



**CITY OF SOUTH PASADENA
CITY COUNCIL SPECIAL MEETING AGENDA**

**Council Chamber
1424 Mission Street, South Pasadena, CA 91030
September 2, 2020, at 7:29 p.m.**

South Pasadena City Council Statement of Civility

As your elected governing board, we will treat each other, members of the public, and city employees with patience, civility and courtesy as a model of the same behavior we wish to reflect in South Pasadena for the conduct of all city business and community participation. The decisions made tonight will be for the benefit of the South Pasadena community and not for personal gain.

NOTICE ON PUBLIC PARTICIPATION & ACCESSIBILITY

Pursuant to Section 3 of Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, the Special Meeting of the City Council for September 2, 2020 will be conducted remotely and held by video conference. The Meeting will be broadcast live on the City's website (http://www.spectrumstream.com/streaming/south_pasadena/live.cfm).

Please be advised that pursuant to the Executive Order, and to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, the Council Chambers will not be open for the meeting. Council Members will be participating remotely and will not be physically present in the Council Chambers.

Public Comment on Special Meeting Agenda Items: Pursuant to Government Code Section 54954.3(a), members of the public will be provided with an opportunity to address any item **described on the agenda only**, at the time the matter is considered by the City Council.

If you would like to comment on an agenda item, members of the public may submit their comments in writing for City Council consideration, by one of the following methods:

Option 1:

1. Dial (626) 322-2344 and leave a recording of your public comment. Please state your name; if you are providing public comment for open or closed session; and, the agenda item number. If no agenda item number is provided, your public comment will automatically be played under the general public comment portion of the open session meeting. The cutoff time for public comment to be submitted via phone recording is 5 p.m. the day of the Council Meeting.

Option 2:

2. Email your public comments to ccpubliccomment@southpasadenaca.gov. Public Comments received in writing will not be read aloud at the meeting. Written public comments will be announced at the meeting and become part of the meeting record. Written public comments will

be uploaded online for public viewing under Additional Documents. There is no word limit on emailed Public Comment. Please make sure to indicate: 1) your name, and 2) what agenda item you are submitting public comment on.

Pursuant to state law, the City Council may not discuss or take action on issues not on the meeting agenda, except that members of the City Council or staff may briefly respond to statements made or questions posed by persons exercising public testimony rights (Government Code Section 54954.2). Staff may be asked to follow up on such items.

CALL TO ORDER: Mayor Robert S. Joe

ROLL CALL: Councilmembers Michael A. Cacciotti and Richard D. Schneider, M.D.; Mayor Pro Tem Diana Mahmud; and Mayor Robert S. Joe
(Note: One Council Seat is Vacant)

PLEDGE OF ALLEGIANCE: Councilmember Richard D. Schneider, M.D.

ACTION/DISCUSSION

1. Interviews of Applicants for City Council District 2 Vacancy

Recommendation:

It is recommended that the City Council:

1. Conduct structured interviews of listed applicants for the City Council vacancy (candidates listed in alphabetical order by last name; order of interviews will be determined by drawing at the meeting); and
 - a. Lawrence Allen Abelson
 - b. Marcos Rodriguez Holguin
 - c. Casey James Law
 - d. Stephen Edward Rossi
 - e. Timothy James Searight
2. Derive a Council majority to select an applicant for formal appointment and swearing-in on September 16, 2020 to fill the unexpired term ending December 2, 2020 for the vacant District Council 2 seat.

2. Report and Recommendation to Consider Personnel Actions Necessary to Close the General Fund Budget Deficit; Receive and File CalPERS Actuarial Valuation Disclosing Potential Costs Associated with a Retirement Incentive Program

Recommendation:

It is recommended that the City Council direct staff to proceed with a package of personnel related cost savings including the following:

1. Impose a permanent freeze on specific vacant positions;
2. Reduce overtime for the police and fire departments;
3. Offer a retirement incentive to approximately ten employees;

- 4. Receive and file the attached CalPERS actuarial report and direct staff to post it on the City’s website for 14 days.

ADJOURNMENT

**FUTURE CITY COUNCIL MEETINGS
(OPEN SESSION)**

September 16, 2020	Regular City Council Meeting	Council Chamber	7:30 p.m.
October 7, 2020	Regular City Council Meeting	Council Chamber	7:30 p.m.
October 21, 2020	Regular City Council Meeting	Council Chamber	7:30 p.m.

PUBLIC ACCESS TO AGENDA DOCUMENTS AND BROADCASTING OF MEETINGS

City Council Meeting agenda packets and agenda related documents are available for public inspection: <https://www.southpasadenaca.gov/government/city-council-meetings/2019-council-meetings-copy>

Additional Documents, when presented to City Council, will also be uploaded and available on the City’s website.

Regular meetings are streamed live via the internet at: <https://www.southpasadenaca.gov/government/city-council-meetings/2019-council-meetings-copy>.

AGENDA NOTIFICATION SUBSCRIPTION

Individuals can be placed on an email notification list to receive forthcoming agendas by emailing CityClerk@southpasadenaca.gov or calling the City Clerk’s Division at (626) 403-7230.

ACCOMMODATIONS



The City of South Pasadena wishes to make all of its public meetings accessible to the public. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division via e-mail at CityClerk@southpasadenaca.gov or by calling (626) 403-7230. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of City Hall at 1414 Mission Street, South Pasadena, CA 91030, and on the City’s website as required by law.

_____/s/_____
Date Maria E. Ayala, Chief City Clerk



Special City Council Meeting Agenda Report

ITEM NO. 1

DATE: September 2, 2020
FROM: Stephanie DeWolfe, City Manager
PREPARED BY: Maria E. Ayala, Chief City Clerk
SUBJECT: Interviews of Applicants for City Council District 2 Vacancy

Recommendation

It is recommended that the City Council:

1. Conduct structured interviews of listed applicants for the City Council vacancy (candidates listed in alphabetical order by last name; order of interviews will be determined by drawing at the meeting); and
 - a. Lawrence Allen Abelson
 - b. Marcos Rodriguez Holguin
 - c. Casey James Law
 - d. Stephen Edward Rossi
 - e. Timothy James Searight
2. Derive a Council majority to select an applicant for formal appointment and swearing-in on September 16, 2020 to fill the unexpired term ending December 2, 2020 for the vacant District Council 2 seat.

Discussion/Analysis

Pursuant to Government Code §36512 at its Special City Council Meeting of August 19, 2020, the City Council voted to solicit applications to fill the City Council District 2 vacancy for the unexpired term.

The application process was announced on August 20, 2020, with the application filing period taking place from Friday, August 21 through Friday, August 28, 2020, 3 p.m.

Explained in the packet, amongst other information, was: the requirement(s) for an applicant to be eligible for appointment; that a completed application packet would be required and must be submitted by the deadline (Friday, August 28, 2020, 3 p.m.); and that applicants would be expected to attend the Special Meeting for an oral interview during open session of the Special Meeting.

The Application Packet was posted online, available for download for interested parties. Interested individuals were instructed to email the completed packet to the Chief City Clerk for submittal. The Application Packet consisted of the following items: Guidelines for Application for Appointment to City Council, District 2; Application to Fill City Council Vacancy – Council

District 2; Application Form Checklist; City of South Pasadena 2017 Council District Map; and Duties of a Councilmember.

By the deadline, a total of six (6) applications were received. One applicant, however, was disqualified as their residency was confirmed to be outside of Council District 2. A total of five (5) applicants are being presented for interview and consideration. Their complete applications with any submitted attachments (as provided by the applicant) are provided for review.

It is anticipated that each of the five (5) applicants will be interviewed by the City Council in a structured interview process (e.g., all five candidates will be asked the same questions with the same response time limitation).

Background

Councilmember Marina Khubesrian, M.D. resigned from her elective office as a City Councilmember, effective August 18, 2020. Councilmember Khubesrian's seat on the Council as the representative of District 2, is due to expire on December 2, 2020, when the newly elected representative of District 2 will be sworn in. Accordingly, there are only three months remaining on the unexpired term for the District 2 Council seat.

The City Council has already called the general election for November 3, 2020. The Council seat for District 2 which is on the November 3, 2020 ballot is for a 4-year term. This is a different office than the unexpired term vacated by former-Councilmember Khubesrian.

Next Steps

1. If the majority of Council agrees on one selection, the selection will be agendized for the September 16, 2020 Regular City Council Meeting for formal appointment;
2. Once appointed, at the same meeting, the individual will be sworn-in and take office that night.

Legal Review

The City Attorney has reviewed this item.

Fiscal Impact

There is no fiscal impact in order to fill the City Council vacancy, as any costs associated with a City Council member have been budgeted accordingly.

Attachments

Completed Applications (personal contact information redacted)

Application Packet

Lawrence

Allen

Abelson



**APPLICATION TO FILL
CITY COUNCIL VACANCY -
COUNCIL DISTRICT 2**

(This Application is a Public Document)

Residents are the underpinning of our community and the Mayor and City Council encourage your participation by volunteering to serve on the City Council.

Full Name	Lawrence Allen Abelson
Home Address	[REDACTED]
Preferred Phone No.	[REDACTED]
Secondary Phone No.	[REDACTED]
Email Address	[REDACTED]

Are you a registered voter of the City of South Pasadena, District 2?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
Have you ever been convicted of a crime that would prohibit you from hold elective office pursuant to CA Elections Code Chapter 1, Section 20 (attached).	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
Are you actively engaged in or representing someone who is in a lawsuit against the City?	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>

****Please answer the following questions. Additional sheets may be attached – You are welcome to provide a resume and/or letters of endorsement**** - See attached.

1. Occupational Experience: _____

2. Educational Background: _____

3. Why do you want to serve on the City Council? _____

See attached.

4. Civic or community experience, membership, or previous public service appointments: _____

5. From your point of view, what are the three greatest needs and challenges of/for the city at this time? _____

6. What are the greatest opportunities for the City from your perspective? _____

7. Additional Information/Remarks: _____

***Disclosure of Economic Interests**

City Councilmembers are required to file a Statement of Economic Interest upon appointment, termination, and annually. Under existing California law, a member of City Council may not make, participate in making, or attempt to influence a governmental decision if it is reasonably foreseeable that the decision could have a material financial effect on that member, the member of the immediate family, or any of his or her financial interests. Careful consideration should be given to this issue and applicants are encouraged to contact the City Clerk's Office (for general questions) or the Fair Political Practices Commission if they have any questions.




Where Do I File My Application?

Completed applications should be submitted via email to:
City of South Pasadena
Maria E. Ayala, Chief City Clerk
mayala@southpasadenaca.gov

If you wish to drop off completed documents in-person, please contact (626) 403-7232 for an appointment.

I have read and hereby certify that I meet the eligibility criteria shown in the attached Appointment Guideline Form, and comply with all Fair Political Practice Commission (FPPC) reporting requirements.



SIGNATURE

8/28/20

DATE

ATTACHMENT TO APPLICATION TO FILL CITY COUNCIL VACANCY – COUNCIL DISTRICT 2

LAWRENCE ABELSON

1. Occupational Experience:

Since July 2011, I have been Vice President & Senior Counsel, Commercial Workouts, for Bank of the West. Among other things, I provide legal and strategic advice and counsel to the business units which manage problem commercial/business loans and other high-risk credit relationships. I assist in evaluating loan documentation, collateral, and financial information and providing a wide range of legal advice and counsel, including the development of risk management and enforcement strategies.

My responsibilities extend to a variety of industries including agricultural, manufacturing, real estate, and small business, and involve single-bank, participated and syndicated credits. I actively manage litigation involving special and managed assets loans, retain outside counsel, manage budget and work product, and provide direction and strategic guidance in order to achieve maximum recovery, reduce cost and exposure, and otherwise protect the Bank's interests.

Prior to joining Bank of the West, I was in private practice first as an associate and then ten years as a partner of Epport, Richman & Robbins, LLP, in Century City, practicing in the areas of commercial law, banking, bankruptcy, real estate and general business matters, with an emphasis on creditors' rights, lender liability and real estate litigation.

2. Educational Background:

J.D., 1992, UCLA School of Law, Los Angeles, CA (admitted to practice in all California federal and state courts and the United States Supreme Court)

B.A., International Relations, 1989 (Phi Beta Kappa, Magna cum Laude), Tufts University, Medford, MA

3. Why do you want to serve on the City Council?

Simply put, I would like to bring back transparency and responsiveness to our city government. We should be taking all steps necessary to move away from conflict, distrust, division and distraction and find our way back to fiscal responsibility, reasonable growth, and respect for residents and citizen commissions. While 2-1/2 months or so is a very short time, my hope is to at least lay the groundwork for the next City Council to succeed. As reflected by my years of experience serving on city commissions and community organization boards, I am dedicated to the betterment of our City and believe I can work successfully and collaboratively with the City Council and staff to get things back on track.

