CITY OF PASADENA
FINANCE/AUDIT COMMITTEE MINUTES
PASADENA CITY HALL
100 NORTH GARFIELD AVENUE
CITY HALL COUNCIL CHAMBER S249
OCTOBER 23, 2023
SPECIAL MEETING

OPENING The Chair called the special meeting of the Finance/Audit Committee to order at 3:26 p.m.

ROLL CALL: Mayor Victor M. Gordo
Councilmember Tyron Hampton (Arrived 3:28 p.m.)
Vice Mayor Felicia Williams

Staff: Miguel Márquez, City Manager
Brenda Harvey-Williams, Assistant City Manager
Theresa Fuentes, Assistant City Attorney
Matthew Hawkesworth, Director of Finance
Joaquin Siques, Acting Director of Transportation
Tony Olmos, Director of Public Works
Kris Markarian, Deputy Director of Public Works/City Engineer
Phyllis Hallowell, Management Analyst
Ruthe Holden, Internal Auditor
Jeremy Marquette, Utility Operations Technology Manager
Gary Takara, Engineering Manager
Varoojan Avedian, Power Engineering Manager
Art Silva, Power Plant Manager
Caroline Monroy, Deputy City Attorney
Sam De Sylva, Lieutenant
Tim Bundy, Lieutenant
Caroline Lockwood Nelson, Program Coordinator
Jim Wong, Project Manager
Armine Trashian, Controller
Antonio Watson, Acting Procurement Administrator
Gloria Acevedo, Recording Secretary

APPROVAL OF MINUTES: It was moved by Vice Mayor Williams seconded by Chair Gordo, to approve the minutes of the September 11, 2023 (special meeting) and the cancellation notices for September 25, 2023 and October 9, 2023, as submitted. (Motion unanimously carried) (Absent: Councilmember Hampton)

NEW BUSINESS

AUTHORIZE THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE TASK FORCE FOR REGIONAL AUTO THEFT PREVENTION AND AMEND THE POLICE DEPARTMENT'S FY 2024 OPERATING BUDGET BY RECOGNIZING REVENUE AND APPROPRIATING $247,595

Chair Gordo introduced the item and Miguel Márquez, City Manager, introduced Tim Bundy, Lieutenant.

It was moved by Vice Mayor Williams seconded by Chair Gordo, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion unanimously carried) (Absent: Councilmember Hampton)

AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH TACTICAL SUPPORT EQUIPMENT, INC. NOT-TO-EXCEED $1,281,614 FOR THE PURCHASE OF A CELLULAR SITE SIMULATORAND AMEND THE POLICE DEPARTMENT'S FISCAL YEAR 2024 OPERATING BUDGET BY APPROPRIATING $1,281,614

Chair Gordo introduced the item and Miguel Márquez, City Manager, provided an overview of the agenda report.

It was moved by Vice Mayor Williams seconded by Councilmember Hampton, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion unanimously carried) (Absent: None)

AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL (ABC) FOR A GRANT AND AMEND THE POLICE DEPARTMENT'S FY 2024 OPERATING BUDGET BY RECOGNIZING REVENUE AND APPROPRIATING $40,000

Chair Gordo introduced the item and Miguel Márquez, City Manager, introduced Sam De Sylva, Lieutenant, who provided a PowerPoint presentation and responded to questions.

Councilmember Hampton requested for staff to provide the number of operators who are in violation of their liquor license and to reach out to the California Department of Alcoholic Beverage Control (ABC) to set up a meeting to ensure the department is enforcing all applicable laws.

Councilmember Hampton also asked for the reason that operators do not lose their license on the first citation. Chair Gordo shared that the State controls the licensing agreements and that the revocation process takes place after a third violation. The City's jurisdiction is limited to operators who pull a Conditional Use Permit (CUP) and are issued a citation for CUP violations, grandfathered operators are exempt from this process.

Vice Mayor Williams supports the enforcement especially for grandfathered operators that have restrictions on their license.

It was moved by Councilmember Hampton seconded by Vice Mayor Williams, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: None)

ACCEPTANCE OF "SAFE STREETS AND ROADS FOR ALL ACTION PLAN" GRANT FUNDS AND AMEND THE CITY'S BUDGET TO RECEIVE AND EXPEND FUNDS

Chair Gordo introduced the item and Miguel Márquez, City Manager, provided an overview of the agenda report.

Vice Mayor Williams inquired if the plan is to evaluate the National Association of City Transportation Officials standards to see which are appropriate for the City. Joaquin Siques, Acting Director of Transportation, explained that the local road safety plan can potentially look at the standards; however, at this time the action in the agenda report is focused on identifying high collision locations.

