Herald Publications - El Segundo, Manhattan Beach, Hawthorne, Lawndale, & Inglewood Community Newspapers Since 1911 - (310) 322-1830 - Vol. 102, No. 36 - September 03, 2009

# Inside This Issue

Business &
Professional21
Business5
Calendar2
Classifieds19
Crossword19
Dear Carol7
Frankly Plank6
Pets23
Real Estate9

## Weekend Weather Forecast

*Sports......* 

Friday
Sunny
82°



Saturday
Sunny
78°





#### A Whale of a Shot

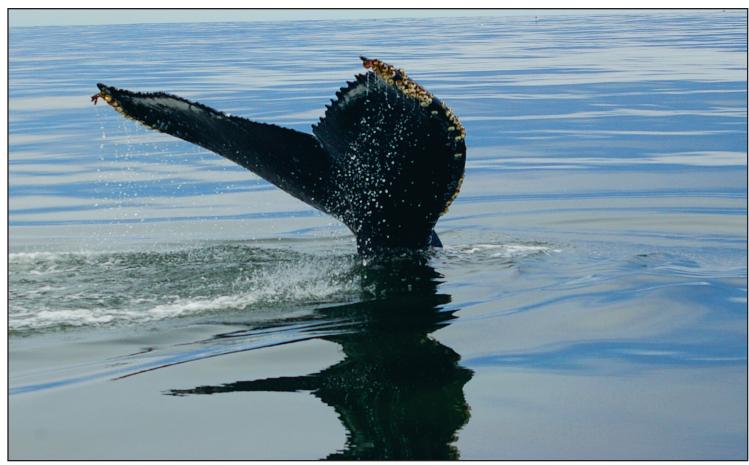


Photo by Cody Martin. Cody is an El Segundo Middle School student who has been photographing whales and dolphins for three years. He received his first digital still camera as a reward for making honor roll three straight trimesters. He has entered his photos into the biennial American Cetacean Society photo contest, winning second place on his first try and first place the next time.

#### **Budget Close to Adoption, Tax Hikes Considered**

By Brian Simon

After scrambling to make up what eventually amounted to a nearly \$7 million shortfall for the upcoming 2009/2010 budget, the El Segundo City Council on Tuesday discussed what was not that long ago the unthinkable: tax increases. Yet this approach may be seen as necessary to shore up revenues in the coming years until the economy stabilizes.

City staff identified three viable target areas:

--Indexing business license taxes to account for cost of living increases, something that hasn't been done since 1993 but could have yielded \$1.5 million to \$2.4 million annually according to Finance Director Deborah Cullen.

--Increasing the transient occupancy tax (TOT, or bed tax) rate, which has remained at eight percent since 1996, is considerably lower than the 10-14 percent range charged by surrounding cities, and would generate an additional \$527,000 a year by going up one percent.

--Modernizing the utility users tax ordinance to reflect technological advances. Although such a move won't increase the rate itself, it will ensure the City doesn't lose a halfmillion dollars in revenues.

Though in favor of the business license and utility user tax changes, the Council was divided on the bed tax proposal and will research the matter over the next couple of weeks to better gauge the impacts on the local hotel industry.

Regardless, any tax increases must be approved by local voters and will appear as ballot measures in the April 2010 municipal election.

As for the soon-to-be-adopted budget, the Council at a strategic planning session in July shaved nearly all of a projected \$5.9 million shortfall without impacting local services or jobs. The deficit was a product of revenues dropping \$1.7 million and expenditures jumping up \$3.8 million. The main culprits for the disparity are increased salaries, plus

workers' compensation and pension costs, along with marked drops in business license, bed and cogenerated electricity tax revenues. Additionally, falling interest rates have adversely affected the City's investment income.

When the State of California then passed its own budget and borrowed money from municipalities, the City found itself an additional million bucks in the hole. To make up the difference, staff recommended further cuts that spanned all City departments, yet did not entail any layoffs or furloughs. The non-personnel savings are a mixture of consulting contract reductions, supplies and service reductions and equipment replacement deferrals.

One major chunk of change will come out of the fire department, which will run short by two firefighters during overtime situations. Staffed at 19 personnel per 48-hour shift, the department could run as low as 17 if two firefighters are absent at any one time due to vacation, injury or illness. In the past, existing personnel would jump in and assume those hours. Now the spots will remain vacant. Addressing concerns about this matter, Fire Chief Kevin Smith assured the community will still be safe even when running two firefighters short. Although not the ideal scenario in his mind, Smith felt the impacts would be minimal (potential delays are possible but unlikely) and noted that the department is well-staffed compared to other agencies. Councilmember Carl Jacobson added that the department ran at 16 or 17 personnel throughout the '80s and '90s without a hitch.

The 2009/10 budget is set for adoption on September 15.

See City Council page 18

### **Annual Pancake Breakfast**

Everyone's invited to El Segundo's Annual Pancake Breakfast on Saturday, September 12 between 8:30 a.m. and 11:30 a.m. Sponsored by our very own Police and Fire Associations, you need to only bring your appetites to this free event. The idea for the Pancake Breakfast was started to honor and assist our brothers and sisters in New York City who made the ultimate sacrifice on September 11, 2001.

Every year since its inception, members of the Police and Fire Associations, both on and off duty, cook delicious griddle cakes for anyone who wishes to attend, and we graciously accept any donations, with the proceeds going to local charities.

Due to budget restraints many adjoining cities are abandoning their traditional pan-

cake breakfasts. But here in El Segundo, we are determined to keep this worthy event alive. Moreover, our food sponsors Hacienda Hotel, Embassy Suites,

The Coffee Bean, IHOP and Carl's Jr. donate their delicious ingredients to hopefully keep people coming back each year. We would like to thank them in advance for continuing to make this event possible.

Please join us in the festivities, which include tours of the Fire Station, a bounce house for the kids, and live music.

In addition, there will be tee shirts for sale by the Police and Fire Associations, and of course delicious Pancakes! Contact Firefighter/Paramedic Dina Carr for any additional information (310) 524-2269.