



Mayor Brenda Esqueda  
Mayor Pro Tem Antonio Lopez  
Councilmember Maribel De La Torre  
Councilmember Sylvia Ballin  
(Vacant)

City Administrator  
Al Hernández

## SAN FERNANDO CITY COUNCIL NOTICE AND AGENDA OF A SPECIAL MEETING

MONDAY, AUGUST 27, 2012 – 6:00 PM

COUNCIL CHAMBERS  
117 MACNEIL STREET  
SAN FERNANDO, CA 91340

**NOTICE IS HEREBY GIVEN** that the San Fernando City Council will hold a Special Meeting on **Monday, August 27, 2012, at 6:00 p.m.** in the Council Chambers, located at 117 Macneil Street, San Fernando, California.

The **AGENDA** for this meeting is as follows:

### CALL TO ORDER/ROLL CALL

### PLEDGE OF ALLEGIANCE

Mayor Brenda Esqueda

### APPROVAL OF AGENDA

### PUBLIC STATEMENTS – WRITTEN/ORAL

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the City Council. Only matters contained in this notice may be considered.

### NEW BUSINESS

- 1) **ADOPTION OF ANNUAL RESOLUTION REQUIRED BY COUNTY REGARDING CITY'S OBLIGATION TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR FISCAL YEAR 2012-13**

SAN FERNANDO CITY COUNCIL  
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Recommend that the City Council adopt a Resolution that will establish the amount necessary to be raised by taxation for the City's annual payment to the California Public Employees' Retirement System (CalPERS), which is estimated at \$3,861,693 for FY 2012-13, and fix the property tax rate for FY 2012-13 at \$0.28420 per \$100 of assessed valuation and levies that tax rate upon all taxable property in the City.

**2) APPROVAL OF A LETTER OF SUPPORT FOR VALLEY CARE COMMUNITY CONSORTIUM IN THEIR SUBMISSION OF A HEALTHY EATING, ACTIVE LIVING (HEAL) GRANT APPLICATION**

Recommend that the City Council authorize the City Administrator to execute and submit a letter to the Los Angeles County Department of Public Health supporting the Valley Care Community Consortium (VCCC) in their submission of a Healthy Eating, Active Living (HEAL) Grant application.

**CLOSED SESSION**

**A) CONFERENCE WITH LABOR NEGOTIATOR  
G.C. 54957.6**

City Negotiator: City Administrator Al Hernandez  
Employee Organizations: San Fernando Management Group (SEIU, Local 721)  
San Fernando Public Employees' Association (SEIU, Local 721)  
San Fernando Police Officers Association  
San Fernando Police Officers Association Police Management Unit  
San Fernando Police Civilian Association (SEIU, Local 721)  
San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)

**ADJOURNMENT**

*I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting.*

*Julie M. Fernandez, Deputy City Clerk  
Signed and Posted: August 24, 2012 (11:00 a.m.)*

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Web Site ([www.sfcity.org](http://www.sfcity.org)). These are also available for public reviewing prior to a meeting in the City Clerk's Office. Any public writings distributed by the City Council to at least a majority of the Councilmembers regarding any item on this special meeting agenda will also be made available at the City Clerk's Office at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's Web Site at [www.sfcity.org](http://www.sfcity.org). In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk's Office at (818) 898-1204 at least 24 hours prior to the meeting.



# **San Fernando City Council Special Meeting**

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## **FINANCE DEPARTMENT**

### **MEMORANDUM**

**TO:** Mayor Brenda Esqueda and Councilmembers

**FROM:** Al Hernández, City Administrator  
By: Fred Ramirez, City Planner

**DATE:** August 27, 2012

**SUBJECT:** Adoption of Annual Resolution Required by County Regarding City's Obligation to the California Public Employees' Retirement System (PERS) for Fiscal Year (FY) 2012-2013

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#### **RECOMMENDATION:**

It is recommended that the City Council adopt a Resolution (Attachment "A") that will establish the amount necessary to be raised by taxation for the City's annual payment to the California Public Employees' Retirement System (PERS), which is estimated at \$3,861,693 for FY 2012-2013, and fix the property tax rate for FY 2012-2013 at \$0.28420 per \$100 of assessed valuation and levies that tax rate upon all taxable property in the City.

