



CITY OF SANTA MONICA

REGULAR MEETING AGENDA OF THE BUDGET TASK FORCE

SANTA MONICA INSTITUTE TRAINING ROOM
330 OLYMPIC DRIVE, 2ND FLOOR (PLAZA LEVEL)
SANTA MONICA, CA 90401

MONDAY, FEBRUARY 3, 2020
6:00 PM

Call to Order

Roll Call

(Please note that Agenda Items may be reordered during the meeting at the discretion of the body.)

1. **Approval of Minutes:** Approval of January 27, 2020 Minutes
2. **Discussion/Action Items**
 - a. Consider Adjusting Paramedic Assessment Fee (Fire Department)
 - b. Evaluate Resourcing for City Events (Finance)
 - c. Consider Updated Coordinated Municipal Marketing Program Proposal (Finance)
 - d. Review of Long-Term Proposal List
3. **Public Input:** Public input is permitted only on items not on the agenda that are within the subject matter jurisdiction of the Budget Task Force. State law prohibits the body from taking any action on items not listed on the agenda, including issues raised under this agenda item.
4. **Written Communication:** Review of any written communications received from the public
5. **Future Agenda Items:**
 - a. Review of Short-Term Proposal List
 - b. Instructions for Task Force Questions
6. **Adjournment**

STANDARDS OF BEHAVIOR THAT PROMOTE CIVILITY AT ALL PUBLIC MEETINGS:

- Treat everyone courteously
- Give open-minded consideration to all viewpoints

- Listen to others respectfully
- Exercise self-control
- Focus on the issues and avoid personalizing debate
- Embrace respectful disagreement and dissent as democratic rights, inherent components of an inclusive public process, and tools for forging sound decisions

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This agenda is subject to change up to 72 hours prior to a regular meeting and 24 hours prior to a special meeting. Please check the agenda prior to the meeting for changes.

City of Santa Monica
Finance Department
1717 4th Street, Santa Monica, CA. 90401
Phone: 310-458-8281 E-mail: Finance.Mailbox@smgov.net
Website: finance.smgov.net

PUBLIC INPUT GUIDELINES: Public attendance and comment at Advisory Council meetings are welcomed and encouraged. Members of the public will have 3 minutes to speak and should submit a chit to City staff before the presentation begins. If more than, 15 members of the public wish to speak on one item, speaking time will be limited to 2 minutes each. If a member of the public submits a late chit, his/her speaking time will be limited to 1 minute. Members of the public wishing to speak will be called upon in the order in which their chit was received. Applause or any other disruptive behavior is not allowed. Any member of the public unable to attend a meeting but wishing to comment on an item(s) listed on the agenda may submit written comments prior to the meeting by mailing them to Finance Department, Attn: Budget Task Force, 1717 4th Street, Suite 250, Santa Monica, CA 90401. Or comments may be emailed to Finance.Mailbox@smgov.net.



**SANTA MONICA BUDGET TASK FORCE
REGULAR MEETING MINUTES**

SANTA MONICA INSTITUTE TRAINING ROOM
330 OLYMPIC DRIVE, 2ND FLOOR (PLAZA LEVEL)
SANTA MONICIA, CA 90401

MONDAY, JANUARY 27, 2020

6:00PM

santamonica.gov/BudgetTaskForce

- I. Call to Order at 6:04pm
- II. Roll Call

The Interim Chair conducted Roll Call.

Present

Judy Abdo, Interim Chair
George Brown
Janine Bush
Laurence Eubank
Ina Godoy
K. John Lee
David Nanjo
Brandi Lockhart
Kimberly Ong
Jeremy Peterson
Concepcion Rechtszajd
Matt Rice
Phillip Ticun

Absent

Dominic Gomez, Interim Vice Chair
Dominick Bei

In addition, the following City staff were also in attendance:

Rick Cole, City Manager
Katie Lichtig, Assistant City Manager
Brandon Ward, Deputy City Attorney
Gigi Decavalles-Hughes, Director of Finance
Susan Lai, Budget Manager, Finance
Jennifer Young, Senior Budget Analyst, Finance
Jonathan Tang, Senior Budget Analyst, Finance
Landry Doyle Wiese, Management Fellow
Andy Agle, Director of Housing & Economic Development
Jason Harris, Economic Development Manager, Housing & Economic Development
Elana Buegoff, Pier Administrator, Housing & Economic Development
Jaclyn Rivera-Krouse, Farmers Market Manager, Housing & Economic Development
Rufiena Jones, Farmers' Market Assistant
Christine Pagtalunan, Farmers' Market Coordinator I
Jody Loi, Farmers' Market Coordinator II
Melissa Lindley, Principal Administrative Analyst, Housing & Economic Development
Karen Ginsberg, Director of Community & Cultural Services
Danielle Noble, Assistant Director, Community & Cultural Services
Stephanie Reich, Design and Historic Preservation Planner, Planning & Community
Development
Debbie Lee, Chief Communications Officer, City Manager
Ben Delfin, Deputy City Attorney

III. Approval of Minutes

George Brown motioned to approve the December 2, 2019, meeting minutes and was seconded by Laurence Eubank. The motion passed unanimously.

IV. Discussion and Possible Action Items

Vote for Budget Task Force Chair and Vice Chair

Deputy City Manager Katie Lichtig initiated discussion of selecting a Chair and Vice Chair. George Brown motioned to install Judy Abdo as the permanent chair and Dominic Gomez as the Vice Chair; Phillip Ticun seconded the motion. The motion passed unanimously.

Proposal One: Increase Santa Monica Farmers Market Program Vendor Fees

Economic Development Manager Jason Harris presented the Housing and Economic Development Department's proposal to increase Santa Monica Farmers Market vendor fees. Harris discussed topics including but not limited to: the history of Santa Monica's

farmers markets; the current operating model and fee structures for agricultural and prepared food vendors; the City's compliance and quality control standards; affordability and additional programming efforts; and alignment with City values.

HED presented four options: Option A to increase vendor fees by 1%, for an estimated annual revenue increase of \$174,000; Option B to have a non-profit organization manage the Santa Monica Farmers Market; Option C to alter the program operations to reduce operating expenses, and Option D to maintain the program as is. HED recommended Option A.

The Task Force discussed topics including but not limited to: the City's process for verifying vendor revenues; the City's indirect administrative costs; eliminating or subcontracting only the neighborhood markets; eliminating only the Main Street market; adjusting the rate structure for prepared food vendors at one or multiple markets; the risks related to contracting with a non-profit provider; potential expansion of the market program; current market staffing; and the department's preference to increase vendor fees to 6% rather than 7%.

Public Comment

The Budget Task Force received written comment from Hassan Ghamlouch opposing the proposal (Attachment A).

Irma Carranza attended to recommend that staff pursue measures to grow the market, particularly by removing vendor restrictions to attract new local vendors at the Pico Market, rather than raise vendor fees or contract to a third-party non-profit.

Motion

George Brown motioned to accept the staff recommendation to increase the agricultural vendor fee from 5% to 6% of gross sales. K John Lee seconded the motion.

Laurence Eubank motioned to increase the agricultural vendor fee from 5% to 7% of gross sales. The motion was not seconded.

The Task Force held a roll call vote George Brown's original the motion.

