AGENDA
FINANCE COMMITTEE
SPECIAL MEETING NOTICE
MAY 29, 2025
PUBLIC MEETING 3:30 P.M.

Members
Victor M. Gordo, Mayor
Tyron Hampton, District 1
Rick Cole, District 2
Gene Masuda, District 4

STAFF
Matthew Hawkesworth, Director of Finance
Arnold Lee, Chief Assistant City Attorney
Gloria Acevedo, Recording Secretary

MISSION STATEMENT

The City of Pasadena is dedicated to delivering exemplary municipal services, responsive to our entire community and consistent with our history, culture, and unique character.

In compliance with the Americans with Disabilities Act of 1990, Assistive Listening Devices are available from the City Clerk's Office with a 24-hour advance notice. Please call (626) 744-4124 to request use of a listening device.

Language translation services are available for this meeting by calling (626)744-4124 at least 24 hours in advance. Habrá servicio de interpretación disponible para éstas juntas llamando al (626)744-4124 por lo menos con 24 horas de anticipación.

Meetings are broadcast live on cable Channel 3 and on the Internet at http://pasadena.granicus.com/mediaplayer.php?camera_id=2&publish_id=9 and https://www.pasadenamedia.org/watch/ (Click on Video Streamlining on the right side of the screen).

Items on the agenda may not be called in order listed. Agendas and supporting documents are available on the Internet at https://www.cityofpasadena.net/commissions/city-council-finance-committee/

*Materials related to an item on this Agenda submitted to the Finance/Audit Committee **after** distribution of the agenda packet will be posted online and listed as: "Supplemental Agenda Material Received after the Posting of the agenda"*

PUBLIC COMMENT AT THE SPECIAL FINANCE COMMITTEE MEETING FOR MAY 29, 2025, AT 3:30 P.M. WILL BE ACCEPTED IN-PERSON AND BY VIDEOCONFERENCE/TELECONFERENCE.

Link to City Meeting Policy:
cityofpasadena.net/CityCouncilMeetingPolicy

TO VIEW A LIVE STREAM OF THE MEETING:

http://pasadena.granicus.com/MediaPlayer.php?publish_id=9
AND

WWW.PASADENAMEDIA.ORG

In order to facilitate public participation at meetings the City will accept public comment in the following manner:

1. Whether participating in-person or virtually at the meeting, members of the public may provide public comment by submitting a speaker card prior to the start of public comment on that item, at the following webpage:

   www.cityofpasadena.net/commissions/public-comment/

   If a public comment speaker wishes to speak on more than one agenda item, please indicate which items on the online form (multiple item speakers will be handled according to the process posted on the agenda and as specified in the City meeting policy). Public comments are limited to 3 minutes each, and the Chair and Committee may limit this time if reasonable under the circumstances.

2. In-person Meeting Participation: Complete an online speaker card at the following website: **www.cityofpasadena.net/commissions/public-comment/**

   After submitting a public speaker card, members of the public may attend the meeting in-person by coming to the Pasadena City Council Chamber, Room S249 at City Hall at the date and start-time of the posted meeting.

   Virtual Meeting Participation: For virtual participants, you may attend by connecting to the meeting using a computer, other electronic device, or by telephone. Please review the agenda to identify the published start time for the meeting and connect to the meeting just prior to, or at the start of the meeting.

   To participate in public comment for an item and to be recognized to speak, it is required that the speaker login to the meeting using the same name or telephone number used on the Speaker Card form. This will allow City staff to locate and promote the speaker into the meeting when it is time for their public comment. Participants' phone calls to the Committee meeting will be recorded as part of the Committee meeting. By staying on the line and making public comment during the

Committee meeting by phone, you are agreeing to have your phone call recorded. Following is the connectivity information for virtual participation:

Computer or electronic devices, join the meeting at: **cityofpasadena.net/cczoom**

Telephone only dial-in: 1-669-900-6833, Meeting ID: 161 482 446

3. **Speaker Card Help Line**: If a public comment speaker needs assistance in completing a speaker card, please call the City Clerk's Office at: (626) 744-4124. Help line will open **30 minutes** prior to the posted start time of the meeting.

4. Members of the public may submit correspondence of any length prior to the start of the meeting, at the following email address:

   gacevedo@cityofpasadena.net

   Correspondence will be forwarded to the Committee prior to the start of the meeting, posted online, and made part of the legislative record for the item.

LIVESTREAM WITH CAPTIONING IS AVAILABLE AT WWW.PASADENAMEDIA.ORG, AND ALSO AT WWW.CITYOFPASADENA.NET/COMMISSIONS/AGENDAS,

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DEPARTMENT OF FINANCE

CITY OF PASADENA
NOTICE OF SPECIAL MEETING
OF THE FINANCE COMMITTEE

MAY 29, 2025
PUBLIC MEETING: 3:30 P.M.
PASADENA CITY HALL, COUNCIL CHAMBER
100 NORTH GARFIELD AVENUE, ROOM S249

NOTICE IS HEREBY GIVEN that the special meeting of the Finance Committee will be held on Thursday, May 29, 2025, at 3:30 p.m. in the Pasadena City Hall Council Chambers S249.

Victor M. Gordo, Chair
Finance Committee

I HEREBY CERTIFY that this notice, in its entirety, was posted on the Internet at www.cityofpasadena.net/commissions/city-council-finance-committee and on the Council Chamber Bulletin Board, Room S249 and the Bulletin Board in the rotunda area, City Hall, 100 North Garfield Avenue, this 22nd day of May, 2025, by 5:30 p.m., and that copies hereof were faxed, emailed or delivered to each member of the City Council and to each local newspaper of general circulation, radio or television station requesting notice in writing, all of which recipients are identified on the distribution list set forth herein below.

Gloria Acevedo, Recording Secretary
Finance Committee

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SPECIAL MEETING
AGENDA
FINANCE COMMITTEE
MAY 29, 2025

Public Meeting: 3:30 P.M.
Council Chamber, Pasadena City Hall
100 North Garfield Avenue, Room S249

PUBLIC MEETING – 3:30 P.M.

