Notice of a Special Meeting of the
FINANCE COMMITTEE
4:30 p.m. – Monday, February 25, 2013
Council Chambers, Room S249

NOTICE IS HEREBY GIVEN that a special meeting of the Finance Committee will be held **Monday, February 25, 2013** at **4:30 p.m.** in the Council Chambers, Room S249, at the City of Pasadena City Hall, 100 N. Garfield Ave., Pasadena, California.

A. CALL TO ORDER

B. PUBLIC COMMENT

C. APROVAL OF MINUTES
- January 14, 2013
- January 28, 2013

D. NEW BUSINESS

1. Authorization to Enter into a Contract with Celplan Technologies, Inc. for Replacement of the Video Surveillance System in the Jail and Property Sections of the Police Department

2. Reimbursement Resolution Related to the Electric System

3. Amendment to Fiscal Year 2013 Capital Improvement Program Budget and Appropriation of Funds for the Purchase of New Studio Equipment for Pasadena Community Access Corporation

E. INFORMATION ONLY

1. Quarterly Investment Report – Quarter Ending December 31, 2012

F. Adjourn Finance Committee

Terry Tornek
Chair, Finance Committee

This notice, in its entirety, was posted at City Hall and distributed as indicated below by 5:30 p.m. on Thursday, February 21, 2013.

Lori Eubanks, Recording Secretary

Distribution:

City Council
Star-News
City Clerk
Pasadena Journal
Los Angeles Times
City Attorney
La Opinion
Council Chambers Bulletin Board
City Manager
Pasadena Weekly
Main Library
City Hall Front Kiosk

MINUTES

Regular Meeting of the
FINANCE COMMITTEE
January 14, 2013
4 p.m. Council Chambers, Room S249
Pasadena City Hall

A. CALL TO ORDER: 4:15 p.m.

In attendance (absent as indicated):

Council Members	Staff/Guests
Mayor Bogaard	Richard Davis
Victor Gordo	Andy Green
Margaret McAustin (Absent)	Julie Gutierrez
Terry Tornek	Javan Rad
	Dr. Eric Walsh
	Chief Calvin Wells

B. PUBLIC COMMENT (None)

C. APPROVAL OF MINUTES

- December 10, 2012
- December 3, 2012
- October 22, 2012

The minutes were approved as submitted.

D. NEW BUSINESS

1. **Recognize and Appropriate $188,041 from 2010 State Homeland Security Grant (SHSGP) and $140,642 from 2009 Urban Area Security Initiative Grant (UASI) and $36,192 from 2011 UASI**

Staff recommended appropriation of $188,041 from the 2010 State Homeland Security Grant (SHSGP) to the Fire Department's 2013 operating budget, Fire Grand Fund (230), for terrorist intervention equipment and for augmentation of an existing program to upgrade interoperable communications software; appropriate $140,642 from the 2009 Urban Area Security Initiative Grant (UASI) to the Fire Department's fiscal year

2013 operating budget, Fire Grant Fund (230), for funding multiple equipment items for the Urban Search and Rescue; and appropriate $36,192 from the 2011 Urban Area Security Initiative Grant (UASI) to the Fire Department's fiscal year 2013 operating budget, Fire Grant Fund (230), for training in multi-assault counter terrorism action Capability (MACTAC).

The Finance Committee approved this item to be forwarded to the City Council.

2. **Recognize and Appropriate $93,000 from 2010 State Homeland Security Grant (SHSGP)**

Staff recommended appropriation of $93,000 from the 2010 SHSGP to the Fire Department's fiscal year 2013 operating budget, Fire Grant Fund (230) to conduct a Mobile Exercise (MOBEX) drill to include all Regional Task Force 4 member cities.

The Finance Committee approved this item to be forwarded to the City Council.

3. **Approval of Increase to Purchase Order 52574 with Ralph's Grocery Company for the Purpose of Food Vouchers for HIV?AIDS Home Health Care Services**

Staff recommended authorizing an increase of $110,001 to PO 52574 with Ralph's Grocery Company for the purchase of food vouchers for the HIV/AIDS Home Health Care Services program; an increased appropriation to the Public Health Department's 2012-2013 budget of $110,001; and recognition of anticipated revenues of $110,001.

The Finance Committee approved this item to be forwarded to the City Council.

4. **Amendments to Fiscal Year 2013 Adopted Budget**

Staff recommended miscellaneous amendments to the Fiscal Year 2013 Operating budget and Capital Improvement Program budget to account for revenue and expenditure changes subsequent to the approval of these budgets on June 11, 2012.

Councilmember Gordo recused himself regarding Item 3. (c) Herkimer Gardens Project (an appropriation of $586,075) due to a potential conflict of interest.

The Finance Committee approved this item to be forwarded to the City Council.

5. **Authorization to Enter Into a Contract(s) with Designated Insurance Broker of Record for Property and Casualty Insurance Coverage for the City**

Staff recommended that the City enter into a contract with Arthur J. Gallagher and Company as Insurance Broker of Record for the City's property and casualty insurance for a period of three years, in the amount of $75,000 per year, with provision at the City's option for two additional one-year extensions in the amount of $80,000 per year. (Not to exceed $385,000 for five years.) The City has been served by Alliant Insurance Services for many years; however, major losses incurred by the City, including two gas turbine engines at the power plant, has resulted in high premiums with limited coverage. It was determined that the City should conduct a Request for Proposal (RFP) to seek other options.

The Finance Committee approved this item to be forwarded to the City Council.

E. ADJOURN FINANCE COMMITTEE

With no further business to come before the Finance Committee, the meeting adjourned at 5:47 p.m.

Terry Tornek, Chair Date
Finance Committee

ATTEST

Lori Eubanks Date
Recording Secretary
Finance Committee

MINUTES

Regular Meeting of the
FINANCE COMMITTEE
January 28, 2013
4 p.m. Council Chambers, Room S249
Pasadena City Hall

A. CALL TO ORDER: 4:05 p.m.

In attendance (absent as indicated):

Council Members	Staff	
Mayor Bogaard	Joe Awad	Julie Gutierrez
Victor Gordo (Absent)	Michael Beck	Javan Rad
Margaret McAustin	Kevin Costa	Dan Rix
Terry Tornek	Siobhan Foster	

B. PUBLIC COMMENT

There was no public comment.

C. NEW BUSINESS

1. Amendment to the Fiscal Year 2013 General Fee Schedule Updating the Rate for Paramedic Billing

Staff recommended changing seven fees and adding three fees related to paramedic billing. These changes will align the City with LA County for like services.

Councilmember McAustin requested follow-up to explain the methodology for determining fee costs.

The Finance Committee approved this item to be forwarded to the City Council provided that the requested follow-up would be forthcoming.

2. **Authorization to Enter into a Purchase Order Contract with Phenix Technologies, Inc. to Furnish and Deliver one Automated Distribution Transformer Test System for the Water and Power Department**

Staff recommended acceptance of the bid from Phenix Technologies, Inc. to supply an Automated Distribution Transformer Test System (ADTTS) for the Water and Power department; staff also recommended authorizing the City Manager to open a purchase order contract for an amount not to exceed $345,073 to Phenix Technologies, Inc.

An ADTTS will allow the City's electrical test employees to increase testing productivity and will improve reliability of distribution transformers before field installation.

Phenix Technologies, Inc. was the only responsive bidder that met all requirements of the specifications. The bid amount of $345,073 includes a 10 percent contingency for any necessary change orders.

The Finance Committee approved this item to be forwarded to the City Council.

D. INFORMATION ONLY

1. **Fiscal Year 2j013 Capital Improvement Program Frist Quarter Monitoring Report**

Siobhan Foster, Director of Public Works, presented a brief report. There were no questions from the committee members.

2. **Financial Status Report**

Richard Davis, Budget Administrator, presented the Financial Status Report. Councilmembers Tornek and McAustin commented that the report was extremely informational and suggested that the report be presented semi-annually.

E. ADJOURN FINANCE COMMITTEE

With no further business to come before the Finance Committee, the meeting adjourned at 4:45 p.m.

Terry Tornek, Chair — Date
Finance Committee

ATTEST

Lori Eubanks — Date
Recording Secretary
Finance Committee

Agenda Report

February 25, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Police Department

SUBJECT: **AUTHORIZATION TO ENTER INTO A CONTRACT WITH CELPLAN TECHNOLOGIES, INC. FOR REPLACEMENT OF THE VIDEO SURVEILLANCE SYSTEM IN THE JAIL AND PROPERTY SECTIONS OF THE POLICE DEPARTMENT AND AMENDMENT TO THE FY2013 CAPITAL IMPROVEMENT PROGRAM BUDGET**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contract is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b) (3);
2. Amend the Fiscal Year 2013 Capital Improvement Program (CIP) Budget to include a new project in the *Technology Projects* section entitled "Video Surveillance System Project;"
3. Appropriate $350,000 to the new Video Surveillance System Project and decrease appropriations in the Police Department operating budget account 8504-207-401500 in the amount of $350,000; and
4. Authorize the City Manager to enter into a contract without competitive bidding pursuant to City Charter Section 1002(F), Contracts for professional or unique services, with CelPlan Technologies, Inc. for an amount not to exceed $450,000.

BACKGROUND:

The Jail and Property Sections of the Police Department are critical areas of the Police facility that require building surveillance. The video recording system currently used by the Department is obsolete and has limited recording capabilities. It is not in compliance with the current retention policy and the surveillance parameters need to be expanded. The goal of this new system is to ensure that sufficient information can be provided when an incident is being investigated. The key objective of this project is to lessen the

liability risks for the City, as well as enabling efficient and effective monitoring to ensure the safety of employees and inmates.

This project provides for the replacement of the Video Surveillance System in the Jail and Property Sections. The new system will be designed around the scalability, availability, reliability and interoperability that are required to meet the current demands of Police operations. In addition, it will provide the efficiency, flexibility and added security necessary by leveraging the enhanced capabilities of newer technology.

Specifically, the scope includes additional cameras to expand the surveillance parameters to ensure critical areas are being monitored. In addition, automated recording features and alerts will be incorporated to ensure critical information is monitored by the system without manual intervention and staffs on duty are notified. Furthermore, the new system will be designed with adequate storage capacity to stay in compliance with the current retention policy.

The Department of Information Technology (DoIT) prepared and posted the Request for Proposals (RFP) for the Video Surveillance System through the City's on-line procurement system on December 24, 2012. On January 7, 2013, twenty-six different vendors attended the facility walkthrough. In response to the RFP, thirteen proposals were received on January 17, 2013. Each proposal was scored based on the evaluation criteria stated in the RFP, which include technical specifications and capabilities, technology infrastructure requirements, vendor support, service, vision, viability, references with comparable environment, cost, local business and small or micro-business preference.

Based on the evaluation procedures and criteria in the RFP, the firms were scored and ranked as follows:

Company Name	Location	Total Score
CelPlan Technologies, Inc.	San Diego, CA	84
G4S	Torrance, CA	74
Silicon Avenue Technologies	Anaheim, CA	73
Sierra Group	Glendale, CA	73
Revelations Integrated Services Inc.	Pasadena, CA	72
AM-TEC Total Security	Chino, CA	72
eDigitalDeals, Inc.	Los Angeles, CA	65
Enterprise Security, Inc.	Anaheim, CA	65
Climatec	Irvine, CA	62
Internet Camera Units	Altadena, CA	51
CSI Technology Solutions	Santa Fe Springs, CA	49
Unified Physical Security	Irvine, CA	47
Crime Busters Surveillance, Inc.	Burbank, CA	30

Based on the scoring above, staff is recommending that CelPlan Technologies, Inc. be awarded the contract for this project as they provided the most comprehensive proposal.

The breakdown of the contract amount is as follows:

Proposal Amount	$390,000
Contingency Allowance (15%)	$ 60,000
Contract "Not To Exceed" Amount	$450,000

It is anticipated that the implementation will begin in February 2013 and be completed by June 2013.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to ensure public safety by enhancing the safety of the Police Headquarters through enhanced surveillance of its Jail and Property Sections.

ENVIRONMENTAL ANALYSIS:

This contract is exempt from CEQA per section 15061(b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action will not result in any new development or physical changes.

FISCAL IMPACT:

The cost of this action will be a maximum of $450,000. Funding for this action will be addressed by an increase in appropriations to the new Video Surveillance System Project in the amount of $350,000 and a decrease in the Police Department operating budget account 8504-207-401500 in the amount of $350,000. The remaining $100,000 will be funded by the utilization of existing budgeted appropriations from the FY 2010 Urban Area Security Initiative Grant (UASI), which were previously recognized and appropriated to the Fire Grants Fund (203) in the Police Department operating budget account, 8504-230-401000-91154 by City Council on October 29, 2012. This grant money was secured to partially fund the replacement of the video surveillance system for the Jail and Property Sections.

It is anticipated that the full contract amount will be spent this fiscal year. The proposal includes a three year maintenance support agreement. At the end of the three years, staff will evaluate the quality of service from CelPlan Technologies, Inc. as well as the pricing, terms and conditions, to determine an appropriate course of action in the best interests of the City. The anticipated impact to other operational programs or capital projects as a result of this action will be minimal.

The following table presents a summary of the sources of funds that will be used

Police Asset Forfeiture Fund	$350,000
Fire Grants Fund – Project 91154	$100,000
Total Sources	**$450,000**

Respectfully submitted,

PHILLIP SANCHEZ
Police Chief
Police Department

Prepared by:

Christina Kuo
Project Manager
Department of Information Technology

Concurred by:

PHILLIP LECLAIR
Chief Information Technology Officer
Department of Information Technology

Approved by:

MICHAEL J. BECK
City Manager

EXHIBIT "G"
Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. **Contractor/Organization Name:** CelPlan Technologies, Inc.

2. **Type of Entity:**

☒ Non-Government ☐ Nonprofit 501(c)(3), (4), or (6)

3. **Name(s) of trustees, directors, partners, officers of Contractor/Organization:**

Leonhard Korowajczuk, CEO / CTO
Paulo Leite, Technical Director
Mark Crompton, Vice President
Eliani Korowajczuk, CFO

4. **Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:**

Leonhard Korowajczuk
Antonio Carlos do Nascimento
Maria de Fatima Coelho Terra

Prepared by: Jasper Bruinzeel
Title: VP, Wi4net
Phone: 760 274 4214
Date: Jan. 14, 2012

Rev.07.10.2007

Agenda Report

February 25, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: **REIMBURSEMENT RESOLUTION RELATED TO THE ELECTRIC SYSTEM**

RECOMMENDATION:

It is recommended that the City Council adopt a resolution declaring the City's intention to reimburse itself from the proceeds of one or more tax-exempt financings for certain expenditures made and/or to be made in connection with the acquisition, construction, and equipping of certain capital improvements.

BACKGROUND:

In 2009, the City Council adopted the Power Integrated Resource Plan ("IRP") which provided a blueprint to guide acquisition of energy resources in an environmentally responsible manner and established the goal of providing electricity service using 40% renewable resources by 2020. The IRP was updated in March 2012 to include minor adjustments to interim goals regarding renewable resources, but otherwise retains the goals and objectives of the original plan.

One of the primary objectives in the IRP is the "repowering" of the City's local power generating facilities. The repowering project is included in the Water and Power Department's ("PWP") long-term capital investment program and includes appropriation for the first stage of the project for fiscal year 2013. Completion of the project will ensure a reliable supply of locally generated electricity and will meet one of the major goals of the IRP.

The proposed project will include a new combined-cycle power generating unit with an estimated gross capacity of 71 MW, to be known as Unit GT-5. The new unit will be installed on the Glenarm site to replace Unit B-3, a steam generating

plant which is located on the Broadway site. Unit B-3 will be decommissioned after Unit GT-5 is commissioned. Unit GT-5 would be located south of the existing Glenarm Building, and will include a new gas turbine, steam turbine, once-through steam generator (OTSG), wet-type cooling tower, water storage tank and electric powered fuel gas compressors. The proposed project also includes construction of an approximately 18,000 square-foot administrative/control room, including administrative offices and a control station for existing and proposed power-generation units.

Unit B-3, which will be replaced by the new generating unit GT-5, is nearly 50 years old and is incurring increasing costs of maintenance and repair and reduced reliability. Unit GT-5 will improve reliability of energy delivery throughout the system, especially during high-usage periods or when there is an interruption in imported power supply from external resources. Unit GT-5 will also have the capability of quickly reaching maximum generating capacity, improving PWP's disaster response and recovery. The flexible operating characteristics of Unit GT-5 will improve integration of resources such as wind and solar energy by providing "firm" energy to augment the variable delivery of renewable resources.

Funding for the project will be provided by long-term financing, equity investment or some combination thereof. Additional non-cash sources of funding will be provided through depreciation and reduced cost of operations due to improved efficiencies. Major equipment contracts will be awarded by mid-2013 and construction contract awards are expected by early 2014. Commissioning of the new generating Unit GT-5 is currently scheduled for late 2015.

The recommended Reimbursement Resolution allows the Utility to reimburse itself, from future bond proceeds, for certain capital expenditures paid up to sixty days prior to adoption of the Reimbursement Resolution and the allocation of proceeds of the bonds to such reimbursement has to be made not later than the later of (a) 18 months after the date of payment of the reimbursable expenditure or (b) 18 months after the date upon which the project is placed in service or abandoned, but in no event more than three years after the date of payment of the reimbursable expenditure. This action does not commit the City to any obligation. It merely provides the flexibility to capitalize expenditures into future bond issues.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

FISCAL IMPACT:

There is no fiscal impact as a result of this action and will not have any indirect or support cost requirements. The anticipated impact to other operational programs or capital projects as a result of this action will be none.

Respectfully submitted,

ANDREW GREEN
Director of Finance

Prepared by:

Vic Erganian
City Treasurer/Deputy Director of Finance

Approved by:

MICHAEL J. BECK
City Manager

Concurred by:

PHYLLIS E. CURRIE
General Manager
Water and Power

RESOLUTION NO.___

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA, CALIFORNIA DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE AND/OR TO BE MADE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS

WHEREAS, the City of Pasadena, California (the "Issuer") is a political subdivision organized and existing under the laws of the State of California; and

WHEREAS, the Issuer has paid, beginning no earlier than January 1, 2013 and will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the acquisition, construction and/or equipping of **Local Generation Repowering Project – Phase II** (the "Project"), as more fully described in Exhibit A attached hereto; and

WHEREAS, the City Council of the Issuer (the "City Council") has determined that those moneys previously advanced no more than 60 days prior to the date hereof and to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds of one or more issuances of tax-exempt bonds (the "Bonds");

NOW, THEREFORE, the City Council does hereby resolve, determine and order as follows:

Section 1. The City Council hereby declares the Issuer's intent to reimburse the Issuer with the proceeds of the Bonds for the Expenditures with respect to the Project paid on and after January 1, 2013, which date is no more than 60 days prior to the date hereof. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

Section 2. Each Expenditure was and will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Issuer so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Issuer.

Section 3. The maximum principal amount of the Bonds expected to be issued for the Project is $125,000,000.00.

Section 4. The Issuer will make a reimbursement allocation, which is a written allocation by the Issuer that evidences the Issuer's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid

or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Issuer recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain *de minimis* amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years duration.

Section 5. This resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank.]

ADOPTED at a regular meeting of the City Council this 25th day of February, 2013, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

APPROVED AS TO FORM:

Michele Beal Bagneris
City Attorney

ATTEST:

Mark Jomsky
City Clerk

APPROVED AS TO FORM:

Stephen T. Cole
Fulbright & Jaworski L.L.P.
Bond Counsel

EXHIBIT A

DESCRIPTION OF PROJECT

The proposed project would include a new combined-cycle power generating unit with an estimated gross capacity of 71 MW, to be known as Unit GT-5. The new unit, would be installed on the Glenarm site to replace steam generating Unit B-3, which is located on the Broadway site and would be decommissioned after Unit GT-5 is commissioned. Unit GT-5 would be located south of the existing Glenarm Building, and will include a new gas turbine, steam turbine, once-through steam generator (OTSG), wet-type cooling tower, water storage tank and electric powered fuel gas compressors. The proposed project would also include construction of an approximately 18,000 square-foot administrative/control room, including administrative offices and a control station for existing and proposed power-generation units.

The project is part of the Pasadena Water and Power Department's ("PWP") long term energy supply plan as approved by City Council in the 2009 Energy Integrated Resource Plan. Unit B-3, which will be replaced by the new generating unit GT-5, is nearly 50 years old and is incurring increasing costs of maintenance and repair and reduced reliability. Unit GT-5 will improve reliability of energy delivery throughout the system, especially during high-usage periods or when there is an interruption in imported power supply from external resources. Unit GT-5 will also have the capability of quickly reaching maximum generating capacity, improving PWP's disaster response and recovery. The flexible operating characteristics of Unit GT-5 will improve integration of resources such as wind and solar energy by providing "firm" energy to augment the variable delivery of renewable resources.

Funding for the project will be provided by long-term financing, equity investment or some combination thereof. Additional non-cash sources of funding will be provided through depreciation and reduced cost of operations due to improved efficiency of operations. Major equipment contracts will be awarded by mid-2013 and construction contract awards are expected by early 2014. Commissioning of the new generating Unit GT-5 is currently scheduled for late 2015.

Agenda Report

February 25, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Pasadena Community Access Corporation

SUBJECT: AMENDMENT TO FISCAL YEAR 2013 CAPITAL IMPROVEMENT PROGRAM BUDGET AND APPROPRIATION OF FUNDS FOR THE PURCHASE OF NEW STUDIO EQUIPMENT FOR PASADENA COMMUNITY ACCESS CORPORATION

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3);
2. Amend the Fiscal Year 2013 Capital Improvement Program (CIP) Budget to include a new project in the Technology Projects section entitled "PCAC equipment replacement project';
3. Appropriate $493,000 from the unappropriated fund balance of fund 408 Telecommunications Fund to the new capital project and increase appropriations in fund 408 by the same amount.

RECOMMENDATION OF OPERATING COMPANY:

On February 5, 2013, the Pasadena Community Access Corporation (PCAC) Board of Directors voted to recommend approval of the proposed actions to the City Council.

BACKGROUND:

Pursuant to Pasadena Municipal Code Chapter 2.155.110, the PCAC performs the community access function for the Pasadena Public, Education and Government (PEG) cable access system. The Corporation is organized exclusively for charitable, scientific, literary and educational purposes and is overseen by a board consisting of eleven members.

Recently, the PCAC Board approved a lease agreement, made possible by a budget amendment approved by the City Council on January 14, 2013, to relocate its studios from 2061 N. Los Robles Ave. to 150 S. Los Robles Ave. This new location provides better access for the community and allows for a substantial increase in facility and resource availability for those producing community access programing including PCAC's channel partners: PCC-TV (Pasadena City College), KRLN-TV (PUSD), KPAS (City), and The Arroyo Channel.

At the new facility, PCAC intends to provide space and new equipment to channel partners and local producers to build a modern community resource that will provide communications tools, citizen journalism, and media training consistent with today's standards for community access cable television. This new venture to provide quality programming to Pasadena in multiple formats (cable, online and social media) requires an investment in the distribution infrastructure and production equipment to replace PCAC's outdated equipment.

Accordingly, PCAC is requesting an appropriation of $493,000 to fund the purchase of a variety of equipment, including studio equipment, field production equipment, lighting and grip equipment, audio equipment, television signal switching and video processing equipment, and high-speed network infrastructure equipment. A detailed list is provided as Attachment A.

Acquisition of this equipment will enable PCAC to:

- Migrate from the current I-NET to a higher quality digital transport infrastructure (including reestablishing go-live capability at the Pasadena Convention Center, Pasadena Senior Center, and Pasadena City College)
- Be better prepared to help broadcast live emergency public information during a citywide or regional emergency and/or activation of the City's Emergency Operations Center
- Equip two (2) production studios at 150 S. Los Robles to meet current production demands
- Acquire field production equipment for increased community event coverage
- Equip a functional community media learning center

All equipment purchases will be made in manner consistent with the City's standard procurement processes. The funds proposed to be used for this project are Public, Educational and Governmental (PEG) funds the City receives pursuant to the state franchise for telecommunication operators.

Pursuant to state law, these PEG funds may only be used for capital costs associated with providing community access television programming.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council's goals of providing public facilities and infrastructure for the benefit of the public and promoting the quality of life and local economy.

FISCAL IMPACT:

Funding for the proposed capital project will be drawn from current PEG funds which are held in the City's Telecommunications Fund, 408. Current unappropriated fund balance is $794,906, therefore the proposed action would reduce this figure to $301,906. As indicated above, per state law these funds are restricted and may only be used to fund capital costs associated with providing community access television programming.

Respectfully submitted,

KERI STOKSTAD
Executive Director
PCAC

Detail of Proposed Equipment Plan – Attachment A
Pasadena Community Access Corporation

PROJECT DESCRIPTIONS

Production Studios Audio/Visual (A/V) Technology

This project will build the audio-visual systems at 150 S. Los Robles which includes two (2) production studios, training facilities, edit bays, and channel operations. The equipment will be upgraded to what is currently used in the industry and to better match the current needs. The a/v system upgrade includes studio cameras, audio equipment, and broadcast video switcher. Many components of the current a/v systems are no longer supported or manufactured. The project will save costs by reducing maintenance and rental needs for a/v equipment.

A/V Technology Project total estimated cost: $250,000

Elements:
Six (6) Studio Cameras, cabling and support: $95,000
Video switcher control system/switching: $50,000
Audio System: $30,000
Monitoring: $23,000
Additional Equipment: $12,000
Allowance for installation and design: $40,000

Channel Origination and Live Drops

Upgrade and/or replace channel origination servers for four (4) channels with N+1 redundancy, including ingest equipment, monitoring and distribution as necessary. Support for SDI and HD/SDI signal formats Support for file based workflow including but not limited to MPEG2 and H.264. Migrate from the current I-NET to a higher quality digital transport infrastructure (including reestablishing go-live capability at the Pasadena Convention Center, Pasadena Senior Center, and Pasadena City College). Be better prepared to help broadcast live emergency public information during a citywide or regional emergency and/or activation of the City's Emergency Operations Center.

Channel Origination and Live Drops total estimated cost: $152,000

Elements:
Playback Servers, Encoders & Automation: $122,000
Allowance for installation and design: $30,000

LED Lighting Upgrade

Upgrade replaces the current obsolete lighting instruments with energy-efficient LED lighting instruments. The LED lights do not generate extra heat for the room, saving on

heating/cooling costs. Wiring the lighting controls to be controlled via wall panels for added. Addition of LED color changing lights to the Gallery and rotunda for special events lighting. This will save on rental costs for lighting equipment.

LED Lighting Upgrade total estimated cost: $30,000

Elements:
LED Lights: $20,000
Allowance for installation and design: $10,000

Field Production
Complete the media services network to connect the non-linear edit systems to a shared storage array for archive material and provide the ability to ftp files to the playback server directly from the non-linear edit computers

Field Production total estimated cost: $28,000

Elements:
Six (6) Field Camera Kits: $24,000
Cables and Accessories: $4,000

Digital Edit Training
Edit computers would replace the two (2) outdated Apple workstations and media services edit systems. Edit systems would provide for training that meets current professional standards for advancement to certification programs such as those offered by Pasadena City College.

Digital Edit Training Breakdown:
As a whole project: $20,000
Eight (8) Digital Edit Bays: $16,000
Allowance for installation and design: $4,000

Shared Network Storage for media for non-linear edit systems
complete the Media Services network to connect the edit systems to a shared storage array for archive material and provide the ability to ftp files to the playback server directly from the non-linear edit computers

Shared Network Storage total estimated cost: $12,000

Elements:
Storage Network: $10,000
Allowance for installation and design: $2,000

Agenda Report

February 25, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: Quarterly Investment Report
Quarter Ending December 31, 2012

RECOMMENDATION:

This report is for information purposes only.

BACKGROUND:

Government Code Section 53646 (2)(b)(1) states that in the case of a local agency, the Treasurer or Chief Fiscal Officer (CFO) may render a quarterly report to the legislative body of the local agency containing detailed information on: 1) all securities, investments, and moneys of the local agency; 2) a statement of compliance of the portfolio with the statement of investment policy; and 3) a statement of the local agency's ability to meet its pool's expenditure requirements for the next six months. By making these reports optional, this bill does not impose a state-mandated local program but encourages local agencies to continue to report. The bill also states that the Treasurer or CFO may report whatever additional information or data may be required by the legislative body of the local agency.

The quarterly report shall include the following:

1) The type of investment, name of the issuer, date of maturity, par and dollar amount invested in each security, investment, and money within the treasury;

2) The weighted average maturity of the investments within the treasury;

3) Any funds, investments, or programs, including loans, that are under the management of contracted parties;

4) The market value as of the date of the report, and the source of this valuation for any security within the treasury;

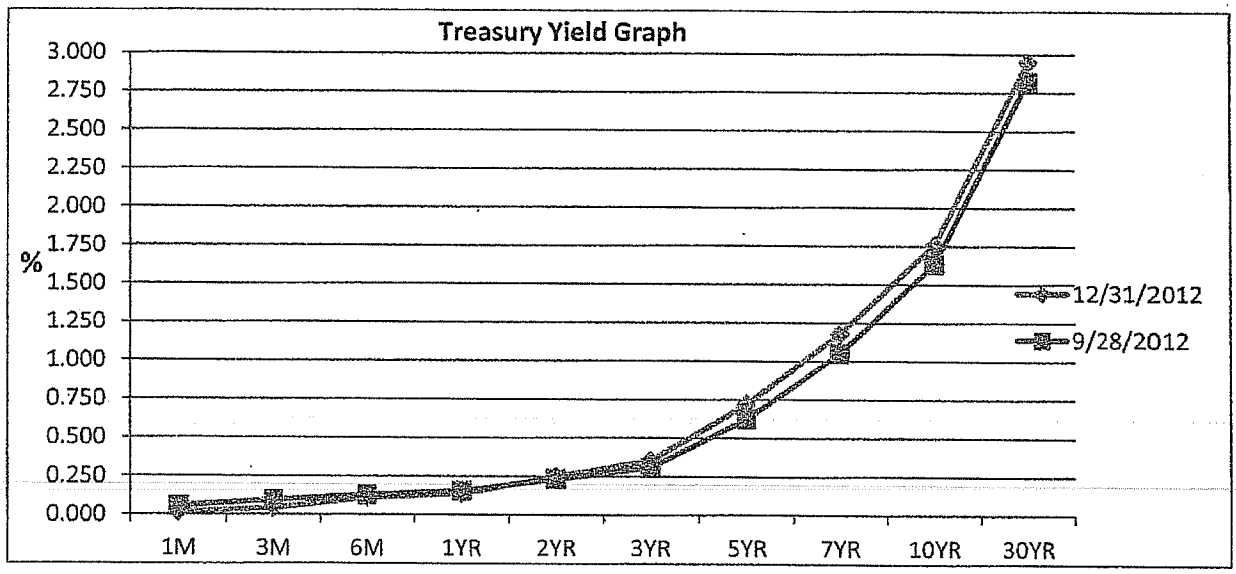
5) A description of the compliance with the Statement of Investment Policy.

ECONOMIC SUMMARY:

The fourth quarter of 2012 was full of policy decisions and a wild ride for investors. First was the presidential election followed by the fiscal cliff debate and recently the debate about the debt ceiling. During the quarter the Fed played an important role by announcing that it will embark into a new asset purchase program after the expiration of "Operation Twist" in order to continue to maintain long term rates low. Unemployment rate dropped during the quarter from 8.1% to 7.8%. The economy added an average of 151,000 non-farm jobs per month. Inflation remained tame. The annual Consumer Price Index (CPI) at year end was 1.7%. The core CPI which excludes the more volatile food and energy components measured 1.9% and investors showed no signs of concern about future inflation. The low mortgage interest rates and rising home prices brought buyers back to the market and home sales rebounded to the strongest level in five years in 2012. The U.S economy shrank however in the fourth quarter by -0.1% mainly due to a plunge in defense spending and smaller gain in stockpiles. This was the worst GDP performance since the second quarter of 2009. Most economists however maintain that the underlying economic conditions remain on track and estimate a 2% GDP growth rate in 2013 for the world's largest economy.

Equity markets as measured by the DOW Index declined in November then rebounded in December to end up with a negative 2.4% return for the quarter. Similarly, The S&P 500 index dropped in November then rebounded to end up the quarter with a negative 1% return. The annual returns for the DOW Index and the S&P 500 were 7.25% and 13.4% respectively based on simple price appreciation. Treasury yields ended up slightly higher on December 31, 2012 compared to the previous quarter end. The two year treasury yield was 0.249%, up by 0.01%. The five year yield increased by 0.10% to 0.72%, the ten year ended the year at 1.758%, up by 0.12% and the long bond closed at 2.95%, up by 0.13%.

The following graph represents the Treasury yield curve as of December 31, 2012:



TOTAL FUNDS UNDER MANAGEMENT:

The following represents the total City funds under management based on their market values as of December 31, 2012.

	12/31/2012	09/30/2012	$ Change
Pooled Investment Portfolio	331,047,380	337,830,970	-6,783,590
Capital Endowment	3,610,337	3,606,805	3,532
Stranded Investment Reserve Portfolio	66,418,037	66,138,636	279,401
Special Funds	34,742,864	37,171,610	-2,428,746
Investments Held with Fiscal Agents	85,068,471	82,839,149	2,229,322
Total Funds Under Management	**520,887,089**	**527,587,170**	**-6,700,081**

The Pooled Investment Portfolio decreased by a net $6.7 million mainly due to $24.7 million debt service payments made during the quarter which were offset by $18 million property tax receipts during the same period.

The $3,532 increase in the Capital Endowment Fund and the $279,401 increase in the Stranded Investment Reserve Portfolio represent investment earnings for the period.

The Special Funds decreased by a net $2,428,746 due to drawdowns made from the 2010A Water Revenue bond proceeds and from the proceeds of the equipment lease financing to purchase the ARTs buses.

The investments held with Fiscal Agents category increased by $2,229,322. This was the net result of a total of $11.47 draw made from the Rose Bowl bond proceeds and other financing proceeds and the receipt by the trustee of $9.79 million debt service payment from the City which is due to bondholders on June 1, 2013 coupled with the receipt of $3.578 million investment from SCPPA held with the trustee.

The City pools all internal funds to gain economies of scale and simplify the investment function. There are over 100 funds in the Pooled Investment Portfolio. As of December 31, 2012, the General Fund had an estimated $38.8 million invested in the Pooled Investment Portfolio, which represents 11.7 percent of the Pooled Portfolio value. The General Fund's cash balance fluctuates daily based on the timing of receipt of revenues and payment of expenditures. Investments in the Capital Endowment Fund, the Stranded Investment Reserve Fund, the Special Funds, and funds held with fiscal agents are restricted funds or bond proceeds reserved in accordance to the City Charter, City ordinances, and the bond indentures.

Per the government code requirements, attached are the reports by each fund, indicating the type of investments, date of maturity, par and dollar amount invested in each security, as well as investment and moneys within the treasury with market values as of December 31, 2012. The City Treasurer prices the pooled portfolio and all other funds and investments under management on a monthly basis. The market values are obtained from Interactive Data Corporation (IDC) and Bloomberg Financial System. IDC is an independent third party whose sole service is to provide market prices for all types of securities.

The types of securities held in the portfolio and their percentage allocation to the total are in compliance with the City's Fiscal Year 2013 Investment Policy, which was adopted by the City Council on September 24, 2012, and Section 53600 of the State Government Code. The City Treasurer currently maintains at least $45 million short-term liquid investments (1 to 90 day maturities) which represent approximately 1/12th of the City's total aggregate annual operating budget. This balance, along with anticipated cash flows into the City's account, represents a strong liquidity position to meet budgeted expenditures for the next six months.

The yield to maturity on the City's Pooled Portfolio continued to gradually decline in the last three years as short-term rates remained between 0.00 percent and 0.25 percent. All maturing investments were reinvested at lower yielding securities as compared to their original rate. The effective yield on the Pooled Portfolio represents the portfolio investment earnings rate adjusted by the realized trading gains and losses. The year-to-date effective yield on the Pooled Portfolio as of December 31, 2012 was 1.36 percent, compared to the State Treasurer's Local Agency Investment Fund (LAIF) return of 0.32

percent and the average yield on the two-year U.S. Treasury of 0.26 percent for the same period. The effective yield on the Power Reserve Fund was 2.23 percent.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council strategic goal to maintain fiscal responsibility and stability.

FISCAL IMPACT:

This item is for information only. There is no fiscal impact as a result of this action nor will it have any indirect or support cost requirements. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,

ANDREW GREEN
Director of Finance

Prepared by:

Vic Erganian
Deputy Director of Finance/City Treasurer

Approved by:

MICHAEL J. BECK
City Manager

*Attachments:
Attachment A – Quarterly Investment Report (Quarter Ending 12/31/2012)

*(Attachments provided with City Council packets.)