Special Meeting Minutes
FINANCE COMMITTEE
Monday, May 24, 2021 ▪ 3:00 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 3:07 p.m. with Mayor Gordo, Vice Mayor Wilson and Councilmember Kennedy, comprising the quorum.

Attendees (Absent as indicated):

Councilmembers	**Staff**
Mayor Gordo, Chair	Julie Gutierrez
Andy Wilson	Steve Mermell
John Kennedy	Theresa Fuentes
Felicia Williams (Joined 3:09 p.m.)	Matthew Hawkesworth
	Ara Maloyan
	Susan Kim
	Manuel Carmona
	Tim Park
	Vic Erganian
	Kris Markarian
	Hayden Melbourne
	Adrienne Kung

Recording Secretary: Gloria Acevedo

B. PUBLIC COMMENT- None

C. APPROVAL OF MINUTES

- May 10, 2021 Special Meeting

The minutes were approved as submitted.

D. NEW BUSINESS

1. **CONTRACT AWARD TO ACT 1 CONSTRUCTION, INC. FOR PLAYHOUSE DISTRICT PARK AND PARKING LOT FOR AN AMOUNT NOT TO EXEED $4,250,000, AMENDMENT TO FISCAL YEAR 2021 CAPITAL IMPROVEMENT PROGRAM BUDGET, AND AMENDMENT TO CONTRACT WITH MIG, INC. (NO. 31.290-0)**

Steve Mermell, City Manager, introduced the item and Kris Markarian, City Engineer, provided a PowerPoint presentation. An overview of the project was

outlined along with rendering photos, ultimately recommending the amendment to the Fiscal Year 2021 Capital Improvement Budget by appropriating $400,000 in residential impact fees to the Playhouse District Park and parking lot project, accept the bid dated April 21, 2021 submitted by Act 1 Construction, Inc., and request the City Council approve the amendment to contract NO. 31,290-0 with MIG, Inc., to increase the contract amount by $100,000 for a total not-to-exceed $600,000.

Councilmember Kennedy inquired if staff had visited any sites where Act 1 Construction, Inc., had completed projects or reviewed any of their renderings. Ms. Markarian responded that sites visits were not conducted and that it is not customary to review renderings. Councilmember Kennedy requested that site visits and rendering reviews should be part of the bid review process on future projects, Ms. Markarian agreed. Lastly, Councilmember Kennedy thanked City Staff, Vice Mayor Wilson, and the Playhouse District staff for their efforts in bringing forward the project to the Finance Committee and the City Council where it received support.

Vice Mayor Wilson thanked Ms. Markarian for her dedication to this project and asked when the project would be completed. Ms. Markarian responded that the groundbreaking is slated for August 2021 and the ribbon cutting should follow ten-months later.

Mayor Gordo congratulated staff for bringing forward the project that will provide green space to an area of the City that lacked green space.

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

2. RECOGNIZE AND APPROPRIATE $70,000 TO THE FISCAL YEAR 2021 PUBLIC HEALTH DEPARTMENT OPERATING BUDGET FOR THE PPHD URBAN AREAS SECURITY INITIATIVE (UASI) PROGRAM

Manuel Carmona, Deputy Director, introduced the item and Susan Kim, Management Analyst V, presented the item. The department is requesting approval to amend the Fiscal Year (FY) 2021 Public Health Department operating budget by recognizing $70,000 of unspent dollars from the FY 20 budget. The funds will be used to develop a BioWatch Response Annex, develop a continuity of operations plan, and to upgrade the public health mobile command center.

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

3. JOINT ACTION: FISCAL YEAR 2021-2022 INVESTMENT POLICY AND INVESTMENT STRATEGY

Matthew Hawkesworth, Director of Finance, introduced the agenda item indicating the report is an annual action taken by the Finance Committee and the

City Council. Staff is not proposing new policy changes this year, this is a rollover form the current policy.

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

4. QUARTERLY INVESTMENT REPORT – QUARTER ENDING MARCH 31, 2021

Matthew Hawkesworth, Director of Finance, introduced the agenda item and Vic Erganian, Deputy Director of Finance/Treasurer, provided a PowerPoint detailing the City's investment portfolio, for the quarter ending March 31, 2021. All investments are in compliance with State Government Code, and the City's investment Policy. They have ample liquidity to meet budgeted expenditures and the returns are adequate versus the portfolio risk.

Councilmember Kennedy asked staff to explain what LAIF represented and why it was not rated. Mr. Erganian stated it is a Local Agency Investment Fund (LAIF) that is run by the State Treasurer, the City uses it as a money market fund, as it carries the same policy as government investment code, except it is run for a shorter period of time, only 270 days. He gave the example of a money market account offering a 0.05% interest rate, while the LAIF fund is paying a rate of 0.35%.

Councilmember Williams suggested that moving forward, the Finance Committee should look into amending the investment policy by taking an action to incorporate environmental, social, and government metrics into City bonds. Councilmember Williams recommended selecting ESG components to assist in evaluating which bonds to invest in and to incorporate a local corporate bond. Mr. Erganian acknowledged Councilmember Williams' suggestions.

Vice Mayor Wilson asked for clarification on the status of the $3.9 million change in the pooled investment balance earning as how it relates to the net investment earning that reflected a -$2.7 million. Mr. Hawkesworth stated it reflected the change in market value based on the investment. Mr. Erganian added as interest rates go up the bonds fair value go down, the negative number is a reflection of interest rates rising in the latter part of the quarter.

Mayor Gordo thanked Mr. Hawkesworth and Mr. Erganian for their presentation.

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

E. INFORMATION ONLY

5. FINANCIAL UPDATE MAY 2021 - AMERICAN RESCUE PLAN ACT

Matthew Hawkesworth, Director of Finance, provided a financial update on the American Rescue Plan Act (ARPA), which will provide the City with an allocation

of stimulus funds in the amount of $52,625,975, the first half is expected in May 2021 and the balance in May of 2022. Mr. Hawkesworth provided an outline of eligible uses as well as non-permitted uses.

Councilmember Williams asked if the ARPA funds would allow the re-hiring of employees that were laid-off or furloughed at the Pasadena Center Operating Company. Mr. Hawkesworth indicated there was a high probability since all operating company employees are reported as a part of the organization. Councilmember Williams also inquired if the unfunded capital improvement projects at the Rose Bowl were eligible for funding, Mr. Hawkesworth responded that assuming the revenue loss collectively as an organization that would be possible and that the City Council would have a broad ability to appropriate the funds. Lastly, Councilmember Williams asked if the funds could be used to extend grants to small business, who would then offer pay bonuses to employees, in support of businesses returning to normal. Mr. Hawkesworth will research the topic.

Vice Mayor Wilson suggested to macro assess the list of important projects that help the City and meet the requirements. Steve Mermell, City Manager, stated staff is working with all departments and operating companies on how to allocate the funds based on allowable uses and that ultimately staff will come back to the full City Council for approval on any appropriations.

Mayor Gordo stated the allocation of the funds will be a multi-step process that will require staff to bring forward a list with formal recommendations and review at a workshop with the full City Council.

The Finance Committee acknowledged receiving the report.

F. ADJOURN

With no further business to come before the committee, the meeting adjourned at 4:29 p.m.

Victor M. Gordo 8/12/21

Victor M. Gordo Date
Chair, Finance Committee

8/12/21

ATTEST: Gloria Acevedo, Date
Recording Secretary