#### **BACKGROUND:**

1. On April 9, 1946, the voters of the City of San Fernando (City) approved a ballot measure authorizing the levying of an additional property tax rate to raise the funds necessary to pay for the annual obligation of the City to the California Public Employees' Retirement System (PERS) for the retirement benefits of City employees. This system has remained unchanged even after Proposition 13 was passed in the late 1970's.
2. In 1980, the Legislature adopted California Revenue and Taxation Code Section 93, which authorizes local agencies to levy ad valorem property taxes equal to the amount needed to make annual payments for the interest and principal on indebtedness approved by the voters prior to July 1, 1978.
3. For FY 1982-1983, in order to pay for the City's annual PERS obligation, the City imposed the property tax rate of \$0.28420 for each \$100 of assessed value of all property in the City subject to taxation (Resolution No. 5252, Adopted August 18, 1982).

Adoption of Annual Resolution Required by County Regarding City's Obligation to the California Public Employees' Retirement System (PERS) for Fiscal Year (FY) 2012-2013

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4. For FY 1983-1984, in order to pay for the City's annual PERS obligation, the City imposed the property tax rate of \$0.26420 for each \$100 of assessed value of all property in the City subject to taxation (Resolution No. 5326, Adopted August 15, 1983).
5. In 1985, the Legislature adopted Revenue and Taxation Code Section 96.31, which provides that for FY 1985-1986 and each fiscal year thereafter, a jurisdiction may impose a property tax rate to make payments in support of pension programs approved by the voters before July 1, 1978, provided that the jurisdiction imposed the property tax rate in either FY 1982-1983 or FY 1983-1984.

Section 96.31 further provides a cap or maximum on the tax rate that a jurisdiction may levy; specifically, the tax rate may not exceed the rate imposed by that jurisdiction in the 1982-1983 or 1983-1984 fiscal years, pursuant to a budget resolution adopted on or before July 1, 1983. Therefore, because the City of San Fernando adopted its FY 1983-1984 Resolution on August 15, 1983, the maximum rate it can levy is \$0.28420 for each \$100 of assessed property value, which rate was established in FY 1982-1983.

6. In order to pay for the dramatic increases in the City's PERS obligation for FY 2004-2005, the City increased the rate to the maximum amount allowed of \$0.28420 from \$0.184199 (which is the rate it had been for the previous eight fiscal years).
7. On November 7, 2005, the City Council adopted Ordinance No. U-1568 which lowered retirement costs to the City by creating two tiers of benefits (3% @ 60 for employees hired before November 12, 2005 and 2% @ 55 for employees hired after this date). In addition, the Ordinance decreased the annual cost of living adjustment for retirees from 5% to 3% which was applicable to employees hired after November 12, 2005.
8. After the close of the budget for FY 2009-2010, union groups representing the miscellaneous employees, conceded in paying a portion of the retirement cost, up to 50% of the employee portion. In a similar fashion, the management group's union also conceded a similar 50% contribution toward the employee portion of the retirement costs. Collectively, these concessions, over time, will help to relieve the burden on the City to cover retirement cost which increased due to the overall economic condition.
9. During FY 2008-2009 through 2011-2012, the U.S. housing market was devalued across the country. This resulted in the Assessed Valuation of land and property in the City of San Fernando declining from \$942,476,270 in FY 2008-2009 to \$850,096,051 in FY 2011-2012. For FY 2012-13, assessed values have somewhat stabilized and are projected at \$832,128,410.

