**CITY OF PASADENA**
**FINANCE/AUDIT COMMITTEE MINUTES**
**PASADENA CITY HALL**
**100 NORTH GARFIELD AVENUE**
**CITY HALL COUNCIL CHAMBER S249**
**JANUARY 22, 2024**
**SPECIAL MEETING**

**OPENING** Chair Gordo called the special meeting of the Finance/Audit Committee to order at 3:04 p.m.

**ROLL CALL**: Mayor Victor M. Gordo (Chair)
Councilmember Tyron Hampton (Arrived at 3:23 p.m.)
Councilmember Felicia Williams

Staff: Miguel Márquez, City Manager
Brenda Harvey-Williams, Assistant City Manager
David Reyes, Assistant City Manager
Theresa Fuentes, Assistant City Attorney
Matthew Hawkesworth, Director of Finance
Vic Erganian, Deputy Director of Finance/Treasurer
Armine Trashian, Controller
Phillip Leclair, Interim Executive Director Rent Stabilization Department
Tony Olmos, Director of Public Works
Joaquin Siques, Acting Director of Transportation
Alex Souto, Deputy City Manager
Koko Panossian, Director of Parks, Recreation & Community Services
Kris Markarian, Deputy Director of Public Works/City Engineer
Jeremy Marquette, Utility Operations Technology Manager
Varoojan Avedian, Acting Assistant General Manager
Wendy Macias, Senior Project Manager
Gloria Acevedo, Recording Secretary

Guests: Brandon Young, Lance, Soll& Lunghard, LLP (Via Zoom)

**APPROVAL OF MINUTES:** It was moved by Councilmember Williams, seconded by Chair Gordo, to approve the minutes of the December 11, 2023 (special meeting) and the December 25, 2023, and January 8, 2024, cancellation notices, as submitted. (Motion Unanimously carried) (Absent: Councilmember Hampton)

**OLD BUSINESS**

**AUTHORIZE CITY MANAGER TO AMEND CONTRACT NO. 9706-3 WITH NORTON SIMON MUSEUM TO INCREASE ANNUAL LANDSCAPE MAINTENANCE CONTRACT BUDGET FROM $159,756 TO $328,226 ANNUALLY SUBJECT TO ANNUAL CONSUMER PRICE INDEX INCREASE**

Chair Gordo introduced the item and Miguel Márquez, City Manager, introduced Brenda Harvey-Williams, Assistant City Manager, who provided a PowerPoint presentation and responded to questions.

Councilmember Hampton recommends amending the existing contract to include free admission to Pasadena residents.

Councilmember Williams agreed with Councilmember Hampton's suggestion and added additional options for possible contract amendments, such as to share the cost of maintaining the landscaping or maintaining the maintenance at the same level of City parks.

Chair Gordo asked staff to schedule a meeting with the Norton Simon Museum to discuss the recommendations.

The item did not receive approval to move to the City Council and staff will bring back the item to a future Finance Committee Meeting.

**INTRODUCTION TO ENTERPRISE RISK MANAGEMENT**

Chair Gordo introduced the item and Miguel Márquez, City Manager, introduced Alex Souto, Deputy City Manager, who provided a PowerPoint presentation and responded to questions.

Mayor Gordo requested clarification of the role of the internal auditor. Mr. Souto explained that the internal auditor is on the risk management committee and focuses on risks that lend themselves to be audited.

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

**SWAP ANALYSIS**

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

Chair Gordo inquired about when the Federal Government would cut rates and if those cuts were priced into the swap analysis. Mr. Erganian responded that the anticipated rate cut expected in March is now expected in May. Matthew Hawkesworth, Director of Finance, added that the City's swap is calculated on a weekly rate.

Councilmember Williams, requested for staff to bring to a future Finance Committee Meeting financing options for funding future projects at the Pasadena Center Operating Company.

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

**NEW BUSINESS**

**AMENDMENTS TO FISCAL YEAR 2024 CAPITAL IMPROVEMENT PROGRAM**

Chair Gordo introduced the item and Tony Olmos, Director of Public Works, provided a brief introduction.

Chair Gordo thanked Mr. Olmos on the success of the Washington Park Community House grand opening event and on the completion of the project itself. Councilmember Williams echoed Chair Gordo's comments.

It was moved by Councilmember Hampton, seconded by Councilmember Williams, 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 PERKINS EASTMAN FOR THE DEVELOPMENT OF A MASTER PLAN FOR THE SR 710 NORTHERN STUB PLANNING PROJECT IN THE AMOUNT OF $2,820,744 AND APPROPRIATE $800,000 TO THE CITY MANAGER'S OFFICE OPERATING BUDGET**

Chair Gordo introduced the item and Wendy Macias, Senior Project Manager, provided a PowerPoint presentation and responded to questions.

Councilmember Hampton asked staff to keep in mind, when reviewing the various work phases, to seek an architectural design that can be produced by vendors in the community. David Reyes, Assistant City Manager, stated that the infrastructure work will allow for local and regional bidding opportunities.

Councilmember Williams asked for a breakdown of funds received for this project and for the costs incurred to date. Ms. Macias stated five million dollars were received from Caltrans and two million are expected from the submittal of a grant application with the organization, Reconnecting Communities Pilot Program. The costs are a $2.8 million award to Perkins Eastman if the agenda report is approved by the City Council, $530,000 to PointC for strategic planning, and $350,000 for the historic report on the 710 displacement.

Councilmember Hampton asked for the financial status of the project on all future agenda reports related to the 710 Northern Stub.

It was moved by Councilmember 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)

## ADOPTION OF THE FY 2024 RECOMMENDED OPERATING BUDGET OF THE RENT STABILIZATION DEPARTMENT

Phillip Leclair, Interim Executive Director Rent Stabilization Department, provided a PowerPoint presentation and responded to questions.

Gloria Acevedo, recording secretary, advised the Chair that one letter of correspondence was received regarding the City's plan to fund the RSD, should there be continued delays in establishing the rent registry.

There were two public speakers expressing concern that the City would become responsible for funding the Rent Stabilization Department should pending litigation from the California Apartment Association against the City block some or all of Measure H and if the Taxpayer Protection Act ballot slated for November of 2024 should pass, which could make the collection of rental fees from landlords invalid:

Beth Hansen, Pasadena Resident
Loren Naiman

Councilmember Hampton expressed concern about the lack of reserves to fund the Rent Stabilization Department (RSD) should the fees collected from landlords fall short or become delinquent. Mr. Leclair confirmed the RSD has the capability to adjust fees so the department is self-sustaining. The RSD will defer delinquent accounts to the City Attorney's office for resolution.

It was moved by Councilmember Williams to forward the item to the City Council without a recommendation from the Finance/Audit Committee, seconded by Councilmember Hampton. (Motion Unanimously carried) (Recused: Chair Gordo)

## FISCAL YEAR JUNE 30, 2023 ANNUAL FINANCIAL REPORTS

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

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)

**INFORMATION ONLY**

## ROSE BOWL OPERATING COMPANY FINANCIAL UPDATE

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

## PASADENA CENTER OPERATING COMPANY FINANCIAL UPDATE

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

**FINANCIAL UPDATE JANUARY 2024**

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

**MITIGATION FEE ACT ANNUAL REPORTS**

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/Audit Committee was adjourned at 4:50 p.m.

ATTEST:

Victor M. Gordo

Mayor Victor Gordo, Chair
Finance/Audit Committee

Gloria Acevedo

Gloria Acevedo
Recording Secretary