ROLL CALL

PUBLIC COMMENT – LIMITED TO ITEMS ON THIS SPECIAL MEETING AGENDA AND WILL BE HEARD AT THE TIME THE ITEM IS CONSIDERED

APPROVAL OF MINUTES

OLD BUSINESS

1. **BUDGET WORKSHOP FY 2026 RECOMMENDED OPERATING BUDGET**

   OPERATING BUDGET PRESENTATIONS:
   - **A. HUMAN RESOURCES**
   - **B. CITY MANAGER'S OFFICE**

NEW BUSINESS

2. **BUDGET WORKSHOP FY 2026 RECOMMENDED OPERATING BUDGET**

   OPERATING BUDGET PRESENTATIONS:
   - **A. FINANCE DEPARTMENT**
   - **B. ROSE BOWL OPERATING COMPANY**

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OLD BUSINESS

ITEM 1 A

1 . BUDGET WORKSHOP FY 2026 RECOMMENDED OPERATING BUDGET

OPERATING BUDGET PRESENTATION:

A. HUMAN RESOURCES

Human Resources Department

FY 2026 Recommended Operating Budget

Finance Committee

May 12, 2025

FY 2025 Accomplishments

Human Resources Department

- Labor Relations and Classification & Compensation
  - Negotiated multi-year labor agreement with the Pasadena Police Lieutenants Association (New Bargaining Unit)
  - Implemented numerous class & comp adjustments to improve retention
- Employee Wellness
  - Launched Walking Wednesdays at City Hall
  - Onsite mental health and trauma resilience support
- Supported local recruiting efforts
  - KPI – local hiring into entry-level positions FY25 to date = 56%
- Employee Equity & Engagement
  - 1st Employee engagement survey & program rolled out
    - Overall score 3.87 out of 5 (80th percentile of government agencies)
    - 73% participation (1,463 employees)
  - Eaton Fire Support for displaced employees

FY 2025 Accomplishments

Human Resources Department

FY 2025 Accomplishments

Human Resources Department

FY 2026 Priorities/Work Plan

Human Resources Department

- Human Resources Department Strategic Planning
  - > Review and update KPI's
  - > Review time-to-hire life cycle
  - > Evaluate resource/staffing allocation
- City-wide Recruitment and Retention
  - > Continue classification and compensation studies
  - > Social Media presence and branding as employer of choice
- Employee Equity & Engagement Program
  - > 2nd Employee Engagement Survey
  - > Continue to support employees impacted from Eaton Fire
- Labor Negotiations
  - > Four multi-year MOUs expiring June 30, 2026:
    - AFSCME, IBEW, LIUNA, and PPOA

Expense History by Category

Human Resources Department

Category	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Adopted*	FY 2026 Recommended	% Change
Personnel	5,181,019	5,591,613	4,951,812	5,341,072	7.9%
Services & Supplies	2,795,129	3,149,388	1,474,405	1,700,477	15.3%
Capital Outlay**	153,762	160,363	208,000	0	-100.0%
Internal Srvc Chrg	826,419	1,019,242	861,165	1,056,220	22.7%
Debt Service	55,027	107,821	0	0	
Operat Transfer Out	0	25,000	40,000	40,000	0.0%
Operating Expense	1,567	1,436	0	0	
Grand Total	**9,012,923**	**10,054,862**	**7,535,382**	**8,137,769**	**8.0%**
FTE	**35.00**	**36.00**	**30.00***	**30.00**	**0.0%**

**Risk Management re-org moved budget and FTEs for WC/Safety from HR to City Manager's Office in FY 25.*

***Capital Outlay: FY 23 actuals reflect lease buyout of now CMO-Risk Management Safety vehicle and GASB 96 (expense with offsetting revenues). FY 25 budget reflects four electric vehicles HR funded using AQMD funds for the Fire Department (3) and Public Works (1).*

Cost Drivers – Comparison of FY 2026 Proposed vs FY 2025 Adopted Budget

Human Resources Department

- Personnel increased by $389,260 (+7.9%)
  - > Salary, MOU adjustments, filled vacancies and benefits increase: $313,404 (+8.0%)
    - FY 25 Vacancies: 3; FY 26 Vacancies: 0
  - > Pension Increase: $75,856 (+7.5%)
- Services/Supplies increased by $226,072 (+15.3%)
  - > Increases in professional services contracts that have been absorbed over last three years, plus annual CPI adjustments
  - > Increased volume of pre-employment services
- Internal Services (IS) increased by $195,055 (+22.7%)
  - > Cost Allocation Plan (CAP) increase and BSFMD & DoIT charges
    - CAP increase of $127,553; charged 100% to Fund 504 – Benefits Fund

OLD BUSINESS

ITEM 1 B

1 . BUDGET WORKSHOP FY 2026 RECOMMENDED OPERATING BUDGET

OPERATING BUDGET PRESENTATION:

