

# PVE Measure E Post-Election Survey

Conducted May 4 to May 26, 2018

Results based on 154 responses

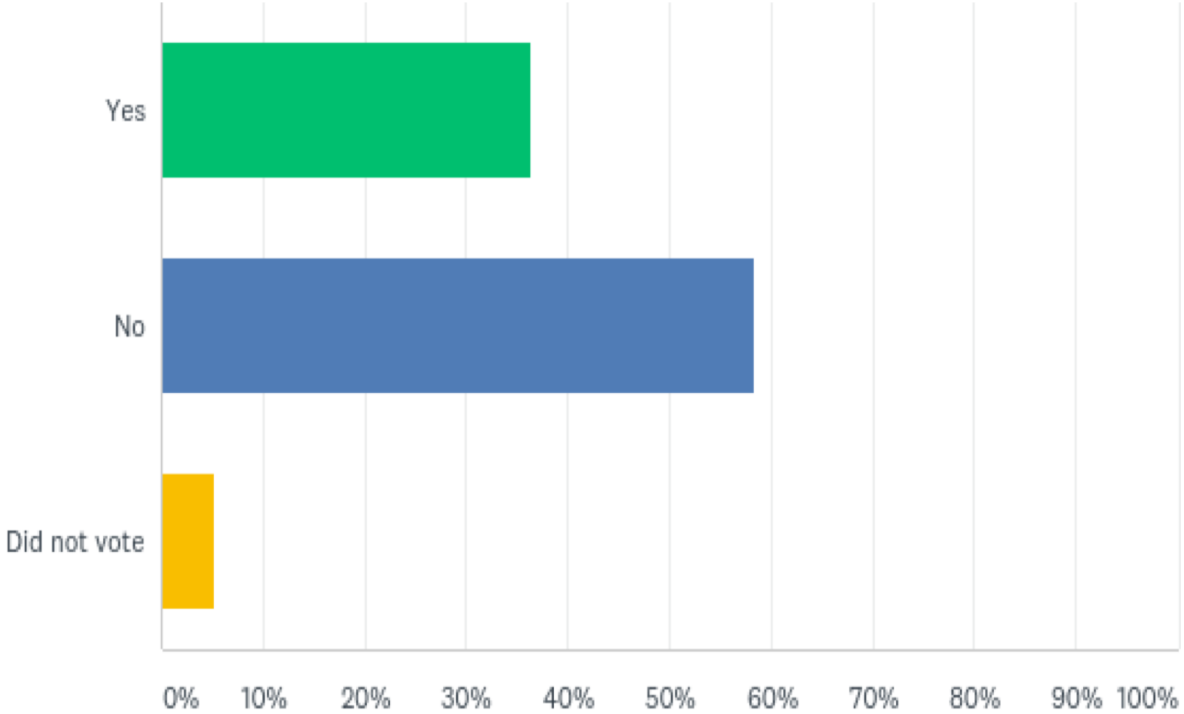
**Prepared by Palos Verdes Residents for  
Responsible Government**

**[www.pvrrg.org](http://www.pvrrg.org)**

# Background and Context

- Intent: To shed some light on public sentiment about the Election and provide that to the PVE City Council to assist them in considering next steps
- Timing: May 4, 2018 to May 26, 2017
- Method
  - Survey Monkey online poll
  - Announced in Nextdoor
  - Confidential – no attribution or IP address retained
  - Survey Monkey prevents any IP address from voting multiple times
- 154 Respondents

# Q1: How did you vote on Measure E?



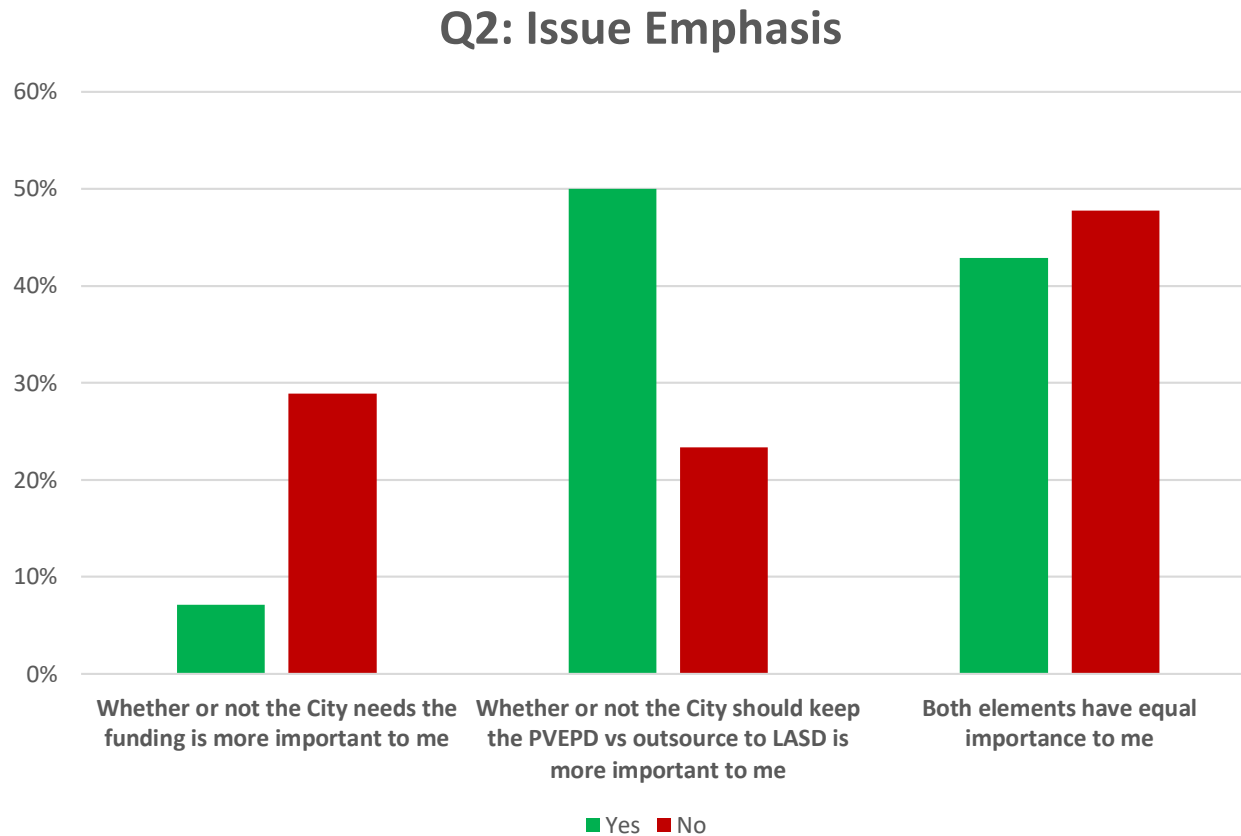
Takeaway:

- 56 “Yes” and 90 “No” are both reasonably sized samples

ANSWER CHOICES	RESPONSES	
Yes	36.36%	56
No	58.44%	90
Did not vote	5.19%	8
TOTAL		154

# Q2: Relative Importance Police v Funding

*Q2: Measure E tied two separate voter issues together into the one Ballot Measure – (1) Providing funding for the City and (2) a referendum on support for retaining the PVE Police Department (PVEPD). Please indicate the relative importance of these two separate elements to you by selecting one of the following:*

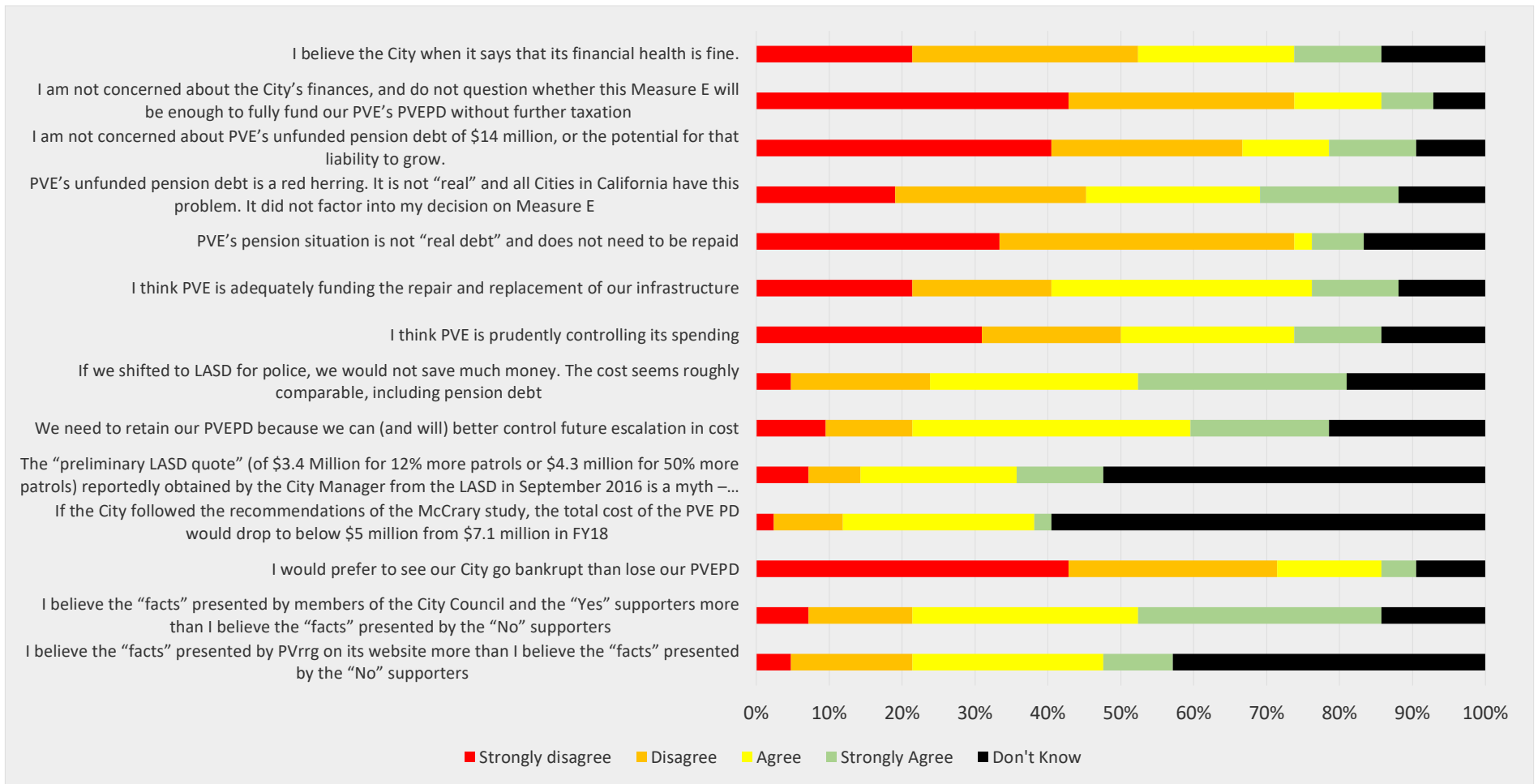


## Takeaway:

- About half cited equal importance
- “Yes” Voters focused more on Police
- “No” Voters focused more on need for Funding

