

Due to Executive Order N-25-20 Members of the Council may Teleconference into the meeting.



**CITY OF BELL GARDENS
CITY COUNCIL SPECIAL MEETING
MONDAY, JUNE 29, 2020
11:00 A.M.
Minutes**

On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 17, 2020, Governor Newsom issued Executive Order N-29-20 (superseding the Brown Act-related provisions of Executive Order N-25-20 issued on March 12, 2020), which allows a local legislative body to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electrically to all members of the public seeking to observe and to address the local legislative body. Pursuant to Executive Order N-29-20, please be advised that member of the Bell Gardens City Council will participate in meeting telephonically. The public may view the meeting online. The Council Chamber is closed to the public at this time.

ACCESSIBILITY: If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Any person who requires a disability-related modification or accommodation, in order to observe and/or offer public comment may request such reasonable modification, accommodation, aid, or service by contacting Jane Halstead, City Clerk by telephone at 562-806-7705 or via email to CityClerkDesk@bellgardens.org no later than (1) hour before the scheduled meeting.

CALL TO ORDER - Mayor Pro Tem Flores called the Special Meeting to order at 11:10 a.m.

INVOCATION

PLEDGE OF ALLEGIANCE - Pledge of Allegiance was led by City Manager, Michael O'Kelly.

ROLL CALL OF CITY COUNCIL MEMBERS

Present: Council Members Aceituno, Barcena; and Mayor Cortez participated via teleconference. Mayor Pro Tem Flores was present in the Council Chamber.

Absent: None

PUBLIC COMMENTS ON AGENDA ITEMS ONLY

Mayor Cortez opened the Public Comment period at 11:12 a.m. Due to the number of public speakers and emails to be read, the Mayor announced the comments would be limited to 2 minutes per speaker.

City Clerk, Jane Halstead called the speakers that requested to speak during the Public Comment period.

Martha Carazco - Supports Police Department budget.

Martha Beltran – Supports Police Department budget.

Laura Serrano – Supports Police Department budget.

Jose Castellanos – Supports the Police Department budget.

Juan Munoz – Supports Police Department budget.

Rosario Luna – In support of the Police Department budget.

Maria Leyva – Supports the Police Department.

Christopher Leon – Supports the reallocation of funds for the Police Department.

Rayna Rivera – Supports the Bell Gardens Police Department.

Giscelle Hernandez – In support of the Police Department budget.

Leticia Lozano – Supports the Police Department.

Edith Reyes – In support of the Police Department.

Lilian Perez – Supports the defunding of the Police Department.

Maria Rosa Ruiz – In support of the Police Department.

Araceli Ruiz – Supports the Police Department.

Maria Lorenzo – Supports the Police Department and their budget.

Members of the public were able to submit comments via email. Mayor Cortez read out loud comments made by the following individuals.

Laura Cortez – Recommendations for proposed budget.

Lilith Dorado – Supports defunding the Police Department budget.

Emily Nava – Supports defunding the Police Department.

Julia Aguilar Jerez – Supports defunding the Police Department.

Breanna Armendariz – Suggests restructuring the budget with less funding for PD.

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Fernando Zaragoza – supports defunding the Police Department.

Ruth Aguilar - Supports defunding the Police.

Senor Ollola – Supports Police Department budget.

Frank Peraza – Suggests reallocating funds from Police Department to other departments.

Christopher Perez – Supports defunding the Police Department.

Carla Aguilar – Supports reallocating portions of Police Department budget to other departments.

Viviana Villanueva – Supports defunding the Police Department.

Jasmine Gonzalez Barrera – Supports reallocating Police Department funds to Recreation and Community Services department.

Ceshia Palos- Supports defunding the Police Department.

Jocelyn Del Real – Supports reallocating Police funding to other departments in the City.

Luis Isarraraz – Opposes the defunding of the Police Department.

Luz Castro- Supports defunding the Police Department.

Karen Garcia – Supports defunding of the Police Department.

Sandra Rocha – Supports reallocating BYPD budget funds to other departments.

DISCUSSION

1. **ADOPTION OF THE FISCAL YEAR 2020-21 OPERATING AND CAPITAL IMPROVEMENT BUDGETS, COMPENSATION PLAN, AND ESTABLISHING THE APPROPRIATIONS LIMIT**

*****Revision to 2021 Budget Presentation - See slide #20*****

Presented for adoption is the July 1, 2020 - June 30, 2021 Operating and Capital Improvement Budgets and Compensation Plan; and GANN Appropriations limit for FY 2020-2021 pursuant to Article XIII-B of the California State Constitution.

