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AGENDA

FINANCE COMMITTEE

July 14, 2014 • 4:30 p.m. • Council Chambers Room S249

FINANCE COMMITTEE MEMBERS

Mayor Bill Bogaard
Margaret McAustin
Victor Gordo
Terry Tornek, Chair

STAFF

Andrew Green, Director of Finance
Lori Eubanks, Recording Secretary

MISSION STATEMENT

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Items on the agenda may not be called in order listed.

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Materials related to an item on this Agenda submitted to the Finance Committee **after** distribution of the agenda packets are available for public inspection in the Public Clerk's Office at 100 N. Garfield Avenue, Room S-228, Pasadena, during normal business hours.

Notice of a Regular Meeting of the
FINANCE COMMITTEE
4:30 p.m. – Monday, July 14, 2014
Pasadena City Hall - Council Chambers Room S249

NOTICE IS HEREBY GIVEN that a regular meeting of the Finance Committee will be held **Monday, July 14, 2014** at **4:30 p.m.** in the Council Chambers Room S249, at City of Pasadena City Hall, 100 N. Garfield Ave., Pasadena, California.

A. CALL TO ORDER

B. PUBLIC COMMENT

C. APPROVAL OF MINUTES

D. NEW BUSINESS

1. Amendment to Contract No. 55727 With Pacific Municipal Consultants (PMC), To Increase the Total Not To Exceed Amount By $176,911 From $43,589 to $220,500 For An Environmental Review Coordinator
2. Extension of Agreement No. 18,934 With Modern Parking, Inc., For the Management of the Holly Street, Del Mar, Paseo Subterranean, Los Robles, and Marengo Garages
3. Adoption of a Resolution Establishing Competitive Bidding Procedures for, Approving the Publication of Notice of, and Authorizing the Distribution of a Request for Loan Facility (Line of Credit) for the Electric System, Authorizing the Entry Into a Loan Facility and Certain Actions Related Thereto, and Adoption of a Reimbursement Resolution

E. 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, July 10, 2014.

Lori Eubanks, Recording Secretary
Finance Committee

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Agenda Report

July 14, 2014

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Planning & Community Development Department

SUBJECT: **AMENDMENT THE EXISTING PURCHASE ORDER WITH PACIFIC MUNICIPAL CONSULTANTS (PMC), TO INCREASE THE TOTAL NOT TO EXCEED AMOUNT BY $176,911 FROM $43,589 TO $220,500 FOR AN ENVIRONMENTAL REVIEW COORDINATOR**

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager to retroactively amend the existing purchase order with Pacific Municipal Consultants (PMC) by increasing the contract amount by $176,911 for a new total not to exceed amount of $220,500 for continued environmental review services and extend the contract to December 31, 2014;

2. To the extent this transaction could be considered a separate procurement subject to competitive selection, grant the proposed contract with PMC an exemption from the Competitive Selection process set forth in the Competitive Bidding and Purchasing Ordinance pursuant to P.M.C. section 4.08.049 (B), contracts for which the City's best interests are served; and

3. Find that the amendment to the purchase order with PMC is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b) (3) (General Rule).

BACKGROUND:

The Planning and Community Development Department's Planning Division reviews public and private projects to ensure compliance with the California Environmental Quality Act (CEQA), National Environmental Policy Act (NEPA), Air Quality Management District regulations, State and County Hazardous Material programs and various land use planning laws and guidelines. Currently, the City does not have an in-house planner with specialized technical expertise in environmental compliance, including expert knowledge in CEQA and the preparation of Environmental Impact

Reports. The Department intends to fill this position with a full-time, permanent employee prior to the end of this calendar year.

In the meantime, in January of 2013, the City released a Request for Qualifications for an Environmental Review Coordinator to ensure that public and private projects reviewed by the City are in compliance with environmental regulations. The work program for the environmental review coordinator includes preparation of Initial Studies; managing the preparation of Environmental Impact Reports; peer review of CEQA documentation; oral presentations before the City Council, Commissions and other groups as assigned; and other duties related to compliance with environmental clearance.

On January 18, 2013, proposals were received per the Request for Qualifications (RFQ) for an environmental review coordinator and evaluated using the criteria set forth in the RFQ, in accordance with the City's competitive selection process for professional services.

