AGENDA
FINANCE COMMITTEE
SPECIAL MEETING NOTICE
JUNE 23, 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.

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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 JUNE 23, 2025, AT 3:30 P.M. WILL BE ACCEPTED IN-PERSON AND BY VIDEOCONFERENCE/TELECONFERENCE.

Link to City Meeting Policy:
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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

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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.

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DEPARTMENT OF FINANCE

CITY OF PASADENA
NOTICE OF SPECIAL MEETING
OF THE FINANCE COMMITTEE

JUNE 23, 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 Monday, June 23, 2025, at 3:30 p.m. in the Pasadena City Hall Council Chambers S249.

Victor M. Gordo, Mayor
City of Pasadena

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 19th day of June 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
JUNE 23, 2025

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

The Finance Committee may take action within its authority on any item listed on this agenda as it deems appropriate following consideration and discussion of the matter.

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

June 9, 2025	Cancellation Notice (Special Finance/Audit Committee)
June 9, 2025	Cancellation Notice (Special Joint Meeting of the Finance Committee and/or City Council)

OLD BUSINESS

1. APPROVAL OF MINUTES

April 28, 2025	Special Meeting
May 12, 2025	Special Meeting
May 26, 2025	Cancellation Notice
May 29, 2025	Cancellation Notice

NEW BUSINESS

2. AMENDMENTS TO FISCAL YEAR 2026 OPERATING BUDGET

ADJOURN

APPROVAL OF MINUTES

- June 9, 2025 Cancellation Notice (Special Finance/Audit Committee)
- June 9, 2025 Cancellation Notice (Special Joint Meeting of the Finance Committee and/or City Council)

DEPARTMENT OF FINANCE

CITY OF PASADENA
NOTICE OF CANCELLATION
FINANCE/AUDIT COMMITTEE
SPECIAL MEETING
JUNE 9, 2025

NOTICE IS HEREBY GIVEN that the special meeting of the Finance/Audit Committee, scheduled for Monday, June 9, 2025, at 2:00 p.m. in the Pasadena City Hall, 100 North Garfield Avenue, Pasadena, is cancelled due to a lack of a quorum.

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 9th day of June 2025, by 2:00 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.

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DEPARTMENT OF FINANCE

CITY OF PASADENA
NOTICE OF CANCELLATION
JOINT MEETING OF THE FINANCE COMMITTEE AND OR CITY COUNCIL
SPECIAL MEETING
JUNE 9, 2025

NOTICE IS HEREBY GIVEN that the special joint meeting of the Finance Committee and/or City Council, scheduled for Monday, June 9, 2025, at 3:30 p.m. in the Pasadena City Hall, 100 North Garfield Avenue, Pasadena, is cancelled due to a lack of a quorum.

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 9th day of June 2025, by 3:45 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
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OLD BUSINESS

ITEM 1

1. APPROVAL OF MINUTES

April 28, 2025	Special Meeting
May 12, 2025	Special Meeting
May 26, 2025	Cancellation Notice
May 29, 2025	Cancellation Notice

CITY OF PASADENA
MEETING OF THE FINANCE COMMITTEE MINUTES
PASADENA CITY HALL
100 NORTH GARFIELD AVENUE
CITY HALL COUNCIL CHAMBER S249
MAY 12, 2025
SPECIAL MEETING

OPENING Chair Gordo called the special Meeting of the Finance Committee to order at 3:04 p.m.