4. Civic or community experience, membership, or previous public service appointments:

2020 – Present, Vice Chair, Mobility and Transportation Infrastructure Commission (MTIC), City of South Pasadena

2014 – 2019, Public Works Commission (Chair, Vice Chair, Member), City of South Pasadena

2011 – 2013, Design Review Board (Chair, Vice Chair, Member), City of South Pasadena

2013 – Present, AYSO Region 214 (South Pasadena/San Marino) (Regional Referee Administrator, Assistant Referee Administrator for Mentoring & Assessments, Tournament Referee Coordinator, Advanced Referee)

2013- 2019, South Pasadena Educational Foundation (Parti Gras Co-Chair, Food for Thought Chair, Member)

Previously, I have held officer positions and been a member of the boards of directors of various community groups, including Pasadena First, West Pasadena Residents Association, and a number of homeowners associations on the Westside of Los Angeles.

5. From your point of view, what are the three greatest needs and challenges of/for the City at this time?

While our City has many, at the moment, I see our City's top three challenges as: (i) completing the pending audit of the City's financial statement and adopting an accurate and responsible budget; (ii) restoring faith and trust in our City government; and (iii) securing funding and expeditiously implementing measures to assist our small businesses in coping with the challenges caused by the COVID-19 pandemic. If fourth and fifth needs/challenges were invited, it would be: (iv) taking immediate, concrete steps to improve traffic safety on our City's arterial and collector streets and management of cut-through traffic on our local residential streets; and (v) pursuing creative alternatives for addressing the City's affordable housing needs and related state-imposed Regional Housing Needs Assessment requirements.

6. What are the greatest opportunities for the City from your perspective?

With tens of millions of dollars being made available to the City through Measures M and R as a result of the placing of the final nail in the coffin of the 710, the City has a golden opportunity to once and for all address our long outstanding and ignored traffic safety and management issues. We can develop and implement mobility policies and transportation projects to improve traffic safety and flow on our major arterials, foster alternative modes of mobility, and protect neighborhoods which have so far gone unprotected from the intrusion of commuter and cut-through traffic.

In light of recent dramatic developments, we should now seize the opportunity to chart a new course for the relationship between city staff and the public. Staff should be directed to work cooperatively, transparently, and in partnership with residents, business owners, and citizen commissions to address issues of concern. This includes allowing commissions to set their own agendas and taking advantage of their knowledge and talent by permitting them to take affirmative action on items and issues instead of simply receiving reports and presentations from staff. Now is the time for the City Council to demonstrate unmistakably that City administration is here to serve the needs and interests of the residents, not the other way around.

Additional Information/Remarks:

As my service to the community demonstrates, I have a strong interest in making a contribution on a citywide basis. City leaders routinely face tough issues and have to make difficult decisions affecting the everyday lives of those they represent. I am pragmatic and dedicated, and believe that I have earned the trust of many in the community. I look forward to continuing to work with the Mayor, City Council and staff either in my current role as Vice Chair of the MTIC or as representative for District 2 on the City Council for this short time.



APPLICATION FORM CHECKLIST

Please
Initial

1.	I am a qualified resident and registered voter in South Pasadena, Council District 2.	ja
2.	I have answered all of the questions in the Council Vacancy Application.	ja
3.	I have reviewed the attached Council District Map adopted in 2017.	ja
4.	I have reviewed the "Duties of a Councilmember".	ja
5.	I have attached my completed and signed application.	ja
6.	I have attached my resume (optional).	—
7.	I am aware that if appointed I will be subject to filing the Statement of Economic Interest (Form 700). Note: The form and instructions may be accessed here: http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Form%20700/2019-2020/Form%20700%202019.2020%20IA.pdf	ja
8.	I have submitted all materials listed above to the City Clerk's Office by the deadline date: Friday, August 28, 2020, 3 p.m. Postmarks not acceptable.	ja
9.	I am aware that if I want to submit my Application documents in person, I need to make an appointment.	ja
10.	I understand eligible candidates will be invited for an oral interview by the City Council at the Special City Council meeting scheduled for Wednesday, September 2, 2020, unless otherwise notified; and, that I need to attend via Zoom or in person.	ja
11.	I understand the that the Application Documents are public records (with the exemption of personal contact information)	ja

Lawrence Abelson

PRINT NAME

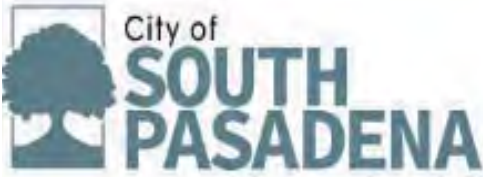


SIGNATURE

8/28/20

DATE

Marcos
Rodriguez
Holguin



**APPLICATION TO FILL
 CITY COUNCIL VACANCY -
 COUNCIL DISTRICT 2**

(This Application is a Public Document)

Residents are the underpinning of our community and the Mayor and City Council encourage your participation by volunteering to serve on the City Council.

Full Name	Marcos Rodriguez Holguin
Home Address	[REDACTED]
Preferred Phone No.	[REDACTED]
Secondary Phone No.	[REDACTED]
Email Address	[REDACTED]

Are you a registered voter of the City of South Pasadena, District 2?	YES	X	NO	
Have you ever been convicted of a crime that would prohibit you from hold elective office pursuant to CA Elections Code Chapter 1, Section 20 (attached).	YES		NO	X
Are you actively engaged in or representing someone who is in a lawsuit against the City?	YES		NO	X

****Please answer the following questions. Additional sheets may be attached – You are welcome to provide a resume and/or letters of endorsement****

1. Occupational Experience: Attorney, SR Holguin PC; Post-Bar Law Clerk, Los Angeles County District Attorney's Office Major Crimes Division; Law Clerk, Los Angeles County District Attorney's Office Major Crimes Division; Law Clerk, Holguin Garfield Martinez and Goldberg APLC

2. Educational Background: Juris Doctor, The Catholic University of America Columbus School of Law; Master of Arts in Congressional and Presidential Studies, The Catholic University of America; Bachelor of Arts *cum laude* in Government and Politics, St. John's University

3. Why do you want to serve on the City Council? As a lifelong South Pasadena resident, I have always been interested in the city's governance and public service. Serving on the City Council will allow me to give back to my city while also representing the interests of its residents and providing a fresh perspective as the city looks forward to the future.
Although the term may be relatively short, it is more than enough time to ensure the district's residents' voices are heard in numerous important year-end decisions

4. Civic or community experience, membership, or previous public service appointments: Commissioner

City of South Pasadena Animal Commission; Advisory Group Member, South Coast Air Quality Management District

(AQMD) Air Quality Management Plan Advisory Group; Member, Los Angeles County Bar Association

5. From your point of view, what are the three greatest needs and challenges of/for the city at this time? Maintaining the City's "small town charm" while simultaneously reinvigorating our local economy;

Representing those who feel their voices are not being heard, particularly younger residents, by encouraging public participation and rebuilding residents' trust in the city;

Ensuring the city is prepared, fiscally, representationally, numerically by the census, and otherwise, so future residents can enjoy the many benefits of the city that we have all enjoyed.

6. What are the greatest opportunities for the City from your perspective? Ensuring South Pasadena remains

the preeminent city in the region by respecting our sense of community, heritage, natural resources, and local businesses

while maintaining our award-winning school system and everything else that drew us all to this great city.

7. Additional Information/Remarks: As an alumnus of South Pasadena elementary, middle, and high schools

and lifelong District 2 resident, I am honored to be considered to represent my fellow South Pasadenans. I believe District 2 and the Council would benefit from a new perspective from someone who understands the needs of the city and its residents as well as the legislative process.

***Disclosure of Economic Interests**

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Maria E. Ayala, Chief City Clerk

mayala@southpasadenaca.gov

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I have read and hereby certify that I meet the eligibility criteria shown in the attached Appointment Guideline Form, and comply with all Fair Political Practice Commission (FPPC) reporting requirements.

Marcos Holguin

SIGNATURE

August 27, 2020

DATE



APPLICATION FORM CHECKLIST

Please
Initial

1.	I am a qualified resident and registered voter in South Pasadena, Council District 2.	MH
2.	I have answered all of the questions in the Council Vacancy Application.	MH
3.	I have reviewed the attached Council District Map adopted in 2017.	MH
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5.	I have attached my completed and signed application.	MH
6.	I have attached my resume (optional).	MH
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11.	I understand the that the Application Documents are public records (with the exemption of personal contact information)	MH

Marcos Holguin

PRINT NAME

Marcos Holguin

SIGNATURE

August 27, 2020

DATE

Marcos Rodriguez Holguin

EDUCATION

The Catholic University of America, Columbus School of Law

Washington, DC
May 2018

- Juris Doctor; GPA: 3.324; Dean's List Fall 2017
- Criminal Litigation Concentration
- Seminar Paper: Prohibiting the Transportation for Immoral Purposes of [Men and Boys]: Examination of Male Sex Trafficking
- Criminal Law Society President
- Student Bar Association Vice President of Academic Affairs, Representative to the Faculty Committee, Representative to Faculty Admissions Committee, Graduation Week Committee Chair, 2L Representative, Peer Mentor
- Faculty Merit Scholarship Awardee
- Moot Court Association National Trial Team Competing Member
- Delta Theta Phi Professional Law Fraternity Bailiff, Member
- Softball Team Captain

The Catholic University of America

Washington, DC
May 2018

- Master of Arts in Congressional and Presidential Studies; GPA 3.729
- Thesis: Analyzing the Constitutionality of Gerrymandering: Are Political Parties Entitled to Judicial Protection?

St. John's University

New York, NY
May 2015

- Bachelor of Arts *cum laude*; GPA 3.62; Six Consecutive Semesters on Dean's List
- Major in Government and Politics; Minor in English
- Thesis: The Governmental Politics Model in Analyzing the Bay of Pigs Invasion
- Academic Achievement Scholarship Awardee
- Chi Theta Omega Fraternity President, Vice President, Treasurer, New Member Educator, Formal Committee Chair
- Student Government Inc. Sophomore Senator, Facilities Services Committee Member, Blood Drive Coordinator
- United Greek Life Alliance Brotherhood Chair, Representative
- Pi Sigma Alpha National Political Science Honor Society Member
- Sigma Alpha Pi National Society for Leadership and Success Member

EXPERIENCE

SR Holguin, PC

Los Angeles, CA
May 2019 Present

Attorney

- Litigate, research and write motions and memoranda
- Advise union officers on a variety of legal, policy, and legislative issues, and in negotiations
- Wrote and designed curriculum, and taught a course on the legislative process
- Monitor legislation and regulations that could potentially impact clients

Los Angeles County District Attorney's Office

Los Angeles, CA
August 2018 December 2018
Summer 2017

Major Crimes Division Post Bar Law Clerk

Major Crimes Division Law Clerk

- Wrote, researched, and proofread numerous motions that were filed with the court, memoranda, and other documents
- Researched case law, statutes, rules of criminal procedure, and rules of evidence
- Assisted with trials, grand jury, and preliminary hearings by discussing case strategies, assisting with jury selection, interviewing witnesses, meeting with law enforcement, writing a felony murder jury instruction after SB 1437, preparing trial binders and case materials, selecting and organizing exhibits from counsel table
- Attended trials, hearings, training sessions, a ride along, Baker to Vegas, and tours of the crime lab, county jail, coroner's office
- Assisted with Central Trials 11 cases when time permitted, and assisted with teaching a Project LEAD course

Holguin, Garfield, Martinez, and Goldberg, A Professional Law Corporation

Los Angeles, CA
Summers 2015 and 2016

Law Clerk

- Researched cases, statutes, constitutions, and bylaws to resolve union side labor law disputes
- Drafted, proofread, and revised motions, briefs, client letters, and memoranda regarding pending litigation
- Participated in the teaching of a training session for clients about the arbitration process
- Participated in client interviews, arbitrations, depositions, strategy meetings, and briefed clients about ongoing litigation

PUBLIC INTEREST

City of South Pasadena Animal Commission

South Pasadena, CA
December 2019 Present

Commissioner

- Appointed by the City Council to the commission charged with advising the City Council on all matters concerning animals

South Coast Air Quality Management District (AQMD) Air Quality Management Plan Advisory Group

Diamond Bar, CA
January 2020 Present

Advisory Group Member

- Review the overall aspects of a draft air quality management plan and make recommendations

BAR ADMISSIONS

State of California; District of Columbia; United States District Court for the Central, Northern, Southern, and Eastern Districts of California; United States District Court for the District of Columbia; United States Court of Appeals for the Ninth, District of Columbia, Third, Fourth, and Eleventh Circuits

Gil Cedillo

LOS ANGELES CITY COUNCILMEMBER, 1st DISTRICT

August 27, 2020

Maria E. Ayala, Chief City Clerk
1414 Mission Street
South Pasadena, CA 91030

Dear Chief City Clerk Ayala:

Without reservation, I write to strongly recommend Marcos Holguin for appointment to the vacant Council District 2 seat in the South Pasadena City Council.

As a childhood friend of his activist father, it is not a surprise that Marcos' strongest traits come from talent as well as hard work. I would not be surprised if Marcos cites his father as a strong influence. His father would have taught him the one sure thing that we learned from our shared experiences as young activists in the 70's and throughout our years in public service. It would be a passion for the community.