Judy Abdo	Y
Dominic Gomez	<i>Absent</i>
Dominick Bei	<i>Absent</i>
George Brown	Y
Janine Bush	Y
Laurence Eubank	Y
Ina Godoy	Y
K. John Lee	Y
Brandi Lockhart	Y
David Nanjo	Y
Kimberly Ong	Y
Jeremy Peterson	Y
Concepcion Rechtszajd	Y
Matt Rice	Y
Phillip Ticun	Y

The motion passed unanimously.

Proposal Two: Coordinated Municipal Marketing Program

Management Fellow Landry Doyle Wiese presented a Finance Department proposal to develop a municipal marketing program that would raise revenues by: a) selling advertising on City-owned assets in the public right of way or on City-owned property, b) selling naming rights for City-owned property or other assets, and c) negotiating sponsorships for City programs or events. The Department did not advocate for a specific proposal or option but recommended issuing an RFP to conduct a valuation of potential assets and establishing a Municipal Marketing Committee to develop program policy.

Doyle’s presentation included a discussion of topics including but not limited to: the City’s urban design and architectural standards; current Sign Code restrictions related to

off-premises signs; existing marketing-related revenues; case studies in other cities; potential risks and tradeoffs; and the range of assets the City could consider including in a potential municipal marketing program.

Task Force discussed topics including, but not limited to: the staff's intended purpose for the proposal; the timeline for implementation; the viability of pilot projects or options with a shorter lead time; the staff reasoning for contracting the work to a third-party; the potential impact to Enterprise Funds including the Big Blue Bus and the Pier Fund; the potential costs of developing a marketing program; the potential litigation risk associated with a marketing program; and whether or not staff could narrow the scope of the proposal internally.

Public Comment

There was no public comment.

Motion

K John Lee motioned to accept the staff recommendation to pursue marketing opportunities in all four asset classes—municipal property, City-owned assets in the public right of way, city programs, and special events—by conducting an asset valuation and establishing a municipal marketing committee. The motion did not receive a second.

Brandi Lockhart motioned to pursue marketing opportunities for only a limited set of assets. Laurence Eubank seconded the motion.

After additional Task Force discussion, Chair Judy Abdo recommended that staff return the following week with more specific, actionable recommendations. Brandi Lockhart withdrew her motion, and the Task Force agreed that the item should continue in the next meeting.

V. Future Meetings and Agenda Items

The next meeting is Monday, February 3, 2020 at 6pm.

Meeting adjourned at 8:44pm.

ATTEST:

APPROVED:

Landry Doyle Wiese
Secretary

Judy Abdo
Interim Chair

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Mid-Term Program Changes for FY 2020-21

Program Name: Evaluating Resourcing for City Events

Executive Summary

Community events draw people together to share places and experiences. Events can be entertaining, educational, recreational and artistic avenues for civic participation that express the City of Santa Monica's values and foster an engaged, inclusive, and thriving community.

To ensure that the City makes the best use of limited resources, staff proposes increasing transparency around event staffing costs through rate standardization; creating and consistently applying cost reductions for specific events when it makes sense for the City to subsidize; and creating an evaluation process which will lead to better data on event costs and outcomes, and through which City staff can more effectively manage events in a way that is financially sustainable. Specifically, the proposal asks the Budget Task Force to consider:

- 1) Whether to update and standardize rates charged for City staff presence at events;
- 2) Whether to establish a discount to those rates for certain events;
- 3) Whether to support a structured, evaluative process for events that request City support

The proposal outlines existing City event policies and practices and discusses potential implications associated with proposed changes. It focuses on a subset of all City events – those that an outside group either manages entirely or in partnership with the City and events that Downtown Santa Monica (DTSM) and the Santa Monica Pier Corporation (SMPC) either produce or coordinate with external parties. In addition to the events highlighted in this proposal, the City also issues special events permits for approximately 150 City and community events in a given year. The events discussed in this proposal are among the most visible and staff-intensive and are representative of challenges related to events citywide. If approved, staff would apply the evaluative process on a broad level to better manage all City events.

Context

Scope of Events

City Events are defined in the City's Municipal Code and internal policies, or Administrative Instructions (AIs) as any activity occurring on public property that: (1) may impede, obstruct, impair or interfere with free use of such public street, highway, alley, sidewalk, or other public way owned, controlled, or maintained by the City; or (2) does not comply with normal or usual traffic regulations or controls. Events covered by these policies also:

- Have 150 or more attendees in most sites, or 75 or more attendees at Third Street Promenade.
- Require the placement of a tent, canopy, or other temporary structure if that placement requires a permit from the City's Fire Department or Building and Safety Division.

The City also runs and manages a wide variety of smaller events that do not require permits and are not subject to the same rules.

Event Policies

Santa Monica's municipal code describes how to manage events in Chapter 4.68 (Community Events). It establishes a coordinated process for permitting community events to use City streets, parks, open space, facilities or services. Its stated primary purpose is to ensure public health, safety and welfare are protected; and to set forth criteria to be considered in approval of Event Permit applications. It authorizes staff to create mechanisms for cost recovery and use charges, to the extent authorized by law.

The City's Events Policy and Events Partnerships Policy Administrative Instructions (AIs) include more detailed instructions and guide event permitting for events covered by the municipal code.

- The **Events Policy AI** closely mirrors the municipal code language. It creates event categories based on event size, impact, and personnel needs, and identifies cost recovery levels and other benefits, including length of permitted time and use of the City's logo. Events that the City, Downtown Santa Monica (DTSM), and Santa Monica Pier Corporation (SMPC) participate in to some degree have special benefits. These levels are set to balance cost recovery needs with supporting positive event outcomes.

The Community and Cultural Services Department (CCS) manages the event permitting process as detailed in the Municipal Code and in the Events Policy AI.

- The **Event Partnerships Policy AI** establishes a sustainable and consistent process for the City to partner with non-City organizations for community events. The policy identifies conditions for event partnership approvals and ensures that the event's representation of its connection with the City is commensurate with the level of support provided. It aims to determine a reasonable and consistent approach for managing interdivisional costs for City-produced and co-produced events.

City Support for Events

The City provides various types of benefits for events. These include:

- Staff time to review event permit applications
- Staff time to work events
- Use of City logo or name on advertising materials
- Event publicity

Events frequently require traffic management, street closures, additional trash receptacles and pickup, and other logistical support.

The table in Attachment A summarizes event types and includes type of support provided per City policy.

Although the City can be reimbursed for some of these costs, as described in the Events Policy AI, the City regularly subsidizes events by discounting or waiving various rates and fees, the most significant of which are public safety costs for Fire and Police presence.

In addition, the City directly funds events through line items in ongoing Department Budgets (largely in CCS); ongoing budget in non-Departmental accounts for large, recurring events (Twilight on the Pier, LA Marathon); and through Council discretionary funding – Council regularly authorizes funding, upon request, from its annual discretionary funds to support community events (Soulstice, July 4th Parade). In many cases, City grants to external parties directly offset amounts due the City for costs to staff events – so it is essentially the City reimbursing itself.

Event requirements and the associated City resources necessary to support them have changed over time. Specifically, the level of staff presence required to support public safety has dramatically increased over the past five-to-ten years, driven by incidents at major public events throughout the country which have increased awareness of and concern regarding risks associated with large gatherings. New requirements place additional pressure on City resources and increase costs for the City and for external event producers.

