE)**

RECOMMENDATION: It is recommended that the Water Utility Authority:

- 1) Receive and file the report.

HOUSING SUCCESSOR

8. **MINUTES OF THE NOVEMBER 12, 2024 HOUSING SUCCESSOR MEETINGS
(CITY CLERK)**

RECOMMENDATION: It is recommended that the Housing Successor:

- 1) Approve the minutes as submitted.

SUCCESSOR AGENCY

9. **MINUTES OF THE NOVEMBER 12, 2024 SUCCESSOR AGENCY MEETINGS
(CITY CLERK)**

RECOMMENDATION: It is recommended that the Successor Agency:

- 1) Approve the minutes as submitted.

CITY COUNCIL

10. **MINUTES OF THE NOVEMBER 12, 2024 CITY COUNCIL MEETINGS
(CITY CLERK)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the minutes as submitted.

11. **ADOPTION OF RESOLUTION NO. 9939 THAT DECLARES THE INTENT OF THE
CITY COUNCIL TO REIMBURSE COMMERCIAL ROAD IMPROVEMENTS MADE
PRIOR TO THE ISSUANCE OF TAX-EXEMPT BONDS FOR MEASURE SFS
(FINANCE)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt Resolution No. 9939 that declares the intent of the City Council to reimburse commercial road improvements made prior to the issuance of tax-exempt bonds for Measure SFS; and
- 2) Take such additional, related, action that may be desirable.

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Council member announcements; requests for future agenda items; conference/meetings reports. Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

ADJOURNMENT

I, Fernando N. Muñoz, Deputy City Clerk for the City of Santa Fe Springs hereby certify that a copy of this agenda has been posted no less than 72 hours at the following locations; City's website at www.santafesprings.org; 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.



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fernando N. Muñoz, CMC, Acting City Clerk

SUBJECT: **ADOPTION OF RESOLUTION NO. 9940 DECLARING THE RESULTS OF THE CITY'S GENERAL MUNICIPAL ELECTION AND CONFIRM FINAL ADOPTION OF THE CITY'S ROADS DEDICATED PARCEL TAX ORDINANCE ADMINISTERED BY LOS ANGELES COUNTY AND CODIFIED UNDER NEW SUBCHAPTER SECTION 35.140 OF CHAPTER 35 (TAXATION) OF TITLE III (ADMINISTRATION) OF THE SANTA FE SPRINGS MUNICIPAL CODE**

DATE: December 10, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Adopt Resolution No. 9940, declaring the results of the November 5, 2024 General Municipal Election (Attachment "A"); and
- 2) Confirm and ratify adoption of Ordinance No. 1153, entitled "An Ordinance of the People of the City of Santa Fe Springs Amending Provisions of the Municipal Code to Enact a Special Parcel Tax for Roads" (Attachment "B").

FISCAL IMPACT

The FY 2024-25 budget has included funds in the amount of \$60,000 for election purposes. Los Angeles County has not yet invoiced the City for election costs.

Since the voters approved the dedicated parcel tax, the tax is expected to generate approximately \$6 Million per year, for 25 years, beginning in FY 2025-26. The amount generated will increase by approximately 2% per year thereafter (as a result of a 2% automatic rate adjustment built into the tax), but will vary somewhat to the extent land uses in the City change.

CITY COUNCIL AGENDA REPORT – MEETING OF DECEMBER 10, 2024
**RESOLUTION NO. 9940 – ADOPTION OF RESOLUTION DECLARING THE
RESULTS OF THE GENERAL MUNICIPAL ELECTION AND ADOPTION OF THE
ROADS DEDICATED PARCEL TAX ORDINANCE**

Page 2 of 3

BACKGROUND

At its July 16, 2024, regular meeting, the City Council adopted Resolution No. 9922 and 9923 calling an election to elect two (2) members of the City Council and to place tax ballot Measure SFS on the ballot. Also requested was the consolidation of the election with the County of Los Angeles on Tuesday, November 5, 2024, and to conduct the election and canvass the votes.

On November 5, 2024, the General Municipal Election was held and semi-official results were tabulated (election night tally did not include provisional ballots nor Vote by Mail ballots that were dropped off at polling places). The Los Angeles County Registrar-Recorder/County Clerk (RR/CC) continued counting ballots through the Official Election Canvass period through the end of November.

On December 4, 2024, the City Clerk received the Certificate of the Canvass of the Election Returns completed and certified by the RR/CC for the November 5, 2024, General Municipal Election (Exhibit “A” to Attachment “A”). In addition to identifying the candidates for elective office of the City who have been elected to the City Council, the Certificate of the Canvass of Election Returns also confirms Measure SFS, referenced above, was approved by the Santa Fe Springs voters.

Information from the County Registrar pertaining to the November 5, 2024, General Municipal Election indicates the following:

CITY COUNCIL

- 7,540 total votes cast for Councilmember Seats
- 3,679 votes cast for John Mora for City Council
- 3,171 votes cast for Joe Angel Zamora for City Council
- 2,966 votes cast for Gabriel Jimenez for City Council
- 738 votes cast for Victor Salcedo for City Council

MEASURE SFS

- 6,933 total votes cast for Measure SFS
- 5,319 votes cast for Yes on Measure SFS
- 1,614 votes cast for No on Measure SFS

ANALYSIS

Per Elections Code Section 10262(b), the City Clerk is required to certify the results to the City Council. In turn, the City Council, as required by Election Code Section 10263, must meet to declare the results of the election. As soon as the results of the election is declared by the City Council, the City Clerk must enter in its records a statement of the election results.

CITY COUNCIL AGENDA REPORT – MEETING OF DECEMBER 10, 2024
**RESOLUTION NO. 9940 – ADOPTION OF RESOLUTION DECLARING THE
RESULTS OF THE GENERAL MUNICIPAL ELECTION AND ADOPTION OF THE
ROADS DEDICATED PARCEL TAX ORDINANCE**
Page 3 of 3

Pursuant to Government Code Sections 36937(a) and (d), an ordinance takes effect immediately upon final approval by the City Council if it relates to an election and taxes for the usual and current expenses of the city.

ENVIRONMENTAL

N/A

CONCLUSION:

It is recommended that the City approve the following in the following order by separate vote:

1. Adopt Resolution No. 9940 declaring the results of the November 5, 2024, General Municipal Election; and
2. Confirm and ratify adoption of Ordinance No. 1153 entitled: “An Ordinance of the People of the City of Santa Fe Springs Amending Provisions of the Municipal Code to Enact a Special Parcel Tax for Roads.”

ATTACHMENT(S):

- A. Resolution No. 9940
- B. Ordinance No. 1153

<u>ITEM STATUS:</u>	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

RESOLUTION NO. 9940

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS CALIFORNIA, RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD ON NOVEMBER 5, 2024 DECLARING THE RESULT AND SUCH OTHER MATTERS AS PROVIDED BY LAW

WHEREAS, at its regular meeting of July 16, 2024, the City Council of the City of Santa Fe Springs ("City Council") adopted Resolution Nos. 9922 and 9923 which called for the holding of a General municipal Election to be held on Tuesday, November 5, 2024 ("City Election"), for the election of two Members of the City Council and for the submission of a tax ballot measure to Santa Fe Spring voters that would impose a dedicated parcel tax for roads; requesting the Board of Supervisors of the County of Los Angeles to consolidate a general municipal election held on Tuesday, November 5, 2024, with the statewide general election held on that date.

WHEREAS, a General Municipal Election was held and conducted in the City of Santa Fe Springs, California ("City") on Tuesday, November 5, 2024, which was consolidated with the Statewide General Election held on the same day; and

WHEREAS, notice of the election was given in time, form and manner as provided by law; that voting precincts were properly established; that election officers were appointed and that in all respects the election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Election Code of the State of California for the holding of elections in general law cities; and

WHEREAS, the City Election was conducted for the purpose of electing two (2) Members of the City Council for the full term of four years. Also to present a City-initiated ballot measure referred to as "Santa Fe Springs Dedicated Pothole, Road Repair Measure", given the ballot measure designation of Measure SFS, that would impose a dedicated parcel tax for roads; and

WHEREAS, the Los Angeles County Registrar-Recorder/County Clerk canvassed the returns of the election and has certified the results to this City Council, and the results are received, attached and made a part hereof as "**Exhibit A**".

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals stated above are true and correct and incorporated herein by this reference.