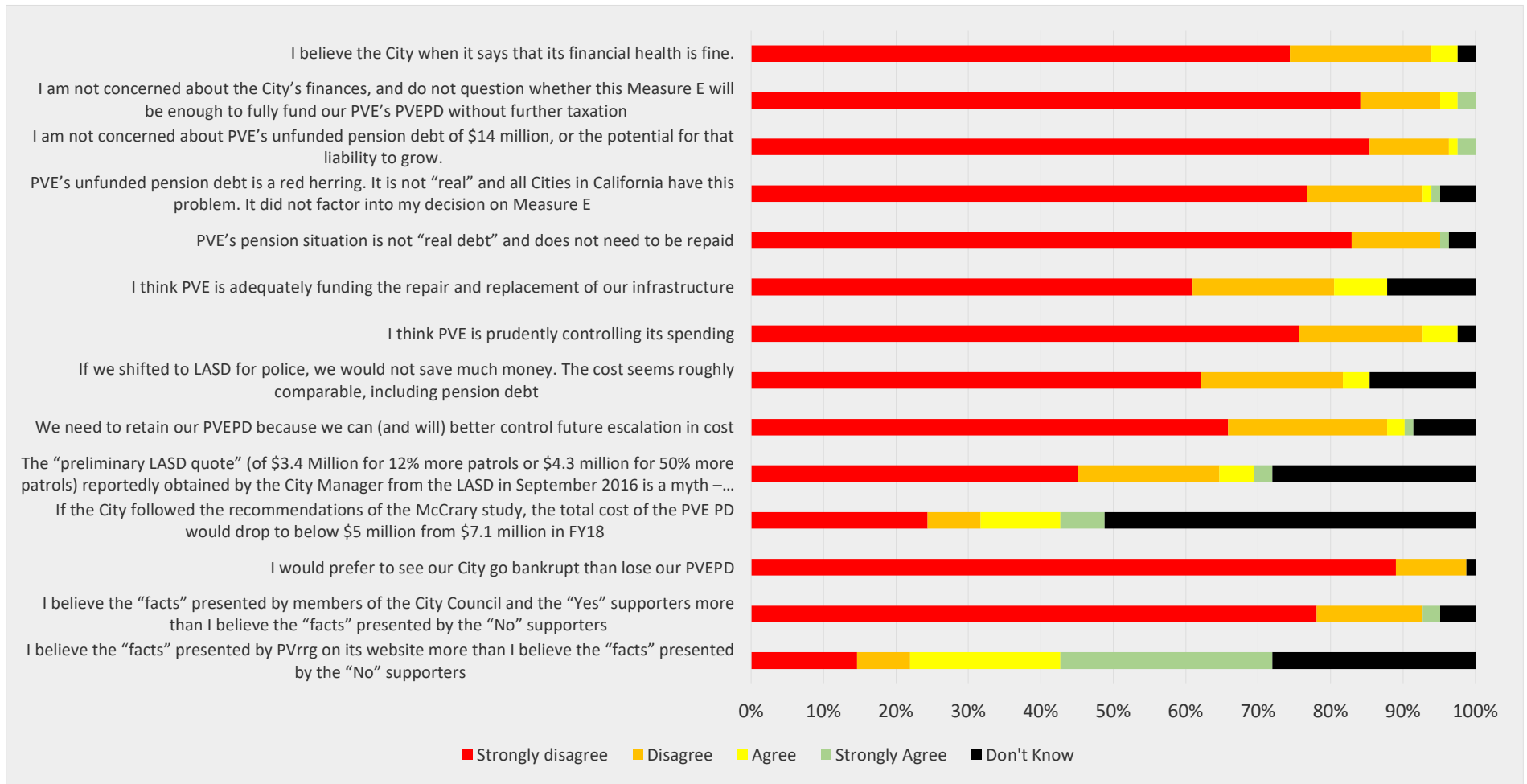
# Q3. View on Funding “Facts” (Yes voters)

*Q3. There was much debate over various “facts” presented by both “Yes” and “No” supporters. Please indicate the degree to which you agree or disagree with the following statements:*



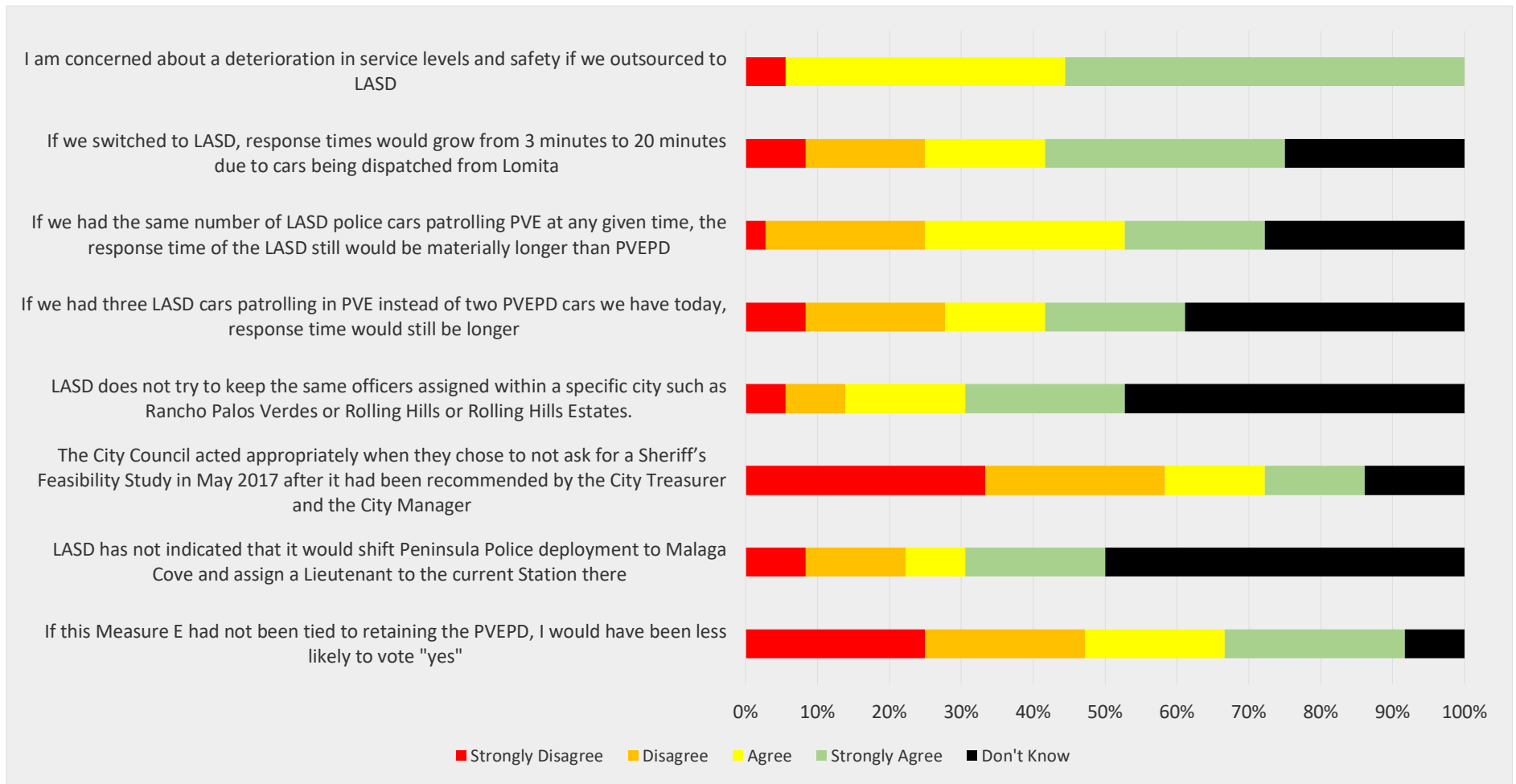
# Q3. View on Funding “Facts” (No voters)

Q3. There was much debate over various “facts” presented by both “Yes” and “No” supporters. Please indicate the degree to which you agree or disagree with the following statements:



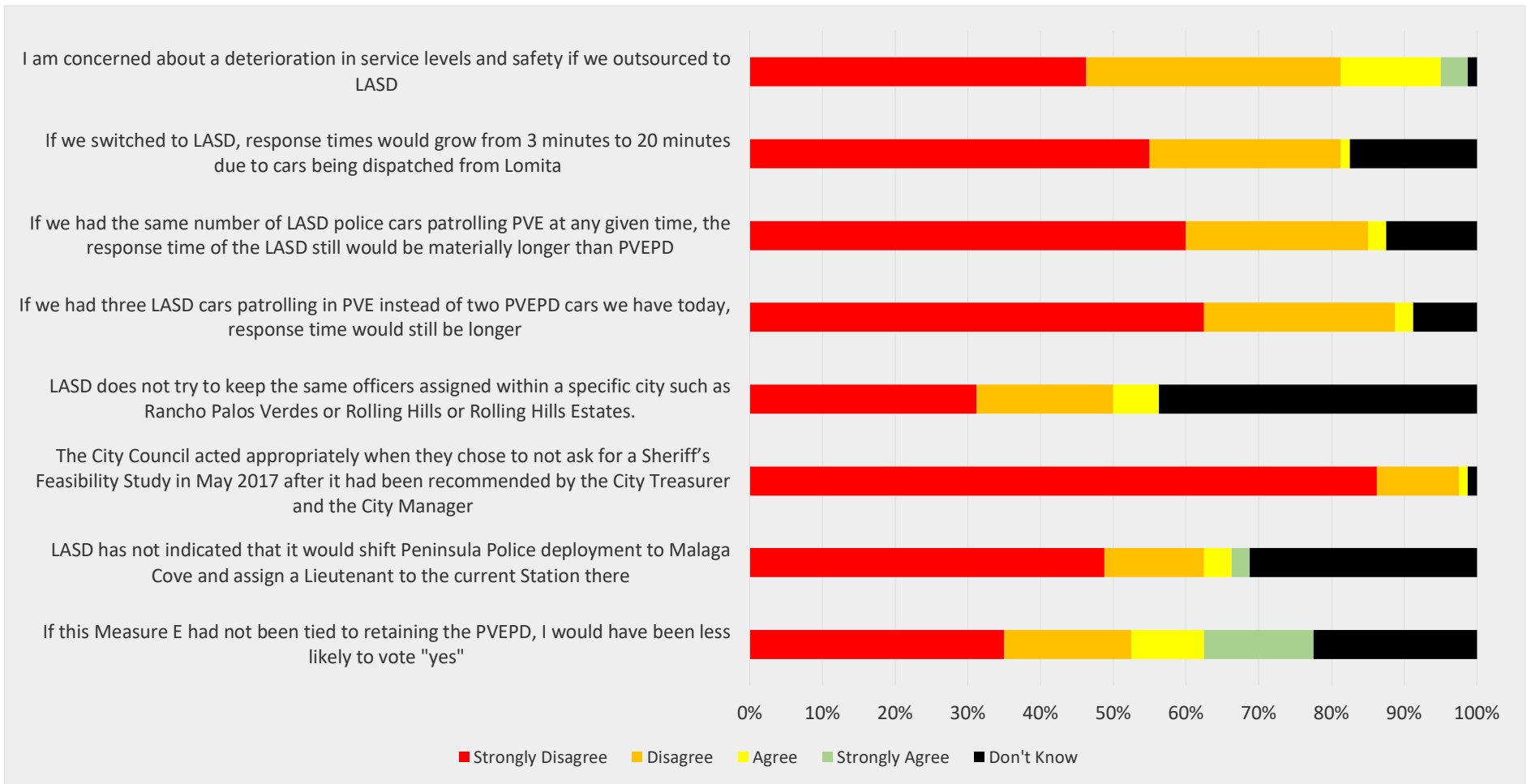
# Q4. View on Police “Facts” (Yes voters)

*Q4. Please indicate the degree to which you agree or disagree with the following statements:*



# Q4. View on Police “Facts” (No voters)

*Q4. Please indicate the degree to which you agree or disagree with the following statements:*

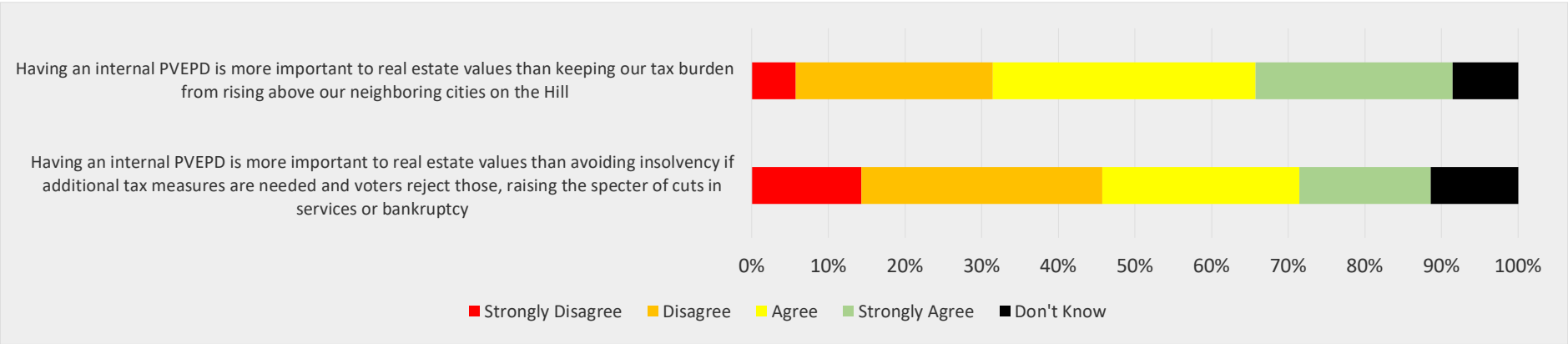




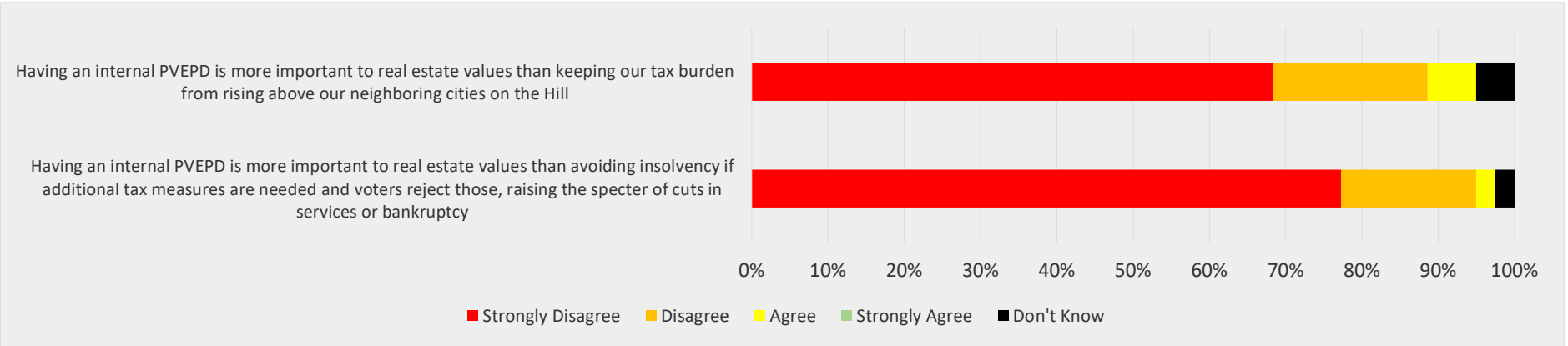
# Q5.Perceptions on Real Estate

*Q5. Please indicate the degree to which you agree or disagree with the following statements:*