ROLL CALL: Mayor Victor M. Gordo (Chair)
Councilmember Rick Cole
Councilmember Tyron Hampton (Arrived at 3:36 p.m.)
Councilmember Gene Masuda

Staff: Miguel Márquez, City Manager
Brenda Harvey-Williams, Assistant City Manger
Arnold Lee, Chief Assistant City Attorney
Matthew Hawkesworth, Acting Assistant City Manager/ Director of Finance
Alex Souto, Deputy City Manager
Tiffany Jacobs-Quinn, Director of Human Resources
Hayden Melbourn, Principal Engineers
Koko Panossian, Director Parks, Recreation & Community Services
Sam De Sylva, Police Lieutenant
Tim Park, Budget Administrator
Rachelle Razon, Senior Administrative Analyst
Byanca Banaga, Senior Administrative Analyst
Gloria Acevedo, Recording Secretary

APPROVAL OF MINUTES: It was moved by Councilmember Masuda, seconded by Councilmember Cole, to approve the minutes of the April 14, 2025, Special Finance Committee Meeting (Motion Unanimously carried) (Absent Councilmember Hampton).

NEW BUSINESS: **AUTHORIZE THE CITY MANAGER TO EXECUTE GRANT RELATED DOCUMENTS FOR THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT AWARD AND AMEND THE POLICE DEPARTMENT'S FISCAL YEAR 2025 OPERATING BUDGET BY RECOGNIZING REVENUE AND APPROPRIATING $34,390 IN GRANT FUNDS**

Chair Gordo introduced Sam De Sylva, Police Lieutenant, who provided a PowerPoint presentation and responded to questions.

Councilmember Cole suggested for staff to provide all relevant details about the subject in the agenda reports.

Councilmember Masuda asked about the number of stolen vehicles that are recovered each year by the automatic license plate reader technology.

It was moved by Councilmember Cole, seconded by Councilmember Masuda, to approve staff's recommendation and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: Councilmember Hampton)

APPROVE THE ALLOWABLE USES AND CHARACTERISTICS OF ENTITIES ALLOWED TO SUBMIT PROPOSALS FOR THE BUILDINGS WITHIN HAHAMONGNA WATERSHED PARK ANNEX AREA REPORT

Chair Gordo introduced the item and Koko Panossian, Director Parks, Recreation & Community Services, presented a PowerPoint presentation and responded to questions.

The following individuals provided a comment/suggestion the matter.

Charles Thomas, representing Outward Bound Adventures
Brandon, Hammerli, representing Climate Resilience Education and Environmental Center
Emily Hopkins, representing Climate Resilience Education and Environmental Center (Side Street Projects)
Samantha Johnson-Yang, representing Climate Resilience Education and Environmental Center (Tongra SBBMI)
Heavenly Hughes, Pasadena Resident
David Weeshoff, representing Pasadena 100
Marcus Renner, Pasadena Resident
Dr. Julianna Delgado, Pasadena Resident
Leigh Adams, Pasadena Resident
Laurel Siegel, Pasadena Resident
Tim Martinez, Pasadena Resident
Heather Wu, representing Climate Resilience Education and Environmental Center
Ana Sodviver, representing Climate Resilience Education and Environmental Center

Gloria Acevedo, Recording Secretary, reported that four letters of correspondence were received, which were distributed to the Committee, posted online, and made part of the public record.

Chair Gordo pointed out the buildings were not intended for rehabilitation, by resolution, the City purchased the land in 2005 and determined the space would be used as a park or recreation space. He also shared that in 2022, the City explored the option to rehabilitate the buildings and convert them to a career technical education center in partnership with Pasadena City College (PCC); however, that use did not meet the criteria outlined by the Metropolitan Water District transfer deed and the adopted City resolution. Chair Gordo cautioned the Committee to move forward with a Request for Proposal (RFP) only after the City Attorney's office reviews the transfer deed from Metropolitan Water District, the City adopted resolution, and explores the feasibility to amend the documents, if restrictions don't allow the use of the space, other than for outdoor/recreation. The action would prevent the selected entity from experiencing legal challenges.