Rates

The City currently has several different rate levels charged for staff, based on the event type. The table below shows the various options and what each includes:

Rate	Salary + OT	Benefits	Overhead	Other
Base	x			
Benefits	x	x		
Full cost recovery	x	x	x	
Fire Safety Officer (FSO)	x		x	Bonuses

City policy identifies under what circumstances to charge each rate. For example, according to the Events AI, events produced or co-produced by the City, the Pier Corporation (SMPC), or Downtown Santa Monica, Inc. (DTSM) and requiring Police or Fire personnel are specifically given permission to pay the base rate (excluding benefits) instead of the benefits rate (including benefits). Applying different rates for different circumstances both makes sense logically – for example, a City Department would not charge itself for its own overhead costs – and is consistent with other City policy in accepting less than full cost recovery for activities that Council has identified as important to support; for example, many youth programs or animal spaying and neutering. However, the number of rates can be cumbersome to manage, are open to error and to misapplication, and make it difficult to track and compare costs to the City across events.

Proposal

Events can be resource intensive, and the City does not currently have a comprehensive view of total City resources dedicated to events or comprehensive data on each event’s type, outcomes, number of participants, theme, or purpose (cultural, artistic, etc.). The City continues historically funded events

without frequent reconsideration and lacks a standard process to review, introduce, and fund new events that could add value to the community. This proposal addresses both challenges by introducing cost transparency and proposing a comprehensive review and management process for subsidized events.

1. Track Full Cost Recovery Rates for Support Staff

To track the full cost of City events, the City could charge the full cost recovery rate for all support staff services related to the event, including and pre- or post-event costs. This would mean that the City would both clearly see the full impact of producing or supporting each event, could potentially recoup those costs, and could evaluate funding for individual events within that broader perspective. The full cost recovery rate includes salary, benefits, and the City's administrative overhead cost.

2. Provide 50% Discount to Specific Event Categories

To ensure that events produced by partners remain viable, and consistent with current policy expressed in the Municipal Code, the City could provide a 50% discount for events produced or co-produced by the City, Santa Monica Pier Corporation, or Downtown Santa Monica, Inc. Santa Monica's current policies recognize the special role these organizations play in contributing to the City's shared goals. A 50% discount would roughly align future staffing costs to their current levels, meaning that these organizations could continue to produce existing events without major cost increases, while also recognizing the actual cost to the City.

3. Implement Event Assessments

Finally, to gather comprehensive event data and as a necessary step to managing the City's event resource commitments, the City could implement a standard event assessment process that a.) collects key performance metrics and b.) informs resource allocation decisions. Staff proposes that:

1. Any event that requests City support (staff rate discount, grant funding, permit fee waivers, publicity, etc.) must submit an event assessment that evaluates the extent to which the event aligns with the City's values and performance goals.
2. Staff would collect event assessments on a regular basis so that event funding requests can be considered in line with the City's budget process.
 - Two large events, COAST and Twilight on the Pier, already submit regular reporting to the City Council in order to review their budget requests.
 - A standard coordinated event assessment process would broaden and simplify this event reporting so that all events are held to a similar standard of accountability.
3. Assessments could be used to improve future resource allocation, by:
 - Establishing baseline event data including costs and performance metrics
 - Identifying events that aren't meeting the City's goals
 - Identifying events that could evolve to better align with Framework Priorities
 - Identifying opportunities for event consolidation

Staff envisions that, ongoing, the City would identify a pool of event funding to allocate annually based on need and demonstrated connection to the City’s objectives. New events would then be able to compete with existing events for allocated funding.

Case Studies

To demonstrate how rate changes would be applied, the proposal presents two cases for consideration.

Case One: Twilight on the Pier

Event Background and Description

2019 marked the 35th year of Twilight on the Pier, an annual free event produced by the Santa Monica Pier Corporation (SMPC) with funding from the City. The concert series was conceived in 1985 to attract residents back to the pier following damaging storms. The original concerts were held under a large tent for a few hundred attendees. Over time, popularity of the series increased, and growing attendance raised serious public safety concerns and led to escalating cost. The City directed a number of substantial changes to address the concerns while still preserving the annual event. The significant changes to Twilight on the Pier included moving the concerts from Thursdays to Wednesdays, reducing the number of concerts to six, shifting the start of the series from July to late August, and removing the visibility of the stage from the beach. The series was also rebranded as “Twilight on the Pier” to reinforce a Pier-focused, festival-like atmosphere with entry managed by security personnel who conducted bag check and magnetometer screenings.

These changes over the last two concert seasons have been effective in addressing the public safety concerns and reducing the financial expense to the City as the 2018 and 2019 series drew smaller, more manageable crowds, averaging 8,000 to 10,000, down from crowds as large as 35,000 with no significant public safety or traffic management incidents and less impact to the beach. The favorable response from City departments; the largely positive feedback received from residents, concert attendees, and Pier businesses; and the reduced costs to the City suggest that the resizing of the concert series continues to successfully meet Council’s goals.

Twilight on the Pier supports positive outcomes identified in each of the City’s Wellbeing and performance management categories including Community, Place & Planet, Health, and Economic Opportunity. The City’s 2018 Resident Satisfaction survey revealed that 38% of respondents attended Twilight on the Pier – earning the concerts the highest participation rate of all City-sponsored events (other Pier events ranked at 23%, Main Street Summer Soulstice and COAST ranked at 21% and 15% respectively).

Existing Costs and Subsidies

The City supports Twilight on the Pier through funding the public safety costs incurred over the six concert nights. This funding reimburses at the discounted rate SMPC is eligible for based on City policy. In addition, SMPC uses a \$200,000 City grant available to offset Twilight on the Pier costs.

At this discounted rate, which excludes benefits and overhead, the City’s public safety costs for the 2019 Twilight on the Pier were within budget for the second year since the re-imagining of the concert series. The City’s Public Safety costs for the six-concert series was \$215,949—well below the \$400,000 budget and a nearly 80% decrease from the peak cost of nearly \$1 million in 2016 and 2017.

The SMPC's total costs to produce the 2019 concert series was \$770,295 including public safety expenses. The City's \$200,000 grant and \$215,949 public safety subsidy underwrote 54% of the series' cost with corporate sponsors and beverage sales covering the remainder, with the series as a whole yielding a small profit of approximately \$8,000.

Proposed Subsidies

In December 2019, City Council approved continuing existing funding for the 2020 Twilight on the Pier—including the \$200,000 SMPC grant and up to \$300,000 budget for City public safety costs. The staff report reviewed by Council stated that financial support beyond the 2020 concert series would be reviewed as part of the City's Budget Task Force evaluation of City-subsidized special events.

Under the proposed policy, the City would change the rate structure when calculating Twilight's public safety costs. This would allow the City to calculate the full cost of the subsidy it provides and compare it accurately to the value of subsidies provided to other events. However, the City also recognizes the importance of its partnership with the Pier Corporation and proposes discounting the total cost of City staff by 50% to ensure that the event remains viable.