As a former Member of the California State Assembly, former Member of the California State Senate where I represented the City of South Pasadena, and currently a member of the Los Angeles City Council, I understand what it takes to govern. Marcos was born and raised in South Pasadena and attended its public schools, so he understands the needs of the constituents. While attending law school, he simultaneously earned a master's degree in Congressional and Presidential Studies. I have watched him grow to become an accomplished and respected attorney who works tirelessly for working people.

While I would not wish to understate the achievements of the other applicants, Marcos offers something more. Where his youth was surrounded by a dedicated family whose values made Marcos a model of leadership, accountability, advocacy and integrity, he still found time to transform many of his peers and bring them with him as well. It is a testament to what is fundamental and important in our society today, and in the future.

Marcos would be an excellent addition to the City Council. I have no doubt he would make an outstanding contribution and be the public servant the residents of Council District 2 deserve. Marcos has my highest endorsement.

Sincerely,



Gil Cedillo
Councilmember, First District

CITY HALL 200 N. Spring St. Room 460 Los Angeles, CA 90012
Tel: (213) 473-7001 • Fax: (213) 473-7462

Casey
James
Law



APPLICATION TO FILL CITY COUNCIL VACANCY - COUNCIL DISTRICT 2

(This Application is a Public Document)

Residents are the underpinning of our community and the Mayor and City Council encourage your participation by volunteering to serve on the City Council.

Full Name	Casey James Law
Home Address	[REDACTED]
Preferred Phone No.	[REDACTED]
Secondary Phone No.	[REDACTED]
Email Address	[REDACTED]

Are you a registered voter of the City of South Pasadena, District 2?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
Have you ever been convicted of a crime that would prohibit you from hold elective office pursuant to CA Elections Code Chapter 1, Section 20 (attached).	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
Are you actively engaged in or representing someone who is in a lawsuit against the City?	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>

****Please answer the following questions. Additional sheets may be attached – You are welcome to provide a resume and/or letters of endorsement****

1. Occupational Experience: Astrophysicist

2. Educational Background: BS (U. Hawai'i), MS (Boston University), PhD (Northwestern University)

3. Why do you want to serve on the City Council? _____

I have always considered my work to be in the public service. I recently moved to South Pasadena and am looking for ways to learn about the way the city works and find ways to contribute.

4. Civic or community experience, membership, or previous public service appointments: _____

I have presented public lectures on astronomy and led night sky viewing at university observatories. I volunteered to tutor at San Quentin State Prison as part of the Prison University Project. I volunteer as a technical assistant at Arroyo Vista Elementary.

5. From your point of view, what are the three greatest needs and challenges of/for the city at this time? _____

COVID-19 is clearly challenging all of us in many ways. This puts special strain city budgeting, staff safety, and management of services for residents. In the longer term, housing affordability needs to be addressed. I also would like to see pedestrian and cyclist safety improved through "complete street" planning.

6. What are the greatest opportunities for the City from your perspective? _____

South Pasadena residents are engaged in the commissions and other processes used to make the city work well. The city has developed and supported an amazing set of schools.

7. Additional Information/Remarks: _____

***Disclosure of Economic Interests**

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Where Do I File My Application?

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Maria E. Ayala, Chief City Clerk
mayala@southpasadenaca.gov

If you wish to drop off completed documents in-person, please contact (626) 403-7232 for an appointment.

I have read and hereby certify that I meet the eligibility criteria shown in the attached Appointment Guideline Form, and comply with all Fair Political Practice Commission (FPPC) reporting requirements.


SIGNATURE

28 August 2020
DATE



APPLICATION FORM CHECKLIST

Please
Initial

1.	I am a qualified resident and registered voter in South Pasadena, Council District 2.	COL
2.	I have answered all of the questions in the Council Vacancy Application.	COL
3.	I have reviewed the attached Council District Map adopted in 2017.	COL
4.	I have reviewed the "Duties of a Councilmember".	COL
5.	I have attached my completed and signed application.	COL
6.	I have attached my resume (optional).	COL
7.	I am aware that if appointed I will be subject to filing the Statement of Economic Interest (Form 700). Note: The form and instructions may be accessed here: http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Form%20700/2019-2020/Form%20700%202019.2020%20IA.pdf	COL
8.	I have submitted all materials listed above to the City Clerk's Office by the deadline date: Friday, August 28, 2020, 3 p.m. Postmarks not acceptable.	COL
9.	I am aware that if I want to submit my Application documents in person, I need to make an appointment.	COL
10.	I understand eligible candidates will be invited for an oral interview by the City Council at the Special City Council meeting scheduled for Wednesday, September 2, 2020, unless otherwise notified; and, that I need to attend via Zoom or in person.	COL
11.	I understand the that the Application Documents are public records (with the exemption of personal contact information)	COL

Casey J Law


PRINT NAME

SIGNATURE

28 August 2020

DATE

Dr. Casey J. Law

CONTACT INFORMATION	Staff Scientist 
RESEARCH INTERESTS	<i>Astrophysical transients</i> , fast radio bursts, radio interferometry, distributed computing, surveys, intergalactic and interstellar media, data science, Python, polarimetry
EDUCATION	Northwestern University , Evanston, IL Ph.D., Astrophysics, 2007 <ul style="list-style-type: none">• Thesis Title: <i>Surveys of the Galactic Center and the Nature of the Galactic Center Lobe</i>• Research Topics: Galactic outflows, radio, X-ray, and infrared observations of the Galactic center• Adviser: Farhad Yusef-Zadeh Boston University , Boston, MA M.A., Astronomy, 2000 <ul style="list-style-type: none">• Research Topics: Galactic molecular gas survey, optical photometry of stellar clusters, gravitational lensing• Advisers: James Jackson, Ken Janes, Tereasa Brainerd University of Hawai‘i, Manoa , Honolulu, HI B.S. with distinction, Physics, 1998 <ul style="list-style-type: none">• Hawai‘i Space Grant Fellowship with James Heasley of the Institute for Astronomy• Research Topic: Optical photometry of globular clusters with the UH 2.2m and CFHT
EMPLOYMENT	Staff Scientist July 2019 to present Owens Valley Radio Observatory, Caltech <ul style="list-style-type: none">• Supervisor: Gregg Hallinan• Leader of Calibration, Imaging, and Software Lab• Radio transients• Commissioning of the Long-Wavelength Array Owens Valley and Deep Synoptic Array 110 Assistant Project Astronomer December 2011 to Jun 2019 Postdoctoral Fellow January 2009 to November 2011 Radio Astronomy Lab, UC Berkeley <ul style="list-style-type: none">• Supervisor: Geoff Bower and Carl Heiles• Leader of <i>realfast</i> fast transient search project at the Very Large Array

- Radio transients and polarimetry
- Commissioning of the Allen Telescope Array, Karoo Array Telescope, Jansky Very Large Array

Postdoctoral Fellow July 2006 to December 2008

Department of Astronomy, University of Amsterdam

- Supervisor: Ralph Wijers
- Low frequency radio transients
- Commissioning of the Low Frequency Array (LOFAR)

Astrophysicist September 2000 to June 2002

Harvard-Smithsonian Center for Astrophysics

- Data analyst and support astronomer for the *Chandra* X-ray Observatory
- Tested, documented, and developed code for the CIAO software package
- 10% of time dedicated to independent research

TEACHING AND OUTREACH UC Berkeley, Berkeley, CA

Lecturer, Astronomy 290 **2016 – 2018**

- Two guest lectures in graduate course on department research

Visitor, Franklin Elementary, Oakland, California **2016 – 2017**

- Two visits to present astronomy concepts to 3rd graders

Visitor, Mount Diablo Astronomical Society **2017**

- Guest lecture on radio transients

Visitor, Splunk Inc. **2017**

- Guest lecture on radio transients at Splunk Science Society lecture series

Tutor, Cal Bridge **2017**

- Co-organized workshop for Python in Astronomy for CSU-UC bridge program

Volunteer, Berkeley Inst. for Data Science, Open Oakland **2015 – present**

- Participated in projects related to air quality, open software, and civic hacking

Tutor and Coordinator, Prison University Project **2010 – 2014**

- Led tutoring of introductory math for college-level curriculum in San Quentin State Prison.

Co-organizer, Science@Cal **2009 – 2014**

- Helped organize and advertise monthly lecture series.
- Demonstrated principles of radio astronomy at annual “Cal Day” event.

Student Advising

2009 – present

- UC LEADS Undergraduate **Luis Chinchilla-Garcia** visited UC Berkeley from UCLA to study clustering algorithms for fast radio transient classification. Summer 2016.
- Doctoral students **Peter Williams**, **Chat Hull**, and **James McBride** Mr. Williams, Mr. Hull, and Mr. McBride used data from the Allen Telescope Array to study radio transients and the polarimetric properties of galaxies. Co-adviser: Carl Heiles and Geoff Bower, 2008 – 2012.
- Undergraduates **Sabrina Berger** (Summer Undergraduate Research Fellow), **Sanyum Channa**, **Andrew Halle**, **Jun Tan**, **Yawen Sun**, **Kyle Blanchard**, and **Phillip Sells**
Students have worked with realfast data analysis, FRB science, the NERSC supercomputer, AWS cloud computing, and radio interferometric search software. 2012 – present.
- Breakthrough Listen Interns
Lectured and supervised individual projects. 2016 – present.

University of Amsterdam, Amsterdam, The Netherlands

Student Advising

2006 – 2007

- **Thijs Coenen**
Master's student at the University of Amsterdam building a machine learning algorithm for the automatic classification of radio transients detected by LOFAR. Primary adviser: Ralph Wijers. 2005.

Northwestern University, Evanston, IL

Teaching Assistant

2004

- Taught weekly physics discussion session with roughly 100 students.

Observatory Host

2003 – 2006

- Led open night tours of the historic Dearborn Observatory once per month.

Boston University, Boston, MA

Teaching Assistant

1999 – 2000

- Taught four astronomy lab sections per semester (including night labs).

University of Hawaii at Manoa, Honolulu, HI

Co-organizer, Hawai'i Physics Olympics

1996 – 1998

- Helped organize annual, state-wide event for high school students.
- Designed events to test understanding of physical concepts.

Co-organizer, Physics Tutoring

1996 – 1998

- Created and participated in volunteer physics tutoring service for undergraduates.

GRANTS

Collaborator: Canadian Initiative for Radio Astronomy Data Analysis (CIRADA), Canada Foundation for Innovation, 2017

PI: Real-time, commensal transient detection at the VLA (*realfast* project), NSF, Advanced Technology and Instrumentation grant, awarded 2016.

Senior staff: Anomaly detection with fast imaging radio interferometers. University of California Office of the President grant, awarded 2012.

Co-I: A Coherent Transient Detection System for SKA Pathfinders. University of Western Australia Collaboration grant, awarded 2012.

PI: Meeting of LOFAR and the Transient Radio Sky. NWO and NOVA (NL) collaboration support grants, awarded 2008.

PI: Development of a spatio-spectral analysis technique for X-ray data. *Chandra* archival research grant, awarded 2003.

PROFESSIONAL HONORS AND SERVICE

Editor, *Astronomy and Computing*, 2018 – present

Visitor, Dunlap Institute, University of Toronto, July 2018

External Review Committee, CHIME FRB project, 2017 – 2018

Organizer, Radio Astronomy Lab Hack day, 2017

Organizer, Berkeley Astronomy arxiv coffee, 2017 – present

Member, VLA Sky Survey Science Survey Group, 2016 – present

Member, Berkeley Institute for Data Science, 2014 – present

Co-Chair of Technical Working Group for VLA Sky Survey Project, 2014 – 2016

Reviewer for NRAO Science Review Panel and NASA Postdoctoral Program, 2013 – 2015

Member of the SKA Transients Science Working Group, 2013 – present

Developed and contributed to public astronomy software repositories:
<https://github.com/caseyjlaw>, 2012 – present

Referee for the *Astrophysical Journal*, *Astronomical Journal*, *MNRAS*, *PASP*, and *New Astronomy*, 2006 – present

Jansky Very Large Array Resident Observer, 2012

Chair of LOC and member of SOC for “LOFAR and the Transient Radio Sky”, 2008

Huang Fellowship at Northwestern University, 2002 – 2003

Two Presidential Fellowships (Research and Teaching) at Boston University, 1998 – 2000

Stephen

Edward

Rossi



**APPLICATION TO FILL
CITY COUNCIL VACANCY -
COUNCIL DISTRICT 2**

(This Application is a Public Document)

Residents are the underpinning of our community and the Mayor and City Council encourage your participation by volunteering to serve on the City Council.