B. CITY MANAGERS OFFICE

City Manager Office
FY 2026 Recommended Operating Budget

Finance Committee
May 12, 2025

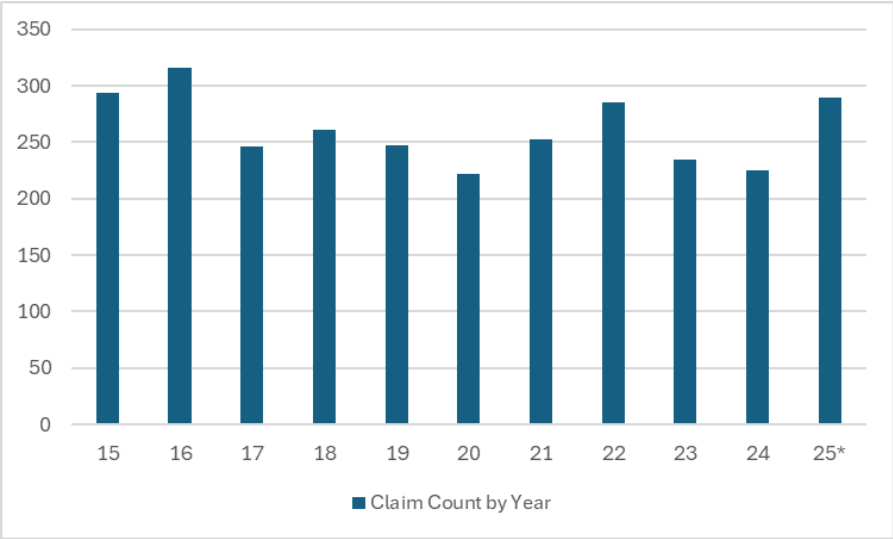
FY 2025 Accomplishments

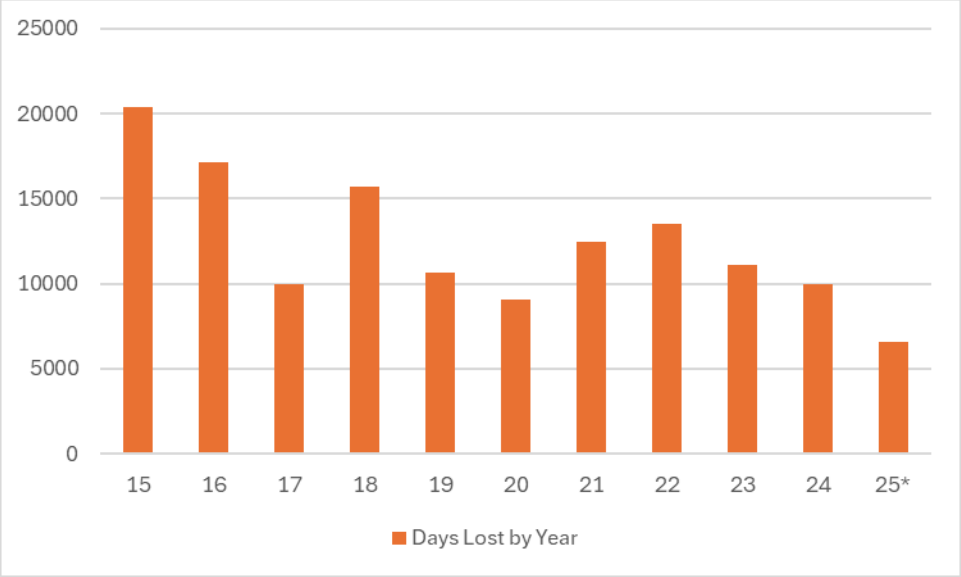
City Manager Department

- Secured approval of Charter Amendments: Measures PA, PB, PC, PF, PR and Measure PL
- Hired Sustainability Coordinator to coordinate City's sustainability efforts and environmental programs
- Completed Historic Project research of Reconnecting Communities 710 Master Plan and introduced land use themes, mobility, and circulation options
- Supported 18 departments with media outreach, interviews, and press conferences
- Risk Management reduced employee injuries, implemented the workers compensation carve out program, and closed new pre-litigation claims

FY 2025 Accomplishments – Risk Management

City Manager Department





Appropriations by Category

City Manager Department

Category	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Adopted	FY 2026 Recommended	% Change
Personnel	$5,585,206	$6,987,788	$10,425,881	$11,034,764	5.8%
Services & Supplies	$2,789,121	$4,231,218	$8,005,105	$7,084,008	-11.5%
Capital Outlay	$227,786	$53,126	$0	$0	0%
Internal Services	$587,161	$693,400	$1,011,660	$1,280,360	26.6%
Grand Total	**$9,189,274**	**$11,965,663**	**$19,442,646**	**$19,399,132**	**-0.2%**
FTE			59.00	56.00	-3.00

Appropriations by Division

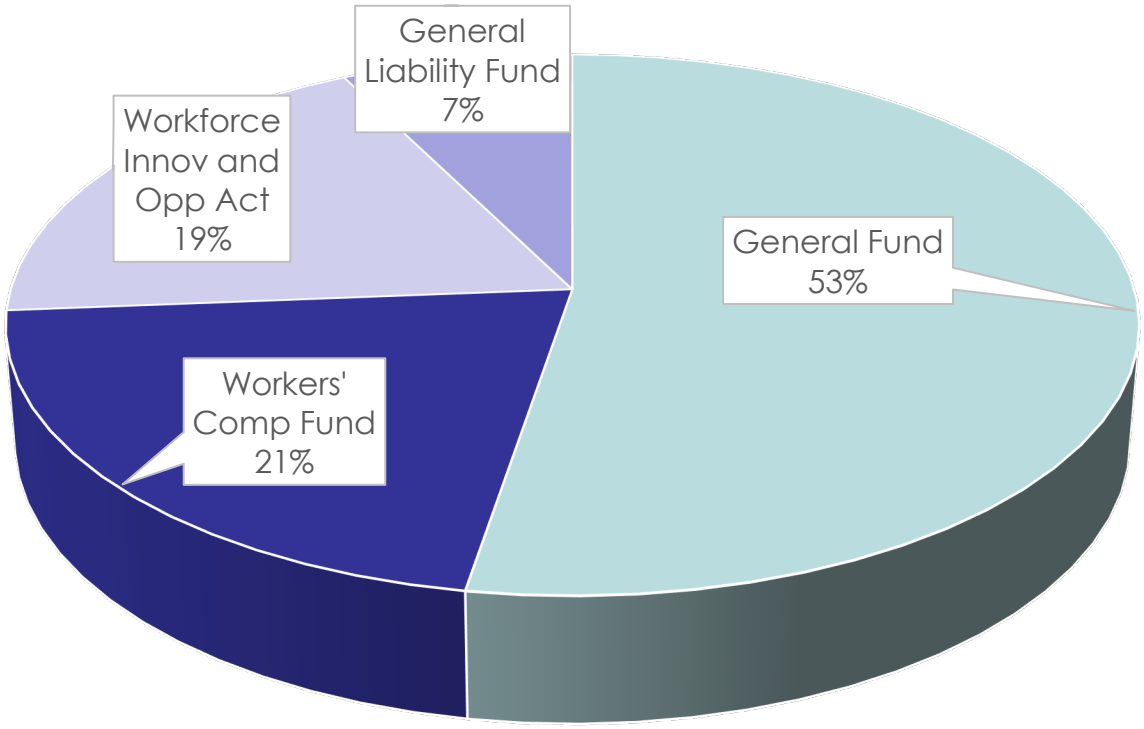
City Manager Department

Division	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Adopted	FY 2026 Recommended	% Change
City Management – Admin	$3,098,667	$4,190,153	$6,114,394	$5,945,659	-2.8%
Public Affairs	$901,196	$621,411	$843,086	$880,555	4.4%
Economic Development	$4,581,452	$6,443,699	$6,652,161	$6,228,907	-6.4%
Internal Audit	$601,599	$412,912	$580,074	$591,896	2.0%
Risk Management	$6,309	$297,487	$5,252,931	$5,752,115	9.5%
Total	**$ 9,189,274**	**$11,965,663**	**$19,442,646**	**$19,399,132**	**-0.2%**