**ANALYSIS:**

Each year at this time, the City needs to establish the amount that is to be raised from property taxes to cover the City's obligation to PERS, and to fix the tax rate in order to raise the necessary



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amount of money. The funds raised pursuant to this property tax provide for a portion of the City's retirement expenses, except for Social Security taxes, which are funded with other City General Fund resources. Since FY 2005-2006, all Special, Enterprise and Redevelopment Agency funds have been paying their respective share of PERS expenditures; this was necessary because the amount raised from taxation was not sufficient to cover the City's entire obligation to PERS.

Pursuant to California Revenue and Taxation Code Section 96.31, the City is authorized to impose a maximum tax rate of \$0.28420 per \$100 of assessed valuation of all taxable property in the City, which was the property tax rate imposed by the City in FY 1982-1983. Since PERS rates and costs have not decreased for FY 2012-2013 and assessed values are beginning to stabilize after a few years of dramatic decreases, the City would have to set the rate at \$0.412892 in order to generate sufficient revenues to offset the estimated costs; however, the City is only authorized to impose a rate at \$0.28420, the maximum allowed (see Exhibit "A" to the attached Resolution). The maximum tax rate only pays for a portion of the \$3,861,693 PERS obligation; the remainder is paid from other City Funds.

The City has maintained the same maximum tax rate since FY 2004-2005 due to the high cost of retirement expenditures that are incurred on an annual basis. In order to reduce the tax rate in the future, the City would need to decrease its retirement expenditures or pay for these expenditures from the General Fund (the other Special Funds are already paying a portion of these expenditures). During FY 2011-2012, all of the city union groups have also agreed to pay 50% of the employee portion of retirement cost.

The Los Angeles County Auditor Controller requires that the City Council approve a Resolution establishing the new tax rate on an annual basis. This information must be submitted before August 22, 2012, to allow the levy to be placed on the current tax bills.

**CONCLUSION:**

Adoption of the attached Resolution will fix the property tax rate at \$0.28420 and will allow the City to fulfill a portion of the annual obligation to PERS, which is estimated at \$3,861,693 for FY 2012-2013.

**ATTACHMENT:**

- A. Resolution

## ATTACHMENT "A"

## RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO FIXING A TAX RATE AND LEVYING TAXES FOR FISCAL YEAR (FY) 2012-2013 ON PROPERTY WITHIN THE CITY FOR THE OBLIGATION OF THE CITY TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE RETIREMENT BENEFITS OF CITY EMPLOYEES, AUTHORIZED AT AN ELECTION HELD ON APRIL 9, 1946**

**THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1:** On April 9, 1946, the voters of the City of San Fernando ("City") approved a ballot measure authorizing the levying of an additional property tax rate to raise the funds necessary to pay for the annual obligation of the City to the California Public Employees' Retirement System ("PERS") for the retirement benefits of City employees.

**SECTION 2:** California Revenue and Taxation Code Section 96.31(a) provides that for FY 1985-1986 and each fiscal year thereafter, a jurisdiction may impose a property tax rate to make payments in support of pension programs approved by the voters before July 1, 1978, provided that the jurisdiction imposed the property tax rate in FY 1982-1983 or FY 1983-1984. Revenue and Taxation Code Section 96.31(b) provides that the tax rate imposed by a jurisdiction pursuant to Section 96.31(a) may not exceed the rate imposed by that jurisdiction in FY 1982-1983 or FY 1983-1984.

**SECTION 3:** For FY 1982-1983, in order to pay for the City's annual PERS obligation, the City imposed the property tax rate of \$0.28420 for each one hundred dollars (\$100.00) of assessed value of all property in the City subject to taxation (Resolution No. 5252). For FY 1983-1984, in order to pay for the City's annual PERS obligation, the City imposed the property tax rate of \$0.26420 for each one hundred dollars (\$100.00) of assessed value of all property in the City subject to taxation (Resolution No. 5326). Pursuant to California Revenue and Taxation Code Section 96.31(b), the City is authorized to impose a maximum tax rate of \$0.28420 for each \$100 of assessed property value, which is the property tax rate imposed by the City in FY 1982-1983.

