



REPORT to the MAYOR and MEMBERS of the CITY COUNCIL  
From the CITY MANAGER

DATE: January 26, 2021

SUBJECT: Resolution Authorizing the Appropriation and Allocation of *Liability Risk Fund Reserves* to the *Liability Risk Financing Account* for Unexpected Expenses Related to COVID-19, Civil Unrest in May 2020 and Police Officer Disciplinary Matter

ISSUING DEPARTMENT: Administrative Services

SUMMARY:

Issue:

Should the City Council adopt a resolution authorizing the appropriation and allocation of *Liability Risk Fund Reserves* to the *Liability Risk Financing Account* for unexpected expenses related to COVID-19, civil unrest in May 2020 and police officer disciplinary matter?

Recommendation:

Adopt the attached resolution authorizing the appropriation and allocation of *Liability Risk Fund Reserves* to the *Liability Risk Financing Account* for unexpected expenses related to COVID-19, civil unrest in May 2020 and police officer disciplinary matter.

Fiscal Impact:

The additional funding necessary will be transferred from the *Liability Risk Fund Reserves*. This fund is dedicated to expenditures related to losses from damages to City property, liability claims made by the public against the City, defense costs related to these liability claims, and payments related to other risk-related events. An appropriation and allocation of \$550,000 from the *Liability Risk Fund Reserves* (604-3900) to *Liability Risk Financing Account* 1317-6450 is necessary for these unexpected costs.

City's Strategic Goals

- Safe Community
- Continue to improve high quality municipal services

BACKGROUND:

2020 was an unprecedented year across the world, our country, and specifically, here in the City of La Mesa. The emergence of the novel coronavirus in the spring required the

**Report to Mayor and Councilmembers**

**Date: January 26, 2021**

**Page: 2 of 3**

immediate development and implementation of strict protocols for cleaning and disinfection of all City facilities on a daily basis and on an on-call basis, new personnel policies and employee leave payment requirements, employee COVID-19 testing, and city-wide purchases of personal protective equipment (PPE) and supplies required to keep our employees safe. Some of these expenses included plexiglass dividers for employee work stations and front counters, additional laptops to allow employees to telecommute to avoid a large number of employees at the work sites simultaneously, video conferencing equipment and software licenses (Zoom) to conduct various City meetings to adhere to social distancing requirements, and face coverings for employees, etc. In addition, the expense of unbudgeted salary for the hiring of a part-time, temporary consultant to assist existing staff with required COVID-19 employee notices dissemination and the responsibility of mandatory reporting to state and local agencies of confirmed COVID-19 employee cases was necessary. Although some of these expenses were paid for in the summer through the CARES Act funds, a surge in the level of community spread of COVID-19 after the summer through present led to costly, but necessary, unanticipated additional expenses.

The civil unrest that occurred on May 30, 2020 caused extensive damage to City Hall and the Police Department, as well as damages to other City facilities. The City has incurred significant expenses in response to this event. Although the property restoration contractor that the City hired is paid directly from the City's insurance company and reimbursement is expected to cover much of the repair and replacement costs, many items required advance payment by the City, and the total reimbursement amount is unknown at this time. There are also several pending liability claims against the City related to the civil unrest event with settlement amounts unknown at this time.

Additionally, the civil unrest on May 30, 2020 led to a police officer disciplinary matter which required the convening of the Personnel Appeals Board (PAB), for which the full day hearings spanned several days over a 3-month period. The PAB hearings resulted in substantial legal fees as well as unanticipated costs, including the services of a court reporter, the hiring of a special counsel for the board members of the PAB, the hiring of an audio/video vendor to adhere to social distancing requirements (limiting the number of board members, staff and attorneys in the room during the hearings and providing for video-conferencing of some of the attendees), expert witnesses (appearance and testimony), and other related expenses.

The amount budgeted in the *Liability Risk Financing Account* 1317-6450 for fiscal year 2020-2021 was \$250,000. With five months still remaining in the current fiscal year, this account is already overspent by \$147,000. Additional funding is necessary to cover the existing budget shortfall, pay currently outstanding invoices totaling over \$174,800, maintain regular risk management operations, plan for the higher than usual number of liability claims filed against the City related to the May 30, 2020 event, professional COVID-19 cleaning services of City facilities, and COVID-19 employee testing services for the remainder of the year.