Appropriations by Fund

City Manager Department

Fund	Amount
General Fund	$10,214,199
Workers' Compensation	$4,093,256
WIOA Act	$3,638,060
General Liability	$1,453,617
TOTAL	$19,399,132



Significant Changes from FY 2025 Budget

City Manager Department

- Personnel increase of $609k (5.8%)
  - > 56.0 FTE (net decrease of 3.0 FTE)
    - Career Services Division – reduce by 4 FTE
    - Administration – transfer of 1 FTE Office of the Young Child to City Manager's Office
- Services and Supplies decrease of $921k (-11.5%)
  - > Decrease Career Services to align with funding
  - > Decrease Reconnecting Communities 710 budget to align with consultant contracts and term
- Internal Service Charges increase of $269k (26.6%)
  - > Inflationary adjustments and citywide increases

FY 2026 Proposed Budget Enhancements

City Manager Department

DESCRIPTION	FUND	AMOUNT
Risk Management Division – lease of office space at 199 N. Los Robles	Workers' Compensation	$87,989
Liability and Claims section - software for citywide tracking of certificates of insurance	General Liability	$50,000
Safety Section – additional staffing (MASH trainee) to support the safety group	Workers' Compensation	$47,348
Workers' Compensation section - software module for case tracking and reporting	Workers' Compensation	$25,000
Administration section – base budget for materials, supplies, memberships, conferences, and mileage	50% - General Liability 50% - Workers' Comp	$17,520
	Total	**$227,857**

FY 2026 Priorities

City Manager Department

- Continue to mange City operations, ensure long-term planning for major capital reinvestment, and ensure public services are provided efficiently and effectively while furthering the City Council's Strategic Plan and Goals

- Risk Management
  - > Promote culture of risk awareness, mitigation, and strategic decision-making related to risk across City departments

- Continue Master Plan efforts for Reconnecting Communities 710 project

FY 2026 Priorities

City Manager Department

- Internal Audit
  - > Monitor and report on Open Audit Recommendations
  - > Monitor and investigate fraud hotline complaints
- Public Affairs
  - > Coordinate citywide outreach and increase engagement
- Continue to prepare the City to host the 2028 Olympic and Paralympic Games
- Centralize in the City Manager's Office work of the Office of the Young Child in support of Pasadena as an Early Learning City
- Continue work with the Career Technical Education Initiative working group

NEW BUSINESS

ITEM 2 A

2 . BUDGET WORKSHOP FY 2026 RECOMMENDED OPERATING BUDGET

OPERATING BUDGET PRESENTATION:

A. FINANCE DEPARTMENT

Finance Department FY 2026 Recommended Operating Budget

Finance Committee

May 29, 2025

FY 2025 Accomplishments

Finance Department

- Staffed the Finance and Logistics sections of the Eaton Fire Emergency Operations Center.
- Over 160 procurements were electronically advertised to vendors.
- Facilitated a "Doing Business with the City" workshop for Pasadena businesses.
- Held more than 170 one-on-one meetings with various Pasadena businesses, including small businesses.

Appropriations by Category

Finance Department

Category	FY 2023 Actuals	FY 2024 Actuals		FY 2025 Adopted	FY 2026 Recommended	% Change
Personnel	9,556,615	9,513,457		10,282,063	11,159,355	8.5%
Services & Supplies	1,240,493	1,405,750		1,711,450	1,790,017	4.6%
Capital Outlay	212,792	1,037,837		0	0	
Internal Srvc Chrg	3,322,032	3,497,904		3,784,774	4,090,267	8.1%
Debt Service	-17	1,544		0	0	
Grand Total	**14,331,915**	**15,456,492**		**15,778,287**	**17,039,639**	**8.0%**
			FTE	**69.70**	**70.00 ***	**0.30**

* The FTEs increased from 69.7 to 70 due to a mid-year FY 2025 budget adjustment approved by the City Council for a Collections Specialist position.

Significant Changes from FY 2025 Adopted Budget

Finance Department

- Personnel - Increased $877,292 (+8.5%)
  - > MOU/Medical Benefits/Filled Vacancies increase $733K (+9.0%)
    - FY 25 Vacancies: 8; FY 26 Vacancies: 0
  - > Pension increase $144K (+6.8%)
- Services & Supplies - Increased $78,567 (+4.6%)
  - > Insurance increase $62K (+32.7%)
  - > Contract Increase for OpenGov software $17K (+1.0%)
    - Budget $12K and Procurement $5K
- Internal Services - Increased $305,493 (+8.1%)
  - > DoIT IS increase $178K (+5.8%)
  - > Public Works IS increase $127K (+19.5%)

FY 2026 Priorities/Workplan

Finance Department

- Support and facilitate a long-term General Fund forecast that includes future capital funding needs for vital infrastructure.
- Conduct cost of service studies for revenue recovery.
- Lead the evaluation of programs and services.
- Continue refining the new Operating Budget development and monitoring software solution.
- Upgrade/replace collections software.

NEW BUSINESS

ITEM 2 B

2 . BUDGET WORKSHOP FY 2026 RECOMMENDED OPERATING BUDGET

OPERATING BUDGET PRESENTATION:

B. ROSE BOWL OPERATING COMPANY

Rose Bowl Operating Company (RBOC) FY 2026 Recommended Operating Budget

May 29, 2025

City of Pasadena
Finance Committee

Mission Statement

The mission of the Rose Bowl Operating Company (RBOC) is to improve the quality of life in Pasadena by providing top quality entertainment and by generating revenue through the operation of a world-class stadium and a professional quality golf course complex.