Councilmember Hampton mentioned Governor Gavin Newson recently signed California Assembly Bill 645, which allows the installation of cameras to cite speeding violators and asked if Pasadena could be part of the pilot program. Mr. Siques stated that at the moment only larger, selected Cities were invited to participate; however, staff plans to join the program once it is offered to smaller cities.

It was moved by Vice Mayor Williams seconded by Councilmember Hampton, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: None)

AMENDMENT OF THE HOUSING DEPARTMENT'S FISCAL YEAR 2024 OPERATING BUDGET IN THE AMOUNT OF $379,900; APPROVAL OF KEY TERMS OF HOUSING ACQUISITION LOAN AGREEMENT WITH HERITAGE HOUSING PARTNERS TO PROVIDE PURCHASE FINANCING IN AN AMOUNT NOT TO EXCEED $379,900 TO IMPLEMENT PURCHASE OPTIONS ON AFFORDABLE HOMEOWNERSHIP UNIT AT 588 N. FAIR OAKS AVENUE, #103

Chair Gordo introduced the item and Miguel Márquez, City Manager, provided an overview of the agenda report.

It was moved by Vice Mayor Williams seconded by Councilmember Hampton, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: None)

AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH THE SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION TO RECOGNIZE AND APPROPIRATE $675,000 TO THE FISCAL YEAR 2024 PUBLIC HEALTH DEPARTMENT OPERATING BUDGET TO SUPPORT THE PASADENA OUTREACH AND RESPONSE TEAM ("PORT") PROGRAM AND AMEND CONTRACT NO. 32463 WITH UNION STATION HOMELESS SERVICES

Chair Gordo introduced the item and Miguel Márquez, City Manager, provided an overview of the agenda report.

Vice Mayor Williams asked if staff is pursuing longer funding sources/terms and if it's feasible for the Pasadena Outreach and Response Team (PORT) to have a 24-hour presence by integrating with the Homeless Outreach-Psychiatric Evaluation (HOPE) team. Matthew Hawkesworth, Director of Finance, stated that staff is constantly seeking for future funding opportunities. To date, staff has received earmarks for funding the existing two teams with grants and will continue to search for funds to initiate a third team. The hope is that as the state addresses mental health, additional grants may become available.

Mr. Márquez, added that due to the success of the PORT team, departments involved with the team are in talks about how to extend the service hours to include nights and weekends.

It was moved by Vice Mayor Williams seconded by Councilmember Hampton, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: None)

AMENDMENTS TO FISCAL YEAR 2024 CAPITAL IMPROVEMENT PROGRAM AND AUTHORIZE THE CITY MANAGER TO EXECUTE ALL AGREEMENTS FOR THE RECEIPT OF ACTIVE TRANSPORTATION PROGRAM AND HIGHWAY SAFETY IMPROVEMENT PROGRAM GRANT FUNDS IN THE AMOUNT OF $10,942,040

Chair Gordo introduced the item and Miguel Márquez, City Manager, introduced Tony Olmos, Director of Public Works, who provided an overview of the agenda report.

Chair Gordo requested clarification about improvements on the intersections of Lake Avenue and Maple Street and Lake Avenue and Villa Street, as safety concerns have been raised. Joaquin Siques, Acting Director of Transportation, stated that the current funding does not include the Lake Avenue and Maple Street intersection as this area is under the jurisdiction of the California Department of Transportation; however, the City has incorporated some safety measures at that location. This funding

will include improvements at the intersection of Lake Avenue and Villa Street. Mr. Siques confirmed the installation of a left turn pocket at the intersection of Villa Street and Lake Avenue and he will look into replacing the missing bench in front of the Villa Gardens senior living complex.

Councilmember Hampton asked about the timeline to install the hydrogen fueling station. Mr. Siques responded that final funding is included in this action and the project is in the design phase, with a target completion date of 2026. In the meantime, the department plans to install a temporary hydrogen fueling station and acquire the fleet.

Councilmember Hampton inquired about the criteria for installing Light Emitting Diode (LED) lighting on light posts and if the department continues to install shields. Mr. Olmos stated that the department replaces LED lights in most replacement projects, shields are used in retrofit projects where there is a need to control glare.

It was moved by Councilmember Hampton seconded by Vice Mayor Williams, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: None)

DIRECTION REGARDING AMENDMENTS TO THE CITY'S CHARTER RELATED TO THE GENERAL FUND TRANSFER FROM THE ELECTRIC UTILITY

Chair Gordo introduced the item and Miguel Márquez, City Manager, provided background information, items eight to ten reflect proposed technical changes to the City Charter. Mr. Márquez introduced Matthew Hawkesworth, Director of Finance, who provided a PowerPoint presentation and responded to questions.

