Special Meeting Minutes
FINANCE COMMITTEE
Thursday, August 26, 2020 ▪ 2:00 p.m.
Videoconference/Teleconference Council Chambers Room S249, Pasadena City Hall

A. CALL TO ORDER: The special meeting of the Finance Committee was called to order at 3:02 p.m. with Mayor Tornek and Councilmembers Gordo, McAustin, and Kennedy comprising the quorum.

Attendees (Absent as indicated):

Councilmembers	**Staff**	
Mayor Tornek, Chair	Steve Mermell	Tim Park
Victor Gordo	Julie Gutierrez	Phyllis Hallowell
John Kennedy	Theresa Fuentes	Rochelle Branch
Margaret McAustin	Matthew Hawkesworth	
	Ara Maloyan	
	David Reyes	
	John Perez	

Recording Secretary: Gloria Acevedo

B. Approval of Minutes

- July 23, 2020 Special Meeting
- July 27, 2020 Cancellation Notice
- August 10, 2020 Cancellation Notice
- August 20, 2020 Cancellation Notice
- August 24, 2020 Cancellation Notice

The minutes were approved as submitted.

C. NEW BUSINESS

1. POLICE DEPARTMENT BUDGET DISCUSION

John Perez, Police Chief, presented a PowerPoint titled Police Department 101, where he stated the budget is the result of a two-year review. The budget was flattened and a new one recreated, closely monitoring the total number of Full Time Employees (FTE's) in the department as twenty potential vacancies may occur. Chief Perez pointed out the restructure of the Department did not have an impact on the General Fund. The main focus of the restructuring was to improve training methods to reduce litigation, creation of a Use of Force Sergeant to reduce force, create a civilian executive staff position, and re-establish the NAT team. He also provided yearly statistics on the number of crimes, arrests, traffic citations, traffic accidents, and number of phone calls received. Chief Perez also shared that 211 guns have been recovered in 2020 from the waistbands of individuals with no higher level engagement incidents, a heat map will be

shared with the newspapers to show the locations of where these guns were retrieved from.

PUBLIC COMMENT – Recording Secretary, Gloria Acevedo read aloud comments related to the Police Budget Discussion. The comments suggested bringing back the Neighborhood Connections Office, which was defunded several years ago and for the Finance Committee to request an inventory of the military grade weapons and surveillance equipment, before approving the proposed budget.
Lydia Breen (District 6), Pasadena Resident
George Korzen, Pasadena Resident

There were several questions posed by the Committee regarding, the initial acquisition and ongoing cost of operating body worn cameras, revenues associated with Police Department activities, and the background information on the elimination of Neighborhood Connections in what was then the Human Services and Recreation Department. Requests were made for the organization charts pre-and-post the reorganization. Steve Mermell, City Manager committed to providing a memo responding to the questions and requests at the subsequent Finance Committee.

Councilmember Kennedy mentioned his colleague's concerns that the Pasadena Police Department is right-sized for a City with a population of 255 thousand residents, who also suggested that per capita shows the City of Pasadena is over-policed. Chief Perez responded that based on the budget, the Department is equivalent to the Torrance Police Department and also pointed out Pasadena is unique due to the special events it hosts in venues like the Rose Bowl.

Councilmember McAustin suggested changing the name of the Neighborhood Service Section from Quality of Life to something else.

Councilmember Gordo inquired about the Park Safety Specialist positions and indicated they are a great source for actively engaging with the community. Chief Perez responded there are eight positions, however only four are filled. Councilmember Gordo also inquired about the effectiveness of the air operations section to which, Chief Perez shared they respond to over 300 calls a year often being the first to arrive at the scene, this year alone at 25 shootings, and are also extremely helping in identifying fires. Councilmember Gordo was also glad to see the return of the NAT team, Chief Perez indicated the seven officers in the NAT team are working with other officers to teach them about community engagement.

Mayor Tornek spoke about the community discussions taking place in regards to what functions the Police Department performs, whether they are rightly defined in the Department's area of responsibility and that there is a sub-discussion on what functions can be performed by non-sworn personnel. Mayor Tornek also asked for clarification on whether the three officers in the HOPE teams were sworn officers. Chief Perez responded that he is working on cutting calls for service by redirecting them to nonprofits, as a result he has created the Homeless Commission. Mr. Mermell, added the Fire and Health Departments have the PORT Team a grant funded program who address issues around homelessness, the grant runs out in 2022, he and other

departments are working with third party providers about restructuring to address these issues with the goal of reducing the number of calls for service that go to the Police Department. Chief Perez added the Hope teams are partnered with Los Angeles County Social Workers that require they only work with sworn officers, these social workers are not paid by the Pasadena Police Department

The Finance Committee acknowledged the report.