Councilmember Hampton requested clarification on the cost estimates outlined in the agenda report and on the condition of the buildings when acquired. He recalled that at one-point, Interim City Manager, Cynthia Kurtz, explored the possibility to use the site as an educational center in partnership with PCC, and asked that the RFP, move along in an expediated manner. He also pointed out that this is a great opportunity to hire and train locally. Councilmember Hampton also asked City Manager, Miguel Márquez, if the City can support the $9 million dollars estimated that are needed for this project. Mr. Marquez indicated the goal is to have the successful proposer of the project to provide the funding, the City would remain as a partner.

Councilmember Cole thanked Mr. Panossian for a great presentation. He echoed Councilmember Hampton's remarks regarding moving forward with the RFP and agreed with incorporating Chair Gordo's recommendation to review the legal requirements for the use of the space.

Mr. Márquez committed to returning the item to the full City Council on June 2, 2025, with answers to the questions raised by the Committee and a plan to expediate the RFP process.

It was moved by Councilmember Hampton, seconded by Councilmember Cole with the recommendation to approve the potential demolition of the buildings, explore any legal restrictions on the property (including the feasibility to amend the deed restrictions and the resolution adopted by the City Council for the use of open space),

expediate the issuance of the RFP, and forward the item to the City Council for consideration. (Motion Unanimously carried) (Absent: None)

<u>BUDGET WORKSHOP</u> FY 2026 RECOMMENDED OPERATING BUDGET

OPERATING BUDGET PRESENTATIONS:

A. HUMAN RESOURCES
B. CITY MANAGER'S OFFICE

On the order of the Chair and consensus of the Committee, the item was moved to the May 29, 2025, Finance Committee Meeting.

INFORMATION ONLY: Pasadena Center Operating Company Transient Occupancy Tax (TOT) and Tourism Business Improvement District (TBID)

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 Meeting of the Finance Committee was adjourned at 5:02 p.m.

ATTEST:

_____
Mayor Victor Gordo, Chair
Finance Committee

_____
Gloria Acevedo
Recording Secretary

CITY OF PASADENA
JOINT MEETING OF THE FINANCE COMMITTEE AND/OR CITY COUNCIL MINUTES
PASADENA CITY HALL
100 NORTH GARFIELD AVENUE
CITY HALL COUNCIL CHAMBER S249
APRIL 28, 2025
SPECIAL MEETING

OPENING Chair Gordo called the special Joint Meeting of the Finance Committee and/or City Council to order at 5:24 p.m.

ROLL CALL:
Mayor Victor M. Gordo (Chair)
Vice Mayor Jess Rivas
Councilmember Rick Cole
Councilmember Tyron Hampton (Arrived at 5:53 p.m.)
Councilmember Justin Jones
Councilmember Jason Lyon
Councilmember Steve Madison (Via Teleconference)
Councilmember Gene Masuda

Staff:
Miguel Márquez, City Manager
Brenda Harvey-Williams, Assistant City Manger
Michele Bagneris, City Attorney/City Prosecutor
Matthew Hawkesworth, Acting Assistant City Manager/ Director of Finance
Greg de Vinck, Director of Public Works
Hayden Melbourn, Principal Engineer
Koko Panossian, Director Parks, Recreation & Community Services
David Reyes, Interim General Manager Water & Power
Joaquin Siques, Director of Transportation
Phillip LeClair, Chief Information Officer
Dan Augustyn, Management Analyst V
Richard Yee, Principal Engineer
Gary Takara, Engineering Manager
Elena Chamorro, Principal Financial Rate Analyst
Jeremy Marquette, Assistant General Manager Customer Service and Technology
Clarence Siruno, Manager of Utility Financial Services
Stacy Jacobson, Financial Rate Analyst
Brad Boman, Engineering Manager
Kelly Nguyen, Assistant General Manager
Lynne Chaimowitz, Assistant General Manager
Stacie Takeuchi, Chief Assistant General Manager
Varoojan Avedian, Assistant General Manager
Phyllis Hallowell, Public Works Administrator

Ozzie Aranda, Management Analyst II
Mark Jomsky, City Clerk
Gloria Acevedo, Recording Secretary