Based upon the evaluation criteria, ultimately, Pacific Municipal Consultants (PMC) was determined to be the most qualified to perform the required services for the City. A purchase order was issued in March 2013 for $74,999 for a one year term. The last invoice paid to PMC was in October 2013 with a remaining balance of $4,921.20 on the purchase order.

The City has seen a sustained increase in the volume of projects requiring environmental clearance over the last year thus increasing the workload for the environmental review coordinator. In order to not cause a delay in the environmental review process, and prior to staff completing a contract for anticipated work through the end of this calendar year, PMC has continued providing services while awaiting a contract amendment. Staff has not timely agendized this report; however, staff has been cautiously tracking the salary savings from the vacant planner positions to ensure that there are available funds to cover 100% of the costs associated with the environmental review coordinator's services. In order to ensure that future invoices are monitored and contracts are not exceeded, staff will be trained on invoice tracking along with a centralized system of invoice monitoring for checks and balances. In the future, contract amendments will be agendized for City Council approval as soon as a contract is running low on its balance.

The current unpaid balance due to PMC is $85,521.25 for invoices from November 2013 through the current invoice of May 2014. The $176,911 requested will pay for the outstanding balance and will cover services through the end of the calendar year.

The Planning and Community Development Department intends to fill this position with a full-time City Employee and has been actively working with the Human Resources Department on recruitment. Although the action requested of the City Council this evening would allow the Department to continue utilizing contract services until December of 2014, it envisioned that a full time employee will fill this position before that

date and all costs associated with this contract are to be paid by the Department's salary savings for vacant positions.

In order to review existing and anticipated projects for the remainder of the calendar year, it is in the best interest of the City to recommend that the contract with PMC be increased to a not to exceed amount of $220,500.

COUNCIL POLICY CONSIDERATION:

The proposed contract furthers City Council's strategic plan goals of ensuring public safety and increasing conservation and sustainability. Additionally, it furthers the City's mission to deliver exemplary municipal services.

ENVIRONMENTAL ANALYSIS:

This project is exempt from CEQA review pursuant to State CEQA Guidelines Section 15061(b) 3. This contract is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to the provisions of CEQA.

FISCAL IMPACT:

This contract will be paid out of salary savings from the vacant planner positions in the Planning Division.

Respectfully submitted,

VINCENT P. BERTONI, AICP
Director of Planning & Community Development Department

Prepared by:

Betty Donavanik
Senior Planner

Concurred by:

Kelvin Parker
Principal Planner

Approved by:

MICHAEL J. BECK
City Manager

Agenda Report

July 14, 2014

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Transportation

SUBJECT: **EXTENSION OF AGREEMENT #18,934 WITH MODERN PARKING, INC., FOR THE MANAGEMENT OF THE HOLLY STREET, DEL MAR, PASEO SUBTERRANEAN, LOS ROBLES, AND MARENGO GARAGES**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the extension of contract number 18,934 with Modern Parking, Inc. (MPI) is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b) (3); and

2. Authorize the City Manager to retroactively amend contract number 18,934 with MPI for the management of the Holly Street, Del Mar, Paseo Subterranean, Los Robles, and Marengo garages on a month to month basis through no later than December 2015; and

3. To the extent this transaction could be considered a separate procurement subject to competitive selection, grant the proposed contract with Modern Parking Inc. an exemption from the Competitive Selection process set forth in the Competitive Bidding and Purchasing Ordinance pursuant to Pasadena Municipal Code Section 4.08.049 (B), contracts for which the City's best interests are served.

BACKGROUND:

On August 10, 2005, the Department of Transportation released a Request for Proposals to solicit bids for parking garage management services at the Holly Street, Paseo Subterranean, Los Robles, and Marengo garages. Four proposals were received on August 25, 2005, and based upon evaluation staff recommended the award of the contract to MPI. On September 12, 2005, City Council authorized the City Manager to enter into an agreement with MPI to manage the four garages for a period of three years, with two additional one-year terms.

On June 18, 2007, the City purchased the Del Mar Station garage and amended the agreement with MPI to include management of the new facility.

On December 6, 2010 City Council authorized the extension of the contract until September 30, 2011 while the City's parking strategy was evaluated.

