

**CITY OF SOUTH GATE  
SPECIAL CITY COUNCIL MEETING MINUTES**

**Tuesday, July 21, 2020**

7/21/2020 - Minutes

**I. Call To Order/Roll Call**

CALL TO ORDER Maria Davila, Mayor called a Special City Council meeting to order at 6:25 p.m.

ROLL CALL Carmen Avalos, City Clerk

**II. City Officials**

PRESENT Mayor Maria Davila, Vice Mayor Al Rios, Council Member Maria del Pilar Avalos, Council Member Denise Diaz and Council Member Gil Hurtado; City Treasurer Gregory Martinez, City Manager Mike Flad, City Attorney Raul F. Salinas

**COVID 19 Meeting Procedures**

**III. Meeting Compensation Disclosure**

**IV. Open Session Agenda**

**1. Fiscal Year 2020/21 Municipal Budget**

The City Council will:

- a. Review and discuss the adopted Fiscal Year 2020/21 Municipal Budget; and
- b. Provide direction on an amended Fiscal Year 2020/21 budget adoption process.

Mike Flad, City Manager thanked the public for participating in the Special meeting and gave a brief presentation of the budget.

Jackie Acosta, Director of Administrative Services gave a Post-Budget Adoption presentation to provide information on the City's budget process.

Randy Davis, Chief of Police gave a budget presentation on the 2020-2021 Fiscal Year Police Department Budget.

Steve Costley, Acting Parks and Recreation Director gave a budget presentation on the 2020-2021 Fiscal Year Parks and Recreation Department Budget.

Council Member Hurtado asked that the City Manager explain about the City's credit card usage as he has seen several comments on social media.

Mike Flad, City Manager stated that since the start of COVID in the beginning of March

city services have continued to be provided. We are the definition of essential workers and first responders.

One of the first actions that the City Manager took was to declare a state of emergency that was ratified by the City Council. One of the expenditures that has increased is that of food. Food is a reimbursable expense on the behalf of FEMA. The City Manager believes that the higher amounts spent went to departments that had dramatic changes in shifts and changes in their work place behavior, primarily the Police Department. They are on duty 24-hours a day, seven days a week. The City has compartmentalized employees and isolated them so that if one employee does come down with COVID there would not be a work place spread of the disease. In the early days of COVID without easy access to food and staff being isolated the City Manager authorized limited food purchases for employees that were continuing to provide essential services during the early stages of the pandemic. Then we had the additional need for employees to work longer hours with the civil unrest. The food was provided to cut down on individuals having to go out and then come back increasing the risk of COVID being brought into the work place.

Randy Davis, Chief of Police stated that during this state of emergency the Police Department arranged for different restaurants or fast food locations within the City to provide box lunches and water so that officers could come to the station, grab a meal, and go back out in the field. We did not want to risk additional exposure to the virus so we couldn't provide public service. The fact that this expense is reimbursable through FEMA made it palatable from a financial perspective and would not impact the General Fund. We also used the reimbursable funds from FEMA to purchase masks and hand sanitizer so we can provide protection for our first responders in the field.

Council Member Diaz requested that Mr. Costly speak on the Youth Employment Program that the Parks Department offers.

Mr. Costly provided an overview on the Youth Employment Program.

Council Member Avalos asked if we have a guarantee that FEMA will definitely reimburse us for any emergency purchases that were made with the credit card and she wanted to clarify that all department heads had a credit card and until recently the City Clerk did not.

Mr. Flad responded that he has been through several disasters and this is a reimbursable expense. He fully expects that the City will be reimbursed but he has never been through one that has lasted this long. The FEMA money will be reimbursed at a percentage of the total cost. The City will be getting other funds from the State government to cover COVID related expenses.

Virginia Johnson spoke in support of the purchase of the encrypted scanner for the Police Department and is against defunding the Police Department.

Gaby, South Gate resident spoke in support of change in the City.

Sofi spoke in support of the South Gate Police Department.

Ms. Salinas, 10308 San Anselmo Avenue, asked why are contractually obligated increases still moving forward when the County of Los Angeles has a MOU with the

Union and has stated that County employees will not be getting their step increases. If the County of Los Angeles can do this why is the City of South Gate not doing the same. If we do not have enough officers on the street or City staff to assist the public how do we have enough staff to send to pick up food.