Guests: Michael Ross, Chief Executive Officer, Pasadena Center Operating Company
Jens Weiden, Chief Executive Officer/General Manager, Rose Bowl Operating Company
Derek Doolittle, Assistant General Manager, Rose Bowl Operating Company
Steve Haderlein, President, Rose Bowl Operating Company
Mo Salama, Chief Financial Offer, Rose Bowl Operating Company

NEW BUSINESS: **CITY MANAGER'S RECOMMENDED FISCAL YEAR 2026-2030 CAPITAL IMPROVEMENT PROGRAM BUDGET**

PUBLIC WORKS

Matthew Hawkesworth, Acting Assistant City Manager/ Director of Finance, provided an opening statement.

Chair Gordo introduced Greg de Vinck, Director of Public Works, who provided a PowerPoint presentation and responded to questions.

The following individuals provided a comment/suggestion on the matter.

Sean Devey, graduate student from Caltech advocated for the CIP budget to have an increased focus on resolution 9977.

Greg Apodaca, reminded the City Council of the devastation of the Eaton Fire, having suffered personal loss and would like to see the CIP budget focus on rebuilding sustainably.

Karen French, is interested in how City priorities are established.

Cynthia Cannady, Pasadena 100, advocated for an increase in Citywide rooftop solar as the proposed budget does not include any plans for any new installation.

Correspondence was received urging the City Council to support the Capital Improvement Program (CIP) budget aligning with the Climate Emergency Resolution 9977, distributed to the Committee, posted online, and made part of the public record.

Councilmember Jones inquired about the lack of solar projects, the feasibility to defund projects and transfer those funds towards an

increase in street paving, and advocated for the replacement of street signs in District 3.

Councilmember Cole shared his concerns about the methodology for the allocation of the gas tax and on the $400,000 line item for hiring consultants to complete the Street Tree Master Plan (STMP).

Councilmember Masuda expressed his concern for the lack of solar and asked that significant consideration to be given to street lighting and street paving.

Councilmember Lyon suggested that the City might want to consider dipping into the 5% operating reserve fund to pay for an increase in paving projects. He also, wants to have discussions about trees prior to the completion of the STMP.

Councilmember Madison suggested for the City Council look at trees during the current budget cycle as it affects public safety.

Councilmember Hampton advocated for setting aside more funds for the care of the City's roads and asked if it was feasible to use undergrounding funds for the installation of solar on residential homes.

DEPARTMENT OF TRANSPORTATION

Chair Gordo introduced the item and Joaquin Siques, Director of Transportation, presented a PowerPoint presentation and responded to questions.

Councilmember Jones asked how long the electric buses will utilize the Transportation Operations Maintenance Facility located on Hammond Street. Mr. Siques confirmed the date was extended until 2028.

Councilmember Cole requested an explanation on how the department plans to complete the $180 million dollar in programs with only $130,000 in appropriations and suggested to staff to start looking at funding sources outside of grants in the next five-years.

PASADENA WATER AND POWER

Water

Chair Gordo introduced the item and David Reyes, Interim General Manager, introduced Lynne Chaimowitz, Assistant General Manager, who provided a PowerPoint presentation and responded to questions.

Councilmember Masuda, inquired about the feasibility of undergrounding homes in the upper Hastings Ranch that have power lines behind their property. Mr. Reyes responded that prioritization is

given to power lines that are in high fire zones (tiers 2 and 3) and most of these are not behind residential properties.

Councilmember Lyon asked for an explanation on the difference between recommended appropriation listed and the work plan and thanked the department for the increased collaboration with Public Works in completing projects.

Councilmember Cole asked why the department isn't allocating funds for storm water projects, rather than rely on funding from Measure W that is overseen by the Public Works Department, asked about the five wells that are not in service, and if there were concerns with the quality of the water.

