



# MEMORANDUM

Agenda Item #: 16  
Meeting Date: October 22, 2019

**TO: HONORABLE MAYOR AND CITY COUNCIL**

**FROM: CAROLYNN PETRU, INTERIM CITY MANAGER /s/**

**SUBJECT: UPDATE AND DISCUSSION OF THE ACTIVITIES OF THE  
PENSION AD HOC COMMITTEE AND THE POLICE  
OPERATIONAL AD HOC COMMITTEE**

**DATE: OCTOBER 22, 2019**

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## **ISSUE**

Shall the City Council receive updates from the Pension Ad Hoc Committee and the Police Operational Review Ad Hoc Committee, and provide any direction to them on their work going forward?

## **BACKGROUND/DISCUSSION**

On July 9, 2019, the City Council formed the following Ad Hoc Committees:

- Pension (Councilmembers Kemps and Lozzi)
- Police Operational Review (Mayor Kao and Mayor Pro Tem McGowan)

On September 24, 2019, Councilman Kemps requested a standing agenda item to receive updates from the two Ad Hoc Committees on their activities to date and an opportunity for the Council to provide direction to the Ad Hoc Committees regarding their work going forward.

Written reports from the two Ad Hoc Committees are attached for Council's consideration.

## **FISCAL IMPACT**

There is no fiscal impact associated with the adoption of this Policy.

## **NOTIFICATION**

The agenda for this meeting and for this item have been posted in the customary locations and in compliance with the Municipal Code.

## **ALTERNATIVES**

The following alternatives are available to the City Council:

1. Receive and file the updates from the Ad Hoc Committees.
2. Provide direction to the Ad Hoc Committee(s)
3. Request further information.

## **RECOMMENDATION**

It is recommended the City Council receive updates from the Council Ad Hoc Committees, discuss the status of their work, and provide any direction Council deems appropriate.

## **ATTACHMENTS:**

- A. Update from Pension Ad Hoc Committee
- B. Update from Police Operational Review Committee

## **Palos Verdes Estates Pension Ad Hoc Committee**

### **PURPOSE**

Palos Verdes Estates City Council established an ad hoc committee to take a look at the impact of public pension debt upon the city and to work with stakeholders to examine options to address this debt in a meaningful way in order to stabilize the budget forecasts and ensure retirement security for all employees past, present, and future.

The Pension ad hoc committee consists of:

- Councilmember Victoria Lozzi
- Councilmember Michael Kemps

Supported by Consultant: Pete Constant, RSI

### **STATUS UPDATE**

#### **Initial stakeholders' meetings**

The committee's work began with an effort to reach out to employees, retirees, management, taxpayers, residents, and other interested parties. These meetings were designed to inform, answer questions, and seek input. All viewpoints were welcomed, and stakeholders were encouraged to participate throughout the process.

On September 12, 2019, presentations were made to the following groups:

- POA board members and their attorneys
- PSE board members
- General employees
- Executive Staff
- Retirees
- Residents and other interested stakeholders

[\(link to presentation\)](#)

#### **Ad Hoc Committee ongoing meetings**

The committee invited the following stakeholders to join the committee in a broader exploration of the issue and participate in a series of scheduled meetings:

- Arif Haji (Resident, FAC member)
- Desiree Myers (Resident)
- George Kay (Resident)
- Robert Parke (Resident)
- Dawn Murdock (Resident)
- Luke Hellinga (Executive Staff representative)
- Steve Beard (PSE Union representative)
- Charles Reed (POA Union representative)

- Brianna Rindge (General Employee representative)

Karina Bañales and Sharon del Rosario have been providing staff support for the committee's work.

#### **September 23, 2019 Pension Ad Hoc Stakeholder Committee meeting**

The committee reviewed its purpose, initial work plan, and process. The initial meeting focused on problem identification, a review of how other agencies have approached the issue, a brief review of legal constraints, and soliciting direct feedback from attendees on their personal perspectives on the issue, their concerns with the status quo, their concerns with potential outcomes, and technical questions they had about pension funding or resulting budgetary impacts.

#### **October 16, 2019 Pension Ad Hoc Stakeholder Committee meeting**

The second meeting began with a brief review of purpose, process, and open items from the first meeting. The committee recapped the overall issue and impact, including information received directly from CalPERS on CalPERS fees for administration and investments, as well as how they calculate interest on outstanding pension debt.

The stakeholders discussed increasing transparency of the Committee's progress. It was suggested that a webpage on the City site be linked to provide minutes, options, timeline, status, and members. Information should be simple, easily digestible, and clear around the problem and impact to the city, employees and residents.

Numerous potential options were made by the stakeholders and are being assembled.

#### **Future Pension Stakeholder Ad Hoc Committee meetings:**

- November 4, 2019 - Solicit Stakeholder Concerns/Initial Solicit Stakeholder Ideas/Suggestions
- November 20, 2019 - Analyze/Review Stakeholder Ideas/Suggestions
- December 2, 2019 - Create Menu of potential options/ Recommend policy option(s) from menu
- December 9, 2019 – Reserved if additional meeting time needed

**Status Report**  
**Police Operational Review Ad Hoc Committee**  
**October 22, 2019**

On July 9, 2019, City Council established an Ad Hoc Committee to review the operations of the Police Department, consider the recommendations included in the 2017 Lewis-McCrary Study, and to provide recommendations to the City Council on ways to streamline operations, gain efficiencies and reduce costs while maintaining high quality of law enforcement services for the City.

The members of the Ad Hoc Committee are:

- Mayor Kenny Kao
- Mayor Pro Tem David McGowan

Interim City Manager Petru and Police Chief Velez are providing staff support to the Ad Hoc Committee.

### **STATUS REPORT**

#### **Dispatch Services**

On August 12, 2019, the Ad Hoc Committee met with the staff at the South Bay Regional Public Communications Authority (SBRPCA) and toured the facility. Subsequently, the Interim City Manager sent a letter to the Authority on August 26, 2019, requesting a quote for services. Following the SBRPCA Board of Directors approval of a new cost allocation system on September 17, 2019, SBRPCA staff began work on the City's quote on September 26, 2019. As of October 14<sup>th</sup>, all call data and other requested information has been provided to SBRPCA and a tour of the City's dispatch facility was completed on the same day. A response from the SBRPCA is expected by the end of November 2019.

#### **Jail Services**

In September 2019, the City of Torrance and the Lomita Sheriff's Station were contacted to re-initiate discussion about out-sourcing jail services. The outsourcing is being considered possibly on a trial period basis to test the concerns raised in the Lewis-McCrary Study. The Ad Hoc Committee will be reviewing pricing information received from the Sheriff's Department, as well as information from the City of Torrance. The next step will be to set up meetings with the two agencies and possibly tour their facilities.

#### **Review of Remaining Services and Organization Structure**

The Ad Hoc Committee and staff identified and interviewed a potential consultant team in July/August 2019. Unfortunately, the timeline and pricing for this consultant did not align with the City's needs. Since that time, several other individuals have been identified and the Ad Hoc Committee is in the process of vetting through the candidates.