## “Yes” Voters

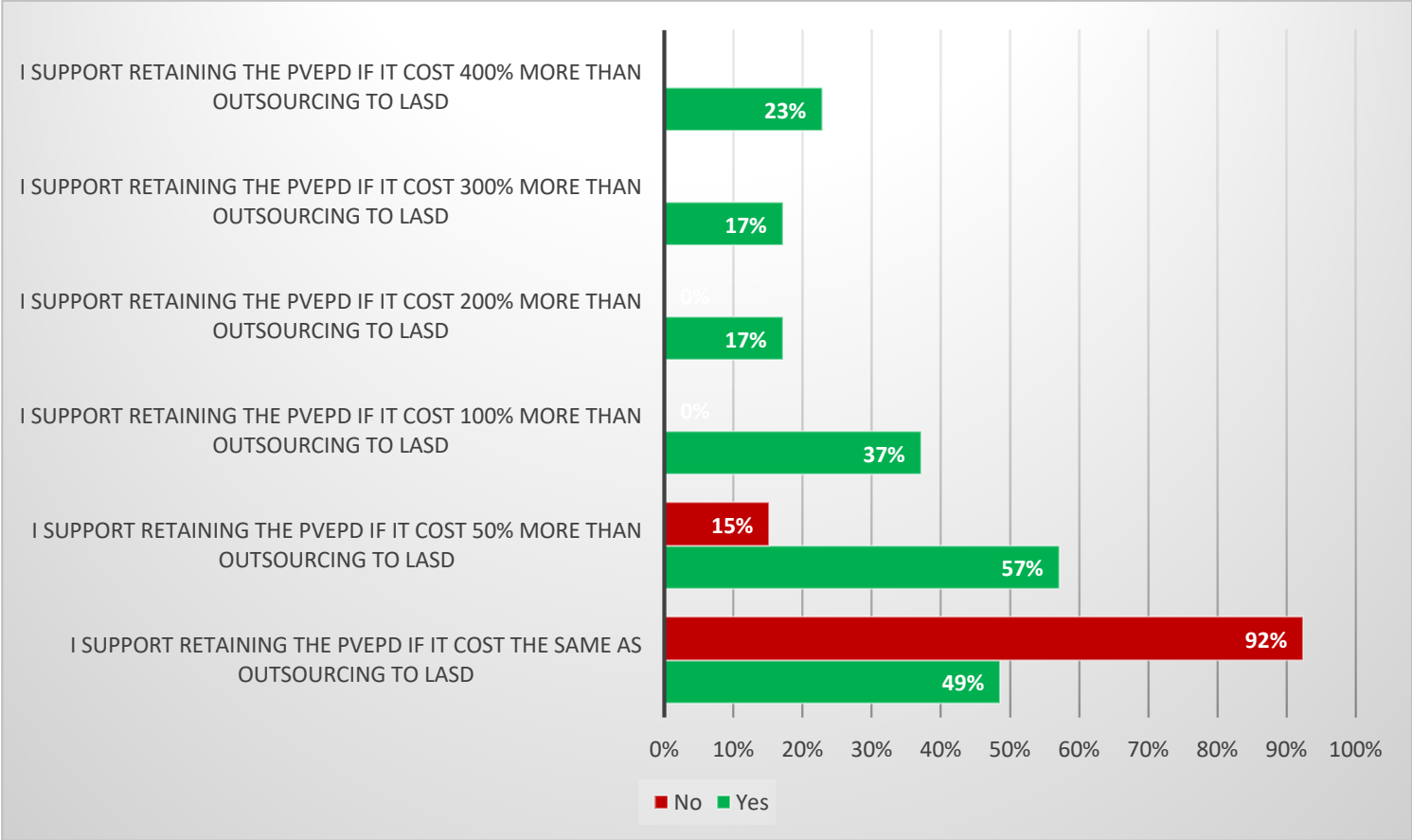


## “No” Voters



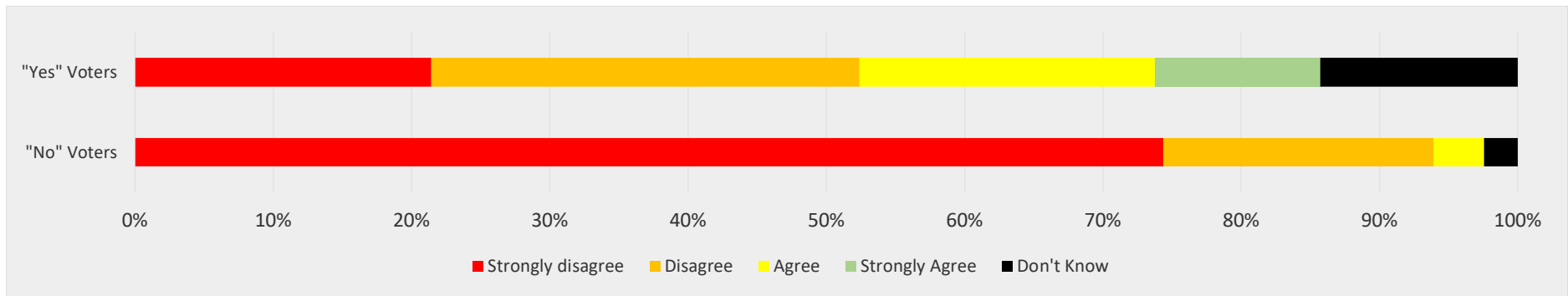
# Q6. Willingness to Pay Premium

Q6. One of the questions left unanswered is how much of a premium would citizens be willing to pay to retain PVEPD. Please check all that apply:

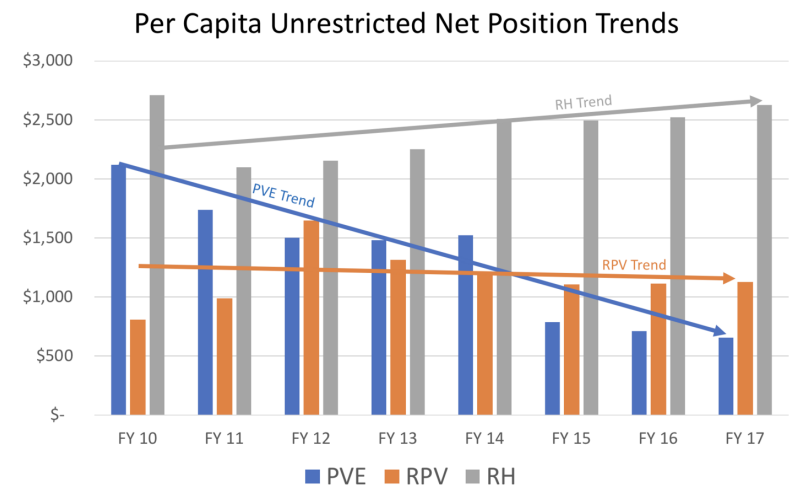


# Fact Checking – Funding “Facts”

*“I believe the City when it says that its financial health is fine”*

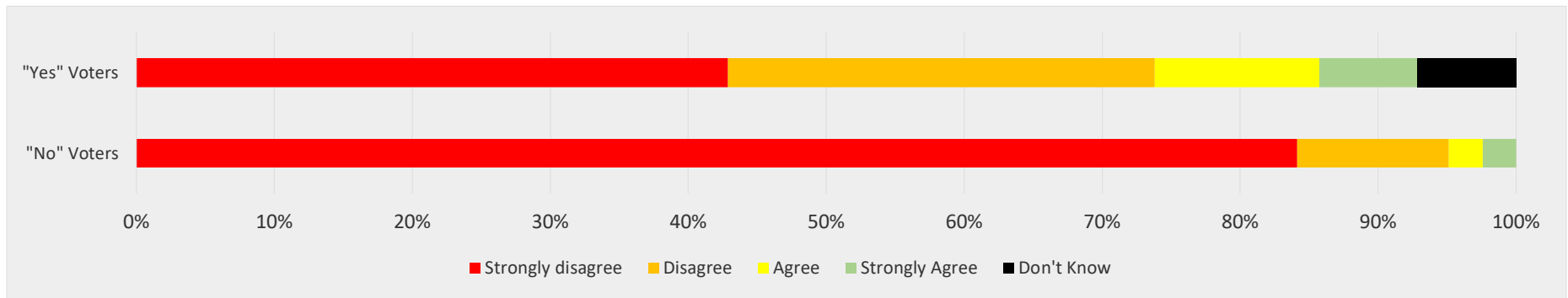


- PVE City Council has been asserting that they have not been running deficits because the general fund is balanced each year
- However, there are many signs of eroding financial position ([click here](#) for details and links to the City’s Comprehensive Annual Financial Report)
  - Since 2010, PVE's Net Position has declined by \$30 million
  - Expense growth has surpassed revenue growth
  - Unfunded pension debt has increased to \$14 million from \$0 in FY 15
- This erosion is worse than our neighboring cities
- Using the League of California Cities’ “California Municipal Financial Health Diagnostic” tool ([click here](#)), shows deficits for PVE of \$4.8 Million in FY 15, \$4.3 Million in FY16, and \$6.7 Million in FY17



# Fact Checking – Funding “Facts”

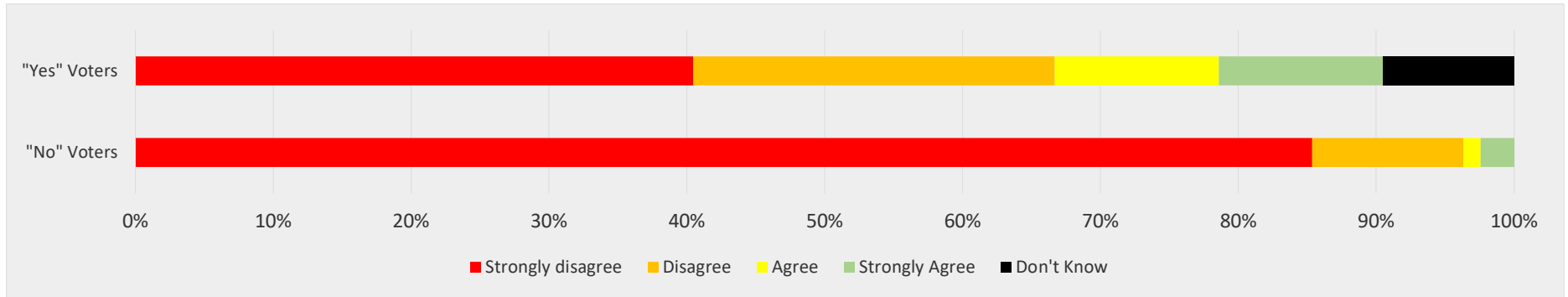
***“I am not concerned about the City’s finances, and do not question whether this Measure E will be enough to fully fund our PVE’s PVEPD without further taxation”***



- PVE Police Department was \$7.1 M in FY 17, and budgeted for 7.5 M in FY 18. It has been growing at 5.9% per year ([click here](#)). This does not include the \$10.7 M of Pension Debt assumed for the PVE PD since FY15; \$2.7 M of this was in FY17 ([click here](#) for more info on pensions)
- Measure E will raise \$5 M per year for the next nine years, and has no escalation clause
- If PVE PD expense continues to grow at 5.9%, and pension debt increases \$2 M per year, that is a shortfall of \$54 m over the next 9 years

# Fact Checking – Funding “Facts”

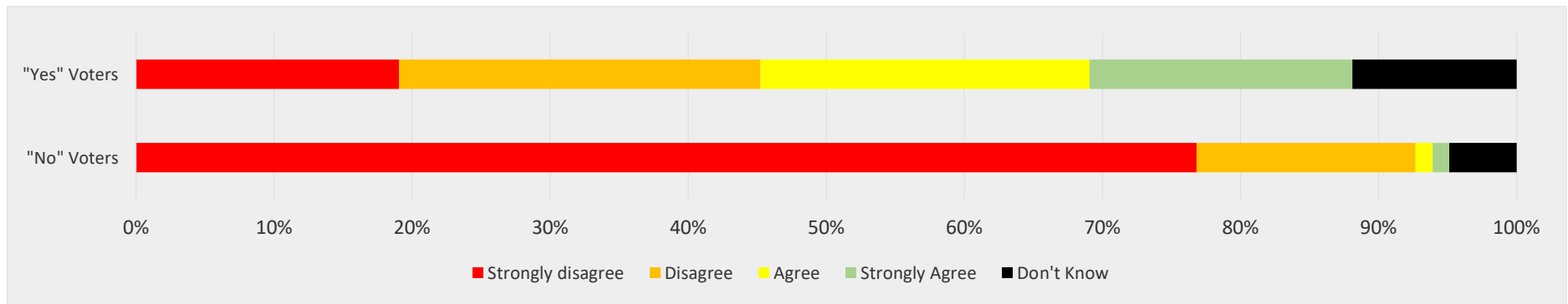
***“I am not concerned about PVE’s unfunded pension debt of \$14 million, or the potential for that liability to grow”***



- Cities were required due to GASB 68 to record Pension Liability (Unfunded Accrued Liability) in the CAFR. This was an initial \$8.1 M in FY15. Since then, it has grown to \$13 M as of June 30, 2017, and another \$1 M since then to \$14 M. \$3.7 M of this increase was in FY17. The portion of the \$14 M tied to the sworn officers of the PVE PD is \$10.7 M; ([click here](#) for more info on pensions)
- For discussion of the factors that will likely cause this debt to increase, [click here](#).
- PVE is paying less than the 7.5% interest owed each year on this debt (\$1.05 M), so the principal is growing

