City Manager Provides SFS Budget Update

By Thaddeus McCormack

It is no secret that local governments have not been immune to the historic economic downturn of recent years. To add to the ongoing challenges we all have faced the past three years, on February 1, approximately 400 redevelopment agencies across the state were eliminated. Cities across the state are having to adjust to dealing with this monumental change.

For Santa Fe Springs, that means the city’s Community Development Commission (CDC)—responsible for redevelopment, economic development, and affordable housing, and which funds city projects, such as capital improvement projects, among others—ceases to exist.

Through the state’s hasty and rash decision to eliminate redevelopment, Santa Fe Springs loses a $32 million dollar funding source that will never return. Needless to say, the state’s actions have caused a devastating impact on the city’s budget and ability to provide the level of service that our residents and businesses need and have grown to expect.

Although the city has done everything it could to adjust to the downturn in the economy the past several years and remain fiscally sound, our down-scaled projections of revenue sources and implemented cost-saving measures aren’t enough to deal with such a catastrophic loss. Although we did our part to prepare for the reform of redevelopment, no one saw its elimination happening.

The court’s ruling gave the city one month to eliminate redevelopment and since then, city officials have been working tirelessly to deal with the greatest financial crisis it has ever faced, in an effort to minimize the impact on the community. On February 16, the City Council adopted a plan to realize significant savings for the current fiscal year and lay the groundwork for a balanced budget for fiscal year 2012-2013. The plan makes up for the $13.4 million of redevelopment funds that annually went to the city’s general operating budget.

The plan was devised to recognize the community’s and the council’s priorities with the intent of minimizing loss of services to its residents and businesses, and to retool city government for greater efficiency, with the goal of streamlining the organization and retaining as many services as possible and the jobs that support those services.

The approved plan endeavors to “share the pain” with all stakeholders through a combination of service cuts, revenue enhancements and employee benefit concessions. It also includes the proposed elimination of city positions that support the services and programs being cut.

This will entail the elimination of between 20-30 city positions. As difficult as that is, the state’s actions leave us no choice. This will reduce our labor force by 10-20 percent, which is on top of the 25-percent labor force reductions that have occurred since 2009. In order to minimize the number of positions eliminated through layoffs, the city also approved a two-year retirement incentive.

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Highlighting a Local ‘Green’ Business: Phibro-Tech

You may not know it, but Dice Road is home to a unique recycling business—Phibro-Tech. For nearly 30 years, Phibro-Tech has been recycling etchants for the printed circuit board industry and manufacturing chemicals used by wastewater treatment plants. For some of the chemicals it recycles, Phibro-Tech is the only recycler left in California, after the mass exodus of the semiconductor and electronics industries in the last decade resulted in the closure of many of its competitors.

As a result, Phibro-Tech serves as an important service provider to other local businesses, such as automotive and airplane parts manufacturers, who would otherwise look to recyclers outside of the area, or choose other “non-green” options for disposing of their wastes.

It can be said that Phibro-Tech was “green” before “green” was in. Today, Phibro-Tech recycles over 95 percent of the materials it receives, and the remaining material is disposed of responsibly. To achieve this green result, Phibro-Tech employs 65 people, many of whom live in or within a few miles of our community. Just in the last year, Phibro-Tech added 15 new jobs at its plant.

Of its business over the last 30 years in Santa Fe Springs, David Thaete, Environmental Health and Safety Manager for Phibro-Tech, said “our clients rely on us to deliver top-quality products. We work hard to meet their expectations and to earn our place as a responsible and green business in the community.”

Regulated by local and state agencies, Phibro-Tech is currently renewing and updating its permit with the state agency charged with its regulation. As part of Phibro-Tech’s permit renewal, it is seeking to add a new recycling process—recycling of oily water—to its existing operations. By doing so, Phibro-Tech could meet a need for other local businesses who seek oily water recycling, and would add between six and 12 new jobs at the plant.

“Oily water is a by-product of many automotive industries, like body shops and dealerships, which are plentiful in Southern California,” says David Clark, Plant Manager.

It’s not just work at Phibro-Tech, though. Phibro-Tech employees are active members of our Santa Fe Springs community. They contribute to our quality of life through their participation in community events and fundraising for local organizations.

Phibro-Tech employees are active in Relay for Life, the Soroptomist Santa Fe Springs, local mentoring programs, the Industrial Advisory Council, and of course with the Chamber.

David Thaete, Environmental, Health and Safety Manager, serves as the secretary and co-chairman of the Southeast Community Awareness and Emergency Response (CAER) Group, which provides emergency response training and resources to the local community.

Phibro-Tech’s future appears to be bright, with its expansion into oily water recycling, and continuing its current work as one of the only local chemical recyclers serving businesses. As Phibro-Tech continues through the process of a new permit from the State of California and the City of Santa Fe Springs, the Santa Fe Springs Chamber urges the local community to show its support for one of our long-time local businesses—Phibro-Tech.

Call the Santa Fe City Council today and let them know you support Phibro-Tech and its plans to continue to operate in our community.

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years attributed to the vitality of Santa Fe Springs and since its incorporation, made this city the thriving business community that it is, has forever changed us as well as the way we will conduct business.

The proof of the success of redevelopment and the positive way it was used in Santa Fe Springs is evident in the attractive transportation corridors, thriving businesses, and multitude of high-paying jobs that this community benefited from for decades. The proposed cost-saving solutions are difficult, but necessary, measures to remain fiscally sound and operationally sustainable.

The state can take local monies away, and change the way we do business to keep our city the thriving community which we are proud of, but one thing that will remain unchanged, is the city’s commitment to serving the needs of this wonderful community.

It may look and feel different, but providing the best service to the public, remains at the top of the city’s priorities. We encourage the community to continue to support each other, as it has done through trying times in the past, so that we may prevail and continue to progress as a community.