Full Name	Stephen Edward Rossi
Home Address	[REDACTED]
Preferred Phone No.	[REDACTED]
Secondary Phone No.	[REDACTED]
Email Address	[REDACTED]

Are you a registered voter of the City of South Pasadena, District 2?	YES		NO	
Have you ever been convicted of a crime that would prohibit you from hold elective office pursuant to CA Elections Code Chapter 1, Section 20 (attached).	YES		NO	
Are you actively engaged in or representing someone who is in a lawsuit against the City?	YES		NO	

****Please answer the following questions. Additional sheets may be attached – You are welcome to provide a resume and/or letters of endorsement****

1. Occupational Experience: _____

2. Educational Background: _____

3. Why do you want to serve on the City Council? _____

4. Civic or community experience, membership, or previous public service appointments: _____

5. From your point of view, what are the three greatest needs and challenges of/for the city at this time? _____

6. What are the greatest opportunities for the City from your perspective? _____

7. Additional Information/Remarks: _____

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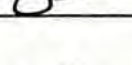





SIGNATURE



DATE

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11.	I understand the that the Application Documents are public records (with the exemption of personal contact information)	

Stephen Rossi

PRINT NAME



SIGNATURE

8/28/2020

DATE

Full Name: Stephen Edward Rossi

Home Address:

Preferred Phone No:

Secondary Phone No:

Email Address:

- Are you a registered voter of the City of South Pasadena, District 2: **Yes**
- Have you ever been convicted of a crime that would prohibit you from holding elective office pursuant to CA Elections Code Chapter 1, Section 20: **No**
- Are you actively engaged in or representing someone who is in a lawsuit against the City: **No**
 - **Please Note:** I am not an attorney nor have I ever represented anyone in litigation. Further, I am not, nor have I ever been, a party to any litigation against the City. I do not have, nor have I ever had, any financial interest in any litigation against the City. As such, I have never had any Conflicts of Interest regarding any litigations with the City.

However, under the Council's code of ethics and to avoid even the appearance of any possible Conflict, and given my longstanding friendship with Ms. Alison Smith, I commit to recuse myself from all discussions or votes before the Council regarding the Smith litigation.

1. Occupational Experience:

I have spent my entire 23+ year career conducting financial and legal diligence on companies. I started my career as a field examiner for Bank of America, where I audited clients' books and records for performance, accuracy, and even potential fraud. Over the two decades since, either as a banker, private equity investor, or restructuring officer, I have never wavered from the knowledge that decisions cannot wait for the presence of perfect information. However, in order to make **responsible** decisions, the information you have needs to be truthful, transparent, and timely. Through this appointment, I look to offer my financial and legal expertise to help get the City's reporting back on track, enabling the commissions and City Council to have accurate, timely reporting to inform their decision making.

Currently I serve as the Head of Capital Markets and Special Situations for Palm Tree, a boutique investment bank, where I lead the firm's capital markets and restructuring solutions, providing clients with private debt and equity sourcing, structuring and execution as well as operational turnaround and restructuring services.

I have over two decades of experience specializing in corporate finance, providing debt and equity capital structuring and negotiations, business diligence, performance analysis, and operational leadership to companies in a variety of sectors including, distribution and logistics, food and beverage, industrials, manufacturing, media, and telecom. I have led or supported over 100 acquisitions and restructurings throughout my career, including serving as a board member, operating committee member, interim CEO, and Chief Restructuring Officer.

Before joining Palm Tree, I spent nine years as a Founder and Managing Partner of CounterPoint Capital Partners, a lower middle market private equity sponsor where I managed all capital markets activities for the firm and its portfolio companies across North America. I was also a member of the CounterPoint investment committee. Prior to CounterPoint, I served as the Managing Director and VP of Corporate Finance for Platinum Equity, LLC, a multi billion dollar private equity fund based in Los Angeles where I managed all capital markets activities for the funds and their global portfolio of operating companies.

During my nearly fifteen years in private equity, I have closed over \$9 Billion in financing commitments with over 200 different lending partners, supporting nearly 100 different platform acquisitions, add on acquisitions, and refinancings while also forming a private debt lender to provide unitranche and 2nd lien debt facilities.

I was awarded the *M&A Advisor* Turnaround Award lower middle market Deal of the Year in both 2012 and 2017, and was named to the *M&A Advisor* 40 Under 40 in 2013.

2. Educational Background:

I received a Masters in Business Administration from the McDonough School of Business at Georgetown University, where I graduated 2nd in my class, Beta Gamma Sigma, and received the Dean's Citation for outstanding contributions to the school. I also hold a B.A. in the History of Art from the University of California, Berkeley.

I am registered with FINRA and hold my SIE, Series 63, Series 79, and Series 24 designations.

3. Why do you want to serve on the City Council?:

For the first 12 years after moving into South Pasadena, I was focused on my children; their education; their activities; volunteering through community sports, SPEF, and other school related activities; and, up until a year ago, I traveled extensively for my work. City politics never made it onto the list of agenda items. And the reason for that is simple: It seemed that South Pasadena was essentially a small, Mayberry town where very few, truly controversial items happened at City Hall. The singular focus was to fight the 710 freeway as the existential threat to the survival of our community. The entire city agreed that this was necessary, and that didn't leave much room (or funding) for anything else...and we were all okay with that.

And, thanks in no small part to the members on this Council...we won.

But then a strange thing happened. Rather than be able to sit back for a moment and celebrate our victory over CalTrans, the City seems once again locked in a struggle for its

very survival. Only, this time the issues come from within. The City is facing significant financial problems, primarily caused by a lack of financial transparency, controls, or oversight. And those anticipated revenue shortfalls are driving serious questions on how best to utilize our scarce resources:

- How can we best assist local renters and businesses during Covid?
- How do we address the RHNA allocation requirements, to protect and grow our existing inventory of affordable housing, while also doing so at a pace that doesn't overburden our schools and aging citywide infrastructure?
- Do we outsource community services like youth park and recreation?
- Do we review police department funding?
- How do we best assist the efforts of the local BLM movement in SoPas?
- And perhaps most importantly, should we vote for additional taxes (like the UUT) if the City cannot deliver basic, accurate financial reporting showing how those funds are utilized?

These are serious questions, and residents have to rely on City government to be thoughtful, careful, and thorough in handling their resolution. But the events of the past year, which have culminated in this appointment being necessary, have also pulled back the curtain on a significant lack of transparency or accountability within City Hall. The community's trust has been lost.

As one of the residents who, over the past year, has helped shine a spotlight on the issues facing this community, I also feel responsible to help fix it. This appointment is for only 3 months, and most of the issues outlined above will not be resolved in that timeframe. Those issues will be the burden of whomever sits upon the dais come December 2nd. What I can do in the meantime is provide my financial diligence and restructuring expertise to:

- Work with staff and RAMS to ensure we have a complete, accurate audit prior to the November elections,
- Review the underlying assumptions in the go forward budgets for accuracy and reasonableness, and
- Ensure that an honest understanding of the City's finances is provided to residents and council members so that 1) residents can make informed voting decisions in November, and 2) council members can make informed fiscal decisions in December and beyond.

4. Civic or community experience, membership, or previous public service appointments:

Having moved into South Pasadena in 2007, largely for the schools, I have been actively involved in the community for over 13 years. Across our three kids, ten of those years were spent at Arroyo Vista alone! I was Den 4's Cub Scouts Den Leader for five years,

the YMCA Basketball and Volleyball Coach (for all three of my children) on teams spanning over six years, an AYSO Assistant Coach, a SPEF Volunteer for multiple Parti Gras, Color Fests, and Fun Fests throughout the years, and a four time member of the Singing and Dancing Dads for Fathers' Follies.

Before moving to South Pasadena, I volunteered to teach reading at Jefferson Elementary School in Pasadena, and I spent five years as a canoeing, backpacking, and river rafting trip leader for Inner City Outings, an Oakland, CA based branch of the Sierra Club dedicated to providing skills and self confidence to inner city high school students through participation in wilderness adventure treks.

5. From your point of view, what are the three greatest needs and challenges of/for the city at this time?:

While there are a number of significant, long term issues facing South Pasadena today, this appointment is only to fill the three month term remaining for District 2. As such, my focus will be on the immediate, near term issues facing a City, and a City Council, that needs to reestablish a sense of transparency and accountability in City Government, specifically:

Finances:

As a city and as a community we have to come together to make important value decisions about which services we can/want to provide and how to spend our City revenue dollars appropriately. However, no organization – whether public or private – can be expected to make reasonable, informed decisions if accurate and timely financial reports are not available. Regular financial reporting has been unavailable or discontinued for close to three years. The City's 2018/19 financial audit is already eight months late. The 2019/20 audit, which should have been started already, is now known to be delayed as well. And there are significant questions that have been raised over the past three months by Josh Betta, William Kelly, myself, and others regarding the accuracy and reasonableness of the 2020/21 budget. The foremost goal for this interim appointment must be as follows:

- Ensure the 2018/19 audit is completed prior to the November election,
- Ensure the 2019/20 audit is on track to be delivered on schedule,
- Reinstigate accurate and timely monthly and quarterly financial reporting to both the Finance Commission and the City Council, and
- Review and assess the assumptions underlying the 2020/21 budget for accuracy and reasonableness amidst the historical macro and microeconomic crisis presented by Covid 19.

By achieving these financial goals, the City, and specifically the City Council, will take great strides towards reinstating transparency and accountability within our

departments and rebuilding the currently fractured trust from the Community. Achieving these goals ahead of November 3rd should be a key objective for the Council given the important ballot initiatives that will be in front of residents this year, namely, the much needed UUT.

Supporting businesses and residents through Covid:

Working with companies across the country, I have seen first hand how the coronavirus pandemic has wreaked havoc upon the small businesses that make up the backbone of our communities and has left families struggling throughout the United States. These are not the types of issues where we can spend endless hours deliberating while we “wait and see” what Sacramento, Los Angeles, or even other neighboring Cities from the San Gabriel Valley decide to do. We need to act quickly to finalize efforts to support our local businesses, like the al fresco dining initiative which could have been implemented months ago. We need to act quickly to provide adequate renter protections so our neighbors aren’t unfairly evicted amidst a global pandemic. Our families, friends, and businesses are hurting now, emotionally as well as financially, and need opportunities to work and live. Today.

RHNA:

The RHNA allocation has caused social media to erupt with heartfelt and impassioned public discourse regarding the social imperative for accessible affordable housing and the practical requirements of large scale development within SoPas. The City should absolutely adopt a Housing Element, per state requirements, that addresses the final RHNA allocations. It should not be done in a vacuum, but rather hand in hand with various constituencies throughout the community, and must also contain an inclusionary housing ordinance to protect our existing renters and existing affordable housing stock. However, the assumptions underlying the RHNA allocations need to be reviewed for accuracy and reasonableness. This is part of the normal RHNA allocation process, and the City needs to work with SCAG to ensure the best possible outcome for the City and our residents.

6. What are the greatest opportunities for the City from your perspective?:

During the term of this appointment, the greatest opportunity before the City is to take concrete measures to 1) reestablish a sense of trust, transparency, and accountability with its residents, and 2) establish regular and accurate financial reporting.

7. Additional Information/Remarks:

One of the largest issues facing our society today is the erosion of intellectually honest debate. Too often, people favor convenient sound bytes or confirmation bias over reasonable, honest discourse and discovery. It’s okay to be wrong. It’s okay to make

mistakes. It's okay to have impassioned arguments and still disagree. But the only way to learn and improve is to roll up your sleeves, ask questions, and truly be open to real answers. Whether it's the historical financials, the go forward budget, or any other issues facing the City...if we can commit to coming together as a group, asking the tough questions, and being prepared to really listen...then we will leave the City far better than we found it.

I thank you for your consideration.

STEPHEN E. ROSSI

EXPERIENCE

PALM TREE LLC <i>Managing Director, Head of Capital Markets and Special Situations</i>	Los Angeles, CA <i>October 2019 – Present</i>
COUNTERPOINT CAPITAL PARTNERS, LLC <i>Founder / Managing Partner</i>	Los Angeles, CA <i>June 2010 – October 2019</i>
PLATINUM EQUITY, LLC / PLATINUM DEBT GROUP, LLC <i>Vice President / Managing Director</i>	Beverly Hills, CA <i>March 2005 – June 2010</i>
BANK OF AMERICA, N.A. <i>Vice President, Senior Commercial Underwriter</i>	Pasadena, CA <i>May 2003 – March 2005</i>
DEUTSCHE BANK, AG <i>Corporate Strategy Intern – Post Merger Integration</i>	London, England <i>May 2002 – August 2002</i>
BANK OF AMERICA, N.A. <i>Assistant Vice President, Account Executive</i>	Pasadena, CA <i>September 1997 – July 2001</i>

EDUCATION

GEORGETOWN UNIVERSITY, The Robert E. McDonough School of Business <i>Master of Business Administration</i>	Washington, D.C. <i>May 2003</i>
UNIVERSITY OF CALIFORNIA, BERKELEY <i>Bachelor of Arts, History of Art</i>	Berkeley, CA <i>May 1997</i>

Ed Donnelly (DUDES, PTA, UUT, etc)

Stephen's personal integrity coupled with his business experience make him an ideal candidate to fill the temporary vacancy on the City Council. As the City finalizes its latest audit, it is paramount that residents have a complete understanding of how the numbers were reconciled. Confidence in the results will set the stage for wise decisions as the budget for next year is prepared. We have a unique opportunity to have someone with a depth of financial experience to help pass the UUT and shepherd this process along.

Sheila Tully (AV PTA President – Former)

It's true. We are facing an unprecedented financial crisis in our city. As daunting as that sounds, this is not a problem without a solution. It just feels that way because we are still in the dark. Expertise matters. We need a financial expert to shine a light on these issues by asking the right questions, so we can create a roadmap back to financial health and transparency. Steve Rossi is just the person for this moment and we are lucky he has volunteered to help us out.

Scott Moe (SPEF President – Former)

As nearly everyone is aware, the South Pasadena community is going through an unprecedented time. As the City tries to decide on a replacement for the Councilperson for District 2, I would like to suggest Mr. Stephen Rossi. As a long time community member and as one of the first people to identify the financial discrepancies in the City's original proposed Budget, he is to be well situated to help find the answers we need. Additionally, his financial experience and integrity would be strong assets to re build trust in our local City government. I strongly recommend Stephen Rossi to serve the rest of the term for District 2.

Thank you,

Scott Moe

**District 2 Residents Support Letter for Stephen Rossi
Interim South Pasadena Council Member
Representing District 2**



As residents of District 2 in South Pasadena, we the undersigned support and endorse Stephen Rossi to be our Interim Council Member. We are very concerned about the city’s financial irregularities that have come to light. These issues need to be addressed immediately by financial professionals and cannot wait until November. We trust Steve Rossi and know his professional expertise is urgently needed on the Council at this time. Steve’s qualifications make him uniquely suited to take on this extremely important responsibility.

Extensive Professional Financial Expertise focused on Capital Structuring, Business Diligence, Performance Analysis, and Operational Leadership

Steve earned his M.B.A. from the McDonough School of Business at Georgetown University. As Managing Director and Head of Capital Markets for a prominent private equity advisory firm, Steve has over 20 years of experience specializing in corporate finance, providing debt and equity capital structuring and negotiations, business diligence and performance analysis, and operational leadership to companies in a variety of sectors. He has closed over \$9 billion in financing commitments with over 200 different lending partners, and he has led or supported over 100 acquisitions and restructurings throughout his career, including serving as a board member, operating committee member, interim CEO, and Chief Restructuring Officer. Before becoming a private equity professional, he spent eight years as a direct lender in Bank of America’s asset-based lending division. He was awarded the *M&A Advisor* Turnaround Award lower middle market Deal of the Year in 2012 and 2017, and was named to the *M&A Advisor* 40 Under 40 in 2013.

Hardworking, Detail-Oriented Community Leader and Activist

Steve and his wife Sheila have been one of the leading forces behind the community’s investigation into the city’s current budget crisis. Through their detailed and thoughtful forensic hard work, Steve has demonstrated his determination to hold the city accountable for its financial status and managerial oversight with a view to re-establishing truth, trust and transparency in our city’s governance.

South Pas Dad, Coach, and Volunteer

As a South Pas resident for 13 years, Steve has coached YMCA Basketball, Volleyball, and Soccer. He has actively participated in AYSO and Cub Scouts, and he volunteered for Parti Gras, Colorfest, and Fun Fair. He also shared his fun side as a performer in “Fathers Follies” and “Singing Dads, Dancing Dads”

**Community Support Letter for Stephen Rossi
Interim South Pasadena Council Member
Representing District 2**



As residents of South Pasadena, we the undersigned support and endorse Stephen Rossi to be the Interim Council Member for District 2. We are very concerned about the city’s financial irregularities that have come to light. These issues need to be addressed immediately by financial professionals and cannot wait until November. We trust Steve Rossi and know his professional expertise is urgently needed on the Council at this time. Steve’s qualifications make him uniquely suited to take on this extremely important responsibility.

Extensive Professional Financial Expertise focused on Capital Structuring, Business Diligence, Performance Analysis, and Operational Leadership

Steve earned his M.B.A. from the McDonough School of Business at Georgetown University. As Managing Director and Head of Capital Markets for a prominent private equity advisory firm, Steve has over 20 years of experience specializing in corporate finance, providing debt and equity capital structuring and negotiations, business diligence and performance analysis, and operational leadership to companies in a variety of sectors. He has closed over \$9 billion in financing commitments with over 200 different lending partners, and he has led or supported over 100 acquisitions and restructurings throughout his career, including serving as a board member, operating committee member, interim CEO, and Chief Restructuring Officer. Before becoming a private equity professional, he spent eight years as a direct lender in Bank of America’s asset-based lending division. He was awarded the *M&A Advisor* Turnaround Award lower middle market Deal of the Year in 2012 and 2017, and was named to the *M&A Advisor* 40 Under 40 in 2013.

Hardworking, Detail-Oriented Community Leader and Activist

Steve and his wife Sheila have been one of the leading forces behind the community’s investigation into the city’s current budget crisis. Through their detailed and thoughtful forensic hard work, Steve has demonstrated his determination to hold the city accountable for its financial status and managerial oversight with a view to re-establishing truth, trust and transparency in our city’s governance.

South Pas Dad, Coach, and Volunteer

As a South Pas resident for 13 years, Steve has coached YMCA Basketball, Volleyball, and Soccer. He has actively participated in AYSO and Cub Scouts, and he volunteered for Parti Gras, Colorfest, and Fun Fair. He also shared his fun side as a performer in “Fathers Follies” and “Singing Dads, Dancing Dads”

SUPPORT LETTER SIGNATURES

	First Name	Last Name	Address	District	Affiliations
1	Aaron	Lindenthaler		2	
2	Agnes	Kretz		2	
3	Alberto	Ocon		2	
4	Allison	Bearden		2	
5	Amy	Sharp		2	
6	Andrew	Lasell		2	
7	Andy	Au		2	
8	Anne	Michels		2	
9	Annette	Ramos		2	
10	April	Ramirez		2	
11	Ary	Bulander		2	
12	Barbara	Hoskins		2	
13	Barbara	Sutton		2	
14	Beatrice	Chun		2	
15	Benjamin	Cronin		2	
16	Bianca	Richards		2	
17	Bill	Collins		2	
18	Bill	Buckley		2	DUDES
19	Bitia	Pirzadeh		2	
20	Brandon	Hement		2	
21	Brian	Mahler		2	
22	Bryan	Samuels		2	DUDES
23	Candace	Podvoll		2	
24	Carolyn	Buckley		2	
25	Catherine	Gill		2	
26	Cecelia	Flores		2	
27	Chandra	Kucera		2	
28	Charles	Do		2	
29	Cheryl	Busick		2	SPMS Principal
30	Chris	Page		2	SPEF Treasurer (Former)
31	Chris	Foster		2	
32	Chris	Kerrigan		2	
33	Christian	Foster		2	
34	Christina	Vaughan		2	
35	Christopher	Cronin		2	
36	Chuck	Jones		2	Jones Coffee
37	Cindy	Graham		2	
38	Claire	Kucera		2	
39	Cole	Schroeder		2	
40	Dahni	Tsuboi		2	
41	David	Bazelon		2	

42	David	Lasell		2	
43	David	Plenn		2	
44	Dean	Serwin		2	
45	Delaine W.	Shane		2	
46	Derek	Vaughan		2	
47	Diane	McRiley		2	
48	Diane	Lasell		2	
49	Ed	Riffle		2	
50	Emilia	Lomeli		2	
51	Emmeline	St. Vaughn		2	
52	Enrique	Canals		2	
53	Eric	Kretz		2	
54	Erik	Gammell		2	School Board Candidate
55	Erinn	Carusetta		2	
56	Esther	Huang		2	
57	Gregor	Adams		2	
58	Gregory	Chun		2	
59	Harrison	Chun		2	
60	Hau	Gu		2	
61	Hsin-l	Tseng		2	
62	Iyla	Rossi		2	
63	Jackie	Tolj		2	
64	Jacob	Chun		2	
65	James P	Sonne		2	
66	Janet	Nugent		2	
67	Jean Lee	Fong		2	
68	Jean Pierre	Mainguy		2	
69	Jeff	Olney		2	
70	Jerilyn	Schmidt		2	
71	Jessica	Samuels		2	
72	Joe	Gill		2	
73	Joe	Salazar		2	
74	John	Knighton		2	
75	Jorge	Ramos		2	
76	Josh	St. Vaughn		2	
77	Karen	Taylor		2	
78	Karen	Levine		2	
79	Karen	Salazar		2	
80	Karissa	Chabner		2	PTA President - Arroyo Vista
81	Kim	McKenzie		2	
82	Kim	Carlson		2	
83	Krista	Ocon		2	
84	Kristen	Burton		2	
85	Kristin	Cheney		2	
86	Kristin	Taylor		2	

87	Kristine	Moe		2	
88	Kumi	Maemura		2	
89	Kylie	Park		2	
90	Linda	Barral		2	
91	Linda	Yang		2	
92	Lisa	Petty		2	
93	Loria	Pestell		2	
94	Lourdes	Nonato		2	
95	Luis	Ramirez		2	
96	Lynn	Serwin		2	
97	Marco	Tolj		2	
98	Mark	McRiley		2	
99	Mark	Mahoney		2	
100	Marshall	Dostal		2	
101	Megan	Dostal		2	SPEF President (Former)
102	Melissa	Bomfiglio		2	
103	Michael	Bulander		2	
104	Michelle	Schroeder		2	
105	Mickee	Collins		2	
106	Nancy	Michler		2	
107	Nancy	Riffle		2	
108	Nastassja	Carusetta		2	
109	Nicholas	Taylor		2	
110	Nicole	Mahoney		2	
111	Olivia	Yang		2	
112	Pam	Postrel		2	
113	Pamela	Danni		2	
114	Paul	Lang		2	
115	Pete	Monzo		2	
116	Rachel	Wong		2	
117	Rich	Fineza		2	
118	Richard	Cheney		2	
119	Richard	Lee		2	
120	Richard	Petty		2	
121	Rikki	Lee		2	
122	Rob	Fung		2	
123	Roberta P	Sonne		2	
124	Ron	Koertge		2	
125	Ronald	Rosen		2	
126	Russell	Shane		2	
127	Sam	Park		2	
128	Samantha	Gammell		2	
129	Sandrah	Eckel		2	
130	Scott	Moe		2	SPEF President (Former)
131	Scott	Correll		2	

132	Shari	Correll		2	
133	Sharon	Hannah		2	
134	Sheila	Rossi		2	
135	Sheila	Tully		2	PTA President, Arroyo Vista (Former)
136	Shelley	Stephens		2	
137	Soojung	Park		2	
138	Steve	Zikman		2	
139	Sunook	Park		2	
140	Susan	Sulsky		2	
141	Tara	Hervey		2	
142	Tarina	Kang		2	
143	Todd	Schroeder		2	
144	Tom	Graham		2	
145	Tom	Fong		2	
146	Tom	Nugent		2	
147	Tom	Kucera		2	
148	Wayne	Busick		2	
149	Wende	Lee		2	
150	Wilson	Xu		2	
151	Xiaoming	Feng		2	
152	Yvonne	Hajdu-Cronin		2	
<hr/>					
153	Alan	Reynolds		1	School Board Candidate
154	Alan	Muller		1	
155	Alan	Wu		1	
156	Alejandra	Valenzuela		1	
157	Alicx	Sun		1	
158	Alison	Smith		1	
159	Andreas	Mauer		1	
160	Angela	Tsai		1	
161	Anthony	Lacques		1	
162	Ashley	Lim		1	
163	Bette	Hathaway		1	
164	Betty	Emirhanian		1	WISPPA
165	Carol	Kwong		1	
166	Christine	Valenzuela		1	
167	Debra	Echard		1	
168	Don	Moser		1	
169	Emily	Ambruso		1	
170	Eric	Halseth		1	
171	Erin	McGlogan		1	
172	Eve	Rubell		1	
173	Evelyn	Zneimer		1	City Counsel Candidate - District 1, South Pasadena City Clerk
174	Gina	Wu		1	
175	Ginny	Mentel		1	

176	Greg	Kawai		1	
177	Haydeh	Takasugi		1	
178	Irene	Chiolo		1	
179	James	Chou		1	
180	James	Mentel		1	
181	Janis	Chun		1	
182	Jim	Tavares		1	
183	Jingtang	Zhao		1	
184	Joe	Leavenworth		1	
185	John	Lesak		1	
186	John	Xiang		1	
187	Jose	Bergero		1	
188	Karin	Moser		1	
189	Katie	Tinto		1	
190	Kelley	Chou		1	
191	Krishna	Jain		1	
192	Lawrence	Sin		1	SPEF President (Former)
193	Leah	Duker		1	
194	Leslie	Ito		1	
195	Luis	Valenzuela		1	
196	Mario	Fournier		1	
197	Mark	Haines		1	
198	Matt	Burlando		1	
199	Mieke	Kramer		1	
200	Nick	Bangar		1	
201	Olou	Lindberg		1	
202	Partha	Chakraborty		1	
203	Patrilika	Chakraborty		1	
204	Paul	Kennedy		1	
205	Pauline	Chen		1	
206	Raynee	Bangar		1	
207	Richard	Lim		1	
208	Scott	Keagy		1	
209	Sierra	Bientis		1	
210	Steven	Wong		1	
211	Susan	Smith		1	
212	Victoria	Patterson		1	
213	Weyman	Meow		1	
214	Xin	Gong		1	
215	Craig	Ninomiya		2	
216	Justin	Ninomiya		2	
217	Kyle	Ninomiya		2	
218	Nadine	Ninomiya		2	
219	Alan	Ehrlich		3	City Counsel Candidate - District 3
220	Alyssa	Bonk		3	

221	Andrew	Berk	3	DUDES, Rotary, Chamber, SPEF
222	Ann	Cherkis	3	
223	Anthony	LeBeau	3	
224	Avery	Clyde	3	
225	Chris	Kramsch	3	
226	Chris	Bray	3	
227	David	Gardner	3	
228	Desiree	Bonk	3	
229	Edward	Corey	3	Finance Commission Chair (Former)
230	Ellen	Johnson	3	
231	Emilia	Aldana	3	
232	Fahren	James	3	Black Lives Matter
233	Gabriela	Berk	3	
234	Genevieve	Martinez	3	
235	Glory	Van Owen	3	
236	Hector	Martinez	3	
237	Helga	Kuhn	3	
238	James	Stephenson	3	
239	Joanne	Knuckols	3	
240	Joe	Aldana	3	
241	Jon	Primuth	3	City Council Candidate - District 3, School Board Member and President (Former), SPEF President (Former)
242	Kelly	Kidd	3	Kidd's Jewelry Heist
243	Kelly	Fuchino	3	
244	Kristian	Bonk	3	
245	Kristin	Mihaylovich	3	
246	London	Lang	3	Black Lives Matter
247	Mark	Matlock	3	
248	Matthew	Kramsch	3	
249	Megan	Gardner	3	PTA EVP - Arroyo Vista
250	Myla	Kramsch	3	
251	Myrus	Kramsch	3	
252	Odom	Stamps	3	Mayor (Former) and Community Redevelopment Commission Member (Former)
253	Rob	Clyde	3	
254	Robyn	Nedelcu	3	
255	Sam	Burgess	3	
256	Steven	Lawrence	3	The South Pasadenan
257	Vanessa	Godson	3	
258	Amy	Reynolds	4	
259	Bill	Hodson	4	
260	Danny	Becerra	4	
261	Elizabeth Anne	Bagasao	4	
262	Emily	Cline	4	PTA President - SPMS (Former)
263	Eva	Barmientos	4	

264	Linnaea	Scott	4	
265	Melisa	Sondej Hodson	4	
266	Nathan	Pierce	4	
267	Nicole	Farmarco	4	
268	Patricia	Duff	4	
269	Paul	Scott	4	
270	Rachel	Hamilton	4	
271	Reyna	Ota	4	
272	Russel	Farmarco	4	
273	Scott	Reynolds	4	
274	Shalimar	Duff	4	
275	Yvette	Rodriguez	4	
276	Amy	Betts	5	
277	Ann	Larson	5	
278	Bob	O'Leary	5	
279	Brett	Barnard	5	
280	Cole	Stirling	5	
281	Daphna	Zangwill	5	
282	Debra	Inak	5	
283	Doug	Larson	5	
284	Ed	Donnelley	5	DUDES, PTA, UUT
285	Eileen	O'Leary	5	SPEF
286	Ellen	Daigle	5	Ellen's Silkscreening
287	Harold	Goldwhite	5	
288	Juliet	Goff	5	
289	Ken	Betts	5	
290	Ken	Zangwill	5	
291	Leah	Goldwhite	5	
292	Lisa	Henderson	5	
293	Liz	Calvert	5	
294	Marie	Goldwhite	5	
295	Mark	Deetjen	5	
296	Pam	Stirling	5	
297	Phil	Stirling	5	
298	Scarlett	Sy	5	
299	Sherry	Plotkin	5	
300	Tom	Polansky	5	

Timothy

James

Searight



APPLICATION TO FILL CITY COUNCIL VACANCY - COUNCIL DISTRICT 2

(This Application is a Public Document)

Residents are the underpinning of our community and the Mayor and City Council encourage your participation by volunteering to serve on the City Council.

Full Name	TIMOTHY JAMES SEARIGHT
Home Address	[REDACTED]
Preferred Phone No.	[REDACTED]
Secondary Phone No.	[REDACTED]
Email Address	[REDACTED]

Are you a registered voter of the City of South Pasadena, District 2?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
Have you ever been convicted of a crime that would prohibit you from hold elective office pursuant to CA Elections Code Chapter 1, Section 20 (attached).	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>
Are you actively engaged in or representing someone who is in a lawsuit against the City?	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>

****Please answer the following questions. Additional sheets may be attached – You are welcome to provide a resume and/or letters of endorsement****

1. Occupational Experience: Attorney (prosecutor) . Government Budgeting and Finance: Government Ethics specialist

2. Educational Background: Columbia College (NYC): UC Hastings College of Law: JFK School of Government – Harvard (public finance and budgeting)

3. Why do you want to serve on the City Council?
To provide a sense of integrity and professionalism to the South Pasadena citizens during the interim period in which I would serve.

4. Civic or community experience, membership, or previous public service appointments:

No 710 Committees and Meetings: Annual City Planning Meeting: Water Facilities Tours: St. James Episcopal Church: Fremont Center Theatre

5. From your point of view, what are the three greatest needs and challenges of/for the city at this time? (1) to restore So. Pasadena's resident sense of integrity and professionalism in their local government; (2) to present to the residents the condition of the City's budget and finances in a clear, concise and transparent manner; and, (3) to assist the small, independent businesses during the COVID shut-down and help them, as the virus recedes, in getting back to profitability and normalcy.
-

6. What are the greatest opportunities for the City from your perspective? To retain our "small-town," liveable, culturally-rich community within budget and for the benefit of our responsible, and ethnically, racially and economically diverse citizens.
-

7. Additional Information/Remarks: It would be a great honor to serve.
-

***Disclosure of Economic Interests**

City Councilmembers are required to file a Statement of Economic Interest upon appointment, termination, and annually. Under existing California law, a member of City Council may not make, participate in making, or attempt to influence a governmental decision if it is reasonably foreseeable that the decision could have a material financial effect on that member, the member of the immediate family, or any of his or her financial interests. Careful consideration should be given to this issue and applicants are encouraged to contact the City Clerk's Office (for general questions) or the Fair Political Practices Commission if they have any questions.



Where Do I File My Application?

Completed applications should be submitted via email to:

City of South Pasadena
Maria E. Ayala, Chief City Clerk
mayala@southpasadenaca.gov

If you wish to drop off completed documents in-person, please contact (626) 403-7232 for an appointment.

I have read and hereby certify that I meet the eligibility criteria shown in the attached Appointment Guideline Form, and comply with all Fair Political Practice Commission (FPPC) reporting requirements.

Timothy J. Serjeda
SIGNATURE

Aug 26, 2020
DATE

TIMOTHY J. SEARIGHT



Personal:

Age 57; Married - Hon. Rupa Goswami, Los Angeles Superior Court Judge; Two children (Kumar - South Pasadena Middle School), Luxmi (Arroyo Vista Elementary); + 10 years residing in South Pasadena.

Education:

Columbia College, Columbia University
Bachelor of Arts (1985)

Hastings College of Law, University of California
Juris Doctorate (1990)

Kennedy School of Government, Harvard University
Master of Public Administration (1996) (Studied government finance and budgeting.)

Work Experience:

United States Attorney's Office,
Central District of California (Los Angeles)
Assistant United States Attorney (1996-present)

Professional Responsibility Officer, Lead Ethics
Advisor.

Riverside County District Attorney's Office,
Deputy District Attorney (1990-96)

Municipal:

St. James Episcopal Church; AYSO; Young Stars
Theatre; Attendance and Work with No 710
Meeting; Municipal Water Upgrade Projects;
Annual Planning Meeting.

APPLICATION FORM CHECKLIST

Please
Initial

1.	I am a qualified resident and registered voter in South Pasadena, Council District 2.	TJS
2.	I have answered <u>all</u> of the questions in the Council Vacancy Application.	TJS
3.	I have reviewed the attached Council District Map adopted in 2017.	TJS
4.	I have reviewed the "Duties of a Councilmember".	TJS
5.	I have attached my completed and signed application.	TJS
6.	I have attached my resume (optional).	TJS
7.	I am aware that if appointed I will be subject to filing the Statement of Economic Interest (Form 700). Note: The form and instructions may be accessed here: http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Form%20700/2019-2020/Form%20700%202019.2020%20IA.pdf	TJS
8.	I have submitted all materials listed above to the City Clerk's Office by the deadline date: Friday, August 28, 2020, 3 p.m. Postmarks not acceptable.	TJS
9.	I am aware that if I want to submit my Application documents in person, I need to make an appointment.	TJS
10.	I understand eligible candidates will be invited for an oral interview by the City Council at the Special City Council meeting scheduled for Wednesday, September 2, 2020, unless otherwise notified; and, that I need to attend via Zoom or in person.	TJS
11.	I understand that the Application Documents are public records (with the exemption of personal contact information)	TJS

Timothy J. Searight
PRINT NAME

Timothy J. Searight
SIGNATURE

Aug. 26, 2020
DATE



Special City Council Meeting Agenda Report

ITEM NO. 2

DATE: September 2, 2020

FROM: Stephanie DeWolfe, City Manager

PREPARED BY: Karen Aceves, Finance Director
Michael Casalou, Human Resources Manager

SUBJECT: **Report and Recommendation to Consider Personnel Actions Necessary to Close the General Fund Budget Deficit; Receive and File CalPERS Actuarial Valuation Disclosing Potential Costs Associated with a Retirement Incentive Program**

Recommendation

It is recommended that the City Council direct staff to proceed with a package of personnel related cost savings including the following:

1. Impose a permanent freeze on specific vacant positions;
2. Reduce overtime for the police and fire departments;
3. Offer a retirement incentive to approximately ten employees;
4. Receive and file the attached CalPERS actuarial report and direct staff to post it on the City's website for 14 days.

Executive Summary

As a result of the worldwide pandemic, the City has seen a significant decrease in revenue causing an anticipated \$3.5 million shortfall for FY20/21. In the draft budget, staff proposed a series of strategies to reduce expenditures to match reduced revenue, including shifting General Fund dollars from capital to operations, eliminating contracts and reducing operations costs, pulling from special project reserves, and reducing costs of personnel. This report presents the personnel related portion of the cost savings strategies, totaling \$1,550,000. Of that amount, \$1,030,000, that can be achieved by Council direction without prior meet and confer. Additional savings necessary to meet the \$1,550,000 will be sought through negotiations with the City's bargaining groups. Although the Council is not yet ready to adopt a budget, direction to staff on the personnel issues is time critical as negotiations must begin in earnest in order to achieve at least six months of savings for items requiring union engagement.

Discussion/Analysis

The City is facing a \$3.5 million shortfall in the current fiscal year due to loss of revenue from the pandemic shut down. Three of the city's top revenue sources are predicted to experience significant shortfalls in current and future years, including property tax, sales tax, and user fees. These losses are the result of businesses being closed for several months, anticipated slow

Personnel Related Cost Savings

September 2, 2020

Page 2 of 4

recovery of shopping and dining patterns, mandated cancellation of programs and facility rentals, and State regulations allowing deferral of payment of property tax and sales taxes. With no immediate opportunities for new ongoing revenue, reduction in expenditures is the only available option to balance the budget at this time. Reducing expenditures by \$3.5 million, or 12% of the General Fund, requires difficult trade-offs.

While City Council will consider all budget recommendations at a future meeting, time is of the essence in defining the personnel related cost savings goals that require labor negotiations. Negotiations can take several months and the City will want to achieve at least six months of savings on negotiated items.

The total cost reduction proposal included in the draft budget is as follows:

Category	Dollar Amount
Budget Gap	\$ (3,500,000.00)
Capital	\$ 1,000,000.00
Operational	\$ 350,000.00
Reserves (Storm water)	\$ 600,000.00
Personnel	\$ 1,550,000.00

The personnel related savings that can be directed by the City Council include freezing positions, reducing overtime, reduction in force (lay-offs) and offering retirement incentives. Each savings category is detailed below:

Frozen and Eliminated Full Time Positions

A total of six vacant full time positions which were previously budgeted in the last Council approved budget, are proposed to remain vacant for the duration of the year. Each position was vacant at the beginning of the fiscal year, and will total twelve months of savings. In addition, two of the positions are proposed to be eliminated permanently. The remaining positions will be reevaluated in the next fiscal year. The positions include:

Management Services Department

- Principal management analyst
- Public information officer*

Community Services Department

- Program specialist

Police Department

- Senior police clerk
- Police officer

Library

- Assistant library director*

**Position to be eliminated.*

In addition, one position is proposed to be held vacant for the remainder of the year if the incumbent pursues the retirement incentive. Those cost savings will be added at the appropriate time if they are realized. Freezing and eliminated vacant positions listed above is estimated to save as much as \$792,500.

Overtime Reductions

Both public safety departments are positioned to be able to reduce overtime as a result of full staffing. When experiencing low staffing levels, as in year's past, overtime pay is critical to meet daily service needs. With current staffing levels, police and fire can operate with less overtime budget and without service impacts. Total savings for the year will be \$200,000.