If the City were to follow the proposed policy, the total public safety costs—which the City would consider covering based on Council review and approval of Twilight on the Pier's annual assessment—would increase by approximately \$19,500. While this change would have little impact on the City's finances, it would allow for consistency and help increase accountability for cost increases.

Case Two: LA Marathon

Event Background and Description

In July 2009, staff recommended that City Council assess the impact of holding marathons and half marathons in Santa Monica and provide direction on hosting the LA Marathon on March 21, 2010.

Staff had previously received a proposal to include Santa Monica in the 2009 LA Marathon on Memorial Day but had concerns about holding such a large event on a holiday weekend. Following the 2009 race, marathon organizers met with City staff to discuss a proposal to run the race on a Sunday in March with a route beginning at Dodger Stadium and ending in Santa Monica. Race organizers also committed to providing full cost recovery for all City services.

In October 2009, City Council amended section 4.68.160 of the Santa Monica Municipal Code to establish a new marathon route segment in Santa Monica. It reads:

“There shall be one ten-kilometer route, two five-kilometer routes, and one marathon route segment...

(4) The marathon route segment begins on San Vicente Boulevard at Twenty-Sixth Street (the City limits) and continues west on San Vicente to Ocean Avenue and south on Ocean Avenue to end at the 1500 block of Ocean Avenue (before the entrance to the Pier ramp) ...

(e) The marathon route segment shall be limited to the completion of marathon races that are regional in scope (involve a course that runs through multiple jurisdictions), attract elite and international runners, receive extensive national and international media exposure, and are

undertaken by a marathon entity with the demonstrated capability to organize and operate a large, successful marathon including sufficient funding to finance the costs incurred in organizing and holding the marathon and sufficient staffing to ensure its safe and efficient operation. Preference shall also be given to applicants proposing recurring marathons traditionally or historically associated with a particular day or dates. The marathon may only occur on Sunday from six a.m. until six p.m. There shall only be one marathon per year that utilizes the marathon route segment.”

Since 2010, Santa Monica has hosted the last three miles of the LA marathon. Santa Monica Police set up a Reunion Area at the finish line, which visitors can enter after passing through security. Streets along the route are typically closed the night before and re-open as safety permits.

City staff is highly involved in coordinating and executing the LA Marathon, our work includes:

- Ensuring public safety for participants and spectators
- Providing medical assistance to participants and spectators
- Closing streets, coordinating parking, re-routing traffic and public transit
- Emergency response planning
- Operating command posts and communications network infrastructure
- Conducting local marketing efforts and broadcasting race on CityTV
- Street sweeping and event clean up
- Preparing invoices and reconciling payroll

The LA Marathon is operated by Conqur Endurance Group led by Frank McCourt, a real estate developer and former owner of the Los Angeles Dodgers. In 2019, Conqur merged with the McCourt Foundation in order to operate as a non-profit.

Existing Costs and Subsidies

In FY 2018-19, the City charged the marathon a total of \$517,775, which covered staff salaries for work provided on the day of the race and clean-up, as well as some reimbursement for supplies and expenses. This reimbursed more than 4,000 hours of work in the various tasks listed above by over 400 city staff members. The City was nominally reimbursed for pre-event planning and preparation and was not reimbursed for the full cost of staff benefits or citywide administrative services related to the event.

Proposed Subsidies

According to the City’s event definitions, the LA Marathon is a non-City event that would not qualify for subsidies. Thus, the proposed events policy would allow the City to charge the full cost recovery rate for *all* activities related to the LA Marathon.

The Finance Department reviewed all Marathon-related activities, including pre- and post-event work, and estimated that these changes would raise the City’s charge to \$1.1 million—a 113% increase from FY 2018-19 (see *Attachment B: LA Marathon March 2020 Estimate*). The increased charge could be prohibitive to the Marathon’s organizers, who may seek alternative routes.

If LA Marathon wanted to compete for a direct City funding to subsidize the event’s costs, it could submit an event evaluation and compete for City funds as a City-sponsored event. With the evaluation, the City would require the LA Marathon to demonstrate the event’s value to the City, consistent with the city sponsored event definition.

Benchmarking

Events tend to be specific to a City's location and history and reflect each community's particular makeup and interests. Since this is the case, there are few relevant comparisons for other cities' event management.

The exception for this proposal is the LA Marathon, which goes through several cities, including of course the City of LA. The information below reflects how other cities approach the Marathon relationship. Of the cities involved, Santa Monica requests the most reimbursement, even before the proposed rate increase. This partially reflects Santa Monica's greater role and greater responsibilities associated with serving as the race's endpoint.

LA Marathon

City of Los Angeles

In 2016, the City of Los Angeles negotiated a ten-year contract with Concur Endurance Group setting its fees for hosting the LA Marathon. According to the contract, Los Angeles receives an annually adjusted flat rate fee of \$450,000 for City services to the Marathon. Every five years, the flat fee can be renegotiated so that it sufficiently offsets the actual cost of City services.

In addition, beginning in 2021, Los Angeles will receive royalty payments equal to 7.5% of the Marathon's net income up to a cap of \$189,000, adjusted annually.

In total, the City of Los Angeles would receive \$639,000 from LA Marathon, not including Consumer Price Index adjustments.

[Link to City of Los Angeles Contract with Concur Endurance Group](#)

City of West Hollywood

The City of West Hollywood recovers direct costs for the day of the race for street closures, permits, and facilities and field services. For the 2019 marathon, this totaled less than \$40,000. Police and Fire personnel for this portion of the race are from LA County, and the County bills the Marathon directly for these costs. West Hollywood does not recover costs for pre-race planning.

City of Beverly Hills.

The City of Beverly Hills recovers direct costs for the day of the Marathon, including for a broad range of services spanning multiple departments: traffic management, police and fire, emergency operations, and wayfinding and call monitoring. Beverly Hills charges at salary or overtime rate calculated by fee study, and does not request reimbursement for benefits or overhead. In addition to staff time, Beverly Hills bills the Marathon for required permits, including street use and special event permits. While the city does not in general charge for overhead or for management or those directing staff, it does set administrative fees based on those costs, including higher event fees for large events like the Marathon. Beverly Hills does not track or charge for pre- or post-day costs, except where captured in the permit fees. Following the Marathon's recent change to a non-profit organization, it is eligible for Beverly Hills' non-profit fee rates where those are established. In 2019, Beverly Hills billed the Marathon for approximately \$160,000.

Impact and Risks

Community & Other Stakeholders

Changes to city events could impact a wide range of Santa Monica residents and visitors. Events are an opportunity to bring communities together and can serve as unifying points that increase individuals' sense of connection to each other and their city.

- Changes to the **LA Marathon** could mean that Marathon organizers seek another endpoint to the race rather than reimburse the higher rates. This could have a significant impact on organizers and may impact participants to the extent that the current Santa Monica endpoint was part of their decision to enter the race. It would also impact those residents on or around the race route on the day of the race, and the businesses and hotels serving race participants. Santa Monica may also lose some visibility and recognition as the end point of a landmark event. Finally, a move from Santa Monica could negatively impact the City's relationship with the LA marathon and regional partners.
- Changes to **Twilight on the Pier** would impact the Pier Corporation and attendees, including the significant number of Santa Monica residents that attend annually. Prior year surveys of concert attendees indicate that concerts are important to residents and include the greatest number of resident attendees of any surveyed city event. While the proposed policy change is not likely to result in significant changes to the concert series as structured, this is dependent on the recommended 50% rate discount being adopted and continued into the future. It is possible that future public safety cost increases or future policy changes could lead SMPC to further reduce the concert scope, potentially decreasing participation.