Silvia Leon, South Gate teacher spoke in support of the Police Department.

Jose, 8611 Mountain View Avenue spoke in favor of change for the City budget.

Abi Soto spoke in favor of change for the City budget.

Edward Singleton spoke in favor of defunding the Police Department and supports changing the budget.

Brigitte Ramirez spoke in favor of defunding the Police Department and feels that it is ridiculous that City funds are being spent on food for employees instead of programs for the residents such as a food bank.

Edgar spoke in favor of change for the City budget and is against salary increases. We need to look at rental assistance for our residents.

Mayra, Taft Avenue, spoke in support of the Police Department.

Adolfo Varas, stated that the City Council has no control over how the virus spreads. It is up to us as residents to make sure we are taking the precautions necessary to stop the spread. We need to educate the residents that City Council just approved funding to a local mental health agency to provide services to South Gate residents and extra funding was just given for rental assistance. He believes that Council Member Avalos should recuse herself on budget approval since her sister City Clerk Carmen Avalos will be getting an increase in salary with the approval of the budget.

Brenda spoke in favor of defunding the Police Department.

Susan, 10108 San Gabriel Avenue, spoke in favor of programs for the youth and feels that the Mayor needs to have more a presence on social media to get information out to the residents on the programs available to help the residents get through these times.

John Montalvo, 9815 Virginia Avenue, feels that raising taxes should not be an option especially during the current state of the City with the COVID-19 virus. He spoke in support of Chief Davis and the South Gate Police Department. He also stated that the JAA has received many subsidies from the City including office space, storage space and baseball fields and he would like to know what is the monetary value of these subsidies. He believes that there is also a conflict of interest with the fact that Council Member Hurtado is also the President of JAA. Since JAA is part of the Parks budget he should not be allowed to vote on its adoption. Also, the fact that the JAA is currently under an investigation and that Council Member Hurtado may have a financial gain that he is not reporting.

Irma would like to see the programs offered at the Parks be offered to residents at a lower price and that the halls be rented at a lower rate for residents. She would like to see more programs for youth and seniors.

Paul spoke in support of programs for seniors and programs that support the community. He feels the Police Department isn't responsible to provide these services.

Thomas Buckley, believes the City needs to upgrade their service with Zoom which currently only allows 100 participants.

Candice spoke in support of the South Gate Police Department. She thinks that if anything should be defunded it is the City Clerk's salary. The City Clerk will be getting a 7.12% raise from the last fiscal year. She felt that the recent post on social media regarding the City's credit card statement is misleading to the general public.

Bobbie Thompson spoke in favor of the South Gate Police Department.

Alberto Avalos Cervantes spoke in favor of defunding the Police Department.

Kimberly spoke in favor of defunding the Police Department.

Cynthia Esquivel spoke in support of the Police Department.

Rigo spoke in support of the Police Department.

Suzanne Cardenas spoke in favor of defunding the Police Department and put the money into youth programs.

Ashley spoke in favor of defunding the Police Department.

Jesse spoke in favor of defunding the Police Department and amend the City Budget.

Elizabeth spoke in support of the Police Department.

Carmen Avalos, City Clerk read into the record the comments received by email prior to the City Council Meeting in support of defunding the Police Department and amending the FY 2020/2021 Budget to provide more resources for the community sent by the following:

Leonel Urizar, Nancy Mascorro, Perla Gomez, Edin Enamorado, Gabriela Silva, Tania Campos, Edward Singleton, Angela Sanchez, Karla Alonso, Christian Machuca, Kimberly Esquivel-Urizar, Daisy Campos, Darlene Gomez, Evelyne Guadalupe Limon, Jacqueline Gomez, Ruben Ramos, Saul Argueta, Daniela Hernandez, Fredy Salguero, Sandra Benavides, Nathan Nunez, Marlene Salazar, Gustavo Garay-Ramirez, Christian Alvarado, Ruby Sandoval, Israel Esquivel, Amanda Tapia

Carmen Avalos, City Clerk read into the record the comments received by email prior to the City Council Meeting in support of the Police Department and against defunding sent by the following:

Georgina Contreras, Dianna Hampton, Lizzet Urita, Maria Urita, Jesus A. Reyes Aceves, Danny Lopez, Paul Allen, me4fern@aol.com, Tisha L. Forrest, Martha Curiel, Miny Morales, Elizabeth Rodriguez, Nicole Cervantes, Samuel Rodriguez, April Villanueva, Suzie Darias, Mariapia Gonzalez, Zully Gonzalez, Candice Esquivel, C.