Councilmember Hampton inquired about the number of City owned reservoirs in Altadena and asked if there is a plan to underground power to them given, some were compromised during the recent Eaton Fire. Stacie Takeuchi, Chief Assistant General Manager, responded that some of the reservoirs in Altadena were fed by City owned utilities, which allowed for quick repairs, Southern California Edison (Edison) is looking at undergrounding the one reservoir it supports in Altadena.

Councilmember Hampton also asked about back up plans that will allow the department to provide clean drinking water to residents during natural disasters. Lastly, Councilmember Hampton asked why the department does not pave an entire street when doing work on part of the street.

Councilmember Jones asked how many miles of water distribution main projects are completed annually. Ms. Takeuchi responded that typically its two-and-a half to five-miles; however larger projects, are one-and-a half mile. Councilmember Jones also asked that staff bring options to the City Council on how to allocate additional funds to street improvement projects, as he is not ready to recommend dipping into the 5% operating reserve fund.

Chair Gordo is reluctant to taking money from the reserve funds to fund capital improvement projects as they are reserved for emergencies. Chair Gordo also asked staff to reach out to Edison to explore the opportunity for Pasadena Water and Power (PWP) staff to make repairs to utility owned reservoirs that are powered by Edison.

<u>Power</u>

Councilmember Cole asked for an explanation on how the $13.5 million solar battery storage fund will be utilized in FY 26. Ms. Chaimowitz confirmed, the initial stage will be a construction phase needed to be able to connect the project to the California ISO grid.

Councilmember Hampton asked for clarification that the concrete on Raymond Ave., will be removed and replaced with asphalt. Mr. de Vinck confirmed the street will be repaved; he will use value engineering to determine what material will be used. Mayor Gordo recused himself during this question (2 minutes). In addition, Councilmember Hampton believes incentivizing solar projects for all residents should become part of the CIP budget. Lastly, he thanked PWP for their efforts, in particular with the recent windstorm and Eaton Fire.

Councilmember Lyon believes that increasing solar on City projects should be considered an emergency.

DEPARTMENT OF INFORMATION TECHNOLOGY

Chair Gordo introduced the item and Phillip LeClair, Chief Information Officer, provided a PowerPoint presentation and responded to questions.

Councilmember Hampton asked about Wi-Fi availability and security at all parks. He also requested for the installation of emergency poles at Brookside Park and around the Rose Bowl, a progress report on the subject should be presented to the Public Safety Committee. Lastly, he asked staff to diversify the electric vehicle charging station's vendors and to look at simplifying the point of sale at all charging stations.

Councilmember Jones requested information on the technology used to protect against data breaches.

Councilmember Madison requested for the department to work with the Pasadena Fire Department and the Pasadena Police Department to identify hot spots that could detect wildfires as well as other public safety dangers.

Chair Gordo recommends the prioritization of technology that supports public safety. The City should count on state-of-the-art technology. He also asked all City departments that have aging technology that support public safety to bring the item to the City Council before failures contribute to a crisis.

PASADENA CENTER OPERATING COMPANY IMPROVEMENTS

Chair Gordo introduced the item and Michael Ross, Chief Executive Officer, Pasadena Center Operating Company, provided a PowerPoint presentation.

Chair Gordo expressed gratitude to the Pasadena Center Operating Company (PCOC) Board and Staff for a great job during the recent Eaton Fire. Mr. Ross thanked City staff for their role in getting the Emergency Operations Center up and running very rapidly.

Councilmember Madison asked that the future of the Ice Skating Center be considered in this budget cycle.

Councilmember Hampton pointed out the great job that the PCOC team does in welcoming all event attendees.

ROSE BOWL OPERATING COMPANY IMPROVEMENTS

Chair Gordo introduced Steve Haderlein, President, Rose Bowl Operating Company, who introduced Derek Doolittle, Chief Operations Officer, Rose Bowl Operating Company, who provided a PowerPoint presentation. Jens Weiden, Chief Executive Officer/General Manager, Rose Bowl Operating Company, responded to questions.