Both events bring in large numbers of outside visitors for the day(s) or time(s) surrounding the event. This means that Santa Monica businesses, and the City's sales or hotel tax revenue, could decrease as a result of reducing the scope of or losing the event.

Staff considered revenue data and feedback from the Chamber of Commerce, Santa Monica Travel and Tourism (SMTT), SMPC, and Downtown Santa Monica (DTSM).

- Staff was not able to glean meaningful information from sales tax or transient occupancy tax (TOT)/hotel tax) data. The data is only available in aggregated time periods and is impacted by many variables (for example, seasonal trends or events like new hotels opening), so the City is not able to identify a direct connection between changes to revenue and either event. At a minimum, the data indicates that neither event has a significant enough impact on City businesses to cause a noticeable change.
- All four groups indicated, based on anecdotal experience, that there is not strong evidence that the Marathon improves business on and around the day of the Marathon. SMPC found that revenue actually drops slightly that day; likely related to the difficulty getting to the Pier. DTSM plans to conduct a merchant survey following the 2020 marathon to elicit more information on the race's impact. However, DTSM also noted that, similar to the Rose Bowl, the Marathon is very successful at showcasing Santa Monica as a beautiful, sunny destination during what is a winter month in many areas.
- Apart from SMPC, Santa Monica's business partner groups did not have a strong feeling about impact to revenue from Twilight on the Pier. While the events generate additional visitors and traffic, it is largely to the pier area.

Services & Performance

The number, type, and scope of events affects City staff workload, both in advance (permit application review, part of staff's regular responsibilities) and the day of the event largely for the Public Works,

Police and Fire Departments in management and clean up. Events increase the workload for personnel directly staffing the events as well as for managers in charge of scheduling and long-term planning.

Risks to City Services

Reforming the City's Events policy generates risks to current City services, for example:

- Increased City rates may be prohibitive to some external organizations, possibly leading to the cancellation or significant reframing of previously held events.
- As resourcing decisions reallocate funds, events may be cancelled, disappointing those who previously enjoyed the event.
- A single event evaluation process may make it difficult for the City to fund unanticipated events that occur outside of the process time frame.
- If the evaluation process is onerous, unfair, or poorly managed, it may become an impediment to City partnerships and community engagement.

However, failing to reform the City's events policy also increases the City's risk:

- Maintaining multiple rates for similar services is prone to error, decreases transparency, and can hide the true cost of events, such that the City commits to a workload that is not financially sustainable. Without a clear assessment and resourcing process, the Citywide commitment to staffing events will grow—increasing overtime costs for key departments like Police and Fire. This not only increases overtime cost but can lead to staffing challenges for Police and Fire.
- Maintaining commitments to existing City events may prevent new events from emerging and may result in a set of events that the City continues to fund for historical reasons rather than related to demonstrated impact.

Implementation Plan

1. Full Cost Recovery Rates

1. Update Events AIs to include rate changes
2. Develop process for integrating rates across departments
3. Outreach to and communicate with impacted external stakeholders around the new policy

Given the potential substantial increases to existing charges associated with new rates for external parties, like the LA Marathon, the City could consider a phased approach to reaching full cost recovery. This could include, for example, introducing costs for pre- and post- race day planning in year 1, followed by increases to bring reimbursement nearer to full cost recovery for staffing costs.

2. Event Assessment

1. Develop standard event assessment for any event that requests a direct subsidy to offset City fees or other event costs
2. Develop process for implementing and evaluating event assessment citywide

Financial Analysis

The table below shows the potential impact of the proposed policy change related specifically to the large case study events; Twilight on the Pier and the LA Marathon. The highlighted cells indicate the recommended option of a 50% discount for Twilight on the Pier and full cost recovery for the LA Marathon.

Cost Recovery for City Staff Services

	Twilight on the Pier	LA Marathon
<i>Existing Reimbursement</i>	\$215,949	\$517,775
<i>50% Cost Recovery</i>	\$235,397	
<i>Full Cost Recovery</i>	\$470,795	\$1,103,899

If approved, staff would apply the policy broadly and would expect this to result in modest increases in reimbursement for staff time.

While the City would welcome increased reimbursements that would more closely cover the true cost of service, staff believes an associated and equally or more important impact could be that event organizers – both City and non-City – reconsider the scope and number of events in light of a better understanding of resource requirements.

Decision Points

Staff recommends that the Budget Task Force:

- approve standardizing full cost recovery rates for City staff supporting permitted events;
- grant a 50% discount of that rate for City Produced, City Co-Produced, and SMPC or DTSM-Produced Events—recognizing their importance to the community and connection to City goals;
- implement an event assessment process for all events receiving discounted rates or direct City funding.

The Task Force could also choose to reject the staff proposal. The table below demonstrates estimated increases in cost recovery.

Total Additional Cost Recovery for Proposed Options

	Twilight on the Pier	LA Marathon	Total
Staff Proposal			
50% Cost Recovery for Twilight	\$19,448	\$586,124	\$605,572
Full Cost Recovery for Marathon			

Attachment A: City Event Matrix

Attachment B: LA Marathon March 2020 Estimate

Event Type	Scope			Management	Benefits			Examples
	# of Participants	Location	Approval based on		Police/ Fire	Permit Fees	Logo & Communications	
City Produced	150+ 75+ (Promenade)	City streets, parks, open space, facilities or services	Community Event Application; Building & Safety Permit (if needed); Street Closure (if needed); Police; Fire; Parking; Resource, Recovery, & Recycling, Public Landscape, Transportation, Business License, and any other City Divisions as needed	City	-	Waived	Yes	COAST, Jazz on the Lawn, National Night Out
City Co-Produced	150+ 75+ (Promenade)	City streets, parks, open space, facilities or services	Community Event Application; Building & Safety Permit (if needed); Street Closure (if needed); Police; Fire; Parking; Resource, Recovery, & Recycling, Public Landscape, Transportation, Business License, and any other City Divisions as needed	City & partner	Salary only (no benefits)	Waived	Yes	Buy Local Health & Fitness Festival, Main Street Summer SOULstice Festival
City Sponsored	150+ 75+ (Promenade)	City streets, parks, open space, facilities or services	Agreement demonstrating contribution to supporting City goals/ objectives; Community Event Application; Building & Safety Permit (if needed); Street Closure (if needed); Police; Fire; Parking; Resource, Recovery, & Recycling, Public Landscape, Transportation, Business	City partner (majority-all)				Alt-Car

Event Type	Scope			Management	Benefits			Examples
	# of Participants	Location	Approval based on		Police/ Fire	Permit Fees	Logo & Communications	
			License, and any other City Divisions as needed					
SMPC or DTSM, Inc. Produced	150+ 75+ (Promenade)	Pier and Promenade	Permit application approval	SMPC or DTSM	Salary Only			Twilight Concert Series, Front Porch Cinema, Opera at the Beach, Picnic on the Promenade, Official Tree Lighting Ceremony
SMPC Coordinated	>150 in any 2-hours	Pier	Demonstrated contribution to Pier's overall goals	Partnering entity				
DTSM Coordinated	>75 in any 2-hours	Promenade	Demonstrated contribution to Downtown Santa Monica	Partnering entity				
Non-City Event	Not defined	Not defined	Relevant permits	Outside group only	Full cost	Full cost	None	LA Marathon, Fundraising walks, festivals, private parties, sporting events

