



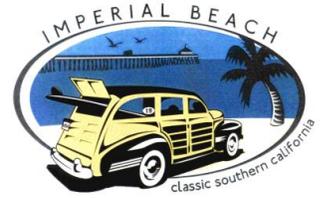
Special Meeting A G E N D A

IMPERIAL BEACH CITY COUNCIL

FEBRUARY 8, 2012

7:00 P.M.

Community Room
(Behind City Hall)
825 Imperial Beach Boulevard
Imperial Beach, CA 91932



THE CITY COUNCIL ALSO SITS AS THE CITY OF IMPERIAL BEACH HOUSING AUTHORITY, PLANNING COMMISSION, PUBLIC FINANCING AUTHORITY AND THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

The City of Imperial Beach is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at City Council meetings, please contact the City Clerk's Office at (619) 423-8301, as far in advance of the meeting as possible.

SPECIAL MEETING CALL TO ORDER BY MAYOR

ROLL CALL BY CITY CLERK

PUBLIC COMMENTS - *Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.*

REPORTS

1. **RESOLUTION NO. 2012-7151 DIRECTING THE CITY MANAGER TO RESEARCH OPTIONS AND PRESENT TO COUNCIL SPECIFIC SOLUTIONS INCLUDING POTENTIAL LAYOFFS OF CITY EMPLOYEES IN ORDER TO REMEDY THE IMPENDING SHORTFALL TO THE CITY'S GENERAL FUND. (0540-95 & 0640-05)**
City Manager's Recommendation: Adopt resolution.

ADJOURNMENT

/s/
Jacqueline M. Hald, MMC
City Clerk

Any writings or documents provided to a majority of the City Council/Housing Authority/Planning Commission/Public Financing Authority/Imperial Beach Redevelopment Agency Successor Agency regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.



**STAFF REPORT
CITY OF IMPERIAL BEACH**

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GARY R. BROWN, CITY MANAGER

MEETING DATE: February 8, 2012

ORIGINATING DEPT.: CITY MANAGER

SUBJECT: ADOPT RESOLUTION NO. 2012- 7151 DIRECTING THE CITY MANAGER TO RESEARCH OPTIONS AND PRESENT TO COUNCIL SPECIFIC SOLUTIONS INCLUDING POTENTIAL LAYOFFS OF CITY EMPLOYEES IN ORDER TO REMEDY THE IMPENDING SHORTFALL TO THE CITY'S GENERAL FUND

BACKGROUND

The Redevelopment Agency of the City of Imperial Beach ("Agency") was organized and existed pursuant to the California Community Redevelopment Law and was responsible for the administration of redevelopment activities within the City of Imperial Beach. Assembly Bill x1 26 ("AB 26") and Assembly Bill x1 27 ("AB 27") were passed by the State Legislature on June 15, 2011 and signed by the Governor on June 28, 2011. On July 18, 2011, the California Redevelopment Association, League of California Cities, City of Union City, City of San Jose and John F. Shirey filed a petition for Writ of Mandate; Application for Temporary Stay and supporting memorandum and declarations with the Supreme Court of the State of California (the "Petition"). On December 29, 2011, the Supreme Court issued its opinion in the Petition (*Matosantos* case) largely upholding AB 26, invalidating AB 27, and holding that AB 26 may be severed from 27. As a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies were dissolved and successor agencies were designated as successor entities to the former redevelopment agencies.

DISCUSSION:

The dissolution of the Agency will impact the City's General Fund which will face a shortfall between \$500,000 and \$1.2 million. Many of the City's projects and its staff members were funded through the Agency. Certain projects funded by the Agency may be completed in the future eliminating the need for some City employees. In addition, the California Public Employees Retirement System may be adjusting its assumed rate of return on investments which could create an additional shortfall to the City's General Fund. In light of the significant impacts to the City's General Fund, it is most likely that layoffs of City employees will be necessary.