**SECTION 4:** As set forth in Exhibit 1 to this Resolution, which is attached hereto and incorporated herein by this reference, the City Council has determined and fixed the sum of \$3,861,693 as the amount of revenue from property taxes necessary to pay the City's PERS obligation for FY 2012-2013.

**SECTION 5:** Pursuant to Exhibit "A" to this Resolution, the City Council hereby fixes the tax rate of the City of San Fernando for FY 2012-2013 at \$0.28420 and hereby levies such tax in that amount upon each one hundred dollars (\$100.00) of property value of all property in the City subject to taxation, using as a basis the value of such property as assessed and equalized in a manner prescribed by law.

**SECTION 6:** The City Clerk is directed to transmit immediately to the Los Angeles County Auditor-Controller a certified copy of this Resolution, together with a statement of the tax rate fixed herein.

**SECTION 7:** The City Clerk shall certify to the adoption to this Resolution, which shall be in full force and effect immediately upon its adoption.

**PASSED, APPROVED, AND ADOPTED** this 27<sup>th</sup> day of August, 2012.

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Brenda Esqueda, Mayor

**ATTEST:**

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Elena G. Chávez, City Clerk

**I HEREBY CERTIFY** that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 27<sup>th</sup> day of August, 2012, by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

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Elena G. Chávez, City Clerk

**EXHIBIT 1**

<b><u>City of San Fernando</u></b>	
<b><u>FY 2012-2013 Calculation of Property Tax for City's Obligation to the California Public Employee's Retirement System</u></b>	
The following calculations are based on the assessed valuation figures received from the Los Angeles County Assessor for tax area 240.01, as well as the fixed base valuations for each redevelopment project area.	
Assessed Valuation General City Area (240.01)	\$832,128,410.00
Redevelopment Fixed Base	\$107,578,318.00
Total Retirement Assessed Valuation	\$939,706,728.00
Estimated Retirement Cost (FY 2012-2013 Budget)	\$3,861,693.00
Plus Prior Year Shortfall	\$13,911.00
Funding Required (FY 2012-2013)	\$3,875,604.00
Funding Rate (\$3,875,604-Funding Required divided by \$938,648,566-Total Retirement Assessed Valuation)	\$0.412427
Maximum Funding Rate Allowed*	\$0.284200
*The Funding Rate required is \$0.412892; however, the City is only authorized to impose a maximum amount of \$0.284200 per Revenue and Taxation Code Section 96.31.	



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## RECREATION AND COMMUNITY SERVICES DEPARTMENT

### MEMORANDUM

**TO:** Mayor Brenda Esqueda and Councilmembers

**FROM:** Al Hernández, City Administrator  
By: Ismael Aguila, Recreation and Community Services Operations Manager

**DATE:** August 27, 2012

**SUBJECT:** Approval of a Letter of Support for Valley Care Community Consortium in their Submission of a Healthy Eating, Active Living (HEAL) Grant Application

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#### **RECOMMENDATION:**

It is recommended that the City Council authorize the City Administrator to execute and submit a letter to the Los Angeles County Department of Public Health supporting the Valley Care Community Consortium (VCCC) in their submission of a Healthy Eating Active Living (HEAL) Grant application (Attachment "A").

#### **BACKGROUND:**

1. In April 2011, the Recreation and Community Services (RCS) Operations Manager partnered with Mission Community Hospital and California State University, Northridge to establish the City of San Fernando Partnership for Healthy Families.
2. In June 2011, the City of San Fernando Partnership for Healthy Families received a Kaiser Grant to establish health and wellness programming at the San Fernando Recreation Park and Regional Pool Facility for the prevention of childhood obesity.
3. In August 2011, the RCS Operations Manager joined the VCCC Chronic Disease Committee (CDC).
4. On July 9, 2012, the Los Angeles County Department of Public Health released a Request for Proposal (RFP) for Healthy Eating Active Living (HEAL) Initiatives.
6. Since July 2012, the City of San Fernando and VCCC have held discussions on how to collaborate on the HEAL funding opportunity.

Approval of a Letter of Support for Valley Care Community Consortium in their Submission of a Healthy Eating, Active Living (HEAL) Grant Application

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7. In August 2012, the VCCC agreed to be the lead agency on the HEAL Initiative. The City of San Fernando would be a partner and provide a letter of support to the County of Los Angeles Department of Public Health due on August 30, 2012.

**ANALYSIS:**

***City of San Fernando Community Health***

The City of San Fernando has a childhood obesity rate of approximately 32.9% that is 10% higher than the Los Angeles County average. Since 2001, the five leading causes of death in San Fernando have been heart disease, cancer, stroke, pneumonia/influenza, and diabetes. In 2006, Los Angeles County Public Health Administration ranked the City of San Fernando 90th out of 103 cities for life expectancy and 77th out of 101 cities for economic hardship. This underscores the need for a cost effective partnership to improve the health of San Fernando citizens.

***Valley Care Community Consortium***

In 1995, VCCC was created as a health and mental health planning consortium to assist in creating a healthier Service Planning Area 2 for our most vulnerable residents. The CDC was a direct result of the VCCC 2004 Community Needs Assessment. Chronic disease was identified as one of the top 5 concerns in San Fernando and Santa Clarita Valleys and continues to be a key priority need in the 2007 and 2010 VCCC Community Health Needs Assessments. The committee consists of hospitals, clinics, LA County agencies, universities, and other non-profit agencies in the San Fernando Valley and was formed to address the issues of chronic disease focusing on obesity and diabetes management. The CDC continues its invaluable work by applying for grant funding and putting programs into the community that continues the fight against the growing problem of obesity and diabetes.

***HEAL Initiatives***

The overall goal of the HEAL Initiative is to reduce the prevalence of obesity and chronic disease, and address health disparities in Los Angeles County by developing and implementing evidence-based strategies that create an environment where it is convenient, safe, and easy for community members to eat healthier and participate in physical activity every day. The RFP for Los Angeles County HEAL Initiatives is for qualified entities to develop and implement one or more evidence-based strategies. It is made possible by an award received from the Centers for Disease Control and Prevention as part of the U.S. Department of Health and Human Services' Community Transformation Grants (CTG) initiative. The CTG initiative will support a number of projects, including the HEAL Initiative grant program, to reduce obesity, prevent chronic disease, and address health disparities in the county population. The CTG initiative will be used to fund the first year of the HEAL Initiative grant program. Funding for Years 2, 3, and 4 are contingent upon continued federal funding of the Centers for Disease Control and Prevention Community Transformation Grants (CTG) initiative.



Approval of a Letter of Support for Valley Care Community Consortium in their Submission of a Healthy Eating, Active Living (HEAL) Grant Application

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***Proposed Funded Project***

VCCC will submit for the grant as the lead agency on the collaborative effort known as San Fernando Valley Families in Transformation (FIT) Program. The purpose of FIT is to work with long time consortium partners to implement strategies that will help families eat healthier and become more physically active. This project will create a strong vision for healthy food and physical activity in the Northeast San Fernando Valley. The project will be done in conjunction with VCCC, Mission Community Hospital, Northeast Valley Health Corporation, Child Care Resource Center, Providence Health & Services, and California State University, Northridge Marilyn Magaram Center for Food Science, Nutrition and Dietetics.

If VCCC is awarded the HEAL grant, the City of San Fernando will commit to the following efforts:

1. Creation of a Health and Safety Element to the City of San Fernando General Plan to include goals, objectives, and programs that address, among other things, the environment health impacts on physical activity and access to healthy foods;
2. Creation of additional policies that limit sugar – sweetened beverages in City programs targeting children;
3. Implementation of an 8-week *Parks After Dark* program that provides residents access to healthy eating and physical activities during summer evenings; and
4. Assign a City staff representative(s) to be the VCCC primary contact throughout the grant term and commit to work on specified activities listed above.