# Fact Checking – Funding “Facts”

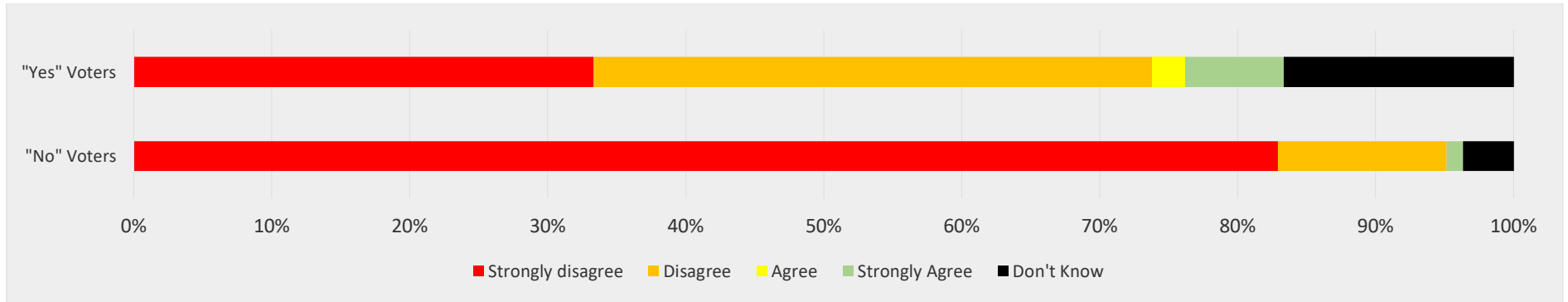
***“PVE’s unfunded pension debt is a red herring. It is not “real” and all Cities in California have this problem. It did not factor into my decision on Measure E”***



- Investopedia defines “debt”(click here) as *“an amount of money borrowed by one party from another. Debt is used by many corporations and individuals as a method of making large purchases that they could not afford under normal circumstances. A debt arrangement gives the borrowing party permission to borrow money under the condition that it is to be paid back at a later date, usually with interest.”*
- In this case, PVE has an obligation to pay future pensions of retirees and the difference between the value of the fund currently and the AAL (Accrued Actuarial Liability) is a debt that PVE has to CalPERS amounting to about \$14 million. We pay interest as well as some principal each year on that obligation.
- Yes, there is an unlikely chance that CalPERS will start consistently exceeding its 7.5% target, but any reasonable person would conclude that is not likely given that we are closer to a cyclical high in the stock market than a cyclical low. CalPERS has been averaging 4.4%/year for the last decade

# Fact Checking – Funding “Facts”

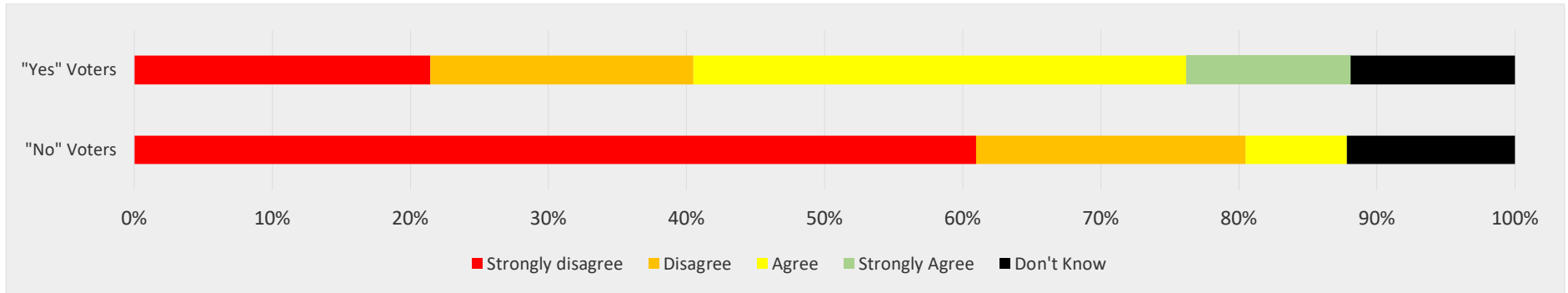
***“PVE’s pension situation is not “real debt” and does not need to be repaid”***



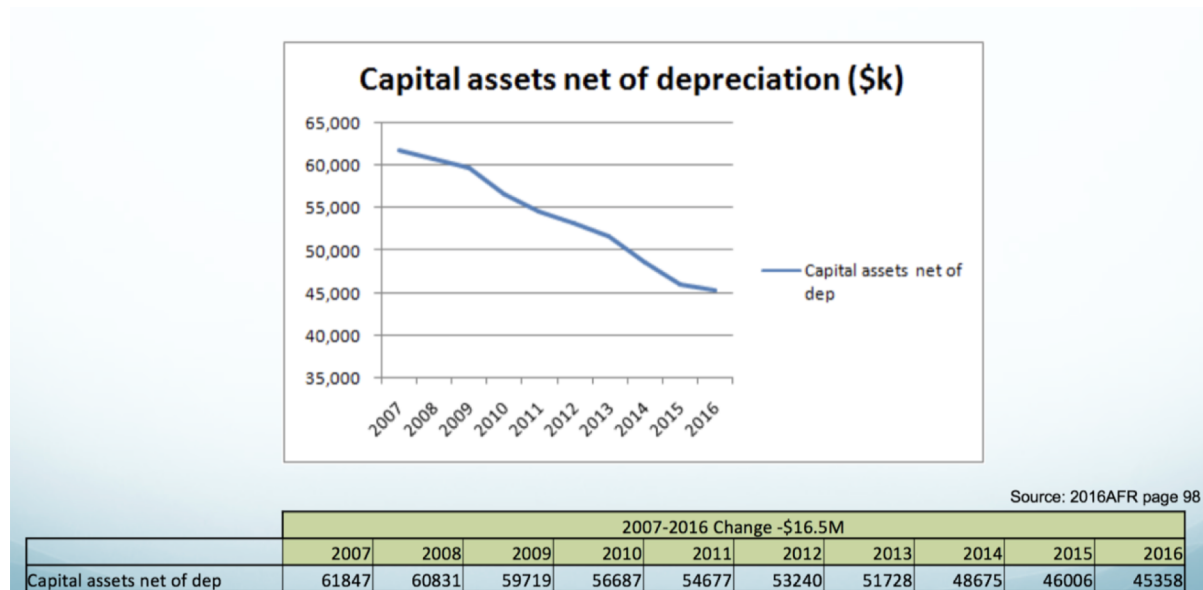
- CalPERS has assessed PVE for Unfunded Pension Liability of \$14 M, and it is real debt and must be repaid over the next 30 years.
- However, CalPERS has recently shortened the payback period to 20 years, meaning the annual payment will be increasing sharply

# Fact Checking – Funding “Facts”

*“I think PVE is adequately funding the repair and replacement of our infrastructure”*



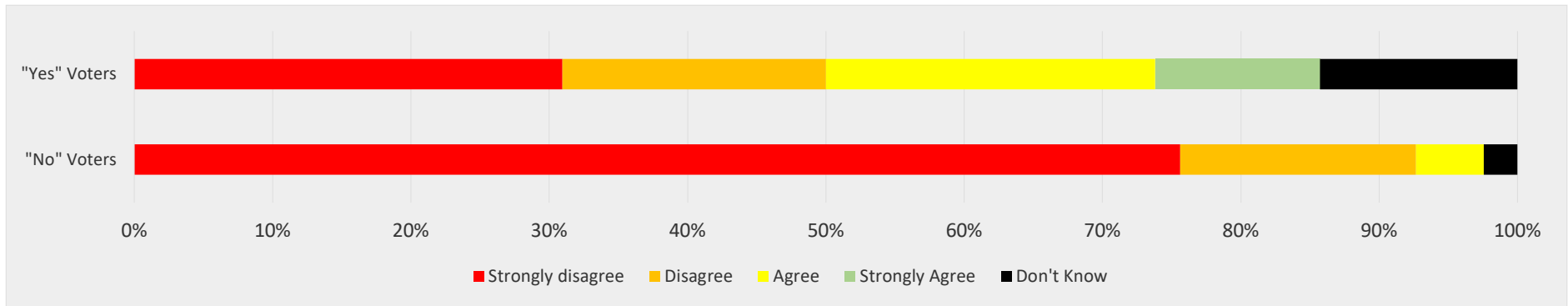
- Net Capital Assets deteriorated \$19.2 M from \$61.9 M in FY 07 to \$42.7 M in FY 17





# Fact Checking – Funding “Facts”

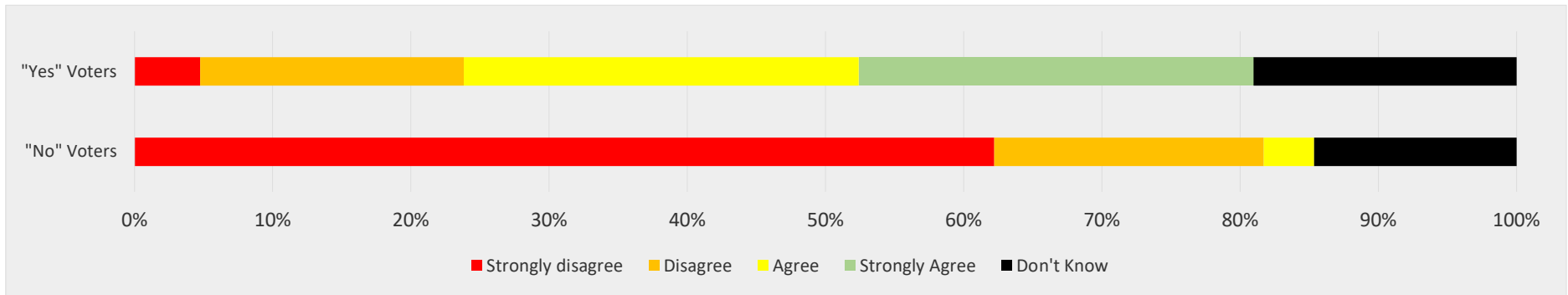
*“I think PVE is prudently controlling its spending”*