DISCUSSION:

During this fiscal year several major events including COVID-19, civil unrest protests in May 2020, and a police officer disciplinary matter have resulted in higher than expected expenditures. The City's *Liability Risk Fund Reserves* are for the purpose of such unplanned risk management occurrences.

**Report to Mayor and Councilmembers**

**Date: January 26, 2021**

**Page: 3 of 3**

CONCLUSION:

Staff recommends City Council adopt the attached resolution authorizing the appropriation and allocation of *Liability Risk Fund Reserves* to the *Liability Risk Financing Account* for unexpected expenses related to COVID-19, civil unrest in May 2020 and police officer disciplinary matter.

Reviewed by:

Respectfully submitted by:



---

Greg Humora  
City Manager



---

Rida Freeman  
Director of Administrative Services

Attachment: A. Resolution Authorizing Appropriation and Allocation of *Liability Risk Fund Reserves* to the *Liability Risk Financing Account* for Unexpected Expenses Related to COVID-19, Civil Unrest in May 2020 and Police Officer Disciplinary Matter

RESOLUTION NO. 2021-\_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MESA  
AUTHORIZING THE APPROPRIATION AND ALLOCATION OF LIABILITY  
RISK FUND RESERVES TO THE LIABILITY RISK FINANCING ACCOUNT  
FOR UNEXPECTED EXPENSES RELATED TO COVID-19, CIVIL UNREST IN  
MAY 2020, AND POLICE OFFICER DISCIPLINARY MATTER

---

WHEREAS, the City of La Mesa incurred considerable unexpected expenses due to the emergence of the novel coronavirus (COVID-19) in the spring, civil unrest in May 2020, and a police officer disciplinary matter;

WHEREAS, the Liability Risk funding is currently insufficient to cover all of the current Liability Risk expenditures as well as anticipated capital outlays for the remainder of the 2020-2021 fiscal year; and

WHEREAS, the City's Liability Risk Fund Reserves are for the purpose of such unplanned risk management occurrences.

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the City Council of the City of La Mesa, California, that the City Council authorizes the appropriation and allocation of Liability Risk Fund Reserves to the Liability Risk Financing Account for unexpected expenses related to COVID-19, civil unrest in May 2020, and a police officer disciplinary matter.

PASSED AND ADOPTED at a Regular meeting of the City Council of the City of La Mesa, California, held the 26th day of January 2021, by the following vote, to wit:

AYES:

NOES:

ABSENT:

CERTIFICATE OF CITY CLERK

I, MEGAN WIEGELMAN, City Clerk of the City of La Mesa, California, do hereby certify the foregoing to be a true and exact copy of Resolution No. 2021-\_\_\_\_\_, duly passed and adopted by the City Council of said City on the date and by the vote therein recited.

MEGAN WIEGELMAN, CMC, City Clerk

(SEAL OF CITY)

CERTIFICATE OF CITY/DIRECTOR OF FINANCE

Certification of Unappropriated Reserves

I HEREBY CERTIFY that the money required for the appropriation of funds for the purpose as docketed is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unappropriated.

Amount \$     \$550,000.00     Fund   6042 (Liability Risk Fund)  

Purpose     Resolution Authorizing the Appropriation and Allocation of Liability Risk Fund      
    Reserves (604-3900) to Liability Risk Account 1317-6450 for Unexpected      
    Expenses Related to Civil Unrest and COVID-19    

  
\_\_\_\_\_  
Director of Finance  
City of La Mesa

Date     01/21/2021    

By:     Rida Freeman    

Unappropriated Reserves Available Balance \$   949,008.34 (604-3900)  

Certification of Unencumbered Balance

I HEREBY CERTIFY that the indebtedness and obligation as docketed can be incurred; that sufficient monies to meet the obligations are actually in the Treasury, or are anticipated to come into the Treasury to the credit of the appropriation from which the same are to be drawn; and that said monies now actually in the treasury, together with the monies anticipated to come into the Treasury, to the credit of said appropriation are otherwise unencumbered.

Amount Not to Exceed

\_\_\_\_\_  
Director of Finance  
City of La Mesa

Date:

By:

Fund:

Dept./Activity:

Purpose: