Special Meeting Minutes
FINANCE/AUDIT COMMITTEE
Thursday, July 23, 2020 ▪ 2:00 p.m.
Council Chambers Room S249, Pasadena City Hall

A. CALL TO ORDER: The special meeting of the Finance/Audit Committee was called to order at 2:01 p.m. with Mayor Tornek and Councilmembers Gordo, McAustin, and Kennedy comprising the quorum.

Attendees (Absent as indicated):

Councilmembers	Staff	Guests
Mayor Tornek, Chair	Steve Mermell	Doug Kranwinkle
Victor Gordo	Julie Gutierrez	Richard Shammel
John Kennedy	Theresa Fuentes	Mo Salama
Margaret McAustin	Matthew Hawkesworth	George Cunningham
	Laura Cornejo	Jens Weiden
	Robert Ridley	Darryl Dunn
		Steve Haderlein
		Robert J. Callanan

Recording Secretary: Gloria Acevedo

B. PUBLIC COMMENT - None.

C. Approval of Minutes

- July 9, 2020 Special Meeting
- July 13, 2020 Cancellation Notice

The minutes were approved as submitted.

D. NEW BUSINESS

1. ROSE BOWL OPERATING COMPANY – REVENUE OPPORTUNITIES UPDATE

Doug Kranwinkle, President of the Rose Bowl Operating Company (RBOC) started the discussion by reminding the committee, that prior to the pandemic, the RBOC had begun looking at new revenue opportunities as football became less popular, concerts saw new and significant increased competition, and golf was going through a transformation. Darryl Dunn, General Manager kicked off the PowerPoint titled "Rose Bowl Operating Company Revenue Opportunities Update," where he presented scenarios for Fall and Spring UCLA Football. He mentioned socially distancing seating for the games would bring the stadium seating capacity from 87,000 to 13,000. Jens Weiden, Chief Revenue Officer, continued the discussion highlighting the newly implemented events and presented several new generating revenue opportunities. Mr. Weiden detailed how the Rose Bowl Institute whose mission is to provide educational programs, a platform for dialogues, and awards with the goal to inspire youth and

enhance the life of the community, could potentially provide seven-figure transfers to the RBOC in the future.

Mayor Tornek, thanked the RBOC staff for providing the opportunity to review the concepts early on and requested a version of the presentation become available to provide to the full City Council. Councilmember Gordo, requested that the presentation should come to a future City Council meeting, Mayor Tornek agreed.

Councilmember Kennedy inquired if the RBOC had seeked outside consultants with the purpose of substantially increasing revenue opportunities versus the existing models. Mr. Dunn, indicated they have done so and reminded Councilmember Kennedy of the competition factor. Mr. Kennedy also requested that a succession plan become available and shared with the finance committee at a later time.

Councilmember McAustin commented that with the future of football unknown, the Rose Bowl Institute will provide a good forum and become a leader in future discussions. Ms. McAustin also echoed Mayor Tornek's comment on appreciating the presentation.

The Finance/Audit Committee acknowledged the report.

2. RECOMMENDATION TO APPROPRIATE FUNDS FOR ON-STREET DINING AND PARKLETS PROGRAM

Laura Cornejo, Director of Department of Transportation presented the agenda item, recommending the appropriation of $275,000 for the On-Street Dining and Parklets Program. The funds will cover the cost of street restriping, barricade rentals, and installing Americans with Disabilities Act compliant ramps. Ms. Cornejo indicated that street dining allows restaurants to expand seating capacity by temporarily transforming curbside or street parking into an area for outdoor dining. The Parklets allows businesses to repurpose adjacent curbside parking space by installing platforms that serve as an extension of the existing sidewalk; therefore, providing additional space for outdoor dining and professional, or retail services.
Councilmember McAustin was interested in knowing if this is a one-time funding request. Steve Mermell, City Manager responded that for now, that is the case; however that parking funds are limited and it is highly possible that additional funding requests will come to the Finance Committee in the fall.