2. PASADENA ARTS & CULTURE RELIEF GRANT PROGRAM

Steve Mermell, City Manager introduced the item reminding the Committee that the Arts and Culture segment depends on hosting events and since there have been no events, this sector is need of assistance. Rochelle Branch, Cultural Affairs Division Manager, Planning & Community Development continued with a PowerPoint titled, Arts & Culture Relief Grant Program, recommending the appropriation of $500,000 from the Cultural Trust Fund unappropriated fund balance for the Fiscal Year 2021 Planning and Community Development Department's Operating Budget to provide funding for the Arts and Cultural Relief Grant. The Grant Program would provide operational support to eligible Pasadena-based Arts & Culture organizations that demonstrate a need. A one-time amount of up to $20,000, will be available for each applicant and it is estimated the program will receive approximately 60 applicants. Applications will be reviewed by a panel of three-to-five members with expertise in the areas of non-profit arts & culture.

PUBLIC COMMENT – Recording Secretary, Gloria Acevedo read aloud comments related to the Pasadena Arts & Culture Grant Program, where residents urged the Finance Committee approve the grant relief program.
Eileen T'Kaye, Pasadena Resident
Clark Branson, Pasadena Resident
Stephen McCurry, Pasadena Resident

Mayor Tornek asked for clarification on fiscally sponsored organizations, what the trust fund fund program balance is, and the source of the funds. Ms. Branch indicated fiscally sponsored organizations referred to organizations that do not have a 501 C3, therefore not considered nonprofit organizations, the fund balance is at $788, 352 and the source of the fees is from the private development fees through the private development public art program which mandates organizations pay a 1% in lieu to the fund or a percentage based on where they are located.

Councilmember McAustin thanked Steve Mermell, City Manager and Ms. Branch for their efforts in supporting the nonprofits in Pasadena that are in need due to the impact of the COVID 19 pandemic. Councilmember McAustin reminded the committee that the arts nonprofits make a significant contribution to the public profile of Pasadena.

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

3. RESIDENTIAL IMPACT FEE NEXUS UPDATE

Ara Maloyan, Director of Public Works presented the agenda item, providing the Residential Impact Fee Study Update and recommended the current Residential Impact Fee rates remain the same.

Mayor Tornek inquired about City Council having the authority to make changes in the future. Mr. Maloyan, respond that the City Council has the authority to make changes at any time up to the limit fees set in the Nexus Study.

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

D. INFORMATION ONLY

4 FY 2020 CIP FOURTH QUARTER MONITORING REVIEW

Ara Maloyan, Director Public Works, provided the report indicating the fourth quarter Capital Improvement Plan work plan was heavily impacted by the COVID-19 pandemic. Many projects were delayed or came to a halt.

Mayor Tornek inquired on the status of the Colorado Bridge project. Mr. Maloyan responded the mesh material chosen by the community members was made in Germany and was delayed there for two-to-three months as a result of the pandemic. The product is currently located at a shop in Chatsworth waiting to be fabricated. There is a six-to-eight week time window for the fabrication of the mock-ups. Once the mock-ups are delivered, meetings will be scheduled with the Historical Commission, the Design Commission and the Public Safety Committee before moving it forward to the City Council for final recommendation. The community will be notified of the mock-up installations and encouraged to visit the site, Public Works staff will be available to answer any questions.

The Finance Committee acknowledged the report.

5. FINANCIAL UPDATE THROUGH JULY 2020

Matthew Hawkesworth, Director of Finance, provided the financial update. In his PowerPoint titled Financial Update Through July 2020, he provided charts on the Fiscal Year 2020 Fund Revenue Details, the Fiscal Year 2021 Fund Revenue details, and a summary of the COVID-19 Expenditures and Revenue. At this time, the City has expended all of its Unassigned General Fund Balance. The General Fund 5% Operating Reserve will be left with an estimated $3.4 million after COVID-19 commitments are accounted for. This amount does not include potential reimbursement from federal or state agencies as there is no guarantee on the amount or when the City would receive them. Although the City has funds remaining in the Emergency Contingency (15%) Fund and in the Section 115 Trust, the depletion of the Unassigned General Fund is cause for concern.

Mayor Tornek inquired whether the $3.4 million in the Operating Reserve 5% fund balance presumed reimbursements. Mr. Hawkesworth indicate it did not as the $1.7million came from the Cares Act not from FEMA reimbursements. Mayor Tornek, acknowledged not a lot of money was left in the Operating Reserve 5% Fund. Steve Mermell, City Manager reminded the Committee of the concern for the need to backstop the Rose Bowl debt service and how that may have depleted the reserves, fortunately it did not as funds from a debt reserve fund were also used. The hope is that the Rose Bowl will start to host major events by Fiscal Year 2022 and noted the staff has successfully hosted several small events to secure revenue. Mr. Mermell suggested no further withdrawals from the Operating Reserve 5% Fund without making a compensating reduction, or to spend up to the amount in the Fund and no more, however that will be at the discretion of City Council.

Mayor Tornek commented that this will all become relevant when deciding to extend the newly created programs that provide support to those affected by COVID-19 pandemic. Mr. Mermell indicated that in a months' time there should be a conversation about thinking in a more strategic sense about a fiscal strategy for the next two-fiscal years.

The Finance Committee acknowledged the report.

E. ADJOURN

With no further business to come before the committee, the meeting adjourned at 5:13 p.m.

/s/ Terry Tornek 9/14/20

Mayor Tornek Date
Chair, Finance Committee

ATTEST: Gloria Acevedo 9/14/20

Gloria Acevedo, Date
Recording Secretary