Cypert, Renee Acero

Carmen Avalos, City Clerk read into the record the comments received by email prior to the City Council Meeting from M. Solis regarding the misuse of City Funds and the purchases made with the City credit card by the Police Department and the Parks Department.

Carmen Avalos, City Clerk read into the record the comments received by email prior to the City Council Meeting from Laura Recio regarding the lack of enforcement for masks and social distancing in the City.

Mike Flad, City Manager stated that Council is not being asked to adopt a revised budget. This meeting was an opportunity for the community to voice their comments and provide input. Mr. Flad began with addressing the comments that the City Council has done nothing about COVID. He encouraged everyone to go to the City's website where residents can find many programs for mental health, rental assistance, legal services and business assistance. This Monday at South Gate Park a testing facility will open which will be the largest in the area. Information for this site is on the Los Angeles County Department of Public Health website and is by appointment only.

Supervisor Solis and Council Member Diaz have made it a priority to get a testing center here in Southeast Los Angeles. Prior to this the City Council had allocated funding in the amount of \$60,000 that was a match with a donation from Koo's Manufacturing of \$62,500 to provide free testing in the earliest stages of the virus.

Mr. Flad continued to provide a breakdown of the funding for the various programs that are provided to South Gate residents and again encouraged everyone to visit the South Gate website for more information.

Mr. Flad stated that there were many questions about why the City is continuing with step increases for personnel. He explained that the salary ranges are frozen by this Maintenance of Effort Budget but you can move within the salary range as part of our labor agreements. The Council has negotiated with each employee bargaining unit and it is part of each contract. The City cannot just change a contract as we would have to go back to the bargaining table. As we go back to the negotiations it is important to go have the community's feedback.

Mr. Flad addressed the comment that the budget presentation lacked detail by explaining that it was somewhat intentional as the details are going to be presented as part of the Budget Subcommittee process. Those meetings will all be agendaized and open to the public. Staff will look into increasing the capacity of our Zoom meetings. He again encouraged residents to go to the City's website and look at our information on the budget. There was a comment made claiming that Ms. Acosta was being disingenuous and deceptive. Mr. Flad took offense to this, stating that she is one of the most ethical people he has ever met and is an absolute open book when it comes to the finances of the City. As part of the Budget Subcommittee process staff will get into what revenues constitute the General Fund and where those revenues come from.

We heard the comment tonight that General Fund revenues come strictly from the residents and this is inaccurate. Staff needs to do a better job of getting out the information of where do the individual revenue streams come from. For example, the largest part of the General Fund comes from sales tax and not all sales tax comes from

residents. We also know that many of our residents are renters and many of the owners do not live in South Gate. The point he is trying to make is that all revenue streams are not created by a resident and Staff will do a better job of explaining the actual source of those revenues.

Mayor Davila asked if Council would have another meeting to discuss the budgets from the other Departments.

Mr. Flad responded that the intent of these presentations was that the vast majority of public input we were receiving was directly related to the Police Department and the comments received about lack of programming for the youth. This was the purpose of having the Police Department and the Parks Department present tonight. Moving forward each department will now give a more detailed presentation to the Budget Subcommittee and when Staff comes back with the amended budget recommendations each department will again present with the proposed cuts.

Raul F. Salinas, City Attorney responded to the public comments regarding conflict of interest. He explained that the conflict of interest standards is at times complicated. The State of California has a Conflict of Interest statute which precludes a government official from having a financial interest in any contract that is made in their official capacity. Tonight's comments fall under the Fair Political Practices Act, which is a part of the government code. To address the comment that Council Member Avalos should recuse herself from the Budget Subcommittee because her sister is the City Clerk and the City Clerk's Department Budget is a part of the overall City Budget. The rules with the Fair Political Practice Act are clear. A Council Member will have a disqualifying interest if there is a personal benefit. In addition to that it states that you can not vote if there is a personal benefit to you or immediate family. The State defines an immediate family member as a partner/spouse or dependent child. Since Council Member Avalos and City Clerk Avalos are siblings under law this does not qualify as a conflict of interest.