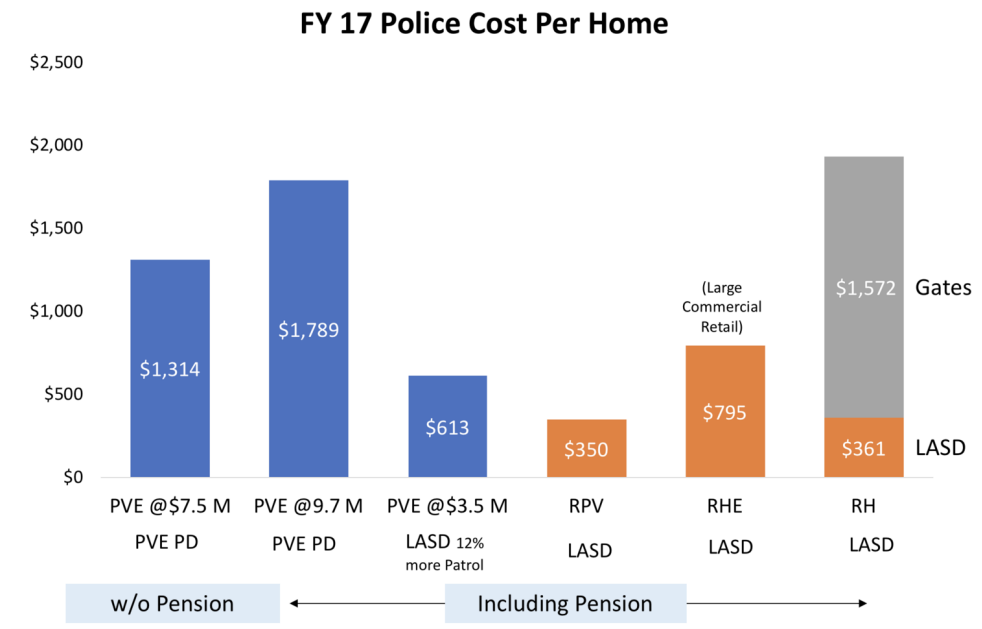
- For more information on PVE’s spending patterns, [click here](#).

# Fact Checking – Funding “Facts”

*“If we shifted to LASD for police, we would not save much money. The cost seems roughly comparable, including pension debt”*

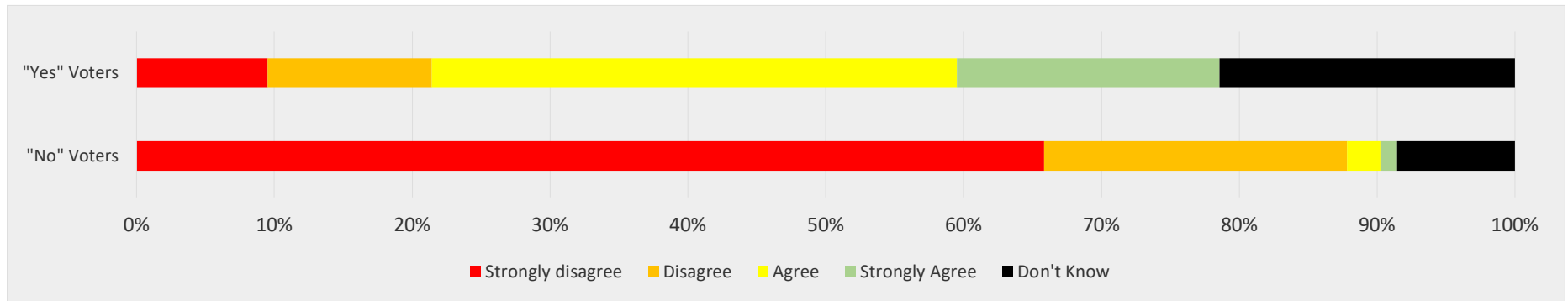


- The Preliminary quote received from LASD was \$4.5 M for 50% greater patrol car coverage. This compares to about \$10 M we are paying for PVE PD, including the annual increase in pension debt related to the PVE PD.
- For more information on the cost comparison, [click here](#).
- For LASD outsource option, there is no liability to PVE for past underfunded pension



# Fact Checking – Funding “Facts”

***“We need to retain our PVEPD because we can (and will) better control future escalation in cost”***



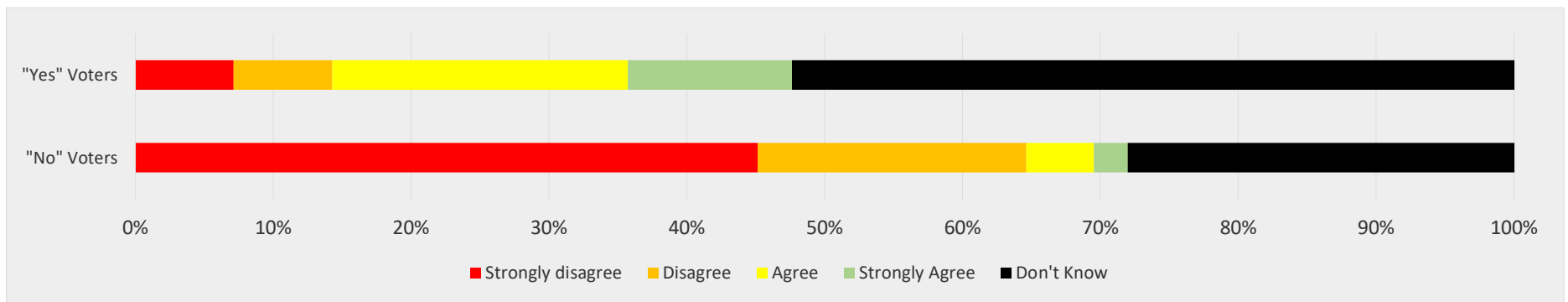
- Since FY 14, PVE PD growth of 5.9% per year has exceeded the 2.7% - 3.1% growth of our neighboring cities under contract with LASD



- For more info on historical spending, [click here](#).
- In January 2018, PVE City Council approved \$630k of spending cuts, but they are not reflected in the FY19 budget

# Fact Checking – Funding “Facts”

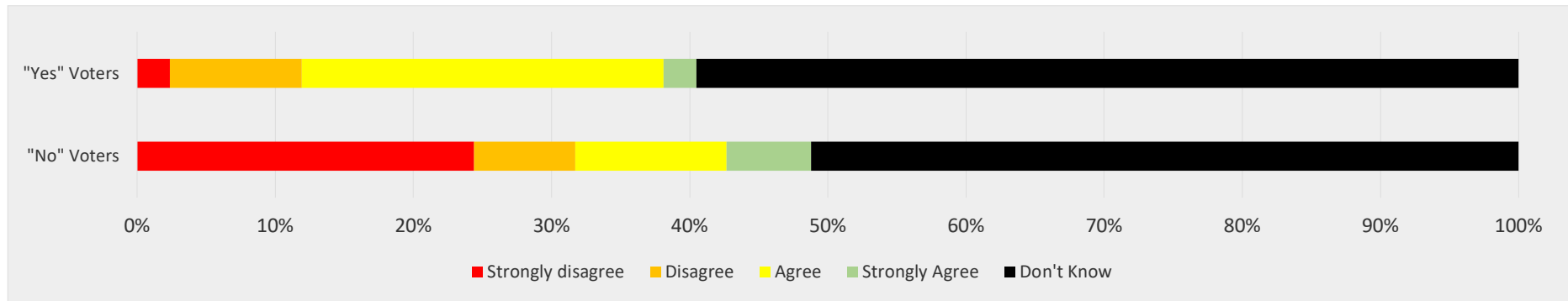
***“The “preliminary LASD quote” (of \$3.4 Million for 12% more patrols or \$4.3 million for 50% more patrols) reportedly obtained by the City Manager from the LASD in September 2016 is a myth –no such LASD quote exists”***



- In September 2016, PVE City Manager Tony Dahlerbruch obtained a quote from the LASD. [Click here](#) for the quote that the City provided on 3/23/17 in response to a California Public Records Request (CPRA) for "all information pertaining to the LASD Quote"

# Fact Checking – Funding “Facts”

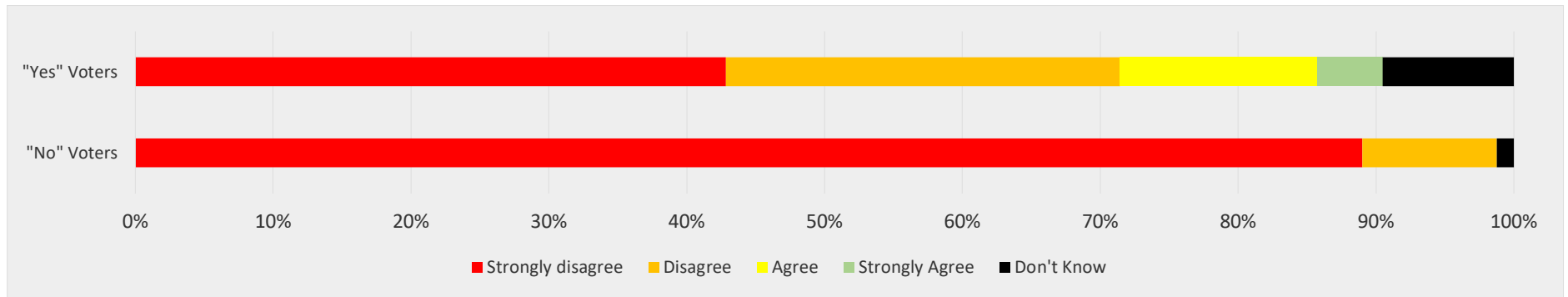
***“If the City followed the recommendations of the McCrary study, the total cost of the PVE PD would drop to below \$5 million from \$7.1 million in FY18”***