SECTION 2. That the whole number of ballots cast in the City except vote by mail ballots was 2,384.

That the whole number of votes by mail voter ballots cast in the City was 5,156, making a total of 7,540 cast in the City.

SECTION 3. That the names of persons voted for at the election for Member of the City Council are as follows:

John Mora
Joe Angel Zamora

SECTION 4. That the measure voted upon at the election is as follows:

The City Council has ordered that the following question be submitted to the voters at the Election (the "Measure SFS"):

SANTA FE SPRINGS DEDICATED POTHOLE, ROAD REPAIR MEASURE. To repair deteriorating roads; protect groundwater; shall an ordinance that doesn't tax residential property and exclusively funds the maintenance, repair of Santa Fe Springs' roads using a dedicated annual parcel tax of 7¢ per square foot (commercial lots) and 3 ^{1/2} ¢ per square (industrial/ vacant lots), for 25 years, a 2% annual inflation adjustment, raising approximately \$6,000,000 annually be adopted, requiring audits, citizens oversight, spending disclosure, all funds used locally?	Yes
	No

SECTION 5. That the number of votes given at each precinct and the number of votes given in the City to each of the persons above named for the respective offices for which the persons were candidates were listed in Exhibit "A," attached.

SECTION 6. THE CITY COUNCIL DOES DECLARE AND DETERMINE THAT:

John Mora was elected as Member of the City Council of the City for the full term of four years.

Joe Angel Zamora was elected as Member of the City Council of the City for the full term of four years.

As a result of the election, Measure SFS passed and was approved by two-thirds of the voters voting on the measure. Santa Fe Springs voters approved Measure SFS by the following vote count: 5,319 votes cast in favor and 1,614 votes in opposition out of a total of 6,933 ballots cast. The voters approved dedicated parcel tax will be collected by Los Angeles County on property tax bills.

SECTION 7. Pursuant to Election Code Section 10264, the City Clerk shall enter on the records of the City Council of the City, a statement of the result of the election showing:

- (1) The whole number of ballots cast in the City;
- (2) The names of the persons voted for;
- (3) The measure voted upon;
- (4) For what office each person was voted for;
- (5) The number of votes given at each precinct to each person, and for and against each measure;
- (6) The total number of votes given to each person, and for and against each measure.

SECTION 8. The City Clerk shall immediately make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated; that the City Clerk shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California and shall have them subscribe to it and file it in the office of the City Clerk. Each and all of the persons so elected shall then be inducted into the respective office to which they have been elected.

SECTION 9. Measure SFS, will be codified under a new Subchapter, beginning at Section 35.140 of Chapter 35 (Taxation) of Title III (Administration) of the Santa Fe Springs Municipal Code, attached as “**Exhibit B**,” and shall take effect immediately upon final approval by the City Council, as it relates to an election and taxes for the usual and current expenses of the city, pursuant to Government Code Section 36937(a) and (d).

SECTION 10. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED on this 10th day of December, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF SANTA FE SPRINGS

By: _____
Jay Sarno, Mayor

ATTEST:

Fernando N. Muñoz, CMC, Deputy City Clerk

ORDINANCE NO. 1153

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF SANTA FE SPRINGS
AMENDING PROVISIONS OF THE MUNICIPAL CODE TO ENACT A SPECIAL
PARCEL TAX FOR ROADS**

WHEREAS, trucks and other heavy vehicles are the cause of a disproportionate amount of the damage and wear to the City's roads; and

WHEREAS, the best way to prevent potholes and road deterioration is through a program that repairs and maintains roads by rehabilitating road surfaces and otherwise improving the roads; and

WHEREAS, such a program can help to protect the City's groundwater from contaminants originating from vehicles that use the roads; and

WHEREAS, the People of the City of Santa Fe Springs desire that the City's roads be returned to a better condition; and

WHEREAS, the City has been funding road rehabilitation projects using available funds budgeted for that purpose, and will continue to do so regardless of whether this Ordinance is adopted; and

WHEREAS, the People desire that the pace of road rehabilitation be accelerated beyond what is possible using current budget resources; and

WHEREAS, the People desire to create a dedicated source of funds that the City can use solely to fund repair and maintenance of the City's roads; and

WHEREAS, the People can approve a dedicated parcel tax that will be collected by Los Angeles County on property tax bills; and

WHEREAS, the People do not desire to impose a tax on homes and residences; and

WHEREAS, the People desire to levy a dedicated parcel tax on non-residential land to fund the maintenance and repair of the City's roads.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF SANTA FE SPRINGS DO ORDAIN AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. Chapter 35 (Taxation) of Title III (Administration) of the Santa Fe Springs Municipal Code is hereby amended to add a new Subchapter, beginning at Section 35.140, relating to the Roads Dedicated Parcel Tax to read as follows:

ROADS DEDICATED PARCEL TAX

Section 35.140 SHORT TITLE.

This subchapter may be referred to as the City of Santa Fe Springs Roads Dedicated Parcel Tax Ordinance.

Section 35.141 PURPOSE.

The purpose of this subchapter is solely to raise funds for the specific purpose set forth in this subchapter and not for regulation. The dedicated parcel tax imposed by this subchapter is neither an ad valorem tax on real property nor a transaction or sales tax on the sale of property.

Section 35.142 SPECIAL PURPOSE.

The net proceeds of the dedicated parcel tax shall be used solely for the purpose of maintaining and repairing the roads in the City of Santa Fe Springs.

Section 35.143 DEFINITIONS.

For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

DEDICATED PARCEL TAX. The Roads Dedicated Parcel Tax imposed by Section 35.144 of this subchapter.

NET PROCEEDS. Proceeds of the dedicated parcel tax that are received by the city from the Los Angeles County Tax Collector (or other officer of the County), less (i) any charges imposed by the county or any department of the county for services associated with the collection of the dedicated parcel tax and (ii) the city's costs of administering the dedicated parcel tax.

ROAD. Any road, street, avenue, or similar thoroughfare that is owned or maintained by the city.

PARCEL. A parcel of property as shown on the records of Los Angeles County Assessors Office.

SPECIAL FUND. The special fund established pursuant to Section 35.151 of this subchapter.

TAX ADMINISTRATOR. The Director of Finance and Administrative Services (or such other official designated by the City Council) or designee.

TAX YEAR. The period running from July 1 of a year to June 30 of the following year.

Section 35.144 TAX IMPOSED.

There is hereby imposed a special tax, to be referred to as the "Roads Dedicated Parcel Tax," on each parcel in the city. The dedicated parcel tax shall be assessed upon a parcel unless that parcel is exempt from the *ad valorem* property tax or is state-assessed property owned by a public utility. Where a parcel is exempted from the dedicated parcel tax by the previous sentence, the dedicated parcel tax shall be imposed on any taxable possessory interest in the parcel based on the characteristics of that possessory interest.

Section 35.145 COLLECTION.

The dedicated parcel tax shall be collected on the Los Angeles County property tax bill in the same manner and subject to the same penalty as the *ad valorem* property tax collected by the county. The county may deduct its reasonable costs incurred for the services provided to the city under this section before remittance of the balance to the city. The tax administrator shall take such actions as are necessary to obtain the services of the county.

Section 35.146 TAX RATE.

The annual rate of the dedicated parcel tax shall be:

- A. 7 cents per square foot for commercial parcels.
- B. 3.5 cents per square foot for industrial parcels.
- C. 3.5 cents per square foot for vacant parcels.

Section 35.147 ANNUAL ADJUSTMENT.

The tax rates listed in Section 35.146 are the rates that will apply for the 2025-26 tax year. For the 2026-27 tax year, and each subsequent tax year, each tax rate shall automatically adjust upward by two percent (2%) from the rates for the previous tax year.

Section 35.148 RESIDENTIAL EXEMPTION.

Parcels solely in residential use shall be exempt from the dedicated parcel tax.

Section 35.149 DETERMINATION OF PARCEL TYPE AND CALCULATION OF SQUARE FOOTAGE.

- A. Except as otherwise provided in this section, the taxable square footage of a parcel shall include the entire surface area of the parcel.

