Special Meeting Minutes
FINANCE COMMITTEE
Wednesday, February 3, 2021 ▪ 4:00 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 4:02 p.m. with Mayor Gordo, Vice Mayor Wilson, and Councilmembers, Kennedy and Williams, comprising the quorum.

Attendees (Absent as indicated):

| **Councilmembers** | **Staff** | |
|---|---|---|
| Mayor Gordo, Chair | Steve Mermell | Laura Cornejo |
| Andy Wilson | Julie Gutierrez | Alberto Felix |
| John Kennedy | Theresa Fuentes | Ara Maloyan |
| Felicia Williams | Matthew Hawkesworth | Phyllis Hallowell |
| | | Kris Markarian |

Recording Secretary: Gloria Acevedo

B. APPROVAL OF MINUTES

- November 12, 2020 Special Meeting
- November 23, 2020 Cancellation Notice
- December 14, 2020 Cancellation Notice
- December 28,2020 Cancellation Notice
- January 11, 2021 Cancellation Notice
- January 21, 2021 Special Meeting Cancellation Notice
- January 25, 2021 Cancellation Notice

The minutes were approved as submitted

C. NEW BUSINESS

**1. PROPOSED AMENDMENTS TO BALANCE THE FISCAL YEAR 2021 GENERAL FUND OPERATING BUDGET**

Steve Mermell, City Manager, introduced the item and Matthew Hawkesworth, Director of Finance, presented a PowerPoint summarizing the agenda items. Mr. Hawkesworth stated that economic growth is happening at a slow pace and that the General Fund's FY 2021 projected deficit has reached $9.4 million, driven primarily by TOT losses, Charges for Services, and Fines/Forfeitures. The proposed one-time budget amendments include; recognize $1.80 million in the Construction and Demolition (C & D) program deposit forfeitures; reduce the transfer from the General Fund to the

Building Maintenance Fund; reduce the vehicle replacement contribution from the General Fund to the vehicle replacement fund by $780,000; and reduce the transfer from the General Fund to the Library Services Fund by $500,000. Lastly add 1.0 Full Time Position Management Analyst II to support the Community Police Oversight Commission and 1.0 Full Time Position for the City Council Liaison.

Councilmember Kennedy requested clarification be made that the Library transfer will not reduce the library funding. Mr. Mermell reassured the committee that all funds dedicated to the library from the Library Special Tax are and will be dedicated to the Library.

Vice Mayor Wilson asked how the C & D fund got to $1.89 million. Mr. Mermell indicated an audit was conducted on the fund and the audit report will become available to the committee in the next month.

Mayor Gordo asked if personnel cost are budgeted at control rate. Mr. Hawkesworth responded that personnel costs are budgeted at actual plus certain groth factors.

Councilmember Williams inquired how the City manages the building and vehicle replacement program and that of similar assets, what are the assumptions, and the budgeting process. As sometimes, items such as radio replacements have come up suddenly. Mr. Mermell responded the radio example is a good example how problems can arise from not having a mechanism to amortize or replace assets. He indicated further discussions will take place as the Operating and Capital Budgets are discussed.

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

## 2. AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH ELLIS EQUIPMENT INC. TO FURNISH AND DELIVER CONCRETE K-RAILS AND TL2 SLEDS FOR THE ON-STREET DINING PROGRAM NOT TO EXCEED $230,000

Laura Cornejo, Director of Transportation, introduced the agenda item and Alberto Felix, Engineer, presented the item, requesting the approval to purchase the currently rented concrete K-Rails and TL2 Sleds in support of the on-street dining program from Ellis Equipment Inc.

PUBLIC COMMENT – Recording Secretary, Gloria Acevedo read aloud a comment in support of staff's recommendation to purchase the existing barricades that allow on-street dining in the City and encouraged the City to provide resources for their beautification.
Brian Wallace, Pasadena Resident

Mayor Gordo responded to the public comment, indicating the City is working with the districts to inform them of the purchase and beatification efforts.

Vice Mayor Wilson requested staff provide a clear understanding of how staff came up with the total cost of $190,000 for the purchase of the K-Rails and TL2 Sleds, which includes the $35,000 appropriation when the item goes to the full City Council. Mr. Mermell agreed to add a cover memo to the report or add a slide to the PowerPoint.

Mayor Gordo reminded the committee, the City needs to purchase the K-Rails in order to maintain safety for pedestrians and diners.

Councilmember Kennedy requested reassurance the City was not purchasing Orange barricades filled with water. Ms. Cornejo indicated the barricades being purchased are made of concrete and do not contain water.

Councilmember Williams asked if there were other grants of funds available to cover the cost of the purchase. Mr. Mermell indicated there are no other grants available. Mr. Hawkesworth added the City will seek reimbursement from FEMA.

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

D. INFORMATION ONLY

## 3. FINANCIAL UPDATE JANUARY 2021

Mathew Hawkesworth, Director of Finance presented a PowerPoint highlighting the overall economy, the General Fund revenue projections, and COVID-19 related expenses.

Mayor Gordo requested Staff meet with Councilmember Williams to go over the practice of reviewing the capital improvement spreadsheet. Mr. Mermell committed to sharing the committee's practice with Councilmember Williams.

Vice Mayor Wilson requested further explanation on how the $1.1 million cost savings correlates with the $4.6 revenue loss. Mr. Hawkesworth will email Vice Mayor Wilson the incremental data.

The Finance Committee acknowledged receiving the report.

## 4. CAPITAL IMPROVEMENT PROGRAM – FY 2021 SECOND QUARTER MONITORING REPORT

The Finance Committee acknowledged receiving the report.

## 5. MITIGATION FEE ACT ANNUAL REPORTS

The Finance Committee acknowledged receiving the report.

E. ADJOURN

With no further business to come before the committee, the meeting adjourned at 5:02 p.m.

Victor M. Gordo 2/23/21

Victor M. Gordo, Mayor — Date
Chair, Finance Committee

Gloria Acevedo 2/25/21

ATTEST: Gloria Acevedo, — Date
Recording Secretary