CITY OF PASADENA
FINANCE COMMITTEE MINUTES
PASADENA CITY HALL
100 NORTH GARFIELD AVENUE
CITY HALL COUNCIL CHAMBER S249
FEBRUARY 6, 2023
SPECIAL MEETING

OPENING

Chair Gordo called the special meeting of the Finance Committee to order at 3:06 p.m.

ROLL CALL:

Mayor Victor M. Gordo (Chair)
Councilmember Tyron Hampton (Arrived at 3:20 p.m.)
Vice Mayor Felicia Williams

Staff:

Miguel Márquez, City Manager
David Reyes, Acting Assistant City Manager
Theresa Fuentes, Assistant City Attorney
Matthew Hawkesworth, Director of Finance
Gloria Acevedo, Recording Secretary

APPROVAL OF MINUTES

It was moved by Vice Mayor Williams and seconded by Chair Gordo to approve the January 23, 2023 Special Meeting minutes as submitted.

INFORMATION ONLY

ECONOMIC UPDATE AND FY 2024 OPERATING BUDGET OUTLOOK

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

Related to the November 2024 state ballot measure regarding the City's ability to set fees and charges, Chair Gordo inquired about the amount of cost recovery the City may be entitled to recover related to fees and charges for services it provides. Mr. Hawkesworth stated that since the federal government may impose lower fees than the state, the City would be entitled to the minimum amount that is needed to achieve the set goal. Chair Gordo expressed concern about the need to diminish services in the future due to the inability to recover the full cost of services.

Vice Mayor Williams asked if business travel returned to pre-pandemic numbers, how much of an increase could be generated by the transient occupancy tax (TOT). Mr. Hawkesworth indicated it would increase TOT by a couple million

dollars. Vice Mayor Williams asked for confirmation that the City collects Utility Users Tax (UUT) on natural gas and if the City is seeking funding opportunities from the inflation reduction act. Mr. Hawkesworth responded that UUT is collected in the SoCalGas bills and that in the Legislative Platforms there are categories that the City reviews for funding opportunities. Lastly, Vice Mayor Williams shared that the Armory Center for the Arts is interested in purchasing the property they are currently leasing from the City. Mr. Hawkesworth will reach out to the Economic Development Department to review the property.

Councilmember Hampton inquired about the support the City provides to the Pasadena Unified School District (PUSD) through tax initiatives and asked if the support is still needed. He also asked if PUSD has money in their reserves account and if so, how much. Councilmember Hampton stated the City Council and the residents should have this information. Mr. Hawkesworth indicated that a meeting with PUSD board members and the City is forthcoming as such meeting takes place annually.

Councilmember Hampton requested a list of City-owned properties being occupied by non-profits along with the dollar amount of support provided by the City and to state the public benefit. Mr. Hawkesworth will provide the data at a future Finance Committee meeting. Vice Mayor Williams supported the request and added that it is important to understand the public benefit that is provided by these entities. Miguel Márquez, City Manager added that current contracts and their expirations should be added to the list.

Chair Gordo compared the revenue in the General Fund from pre COVID-19, where the fund was at $269 million to the current amount ($300 million) and asked about the significant increase. Mr. Hawkesworth stated most of the growth came from property taxes followed by sales tax.

Chair Gordo inquired on the current level of funds being generated by the TOT. Mr. Hawkesworth stated that before the pandemic the amount was trending at $18 million, today it is at $16 million, it is anticipated TOT will return to pre-pandemic figures in 2024.

Chair Gordo asked about the status of the cost recovery study for the refuse and sewer services and whether there is data on how low the City is trending. Mr. Hawkesworth stated that the last increase in refuse fees was 10-years ago and that the cost recovery study is in its initial state; however, there are still sufficient funds to fund operations. Chair Gordo expressed the importance of completing the study to prepare residents, since

the Water and Power Department is also contemplating increasing their rates.

Following a discussion and on the order of the Chair and consensus of the Committee, the item was received and filed.

ROSE BOWL OPERATING COMPANY FINANCIAL UPDATE

Matthew Hawkesworth, Director of Finance, provided a brief outline on the item and pointed out a typo in the Flea Market data, the data is for 2022 rather than 2023.

Chair Gordo asked if there was a correlation between the increase in hotel stays during the weekend to the increase in Rose Bowl events. Mr. Hawkesworth responded that the figures also represent business travel; however, it was noted that some visitors appear to be extending business travel to attend weekend events such as music festivals.

Following a brief discussion, on the order of the Chair and consensus of the Committee, the item was received and filed.

PASADENA CENTER OPERATING COMPANY FINANCIAL UPDATE

Matthew Hawkesworth, Director of Finance, provided a brief outline on the item.

Councilmember Hampton requested a report on the parking revenue generated by events at the Pasadena Center Operating Company. Mr. Hawkesworth will relay the request to the Transportation Department.

Following a brief discussion, on the order of the Chair and consensus of the Committee, the item was received and filed.

ADJOURNMENT On the order of the Chair, the special meeting of the Finance Committee was adjourned at 3:58 p.m.

ATTEST:

Mayor Victor Gordo, Chair
Finance Committee

Gloria Acevedo
Recording Secretary