

(323) 881-2401

July 17, 2002

TO: EACH SUPERVISOR  
FROM: P. MICHAEL FREEMAN

**COMMERCE UPDATE**

The purpose of this memorandum is to update you on the latest developments with the Commerce contract.

The Commerce City Council voted 4 to 1 last evening to approve a 10-year contract with the City of Montebello for fire protection services. The Council did not officially consider our last offer that would have saved Commerce \$2.13 million annually from their current contract costs.

Although we can clearly provide better service at a lower cost than Montebello, and in spite of the strong support we received from Commerce residents attending the meeting last evening, the Council proceeded to approve the contract with Montebello. Attached are the comments I made last evening, which also reflect the sentiments of many Commerce residents who advised the Council to defer approval of the Montebello contract to allow time for further review. While this appears to be the final Council action on this matter, further political action by the residents may occur.

While we do not believe that the Council considered all relevant information in making their decision, we will respect it, and continue to provide excellent service to Commerce. Our contract with Commerce will continue on a month-to-month basis until the transition of service to Montebello is completed, which could take up to a year. During this period, our service will continue at its current level and Commerce will pay the fee included in the current contract, not the lower level we offered.

I spoke this morning to the firefighters assigned to Commerce, and they are committed to continuing to provide emergency service in a caring and professional manner during the transition period.

Honorable Board of Supervisors  
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I will continue to keep you informed of developments as they occur. If you have any questions, please contact me.

PMF:at

c: David E. Janssen  
Louisa Ollague  
Randi Tahara  
Joseph Charney  
Matt Knabe  
Jennifer Weston Plaisted

**STATEMENT BY FIRE CHIEF P. MICHAEL FREEMAN**

**COMMERCE CITY COUNCIL MEETING**

**PRESENTATION – JULY 16, 2002**

The Los Angeles County Fire Department has served the City of Commerce ever since it became a City, 42 years ago. The quality of service has never been an issue. Service has always been quick, effective and citizen-oriented.

Through these many years, the cost of service has been addressed at various times by the City and the Los Angeles County Fire Department. In the past 10 years, there have been several negotiated contract changes with savings to the City of Commerce of more than \$16.7 million.

Los Angeles County Fire Department has never overcharged the City. When unexpected retirement savings came to the Fire Department, these savings were passed on to the City of Commerce. Retirement savings have saved Commerce an additional \$2.7 million over the last eight years. Based on the factual, historic experience shared between the City of Commerce and County Fire, there is no basis for anyone to characterize our charges as inflated or our position as being unwilling to negotiate.

In fact, on June 27, 2002, we wrote to Interim City Administrator, Mr. Tom Sykes, the Mayor and Council, offering to negotiate updated cost numbers. There was no response. On July 10<sup>th</sup>, we sent to the Mayor, Council members and Mr. Sykes, an updated contract offer that would save the City of Commerce \$2.1 million this year. This offer also proposed a paramedic in every Commerce station since that appeared to be a desire of the City Council. With the updated offer, I also asked to meet with the Mayor and immediate past Mayor to discuss this offer and time frames.

Our latest offer has been ignored. My request for a meeting has been ignored.

Let the record reflect that our updated offer is less costly than the Montebello agreement before your Council tonight. Since Commerce currently contracts with the County, an amended contract is easily prepared. There are no conversion costs and there is not a year's worth of delays. The County offer is \$2.1 million less than the current contract amount and \$1.1 million lower than Montebello's offer. Over a ten-year period, even in the City's "best case" Montebello projection whereby the County increases 5.5% a year and Montebello only increases 4% a year, Commerce would still save more than \$2.4 million by staying with County.

For two years we have been led to believe fire service is about costs. If this whole issue is really about costs, why won't your City Council seriously look at County Fire's updated proposal? After more than a year of waiting for Montebello to develop a draft agreement, what is the rush tonight? What could be lost in letting the public take a close look at both offers? Why not table Agenda Item 12? Shouldn't all of the facts, costs and service differences be explored by the citizens who pay the bills and depend on the Fire Department for emergency service? What's the rush? If there is a rush, why not continue with County at a lower cost?