Retirement incentives

CalPERS offers a Two-Year early retirement program for public agencies facing downsizing, layoffs, and/or reorganizations due to financial pressures or organizational changes. The program allows agencies the opportunity to reduce labor costs by lowering per unit staff cost and maintaining target vacancies. The cost of the program is amortized over five years. The program provides an extra two years of service credit to employees who:

- Have attained 50 years of age;
- Have five or more years of service credit with CalPERS;
- Retire within the respective 90-day retirement window.

The early retirement benefit is intended to generate short-term and long-term savings through voluntary attrition of personnel. Through a combination of hiring new employees at entry level wages, holding positions vacant for some period of time, and/or through the permanent reduction in the workforce, voluntary retirements will provide opportunities to reduce labor expenses. The cost of providing this benefit will be rolled into the City's actuarial estimate two-fiscal years following implementation. This will result in an increase to the percentage of payroll the City must pay on each active employee, beginning in FY 2023-24. Budget savings will be realized from the reduction in labor costs less the cost of the program, amortized over five years. If approved by the City Council on September 16, 2020, this incentive will be offered to eligible employees in all departments except police, fire and public works. Those three departments have been excluded due to the critical nature of service and the higher risk of absenteeism currently due to the pandemic. A total of ten employees will be offered two years of service credit to retire by December 31. It is unknown how many will accept the offer, and therefore cost savings are undefined. However PERS data indicate that typically half of the employees offered an incentive will pursue it, resulting in five employees leaving the organization. Depending on which employees exit, the cost savings will be achieved through positions being held vacant for a specified time, being filled at a lower classification or part time status, or being filled with a PERS PEPRA member with significantly lower benefit costs than a PERS Classic member.

An early retirement incentive is authorized under Government Code Section 20903, but must include at least one layoff (see next section). Additionally, the procedure has changed such that PERS now requires the public agency employer to prepare an actuarial (or have PERS do one free of charge) analyzing the costs to the employer if all eligible employees actually took the early retirement incentive (two extra years of service credit). PERS has prepared the required

actuarial for the City, which is attached to this staff report. According to the PERS actuarial, if all 10 employees actually took the early retirement incentive, the maximum increased cost in the City's PERS premiums over the anticipated lifetime of the benefit would be a total of \$809,757; if paid over a 5 year period subject to PERS interest rates, the maximum total cost would be \$1,250,000, or \$250,000 per year. However, the actual cost will be based on the employees who do retire and will be calculated on their years of service with South Pasadena, not their total years of service in the PERS system. Because the City anticipates 50% or less of the eligible employees will take the early retirement incentive, the anticipated maximum cost would be \$404,878 or less (depending on the years of South Pasadena service) or \$125,000 per year for five years. However, this expense is reduced by the anticipated savings from leaving at least one of the retiree positions vacant for at least one year, and the anticipated savings year over year of replacing retirees with PEPRAs employees, and hiring them in at a lower step. There is a 4% savings in PERS premiums between PEPRAs and "classic" employees. Accordingly, the "net" maximum cost of the retirement incentive program if five employees apply for these benefits is \$104,530 per year for five years, or \$522,650 in total. This will be offset with savings generated by holding positions open or restructuring them at lower cost.

Layoffs

While layoffs are a last resort, they are likely necessary to balance the budget, particularly where workload has dropped due to the pandemic and less staff are needed. As discussed above under the early retirement incentive package, at least one layoff is required as part of the package. Staff has inserted a placeholder amount of \$45,000, which represents six-months of budget savings due to the elimination of at least one miscellaneous position. Of course, lay off and elimination of a position will provide on-going savings in salary and benefits.

The anticipated savings from freezing and eliminating six full-time positions, reducing overtime in police and fire departments and at least one lay-off is estimated at: \$1,037,500 in the current fiscal year. When compared with the one-time cost of the retirement incentive program of \$522,650, the City will realize a net reduction in costs of at least \$514,850. As described above further cost savings will be achieved depending on which employees choose to retire allowing their positions to be held vacant and/or reorganized into lower cost positions. In addition, long-term savings would accrue from replacing five positions with PEPRAs members saving approximately \$20,000 per year in perpetuity.

Negotiated Personnel Cost Savings

The four items above are not sufficient to close the budget gap. Further reductions in personnel costs will require negotiations with all bargaining units. Negotiated items could include elimination of cost of living adjustments (COLA) moving forward, retroactive payback of the COLA implemented in July, furloughs, and reductions in pay.

Legal Review

The City Attorney has reviewed this item.

Personnel Related Cost Savings

September 2, 2020

Page 5 of 4

Fiscal Impact

The draft budget proposes to cut \$1,550,000 in personnel costs from current year expenses in order to help balance a \$3.5 million shortfall. Council direction will enable those recommendations to be pursued immediately.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachments:

1. CalPERS Actuarial Valuation Report



California Public Employees' Retirement System
Actuarial Office
 P.O. Box 942709
 Sacramento, CA 94229-2709
 TTY: (916) 795-3240
 (888) 225-7377 phone • (916) 795-2744 fax
www.calpers.ca.gov

August 27, 2020

CALPERS ID: 2139696011
 Employer Name: CITY OF SOUTH PASADENA
 Rate Plan: MISCELLANEOUS PLAN
 BENEFIT DESCRIPTION: ADDITIONAL TWO YEARS OF SERVICE – GOLDEN HANDSHAKE

Dear Requestor:

A contract amendment cost analysis for the valuation requested and related information is enclosed. This amendment actuarial valuation report reflects the following proposed benefit provision changes:

Additional two years of service for designated members - Golden Handshake

Number of eligible members	10
Average Pay	\$89,087
Average Service	20.13
Average Age	57.97

California Government Code Section 20903 allows an agency to amend its contract to provide its employees, who retire during a designated period, two years of additional service credit. Before an agency may adopt the Golden Handshake resolution, the governing body must certify that it intends to keep some of the resulting vacancies permanently unfilled and reduce the workforce. The provision permits agencies to reduce staff and provide immediate payroll savings by offering a retirement incentive for eligible employees.

The estimated total increase in retirement benefit costs and analysis regarding estimated changes in required employer contribution rates are provided in the attached cost analysis. If you are aware of others interested in this information (i.e., payroll staff, county court employees, port districts, etc.), please inform them. Sections 20463 (b) and (c) of the California Public Employees' Retirement Law require the governing body of a public agency which requests a contract amendment cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise, if this cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

Important Risk Disclosure

- The Nature of Actuarial Work: All actuarial calculations, including the ones in this cost estimate, are based on numerous assumptions about the future. This includes demographic assumptions about the percentage of your employees that will terminate, die, become disabled, and retire in each future year, and economic assumptions, about what salary increases each employee receives and the most important assumption, what the assets at CalPERS will earn for each year into the future until the last dollar is paid to current members of your plan. While CalPERS has set these assumptions as our best estimate of the future, it must be understood that these assumptions are very long-term predictors and will not be realized each year as we go forward. This means that your required employer contributions can vary with or without any benefit changes because short term experience does not conform to the long-term actuarial assumptions.
- Investment return is much more volatile than liability fluctuations and can cause employer rates to vary significantly. For example, for the past twenty-year period ending June 30, 2020, returns for each fiscal year ranged from -24% to +20.7%. The impact of investment return on employer contribution rates varies **significantly based on the plan's** volatility ratio (the ratio of the market value of assets to the payroll).

- The risks associated with whether actual future measurements differ significantly from expected future measurements are disclosed in this report. These risk disclosures are important and should be reviewed.

If you have questions about the cost analysis, please call (888) CalPERS (225-7377). Please ask to speak to a contract analyst for questions about the timing of the contract amendment. Please ask to speak to either signing actuary below for questions about this cost analysis.



STUART BENNETT, ASA, MAAA
Senior Pension Actuary, CalPERS



RANDALL DZIUBEK, ASA, MAAA
Deputy Chief Actuary - Valuation Services, CalPERS

Enclosures

Estimated Cost / Savings of Golden Handshake Program

A Golden Handshake program generally results in increased retirement benefit costs but lower payroll and ancillary benefit costs (at least for some period of time). An appropriate method for determining the ultimate cost / savings of such a program is to compare the estimated increase in retirement benefit costs to the estimated payroll and ancillary benefit savings. There is generally no way to know which of the eligible members will retire under the program. ***All "post-amendment" results provided in this report assume all eligible members will retire.*** If some eligible employees choose to continue working, the cost will be different. However, it is not necessarily true that if 80% of eligible members choose to retire, the cost will be 80% of the results shown in this report. The cost of the additional service varies by individuals, and those for whom it has a higher value may be more likely to elect to take advantage, meaning that the cost for the 80% that elect to retire could be more than 80% of the cost if all members elect to retire.

The ultimate cost/savings will also depend heavily on the extent to which members who retire under the program are replaced or not replaced. Both the increase in retirement benefit costs and the decrease in payroll/ancillary benefits depend on this.

Adoption of the proposed amendment would affect the cost of retirement benefits provided in this plan in two ways:

1. Increase in Past Service Cost – this is the current value of the improved benefit for all past service of eligible members, expressed as a lump-sum dollar amount. According to CalPERS policy, a new Unfunded Accrued Liability base is established in the amount of the past service cost increase for the Golden Handshake program and amortized over 5 years.
2. Decrease in Normal Cost – employer normal costs for remaining active members will be unaffected by the Golden Handshake program. However, to the extent members who retire under the program are not replaced, total required employer normal cost payments will be reduced.

This report provides estimates of the increase in retirement benefit costs but does not provide estimated payroll/ancillary benefit savings. For a full picture of the financial impact of this program, payroll and ancillary benefit costs should be estimated and compared to the retirement benefit costs provided in this report.

Present Value of Projected Benefits

The table below shows the change in the plan's total present value of benefits for the proposed plan amendment. The present value of benefits represents the total dollars needed today to fund all future benefits for *current* members of the plan (i.e., without regard to future employees).

Also provided in the table is the present value of future member contributions for members assumed to retire under the Golden Handshake program. Without the program, these member contributions would be expected to be paid to the plan. If the retiring members are not replaced, these member contributions will not be contributed to the plan.

The change in the present value of benefits due to the Golden Handshake program plus "lost" member contributions is an estimate of the total retirement benefit cost of program if retiring members are not replaced.

As of June 30, 2019	Pre-Amendment	Post-Amendment
Present Value of Projected Benefits (PVB)	\$ 54,514,475	\$ 54,666,229
Change to PVB		\$ 151,754
Reduction in Future Member Contributions		\$ 199,758
Estimated Total Increase in Retirement Benefit Costs (Assuming no replacement)*		\$ 351,512

* The Estimated Total Increase in Retirement Benefit Costs shown in the table above assumes that all employees eligible for retirement elect to retire under the Golden Handshake program. For certain eligible members, the present value of future benefits decreases as a result of retirement under this program. These employees have not yet reached normal retirement age of 55 and will have a much lesser retirement benefit factor if they accept the Golden Handshake. If these eligible members are removed from the calculations above (assuming they will not retire under the program), the estimated increase in the PVB above is calculated to be \$379,831 with reduced future member contributions of \$123,011. This yields a total estimated increase in retirement benefit costs of \$502,842.

As discussed in the Important Risk Disclosure in the cover letter, actual cost in the future will differ from our estimates due to experience deviating from the long-term actuarial assumptions on which the estimates are based.

Accrued Liability

The plan's **Accrued Liability** is the portion of the Present Value of Projected Benefits attributable to past service. A plan with assets exactly equal to the plan's accrued liability is "on schedule" in funding that plan. A plan with assets below the accrued liability is "behind schedule", or is said to have an *unfunded liability*, and must temporarily increase contributions to get back on schedule. Of course, events such as plan amendments and investment or demographic gains or losses can change a plan's condition from year to year.

The increase in the plan's accrued liability due to the Golden Handshake program determines the increase in unfunded liability that is amortized over a 5-year period which increases required annual employer contributions.

The changes in your plan's accrued liability, unfunded accrued liability, and the funded ratio as of June 30, 2019 due to the plan amendment are shown in the table below.

As of June 30, 2019	Pre-Amendment	Post-Amendment
Entry Age Normal Accrued Liability (AL)	\$ 49,736,451	\$ 50,546,208
Market Value of Assets (MVA)	35,406,805	35,406,805
Unfunded Liability/(Excess Assets) (UAL = AL – MVA)	\$ 14,329,646	\$ 15,139,403
Funded Ratio (MVA / AL)	71.2%	70.0%
Estimated Change to AL		\$ 809,757

For a Golden Handshake program, the increase in accrued liability is typically greater than the increase in the present value of projected benefits. The difference is the value of normal costs that would have been charged for the retiring members between the valuation date and their projected retirement date (without the Golden Handshake program). *If these retiring members are replaced (resulting in these normal costs being accrued by replacement members), a more appropriate estimate of the total increase in retirement benefit costs attributable to the Golden Handshake program is the increase in accrued liability shown above.*

Estimated Impact on Future Employer Contributions

While the table above gives the changes in the accrued liability and funded status of the plan due to the amendment, there remains the question of what will happen to required employer contributions because of the Golden Handshake program.

