



CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: JUNE 10, 2024

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: KINDON MEIK, CITY MANAGER

SUBJECT: CONSIDER RESOLUTION NO. 2024-1913, APPROVING A FIVE-YEAR MUNICIPAL LAW ENFORCEMENT SERVICES AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR PUBLIC SERVICES PROVIDED BY THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT AND AUTHORIZING THE CITY MANAGER TO PROCURE SERVICES OF THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT UP TO AN AMOUNT AUTHORIZED IN THE CITY'S OPERATING AND CAPITAL BUDGET FOR THE PERIOD OF JULY 1, 2024 THROUGH JUNE 30, 2029.

MEETING DATE: JUNE 26, 2024

SUMMARY RECOMMENDATION:

Adopt Resolution 2024-1913 (Attachment A) approving a five-year Municipal Law Enforcement Services Agreement with the County of Los Angeles for Public Services provided by the Los Angeles County Sheriff's Department for the period of July 1, 2024 through June 30, 2029, and authorize the Mayor to execute the five-year Agreement on behalf of the City.

BACKGROUND:

Contracting for law enforcement services in Los Angeles County dates back to 1954 when the City of Lakewood first contracted with the County. Currently, 42 cities contract with the County through the Los Angeles Sheriff's Department for primary

and supplemental law enforcement services, representing almost half of the 88 Los Angeles cities.

Authority to Contract for Law Enforcement Services: Under California Government Code Section 51301 et seq, the City has the authority to contract with the County for public safety services. The term of any such contract shall not exceed five years but may be renewed for subsequent five-year periods, provided a decision to continue is made at least a year before the expiration of any current term. The upcoming Municipal Law Enforcement Services Agreement (MLESA) is a five-year agreement requiring approval by June 30, 2024 to continue services.

County Can Recover Costs for Contract Services: According to California Government Code Section 51350, the County must charge the contracting city for all costs incurred due to the agreement. This excludes any indirect overhead charges or costs attributed to services provided countywide or are general county government operational overheads. Thus, the County's Auditor/Controller established a complex formula to set the price of each contract service unit, and the Liability Trust Fund Claims Board determined the recommended funding level for the liability component based on an actuarial study. Together, these two components form the total cost per service unit assessed to the contract cities for each service unit procured.

City Orders Law Enforcement Resources from the County: Annually, the City issues a Service Level Authorization, commonly referred to as the "575 form," which specifies the resources provided to the City (Attachment B is the City's 2023-24 575 form). These resources include sworn deputies, non-sworn personnel, public safety equipment, and standard deployment of sworn personnel.

In addition to the MLESAs approved over the past few decades, the contract cities have entered into three significant agreements concerning liability and indemnification for County services:

- 1977 Assumption of Liability: The County established a fund to cover liability costs associated with contract services, assuming liability and defense for contract cities
- 1991 Joint Indemnity Agreement: The County and cities established the structure of the Liability Trust Fund, transferring responsibility for liability and payment for settlements and claims to this fund, which is fully funded by contract cities.
- 2009 Special Indemnity Agreement: The County and cities agreed to split the liability and funding responsibility equally for certain cases involving

deputies or other peace officers incurring felony convictions or any criminal convictions of certain sexual crimes.

DISCUSSION/ANALYSIS:

The current Municipal Law Enforcement Services Agreement (MLESA) between the City of Calabasas and the County of Los Angeles is set to expire on June 30, 2024. In preparation, a new five-year agreement has been drafted for the City Council's review and approval, with the next term starting on July 1, 2024, and concluding on June 30, 2029.

Over the past year, a subcommittee from the California Contract Cities Association (CCCA), consisting of City Managers, collaborated with the County and the Los Angeles Sheriff's Department (LASD) to negotiate and revise the MLESA. The proposed agreement includes revisions that were mutually agreed upon by the County and the CCCA subcommittee (Attachment C).

While the County accepted some of the recommended subcommittee changes, there were a number of changes that were not accepted. Additionally, no agreement on changes to liability and indemnity language was reached prior to the renewal deadline. As was added as Section 5.4 to the MLESA, the subcommittee and County will continue discussions intended to revise liability and indemnity language to share in the financial exposure with the County instead of the current burden falling completely on the Liability Trust Fund, and by extension, the contract cities.

Changes to the 2024-2029 MLESA

The included MLESA reflects several changes based on the contract cities negotiations which are beneficial to the City. The changes include:

- **Performance will be by Service Unit Rather than Overall** – Agreement performance standard changes from one measure overall to several measures at the service unit level. As the MLESA performance is based on service minutes, the number of deputies and civilians procured by a city are translated into available minutes. This allows the County to mix and match minutes to achieve their 98-102% target but can lead to unintended consequences to underperform in areas like traffic, special assignment, or motor units.
 - **Benefit:** The change would set the 98-102% performance target for each specific unit – patrol, motor, special assignment deputies increasing accountability to cities receiving the level of service expected when procuring specific resources. As an example, overages

in patrol minutes cannot be made up by reducing service levels of a motor unit or special assignment deputy and vice versa.

