Special Meeting Minutes
FINANCE/AUDIT COMMITTEE
Monday, December 13, 2021 ▪ 3:00 p.m.
Videoconference/Teleconference Council Chambers Room S249, Pasadena City Hall

A. CALL TO ORDER: The special meeting of the Finance/Audit Committee was called to order at 3:02 p.m. with Mayor Gordo, Vice Mayor Wilson, and Councilmembers Kennedy and Williams

Attendees (Absent as indicated):

Councilmembers	**Staff**	
Mayor Gordo, Chair	Matthew Hawkesworth	Byanca Banaga
Andy Wilson	Theresa Fuentes	Flora Karmiryan
John Kennedy	Timothy Park	Sarkis Garabedian
Felicia Williams	Kris Markarian	Tony Olmos
	Jim Wong	Phyllis Hallowell
	Ruthe Holden	Laura Rubio-Cornejo
	Rebecca Takahashi	Alex Hernandez
	Jennifer Curtis	Randy Mabson
		Anne Lansing

Recording Secretary: Gloria Acevedo

B. PUBLIC COMMENT- None

C. APPROVAL OF MINUTES

- November 22, 2021 Special Meeting

The minutes were approved as submitted.

D. NEW BUSINESS

1. **RECOGNIZE AND APPROPRIATE $957,024 IN EMERGENCY HOUSING VOUCHER (EHV) FUNDING TO THE HOUSING DEPARTMENT'S FISCAL YEAR 2022 OPERATING BUDGET; ADD A LIMITED-TERM 1.0 FTE CITY SERVICE WORKER POSITION; AND APPROVE THE TEMPORARY POLICY SUPPLEMENT**

Mayor Gordo introduced the item.

Vice Mayor Wilson asked for clarification that the limited term FTE position is different from the FTE mentioned in the next agenda item. Jim Wong, Senior Project Manager, responded that the Housing Department has two action items

on the agenda and each is asking for an individual grant funded FTE City Service Worker.

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

2. **RECOGNIZE AND APPROPRIATE $150,000 OF HOME INVESTMENT PARTNERSHIP ACT-AMERICAN RESCUE PLAN FUNDS TO THE HOUSING DEPARTMENT'S FISCAL YEAR 2022 OPERATING BUDGET; ADD A LIMITED-TERM 1.0 FTE PROGRAM COORDINATOR I POSITION**

Mayor Gordo introduced the item.

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

3. **ANNUAL ADJUSTMENTS TO THE FISCAL YEAR 2022 SCHEDULE OF TAXES, FEES, AND CHARGES RELATED TO NEW YEAR'S DAY AND THE ROSE BOWL**

Mayor Gordo introduced the item and reminded the Finance/Audit Committee that the changes do not apply to this year's Rose Parade and Game rather they become effective next year.

Vice Mayor Wilson asked for confirmation that these fees are done outside the annual budget adoption. Matthew Hawkesworth, Director of Finance, added that the municipal code states that the fees are to be adopted in December and become effective on February 1, 2022.

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

4. **AMENDMENTS TO THE FISCAL YEAR 2022 GENERAL FEE SCHEDULE**

Mayor Gordo introduced the item; the fees are related to the Capital Price Indexes.

Vice Mayor Wilson asked why the action was being taken off the scheduled annual fee adjustment time schedule. Matthew Hawkesworth, Director of Finance, responded that the action is the result of the State of California raising the fees on January 1, 2022.

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

E. INFORMATION ONLY

5. **AUDIT OF THE CITY'S ETHICS POLICIES AND PROCESSES**

Mayor Gordo introduced the item. Rebecca Takahashi, Senior Internal Auditor, presented a PowerPoint presentation outlining employee perception of the City's ethics climate, the strength of internal controls related to ethics, and benchmarking policies and procedures against best practices.

Vice Mayor Wilson asked for clarification on who was in charge of notifying Statement of Economic Interest (Form 700) filers when the filing is due. Ms. Takahashi responded that Mark Jomsky, City Clerk, is responsible for sending out the notices. Mayor Gordo added the function of the City Clerk is to make sure the filing is completed, not the review of the content and reminded the public that Form 700 reveals all financial interests for elected officials and certain appointed positons within the City. Vice Mayor Wilson also asked if there were any known conflicts as consequences to the lack of best practices. Jennifer Curtis, Director of Human Resources, indicated there are no known issues and clarified that Human Resources focuses on the outside employment forms. If an employee indicates, they have an outside employment, that employee's form is routed to their Director for approval. There is a plan for better tracking, reporting, and follow-up in 2022.

Mayor Gordo asked staff for their recommendation on how to remedy the concerns identified in the audit. Ms. Takahashi responded that the audit findings recommend for the City Manager to form an ad-hoc review committee that includes the City Clerk, City Attorney, and the Human Resources Departments to discuss the violations and how to address them.

The Finance/Audit Committee acknowledged receiving the report.

6. MITIGATION FEE ACT ANNUAL REPORTS

Mayor Gordo introduced the item as a receive and file report.

Matthew Hawkesworth, Director of Finance, stated there were no anomalies; the report is created to comply with state requirements.

Vice Mayor Wilson asked for the balance of the unallocated current project balance related to the residential impact fees. Mr. Hawkesworth will provide the information.

The Finance/Audit Committee acknowledged receiving the report.

7. FINANCIAL UPDATE- COVID-19 EXPENDITURES

Matthew Hawkesworth, Director of Finance, provided a PowerPoint Presentation outlining the current COVID-19 expenditures.

Vice Mayor Wilson asked for an explanation of the $4.9 million spent on COVID-19 sick leave. Mr. Hawkesworth stated the expenditure was a result of a federal mandate under the CARES Act mandating cities to provide up to 80 hours of COVID-19 sick leave to eligible employees, they were for a specific period of time that expired in early 2021, and they were not eligible for reimbursement. The $4.9 million represents hours used and paid.

Mayor Gordo inquired when staff would be submitting reimbursement requests for all the projects. Mr. Hawkesworth responded that reimbursement requests have been submitted for projects that have closed and it will take up to 18-months for reimbursements. Since the state is still operating under a declared state of emergency the City continues to accrue expenses, the typical timeline for total reimbursement is two-years after the incident.

The Finance/Audit Committee acknowledged receiving the report.

F. ADJOURN

With no further business to come before the Finance/Audit Committee, the meeting adjourned at 3:34 p.m.

Victor M. Gordo 2/8/22

Victor M. Gordo Date
Chair, Finance/Audit Committee

2/8/22

ATTEST: Gloria Acevedo, Date
Recording Secretary