- B. Where a parcel includes some combination of residential, industrial and commercial improvements, the square footage of the entire surface area of the parcel shall be apportioned proportional to the square footage of the footprints of the different types of improvements of the parcel. Square footage apportioned to “residential” use shall be excluded from the calculation of the tax. If a building is developed for more than one use (as in a mixed-use residential development with ground floor retail space), for purposes of the preceding sentence, the square footage of the footprint of the mixed use structure shall be divided amongst the uses proportionally to the building square footage of such building.
- C. A parcel shall be considered a “vacant” parcel only if that parcel is developed with no structures with a footprint larger than 20 square feet.
- D. Square footage shall be excluded from the surface area of a parcel if that square footage meets all of the following criteria: (i) it is at a slope of more than four percent (4%) or, by reason of its topography, it is not usable for vehicle parking, (ii) it is not improved with a structure, and (iii) it is not paved in any way and is not planted with grass or other landscaping.

Section 35.150 DURATION.

The initial tax year in which the annual dedicated parcel tax shall be levied in the 2025-26 tax year. The final year in which the tax shall be levied is the 2049-50 tax year.

Section 35.151 SPECIAL FUND.

Proceeds of the dedicated parcel tax shall be deposited into a separate fund. All money in that fund shall be used solely for the purpose set forth in Section 35.142 of this subchapter.

Section 35.152 APPURTENANCES.

For purposes of Section 35.141 of this subchapter, “repair” includes, but is not limited to, rehabilitation and improvement of an existing road in order to correct the condition of that road. The repair of a segment of road also includes the associated necessary or useful repair, rehabilitation, replacement or improvement of appurtenances to the road segment, such as such storm drains, curbs, gutters, landscaping, lighting, and sidewalks that are embedded in or adjacent to the road segment.

Section 35.153 FINANCING.

As permitted by law, the city may pledge proceeds of the dedicated parcel tax and the balance of the special fund in connection with the issuance of debt or a financing transaction such as a certificate of participation. However, if it does borrow against such proceeds and/or against the special fund, the proceeds of such debt or financing transaction shall be used exclusively to fund (i) the uses set forth in Section 25.142 of this subchapter, (ii) incidental expenses associated with the debt or financing transaction, such as fees or discounts charged by an underwriter, bond counsel, municipal advisor, trustee, fiscal agent, rating agency, credit enhancer, credit insurer, printer, or other professional or entity that provides services to the city in connection with the issuance of such debt or financing transaction, and (iii) the funding of a reserve fund or similar fund backing the bond or other financing and pledged to its repayment. Proceeds of the dedicated parcel tax and balances of the special fund may be used to pay debt service on such a bond or other financing transaction as well as incidental costs to the administration of such bond or other financing transaction.

Section 35.154 ANNUAL ACCOUNTABILITY REPORTS AND AUDITS.

The Director of Finance & Administrative Services shall, at least once per year, file an accountability report with the City Council stating (i) the amount of dedicated parcel tax revenues collected and expended by the city, (ii) the status of any project or work authorized to be funded by the proceeds of this tax, and (iii) the balance of the special fund established by this subchapter that carries over to the next reporting period. The Director shall annually arrange for an independent audit of the accounting for, and expenditure of, the proceeds of the dedicated parcel tax. Each accountability report filed pursuant to this section and any report of the independent audit required by this section shall be made available to the public without charge. Any accountability report may be produced as a part of the city's Annual Comprehensive Financial Report any and audit required by this section may be a part of the city's annual independent audit of the city's finances.

Section 35.155 CITIZENS' OVERSIGHT COMMITTEE.

- A. The City Council shall establish a Citizens' Oversight Committee in connection with the dedicated parcel tax.
- B. The terms, composition, and specific duties of the Citizens' Oversight Committee shall be established by resolution of the City Council; however the Citizens' Oversight Committee shall be composed of five members. All members of the Citizens' Oversight Committee shall be appointed by the City Council. Two of the members must be residents of the city. The other three must be owners (or representatives of owners) of property subject to the dedicated parcel tax or owners (or representatives of owners) of businesses located on such parcels. The City Council shall consider the recommendation

of the Santa Fe Springs Chamber of Commerce when appointing the three “owner” members, if such recommendations are provided to the City at or prior to the meeting of the City Council at which such appointments are made.

- C. The Citizens’ Oversight Committee shall meet at least twice per year, and the chair of the Citizens’ Oversight Committee may call additional meetings as the chair finds advisable.
- D. The Citizens’ Oversight Committee shall review the annual report required by Section 35.153 of this subchapter and may make such recommendations to the City Council as it deems necessary or useful.
- E. Upon request of the Citizens’ Oversight Committee, the Director of Finance and Administrative Services and the Director of Public Works shall make reasonable efforts to meet with the Citizens’ Oversight Committee and to discuss prioritization of the work to be funded from proceeds of the dedicated special tax.
- F. The Citizens’ Oversight Committee may, by a majority vote of its membership, choose to publish a report, in which event such report, if approved by a majority of the members, shall be published on the city’s internet page.
- G. In the event the City Council, the Citizens’ Oversight Committee, the city, any employee of the city, or any member of the City Council or the Citizens’ Oversight Committee fails to take an action required by this section, any court of competent jurisdiction may order that the action be taken. However, such failure to act shall not (i) invalidate the levy of any tax or the city’s authority to levy any tax, (ii) in any way affect the ongoing collection of any tax, (iii) invalidate any expenditure of funds made pursuant to this subchapter, or (iv) affect any contractual obligation assumed by the city.

Section 35.156 ADMINISTRATION.

The tax administrator shall have charge of the enforcement and interpretation of this subchapter, and may issue such administrative rules and regulations, not inconsistent with this subchapter or any regulation adopted by resolution of the City Council, as the tax administrator finds useful or necessary.

Section 35.157 PRESUMPTIONS.

- A. The tax administrator may rebuttably rely upon parcel data maintained by the Los Angeles County Assessor’s Office for the classification and square footage of a parcel that is subject to the dedicated parcel tax. Where parcel data obtained from the County uses a term other than “industrial”, “commercial”, “residential” or “vacant” to describe a parcel, the tax administrator may assign

that parcel to the one of these uses that is most appropriate for the actual use of the parcel,

- B. Except with respect to parcels that are entirely exempt from the dedicated parcel tax, the tax administrator shall rebuttably presume that the entire square footage of the surface of the parcel is subject to taxation.

Section 35.158 ADJUSTMENT OF CLASSIFICATION AND SQUARE FOOTAGE.

- A. The owner of a parcel of property in the city may apply to the tax administrator for a recalculation of the tax upon that parcel for a tax year.
- B. Such application may be submitted before the beginning of the tax year or at any time during the tax year.
- C. The tax administrator may create a form for such application, in which case an application shall only be considered if it is submitted on such form.
- D. Any application must (i) state the number of square feet that the owner believes should be subject to the dedicated parcel tax, (ii) state which portion of those square feet should be taxable at which tax rate, (iii) explain how this square footage and classification is consistent with the provisions of this subchapter and applicable law, and (iv) provide evidence regarding the square footage, improvement and use of the parcel.
- E. In making a determination on the application, the tax administrator shall consider the contents of the application and any other information the tax administrator finds relevant.
- F. The tax administrator shall, upon written request of the property owner, provide a written determination to the property owner within 45 days of the receipt of such written request. If the administrator does not then timely provide a written determination, the application shall be deemed denied.
- G. The written determination or denial of an application may be appealed in writing to the City Manager within 30 days of the issuance of the determination or of the date on which the application is deemed denied. The City Manager shall, in considering the appeal, consider all information filed with the tax administrator as part of the application, all information provided in the written appeal, and such other information the City Manager finds relevant. If the City Manager does not provide a written response to the appeal, the appeal shall be deemed denied. The decision of the City Manager is final.
- H. If, after review of the application by the tax administrator or a review of an appeal by the City Manager, an adjustment of the taxable square footage or

classification of such square footage is deemed to be warranted, the tax administrator shall recalculate the tax due and then shall either (i) submit such adjusted tax to the county for collection as part of the usual submission of taxes to the county, (ii) request that the appropriate county official reduce the amount of the tax that has been entered onto the tax roll, or (iii) refund the amount paid by the taxpayer to the county in excess of the adjusted tax.

Section 35.159 SAVINGS CLAUSE.

No section, clause, part, or provision of this subchapter shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

Section 35.160 AMENDMENT OF ORDINANCE.