Council Member Diaz stated that we don't know the impact on the City because we do not know the duration of the pandemic. She agrees with the fact that South Gate has a lack of resources for the community. She spoke about the possible usage and funding options for the vacant court house building.

Council Member Diaz stated that she is against any tax increases. The community is already overburdened trying to figure out how to pay their bills but she does support the increase in the Business License tax. Lastly, she mentioned that the City Council has directed staff last year to look at providing local parks and the City's downtown area with Wi-Fi.

Vice Mayor Rios stated that he believes in reimagining the way we improve the City and being strategic in our funding practices. He is glad that testing is coming to the City and they are working on being able to test up to 600 people a day. The City has an education collaborative consisting of the South Gate principles and Mayor that meets monthly. Staff has also been looking at ways to increase the non-profit capacity in Hollydale and the west side. There are many possibilities looking forward. He stated that there is a lot of work ahead and many tough choices moving forward with this year's budget. He looks forward working with the Chief to continue to keep the City safe.

Vice Mayor Rios is a board member of the SELA Collaborative and they have leveraged a million dollars of funds. Over \$100,000 went to South Gate residents.

Raul F. Salinas, City Attorney addressed one other comment that was made regarding a perceived conflict of interest involving Council Member Hurtado that also holds a position with a local nonprofit, the South Gate JAA. The position of the FPPC on this matter is that volunteer representatives of a non-profit entity will not have a conflict of interest with respect to decisions that effect the non-profit, however, if the representative receives income from the non-profit entity the non-profit entity will be a source of income and the member may not participate in any decisions that will have a reasonably foreseeable material financial effect on the non-profit. Plus, the member cannot vote to award a contract to the non-profit or participate in any decision which would have a material and direct effect on the non-profit entity. So long as Council Member Hurtado receives no financial income from any contract that he votes on involving the JAA, the FPPC would not deem that as a conflict of interest.

Council Member Hurtado stated that over the last couple of years due to the lack of volunteers or officials for JAA he did officiate some games and received compensation for some of the games but it was during the time he was not on the City Council. He was not on the City Council for three years. Saying this he feels comfortable voting on the City's budget.

Council Member Hurtado stated that speaking to people on both sides it comes down to communication. Some of the programs that the City already has are programs that the residents are asking for but the people are not aware of them. He believes that when people have a better understanding of taxes, they can understand that most cities in the Southeast area have a Utility User tax and South Gate doesn't so they have additional resources to pick from. Looking at the programs we have in the City of South Gate there are still a lot of people who don't realize we have these activities. The community is asking for more so we need to try to find ways to fund additional programs. We need to look not only at youth programs but programs for seniors, Veterans, mental health, substance abuse and homeless. He wants to challenge our staff to find more funding options and do what we can to bring more programs to the City of South Gate.

Council Member Avalos appreciated the number of people that participated in tonight's meeting and agreed that we need to increase capacity of our Zoom meetings. She also wants to see the City's Wi-Fi capabilities expand citywide.

Council Member Avalos supports training our officers on how to deal with mental health issues so if we need an officer on scene, they are better prepared. She thanked Ms. Acosta for her work on the budget and Mr. Costley on his presentation. Hopefully Council can provide staff with direction moving forward.

Mayor Davila asked if the some of the FEMA or County funds coming in can be allocated to assist with mental health issues. She wants to see about expanding assistance to the small business and renters as there is the continued possibility of another shut down due to COVID-19. The Mayor requested staff contact LAUSD to discuss Wi-Fi and hotspots for South Gate students. She also suggested talking to the azalea Shopping Center to see if they can provide Wi-Fi.

Council Member Diaz requested staff reach out to the board she sits on because they

are offering deals on hotspots and internet specials.

Council Member Avalos requested a report from staff on the impact of a hiring freeze and the cost that it would take to begin work on the Court House.

Mr. Flad responded that staff will get back to Council with all the requested information very soon.

## **V. Special Meeting Adjournment**

Mayor Davila unanimously adjourned the meeting at 11:54 p.m. and seconded by Council Member Avalos.

**PASSED and APPROVED** this 11th day of August 2020.

For a signed copy of the minutes for this meeting please contact the City Clerk's Office:  
8650 California Avenue, South Gate, California 90280  
(323) 563-9510 \* fax (323) 563-5411 \* [www.cityofsouthgate.org](http://www.cityofsouthgate.org)