- **Retaining Vehicle of Deleted Service Unit** – When a city adds a new resource that requires a vehicle (i.e. new deputy), the city incurs a significant first-year expense for the additional vehicle required for this new deputy. The maintenance and replacement costs of the vehicle are already integrated into the annual charge to the city if the city keeps the new deputy. While the LASD has a practice on this, the language of the MLESA was not explicit to protect a city from losing a deputy temporarily and then paying another new vehicle cost when the city restored the deputy. The MLESA adds language that a city can regain access to a vehicle procured with a new deputy service unit when the unit is deleted and restored within 24 months.
 - Benefit: This codifies the language and extends it from 12 to 24 months giving more flexibility for a city to avoid incurring a new vehicle cost.
- **Transfer of City Property to County** – Agreement requires separate written agreements managed at the LASD contract city stations to govern items purchased by the City and temporarily transferred to the County. Additionally, the County must maintain a detailed and regularly updated inventory of all non-vehicle City equipment in its possession, including descriptions, serial numbers (if applicable), condition upon receipt, and location.
 - Benefit: This language increases transparency and accountability in the handling of the City’s assets where the MLESA was previously silent.
- **Equipment Replacement after Extended Maintenance and Repair** – Agreement requires that the County will make best efforts to provide a temporary replacement if the original equipment takes more than 60 days to be returned.
 - Benefit: The language strengthens the required effort the County must undertake to provide a replacement. A best effort would require the LASD to be more diligent in providing a replacement.
- **Continue Negotiations on Indemnity Agreements** – Agreement includes Section 5.4 which acknowledges indirectly the continued negotiations between the County and contract cities related to concerns that cities bear the full cost of liability for contract activities when the County should share in such liability. A Letter of Understanding between the County and the California Contract Cities Association outlines how both parties will work towards addressing concerns in several areas raised by contract cities.

- Benefit: The language does not guarantee a change, but it recognizes a mutual interest in ensuring the long-term viability of the Liability Trust Fund and controlling the increasing burden placed on cities for activities a city does not control. The County controls aspects of law enforcement operations (i.e. training, supervision, hiring, discipline, etc.) and to some extent should incur some of the liability, such as when there is gross negligence not controllable by a city. Further negotiations are a positive step.

Liability Trust Fund Claims Board and Indemnity Procedures

As established in the 1991 Joint Indemnity Agreement, the County formed the Los Angeles Contract Cities Liability Trust Fund Claims Board (Board) to review and approve settlement of claims and lawsuits for money damages which are paid from the County's Contract Cities Liability Trust Fund. The Board consists of eleven members nominated by the California Contract Cities Association and appointed by the Los Angeles Board of Supervisors. The members include city council members, city managers, and representatives from the California Contract Cities Association.

The Liability Trust Fund is comprised of two funds – the Sheriff's Department Fund and the All-Other Departments fund. This is a County trust account funded by contract cities to reimburse the County for all costs related contract city operations leading to litigation and settlements as a part of MLESA operations. The Liability Trust Fund is self-insured for liabilities up to \$10 million and carries insurance up to \$50,000,000.

The Liability Trust Fund has experienced significant payouts due to settlements and litigation work. The settlements are such a large exposure that insurers have been increasing the self-insurance retention (amount paid from the fund before tapping insurance) of \$2 million in 2011-12 to \$10 million in 2023-24, and the rate paid by contract cities has risen from 4% to 12%, respectively, and will be 12.5% in 2024-25.

Given that all activities of the contract cities in the MLESA are the responsibility of the County and contract cities have no authority to govern over actions to reduce liability, the subcommittee feels strongly of the need to revisit the liability and indemnity relationship between the contract cities and the County to ensure balance in who pays for settlements and litigations. The purpose is to ensure the long-term viability of the Liability Trust Fund and the contract model. Further, with the County being exposed to more financial risk associated with operations that only they can control, there will be a greater incentive to ensure more risk reduction approaches and opportunities are leveraged to reduce the overall losses incurred by both the County and the contract cities.

While the subcommittee proposed changes to liability and indemnity language, the County desired additional time to discuss and consider changes. Consequently, the subcommittee will be continuing discussions on amending this language even after the MLESA is approved by the June 30, 2024 deadline, with the existing liability and indemnity language in place since the last MLESA.

FISCAL IMPACT/SOURCE OF FUNDING:

Changes to the MLESA do not alter the cost structure of the previous agreement. Rates for law enforcement services are provided annually by the County of Los Angeles Auditor/Controller and are determined based on the fully burdened cost of deploying service units, including variables such as salary, benefits, equipment (vehicles, radios, maintenance, etc.), management overhead, vacation and sick relief, detective services, dispatch and front desk personnel, station jailer services, and civilian positions.

In 2023-24, the general law enforcement services cost \$5,733,165. For 2024-25, the City will procure the same number of resources, with estimated costs increasing by 3.94%. This is made up of a 3.44% increase for a deputy service unit plus a 0.5% increase to the Liability Trust Fund (Liability Trust fund will go from 12% to 12.5% of personnel cost). An updated Form 575 will be executed after Los Angeles County and the City finalize approval of the MLESA.

REQUESTED ACTION:

City staff recommends approval of this revised MLESA. The changes to the MLESA strengthen the accountability for the City. Discussions continue related to revising liability and indemnity language.

ATTACHMENTS:

Attachment A – Resolution 2024-1913

Attachment B – SH-AD Form 575

Attachment C – Municipal Law Enforcement Services Agreement

July 1, 2024 through June 30, 2029