CITY OF PASADENA
FINANCE COMMITTEE MINUTES
PASADENA CITY HALL
100 NORTH GARFIELD AVENUE
CITY HALL COUNCIL CHAMBER – S249
MAY 9, 2022
SPECIAL MEETING

The meeting was convened and held virtually by videoconference/teleconference.

OPENING

Vice Mayor Wilson called the special meeting of the Finance Committee and/or City Council to order at 3:05 p.m.

ROLL CALL

Mayor Gordo (arrived at 3:08)
Councilmember John Kennedy
Councilmember Felicia Williams
Vice Mayor Andy Wilson

Staff:

Michele Bagneris, City Attorney/City Prosecutor
Theresa Fuentes, Assistant City Attorney
Matthew Hawkesworth, Director of Finance
Cynthia Kurtz, Interim City Manager
Phillip Leclair, Acting Assistant City Manager
Laura Rubio Cornejo, Director of Transportation
Vic Erganian, Deputy Finance Director/Treasurer
Tim Park, Budget, Administrator
Jonathon Paul, Principal Administrative Analyst
Gloria Acevedo, Recording Secretary

Guests:

Darryl Dunn, General Manager, Rose Bowl Operating Company
George Cunningham, Chief Operating Officer, Rose Bowl Operating Company
Mo Salama, Controller, Rose Bowl Operating Company
Jens Weiden, Chief Revenue Officer, Rose Bowl Operating Company
Steve Haderlein, President, Rose Bowl Operating Company Board
Rich Schammel Rose Bowl Operating Company Board Member
Raphael Henderson Rose Bowl Operating Company Board Member

NEW BUSINESS

AUTHORIZATION TO ENTER INTO A CONTRACT WITH LUCID GROUP USA TO LEASE PARKING SPACES FROM THE CITY IN THE SCHOOLHOUSE GARAGE

Matthew Hawkesworth, Director of Finance, provided introductory comments and Laura Rubio Cornejo, Director of Transportation, introduced Will McDonald, Management Analyst, who provided a PowerPoint presentation and responded to questions.

Councilmember Williams asked if Lucid Group USA will be subject to the sales and use tax and was glad to see the revenue from this agreement will go to the Parking Fund. Lastly, Councilmember Williams shared she will advocate to the City Council for Tesla motors to be subject to the same lease agreement as Lucid Motors USA as they are occupying parking space that would otherwise would be available to public

Councilmember Kennedy asked for confirmation that the City had previously entered into similar arrangements with other garages that carried similar parameters, asked for the expected annual revenue from this contract, and whether annual increases were embedded in the contract.

Following a brief discussion, it was moved by Councilmember Kennedy, seconded by Councilmember Williams, to approve staff's recommendation, and forward the item to the City Council for consideration:

AYES:	Councilmembers Kennedy, Williams, Vice Mayor Wilson Chair Gordo
NOES:	None
ABSENT:	None
ABSTAIN:	None

QUARTERLY INVESTMENT REPORT - QUARTER ENDING MARCH 31, 2022

Chair Gordo provided introductory comments and Vic Erganian, Deputy Finance Director/Treasurer, responded to questions.

Vice Mayor Wilson asked if the fall in the equity market had a direct impact on the City. Chair Gordo asked how the recent change in the market affected PERS and requested further explanation on how the $50 billion decrease in the fund compared to the balance recorded in June 2021.

Following a brief discussion, it was moved by Councilmember Williams, seconded by Vice Mayor Wilson, to approve staff's recommendation and forward the item to the City Council for consideration:

AYES: Councilmembers Kennedy and Williams, Vice Mayor Wilson, Chair Gordo
NOES: None
ABSENT: None
ABSTAIN: None

BUDGET WORKSHOP FY 2023 RECOMMENDED OPERATING BUDGET

ROSE BOWL OPERATING COMPANY

Matthew Hawkesworth, Director of Finance, provided introductory comments, Darryl Dunn, General Manager and Mo Salama, Controller, Rose Bowl Operating Company, provided a PowerPoint presentation and responded to questions.

Councilmember Kennedy asked how the Rose Bowl Operating Company (RBOC) plans to address the anticipated $5.1 million loss and stressed that the RBOC must stay in the black. Daryl Dunn responded that the RBOC plans to return to the full City Council on May 23 with their 5-year Proforma plan that will address revenue opportunities, capital improvement, and community enhancements.

Vice Mayor Wilson requested an explanation on the bond subsidy line item at $3 million. Mo Salama explained it was a debt service subsidy related to the Build America Bonds.

Chair Gordo requested clarification on the $4 million loss seen from fiscal years 2019 to 2021 and congratulated the Legacy Foundation and the RBOC staff for projecting $13.4 million in future revenue due to the number of events secured, which includes two very popular football games. He also added that the RBOC should look at the City's model and consider providing health benefits to the families of the RBOC staff.

Councilmember Williams requested a clear breakdown of the RBOC's total revenue for Fiscal Year 2022 including the grant received from the Shuttered Venue and the City's debt service payment and requested that these figures be more transparent in future presentations so that it is easier for the public to understand.

Public Speakers Donna Sider, Pasadena resident and Sonja Berndt, Pasadena resident, discouraged the City from continuing to move general fund funds to the Rose Bowl Operating Company's debt service.

A discussion was held stemming from the public speakers comments asking the City to stop transferring General Fund dollars to the RBOC's debt service, Vice Mayor Wilson agreed with the speakers and asked the RBOC to think creatively and develop a new business plan that draws attention to the needs of the community while focusing on revenue generating opportunities. Councilmember Kennedy suggested surveying

the RBOC's neighbors for an interest in building an upscale hotel in the Arroyo Seco open space or bringing a world class soccer team to call the Rose Bowl home and reminded the committee that it has been known for approximately 10 years that the current RBOC situation was forecasted, despite the COVID-19 pandemic. Chair Gordo disagreed with the public speakers and reminded the committee that the voters have placed a limit on the revenue generating opportunities for the RBOC and suggested a conversation on establishing a parking tax. Councilmember Williams suggested placing guardrails on how the RBOC can spend money and expressed discontent along with the public in her opinion as to why the RBOC provided full bonuses and a 15.5% pay increases to some of the staff while operating in the red.

Gloria Acevedo, Recording Secretary, reported that five letters providing comment on the item were received, distributed to the Committee and posted online.

Following discussion, on the order of the Chair, and by consensus of the Committee, the information was received and filed.

CITY MANAGER'S OFFICE – INTERNAL AUDIT AND PUBLIC INFORMATION OFFICE SECTIONS

The item was moved to the May 23, 2022 Finance Committee Meeting.

FY 2023 ENHANCEMENT REQUESTS

The item was moved to the May 23, 2022 Finance Committee Meeting.

ADJOURNMENT

On the order of the Chair, the special meeting of the Finance Committee was adjourned at 4:54 p.m.

Victor M. Gordo

Mayor Victor Gordo, Chair
Finance Committee

ATTEST:

Gloria Acevedo
Recording Secretary