The City Council may, without a vote of the people, amend this subchapter. However, the City Council may not, without a vote of the people, increase the rate of the dedicated parcel tax or extend the duration of the dedicated parcel tax beyond the 2049-50 tax year.

SECTION 3. This Ordinance shall become effective upon adoption by the People.

SECTION 4. If any word, phrase, sentence, part, section, subsection, or other portion of this Ordinance, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this title, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The People hereby declares that they would have passed this Ordinance, and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional.

Certified as adopted by the People of the City of Santa Fe Springs at the Municipal General Election held on November 5, 2024.

Mayor

ATTEST:

City Clerk

Date:

FOR ITEM NO. 4, PLEASE SEE ITEM NO. 10



CITY OF SANTA FE SPRINGS

PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance & Administrative Services

**SUBJECT: MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS
ISSUED THROUGH THE CITY OF SANTA FE SPRINGS PUBLIC
FINANCING AUTHORITY (PFA)**

DATE: December 10, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Receive and file the report.

FISCAL IMPACT

None.

BACKGROUND/DISCUSSION

The Santa Fe Springs Public Financing Authority (PFA) is a City entity that has periodically issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the PFA.

Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 11/30/2024

None

Outstanding principal at 11/30/2024

\$25,205,601

Bond Repayment

The former Community Development Commission (CDC) issued a number of tax allocation bonds before it was dissolved by State law effective February 1, 2012, which are administered by the City acting as Successor Agency under the oversight of the appointed Oversight Board. The Successor Agency no longer receives tax increment.

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

Page 2 of 3

Instead, distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are received based on approved obligations. It is anticipated that sufficient allocations from the RPTTF will continue to be made to the Successor Agency to meet ongoing debt service obligations.

Unspent Bond Proceeds

Under an approved Bond Expenditure Agreement, unspent bond proceeds of the former CDC in the amount of approximately \$19 million were transferred to the City in July 2014. The funds are to be spent in accordance with the original bond documents. The unspent proceeds continue to be a source of funding within the City's capital improvement program (CIP).

2016 Bond Refunding

In July 2016, the Successor Agency issued its 2016 Tax Allocation Refunding Bonds, which paid off several bond issuances of the former CDC. The bonds were originally issued through the Public Financing Authority and included the 2001 Series A, 2002 Series A, 2003 Series A, the current interest portion of the 2006 Series A, and 2006 Series B bond issuances.

2017 Bond Refunding

In December 2017, the Successor Agency issued its 2017 Tax Allocation Refunding Bonds, which paid off the 2007 Tax Allocation Bonds of the former CDC. The 2007 Bonds were originally issued through the Public Financing Authority.

ANALYSIS

The report is presented for informational purposes only.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

The Successor Agency will continue to request sufficient distributions from the RPTTF to make required bond payments through maturity on September 1, 2028.

ATTACHMENT(S):

None.

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

Page 3 of 3

<u>ITEM STATUS:</u>	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

FOR ITEM NO. 6, PLEASE SEE ITEM NO. 10



CITY OF SANTA FE SPRINGS

WATER UTILITY AUTHORITY AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance

**SUBJECT: MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS
ISSUED THROUGH THE CITY OF SANTA FE SPRINGS WATER UTILITY
AUTHORITY (WUA)**

DATE: December 10, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Receive and file the report.

FISCAL IMPACT

None.

BACKGROUND/DISCUSSION

The Santa Fe Springs Water Utility Authority (WUA) is a City entity that has issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the WUA.

Water Revenue Bonds, 2013

Financing proceeds available for appropriation at 11/30/2024	None
Outstanding principal at 11/30/2024	\$6,890,000

Water Revenue Bonds, 2018

Financing proceeds available for appropriation at 11/30/2024	None
Outstanding principal at 11/30/2024	\$395,000

In May 2013 the Water Utility Authority issued the 2013 Water Revenue Bonds in the amount of \$6,890,000. The bonds refunded the existing 2003 Water Revenue Bonds

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

Page 2 of 2

(issued through the Public Financing Authority) and provided additional funds for water improvement projects in the amount of \$2,134,339. The funds were restricted for use on water system improvements. In August 2013 the Water Utility Authority Board appropriated the proceeds for the Equipping Water Well No. 12 Project and all proceeds were since used on this project.

In January 2018 the Water Utility Authority issued the 2018 Water Revenue Bonds in the amount of \$1,800,000. The bonds refunded the existing 2005 Water Revenue Bonds (issued through the Public Financing Authority). No additional funds were raised through the issuance of the 2018 Water Revenue Bonds.

The WUA was formed in June of 2009. Water revenue bonds issued prior to this date were issued through the City of Santa Fe Springs Public Financing Authority.

ANALYSIS

The report is presented for informational purposes only.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

The WUA budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 and 2018 Water Revenue Bonds.

ATTACHMENT(S):

None.

<u>ITEM STATUS:</u>	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

FOR ITEM NO. 8, PLEASE SEE ITEM NO. 10

FOR ITEM NO. 9, PLEASE SEE ITEM NO. 10



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fernando N. Muñoz, CMC, Acting City Clerk

SUBJECT: **MINUTES OF THE NOVEMBER 12, 2024 ADJOURNED CITY COUNCIL MEETINGS**

DATE: December 10, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Approve the minutes as submitted.

FISCAL IMPACT

N/A

BACKGROUND

Staff has prepared minutes for the following meeting:

- Council Meeting of November 12, 2024

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

N/A

SUMMARY/NEXT STEPS

N/A

ATTACHMENT(S):

A. November 12, 2024 Meeting Minutes

<u>ITEM STATUS:</u>	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐



APPROVED:

MINUTES OF THE REGULAR MEETINGS OF THE CITY COUNCIL

November 12, 2024

CALL TO ORDER

Mayor Sarno called the meeting to order at 5:01 p.m.

ROLL CALL

Members present: Councilmembers/Directors: Martin, Rodriguez, Zamora (arrived at 5:45 p.m.), Mayor Pro Tem/Vice Chair Rounds, and Mayor/Chair Sarno.

MEMBERS ABSENT: None

PUBLIC COMMENTS ON CLOSED SESSION: None

CITY COUNCIL

1. **CLOSED SESSION**
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Pursuant to Government Code Section 54956.9(d)(2) and 54956.9(e)(3)): One matter
2. **CLOSED SESSION**
CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Pursuant to Government Code Section 54056.9(d)(2) and 54956.9(e)(1): One matter
3. **CLOSED SESSION**
CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Pursuant to Government Code Section 54956.8)
Property: Parcel No. 77065 which includes 77065-01-01 and 78260-01-01
Agency negotiator: René Bobadilla, City Manager and Cuong Nguyen, Director of Community Development
Negotiating parties: Caltrans
Under negotiation: Price and Terms.
4. **CLOSED SESSION**
CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Pursuant to Government Code Section 54956.8)
Property: Parcel No. 77067 which includes 77067-01-01, 77068-02-01 and 78259-01-01
Agency negotiator: René Bobadilla, City Manager and Cuong Nguyen, Director of Community Development
Negotiating parties: Caltrans
Under negotiation: Price and Terms

5. CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Pursuant to Government Code Section 54956.8)

Property: 8177-029-908, 8177-029-903, 8177-029-905, 8177-031-018, 8177-031-019, and 8177-029-005

Agency negotiator: René Bobadilla, City Manager and Cuong Nguyen, Director of Community Development

Negotiation parties: Kenneth G. Spiker, Spiker Rendon Consulting, Inc.

Under negotiation: Price and terms of payment as relates to interests in real property.

Mayor Sarno recessed the meeting at 5:03 p.m.

Mayor Sarno reconvened the meeting at 6:00 p.m.

CLOSED SESSION REPORT

City Attorney, Rick Olivarez provided a closed session report: With respect to Item Nos. 1 and 2, Council was briefed. For the rest of the items, direction was given to staff and no reportable action was taken.

INVOCATION

Cindy Jarvis led the invocation.

PLEDGE OF ALLEGIANCE

Members of the Youth Leadership Committee led the pledge of allegiance.