- On September 26, 2017, consultants Lewis McCrary Partners presented their PVE PD operation study with recommendations for improvement – [click here](#). Recommended savings on the \$7.5 Million budget were projected at about \$800,000
- At the same September 2017 City Council Meeting, PVE PD Union Rep Steve Barber stood up and said “The POA [Police Officers Association] is firmly opposed to any recommendation that involves police staff being cut.” For the video, [click here](#) and go to 3:08:00.
- The City Manager, the PVE PD Union Rep and the City Council rejected the McCrary recommendations which included such items as outsourcing the jail. To view that presentation, [click here](#) and go to 44:30. For the staff report, [click here](#).
- In May 2018, PVE released its first draft budget for FY18, and Police is \$7.1 M

# Fact Checking – Funding “Facts”

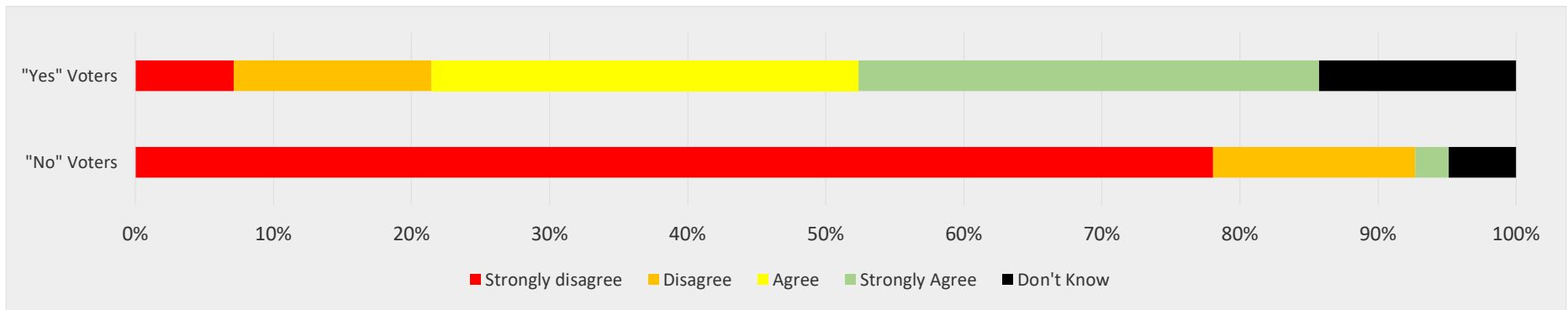
*“I would prefer to see our City go bankrupt than lose our PVEPD”*



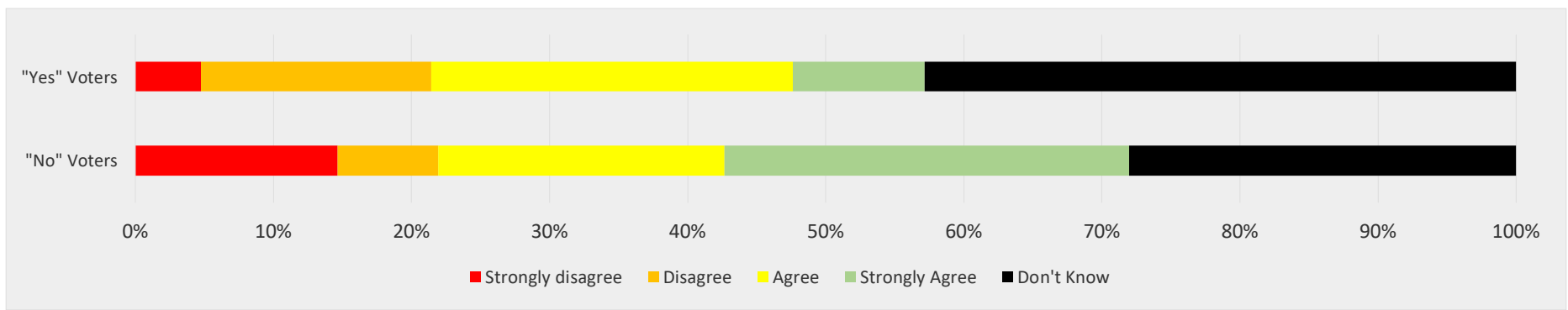
- This statement was made privately to several people by one of our City Councilmembers in 2017

# Opinions – Funding “Facts”

***“I believe the “facts” presented by members of the City Council and the “Yes” supporters more than I believe the “facts” presented by the “No” supporters”***

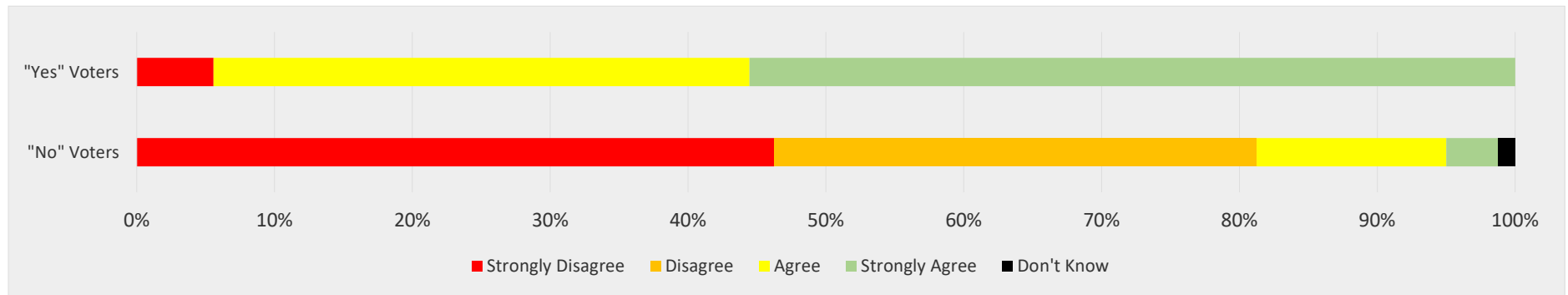


***“I believe the “facts” presented by PVrrg on its website more than I believe the “facts” presented by the “No” supporters”***



# Fact Checking – Police “Facts”

***“I am concerned about a deterioration in service levels and safety if we outsourced to LASD”***

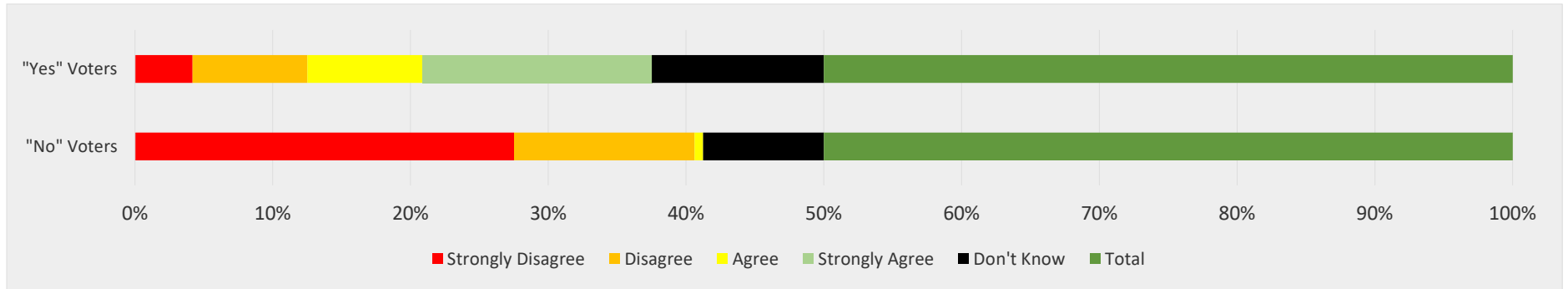


- For information on relative response times, [click here](#) and [here](#).
- For information on relative Police community service programs, [click here](#).
- For information on safety in our schools, [click here](#).



# Fact Checking – Police “Facts”

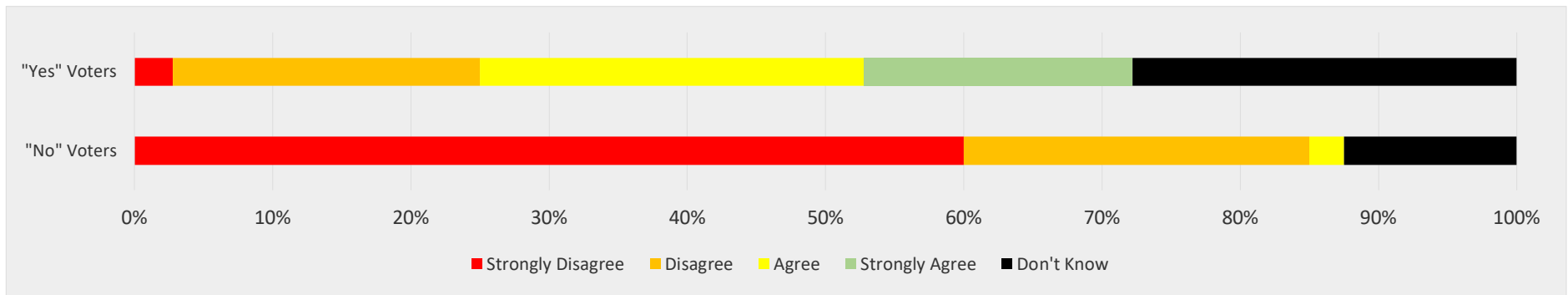
***“If we switched to LASD, response times would grow from 3 minutes to 20 minutes due to cars being dispatched from Lomita”***



- For information on relative response times, [click here](#) and [here](#).

