Special Meeting Minutes
FINANCE COMMITTEE
Wednesday, February 17, 2021 ▪ 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 2:01 p.m. with Mayor Gordo, Vice Mayor Wilson, and Councilmembers, Kennedy and Williams, comprising the quorum.

Attendees (Absent as indicated):

Councilmembers	Staff	Guests
Mayor Gordo, Chair	Steve Mermell	Stepan A. Haytayan, Norton Rose Fulbright US LLP
Andy Wilson	Julie Gutierrez	
John Kennedy	Theresa Fuentes	
Felicia Williams	Matthew Hawkesworth	
	Vic Erganian	
	Timothy Park	
	Gurcharan Bawa	
	Eric Klinkner	
	Shari Thomas	
	Elaine Salas	
	Brenda Harvey- Williams	
	Jim Wong	
	Chris Yoo	
	Ara Maloyan	
	Anashe Davoodian	
	Stephanie Chang	

Recording Secretary: Gloria Acevedo

B. PUBLIC COMMENT- None

C. APPROVAL OF MINUTES

- February 3, 2021 Special Meeting
- February 8, 2021 Cancellation Notice

The minutes were approved as submitted

D. NEW BUSINESS

1. **JOINT ACTION: EXTENSION OF BANK OF AMERICA LETTER OF CREDIT RELATED TO THE VARIABLE RATE DEMAND REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2008A (CONFERENCE CENTER PROJECT)**

Matthew Hawkesworth, Director of Finance, introduced the item and Vic Erganian, Deputy Director of Finance/City Treasurer, presented a PowerPoint summarizing the agenda item. Staff recommends the City extend the existing Bank of America letter of credit that expires on March 31, 2021 for two-years at a .039% annual fee. Bank of America provided the best rate after other bank solicitations.

Councilmember Kennedy asked if a three-year option would be more beneficial. Mr. Erganian responded, the three-year option was considered; however, it carried higher fees.

Councilmember Williams recommended staff look for alternate methods of refinancing the debt as soon as possible. Mr. Erganian indicated staff continuously monitors the market and at this point it is best to wait until the interest rates are higher, which in turn will lower the cost to refund the Variable Rate Demand Bonds. He will return to the committee in a few months with a presentation outlining several options to consider.

Mayor Gordo asked if there was a target interest rate to refinance the swap agreement. Mr. Erganian responded that special valuation on the swap is analyzed quarterly and staff will recommend the best time to refinance the swap at the most economical feasible way.

Vice Mayor Wilson requested clarification on the date the bonds were issued and the reason for the swap agreement. Mr. Erganian responded the bonds were first issued and 2006 and then refinanced in 2008. At the time, the swap agreement was the best investment vehicle to fund the expansion of the Pasadena Conference Center Project.

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

2. QUARTERLY CLEAN-UP REPORT – FISCAL YEAR 2021 OPERATING BUDGET

Matthew Hawkesworth, Director of Finance, introduced the agenda item and Timothy Park, Budget Administrator, presented the item. Staff is recommending to amend the FY 21 Adopted Operating Budget by $288,512, add four grant funded limited-term positions in the Pasadena Public Health Department, enter into a contract with the California Department of Public Health for the acceptance and administration of the California Home Visiting Program grant in the amount of $1.26 million over three-years, and amend six budget amendments from several Departments.

Mayor Gordo asked if staff is recommending the addition of four new positions. Manuel Carmona, Deputy Director, responded that they are new limited term positions that end when the grant ends. He indicated when the positions end, the Pasadena Public Health Department seeks to find other areas where these positions can support the department.

Vice Mayor Wilson requested the history of the continuous support to the Library and Councilmember Kennedy requested the identity of the sources. Mr. Park committed to providing the details.

Councilmember Kennedy asked that staff share the actual number of acquired housing units needed to be considered a critical mass. Jim Wong, Senior Project Manager, responded the number to reach the critical mass status was set at 36.

Councilmember Williams asked if the affordable housing units were all inclusionary. Mr. Wong, indicated all 11 units were originally for sale units that consist of inclusionary and market units purchased with City financial home buyer assistance.

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

E. INFORMATION ONLY

3. COVID-19 IMPACTS AND POTENTIAL FOLLOW-UP ITEMS

Gurcharan Bawa, General Manager Water & Power, provided a PowerPoint outlining how many utility customers are financially impacted by the COVID -19 pandemic, the relief provided by City Council at the start of the pandemic, provided details on the utility's outreach efforts to collect payment, identified delinquencies by customer class, and provided potential actions on how to move forward.

Councilmember Kennedy suggested an empathetic approach to the collection of debt from customers and asked about the cost to place a lien on the delinquent accounts, identify the type of lien, and requested staff return with a specific list of recommendations for action. Mr. Bawa, indicated the dollar amount for such action is unknown and he will reach out to the City Attorney's Office for guidance on how to proceed with this option, a judgment lien is a possibly remedy. He also committed to returning to the Finance Committee in a month or so with a list of action items.

Councilmember Williams recommended reviewing the current pay structure to allow for a more even distribution of payment within the refuse, sewer, electric, and water funds, increase the lobbying efforts in the federal and state level for reimbursements to the utility, and providing future recommendations with action items to measure accomplishments.

Vice Mayor Wilson asked staff to be mindful of overburdening account holders who are trying to get back on their feet. He suggested the segmentation of delinquent accounts based on type of hardship and to tailor payment plans accordingly. Mayor Gordo agreed and asked that the City Attorney's office weigh in the feasibility of the segmentation.

Mayor Gordo suggested identifying the different type of situations faced by delinquent accounts, asked that staff continue to communicate with customers, and to provide information on what the private utilities are doing to remedy this type of situation. Shari Thomas, Assistant General Manager, indicated the only way to know the account holder's situation is to require self-certification from the customer.

The Finance Committee acknowledged receiving the report.

4. KEY PERFORMANCE INDICATORS

Matthew Hawkesworth, Director of Finance introduced the agenda item.

Mayor Gordo stated it is the practice for the Committee to review the report and notify staff of any questions. Staff responses are then either emailed to the Committee or brought to the subsequent meeting as the item is an information only item.

Vice Mayor Wilson suggested adding alternative views to future key performance indicators to identify the work done by the City to assist residents in the COVID-19 environment. Mr. Hawkesworth agreed to provide different options for future reporting. Vice Mayor Wilson also asked if trees were being planted and requested the status of the tree planting. Julie Gutierrez, Assistant City Manager, indicated trees are being planted as they are part of the Capital Improvement Projects, a list of the plantings will be provided.

The Finance Committee acknowledged receiving the report.

F. ADJOURN

With no further business to come before the committee, the meeting adjourned at 3:50 p.m.

Victor M. Gordo 3/25/21

Victor M. Gordo Date
Chair, Finance Committee

3/25/21

ATTEST: Gloria Acevedo, Date
Recording Secretary