INTRODUCTIONS

Mayor Sarno introduced the following representatives from the Chamber of Commerce:

1. Nico Shubin – Sev-Wel Disposal & Recycling
2. Scott Summerfield – Cascade Pump Company (via YouTube)
3. Kathie Fink – Santa Fe Springs Chamber of Commerce CEO

PRESENTATIONS

6. HERITAGE ARTS ADVISORY COMMITTEE UPDATE (COMMUNITY SERVICES)

7. RECOGNITION OF LANTERN TOUR PROGRAM VOLUNTEERS (COMMUNITY SERVICES)

8. CALIFORNIA STATE LIBRARY – PUBLIC RELATIONS EXCELLENCE “BEST IN SHOW” SANTA FE SPRINGS AWARD FOR “ARTFUL PUBLIC RELATIONS: JOVENES CREADORES UNLEASH TEEN TALENT AT SFS ART FEST” (COMMUNITY SERVICES) (COMMUNITY DEVELOPMENT)

CHANGES TO AGENDA

None

PUBLIC COMMENTS

The following people spoke during public comments: 1) Janie Aguirre and 2) members of the SFS Women's Club.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

Director of Parks & Recreation, Gus Hernandez provided information on the Tree Lighting Ceremony on Saturday, December 7th and the beginning of the Santa Float Program. Fire Chief, Chad Van Meeteren spoke about recently receiving grants.

PUBLIC FINANCING AUTHORITY, WATER UTILITY AUTHORITY, HOUSING SUCCESSOR, SUCCESSOR AGENCY, AND CITY COUNCIL

PUBLIC HEARING

9. **PUBLIC HEARING TO CONSIDER ADOPTION OF URGENCY ORDINANCE NO. 1152 – AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA AMENDING SECTION 155.425 (SPECIAL NOISE SOURCES) OF CHAPTER 155 (ZONING) OF TITLE 15 (LAND USAGE) OF THE SANTA FE SPRINGS MUNICIPAL CODE AND DECLARING THE URGENCY THEREOF, IN ACCORDANCE WITH GOVERNMENT CODE SECTIONS 36934 AND 36937 (PUBLIC WORKS)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Open the Public Hearing and receive the written and oral staff report and comments from the public regarding the proposed urgency ordinance; and
- 2) Find and determine in accordance with California Government Code Sections 36934 and 36937 that this matter is of city-wide importance, and adoption of this Urgency Ordinance and a reasonable and necessary measure for the immediate preservation of public peace, health and safety relating to construction generated noise; and
- 3) Introduce and, by a four-fifths vote, adopt Urgency Ordinance No. 1152, that would take effect immediately, amending Section 155.425 (Special Noise Sources) of Chapter 155 (Zoning) of Title 15 (Land Usage) of the Santa Fe Springs Municipal Code; and
- 4) Take such additional, related action that may be desirable.

City Manager, René Bobadilla provided a brief presentation on the need for the implementation of the urgency ordinance.

Mayor Sarno opened the public hearing at 6:42 p.m.

There were no speakers.

Mayor Sarno closed the public hearing at 6:42 p.m.

It was moved by Councilmember Zamora, seconded by Councilmember Rodriguez, to find and determine in accordance with California Government Code Sections 36934 and 36937 that this matter is of city-wide importance, and adoption of this Urgency Ordinance and a reasonable and necessary measure for the immediate preservation of public peace, health and safety relating to construction generated noise, introduce and, by a four-fifths vote, adopt Urgency Ordinance No. 1152, that would take effect immediately, amending Section 155.425 (Special Noise Sources) of Chapter 155 (Zoning) of Title 15 (Land Usage) of the Santa Fe Springs Municipal Code, and take such additional, related action that may be desirable, by the following vote:

Ayes: Martin, Rodriguez, Zamora, Rounds, Sarno

Nays: None

Absent: None

Recused: None

10. ADOPTION OF RESOLUTION NO. 9933 TO AMEND THE CITY OF SANTA FE SPRINGS COMPREHENSIVE FEE SCHEDULE FOR FISCAL YEAR 2024-25 (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Open the Public Hearing;
- 2) Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing;
- 3) Adopt Resolution No. 9933 to amend the City of Santa Fe Springs Comprehensive Fee Schedule for Fiscal Year 2024-25; and
- 4) Take such additional, related, action that may be desirable.

City Manager, René Bobadilla introduced Item No. 10. Director of Finance, Lana Dich then provided a subsequent presentation which covered methodology, voter-enacted propositions, and full cost of services. Director of Parks and Recreation, Gus Hernandez provided additional information on specific department fees.

Councilmember Zamora stated that raising fees is difficult, but is thankful that residents take care of facilities. Mayor Pro Tem Rounds asked about modifying the fees for funeral services. Council deliberated and recommended that a resident fee be established for \$150.00 up from \$120.00 and to keep the non-resident fee at \$400. Council also agreed to include fees for tournaments.

Mayor Sarno opened the public hearing at 7:11 p.m.

There was one public comment from Julia Emerson.

Mayor Sarno closed the public hearing at 7:15 p.m.

It was moved by Mayor Pro Tem Rounds, seconded by Councilmember Rodriguez, to adopt Resolution No. 9933 to amend the City of Santa Fe Springs Comprehensive Fee Schedule for Fiscal Year 2024-25 with included recommendations, and take such additional, related, action that may be desirable, by the following vote:

Ayes: Martin, Rodriguez, Zamora, Rounds, Sarno

Nays: None

Absent: None

Recused: None

REGULAR BUSINESS

11. FY 2024-2025 FIRST QUARTER BUDGET REVIEW AND MODIFICATIONS (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve staff recommendations of an additional \$803,499 in General Fund expenditures; and
- 2) Approve staff recommendation revenue adjustments in the amount of \$163,979 of various funding sources;
- 3) Approve adjustments for two (2) positions:
 - a. One (1) new full-time position
 - b. One (1) hourly employee with 25 hours/week (9-month budget for total of 975 hours)

Director of Finance, Lana Dich provided a presentation on Item No. 11. City Manager Bobadilla thanked the department. Item was received and filed.

12. APPROVE PROFESSIONAL SERVICES AGREEMENT WITH IBE DIGITAL TO UPGRADE AND MODERNIZE INFORMATION TECHNOLOGY NEEDS IN THE CITY (CITY MANAGER)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the City Manager to execute a Professional Services Agreement with IBE Digital to Upgrade and Modernize Information Technology needs in the City in the amount of \$4,950,057; and
- 2) Approve a five (5) percent project contingency in the amount of \$247,502; and
- 3) Authorize the City Manager, at their discretion, to execute a finance agreement for the payment of hardware, software, and implementation services associated with the project; and
- 4) Take such additional, related action that may be desirable.

City Manager Bobadilla introduced Item No. 12 along with Procurement Manager, Micah Herd. He talked about the implementation of the entire project.

It was moved by Mayor Pro Tem Rounds, seconded by Councilmember Martin, to authorize the City Manager to execute a Professional Services Agreement with IBE Digital to Upgrade and Modernize Information Technology needs in the City in the amount of \$4,950,057, approve a five (5) percent project contingency in the amount of \$247,502, authorize the City Manager, at their discretion, to execute a finance agreement for the payment of hardware, software, and implementation services associated with the project, and take such additional, related action that may be desirable., by the following vote:

Ayes: Martin, Rodriguez, Zamora, Rounds, Sarno

Nays: None

Absent: None

Recused: None

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

PUBLIC FINANCING AUTHORITY

13. MINUTES OF THE OCTOBER 15, 2024 PUBLIC FINANCING AUTHORITY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Public Financing Authority:

- 1) Approve the minutes as submitted.

14. MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY (PFA) (FINANCE)

RECOMMENDATION: It is recommended that the Public Financing Authority:

- 1) Receive and file the report.

WATER UTILITY AUTHORITY

15. MINUTES OF THE OCTOBER 15, 2024 WATER UTILITY AUTHORITY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Water Utility Authority:

- 1) Approve the minutes as submitted.

16. MONTHLY REPORT ON THE STATUS OF DEBT INSTRUMENTS ISSUED THROUGH THE CITY OF SANTA FE SPRINGS WATER UTILITY AUTHORITY (WUA) (FINANCE)

RECOMMENDATION: It is recommended that the Water Utility Authority:

- 1) Receive and file the report.

HOUSING SUCCESSOR

17. MINUTES OF THE OCTOBER 1 AND 15, 2024 HOUSING SUCCESSOR MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Housing Successor:

- 1) Approve the minutes as submitted.

SUCCESSOR AGENCY

18. MINUTES OF THE OCTOBER 1 AND 15, 2024 SUCCESSOR AGENCY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Successor Agency:

- 1) Approve the minutes as submitted.

