

NOMA Meeting

May 2, 2019

Montana Branch Library, Community Meeting

17th and Montana

6:30 – 7:00 Social Time

7:00 Call to Order

- I. Board Members Attendance: Nancy, Danilo, Jeff G, Jim, Ann, Jeff B, Todd
- II. Board Members Absent: Evelyn, Steve, Victor, Phillis, Sonya, Derek
- III. Member Attendance: 20
- IV. Approval of Previous Minutes
 - A. Unanimously approved
- V. Announcements
 - A. A second NOMA newsletter this year will be sent between 5/15-6/30. The city communications department has indicated that community communications are not a priority. This may impact our membership.
 - B. On May 1st, the planning commission heard an appeal for a hedge variance at 21st Place & Alta. The commission took the advice of the zoning administrator and decided that the variance will not be granted.
 1. Three additional hedge variance requests are scheduled for the next zoning meeting on May 14th. NOMA members are welcome to attend.
 - C. At the next Coastal Commission hearing, construction of a 11,952 square foot house at 220 Adelaide will be considered. Date of the hearing is unknown at this time.
 1. Member Question: Will NOMA be taking a formal position on this matter?
 - a) Nancy Answer: We would have to do research on this subject and understand the rules of the coastal commission.

2. Jeff G Question: Was this approved by the city? (Yes, it is later learned that the previous house has already been demolished.)

a) Nancy Answer: This information is not included in the announcement.

D. A storage locker may be needed for NOMA materials.

VI. Treasurer's Report

A. Approximate balance \$9,850

VII. Volunteers needed for the Summer Solstice, Membership and other assignments.

A. Make Music Day on June 21st. The city has not confirmed the event yet.

VIII. Update on the Interim Zoning Ordinance on R 1 Technical Advisory Group: Robert Posek.

A. Since our last meeting, the city planning department held their final meeting of the R 1 Technical Working Group. The topic of discussion was parcel coverage, design review, remodel incentives, and others.

B. The next step involves community outreach. Round table discussions will be held at the civic center. The first meeting will be held on May 18. The second (in the morning) and third (in the evening) will be held on May 21st. These meetings are an important opportunity for residents to determine the future of our neighborhood.

C. Ann Question: Will we have the ability to provide feedback online?

1. Bob Answer: Likely no.

D. Member Question: I have a guesthouse. It has bedrooms and bathrooms. A new ordinance says that if I have this secondary area, then the home size restriction does not apply to this area. Is this correct?

1. Nancy Answer: The answer is not clear due to differing state and local laws.

E. Member Question: Have ADUs been part of the discussion of the working group?

1. Bob Answer: They have not been part of the discussion of the working group because they were mandated by the state. As of now ADUs do not count toward lot coverage. The ordinance is not yet finalized.

2. Danilo Adds: A final decision has not been made on how much square footage of an ADU could be counted toward lot coverage. This can be determined by the city.

F. Ann Question: Will this affect our taxes?

1. Bob Answer: This is not certain at this time. My feeling is that the answer is “yes.”
 - G. Danilo Comment: The city is willing to take anecdotal input on this topic as on others, at the upcoming community sessions. The more experience that you can share, the better.
 1. Bob Adds: This is an important factor in the discussion.
 - H. Ann Question: Is the planning commission balanced in their views?
 1. Nancy Response: It depends on what the issue is.
 - I. Member Comment: Living next to one of these very large homes can impact one’s life significantly and negatively.
- IX. "Does Santa Monica have an unfunded Pension Liability problem and what are the best ways of dealing with it?" Discussion and Q&A with Gigi Decavalles-Hughes, SM Director of Finance, and Jim Williams, NOMA member and former city manager.
- A. Jim Williams
1. The city has an unfunded pension liability of \$467 million. This was accumulated by current and previous administrations. Seeing potential difficulty in dealing with this obligation, the city manager has taken on the task of dealing with this problem.
 2. Last year, a citizen committee was formed to determine the best path forward. The committee recommended to city council that the city pay down the debt in the next 13 years. This would have limited incursion into city services.
 3. Assuming that the city council adopts this plan, which seems likely, it will be the obligation of us, as citizens, to keep the city on track to follow the plan.
 4. Member Question: In a previous discussion on this subject, we discussed a modified pension benefit for new hires. Is this part of the plan?
 - a) Jim Answer: I’ll let Gigi address that in her presentation.
- B. Gigi Decavalles-Hughes
1. Pensions are part of a larger discussion to bring additional efficiency to the City’s financial strategy.
 2. Perspective: Santa Monica currently has ~\$448m unfunded pension liability. The city also has ~\$1.5bn assets on hand which is 2nd highest per capita in Southern California (Beverly Hills is first due to their small population).
 3. Reasons for the Unfunded Liability
 - a) Investment losses, enhanced benefits, CalPERS contribution policy, demographics.

4. Recent CalPERS Actions
 - a) Lower risk investments, curtailed enhanced benefits, responsive contribution policy, updated demographics.
5. Recent Santa Monica Actions
 - a) Employee cost sharing, lower benefit levels, expedited pay down of unfunded liability, earlier payment discount.
6. Options to Manage
 - a) Expedited pay-down schedules
 - (1) 13-year plan is under consideration. Paying an additional \$4m/yr saves \$106m over 30 years.
 - b) Supplemental Trust
 - (1) The savings here do not reach the levels seen with the expedited pay down strategy.
 - c) Projected payment of 13 years could shift to a 15-year payment plan should any financially difficult years present themselves.
7. Member Question: Does the employee pay for these benefits while they are working?
 - a) Gigi Answer: It varies based on type of employee.
8. Member Question: Could we leave CalPERS?
 - a) Gigi Answer: This would cost \$2bn.
9. Member Question: Why do city pension benefits seem to benefit people more than social security benefits other citizens?
 - a) Jim Answer: My opinion is that the city does favors for employees by raising their benefits.
10. Nancy Question: Some cities have an occupancy tax on non-residents who only work in the city. Has the city explored options like his?
 - a) Jim Answer: I don't know if this has been studied by the city. Alternative revenue streams are certainly being explored by the city. Rick Cole may be open to your ideas.
11. Danilo Question: Will there be a determination of which city programs should be "trimmed?"
 - a) Gigi Answer: Yes. Over a six-year period, we will focus on cutting costs, capturing revenues, and realigning city programs based on participation. Details are included in the staff report. A task force which includes citizens has been requested.
 - (1) The next meeting, a budget study session, will be on June 5th in council chambers. It is open to the public. There will be a subsequent meeting on June 25th.

12. Nancy Question: When would these changes take place?

- a) Gigi Answer: We target 2020 as the first year to begin changes.

13. Additional Information

- a) Update on methods to manage Santa Monica's unfunded pension liability:

<https://www.smgov.net/departments/council/infoitems.aspx>

- b) Strategic budget direction for the FY 2019-2021 proposed biennial budget:

http://santamonicacityca.iqm2.com/citizens/detail_meeting.aspx?ID=1208

- C. SB50, authored by State Sen. Scott Wiener, D-San Francisco, would create a right for developers to buy a single-family home, knock it down and build a multi-story apartment building housing dozens of people on the same small lot, including R-1 lots. There would be no way for city government to object. A discussion of SB-50 will be held by the SMC Public Policy Institute May 9th.

X. Public Comments

XI. Adjournment 8:43 pm.

Next meeting will be June 6, 2019.