Recommendation:

It is staff's recommendation that the City Council by motion approve:

1. The attached Resolution adopting the fiscal year July 1, 2020 to June 30, 2021 (FY 2020-21) Operating and Capital Improvement Budgets and Compensation Plan; and
2. The attached Resolution establishing the GANN Appropriations limit for FY 2020-21 pursuant to Article XIII-B of the California State Constitution.

City Manager, Michael B O'Kelly introduced the item. He stated that the purpose was to present a budget to the City Council for Fiscal Year 2020-2021, the presentation has been revised since June 22, 2020 Council Meeting. In summary,

an additional \$400,000 in resources has been reallocated to the CDBG/COVID-19 assistance program, including: Residential Tenant rental assistance, Small Non-Essential Business assistance, Child Care, and Utility assistance that will be implemented 30-40 days after approval. The presented budget includes a Police Department efficiency review study, conducted out of City Manager's office. Also included is, additional reductions to the Police Department including: over-time, training, supplies, etc. This is a 5% reduction from last year's budget, and a 4% reduction from the last proposed budget for FY 2020-2021.

Mr. O'Kelly called on Director of Finance and Administrative Services, Will Kaholokula to give a PowerPoint presentation.

Director of Finance and Administrative Services, Will Kaholokula gave a PowerPoint presentation regarding the proposed Fiscal Year 2020-2021 Budget beginning with an overview of the budget which is a total of \$48,630,000. The City Finances had been affected by the COVID-19; new community programs had been added; Bicycle Casino revenue is lower by nearly \$6.0 million from previous budgets; the Police Department budget reduced by 4% from the original proposed budget; the General Fund budget is projected to have a multi-million-dollar deficit and the water fund continues to run deficits.

Director Kaholokula continued with review of all City Funds describing in detail: Additional services to be offered to the residents of Bell Gardens: Small Non-Essential Business Assistant Grant; Residential Tenant Rental Assistance Grant; Child Care Subsidies; and Emergency Utility Assistance Grant. The original funding based on the last presentation we did was basically CDBG money and CARES money which was just over \$600,000 since the last budget that was presented on June 22, 2020; \$400,000 from the General Fund has been added to provide more funding for these programs.

Director Kaholokula stated that the Community Benefit Program include: Expand Community Family Service Center at Bell Gardens Park; Ford Park Aquatic Center; new Outdoor Family Fitness Programming; Recreation Facility Improvements and Implemented Online Registration. Other New Community Befit programs include: Graduation Celebration for Bell Gardens Employees; School Violence Prevention Activities; Medical Taxi Service and Grab and Go Supper Meal Programs.

City Manager Michael O'Kelly clarified that the budget that is being adopted is the total \$48,630,000, the General Fund is the majority where the discretionary funds are located.

Director Kaholokula detailed the percentage of all City Funds and gave a pie chart graph on the funding. Those identified were: Community Development 5%; Public Works/Infrastructure 28%; Water Utility Fund 4%; Successor Agency which the program was dissolved by the state, currently the City is paying off the debt; Risk Management, Finance, Human Resources 8%; Recreation and Community Services 8% and Public Safety 33%. In 2007, Measure A initiative was imposed on the residents of Bell Gardens, which contributes \$750,00 to the Measure A initiative.

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Director Kaholokula gave an overview of the General Fund. Out of the General Fund, an additional \$400,000 was added to the COVID-19 assistance programs; In the General Fund budget there are \$28,120,000 in revenues and \$30,820,000 in expenditures with a \$2,700,000 deficit.

Director Kaholokula reviewed the modifications in the budget on the Revenue side: If the Sales Tax Measure passes in November could potentially give the City \$500,000; program advance repayments from CIP fund to General Fund - \$820,000; Fee Study Adjustments - \$250, Food Program Reimbursement - \$225,000 and CARES money - \$550,000. He added that the total decrease in revenues from the previous budget is \$3,636,000. He depicted a chart from 2009 to 2021 on projections for the Casino Revenues which are very volatile. The Casino revenue is down by \$6 million.