CITY COUNCIL

19. MINUTES OF THE OCTOBER 1 , 9 AND 15, 2024 REGULAR AND SPECIAL CITY COUNCIL MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the minutes as submitted.

20. RESOLUTION NO. 9938 – ESTABLISHING A CITY COUNCIL MEETING SCHEDULE FOR CALENDAR YEAR 2025 (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt Resolution No. 9938:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS ESTABLISHING A CITY COUNCIL MEETING SCHEDULE THROUGH CALENDAR YEAR 2025.

- 2) Take such additional, related action that may be desirable.

21. PROPOSED ORDINANCE AMENDMENTS TO CITY COMMISSIONS AND COMMITTEES – AMENDING SECTIONS 32.33, 32.34, AND 32.36 OF CHAPTER 32

OF TITLE III, AND SECTION 38.45 OF CHAPTER 38 OF TITLE III OF THE CODE OF SANTA FE SPRINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the first reading of, and approve the ordinance amending Sections 32.33, 32.34, and 32.36 of Chapter 32 (Commissions and Committees) of Title III, and Section 38.45 of Chapter 38 (City Policies) of Title III of the Santa Fe Springs Municipal Code; and
- 2) Waive all further readings of this ordinance; and
- 3) Direct the City Attorney to make clarifying changes necessary to effectuate the intent of the ordinance change; and
- 4) Take such additional, related action that may be desirable.

22. RESOLUTION NOS. 9936 AND 9937 – RESOLUTIONS OF THE SANTA FE SPRINGS CITY COUNCIL, AMENDING CERTAIN RULES FOR ADVISORY COMMITTEES (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve Resolution No. 9936; and
- 2) Approve Resolution No. 9937; and
- 3) Take such additional, related action that may be desirable.

23. TREASURER’S REPORT OF INVESTMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Receive and file the report.

24. APPROVE PROFESSIONAL SERVICE AGREEMENTS FOR UNIFORMS AND CUSTOM LOGO APPAREL (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve an agreement with Municipal Emergency Services (MES) in the amount of \$40,000 per fiscal year (total amount shall not exceed \$80,000 during the initial term); and
- 2) Approve an agreement with Conceptual Marketing (Conceptual Marketing) in the amount of \$40,000 per fiscal year (total amount shall not exceed \$80,000 during the initial term); and

- 3) Authorize the City Manager to exercise the extension options of each agreement, if needed; and
- 4) Take such additional, related, action that may be desirable.

25. APPROVE PROFESSIONAL SERVICE AGREEMENT FOR AS-NEEDED ENCAMPMENT ABATEMENT AND GENERAL CLEAN-UP SERVICES (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve a three (3) year agreement with Mayfield Environmental Engineering (Mayfield) in the amount of \$125,000 per fiscal year (total initial amount shall not exceed \$375,000); and
- 2) Approve a three (3) year agreement with O.C. Vacuum, Inc. (O.C. Vacuum) in the amount of \$125,000 per fiscal year (total initial amount shall not exceed \$375,000); and
- 3) Approve a three (3) year agreement with Ocean Blue Environmental Services, Inc. (Ocean Blue) in the amount of \$50,000 per fiscal year (total initial amount shall not exceed \$150,000); and
- 4) Authorize the City Manager to exercise the one (1) year extension option of each agreement, if needed; and
- 5) Take such additional, related, action that may be desirable.

26. AUTHORIZATION TO DISPOSITION SURPLUS ITEMS (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the disposition of eight (8) vehicles and three (3) additional items; and
- 2) Direct staff to record revenue related to the auction of any items as miscellaneous general fund revenue; and
- 3) Authorize the City Manager to take any related and necessary actions.
- 4) Take such additional, related action that may be desirable.

27. PROFESSIONAL SERVICES AGREEMENT FOR DOCUMENT SCANNING AND DIGITIZING SERVICES (FIRE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the Professional Services Agreement with Viatron Systems, Inc. and allocate \$644,627 for Document Scanning and Digitizing Services; and

- 2) Authorize appropriation for FY 2024-25 in the amount of \$200,000 to City Managers' – City Clerk account (No. 10101115-542050) Contractual Services.
- 3) Take such additional, related, action that may be desirable.

28. HISTORIC SEAGRAVE FIRE ENGINE RESTORATION (FIRE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the 1958 Seagrave restoration project completed by West Coast Customs
- 2) Authorize a budget transfer from the Arts & Public Places Fund Account number 2510 in the amount of \$150,000 to General Fund Fire Rescue – Suppression account (No. 10102110-810000) for the Historic Fire Engine Restoration project.
- 3) Establish a corresponding expense allocation of \$150,000 in the Fire-Rescue - Fire Suppression activity expenditure account (No.10102110- 543067) Miscellaneous Vehicle Repairs.
- 4) Take such additional, related action that may be desirable.

29. DONATION OF USED FIRE EQUIPMENT TO NAVOJOA FIRE DEPARTMENT (FIRE)

RECOMMENDATION: It is recommended that the City Council:

- 1) The City Council authorizes donating used firefighting equipment to the City of Navojoa Fire Department.
- 2) Take such additional, related action that may be desirable.

30. RESOLUTION NO. 9934 – SB-1205 ANNUAL INSPECTION OF CERTAIN PROPERTIES (FIRE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Acknowledge Receipt of Department of Fire-Rescue Report Regarding the Annual Inspection of Certain Properties.

31. POLICE SERVICES STAGING FACILITY STORM DAMAGE – EMERGENCY REPAIRS FINAL REPORT (TERMINATION OF EMERGENCY DECLARATION) (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Pursuant to California Public Contract Code Section 22050, by a four-fifths vote terminate the Emergency Declaration; and

- 2) Authorize the City Manager to issue final payments for all related expenses as listed herein; and
- 3) Take such additional, related action that may be desirable.

32. LOS ANGELES COUNTY TRAFFIC SIGNAL SYNCHRONIZATION PROJECTS (TSSP): SLAUSON AVENUE, NORWALK BOULEVARD, LEFFINGWELL ROAD – ADD PROJECTS TO CAPITAL IMPROVEMENT PROGRAM (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve adding the Los Angeles County Traffic Signal Synchronization Projects (TSSPs) including Slauson Avenue, Norwalk Boulevard and Leffingwell Road to the Capital Improvement Program; and
- 2) Appropriate \$63,305 from the Utility Users Tax (UUT) Capital Improvement Fund to the Los Angeles County Traffic Signal Synchronization Project (TSSP) on Slauson Avenue; and
- 3) Appropriate \$53,000 from the Utility Users Tax (UUT) Capital Improvement Fund to the Los Angeles County Traffic Signal Synchronization Project (TSSP) on Norwalk Boulevard; and
- 4) Authorize payment of City's share of project cost for the Slauson Avenue Project in the amount of \$63,305, and Norwalk Boulevard Project in the amount of \$53,000 to Los Angeles County via the County's City Service Request Tracking System; and
- 5) Take such additional, related action that may be desirable.

33. CITY HALL WEST WING OFFICE RENOVATION – AUTHORIZATION TO ADVERTISE FOR CONSTRUCTION BIDS (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve adding the City Hall West Wing Office Renovation project to the Capital Improvement Program; and
- 2) Appropriate \$1,665,000 from the Utility Users Tax (UUT) Capital Improvements Fund to the City Hall West Wing Office Renovation project; and
- 3) Approve the Plans and Specifications for the subject project; and
- 4) Authorize the City Engineer to advertise for construction bids; and
- 5) Authorize the purchase of office furniture for the City Hall West Wing from Tangram, utilizing cooperative purchasing through Sourcewell Contract Number 091423-STI and authorize the Finance Director to issue a purchase order to Tangram in the amount of \$410,844.14; and

- 6) Authorize the City Manager, or designee, to conduct all negotiations, and to execute and submit all documents including, but not limited to, purchase orders, agreements, amendments, payment requests and so forth, which may be necessary for the completion of project; and
- 7) Authorize the City Clerk to file a Notice of Exemption for the subject project with the Los Angeles Registrar-Recorder; and
- 8) Take such additional, related action that may be desirable.