Fiscal 2025 Accomplishments

Fiscal 2025 Summary

- **Debt Service:** The RBOC will **pay the entire Debt Service obligation in FY 2025** with no General Fund support. RBOC worked closely with City Finance to refinance the 2010B Bonds and **flatten the bond debt payments** from annual escalation by $200-400K per year.
- **Reinvestment:** RBOC has **reinvested in the Stadium and Golf Course capital infrastructure** and preventative maintenance; in FY2024 spend was $4M, FY2025 Budget $8.4M, and **anticipated FY2026 Budget of $28.5M** (which includes $22M in Lasting Legacy Campaign funds and $6.5M from Capital fund balance).
- **Capital:** At the RBOC Board direction staff has prepared a **long-term capital needs plan** to present the City of Pasadena Council as outlined in the Operating Agreement.
- **Legacy Foundation:** Life to date **actual transfers and Grant funding $32M**. Legacy has begun efforts related to **Capital campaign targeting** fund raising of **$80M** and continues pursuit of Government grant funding opportunities.
- **Music Festival:** Fiscal year 4, of 7-years completed with AEG; RBOC to net $3.0M. RBOC was able **to extend the contract Guarantee by 2 years** with a $1.5M credit in FY 2024.

Fiscal 2025 Accomplishments

Rose Bowl served as the command center for the Eaton Fires

- **Eaton Fires:** On January 7, 2025, the Eaton fire broke out in the San Gabriel Valley, significantly impacting the Altadena and Pasadena communities.
- The Rose Bowl Stadium quickly responded to the ever-growing needs and proudly served its community as a command center for first responder operations ensuring that 4,000 personnel were able to have a home base, warm meals and other basic needs while fighting the Eaton fire.
- The Rose Bowl Stadium in partnership with the Pasadena music festivals Cruel World, Just Like Heaven, and Head In The Clouds, donated $250,000 (with 50% RBOC contribution) to the Pasadena Community Foundation - Eaton Fire Relief and Recovery Fund, which supports the immediate and pressing needs of those impacted by the fire.
- The RBOC also partnered with Live Nation on a first responder show that along with Fire Aid raised over $100M for those impacted by the fires
- Fiscal Impact – Initial lost revenues and increased expenses total $2.4M due to the Fires; RBOC is working with Insurance, City/FEMA for potential expense recovery:
  - Lost Revenues $1.5M: 1 Concert $654K. Flea Market $166K, Enterprise Events $93K, Golf Complex $550K
  - Increased Expense $925K: Golf Expenses $625K, Stadium Expenses $300K

Fiscal 2025 Accomplishments

Community Program Highlights

- America's Stadium annually hosts dozens of events supporting local community groups which **generates more than $7 million annually** for local causes as ***homelessness, education, athletics and community support events*** – these organizations include

  - The First Tee of Pasadena, Ronald McDonald House, Union Station Homeless Services, Pasadena Unified School District, and many more.

  - Egg Bowl, Cinco de Mayo at the Rose Bowl, Open Houses with Tours, Athletes in Schools Program, Women's Empowerment Symposium, Networking Luncheon, Annual Turkey Tussle and Turkey Trot 5K.

  - The continued growth trajectory of the Rose Bowl Institute's free programs, due to funded donor support, within the community have included sportsmanship dialogues and awards.

Fiscal 2025 Forecast

Fiscal 2025 Forecast Summary

FY 2025 Forecast reflects a budget miss of $2.1M with key areas:

Net Event Income anticipated to miss budget by $409K mainly due to :

- Football UCLA and Rose Bowl Game ran to budget with a net event income of $10.4M
- Music Festival missed by $**247K** due to 4 fewer shows admission fees for a Net Event Income of $3.1M
- Concerts and Soccer combined net positive of $**123K** (Including the 6 pending matches in June for Club World Cup)
- Flea Market projected to net $1.5 million; budget miss of $**78K** due to cancellation of the January event.
- Enterprise Events projected to net $1.5 million; budget miss of $**205k** due to impact of the Eaton fires.

Brookside Golf Complex is anticipated to miss budget by $2.3M, mainly due to:

- Revenues Budget miss of **$1.0M** of which $550K in lost revenue was due to complex closure from fires.
- Expenses increases due to Eaton Fires $**625K** in range sod, repairs to structures, netting, irrigation etc.
- Golf Operating expenses increased by $**650K** as water rates increased (30% FY24 to FY25) due to changes in billing structure; course continues to reduce water usage, and transition to new operator with onetime costs and increases in insurance and personnel (benefits and taxes).
- FY2025 is the first year under Troon management. The complex continues to provide best in industry services.

Non-Event Income anticipated to be $1.7K better than budget with interest earnings.

Reserves are anticipated to increase by $1.1M mainly due to the increased expenses associated with Club World Cup and the RBOC Operating Reserves Policy requirement of 8% of expenses to Reserves.

Anticipated FY 2025 Net Loss will be $3.3M ($1.3M Operating and $2.0M Reserves) **funded from operating available balance.**

PASADENA

Rose Bowl Operating Company

FY2025 Adopted Budget and Forecast

In thousands

Fiscal Year	2025 Adopted	2025 Forecast	FY2025 Adopted to FY2025 Forecast
Event Count			
Stadium Event Count	12	16	
Music Festival Event Count	8	4	
Total Displacement Events	20	20	-
Enterprise Events	140	119	-21
Income Summary:			*($ in thousands)*
Net Event Income	$20,461	$20,052	(409)
Golf Complex Income	$2,930	$631	(2,299)
Other Miscellaneous Revenues	$3,888	$5,546	$1,658
General Operations Expenses	$(14,499)	$(14,546)	(47)
Rose Bowl Operating Income (1) [Before Financing, Contributions, Grants and Reserves]	**$12,781**	**$11,684**	**$(1,097)**
Less: Financing Net Debt Service	$(13,116)	$(13,009)	$107
Income/ (Loss) [After Financing Debt Service]	**(335)**	**(1,325)**	**(991)**
Less: Grants and Reserves (2)	(835)	(1,981)	(1,145)
Net Loss funded from Operating Available Balance	$1,170	$3,306	$2,136
Rose Bowl Net Income/(Loss) [After Grants and Reserves]	-	-	-