Director Kaholokula stated that on the expenditures side: temporarily defund five (5) positions - \$780,000; 3 police department; 1 City Manager's Office, 1 Recreation and Community Services; Fund 75% of Code Enforcement positions with CDBG funds - \$168,000; due to COVID-19, lower recreation and community services programming - \$624,000 and additional city-wide expenditure cuts - \$375,000. The total expenditures are lower by \$900,000.

Council Member Barcena asked for clarity on the pie chart related to the General Fund.

Director Kaholokula stated that it will be Council's discretion with regard to the General Fund on how the money is spent.

Director Kaholokula gave an expenditure analysis of city departments which included the Policy Department, Recreation and Community Services, Community Development, City Clerk, City Manager, the vacancy savings rate is at 3.59% due to retirements and employee turnover, debt service and transfers and risk management.

The total projected Capital Improvement for 2020-2021 is at \$11,846,561, which consists of projects are related to streets.

Director Kaholokula concluded that the City-wide budget is \$48,580,000; COVID-19 was a factor in the decline of City revenues; solutions moving forward would be the successful passage of sales tax measure, water rate study and user fee adjustments. Other items that may reduce the impact on the budget include labor negotiations with employee groups and closely monitor COVID-19 operating environment.

Council Member Barcena stated that the community seems to be under the impression that Council wants to remove the police budget from an individual soliciting false information. Council Member Barcena stated that the interests of the Council are to reallocate funds towards the community without having a major impact on the Police Department and their services that they provide the community.

Mayor Pro Tem Flores seconded Council Member Barcena's comment on how our community appears to be frightened due to false information on defunding the Police

Department and what defunding the police means.

Mayor Pro Tem also commented on how she is not comfortable with the proposed budget due to prior requests to restructure the budget and yet it appears to be structured in a deceiving manner. She continues by pointing out the Neighborhood Watch Director position that could have been defunded that accounts for \$110,000 of the budget that can go towards the community, parks, and youth commission. She states the Neighborhood Watch Director position in other surrounding cities is an un-paid volunteer position and proposes Bell Gardens do the same. Mayor Pro Tem had concerns regarding the Labor negotiations and whether the City can withhold from approving a budget for the new fiscal year.

Mayor Pro Tem motioned to defund the Police Department by the one (1) Neighborhood Watch Salary position of a total of \$110,000 and suggested to reallocate funds to Youth Commission and Parks and Recreation Department, as well as, review Labor negotiations in a closed session meeting.

Council Member Barcena is concerned with the perception that the City want to remove the police budget. I don't know how this got out there. We are looking at reallocating some of the funds. We do appreciate our police department and they have been doing a great job.

Mayor Pro Tem Flores stated that it appeared someone is giving the community false information. She explained that instead of spending a million dollars, giving it to the Police Department. One of the funds can be divided and be invested into the youth. When calling the Police that means it is too late, we have to invest in the youth when they are young. We need to get money, look for money and resources to invest in our youth. She stressed that we are not trying to get rid of the Chief nor the police officers. This is not the message we are sending out right now. As far as she can tell, she does not intend to bring the Sheriffs to the city. She knows the police officers here very well and is comfortable with them working in the city. This does not mean she agrees that the same amount of funding should be going to a department that has the opportunity to share their funds. She stated that soon the City will have a Youth Committee, if approved by Council. It will be made of 2 youth members per Council Member with a total of 10 youth members. All of them will have the opportunity to obtain a scholarship from the funds we are asking for.

Mayor Pro Tem Flores added, that regarding this budget, she had requested that the budget to be restructured. It's been restructured in a manner that is quite deceiving she stated. She does not feel comfortable with it because, she does feel that there's another position that could have easily been eliminated which is a salary paid position the Police Department the Neighborhood Watch Director earns \$110,000 a year for a position that in our 27 cities around us is free and made up of volunteers.

Mayor Pro Tem Flores stated she had recommended eliminating the position of \$110,000 from the Police Department and allocated these funds to the park, where the youth and also for the scholarships that will be given out through the Youth Commission. Mayor Pro Tem Flores stated she didn't feel the position should be a paid position. Her opinion was

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that the program should continue like it had for many years with volunteers, without it costing our department \$110,000 from our taxpayers. She would like the restructuring of the budget in order for clarity.