On September 26, 2011 City Council authorized the extension of the contract until September 30, 2012 to allow for further study of the current garage management system.

In 2011 staff commissioned an assessment of the facility needs at the nine City-owned garages. Staff is currently using the information received from the Garage Assessment report to define a facilities management program for the City garages and to restructure what elements of facilities maintenance are included in the contract with the parking operator for the garages.

In conjunction with the garage assessment, staff has also conducted two audits of parking operations in the nine City-owned garages to identify any deficiencies in current practices so as to improve existing operations and to provide information to use in determining how to best manage off street parking operations in the future.

The contract has been operating on a month to month basis since September 30, 2012 pending a new garage management request for proposals. Staff expects to issue a new garage management RFP within the next 12 months based on the findings of the garage assessment and the two garage audits, and concurrent with the expiration of the OPMD contract for management of the Old Pasadena garages. The month to month contract allows for the City to end the contract sooner than December 2015 if a new contract for parking management is awarded in that time frame.

With the dissolution of the Redevelopment Agency and the uncertain future of the Paseo Colorado garages, a month to month contract allows the City greater flexibility in the event that the garages need to be sold.

Both the City and MPI desire to extend this agreement on a month to month basis through no later than December 2015 with the existing terms and conditions, which is in the best interests of the City.

In order to ensure that future invoices are monitored and contracts are not exceeded, staff will be trained on invoice tracking along with a centralized system of invoice monitoring for checks and balances. In the future, contract amendments will be agendized for City Council approval as soon as a contract is running low on its balance.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by amending the contract with MPI for the management of the Holly Street, Del Mar Station, Paseo Subterranean, Los Robles, and Marengo garages.

ENVIRONMENTAL ANALYSIS:

The proposed amendment of lease agreement with MPI for the management of the Holly Street, Del Mar Station, Paseo Subterranean, Los Robles, and Marengo parking garages is categorically exempt from the California Environmental Quality Act (CEQA) under section 15061 (b) (3), the General Rule that CEQA only applies to projects which have the potential for causing a significant effect on the environment.

FISCAL IMPACT:

The retroactive cost of this action will be $3,506,550.66, which has already been paid with appropriated dollars in the corresponding garage budgets from previous fiscal years.

The going forward cost of this action will be $3,063,524, which includes $136,541 in outstanding invoices. Funding for this action will be addressed by the utilization of existing budgeted appropriations in account numbers 8114-407-774600 Paseo Subterranean Garage, 8114-407-774700 Del Mar Station Garage, and 8114-407-774210 Holly Street Garage. It is anticipated that $136,541 will be spent in FY14, $1,951,322 will be spent in FY15, and the remaining balance of $975,661 will be spent in FY16.

Respectfully submitted,

FREDERICK C. DOCK
Director
Department of Transportation

Prepared by:

Mike Woolson
Management Analyst III

Approved by:

MICHAEL J. BECK
City Manager

Agenda Report

July 14, 2014

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: **ADOPTION OF A RESOLUTION ESTABLISHING COMPETITIVE BIDDING PROCEDURES FOR, APPROVING THE PUBLICATION OF NOTICE OF, AND AUTHORIZING THE DISTRIBUTION OF A REQUEST FOR LOAN FACILITY (LINE OF CREDIT) FOR THE ELECTRIC SYSTEM, AUTHORIZING THE ENTRY INTO A LOAN FACILITY AND CERTAIN ACTIONS RELATED THERETO, AND ADOPTION OF A REIMBURSEMENT RESOLUTION**

RECOMMENDATION:

It is recommended that the City Council:

a) Adopt a resolution establishing competitive bidding procedures for, approving the publication of notice of, and authorizing the distribution of a request for loan facility (Electric System); and authorizing the entry into a loan facility and certain actions relating thereto;

b) Adopt a resolution declaring the City's intention to reimburse itself from the proceeds of one or more tax-exempt financing for certain expenditures made and/or to be made in connection with the acquisition, construction and equipping of certain capital improvements.

BACKGROUND:

On December 3, 2013, the City issued its Electric Revenue/Refunding Bonds, 2013A Series (the "2013 Bonds") in the aggregate principal amount of $80,485,000. The City expects the proceeds of the 2013 Bonds to be used primarily for the purpose of financing a portion of the Glenarm Repowering Project, which involves replacing the

existing Broadway steam generating unit with a new 71 megawatt natural gas-fired combined cycle power generating unit (GT-5 Repowering Project). The GT-5 Repowering Project is the largest component of the electric system capital projects as approved by the City Council.