(1) Operating Income variance mainly due to: Altadena fires, utilities costs and transition to new Golf operator.
(2) Increased Reserves are due to added 6 soccer match and reduced 2 concerts and 4 music festivals
Estimates as of 04/22/25

Fiscal 2026 Budget: **Current Targets**

Fiscal 2026 Budget focus is an investment in the future of the Rose Bowl

- **Current Targets**
  - Excitement about continuing successful operations with current events' fiscal performance, new revenue streams, Legacy fund- raising and Golf revenues.
    - June 2022, Forecast FY 2026 was **($6.5M) Net Loss** with General Fund demands.
    - Current, Recommended FY 2026 Budget anticipates **$1.5M Net Income to be transferred to Capital Reserves**.
  - Continued focus on assessing market demands for major events, flea market and other enterprise events. Assessments include managing events' caliber; neighborhood impacts and net event income.
  - Obtaining City Council approval, launching of Family Golf and executing on the successes observed in that market.

Fiscal 2026 Budget: **Future Planning**

Fiscal 2026 Budget focus is an investment in the future of the Rose Bowl

- **Current Targets (Continued)**

  - Efforts to continue investments in the stadium/golf complex staffing, capital, and preventative maintenance.
    - **Highest Historical Capital Budget for FY2026: $28.5M with a funding plan from Net Operating Income, Legacy Capital Campaign efforts and partners.**
      - Capital Spend planned**:** Lasting Legacy Campaign South End Zone and Stadium $26.5M and Golf Course $2.0M
    - FY 2026 planned Preventative Maintenance from Operations of $2.0M.

  - Negotiated contracts for increased investments in the campus.
    - Multimedia (Advertising) contract with JMI with $8.0M committed to Capital
    - Golf Complex Management with Troon up to $4.5M committed to Capital
    - Olympic venue contract negotiations to begin
    - Premium Seating Sales contract under review and negotiations.

Fiscal 2026 Budget Sensitivities

Fiscal 2026 Key Budget Assumptions

- **Events Summary:**
  - Football: UCLA to Big-Ten Conference and Rose Bowl Game Quarterfinal 2nd year.
  - 7 Concerts and 1 Soccer match .
  - 10 Music Festivals with threshold payment of $450K.
  - Flea Market & Enterprise Events – assumed continued growth trends.

- **Speculative Events days included in the above** (9 of 25)**:** 4 Concerts, 1 Soccer match and 4 Music Festival holds.

- **Golf Complex:** Golf Revenues per round increased by $5.75 per round mainly due to increases in greens fees, cart rentals, and driving range fees. The increases in revenues are necessary to offset water rate increases *(FY24 to FY25 30% and FY25 to FY26 12.5%)*. Food and Beverage continues assumed growth of catering during events as UCLA Tailgating. Staff continues diligence to manage controllable expenses, with concerns about water costs increasing due to tier levels.

- **Expenses with potential additional significant impacts and budget increases of:**
  - Utility rates (Water and Electricity): Golf water increased by 44% or $420K and Stadium Electricity increased 11% or $150K.
  - Stadium environmental sustainability increased 11% or $50K, and Golf Insurance increased 13% or $54K.

Rose Bowl Operating Company

FY2025 Adopted Budget and FY2026 Recommended

In thousands

Fiscal Year	2025 Adopted	2026 Recommended	FY2026 Recommended to FY2025 Adopted
Event Count			
Stadium Event Count	12	15	
Music Festival Event Count	8	10	
Total Displacement Events	20	25	5
Enterprise Events	140	168	28
Income Summary:			*($ in thousands)*
Net Event Income	$20,461	$23,489	$3,027
Golf Complex Income	$3,352	$3,139	(214)
Other Miscellaneous Revenues	$3,888	$4,351	$463
General Operations Expenses	$(14,921)	$(15,933)	$(1,013)
Rose Bowl Operating Income [Before Financing, Contributions, Grants and Reserves]	**$12,781**	**$15,045**	**$2,264**
Less: Financing Net Debt Service	$(13,116)	$(13,366)	$(249)
Income/ (Loss) [After Financing Debt Service]	**(335)**	**$1,679**	$2,014
Less: Grants and Reserves	(835)	(185)	$651
Net Loss funded from Available Balance / Less (Net Income) to Capital Reserves (2)	$1,170	(1,495)	(2,665)
Rose Bowl Net Income/(Loss) [After Grants and Reserves]	-	-	-

(1) Reserves decreased ($651K): Operating down ($692K), Music Fest Cap up +$28K, Golf Cap reserves +$13K

(2) Plus **Net Income** designated to Capital by Policy: **$1,495**

Rose Bowl Operating Company

FY26 Forecast to Recommended Budget comparisons

In thousands

Recommended Net Income up $873K from the May 2024 Proforma for FY2026

Fiscal Year	(May 2024) FY2026 Forecast	FY2026 Recommended	FY2026 Recommended FY2026 Forecast (PY)
Event Count			
Net Event Income	$22,657	$23,489	$832
Golf Complex Income (1)	$3,958	$3,139	(820)
Other Miscellaneous Revenues	$4,487	$4,351	(136)
General Operations Expenses	$(15,415)	$(15,933)	$(519)
Rose Bowl Operating Income [Before Financing, Contributions, Grants and Reserves]	**$15,688**	**$15,045**	**$(643)**
Less: Financing Net Debt Service	$(13,521)	$(13,366)	$155
Income/ (Loss) [After Financing Debt Service]	$2,167	$1,679	(488)
Income / (Loss) [After Non-Operating Contibutions]	**$2,167**	**$1,679**	**(488)**
Less: Grants and Reserves (2)	(1,545)	(185)	$1,361
Less Net Income to Capital Reserves (3)	(622)	(1,495)	(873)
Rose Bowl Net Income/(Loss) [After Grants and Reserves]	-	-	-

(1) Family Golf : Prior Year Forecast had Net Income of $579K in FY2026 and Current Recommended has no program net (pending Council approval)

(2) Year to Year Reserve Adjusted down by $1.3K from prior year Proforma mainly due to increase occuring in FY2025.