City of Santa Monica

LA Marathon - Proposed Estimate for Future Reimbursement

<u>Category</u>	Marathon Estimated Expenses *			2019 Marathon Total Reimbursement	Difference
	Race Day	Pre/Post Race Day	Total Proposed		
Administration/Operations	69,166	15,552	84,718	55,810	28,908
Communications/Outreach	8,495	15,642	24,137	8,305	15,832
Public Safety	657,446	275,968	933,414	422,573	510,840
Traffic Management	22,603	39,028	61,631	31,087	30,544
Total	757,710	346,189	1,103,899	517,775	586,124

Category Descriptions

Administration/Operations includes activities such as operating communications network infrastructure, street sweeping and event clean up as well as preparing invoices and reconciling payroll

Communications/Outreach includes activities such as conducting local marketing efforts and broadcasting the race on CityTV

Public Safety includes activities such as emergency response planning, operating command posts, ensuring public safety as well as providing medical assistance to participants and spectators

Traffic Management includes activities such as closing streets, coordinating parking, re-routing traffic and public transit

** based on 2020 costs*

Mid-Term Program Changes for FY 2020-21

Program Name: Paramedic Assessment Fee

Recommended Action: Implement a paramedic assessment fee for patients receiving BLS or ALS transport, with reduced rates for Santa Monica residents.

Annual Financial Impact: Approximately \$437,409 in potential new revenues
 one-time ongoing

Background

The Santa Monica Fire Department (SMFD) is dedicated to preventing the loss of life, property, and the environment from fire, medical, and other natural or man-made disasters through aggressive prevention, training, public education, and emergency response.

SMFD's Mission Statement:

We believe in making a difference every day. We help people by preserving and improving the safety, health and wellbeing of our community. We provide collaborative and innovative fire protection, emergency medical care, and life safety services. We are committed to service that honors our core values of Integrity, Compassion, Teamwork, Accountability and Trust.

The Santa Monica Fire Department is a progressive, historically well-staffed and equipped organization that, according to the Insurance Services Organization (ISO), is ranked among the top 1% of all fire departments nationwide.

The Department is structured into four divisions including Administration, Operations (Suppression, Rescue and EMS), Fire Prevention, and Training. The responsibilities of each are further divided based on relevant state and Federal mandates, code enforcement, policy, contract and grant management standards, and industry best practices.

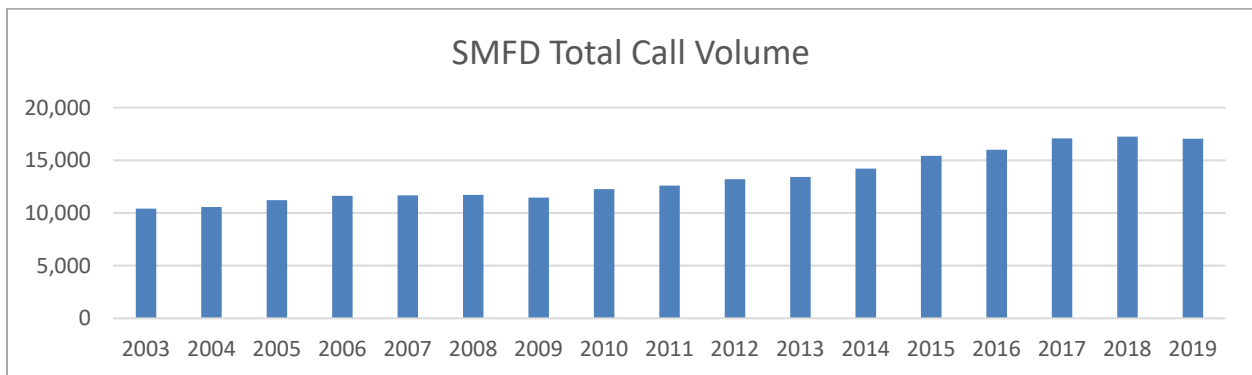
Suppression and Rescue personnel respond from four fire stations, plus one temporary station at the beach, strategically located throughout the City. The Fire Department delivers Emergency Medical Services (EMS) via Advanced Life Support (ALS) capable engine companies whose personnel consists of one captain, one engineer, and two firefighters; two of which must be licensed as paramedics. There are two levels of emergency medical service. Basic Life Support (BLS) is provided by Emergency Medical Technician (EMT) level trained personnel and is limited to basic assessment and first aid type treatment of patients. Advanced Life Support (ALS) is provided by licensed EMT-P (Paramedic) level providers which is highest level of field service in our emergency medical system. Only paramedics can administer IV medication, intubate, and provide cardiac monitoring to a patient.

The City contracts with a private ambulance company (McCormick) to provide EMS transportation services with a minimum of six dedicated units staffed with two Emergency Medical Technicians (EMTs) 24-hours a day, 7-days a week.

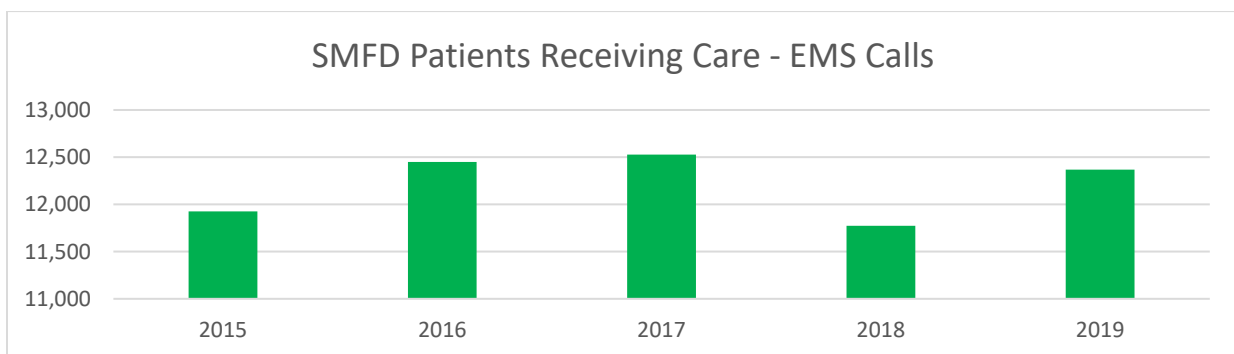
SMFD provides many critical services to the City, especially emergency medical care. Approximately 73% of emergency responses are medical in nature. One of SMFD’s main goals is to provide rapid Advanced Life Support and emergency medical treatment with a minimum response time.

All SMFD firefighters are certified Emergency Medical Technicians at a minimum, and over half are licensed as paramedics. On all emergency medical service calls, firefighter paramedics are sent to ensure the community has access to paramedic level care if needed. The Fire Department currently has seven paramedic engine companies, including the Station 7 Pilot, and other support units available.

