Regular Meeting Minutes
FINANCE COMMITTEE
Monday, February 10, 2020 ▪ 4:00 p.m.
Council Chambers Room S249, Pasadena City Hall

A. CALL TO ORDER: The regular meeting of the Finance Committee was called to order at 4:08 p.m. with Mayor Tornek and Councilmembers McAustin and Gordo comprising the quorum.

Attendees (Absent as indicated):

Councilmembers	**Staff**
Mayor Tornek, Chair	Manuel Carmona
Victor Gordo (Arrived at 4:08 p.m.)	Theresa Fuentes
John Kennedy (Arrived at 4:35 p.m.)	Julie Gutierrez (Absent)
Margaret McAustin	Matthew Hawkesworth
	Steve Mermell

Recording Secretary: Lori Eubanks

B. PUBLIC COMMENT - None.

C. APPROVAL OF MINUTES

- January 27, 2020

The minutes were approved as submitted.

D. NEW BUSINESS

1. **Recognize Revenue and Appropriate Funds of $44,880 to the Fiscal Year 2020 Operating Budget for the Public Health Department Nutrition and Physical Activity Program**

   Staff recommended that the City Council authorize the City Manager to enter into a contract with the California Department of Food and Agriculture (CDFA) to accept and administer grant funds on behalf of the City of Pasadena and amend the Fiscal Year 2020 Public Health Department operating budget by recognizing and appropriating $44,880 in grants funds to purchase refrigeration equipment and supplies for eligible corner stores in Pasadena. The Finance Committee approved forwarding this report to the full City Council.

2. **Options for Utilizing the Section 115 Pension Trust**

   Matthew Hawkesworth, Director of Finance, presented this report. It was recommended that the Finance Committee provide direction to City staff regarding options for the use of Section 115 Pension Trust funds.

Mr. Hawkesworth outlined four options for the committee's consideration regarding use of the Section 115 Pension Trust Fund; 1) Rainy Day Fund – Continue with the status quo of investing in a moderately aggressive fund and accruing interest earnings and saving it for a rainy day or a budget shortfall; 2) Stabilizing or Capping Future Pension Costs; 3) Making an Additional Discretionary Payment as a Lump Sum; or 4) Fresh Start – 19 Year Refinance - Taking a refinance option offered by CalPERS called a "Fresh Start" where the current unfunded accrued liability amounts are refinanced into one lump sum amount over a duration of time to yield a net savings.

The consensus of the committee was a hybrid of Option 4 – a voluntary (no formal lock-in with CalPERS), with an annual minimum payment to CalPERS, in the form of a policy or ordinance, and requiring a vote of five members of the City Council to change the payment amount or the terms of the payment commitment. Under this option the City stands to save over $20 million in interest.

The committee asked that the item be returned to the City Council, through the Finance Committee, in a formalized recommendation.

E. CLOSED SESSION (The Finance Committee recessed to closed session at 4:48 p.m.)

CITY COUNCIL CONFERENCE WITH LABOR NEGOTIATIORS pursuant to Government Code Section 54957.6
Agency Designated Representatives: Jennifer Curtis and Steve Mermell
Employee Organizations: Pasadena Firefighters Association (PFFA)

F. ADJOURN

With no further business to come before the committee, the meeting adjourned at 5:15 p.m.

/s/ Terry Tornek 5.28.20

Mayor Tornek Date
Chair, Finance Committee

ATTEST: FOX 5/28/20

Lori Eubanks, Date
Recording Secretary