(3) Prior year Forecast for FY2026 projected a net Income of **$622K** and Recommended FY2026 shows **$1.5M** net income to be committed to capital.

Rose Bowl Operating Company

Budget Historical Events Statistics

Fiscal Year	FY2024 Actual	FY2025 Adopted	FY2025 Forecast	FY2026 Forecast (During FY25 Budget)	FY2026 Recommended
STADIUM:					
Event Count					
Stadium Event Count	15	12	16	15	15
Music Festival Event Count	4	8	4	10	10
Total Displacement Events	19	20	20	25	25
Enterprise Events	156	140	119	133	168
() Odd Fiscal years UCLA hosts USC at the Rose Bowl					
UCLA Football ()	6	6	6	6	6
Rose Bowl Game	1	1	1	1	1
Music Festival	4	8	4	10	10
Concerts	4	3	1	3	7
Soccer	3	1	7	4	1
July 4th/Soccer	1	1	1	1	0
Flea Market	12	12	12	12	12
Enterprise Events	156	140	119	133	168

Rose Bowl Operating Company

Budget Historical Net Event Income

In thousands

Fiscal Year	FY2024 Actual	FY2025 Adopted	FY2025 Forecast	FY2026 Forecast (During FY25 Budget)	FY2026 Recommended
Net Event Income by Event					(000)
UCLA Football	$4,315	$5,801	*4,640*	$6,035	$5,420
Rose Bowl Game	5,584	4,561	*5,721*	*4,954*	*5,294*
Music Festival	1,631	3,280	3,033	3,727	3,537
Concerts	4,663	2,783	535	2,894	5,404
Soccer	1,419	343	2,967	1,389	341
July 4th/Soccer	411	364	109	368	-
Flea Market	1,849	1,630	1,552	1,675	1,716
Enterprise Events	1,651	1,700	1,495	1,615	1,778
PY or Cost of Business	15	-	-	-	-
Net Event Income	**$21,539**	**$20,461**	**$20,052**	**$22,657**	**$23,489**
Other Miscellaneous Revenues *	**$4,748**	**$3,888**	**$5,546**	**$4,487**	**$4,351**

* FY2025 Full Year TBID:$2.8, Interest Earning:$1.7M, Cell site:$400, SB96:$400, Music Fest:$150K and ToR: $75K

Rose Bowl Operating Company

Budget Historical Operating Net Income/(Loss)

Fiscal Year	FY2024 Actual	FY2025 Adopted	FY2025 Forecast	FY2026 Forecast (During FY25 Budget)	FY2026 Recommended
STADIUM:					
Event Count					
Stadium Event Count	15	12	16	15	15
Music Festival Event Count	4	8	4	10	10
Total Displacement Events	19	20	20	25	25
Enterprise Events	156	140	119	133	168
Income Summary:					*($ in thousands)*
Net Event Income	$21,539	$20,461	$20,052	$22,657	$23,489
Other Miscellaneous Revenues	$4,748	$3,888	$5,546	$4,487	$4,351
General Operations Expenses ***(Preventative Maintenance added FY25 Fwd)***	(10,786)	(14,499)	(14,546)	(15,080)	(15,511)
Golf Complex Operating Income	$3,301	$2,930	$631	$3,624	$2,717
Rose Bowl Operating Income [Before Bond Financing, Contributions, Grants and Reserves]	**$18,802**	**$12,781**	**$11,684**	**$15,688**	**$15,045**
Financing Net Debt Service *(FY2025 Refinancing of the 2010B applied in estimates.)*	**$(11,481)**	**$(13,116)**	**$(13,009)**	**$(13,521)**	**$(13,366)**
Income / (Loss) [Before Grants/Reserves]	**$7,321**	**(335)**	**(1,325)**	**$2,167**	**$1,679**
Net Grants and Reserves	(2,228)	(835)	(1,981)	(1,545)	(185)
Net Loss funded from Available Balance / Less (Net Income) to Capital Reserves	(5,093)	*1,170*	*3,306*	(622)	(1,495)
Rose Bowl Net Income/(Loss) [After Grants and Reserves]	-	-	-	-	-

Rose Bowl Operating Company

Budget History Revenues

in thousands

Fiscal Year	FY2024 Actual	FY2025 Adopted	FY2025 Forecast	FY2026 Forecast (During FY25 Budget)	FY2026 Recommended
Revenues:					
Stadium Operating	$58,793	$54,878	$70,269	$65,677	$67,329
Bond Subsidies and Credits	$4,303	$3,071	$1,614	$3,071	$223
Golf Complex Operating	$12,277	$12,258	$11,480	$16,093	$14,045
Total Gross Revenues	$75,373	$70,207	$83,364	$84,841	$81,597
Other Non-Operating Revenue	$3,000	$4,500	$4,500	$9,750	$11,563

** FY2026 Other Non-Operating funding reserved for Capital: JMI $8.0M, Legacy fund-raising $2.1M, Legacy grants efforts $1.5M.*