At the time the City Council approved the issuance of the 2013 Bonds, the City Council was informed that staff analyzed three other funding options for the remaining costs of the GT5 Repowering Project including financing all costs with a line of credit ("LOC") and subsequently refinancing the LOC upon project completion. Staff believes that the LOC is a low-cost way of funding the balance of the GT-5 Repowering Project even if the timing of construction draws change or is delayed, as it greatly reduces the financing risk for the project. The recommended LOC will facilitate the issuance of the correct amount of fixed rate bonds in the future without any insufficiencies or overages, minimizing long-term costs to ratepayers. The total cost of the GT5 repowering project is estimated at about $132 million. Of this total amount, about $20 million is funded by equity, $55 million will be funded with proceeds from the 2013 Electric Revenue Bonds and up to $57 million will be funded with proceeds from the recommended line of credit. If needed, a portion of the proceeds from the line of credit may be used for short-term financing of other capital projects of the electric distribution system. Similar to the use of proceeds from the 2013 Bonds, it is practical to use the funds from the LOC as a funding source for the GT5 Repowering Project and other electric distribution system capital projects. The use of LOC funds for these purposes was included in the staff discussion and recommendation of approval of the Resolution inviting bids for the 2013 Bonds as approved by City Council on September 30, 2013. Upon completion of the project, the $75 million LOC will be refunded with thirty year fixed rate electric revenue bonds.

On June 23, 2014, the City Council had the first reading of an ordinance amending Pasadena Municipal Code Title 4, Chapter 4.08, Competitive Bidding Ordinance, to provide for the solicitation and entering into a loan facility with a financial institution designed to serve as an interim financing of improvements to the Electric system and authorizing the issuance of not to exceed $75 million aggregate principal amount of the City of Pasadena Subordinate Electric Revenue Bonds payable out of the Light and Power Fund.

The ordinance amendment added Section 4.08.056 to Title 4, Chapter 4.08 of the Pasadena Municipal Code setting forth an alternate competitive bidding process for loan facilities. The recommended Resolution authorizes staff to competitively solicit a loan facility in accordance with Section 4.08.056 of the Municipal Code and sets forth certain other administrative procedures governing the loan facility. The resolution also approves the forms of the Notice of Request for Loan Facility (Electric System) and the Request for Loan Facility (Electric System).

The City Council is also being asked to adopt a Reimbursement Resolution. The requested resolution allows the City to reimburse itself for certain expenditures

made for capital improvements and other expenses related to the improvements to the Electric System. The Reimbursement Resolution provides the City the ability to reimburse itself for expenditures made 60 days prior to this resolution and no later than 18 months from the date of the expenditures are made or the project is placed in service, but in no event more than three years after the date on which the expenditure is paid.

FISCAL IMPACT:

The LOC will be bid on a competitive basis with terms and conditions associated with loan facilities that are prevalent in the municipal credit markets. Repayments associated with the loan facility will be made from the Light and Power Fund. The method of calculating interest on the loan facility will be pre-determined based on a well-established short-term index (e.g. LIBOR or SIFMA) and will be the index offered by the winning bidder. Interest payments will be addressed by utilization of current and future appropriation in Power Capital Improvement Program Budget number 3194-Local Generation Repowering Project. The LOC is expected to have a term of approximately three years. The anticipated impact to other operational programs or capital projects as a result of this action will be none.

Under current market conditions, the structure of financing all remaining GT5 Repowering Project costs with a LOC and subsequently refinancing the LOC upon project completion with fixed rate bonds is expected to save ratepayers approximately $3.4 million. Another benefit of the LOC structure is that it allows for the certainty of the correct issuance amount of future fixed rate bonds which avoids any overages or any short-falls in funding.

Respectfully submitted,

for

ANDREW GREEN
Director of Finance
Department of Finance

Prepared by:

Vic Erganian
Deputy Director of Finance/City Treasurer

Concurred by:

PHYLLIS CURRIE
General Manager
Water & Power Department

Approved by:

MICHAEL J. BECK
City Manager