In addition to redevelopment there are other topics to consider including:

1. The service agreement with the Port isn't completed.
2. A new form of allocating costs is being considered for the Sheriff's contract.
3. The amount of property tax allocated to the city is uncertain due to legal

questions raised by educational institutions.

This resolution directs the City Manager to research and investigate options including but not limited to the potential elimination of positions, reduction of service levels and layoffs of City employees in order to remedy the shortfall to the City's General Fund. The resolution further directs the City Manager to prepare and present to Council specific solutions to remedy the shortfall to the City's General Fund.

ENVIRONMENTAL IMPACT

This activity is not a "project" and is therefore exempt from CEQA pursuant to State CEQA Guidelines Section 15060(c)(3).

FISCAL IMPACT:

The loss of between \$500,000 and \$1.2M per year must be mitigated in order to retain the good financial condition of the city.

CITY MANAGER'S RECOMMENDATION:

Adopt Resolution No. 2012- 7151 DIRECTING THE CITY MANAGER TO RESEARCH OPTIONS AND PRESENT TO COUNCIL SPECIFIC SOLUTIONS INCLUDING POTENTIAL LAYOFFS OF CITY EMPLOYEES IN ORDER TO REMEDY THE IMPENDING SHORTFALL TO THE CITY'S GENERAL FUND



Gary R. Brown, City Manager

Attachment:

1. Resolution 2012 - 7151

RESOLUTION NO 2012-7151

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH
DIRECTING THE CITY MANAGER TO RESEARCH OPTIONS AND PRESENT TO
COUNCIL SPECIFIC SOLUTIONS INCLUDING POTENTIAL LAYOFFS OF
CITY EMPLOYEES IN ORDER TO REMEDY THE IMPENDING SHORTFALL
TO THE CITY'S GENERAL FUND**

WHEREAS, the Redevelopment Agency of the City of Imperial Beach ("Agency") was organized and existed pursuant to the California Community Redevelopment Law and was responsible for the administration of redevelopment activities within the City of Imperial Beach; and

WHEREAS, Assembly Bill x1 26 ("AB 26") and Assembly Bill x1 27 ("AB 27") were passed by the State Legislature on June 15, 2011 and signed by the Governor on June 28, 2011; and

WHEREAS, on July 18, 2011, the California Redevelopment Association, League of California Cities, City of Union City, City of San Jose and John F. Shirey filed a petition for Writ of Mandate; Application for Temporary Stay and supporting memorandum and declarations with the Supreme Court of the State of California (the "Petition"); and

WHEREAS, on December 29, 2011, the Supreme Court issued its opinion in the Petition (*Matosantos* case) largely upholding AB 26, invalidating AB 27, and holding that AB 26 may be severed from 27; and

WHEREAS, as a result of the Supreme Court's decision, on February 1, 2012, all redevelopment agencies were dissolved and successor agencies were designated as successor entities to the former redevelopment agencies; and

WHEREAS, the dissolution of the Agency will impact the City's General Fund which will face a shortfall between \$500,000-\$1.2 million; and

WHEREAS, many of the City's projects and its staff members were funded through the Agency; and

WHEREAS, certain projects funded by the Agency may be completed in the future eliminating the need for some City employees; and

WHEREAS, the California Public Employees Retirement System may be adjusting its assumed rate of return on investments which could create an additional shortfall to the City's General Fund; and

WHEREAS, in light of the significant impacts to the City's General Fund, it is likely that layoffs of City employees will be necessary.

NOW, THEREFORE, BE IT RESOLVED,

Section 1: The above recitals are true and correct.

Section 2: The City Manager, or his designee, is directed to research and investigate options including but not limited to the potential elimination of positions, reduction of service levels and layoffs of City employees in order to remedy the shortfall to the City's General Fund.

Section 3: The City Manager is directed to prepare and present to Council specific solutions to remedy the shortfall to the City's General Fund.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Imperial Beach at its special meeting held on the 8th day of February, 2012, by the following roll call vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD
CITY CLERK