Chair Gordo requested clarification on which recommendation is preferred by staff and who delegates authority to the City Council, as it is important for the public to understand that there is still a threshold in place, such as the 12% transfer limit. Mr. Hawkesworth responded that staff recommends item three (remove net income reference entirely), this is preferred or four (remove net income and delegate authority to establish criteria). Mr. Hawkesworth stated that the City Council authority could mirror other sections of the Charter that allows council to establish something by resolution or ordinance, like existing language regarding procurement authority. Theresa Fuentes, Assistant City Attorney, confirmed that the City Council can delegate the authority. Mr. Márquez clarified that this would not be a delegation to the City Council rather the City Council reserving authority by resolution.

Vice Mayor Williams, agreed with the process and asked about the next steps, Ms. Fuentes stated that the next step is to take the item to the full

City Council. Mr. Márquez added that the goal is to add the amendments to the March ballot. Mr. Hawkesworth added that staff can take the item to next Monday's City Council meeting to get formal direction to then work with the City Attorney and the City Clerk's Office to draft a formal proposal in time for the March ballot.

It was moved by Vice Mayor Williams, seconded by Councilmember Hampton, to forward recommendation number four to the City Council for consideration. (Motion Unanimously carried) (Absent: None)

Chair Gordo clarified that the action gives staff the direction to establish criteria and asked staff to share at the City Council presentation the strengths and weaknesses of the City Council adopting the action by resolution versus the implementation of a staff model.

DIRECTION REGARDING AMENDMENTS TO THE CITY'S CHARTER AND MUNICIPAL CODE RELATED TO PROCUREMENT

Chair Gordo introduced the item and Miguel Márquez, City Manager, provided background information, Matthew Hawkesworth, Director of Finance, provided a PowerPoint presentation and responded to questions.

It was moved by Councilmember Hampton seconded by Vice Mayor Williams to approve staff's recommendation and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: None)

Chair Gordo clarified the motion is to increase the City manager authority to $250,000 and to revise as needed based on the Consumer Price Index.

Vice Mayor Williams asked that other parts of the procurement noncompetitive bidding process should be reviewed at a future meeting.

DIRECTION REGARDING AMENDMENTS TO THE CITY'S CHARTER AND MUNICIPAL CODE RELATED TO PROCUREMENT ALTERNATE PROJECT DELIVERY METHODS

Chair Gordo introduced the item and Miguel Márquez, City Manager, introduced, Tony Olmos, Director of Public Works, who provided a PowerPoint presentation and responded to questions.

Vice Mayor Williams asked for confirmation on what section of the Charter is being proposed to be amended. Mr. Olmos responded that the example relating to language adopted by the city of Lawrence, Kansas will be used as a baseline in drafting the City's ordinance.

Chair Gordo commented on the item stating the City Council will keep existing procurement language, the action will give authority to the City Council to use alternate methods. Mr. Olmos added that alternate methods would be used on larger projects.

Councilmember Hampton is supportive of the item as it will allow City staff to create an ordinance for City Council approval with language that supports local hiring.

It was moved by Vice Mayor Williams, seconded by Councilmember Hampton, to forward recommendation number four to the City Council for consideration. (Motion Unanimously carried) (Absent: None)

INFORMATION ONLY

INTERNAL AUDIT STATUS UPDATE

Chair Gordo introduced the item and Ruthe Holden, Internal Auditor, gave a brief outline and responded to questions.

Chair Gordo was glad to hear that the high-risk audit had been completed.

Councilmember Hampton asked for clarification on the types of complaints that come in through the fraud hotline and if the information is shared with the City Council. Ms. Holden responded that most of the complaints are related to the Human Resources Department and due to the sensitivity, they are not shared with the City Council.

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

THE AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE PURSUANT TO STATEMENTS ON AUDITING STANDARDS NO. 114

Chair Gordo introduced the item and Matthew Hawkesworth, Director of Finance, gave a brief outline on the item.

On the order of the Chair and consensus of the Finance/Audit Committee, the item was received and filed.

FY 2024 CAPITAL IMPROVEMENT PROGRAM-FIRST QUARTER MONITORING REPORT

On the order of the Chair and consensus of the Finance/Audit Committee, the item was received and filed.

ADJOURNMENT

On the order of the Chair, the special meeting of the Finance Committee was adjourned at 4:39 p.m.

ATTEST:

Mayor Victor M. Gordo, Chair
Finance/Audit Committee

Gloria Acevedo
Recording Secretary