Special Meeting Minutes
FINANCE COMMITTEE
Thursday, September 24, 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 2:04 p.m. with Mayor Tornek and Councilmembers Gordo and McAustin comprising the quorum.

Attendees (Absent as indicated):

Councilmembers	**Staff**	
Mayor Tornek, Chair	Steve Mermell	Brent Maue
Victor Gordo	Julie Gutierrez	Alberto Felix
John Kennedy (Absent)	Theresa Fuentes	Tim Park
Margaret McAustin	Matthew Hawkesworth	Sean Singletary
	Ara Maloyan	
	Laura Cornejo	

Recording Secretary: Gloria Acevedo

B. PUBLIC COMMENT – None

C. APPROVAL OF MINUTES

- September 10, 2020 Special Meeting
- September 14, 2020 Cancellation Notice

The minutes were approved as submitted

D. NEW BUSINESS

1. **AUTHORIZATION OF EXECUTION OF FUND TRANSFER AGREEMENT WITH LOS ANGELES COUNTY FLOOD CONTROL DISTRICT FOR SAFE, CLEAN WATER PROGRAM**

Ara Maloyan, Director of Public Works, introduced the agenda item and Sean Singletary, Principal Engineer, followed with a PowerPoint outlining how storm drain is collected, where it discharges, how the City collects funds from Measure W (Safe Clean Water Program) to manage programs that improve water quality, and lastly provided a five-year plan on how the City plans to allocate the $7,800,000 transfer.

Councilmember McAustin inquired about how the 40% that is collected from Measure W is allocated, if it is a fair share, and if residents are able to appeal to the county if they were to replace concrete with permeable material on their property. Mr. Singletary responded that the 40% is a portion of what the county collects, all cities receive the same allocation and residents are able to appeal to the county for a credit and reassessment should they convert a concrete space into a permeable surface.

Mayor Tornek requested clarification on whether the cost of the Rio Hondo and the Arroyo Seco projects would exhaust the City's five-year allocation and inquired about how projects were being funded prior to the passage of Measure W. Mr. Singletary responded that both projects would exhaust the allocation and that they need to be completed by September 20, 2023 in order to be compliant with the MS4 Permit. He added capital improvement projects were previously funded through the Sewer Fund.

Councilmember Gordo agreed, the projects should move forward in order to meet our goals and be in compliance.

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

2. ADOPT RESOLUTION TO APPROVE APPLICATION FOR PROPOSITION 68 URBAN COUNTIES PER CAPITA GRANT FUNDS AND APPROVE MEMORANDUM OF UNDERSTANDING BETWEEN CITIES OF PASADENA AND SOUTH PASADENA FOR A JOINT PROJECT IN THE ARROYO SECO

Ara Maloyan, Director of Public Works, introduced the agenda item and Brent Maue, Assistant City Engineer, presented a PowerPoint, which outlined how the $3.5 million proceeds that were set aside from the voter approved Proposition 68 would be used to fund a joint project between South Pasadena and Pasadena. The San Rafael Creek, which empties into the Arroyo Seco was identified as a dry weather source of bacterial pollution for the Arroyo and a good fit for the project (San Rafael Wetlands Project). The City is obligated under NPDES regulations to divert the dry water flow away from the Arroyo Seco by September of 2023. The City will be the lead agency for the San Rafael Wetlands Project.

Mayor Tornek requested clarification on how the flow from the San Rafael Creek is channeled now and how it will be channeled after the project is completed. Mr. Maue responded that the current flow empties in to the Arroyo Seco all year long and after the project is completed, it will be diverted into a holding tank where the water will initially be purified before ending in the South Pasadena wetlands.

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

3. AMEND EXISTING PURCHASE ORDER 1210226 WITH ELLIS EQUIPMENT INC FOR CONCRETE K-RAIL RENTAL

Laura Cornejo, Director of Transportation, introduced the agenda item and Alberto Felix, Engineer, provided a PowerPoint presentation titled "Amend existing purchase order 1210226 with Ellis Equipment Inc. for concrete K-rail rental." Mr. Felix indicated since the extension of the stay at home orders by the State, the on-street dining program required to be extended from the initial three-month trial period. An increase from $75, 908 to a revised $225,908.32 is needed to the existing purchase order with Ellis Equipment, Inc. The $150,000 increase will allow for the replacement of existing water barricades with concrete K-rails on Colorado Blvd. and to extend the rental of existing K-rail until January 18, 2021. Steve Mermell, City Manager, added staff is pursuing a grant

to allow for the purchase of K-rails; if the grant is not awarded, additional discussions will follow at an Economic Development & Technology Committee meeting.

Councilmember Gordo inquired about the acquisition cost of the K-rails, the grant amount, the funding source, and when a decision is expected. Mr. Felix stated the cost to purchase the K-rails is $600,000 and the grant amount is $1 million. Ms. Cornejo added the grant will also cover other items and Matthew Hawkesworth, Director of Finance, stated the grant is through a special Economic Development Administration Grant (EDA) funded through the CARES Act. He added, the EDA has just started accepting applications.

Councilmember Gordo asked if staff had communicated with the restaurants regarding the proposed plan to remove the water filled barricades and replace them with the concrete K-rails. He also emphasized the safety component as the need for the replacement. Mr. Felix responded, staff has communicated with the restaurants. Ms. Cornejo added the restaurants support the program in general and the proposed barricade change-out.

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

4. COVID ECONOMY FISCAL STRATEGY

Steve Mermell, City Manager, presented the agenda item outlining the financial impacts of COVID. Significant reductions to the General Fund revenues were identified mostly from Sales Tax and Transient Occupancy Tax losses. Impacts on other non General Funds were also reviewed. The General Fund's five-year forecast was presented along with a review of the General Fund's fund balance and the reserves balance. Risk factors were presented along with contingency planning.

Councilmember Gordo suggested staff should contact the Pasadena Center Operating Company (PCOC) to discuss their fiscal health as a result of the pandemic and to lend support. He added, PCOC staff should then make a presentation to the Finance Committee. Mr. Mermell agreed and will invite PCOC staff to present at a future Finance Committee meeting. Councilmember Gordo also asked staff, to reach out to hotels to discuss how to increase outdoor events.

Councilmember McAustin asked if there was significant risk to the General Fund if Measure P was to be approved. Mr. Mermell stated, the transfer has been approved five times before: however if it does not pass, the General Fund would not receive the $18 million transfer from the Power Fund. The result would significantly impact essential City services as cuts would become necessary.

Mayor Tornek recommended making the presentation available to the full City Council. Mr. Mermell agreed to send it to the full City Council and Mr. Hawkesworth committed to posting it on the Finance Department's webpage in the Financials section.

The Finance Committee acknowledged the report.

E. INFORMATION ONLY

5. KEY PERFORMANCE INDICATORS

The Committee acknowledged receiving the report, which tracks Key Performances by departments throughout the year. A note was made that the Fiscal Year 2020 third and fourth quarter performances, reflect some department's dramatic changes due to the COVID-19 pandemic.

Mayor Tornek found the Key Performance Indicators to be a useful tool, as they reveal how the shifts can be tied exclusively to the pandemic. Mr. Hawkesworth agreed, they are a helpful tool that allows staff to follow trends.

F. ADJOURN

With no further business to come before the committee, the meeting adjourned at 3:24 p.m.

/s/ Terry Tornek 10/12/20

Mayor Tornek Date
Chair, Finance Committee

10/12/20

ATTEST: Gloria Acevedo, Date
Recording Secretary