In a city with a population of approximately 93,000—which swells to 250,000 during the day with tourists, shoppers, and employees—providing emergency medical services places a strain on the overall City budget. In 2019, the SMFD was dispatched to 17,050 total calls for service, this represents an increase of 17% in total call volume from five years ago. Over 70% of the total calls were EMS calls for service.



In 2019, SMFD responded to over 12,300 emergency calls for medical service. These calls resulted in care being provided to 11,047 patients. Of those patients receiving care, over 7,000 were transported to the hospital and 38% of those transported were non-residents.



With fewer revenues available to deliver critical municipal services and rising costs to provide paramedic services, the City of Santa Monica is not able to completely support the cost of delivering SMFD paramedic services. Rising call volume is requiring more resources and the City’s overall

budget is strained and currently unable to allocate additional resources to the Fire Department. SMFD proposes a Paramedic Assessment Fee to partially offset the costs of staff, equipment, medical supplies, and training.

Current Fees

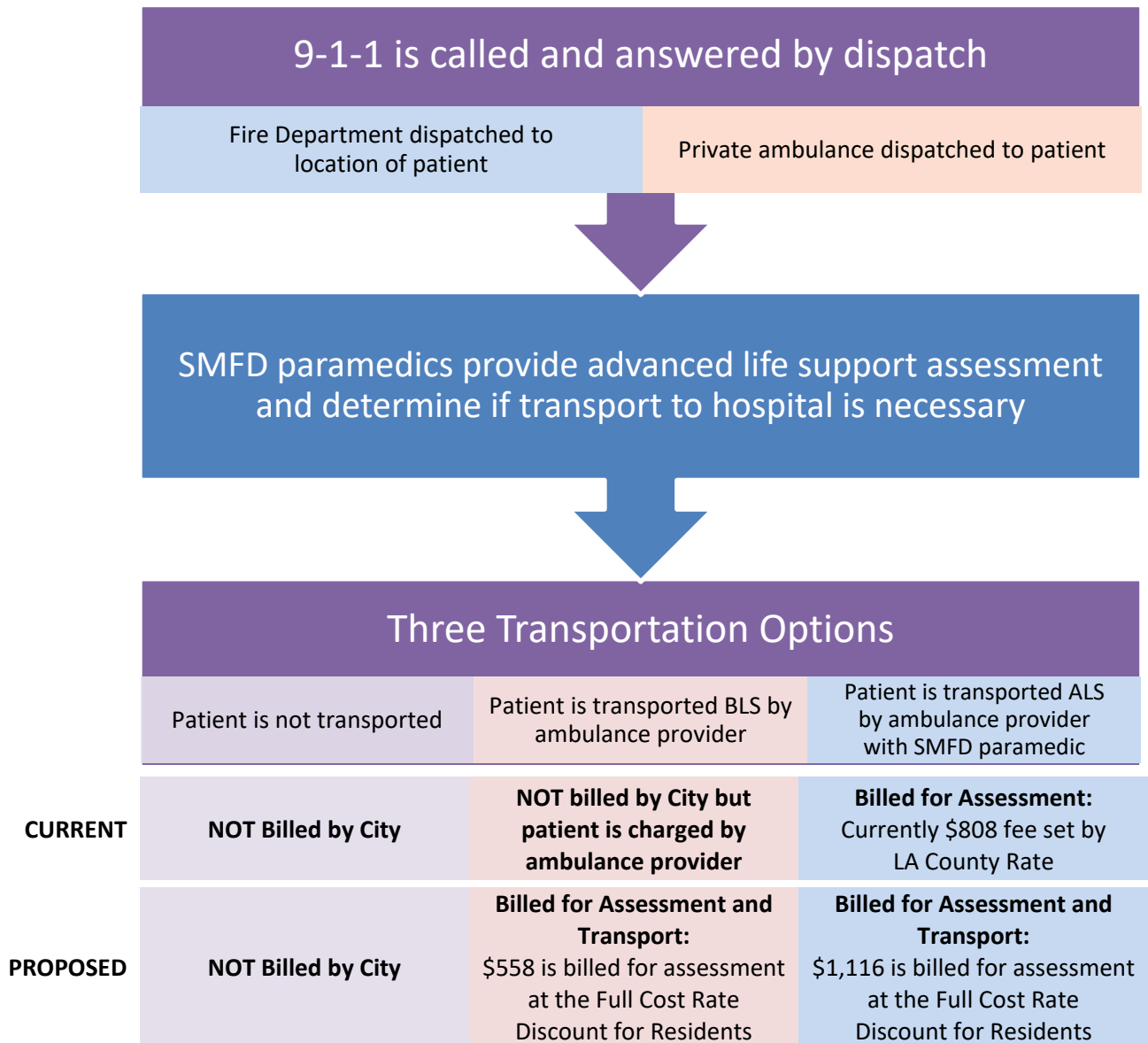
When a person calls 9-1-1, a SMFD Advanced Life Support paramedic fire engine is dispatched along with our contracted ambulance provider McCormick. ALS engines respond to ensure the highest level of care can be provided. SMFD has the responsibility and authority for all medical decisions and actions on every call. After arriving at the scene, SMFD paramedics determine the level of treatment and/or transport required. Transport is provided for either Advanced Life Support or Basic Life Support. The City of Santa Monica currently utilizes a third-party ambulance operator (McCormick) to provide ambulance transport services.

If SMFD determines the patient requires Advanced Life Support, a SMFD paramedic rides along in the ambulance with the patient to continue patient treatment while en route to a medical facility. If SMFD determines the patient only requires Basic Life Support, McCormick will transport the patient with its own EMTs.

Under the current billing structure, SMFD only charges a fee for paramedic services when a patient requires an Advanced Life Support transport — “ALS Transport Fee.” The current ALS Transport Fee is \$808 and aligns with rates set by Los Angeles County. McCormick Ambulance charges the patient for transport which is also aligned with the rates set by Los Angeles County. McCormick bills the patient on behalf of the City for the ALS service and also bills for the services they provide. If a patient is not transported to a hospital no fees are charged.

SMFD does not currently charge patients for responding to calls, conducting examinations, or working with McCormick to transport patients who only need a Basic Life Support transport, even though SMFD paramedics provide care and expertise throughout the process.

The new fee being proposed is an assessment fee charged to all patients transported after receiving a paramedic assessment.



Benchmarking

To develop a Paramedic Assessment Fee, staff surveyed the fee structures used by other cities that provide paramedic services and also rely on third-party ambulance operators.

Amongst cities that fit Santa Monica’s profile, many offer a paramedic services subscription. Under this model, residents and businesses can choose to opt-in to an annual paramedic services subscription—for roughly \$60 per year. The subscription covers all EMS calls including those that do not provide transport, and those who subscribe are not charged for additional City services. However, non-residents and those who choose to opt-out of the subscription are charged per-call fees that vary based on the level of service the patient receives.

- City staff evaluated whether a subscription model would be effective in Santa Monica and decided not to move forward due to high implementation costs and the potential risk to decrease cost-recovery on paramedic services.

Fountain Valley, Beverly Hills, and San Marino levy higher fees on non-residents. Beverly Hills levies a 10% surcharge for non-residents on all EMS-related services. San Marino charges a response fee to all EMS calls, whether or not the patient requires a transport and the response fee is higher for non-residents.