Councilmember Gordo asked if there were reimbursement opportunities for the project. Steve Mermell, City Manager, responded that staff is pursuing grant opportunities as it may be challenging to receive reimbursement from FEMA, for this project.
Councilmember Gordo expressed concerns with price gouging. Ms. Cornejo indicated that the department is working with the Finance Department's Emergency Operations Center team for assistance in comparing pricing with several vendors and stated there is a high demand for these items given other cities are implementing similar programs.

Mayor Tornek inquired about the rental cost of the barricades. Ms. Cornejo responded the cost is $40,000 a month for nine street segments, which covers deployment, restriping, and the installation costs.

The Finance/Audit Committee approved forwarding this report to the full City Council.

3. ACCEPTANCE OF CALIFORNIA OFFICE OF TRAFFIC SAFETY GRANT FOR THE SAFER STREETS PASADENA – BICYCLE OUTREACH PROGRAM

Laura Cornejo, Director of Department of Transportation presented the agenda item, requesting the acceptance of the California Office of Traffic Safety grant for the Safer Streets Pasadena – Bicycle safety outreach program in the amount of $150,000. The Safer Streets Pasadena – Bicycle Program will assist the Department of Transportation in implementing two objectives of the Mobility Element, enhance livability and encourage walking, biking, and other alternatives to motor vehicles.

The Finance Audit Committee approved forwarding this report to the full City Council.

E. INFORMATION ONLY

4 SAS 114 AUDIT NOTIFICATION

Matthew Hawkesworth, Director of Finance, kicked off the discussion by reminding the Finance/Audit Committee that this was an opportunity to engage with the audit firm, prior to the start of the audit and that the committee has the ability to reach out to the audit firm at any time. Mr. Hawkesworth introduced Mr. Robert J. Callan from White Nelson Diehl Evans LLP. Mr. Callan then presented a PowerPoint titled "City of Pasadena Finance Committee Meeting," in which he gave an overview of the audit responsibilities and process.

Mayor Tornek inquired if given the COVID-19 Pandemic and many staff are telecommuting, whether the audit will review the possibility of weakened internal controls. Mr. Callan, responded that it will be part of the scope as it has been identified as a risk factor. Mayor Tornek confirmed with Mr. Callan that he was aware of the City's past embezzlement, hence the reason for the enhanced audit, and the Council's Commitment to not allow a repeat occurrence. Mr. Callan indicated he was fully aware of the occurrence.

The Finance/Audit Committee acknowledged the report.

5. UPDATE OF THE FINANCIAL IMPACT OF COVID-19

Matthew Hawkesworth, Director of Finance, provided the update. He gave a status report on the General Fund revenues as of June 30, 2020 and on the General Fund's five-year projections. There was also a focus on the financial impacts of the COVID-19 pandemic.

Mayor Tornek, requested a table with an explanation of the total cost and commitments totaling $19.2 million. Councilmember Gordo requested an updated table with the variances in projections and actuals since the COVID-19 pandemic started. Mr. Hawkesworth committed to updating the tables and bringing them back to the August, Finance Committee meeting.

Councilmember Gordo reminded the Committee that in addition to the RBOC, other operating companies carry bond debt and suggested the committee allow them to present their financial status, giving the committee the opportunity to weigh in on the situation. Mayor Tornek agreed to do so.

Councilmember Kennedy inquired about the City revisiting the Measure I funds and commitments to PUSD. Steve Mermell, City Manager, responded there was a three-year commitment with only $5 million guaranteed in the first year. Councilmember Kennedy wondered when red ink would appear on the budget, Mr. Mermell stated he plans to revisit the budget in September and that red ink appears taking a methodical approach.

Councilmember McAustin, stated the Risk Manager position that was eliminated from the budget would be a good investment and would make the City stronger.

The Finance/Audit Committee acknowledged the report.

F. ADJOURN

With no further business to come before the committee, the meeting adjourned at 4:10 p.m.

/s/ Terry Tornek 8/27/20

Mayor Tornek Date
Chair, Finance Committee

Gloria Acevedo 8/27/20

ATTEST: Gloria Acevedo, Date
Recording Secretary