Special Meeting Minutes
FINANCE COMMITTEE
Monday, March 14, 2022 ▪ 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 3:03 p.m. with Mayor Gordo, Vice Mayor Wilson, and Councilmembers Kennedy and Williams.

Attendees (Absent as indicated):

Councilmembers	Staff	Guests
Mayor Gordo, Chair	Matthew Hawkesworth	Kim McKay, BRIDGE Housing Inc.
Andy Wilson	Theresa Fuentes	Anna Slaby, BRIDGE Housing Inc.
John Kennedy Arrived (3:04 p.m.)	Tony Olmos	
Felicia Williams	Kris Markarian	
	Phillis Hallowell	
	Vic Erganian	
	James Wong	
	Marvin Moon	
	Natalie Ouwersloot	
	Laura Rubio- Cornejo	
	Daniel Carlos	
	Gary Takara	
	Varoojan Avedian	

Recording Secretary: Gloria Acevedo

B. PUBLIC COMMENT- None

C. APPROVAL OF MINUTES

- February 14, 2022 Special Meeting
- February 28, 2022 Cancellation Notice

The Minutes were approved as submitted.

D. NEW BUSINESS

1. AMENDMENTS TO FISCAL YEAR 2022 CAPITAL IMPROVEMENT PROGRAM BUDGET

Mayor Gordo introduced the item.

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

2. PROPOSITION A LOCAL RETURN FUND EXCHANGE WITH THE CITY OF HIDDEN HILLS

Mayor Gordo introduced the item and Laura Rubio-Cornejo; Director of Transportation gave a brief overview.

Vice Mayor Wilson thanked Ms. Cornejo for engaging in this opportunity.

Mayor Gordo requested any new similar opportunities to be brought to the Finance Committee

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

3. APPROVAL OF BUSINESS TERMS OF THE SECOND AMENDMENT TO DEVELOPMENT, LOAN AND LEASE AGREEMENT NO. 23,370 WITH BRIDGE HOUSING INC. INCLUDING ADDITIONAL CITY FUNDING IN AN AMOUNT NOT TO EXCEED $2,000,000 FOR THE DEVELOPMENT OF THE HERITAGE SQUARE SOUTH PERMANENT SUPPORTIVE HOUSING PROJECT FOR CHRONICALLY HOMELESS SENIORS AT 710 N. FAIR OAKS AVENUE

Mayor Gordo introduced the item.

Mayor Gordo asked if this action would allow the City to see the project finalized without further requests for funding. James Wong, Senior Project Manager, stated that this is the last piece of funding that will allow the project to move forward. Anna Slaby indicated BRIDGE Housing Inc. has taken the project out to bid and secured additional funding to cover the gap.

Vice Mayor Wilson asked for clarification of the original funding structure that had a certain expectation of City support and if the action is in-line with that expectation. Mr. Wong responded that the project increased by $10 million due to construction costs; however, the developer was able to reduce the gap to $2 million. The $2 million gap is the additional loan amount to the previous $5 million loan that City Council approved.

Mayor Gordo asked about the terms of the commercial component. Mr. Wong responded that no changes were made to the action the City Council took in May of 2020; 7,500 sq. ft., of noncommercial space remains in the scope of the development. Mayor Gordo also asked how the developer plans to use the space. Anna Slaby, from BRIDGE Housing Inc., stated they have engaged a potential cafe tenant and are aiming to reach out to potential service providers that support the local community.

Councilmember Kennedy thanked BRIDGE Housing Inc., the City Council for its leadership, the Finance Committee, William Huang, and James Wong for bringing this much-needed project to the most vulnerable members of the community.

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

4. QUARTERLY INVESTMENT REPORT - QUARTER ENDING DECEMBER 31, 2021

Mayor Gordo introduced the item and Vic Erganian, Deputy Director of Finance/Treasurer, provided a PowerPoint presentation and responded to questions.

Vice Mayor Wilson asked if there were any benchmarks of other City Environmental, Social, and Governance investment targets and if so, how does the City compare. Mr. Erganian stated there are no guidelines or standards on how to invest. Matthew Hawkesworth, Director of Finance, added that after staff spoke to two-dozen entities across the country on the subject, he found everyone invests differently.

Councilmember Kennedy asked if a recession is unavoidable. Mr. Erganian responded that every dollar not invested in goods or services can slow the economy. Vice Mayor Wilson asked if the City is in a good position to weather a recession and if there are any recommendations for the overall financial health of the City. Mr. Erganian stated there is no certainty, the forecast models 1-2 years out show a slow-down if inflation persists, and that more facts on the economy are needed to make an assessment on the City's position.

Mayor Gordo expressed concern for contracts that are indexed to the Consumer Price Index (CPI) and asked if language can be added to vendor contracts indexed to CPI that would keep the City from paying permanent high fees. Mr. Hawkesworth stated that most contracts have a cancellation or termination clause allowing the City to end the agreement if found to be in a poor contract. Mayor Gordo requested for staff to closely monitor contracts that have an impact to all of the funds and to engage negotiations whenever possible.

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

E. INFORMATION ONLY

5. FINANCIAL UPDATE - MARCH 2022

Mayor Gordo introduced the item and Matthew Hawkesworth, Director of Finance, provided a PowerPoint presentation and responded to questions.

Vice Mayor Wilson asked for an explanation on the signal and traffic light tax fund and asked if it is restricted. Matthew Hawkesworth, Director of Finance responded, that the

tax is assessed on all electric bills and funds this General Fund unrestricted revenue category.

Councilmember Williams inquired about the process to change the cannabis tax rate. Mr. Hawkesworth responded that it would require an ordinance for City Council to amend the Pasadena Municipal Code or even a resolution to change the current rate in the code.

Mayor Gordo asked if growth is available to the cannabis tax. Mr. Hawkesworth stated that the rate is at 4% and it could go up to 6%. Mayor Gordo requested a Memo with the details on how to increase this tax rate.

The Finance Committee acknowledged receiving the report.

F. ADJOURN

With no further business to come before the Finance Committee, the meeting adjourned at 3:56 p.m.

Victor M. Gordo 4/18/22

Victor M. Gordo — Date
Chair, Finance Committee

Gloria Acevedo 4/18/22

ATTEST: Gloria Acevedo, — Date
Recording Secretary