Proposed Change

Paramedic Assessment Fee

SMFD could charge a Paramedic Assessment Fee on all patients who are transported to the hospital. Currently, the City only receives fees from ALS patients transported to the hospital. The new proposed rates would vary based on the level of care received. The City would *not* apply the fee when paramedics respond to a 9-1-1 call, but ultimately do not transport the patient. The table below shows the current fees charged (ALS only) and the proposal for the new fee structure:

	Current Fee Structure	Proposed Fee Structure		
	All Patients	Full Cost*	Non-Residents	Residents
Basic Life Support Treatment	\$0	\$558	\$558	\$404
Advanced Life Support Treatment	\$808	\$1,116	\$1,116	\$808

**Pending fee study analysis*

The proposed ALS/BLS Assessment fees are based on staff rates in the last city-wide comprehensive FY 2016-17 fee study adjusted by the cost of living and the average time required for an engine company to conclude an EMS call (30 minutes for BLS and 60 minutes for ALS). The City would conduct a comprehensive fee study in the upcoming months to finalize the appropriate full cost rate. The City will provide a reduced fee to Santa Monica residents. The rate set would meet all applicable laws regarding cost recovery.

The current ambulance operator would bill and collect the proposed fee on the City's behalf.

Financial Analysis

SMFD used historical payor data and the 2019 total EMS patients of 11,047 to inform the following assumptions used for analysis.

2019 Call Data

Transport Rate	70%
% Non-Residents	38%
% Residents	62%
% BLS	57%
% ALS	43%
Total EMS Patients	11,047

Current Revenues

Payor Type	Payor Mix	ALS Transported Patients	Total Revenue
Private Pay	12%	414	\$334,914
MediCare	44%	1,497	\$119,750
MediCal	26%	892	-
Commercial	18%	595	\$480,987
Total		At \$808 per ALS Transport	\$935,651
			\$724,194
			<i>77% collection rate</i>

Paramedic Assessment Fee

Implementing a new Paramedic Assessment Fee will result in additional cost recovery but will increase fees for Santa Monica residents, businesses, and non-residents.

Resident BLS Paramedic Assessment Fee (\$404)

Payor Type	Payor Mix	BLS Transported Resident Patients	Total Charges	Collection Rate	Total Collections
Private Pay	12%	329	\$133,148	30%	\$39,944
MediCare*	44%	1208	\$488,015	0%	\$0
MediCal*	26%	714	\$288,373	0%	\$0
Commercial	18%	494	\$199,643	75%	\$149,732
				Potential Revenue	\$189,676

Non-Resident BLS Paramedic Assessment Fee (\$558)

Payor Type	Payor Mix	BLS Transported Non-Resident Patients	Total Charges	Collection Rate	Total Collections
Private Pay	12%	202	\$112,670	30%	\$33,801
MediCare*	44%	740	\$413,122	0%	\$0
MediCal*	26%	437	\$244,117	0%	\$0
Commercial	18%	303	\$169,004	75%	\$126,753
Potential Revenue					\$160,554

Total BLS Paramedic Assessment Fee Revenue \$350,230

*MediCare and MediCal programs are not eligible for Paramedic Assessment Fee reimbursement on BLS Transports, and only reimburse roughly \$80 per patient on ALS Transports.

Resident ALS Paramedic Assessment Fee (\$808)

Payor Type	Payor Mix	ALS Transported Resident Patients	Total Charges	Collection Rate	Total Collections
Private Pay	12%	257	\$207,610	77%	\$159,859
MediCare	44%	928	\$74,232	77%	\$57,158
MediCal	26%	553	\$0	0%	\$0
Commercial	18%	369	\$298,158	77%	\$229,582
Potential Revenues					\$446,599

Non-Resident ALS Paramedic Assessment Fee (\$1,116)

Payor Type	Payor Mix	ALS Transported Non-Resident Patients	Total Charges	Collection Rate	Total Collections
Private Pay	12%	158	\$175,780	77%	\$135,351
MediCare	44%	569	\$45,505	77%	\$35,039
MediCal	26%	339	\$0	0%	\$0
Commercial	18%	226	\$252,447	77%	\$194,384
Potential Revenues					\$364,774

Total BLS Paramedic Assessment Fee Revenue \$350,230

Total ALS Paramedic Assessment Fee Revenue \$811,373

Current Revenues (ALS only) \$724,194

Total Paramedic Assessment Fee Revenue Increase \$437,409

Implementing a new Paramedic Assessment Fee will incur minimal administrative costs, including:

- Conducting a fee study to determine assessment fee rates. The City has some available funds set in its existing budget.
- Working with McCormick to update the rates used in the existing billing process.

Impacts and Risks

Community & Other Stakeholders

The new fee would affect residents, businesses, and non-residents within the City of Santa Monica who require emergency medical response and ambulance transport.

Services & Performance

Service is not provided or denied based on the ability to pay. This type of cost recovery program does not change the way in which emergency medical service is provided.

Status Quo Impact

If a Paramedic Assessment Fee is not implemented, the Fire Department will continue to bear the increasing costs of providing full service.

Outcomes & Values

Framework Priorities

The proposed Paramedic Assessment Fee will support the City's framework priorities to keep neighborhoods safe. Suppression and Rescue, including EMS Operations, are core to the Fire Department's services. Emergency services are delivered 24 hours a day, 365 days a year, by firefighters located at five stations throughout the city. These professional and highly skilled firefighters are cross trained to respond to medical emergencies, fires of all types and sizes, transportation accidents, and other emergency service calls. Emergency personnel respond quickly and can mitigate and solve problems effectively regardless of the nature of the emergency. Santa Monica firefighters consistently provide high-quality customer service.

However, a Paramedic Assessment Fee may not support the City's framework priority to improve affordability. Although the City's ambulance provider will bundle bill the fees, the fee may not always be covered by insurance and will be the responsibility of the individual.

Implementation Plan

If the City moves forward with a Paramedic Assessment Fee:

No additional training of field staff is necessary as they will not be involved in the billing process. If the fee is recommended, Fire and Finance will conduct a fee study to determine rates, add the fee to the fee schedule, and provide a fee resolution for City Council's approval. The billing will be completed by the City's contracted ambulance provider. The new fees if approved could be implemented July 1, 2020.

The proposed fees will cover the Fire Department's reasonable cost of providing EMS. The amended EMS Revenue Recovery and Fee Waiver policy will provide the guidelines and processes to waive all or a portion of the EMS fees due to a financial hardship.

City Attorney's Office (CAO)

As with any new proposed fee, the proposed Paramedic Assessment Fee carries litigation risk because it could be potentially challenged under Proposition 26 as a new tax without 2/3 voter approval. The City may reduce this litigation risk by conducting a fee study on both ALS and BLS transports before implementing a new Paramedic Assessment Fee to help ensure that the new fee does not exceed the City's reasonable costs. After determining the City's reasonable costs through a fee study, the City may then opt to discount rates for residents by a modest percentage tied to community benefit and/or any other reasonable justification.

Decision Point

Option A

Levy a Paramedic Assessment Fee for ALS/BLS treatment on patients who are transported. Provide a reduced rate to Santa Monica residents.

Option B

Do not move forward with a Paramedic Assessment Fee.