**CONCLUSION:**

It is recommended that the City Council authorize the City Administrator to execute and submit a letter to the Los Angeles County Department of Public Health supporting the Valley Care Community Consortium in their submission of a Healthy Eating Active Living (HEAL) Grant application. This collaboration with VCCC will provide the City of San Fernando with proven strategies to promote healthy and active living.

**BUDGET IMPACT:**

There will be no budget impact to the General Fund for FY 2012-2013. VCCC will provide the City with \$7,500 to cover costs associated with this effort.

**ATTACHMENT:**

- A. Letter of Support for Valley Care Community Consortium



August 27, 2012

Louisa Franco  
County of Los Angeles Public Health  
695 S. Vermont Ave. 14th Floor (South Tower)  
Los Angeles, CA 9005

Dear Ms. Franco:

This letter is to confirm the City of San Fernando's support and collaboration with Valley Care Community Consortium (VCCC) on the Healthy Eating Active Living Initiatives Request for Proposal. VCCC is submitting the grant as the lead agency on the collaborative effort known as San Fernando Valley Families in Transformation (FIT) Program. The purpose of FIT is to work with long time consortium partners to implement strategies that will help families eat healthier and become more physically active. The City of San Fernando is pleased to partner on this project with the following organizations: Valley Care Community Consortium, Mission Community Hospital, Northeast Valley Health Corporation, Child Care Resource Center, Providence Health & Services, and California State University, Northridge Marilyn Magaram Center for Food Science, Nutrition and Dietetics.

The City of San Fernando, located in the Northeast region of the San Fernando Valley, is comprised of approximately 23,645 residents with 92.5% Latino population. (Source: 2010 Census.) The City is currently experiencing a childhood obesity rate epidemic of 32.9%, which is approximately 10% higher than the County of Los Angeles average. Since 2001, the five leading causes of death in the City of San Fernando are heart disease, cancer, stroke, pneumonia/influenza, and diabetes. In 2006, Los Angeles County Public Health Administration ranked the City of San Fernando 90th out of 103 cities for life expectancy and 77th out of 101 cities for economic hardship. This underscores the need for an effective partnership that will improve the physical and economic health of San Fernando citizens.

The City of San Fernando has developed a strong partnership with VCCC and Mission Community Hospital since the collaboration on the creation of the *City of San Fernando Partnership for Healthy Families in 2011*. This partnership resulted in the creation of community-based healthy eating and physical activity programs targeting low-income families in the City of San Fernando. One of these programs received national recognition by winning the First Lady Michele Obama's Popular Choice Award, "100 Citizens: Role Models for the

Louisa Franco  
County of Los Angeles Public Health  
August 27, 2012

Future” as part of the *Let’s Move Communities on the Move Video Challenge*. The video reflects what our collaborative group, City of San Fernando Partnership for Healthy Families believes; ending childhood obesity within a generation begins at home with the family.

The City looks forward to further collaboration with VCCC in the development of a Healthy San Fernando Valley vision that improves community health and combats childhood obesity. If this proposal is funded, the City of San Fernando will provide the following efforts: 1.) Creation of a Health and Safety Element to the City of San Fernando General Plan to include goals, objectives, and programs that address, among other things, the environment health impacts on physical activity and access to healthy foods; 2.) Creation of additional policies that limit sugar – sweetened beverages in City programs targeting children; 3.) Implementation of an 8-week *Parks After Dark* program that provides residents access to healthy eating and physical activities during summer evenings; and, 4.) Assign City staff representative(s) to be the VCCC primary contact throughout the grant term and commit to work on specified SOW activities.

The City looks forward to VCCC’s award of funds necessary to move forward with the visionary plan incorporating sustainable practices and policies in the San Fernando Valley. Please contact me at (818) 898-1202 to discuss the City’s role in pursuing the objectives outlined in the proposal.

Sincerely,

Al Hernandez  
City Administrator