34. FIRE STATION HEADQUARTERS OFFICE RENOVATION – AUTHORIZATION TO ADVERTISE FOR CONSTRUCTION BIDS (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve adding the Fire Station Headquarters Office Renovation project to the Capital Improvement Program; and
- 2) Appropriate \$1,134,000 from the Utility Users Tax (UUT) Capital Improvements Fund to the Fire Station Headquarters Office Renovation project; and
- 3) Approve the Plans and Specifications for the subject project; and
- 4) Authorize the City Engineer to advertise for construction bids; and
- 5) Authorize the purchase of office furniture for the Fire Station Headquarters from Tangram, utilizing cooperative purchasing through Sourcewell Contract Number 091423-STI and authorize the Finance Director to issue a purchase order to Tangram in the amount of \$175,116.59; and
- 6) Authorize the City Manager, or designee, to conduct all negotiations, and to execute and submit all documents including, but not limited to, purchase orders, agreements, amendments, payment requests and so forth, which may be necessary for the completion of project; and
- 7) Authorize the City Manager to execute a contract with WILLSCOT in the amount of \$59,620.35 for Fire Department temporary office trailers; and
- 8) Authorize the City Clerk to file a Notice of Exemption for the subject project with the Los Angeles Registrar-Recorder; and
- 9) Take such additional, related action that may be desirable.

35. CITY-WIDE STREET LIGHT LED CONVERSION PROJECT – AUTHORIZATION TO ADVERTISE FOR CONSTRUCTION BIDS (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the Contract Documents for the project; and

2) Authorize the City Engineer to advertise for construction bids, and

3) Take such additional, related action that may be desirable.

36. APPROVE A CONTRACT SERVICES AGREEMENT WITH DANIEL ZAMORA'S LANDSCAPING FOR LANDSCAPING SERVICES (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

1) Approve a Contract Services Agreement with Daniel Zamora's Landscaping for landscaping services for an annual not-to-exceed fee of \$45,060 and a term of five (5) years with two optional one-year extensions; and

2) Authorize the City Manager to execute the agreement on behalf of the City; and

3) Take such additional, related action that may be desirable.

37. AUTHORIZATION TO ADVERTISE REQUEST FOR PROPOSALS (RFP) FOR A COMPEHENSIVE ZONING CODE UPDATE (COMMUNITY DEVELOPMENT)

RECOMMENDATION: It is recommended that the City Council:

1) Authorize staff to advertise the Request for Proposals (RFP) for the Comprehensive Zoning Code Update, in accordance with the proposed bid schedule; and

2) Take such additional, related action that may be desirable.

38. APPROVAL OF THREE OPERATING AGREEMENTS WITH CLEAR CHANNEL OUTDOOR, LLC FOR POSTER BILLBOARD CONVERSIONS (COMMUNITY DEVELOPMENT)

RECOMMENDATION: It is recommended that the City Council:

1) Approve the attached Operating Agreements between the City of Santa Fe Springs and Clear Channel Outdoor, LLC, allowing Clear Channel Outdoor, LLC to convert five existing static poster billboard faces to electronic poster billboards; and

2) Direct the City Attorney to make clarifying changes necessary to effectuate the intent of the Agreements; and

3) Take such additional, related action that may be desirable.

39. PUBLIC ARTWORK FOR RAISING CANE'S RESTAURANT COMPANY (COMMUNITY SERVICES)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the public artwork for Raising Cane's (Raising Cane's) Restaurant Company, and
- 2) Take such additional, related action that may be desirable.

40. CALIFORNIA STATE LIBRARY GRANT AWARD FOR THE ZIP BOOKS PROJECT AT THE SANTA FE SPRINGS LIBRARY (COMMUNITY SERVICES)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve and authorize the Director of Community Services to execute the agreement grant agreement from the California State Library for the Zip Books Project at the Santa Fe Springs City Library; and
- 2) Approve the recognition of \$5,627 in grant funds awarded by the California State Library, and authorize the deposit of these funds into the Library & Cultural Services Administration's State Grants/Subventions revenue account (No. 10105699-442000); and
- 3) Approve an increase in expense authority by \$5,627 in the Library & Cultural Services Administration's Books & Subscriptions expenditure account (No. 10105699-522000) to allow for the expenditure of the grant funds; and
- 4) Take such additional, related action that may be desirable.

41. PROPOSITION A DISCRETIONARY INCENTIVE GRANT PROGRAM MEMORANDUM OF UNDERSTANDING FOR REPORT YEAR 2022 (COMMUNITY SERVICES)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the City Manager to execute the Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the Proposition A Discretionary Incentive Grant Program National Transit Database (NTD) for report year 2022; and
- 2) Approve the recognition of \$8,812 in Proposition A grant funds awarded for our voluntary collection and reporting of FY 2021-22 ridership data. These funds will be recorded in the Special County Transit Tax Fund, account 2410-2427; and
- 3) Establish a corresponding expense allocation of \$8,812 in the Community Services – Transit Services activity expenditure account (No.10105850-521000) to support cost of collection and reporting data; and
- 4) Take such additional, related action that may be desirable.

42. APPROVAL OF A MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF SANTA FE SPRINGS AND THE WHITTIER UNION HIGH SCHOOL DISTRICT REGARDING COLLABORATION AND FINANCIAL COMMITMENT TO THE PROPOSED ATHLETIC FACILITIES PROJECT AT SANTA FE HIGH SCHOOL (PARKS & RECREATION)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the attached Memorandum of Understanding By and Between the City of Santa Fe Springs and the Whittier Union High School District Regarding Collaboration and Financial Commitment to the Proposed Athletic Facilities Project at Santa Fe High School; and
- 2) Appropriate \$1.76 million from the City's Utility Users Tax to fund the City's contribution to this project
- 3) Directs the City Attorney to make clarifying changes necessary to effectuate the intent of the Agreement; and
- 4) Take such additional, related action that may be desirable.

43. AUTHORIZE TRANSFER OF FUNDS FROM HERITAGE ARTS FUND TO AQUATIC CENTER CAPITAL PROJECT FUND (PARKS & RECREATION)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize a transfer from the Heritage Arts Fund (Fund 2510) to the Aquatic Center Capital Project Fund 4154 (Project Number PW220014) in the amount of \$190,000; and
- 2) Authorize an appropriation adjustment to account 4154 Project Number PW220014 (Aquatic Center Project) for art-related enhancements; and
- 3) Take such additional, related action that may be desirable.

44. AUTHORIZE PROFESSIONAL SERVICES AGREEMENT WITH SOLOTECH FOR UPGRADES TO AUDIO AND VISUAL EQUIPMENT AT 4 CITY FACILITIES (PARKS & RECREATION)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize a transfer from the FY 2024-25 General Fund Reserve to Capital Project Fund 4154 (Project Number CS250001) Audio and Visual Equipment Upgrades in the amount of \$329,932.30; and
- 2) Approve an appropriate adjustment to account 4154 (Project number:CS250001) Audio and Visual Equipment Upgrades for the AV equipment project; and

- 3) Approve the Professional Services Agreement between the City of Santa Fe Springs and Solotech for procurement and installation of new audio and visual equipment at 4 City facilities; and
- 4) Directs the City Attorney to make clarifying changes necessary to effectuate the intent of the Agreement; and
- 5) Take such additional, related action that may be desirable.

**45. APPROVAL OF FACILITY RESERVATION AND USE POLICY
(PARKS & RECREATION)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the new Facility Use and Reservation Policy, designed to establish a uniform framework for managing reservations and facility use across all City facilities; and
- 2) Direct the City Attorney to make clarifying changes necessary to effectuate the intent of the Agreement; and
- 3) Take such additional, related action that may be desirable.

It was moved by Councilmember Martin, seconded by Councilmember Rodriguez, to approve the consent calendar, by the following vote:

Ayes: Martin, Rodriguez, Zamora, Rounds, Sarno
Nays: None
Absent: None
Recused: None

Mayor Sarno announced Item No. 36 would be considered separately. City Attorney, Rick Olivarez asked Councilmember Zamora to recuse himself from voting on the item.

It was moved by Mayor Pro Tem Rounds, seconded by Councilmember Martin, to approve Item No. 36, by the following vote:

Ayes: Martin, Rodriguez, Rounds, Sarno
Nays: None
Absent: None
Recused: Zamora

APPOINTMENTS TO BOARDS, COMMITTEES, AND COMMISSIONS

Councilmember Rodriguez appointed Isabel Cervantes to the Heritage Arts Advisory Committee.

