

June 14, 1974

MINUTES OF AN ADJOURNED REGULAR  
MEETING OF THE TORRANCE CITY COUNCIL

OPENING CEREMONIES:

1. CALL TO ORDER:

The Torrance City Council convened in an Adjourned Regular Meeting on Friday, June 14, 1974, at 5:00 P.M. in the Council Chambers at Torrance City Hall.

2. ROLL CALL:

Present: Councilwoman Geissert; Councilmen Armstrong, Brewster, Uerkwitz, and Mayor Miller. Councilman Surber arrived at 5:20 P.M. Absent: Councilman Wilson (out of the country).

Also present: City Manager Ferraro, Assistant City Manager Scharfman, City Attorney Remelmeyer, City Clerk Coil, City Treasurer Rupert, Finance Director Dundore, Assistant Finance Director Rankin, Budget Officer Ng, and Senior Auditor Murdock.

3. FLAG SALUTE:

Police Chief Nash led in the salute to the flag.

4. BUDGET WORKSHOP SESSION:

A. RESPONSE BY CITY STAFF REGARDING CHAMBER OF COMMERCE BUDGET REVIEW COMMITTEE RECOMMENDATIONS.

a. BUS SYSTEM GARAGE FACILITIES.

Transportation Program Administrator Critchfield reviewed Committee recommendations, and the Department of Transportation response thereto, with specific clarification re: Federal and State grants.

b. NO FUNDING FOR APPROXIMATELY 20 POSITIONS.

Responding to the Committee findings in the matter of vacant positions, and <sup>pointing out</sup> the need for their retention in the budget were the following department heads: Police Chief Nash, City Attorney Remelmeyer, Building and Safety Director McKinnon, Director of Parks and Recreation Van Bellehem, City Librarian West, Assistant Water Superintendent Powell, Street Maintenance Superintendent Kirkruff, and City Engineer Weaver.

B. IMPLEMENTATION OF NEW SOURCES OF REVENUES.

a. Sewer Service Fee (\$3 per year - + \$90,000).

Finance Director Dundore clarified the mechanics of the implementation of a Sewer Service Fee, as recommended by the Chamber Committee.

C. INCREASED OR REVISED ESTIMATES OF REVENUES.

Discrepancies in Committee vs. City findings regarding revenues from the Utility Tax, Sales Tax, Cigarette Tax, State Motor Vehicle

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in lieu tax, and year-end carryover were reported by Finance Director Dundore -- reviewed by Senior Auditor Murdock were the aspects of the Utility Tax.

D. ADMINISTRATIVE CONSTRAINTS.

Administrative constraints were defined by Assistant City Manager Scharfman -- included were the inadequate budget reserve, pending salary increases for employees, need for additional equipment for Fire Station #3, possible increased crime impact on community, anticipated Social Security increases, the absence of the PEP program, etc.

Present, representing the Chamber Budget Review Committee, were Messrs. John Rice and Ed Boecher who clarified the basis of their recommendations and findings.

The Council conveyed its appreciation to the Committee for its meaningful contribution to these budget considerations and for their dedicated research in this matter. It was the general consensus of the Council that Staff projections -- for obvious reasons of responsibility -- must be accepted.

E. UTILITY USERS TAX EXEMPTION.

Council discussion was directed to the Utility Users Tax Exemption. Offered by Councilman Brewster were the following options: revenues to be raised by a partial removal of the subject industrial exemption (such exemption representing a sum of approximately \$876,000 -- a suggested 2-year step of 3% and then the full 6% would provide \$438,000 in the 1974-75 budget); supplemented by a 1% residential rent tax (\$300,000), and a sewer service fee (\$90,000) - with a total sum sufficient to meet current needs.

Councilman Uerkwitz offered a similar suggestion -- a 3% phase out of the exemption, but that, instead of a residential rent tax, there be a theatre tax.

A lengthy discussion ensued regarding partial or total removal of the exemption, as well as the varied aspects of the residential rent and theatre taxes.

Mr. Jack Schmidt, Torrance Area Chamber of Commerce, reaffirmed his previously expressed concerns regarding the disastrous effect on Torrance industry which will result with elimination of the exemption, but, failing all else, urged that any such elimination be on a phasing out arrangement of 1% this year and then perhaps skipping a year. Mr. Schmidt also noted the history-making decision faced by the Council at this time.

Present to request that the Council eliminate the utility users tax exemption were Mr. Joe Clukey, Riviera Homeowners Association; Mr. Henry Nowicki, Marble Estates Homeowners Association; and Mr. Dick Miller.

Mr. Dan Walker, 4451 Pacific Coast Highway, voiced his objections to a theatre tax and described the financial hardship which would result for Torrance theatre owners because of the unique demands of motion picture distributors.

Following further review as to the appropriate mode of procedure, including a possible deferred review of the budget regarding projected revenues, a poll of the Council by Mayor Miller elicited the following:

In favor of phasing out the utility users tax exemption;  
Councilmen Brewster, Uerkwitz.

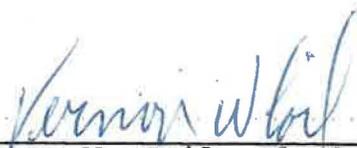
In favor of total removal of utility users tax exemption now:  
Councilwoman Geissert, Councilmen Armstrong, Surber;  
Mayor Miller.

(Absent: Councilman Wilson)

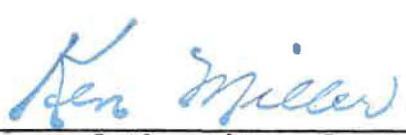
5. ADJOURNMENT.

This final Budget Workshop Session was formally adjourned at 7:55 P.M.

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Vernon W. Coil, Clerk of the  
City of Torrance, California

APPROVED:

  
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Mayor of the City of Torrance

Ava Cripe  
Minute Secretary

3.

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