

NOMA Minutes
Thursday, March 2, 2017
Community Room, Montana Branch Library

The March 2, 2017 Meeting was called to order at 7:05 pm by the Chair Nancy Coleman. Board members present were Chair Nancy Coleman, Vice Chair Danilo Bach, Jeff Gordon, Todd James, Jane Koehler, Caryn Marshall, Sonya Fox Sultan, and Jim Williams. Absent were Treasurer Victor Fresco, Phyllis Dudick, and Evelyn Lauchenauer.

The Minutes for February 3, 2017 were approved with an amendment to correct the name of the speaker William Selby.

The Chair acknowledged a February 24, 2017 SMDP article about member Jules Lamm.

In the absence of the Treasurer, the Chair gave the Treasurer's Report showing \$12,900 in the NOMA bank account.

There was a brief discussion about whether to continue the social half hour at the start of each monthly meeting, and the need for volunteers to bring refreshments, such as water and cookies, to facilitate the social period, as the Chair has too many other NOMA responsibilities to continue bringing refreshments.

The main focus of the meeting was a Forum on salaries and pensions of employees of the City of Santa Monica.

Longtime Santa Monica resident Robert Gomez began the discussion by questioning why City salaries, including Police salaries, are so high, and also why the City's unfunded pension liability is so high. He recommended appointment of a 7 member citizen audit committee to look at pensions, salaries, and staffing issues.

Other panel members included City Police Chief Jacqueline Seabrooks, City Finance Director Gigi Decavalles-Hughes, City Human Resources Director Donna Peters, and City Council Member and Audit Committee Member Sue Himmelrich.

Council Member Himmelrich explained that when it comes to Police and Fire pay, the numbers often include extensive overtime, and that it is much cheaper to pay overtime to existing employees rather than hire new employees who would be entitled to pensions and other benefits. She also said that the State-wide public employee retirement system, CalPERS, is broken, and that we need a different approach to pension planning in California. She pointed out that both residents and businesses pay to support City services. For example, last year, business licenses fees brought in approximately \$31,000,000 and the \$14% hotel/motel Transient Occupancy Tax (TOT), one of the highest in the region, brought in \$51,000,000. Ms. Himmelrich agreed that concerns about salaries and pensions are valid and stated that the City's auditors are charged with looking at those issues but you can't just go out and fire people.

Police Chief Seabrooks, who explained that she has been a police officer for 36 years, and a police Chief for 10 years, stated that efforts have been made to cut costs, such as the consolidation of Police and Fire communications, and in the 4 ½ years since she became Chief in Santa Monica, the Dept has come in under budget each year. She also said there is a vital need for officers to be highly trained and experienced in handling complex homelessness issues, responding to the area-wide rise in property crimes, and effectively policing and protecting residents and the wider public throughout the City.

City Finance Director Decavalles-Hughes responded to questions about why the City stays in the CalPERS system if it is broken by explaining that leaving CalPERS would result in a penalty so high it would rival the cost of the City's unfunded pension liability. She also stated the following: State Law, as interpreted by the California Supreme Court, prohibits the reduction of pension promises previously made to existing employees; A 2013 State-wide pension reform law made changes which will help to reduce pension liabilities going forward. There is a five year minimum for City employee pensions to vest; In 2007, City employees began contributing 25% to their pensions; and, Under recent contracts, new hires fall into a second tier with lower pensions. For more information, residents can go to the City of Santa Monica website, click on "Finance Department", scroll down to "Transparency", and click on the links to read details of the City's pension costs and a great deal of other financial data.

Personnel Director Peter responded to questions about why there are so many City employees, including lawyers, by pointing out that the City handles its own misdemeanor prosecutions, rather than contract them out as most smaller cities do, and that, unlike most cities, Santa Monica operates a municipal airport, a public bus system, public beaches, etc.

Many NOMA members asked questions and made comments during the meeting, which resulted in a lively and at times heated discussion, ending only when Library closing time approached.

The next meeting is scheduled for April 6, 2017, at the Montana Branch Library.

The meeting was adjourned at 7:50 pm

Submitted by Sonya fox Sultan, Board Member