Special Meeting Minutes
FINANCE COMMITTEE
Monday, November 22, 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 Councilmembers Kennedy and Williams

Attendees (Absent as indicated):

Councilmembers	**Staff**	
Mayor Gordo, Chair	Steve Mermell	Byanca Banaga
Andy Wilson	Matthew Hawkesworth	Flora Karmiryan
John Kennedy	Theresa Fuentes	Sarkis Garabedian
Felicia Williams	Vic Erganian	Tony Olmos
	Timothy Park	Jessie Carrillo
	Kris Markarian	Jason Clawson
	Domino Scott Johnson	Phyllis Hallowell

Recording Secretary: Gloria Acevedo

B. PUBLIC COMMENT- None

C. APPROVAL OF MINUTES

- November 8, 2021 Special Meeting

The minutes were approved as submitted.

D. NEW BUSINESS

1. **AMENDMENTS TO FISCAL YEAR 2022 CAPITAL IMPROVEMENT PROGRAM BUDGET**

Tony Olmos, Director of Public Works, introduced the item.

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

2. **RECOGNIZE REVENUE AND APPROPRIATE $43,434 FROM THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT FUNDS TO THE POLICE DEPARTMENT'S FISCAL YEAR 2022 OPERATING BUDGET**

Jason Clawson, Commander, introduced the item. Jessie Carrillo, Lieutenant, gave a short overview.

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

3. RECOGNIZE REVENUE AND APPROPRIATE $92,500 OF A $125,000 TWO YEAR LAW ENFORCEMENT MENTAL HEALTH AND WELLNESS ACT (LEMHWA) PROGRAM GRANT FUNDS TO THE POLICE DEPARTMENT'S FISCAL YEAR 2022 OPERATING BUDGET

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

4. QUARTERLY INVESTMENT REPORT ENDING SEPTEMBER 30, 2021

Vic Erganian, Deputy Director of Finance/Treasurer, provided a PowerPoint detailing the City's investment portfolio, for the quarter ending September 30, 2021. All investments comply 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.

Mayor Gordo commented on and requested a memo to the Finance Committee outlining the impacts of the Consumer Price Index (CPI) on existing contracts and purchase orders indexed to CPI, along with any other costs associated with CPI.

Vice Mayor Wilson inquired about the $7 million annual write-off against the stranded asset Fund. The write-off will be detailed in a memo to the Finance Committee. Councilmember Kennedy asked about the replenishing of the stranded fund. Steve Mermell, City Manager, indicated the City is no longer collecting fees from ratepayers for the fund that at one point had a balance of $150 million. The existing balance is being used to get the City past non-economic investments that are locked-in contractually until the City can access current market based energy.

Councilmember Williams added that for the City's contracts pegged to inflation, it is important to understand big construction projects; the exposure should be included in the CPI memo to the Finance Committee. The library is an example of a current large construction project that will be impacted significantly.

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

5. AMENDMENTS TO THE CITY'S INVESTMENT POLICY

Vic Erganian, Deputy Director/Treasurer, presented a PowerPoint presentation, recommending the amendment of the City's Investment Policy to consider the integration for environmental, social, and governance (ESG) principles to the City's Investment Policy.

Councilmember Williams agreed with the language and asked staff to inquire with other municipalities on the metrics they use to determine the selection of ESG. The findings will help the Committee determine the best evaluation criteria.

Vice Mayor Wilson asked about the indexes for minimum standard ESG investing, asked staff to review benchmarking options, best practices, and provided a resource who works for Western Assets. Mr. Erganian committed to reviewing all practices.

Councilmember Kennedy thanked Councilmember Williams for requesting more information on the subject and stated it is important for the Finance/Audit Committee to receive accurate information from staff. Councilmember Kennedy asked for clarification that none of the City's portfolio is being invested in companies that harm the atmosphere, economy, or in the production of weapons. Matthew Hawkesworth, Director of Finance, responded that it is safe to say staff believes none of the investments are in direct conflict. Staff is committed to reviewing the portfolio once appropriate indexes are established as benchmarks. Lastly, Councilmember Kennedy suggested staff provide analysis to the Finance Committee Meeting.

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

E. INFORMATION ONLY

6. KEY PERFORMANCE INDICATORS – FISCAL YEAR 2022 FIRST QUARTER

The Finance Committee acknowledged receiving the report.

F. ADJOURN

With no further business to come before the Finance Committee, the meeting adjourned at 3:54 p.m.

Victor M. Gordo 12/20/21

Victor M. Gordo Date
Chair, Finance Committee

Gloria Acevedo 1/3/22

ATTEST: Gloria Acevedo, Date
Recording Secretary