# Fact Checking – Police “Facts”

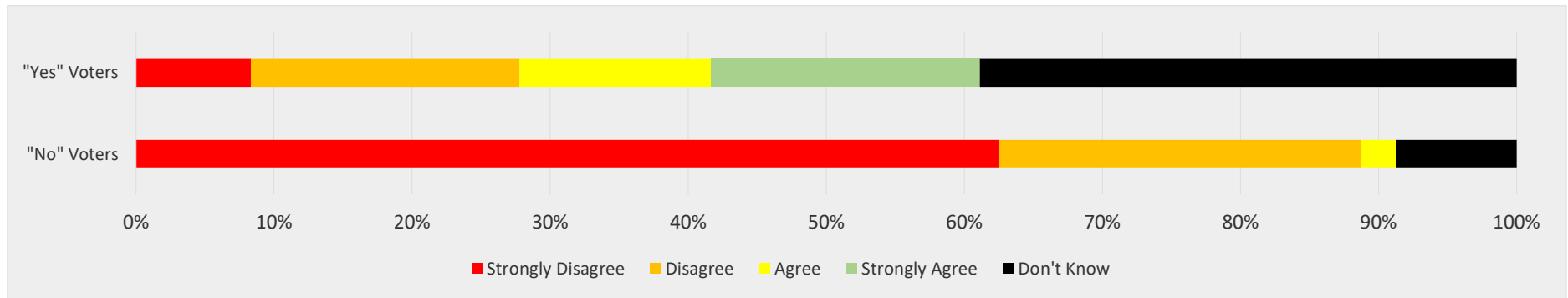
***“If we had the same number of LASD police cars patrolling PVE at any given time, the response time of the LASD still would be materially longer than PVEPD”***



- For information on relative response times, [click here](#) and [here](#).

# Fact Checking – Police “Facts”

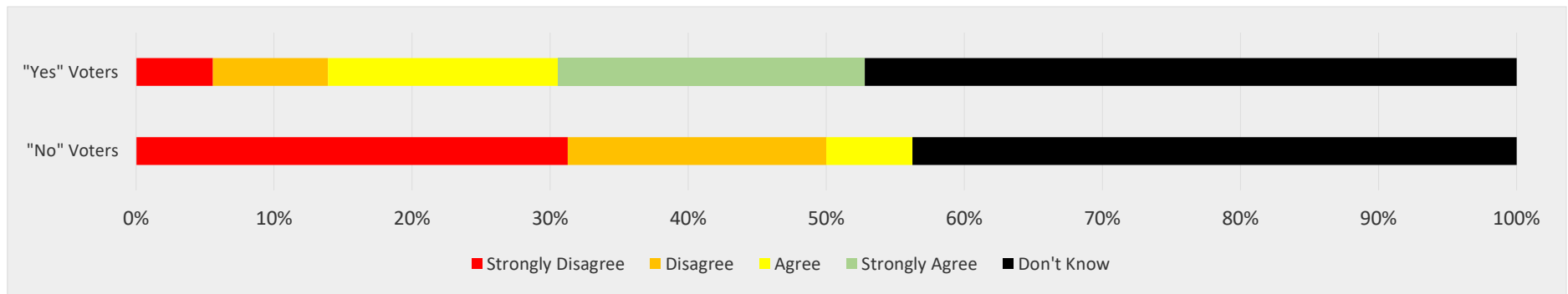
***“If we had three LASD cars patrolling in PVE instead of two PVEPD cars we have today, response time would still be longer”***



- For information on relative response times, [click here](#) and [here](#).

# Fact Checking – Police “Facts”

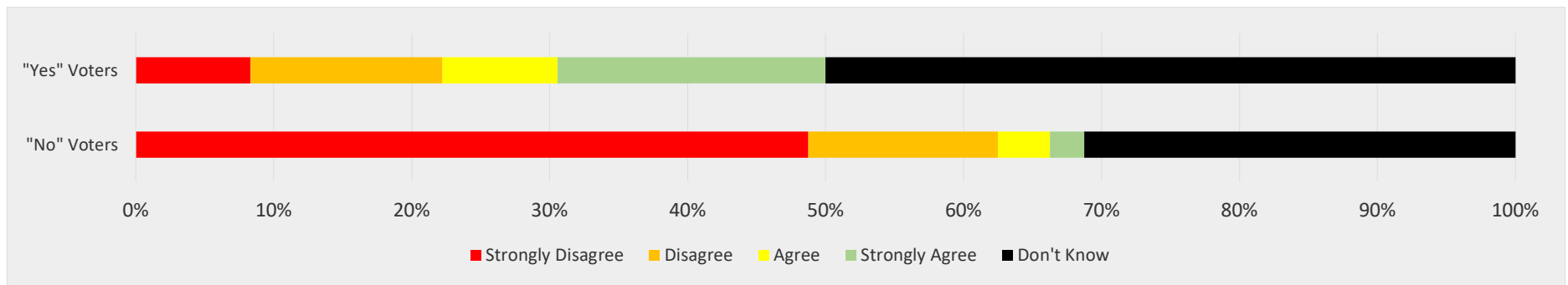
***“LASD does not try to keep the same officers assigned within a specific city such as Rancho Palos Verdes or Rolling Hills or Rolling Hills Estates”***



- **History:** note that in the 1980s, when PVE shifted from an internal Fire Department to outsourcing fire services to LA County, our firemen stayed in our station and started to work for LA County instead of the City of PVE. That transition seems to have gone smoothly in the eyes of most residents.
- **Local deployment:** we anticipate the LASD would hire many of those employed by the PVE PD and continue to deploy them locally in PVE.
- **Community policing:** we understand the LASD executes a community policing model where it tries to staff the same officers within each of the PV Peninsula Cities.
- **Vacation and sick day coverage:** we anticipate that officers could be assigned temporarily from other local deployments and there are advantages of this in terms of lower overtime costs by having access to a broader pool. Overtime has been a large cost for PVE PD
- **Transfer options:** should an officer request transfer to another jurisdiction within LASD, continuity may be reduced, but a source at the Lomita Station indicated in a conversation with a PVE resident that the LASD makes every effort to maintain continuity and transfers rarely occur. The other side of transfer is requests by our citizens. If PVE residents don't like how a particular officer is policing, it is relatively easy to get LASD to move him. This is much harder to do that with a PVE PD union officer.

# Fact Checking – Police “Facts”

***“LASD has not indicated that it would shift Peninsula Police deployment to Malaga Cove and assign a Lieutenant to the current Station there”***



- See last bullet on LASD’s Preliminary quote:

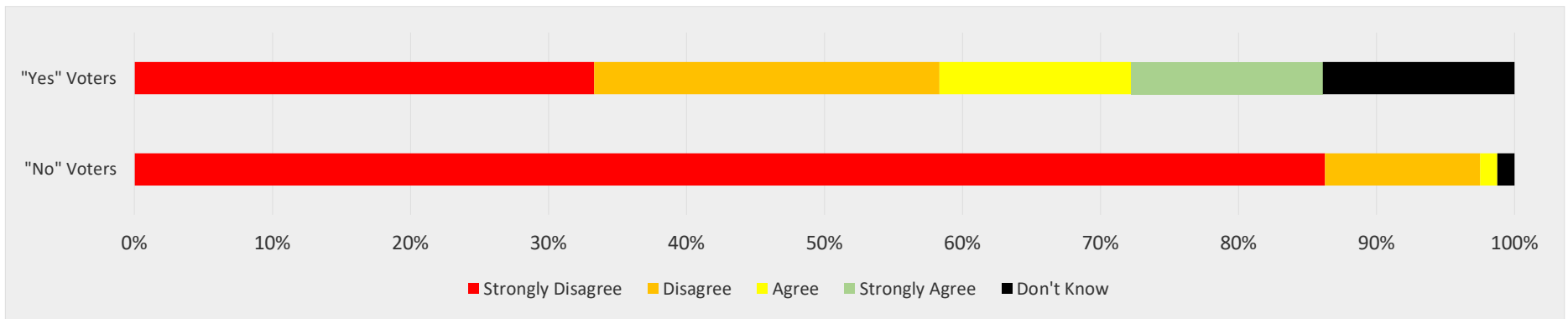
## Proposed Sheriff Staffing Option B – Enhanced Service Levels

### Summary:

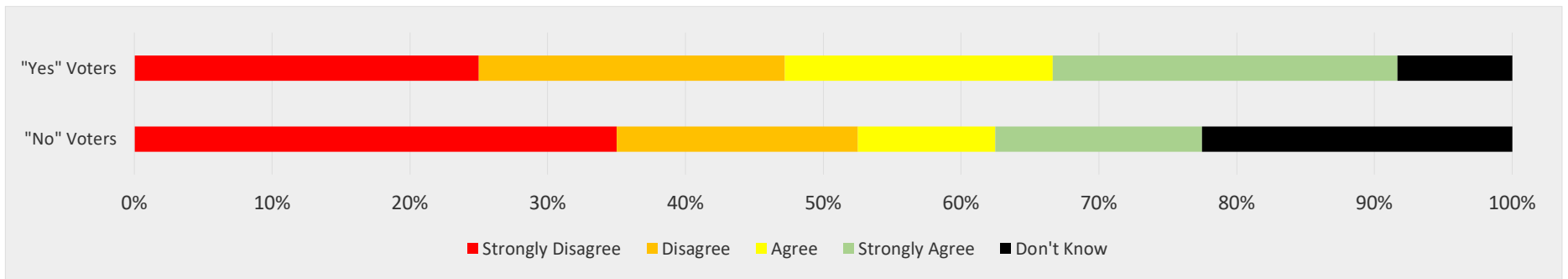
- Overall cost of \$4,313,909 with liability and **50% increase** in patrol service hours over current PVE deployment.
- Provides three deputies per shift (8 hour shifts) – one extra patrol per shift above PVE deployment.
- Service Area Lieutenant assigned to PVE Police Headquarters.
- Supervision handled by Lomita Sheriff Station as part of the overheads. One field sergeant will be in the field each shift and one Lieutenant/Sergeant serving as Watch Commander.
- Two CSAs to provide parking control as requested – one extra above PVE deployment.
- PVE Police Headquarters will remain open as a Community Center from 0700-2100 hours.
- Lomita Station will shift peninsula deployment to PVE acting as a force multiplier for the city.

# Opinions – Police “Facts”

***“The City Council acted appropriately when they chose to not ask for a Sheriff’s Feasibility Study in May 2017 after it had been recommended by the City Treasurer and the City Manager”***



***“If this Measure E had not been tied to retaining the PVEPD, I would have been less likely to vote “yes””***



# View on “Facts”-Takeaways

- Strong disagreement on underlying “facts”
  - “Yes” voters agreed with most of the statements, or indicated they didn’t know or had no position
  - “No” voters disagreed with most of the statements, and were less likely to indicate they didn’t know or had no position
- “Yes” voters were more likely to believe the official statements