Mayor Pro Tem Flores asked the Finance Director to clarify for those watching, regarding labor negotiations impacting the reserves.

Director Kaholokula stated that because of the deficit there will be some employee concessions for our costs for employees will be lower, therefore our expenditures will be lower and that will reduce our deficit.

Mayor Pro Tem Flores stated that she had suggested a discussion in Closed Session regarding labor negotiations. She mentioned neighboring cities taking cuts and furloughing employees. Mayor Pro Tem Flores also suggested approving the budget or wait the thirty day; can the City wait until July 30th to approve the budget.

City Manager, Michael O'Kelly stated he wasn't aware of a limit on continuing resolutions and deferred to the City Attorney.

Mayor Pro Tem Flores repeated her question: if the City could wait until July 30th to approve the budget?

City Manager, Michael O'Kelly responded that you could approve a spending resolution, we are not allowed to obligate the City to spend any money beyond tomorrow; what I think you are proposing is a continuing spending resolution, that says, the City is not adopting a budget for fiscal year 2020-2021 but to keep the whole City running, the Council would authorize a spending authority for a 30 days period.

Mayor Cortez stated that the budget needs to be approved by July 1st.

Mayor Pro Tem Flores stated she would like to defund the police department by the salaried position and reallocate it to the youth commission and the Parks and Recreation Department and go back into Closed Session and review our labor negotiation medium.

Council Member Barcena asked City Manager, Michael O'Kelly, his thoughts on Mayor Pro Tem's suggestion.

City Manager O'Kelly discussed the differences between cities. Regarding the labor negotiations we can always go back into Closed Session. What was brought before Council was for the specifics of Bell Gardens. It was his recommendation to adopt the budget.

City Manager O'Kelly recommended that the budget be adopted and if it needed to be revised throughout the year, the budget could be revised every month.

Council Member Barcena made a motion to approve the proposed Fiscal Year 2020-2021 budget as is, but bring back to next meeting to discuss details in regards to the allocation

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of \$400,000 CDBG/Covid-19 relief funds; as well as to further discuss the \$110,000 in regards to the funded Police department position of the Neighborhood Watch Director; and our staff do work on getting solid numbers on budget to make clear up any confusion Bringing those items to the next meeting.

A motion was made by Mayor Pro Tem Flores to approve the budget with defunding the Neighborhood watch position.

Motion died due to a lack of a second.

Council Member Barcena stated he understands her concerns, is not requesting the study just for the Neighborhood Watch position. He is requesting this study for the millions of dollars are being spent correctly. Hopes she supports the study.

A motion was made by Council Member Barcena, and seconded by Mayor Cortez, to approve the budget and resolution 2020-52 and 2020-53 adoption is the July 1, 2020 - June 30, 2021 Operating and Capital Improvement Budgets and Compensation Plan; and GANN Appropriations limit for FY 2020-2021 pursuant to Article XIII-B of the California State Constitution.

Council Member Barcena amended the motion, seconded by Mayor Cortez to read: approve the budget and resolution 2020-52 and 2020-53 adoption is the July 1, 2020 - June 30, 2021 Operating and Capital Improvement Budgets and Compensation Plan; and GANN Appropriations limit for FY 2020-2021 pursuant to Article XIII-B of the California State Constitution and to continue to discuss the \$110,000 and how we allocate the \$400,000 that we have managed to get back to the community.

The motion carried 4-0 with the following vote.

AYES: Council Members Aceituno, Barcena; Mayor Pro Tem Flores, Mayor Cortez

NOES: None

ABSENT: None

ABSTAIN: None

CITY COUNCIL MEMBER COMMENTS

Council Member Aceituno – Thanked staff for working diligently.

Council Member Barcena – Thanked staff for their patience and thanked Council for working together efficiently. The City Manager, Finance Director and Police Chief are meeting the community needs.

Mayor Pro Tem Flores – Thanked commenters for their participation, requested later times for future special meetings, requested re-evaluation of how participants are being allowed to participate; accusation of money allegedly spent is false and official statement regarding facts will be released

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soon; genuinely care about the City of Bell Gardens; thanked staff and although voted to approve not okay with continuing with current budget.

Mayor Cortez – Made no comments.

ADJOURNMENT - There being no further business the meeting was adjourned at 1:14 p.m.

Jane Halstead
City Clerk