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Councilmember Martin commended staff for offering services to a resident, even though they refused. She thanked Parks and Rec staff for the Veteran's Day event, and also looked forward to the partnership with EnFuego and Measure SFS.

Councilmember Rodriguez commented on the great Veteran's Day ceremony, and thanked Mayor Sarno for putting the community first.

Councilmember Zamora commended Parks and Rec staff for putting together a great Veteran's Day event. He talked about focusing on water next, and also talked about meeting the Governor of Jalisco with Councilmember Martin. He also lamented the loss of life of a St. Paul High School student. He commended Councilmember Sarno on his time as Mayor.

Mayor Pro Tem Rounds commended the volunteers and the events that are offered to residents. He wished everyone in attendance a Happy Thanksgiving and thanked Mayor Sarno for his time in office.

Mayor Sarno said giving back to the community is what it is all about. He thanked his fellow councilmembers and reminisced about the past year. He thanked City Manager Bobadilla for everything and also thanked staff. He wished everyone in attendance a Happy Thanksgiving.

ADJOURNMENT

Mayor Sarno adjourned the meeting at 8:09 p.m. to December 10, 2024.

Jay Sarno
Mayor

ATTEST:

Fernando N. Muñoz
Deputy City Clerk

Date



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance

SUBJECT: **ADOPTION OF RESOLUTION NO. 9939 THAT DECLARES THE INTENT OF THE CITY COUNCIL TO REIMBURSE COMMERCIAL ROAD IMPROVEMENTS MADE PRIOR TO THE ISSUANCE OF TAX-EXEMPT BONDS FOR MEASURE SFS**

DATE: December 10, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Adopt Resolution No.9939 that declares the intent of the City Council to reimburse commercial road improvements made prior to the issuance of tax-exempt bonds for Measure SFS; and
- 2) Take such additional, related, action that may be desirable.

FISCAL IMPACT

The approval of this reimbursement resolution is not expected to have a financial impact on the City.

Although the City will fund the costs of certain commercial road improvements from the City's General Fund reserves, these monies will be reimbursed from tax-exempt bonds that will be issued in the spring of 2025.

BACKGROUND

The Public Works Department identified \$116 million in repairs for roads servicing commercial and industrial properties. The City worked in conjunction with key business leaders and the City of Santa Fe Springs Chamber of Commerce to promote a parcel tax

Resolution No. 9939 - Intent of the City Council to Reimburse Commercial Road Improvements made prior to the Issuance of Tax-exempt Bonds for Measure SFS
Page 2 of 3

to help fund these costs. Measure SFS passed this past November with a 76.72% approval from the voters.

Measure SFS, which is not imposed on residential properties, places an annual tax equal to 7.0 cents per square foot on commercial parcels and 3.5 cents on industrial and vacant parcels. The parcel tax is estimated to generate \$6.0 million each year and will be adjusted each year for inflation at a rate equal to 2.0% per annum.

A significant portion of the City's roads are in fair or good-to-fair condition. However, if the maintenance and repair of these roads is allowed to lapse, road conditions will deteriorate, and the costs of repair can increase up to 50%.

The City anticipates funding these various road improvements with a combination of pay-go (i.e., cash) and tax-exempt bonds. One of the primary benefits of issuing tax-exempt bonds is the ability to accelerate capital improvements, which prevents the additional costs associated with deferred maintenance.

The City anticipates issuing the first series of bonds in the spring of 2025. The City is planning on holding an initial meeting in December and kicking-off the bonding process in January. The preliminary schedule anticipates the City will be ready to issue bonds as early as March 2025. The financing team will determine the time and size of the bond issue as we get closer to the sale date this spring.

The proposed reimbursement resolution is a legal/IRS requirement that allows the City to reimburse itself with tax-exempt bond proceeds (when issued), for capital expenditures made 60 days prior to the adoption of the resolution.

In other words, approval of this resolution allows the City to commence spending on commercial road improvements today with the expectation of being reimbursed from bond proceeds in the spring of 2025. The reimbursement resolution effectively allows the City to accelerate the construction process.

ANALYSIS

The parcel tax will be placed on the Los Angeles County Property Tax Roll on May/June of 2025, which will subsequently commence generating tax revenues in November/December 2025.

ENVIRONMENTAL

NA

Resolution No. 9939 - Intent of the City Council to Reimburse Commercial Road Improvements made prior to the Issuance of Tax-exempt Bonds for Measure SFS
Page 3 of 3

DISCUSSION

The City will “advance” the costs of certain commercial road improvements from the City’s General Fund reserves, which are expected to be reimbursed from bond proceeds back by Measures SFS parcel tax in the spring of 2025. The IRS requirement allows the City to be reimbursed for construction-related costs 60 days prior to the approval date. Therefore, the City can get reimbursed for costs associated with commercial road improvements, including certain soft, administrative, and planning costs, paid on or after October 10, 2024. Approval of this reimbursement resolution effectively allows the City to accelerate its construction process.

SUMMARY/NEXT STEPS

If approved, it is recommended that the Public Works Department commence plans for construction of new commercial road improvements immediately.

ATTACHMENT(S):

A. Resolution No. 9939

<u>ITEM STATUS:</u>	
APPROVED:	☐
DENIED:	☐
TABLED:	☐
DIRECTION GIVEN:	☐

RESOLUTION NO. 9939

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DECLARING ITS INTENT TO ISSUE TAX-EXEMPT OBLIGATIONS TO BE USED TO REIMBURSE THE CITY OF SANTA FE SPRINGS FOR THE REPAIR OF DETERIORATING ROADS EXPENDITURES TO BE MADE PRIOR TO THE ISSUANCE OF SUCH OBLIGATIONS

WHEREAS, the City of Santa Fe Springs (the “City”) desires to finance the repair of deteriorating roads in the City (the “Project”); and

WHEREAS, the City intends to use proceeds from the sale of obligations such as the loan, bonds, certificates, and notes issued in one or more series, the interest upon which is to be excluded from gross income for federal income tax purposes (the “Obligations”), to finance all or a portion of the Project; and

WHEREAS, pursuant to Treasury Regulations Section 1.150-2, the City may reimburse amounts advanced by the City for the Project if, not later than sixty (60) days after payment of the original expenditure of an amount advanced by the City, the City Council of the City (the “Council”) adopts an official intent to reimburse the original expenditure with proceeds of the Obligation, and such reimbursement occurs not later than eighteen (18) months after the later of the date the original expenditure is paid or the date the Project is placed in service, but in no event more than three (3) years after the original expenditure is paid; and

WHEREAS, the City expects to incur certain expenditures relating to the Project and to pay for such expenditures from certain moneys on hand prior to the issuance of the Obligations; and

WHEREAS, the City reasonably expects and intends to use a portion of the proceeds of the Obligations to reimburse the City for expenditures made prior to the date the Obligations are entered into and issued.

NOW, THEREFORE, the City Council of the City of Santa Fe Springs hereby resolves, declares, and determines as follows:

SECTION 1. *Recitals.* The above recitals are true and correct and the Council so finds and determines.

SECTION 2. *Declaration of Official Intent to Reimburse.* The Council hereby declares its official intent to reimburse the City for amounts advanced by the City from its capital account for the design, construction, acquisition, installation, and equipping of the Project from proceeds of the sale of the Obligations. It is intended that this Resolution shall constitute a declaration of “official intent” within the meaning of Treasury Regulations Section 1.150-2 promulgated under Section 150 of the Internal Revenue Code of 1986, as amended.

SECTION 3. *Expected Maximum Principal Amount.* The Obligations shall be issued in one or more series in the expected maximum principal amount of \$150 Million. The Obligations

are expected to be issued by the City for the purpose of providing tax-exempt financing for the Project.

SECTION 4. Other Approvals. The adoption of this Resolution shall not bind the City to proceed with execution and delivery of the Obligations until and unless all other necessary actions and approvals are taken or received in accordance with all applicable laws.

SECTION 5. Effective Date. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Santa Fe Springs this ____ day of _____, 2024, by the following vote:

AYES: _____

NAYS: _____

ABSENT: _____

ABSTAIN: _____

Mayor

ATTEST:

I, _____, City Clerk of the City Council of the City of Santa Fe Springs, Los Angeles County, California, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. ____ passed and adopted by said City Council at a meeting held on the ____ day of _____, 2024.

City Clerk