CalPERS policy provides that the change in unfunded liability due to a Golden Handshake program will be separately amortized over a period of 5 years and all other components of the plan's unfunded liability/excess assets will continue to be amortized separately. Future employer normal costs are expected to be lower provided at least some of the retiring members are not replaced.

Normal Cost for Fiscal Year 2021-22

The employer normal cost rate determined in the June 30, 2019 actuarial valuation, and applicable to fiscal year 2021-22, is unaffected by the Golden Handshake program. However, if member payroll for that year is reduced due to this program, this normal cost rate will be applied to lower payroll which will result in lower normal cost dollars paid during that year. The reduction in fiscal year 2021-22 employer normal cost can be estimated by multiplying the **plan's current** employer normal cost rate by the estimated decrease in payroll due to this program.

Normal Cost for Fiscal Year 2022-23 and Beyond

The employer normal cost rate that will be determined in the June 30, 2020 actuarial valuation (applicable to the 2022-23 fiscal year) will also be unaffected by this Golden Handshake program as all eligible members will be retiring after that date. An estimate for the employer normal cost reduction in fiscal year 2022-23 can be determined by multiplying the **plan's** current employer normal cost rate by the estimated decrease in payroll due to this program in fiscal year 2022-23. The employer normal cost rate is provided in the table below. This estimate of the decrease in the employer normal cost reduction also applies to future fiscal years.

Based on June 30, 2019 Actuarial Valuation		
<u>Employer Normal Cost Rates</u>		
Miscellaneous Plan		11.60%
Note – individual member normal cost rates are not impacted by the Golden Handshake program.		
	Pre-Amendment	Post-Amendment
Projected Unfunded Accrued Liability Payment (FY 2023-24)	\$1,221,384	\$1,471,645
Change to Unfunded Accrued Liability Payment (persists for 5 years)		\$250,261

Additional Risk Disclosures

With the adoption of the Actuarial Standards of Practice Number 51 (ASOP 51), there is an increase in the amounts of disclosures about the risk associated with pension plans. These risks are shown in both the annual valuation report, as well as this amendment valuation report. The following are some risk disclosures that your actuary feels you should be aware of before amending your contract to provide this benefit.

The actuarial calculations supplied in this communication are based on a number of assumptions about very long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year to year basis. The year to year differences between actual experience and the assumptions are called actuarial gains and losses and serve **to raise or lower the employer's required contributions from year to year. As a result, the required contributions will fluctuate**, especially due to the unpredictability of investment returns.

Provided on the following pages are several measures to help your agency understand the risks associated with the proposed contract.

Specifically, these exhibits illustrate the risk associated with:

- **The Plan's** Sensitivity to the Discount Rate, Mortality, and Inflation
- **The Plan's Maturity, and**
- The Potential Costs for Terminating the Proposed Contract

The risks analyzed here are not a comprehensive list but are instead the risks we believe to have the greatest impact on the additional retirement benefit costs due to the Golden Handshake program. There are other risks associated with the proposed contract not analyzed here that could impact the cost of the plan.

Analysis of Discount Rate Sensitivity

Shown below are various valuation results as of June 30, 2019 assuming alternate discount rates. Results are shown using the current discount rate of 7.0 percent as well as alternate discount rates of 6.0 percent and 8.0 percent. The rates of 6.0 percent and 8.0 percent were selected since they illustrate the impact of a 1 percent increase or decrease to the 7.0 percent assumption. This analysis shows the potential plan impacts if the PERF were to realize investment returns of 6.0 percent or 8.0 percent over the long-term.

This type of analysis gives the reader a sense of the long-term risk to required contributions. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" at the end of this section.

The following tables indicate the sensitivity of key valuation results, both pre- and post-amendment, to changes in the discount rate. For the scenarios below, the inflation assumption was unchanged at 2.50%.

Sensitivity Analysis (Pre-Amendment)				
As of June 30, 2019	Present Value of Projected Benefits	Accrued Liability	Unfunded Accrued Liability	Funded Status
7.0% (current discount rate)	\$54,514,475	\$49,736,451	\$14,329,646	71.2%
6.0%	\$63,227,833	\$56,710,881	\$21,304,076	62.4%
8.0%	\$47,641,711	\$44,077,708	\$8,670,903	80.3%

Sensitivity Analysis (Post-Amendment)				
As of June 30, 2019	Present Value of Projected Benefits	Accrued Liability	Unfunded Accrued Liability	Funded Status
7.0% (current discount rate)	\$54,666,229	\$50,546,208	\$15,139,403	70.0%
6.0%	\$64,140,347	\$58,221,091	\$22,814,286	60.8%
8.0%	\$47,160,128	\$44,300,748	\$8,893,943	79.9%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2019 plan costs and funded ratio under two different longevity scenarios, namely assuming rates of mortality are 10 percent lower or 10 percent higher than our current mortality assumptions adopted in 2017. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

Sensitivity Analysis Pre-Amendment			
As of June 30, 2019	Current Mortality	10% Lower Mortality Rates	10% Higher Mortality Rates
a) Accrued Liability	\$49,736,451	\$50,810,089	\$48,751,240
b) Market Value of Assets	\$35,406,805	\$35,406,805	\$35,406,805
c) Unfunded Liability (Surplus) [(a)-(b)]	\$14,329,646	\$15,403,284	\$13,344,435
d) Funded Status	71.2%	69.7%	72.6%

Sensitivity Analysis Post-Amendment			
As of June 30, 2019	Current Mortality	10% Lower Mortality Rates	10% Higher Mortality Rates
a) Accrued Liability	\$50,546,208	\$51,711,523	\$49,475,815
b) Market Value of Assets	\$35,406,805	\$35,406,805	\$35,406,805
c) Unfunded Liability (Surplus) [(a)-(b)]	\$15,139,403	\$16,304,718	\$14,069,010
d) Funded Status	70.0%	68.5%	71.6%

Inflation Rate Sensitivity

The following analysis looks at the change in the June 30, 2019 plan costs and funded ratio under two different inflation rate scenarios, namely assuming the inflation rate is 1 percent lower or 1 percent higher than our current valuation inflation rate assumption of 2.50%. This type of analysis highlights the impact on the plan of increased or decreased inflation over the long-term.

Sensitivity Analysis Pre-Amendment			
As of June 30, 2019	Current Inflation Rate	-1% Inflation Rate	+1% Inflation Rate
a) Accrued Liability	\$49,736,451	\$52,525,134	\$46,182,455
b) Market Value of Assets	\$35,406,805	\$35,406,805	\$35,406,805
c) Unfunded Liability (Surplus) [(a)-(b)]	\$14,329,646	\$17,118,329	\$10,775,650
d) Funded Status	71.2%	67.4%	76.7%

Sensitivity Analysis Post-Amendment			
As of June 30, 2019	Current Inflation Rate	-1% Inflation Rate	+1% Inflation Rate
a) Accrued Liability	\$50,546,208	\$53,714,741	\$46,529,497
b) Market Value of Assets	\$35,406,805	\$35,406,805	\$35,406,805
c) Unfunded Liability (Surplus) [(a)-(b)]	\$15,139,403	\$18,307,936	\$11,122,692
d) Funded Status	70.0%	65.9%	76.1%

Volatility Ratios

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

The volatility in annual employer rates may be affected by this amendment due to changes in plan liabilities and payroll. Rate volatility can be measured by the ratio of plan assets to active member payroll. Higher asset to payroll ratios produce more volatile employer rates. To see this, consider two plans, one with assets that are 4 times active member payroll, and the other with assets that are 8 times active member payroll. In a given year, when assets rise or fall 10% above or below the actuarial assumption, the plan with a volatility index of 4 experiences a dollar gain or loss of 40% of payroll while the plan with a volatility index of 8 experiences a dollar gain or loss of 80% of payroll. If this gain or loss is spread over 20 years (and we oversimplify by ignoring interest on the gain or loss), **then the first plan's rate changes by 2% of pay while the second plan's rate changes by 4% of pay.**

It should also be noted that these ratios tend to stabilize as the plan matures. That is, all plans with no past service start their lives with zero assets and zero accrued liability – thus, asset to payroll ratio and liability to payroll ratios are equal to zero. However, as time goes by these ratios begin to rise and then tend to stabilize at some constant amount as the plan matures. Higher benefit levels and earlier expected retirements produce higher constant future ratios.

Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures. When you amend your plan for prospective service, the future liability changes, but assets do not. So, the AVR does not change immediately. However, as assets grow to equal your new accrued liability, your AVR will also grow. So, we also disclose the ratio of accrued liability to payroll below to show what your future AVR will become when you are 100% funded. The higher this ratio, the more volatile your future contribution rate will be.

Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return and changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures. Since the liability volatility ratio is a long-term measure, it is shown below at the current discount rate (7.25 percent) as well as the discount rate the Board has adopted to determine the contribution requirement in the June 30, 2018 actuarial valuation (7.00 percent). With an increase in benefits, a plan is likely to see an increase in the Liability Volatility Ratio as more assets are needed to support the higher benefits that are to be paid out.

The table on the next page contains these measures of potential future rate volatility. **For this purpose, the "post-amendment"** results assume all eligible members retire under this program and are not replaced.

Rate Volatility	As of June 30, 2019 (Pre-Amendment)	As of June 30, 2019 (Post-Amendment)
1. Market Value of Assets	\$ 35,406,805	\$ 35,406,805
2. Payroll	3,127,537	2,236,671
3. Asset Volatility Ratio (AVR) [(1) / (2)]	11.3	15.8
4. Accrued Liability	\$ 49,736,451	\$ 50,546,208
5. Liability Volatility Ratio (LVR) [(4) / (2)]	15.9	22.6

Maturity Measures

As pension plans mature they become much more sensitive to risks than plans that are less mature. Understanding plan maturity and how it affects the ability of a pension plan to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. One way to look at the maturity level of CalPERS and its plans is to look at the ratio **of a plan's retiree liability** to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60-65 percent. For both CalPERS and other retirement systems in the United States, these ratios have been steadily increasing in recent years.

Ratio of Retiree Accrued Liability to Total Accrued Liability	Pre-Amendment	Post Amendment
1. Retiree Accrued Liability	\$ 25,953,028	\$ 31,607,909
2. Total Accrued Liability	49,736,451	50,546,208
3. Ratio of Retiree AL to Total AL [(1) / (2)]	52.2%	62.5%

Another way to look at the maturity level of CalPERS and its plans is to look at the ratio of actives to retirees. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one. The average support ratio for CalPERS public agency plans is 1.25.

Support Ratio	Pre-Amendment	Post-Amendment
1. Number of Actives	47	37
2. Number of Retirees	147	157
3. Support Ratio [(1) / (2)]	0.32	0.24

In the tables above, **the "post-amendment" results assume all eligible members retire under this program and are not replaced.**

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2019. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the CalPERS Board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while funding risk is limited. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 2-year period centered around the valuation date.

The following tables show the hypothetical termination liabilities before and after the proposed amendment. The increase in liability is due to the increase in benefits associated with the amendment.

Pre-Amendment

Market Value of Assets (MVA)	Hypothetical Termination Liability ^{1,2} @ 1.75%	Funded Status	Unfunded Termination Liability @ 1.75%	Hypothetical Termination Liability ^{1,2} @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
\$35,406,805	\$99,090,190	35.7%	\$63,683,385	\$78,349,933	45.2%	\$42,943,128

Post-Amendment

Market Value of Assets (MVA)	Hypothetical Termination Liability ^{1,2} @ 1.75%	Funded Status	Unfunded Termination Liability @ 1.75%	Hypothetical Termination Liability ^{1,2} @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
\$35,406,805	\$105,489,169	33.6%	\$70,082,364	\$82,437,381	42.9%	\$47,030,576

¹ The hypothetical liabilities calculated above include a 5 percent mortality contingency load in accordance with Board policy.

² The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.31 percent on June 30, 2019 and was 1.83 percent on January 31, 2020.

In order to terminate the plan, you must first contact our Retirement Services Contract Unit to initiate a Resolution of Intent to terminate. The completed Resolution will allow the plan actuary to give you a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. CalPERS advises you to consult with the plan actuary before beginning this process.

Additional Disclosure

Please note that the cost analysis provided in this document may not be relied upon after you receive your next annual valuation. If you have not taken action to amend your contract, by this date, you must contact our office for an updated cost analysis, based on the new annual valuation.

Descriptions of the actuarial methodologies, actuarial assumptions, and plan benefit provisions may be found in the appendices of the June 30, 2019 annual report. Please note that the results shown here are subject to change if any of the data or plan provisions change from what was used in this study.

Certification

This actuarial valuation for the proposed plan amendment is based on the participant, benefits, and asset data used in the June 30, 2019 annual valuation, with the benefits modified if necessary to reflect what is currently provided under your contract with CalPERS, and further modified to reflect the proposed plan amendment. The valuation has been performed in accordance with standards of practice prescribed by the Actuarial Standards Board, and the assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.



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