Rose Bowl Operating Company

Budget History Expenditures

in thousands

Fiscal Year		FY2024 Actual	FY2025 Adopted	FY2025 Forecast	FY2026 Recommended
Summary of Expenditure by Category					
Stadium		(43,292)	(43,535)	(57,724)	(53,464)
Preventative Maintenance (Stadium)	FY24 in Reserves for PM/Capital		(1,492)	(1,492)	(1,536)
Stadium Subtotal:		(43,292)	(45,027)	(59,216)	(55,000)
Golf Complex		(8,970)	(8,905)	(10,427)	(10,906)
Preventative Maintenance (Golf)	FY24 in Reserves for PM/Capital		(422)	(422)	(422)
Golf Subtotal:		(8,970)	(9,327)	(10,849)	(11,328)
Operating Expenditures		**(52,263)**	**(54,354)**	**(70,065)**	**(66,328)**
FY 2025 forward: Preventative Maintenance category has been moved from Reserves to Expenditure					
Stadium debt service		(15,784)	(16,188)	(14,624)	(13,589)
Golf Complex debt service & Investment(2)		-	-	-	-
Total Operating Expenditure		**(68,047)**	**(70,542)**	**(84,689)**	**(79,917)**
Capital Budget		(4,890)	(9,367)	(4,857)	(28,500)
Total Appropriations		**(72,937)**	**(79,909)**	**(89,546)**	**(108,417)**
FY 2026 Operating and Capital Budget do not include assumptions for Family Golf (Pending City Council Action)					
Reserves for PM *(FY25 Recomm. In Op Exp*		(843)	Preventative Maintenance in Operating Expenditures		
RBOC Operating Reserve Policy		(677)	(253)	(1,505)	$438
RBOC Capital Reserve Policy		(5,093)	-	-	(1,495)
Operations Funding to Capital (Golf $1/round and Music fest)		(92)	(582)	(476)	(623)
Total Contributions to Reserves		**(6,705)**	**(835)**	**(1,981)**	**(1,679)**
Budgeted Full Time Employee Count:		**38**	**42**	**42**	**42**

Rose Bowl Operating Company

Budget History By Division or Major Budget Area

in thousands

FY2026 Operating Budget (Draft)	FY2024 Actual	FY2025 Adopted	FY2025 Forecast	FY2026 Recommended
Beginning Operating Amount Available	**11,718**	**11,657**	**11,718**	**8,412**
Stadium				
Revenues	$58,793	$54,878	$70,269	$67,329
Bond Subsidies and Credits	4,303	3,071	1,614	223
Expenses:				
Operating Expenses	(43,292)	(45,027)	(59,216)	(55,000)
Debt Service	(15,784)	(16,188)	(14,624)	(13,589)
Stadium Income/(Loss) Sub-Total	**4,019**	**(3,265)**	**(1,956)**	**(1,037)**
Golf Complex				
Revenue	$12,272	$12,258	$11,480	$14,045
Expenses	(8,970)	(9,327)	(10,849)	(11,328)
Golf Complex Income/(Loss) Sub-Total	**3,301**	**2,930**	**631**	**2,717**
Operating Income/(Loss) Before Capital	**7,321**	**(335)**	**(1,325)**	**1,679**
Reserves and Capital Funding:				
Legacy and Other Capital Funding	(3,708)	(4,160)	(4,134)	(10,251)
Stadium Capital Reserves	-	(500)	(500)	(1,500)
Golf Capital Reserves	(843)	(422)	(342)	(435)
Income/(Loss) After Capital Reserves	**2,770**	**(5,417)**	**(6,302)**	**(10,506)**
Other Capital Funding (Legacy/Grants)	3,000	4,500	4,500	11,563
RBOC Operating Reserve Policy	(677)	(253)	(1,505)	438
RBOC Capital Reserve Policy	(5,093)	-	-	(1,495)
Reserves Sub-Total	**(7,321)**	**(835)**	**(1,981)**	**(1,679)**
Stadium and Golf Net Income / (Loss)	-	**(1,170)**	**(3,306)**	-
Ending Operating Amount Available	**11,718**	**10,486**	**8,412**	**8,412**
Accumulated Operating Reserves			$6,646	$6,253

Rose Bowl Operating Company

FY 2026 Key Issues and Strategies

Key Issues

- Identify incremental revenue opportunities
- Focus on long term financial structure and health for the complex
- Music Festival success
- Stabilize and grow golf course property revenue. Work to identify reliable and affordable water sources.

Strategies

- Focus on big picture thinking around appropriate revenue generating activities and uses on the entire campus
- Work closely with the City in forecasting revenue, expenses and funding necessary for bond debt service and capital improvements
- Recognize the importance of music festivals and provide support to help them succeed and achieve revenue share above guarantee
- Refine efforts related to increasing net golf course as well as food & beverage revenue. Identify more opportunities on golf complex including the Family Golf initiative

Rose Bowl Operating Company

FY 2026 Key Issues and Strategies

Key Issues (continued)

- Continued focus on event operations, including security and outside the fence line management
- Prepare for 2028 Olympics
- Identify long-term capital funding sources
- Success of existing tenants

Strategies (continued)

- Work and communicate closely with public safety officials, event promoters and stakeholders
- Collaborate with Los Angeles leaders and put forth an effort based on Stadium's history and brand to provide Pasadena a global platform
- Legacy 2.0 continue to focus on collaboration with donors, City, State and Federal Governments
- Leverage existing agreements and create new public/private partnerships that increase revenue and capital funding for all parties

Rose Bowl Operating Company

20-Year Capital Improvement Plan

Purpose and Status

- To provide City Council with a forward-looking, order-of-magnitude view of anticipated capital investment needs over the next 20 years for the City-owned Rose Bowl Stadium and Brookside Golf Complex. This is not a deferred maintenance list, but a capital roadmap.
- Current Facility Status: the stadium and golf course are in good condition - successfully hosted the 2025 Rose Bowl Game and 2024 UCLA Season; Brookside successfully hosted Pasadena City Championship March and various music festivals.

Impact

- Ensures continued ability to host world-class events and drive economic impact
- Protect two of Pasadena's most visible and celebrated public assets
- Avoids future system failures through responsible, phased modernization
- Advances guest safety, operational efficiency, and regulatory compliance

Today's Action

- **Informational only.** No approvals or funding decisions are being requested. The RBOC will return to Council annually with an updated outlook.

Rose Bowl Operating Company

Total 20-Year Estimated Investment: $243 Million

Venue	Estimate	Key Focus Areas
Rose Bowl Stadium	$216.50 million	Structural systems, plumbing, technology, security, guest experience
Brookside Golf Course	$26.50 million	Irrigation, cart paths, clubhouse, infrastructure

Funding Strategy

- Revenue from a full, active event calendar
- Philanthropic gifts via the Rose Bowl Legacy Foundation
- State & Federal grant pursuits
- Select City partnership for infrastructure projects

Project Prioritization

- **Near-term (0-5 years):** Based on **Consequence x Likelihood of Failure**
- Additional Filters: safety, disruption, risk, regulatory need, reputational impact
- Ongoing investment in modernization ensures continued reliability

END OF PRESENTATION