Councilmember Cole asked Mr. Weiden to clarify the part the Rose Bowl Legacy Foundation will take in providing funds, the projects that are needed to keep the stadium competitive, and projects necessary to maintain the 100-year-old stadium.

Councilmember Madison thanked the Rose Bowl Operating Company (RBOC) staff and the Board for their efforts, reminded City staff to consider the Rose Bowl outside of just a sports venue, and asked that public services continue to be incorporated. He also reminded the City Council that all projects are thoroughly vetted by the RBOC Board.

Chair Gordo pointed out the important role the Rose Bowl played in the Eaton Fire.

Councilmember Hampton agrees that safety enhancements at the Rose Bowl and surrounding facilities should continue and thanked the Department of Transportation staff for their efforts in installing a safety crosswalk on the corner of Seco St. and Rosemont Ave.

Closing Comments

Councilmember Cole asked the City Council to consider investing in place making to increase future property and tax revenue, needed to fund critical CIP projects, such as investing in fixing City streets and fire safety among others. He gave the example of the investment model the City used when developing Old Pasadena.

Chair Gordo commented on the place making that has been taking place in the City, naming the Playhouse District, North Lincoln Avenue, the Pasadena Convention Center, and City parks as thriving investments.

Councilmember Madison spoke on the investments the City has made on City Hall, the Rose Bowl, the relinquishment of the 710 stub, and asked staff to continue the development of aspirational budgets.

Vice Mayor Rivas commented on the need to see a through line on CIP projects.

Councilmember Hampton would like to see a report on the fluoride content in the City's potable water.

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

ADJOURNMENT: On the order of the Chair, the special meeting of the Joint Meeting of the Finance Committee and/or City Council was adjourned at 9:50 p.m. in memory of Peggy Sisson, Bob Denham, Edwin "Jed the Fish" Gould, Rich Marta, and Andrea Donahue.

ATTEST:

_____
Mayor Victor Gordo, Chair
Finance Committee/City Council

_____
Gloria Acevedo
Recording Secretary

DEPARTMENT OF FINANCE

CITY OF PASADENA
NOTICE OF CANCELLATION
FINANCE COMMITTEE
REGULAR MEETING
MAY 26, 2025

NOTICE IS HEREBY GIVEN that the regular meeting of the Finance Committee, scheduled for Monday, May 26, 2025, at 4:00 p.m. in the Pasadena City Hall, 100 North Garfield Avenue, Pasadena, is cancelled.

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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DEPARTMENT OF FINANCE

CITY OF PASADENA
NOTICE OF CANCELLATION
FINANCE COMMITTEE
SPECIAL MEETING
MAY 29, 2025

NOTICE IS HEREBY GIVEN that the special meeting of the Finance Committee, scheduled for Thursday, May 29, 2025, at 3:30 p.m. in the Pasadena City Hall, 100 North Garfield Avenue, Pasadena, is cancelled due to a lack of a quorum.

Victor M. Gordo, Chair
Finance Committee

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Gloria Acevedo, Recording Secretary
Finance Committee

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NEW BUSINESS

ITEM 2

2 . AMENDMENTS TO FISCAL YEAR 2026 OPERATING BUDGET

Agenda Report

June 23, 2025

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: **AMENDMENTS TO FISCAL YEAR 2026 OPERATING BUDGET**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action herein is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b); and

2. Amend the Fiscal Year (FY) 2026 Operating Budget as detailed in the following report by recognizing and appropriating an additional $500,000 in the General Fund and increasing the Citywide Full-Time Equivalents (FTEs) by 2.0 permanent FTEs.

BACKGROUND:

The Recommended FY 2026 Operating Budget was approved by the City Council on June 16, 2026, and includes one new 40-Hour Battalion Chief, full time equivalent (FTE). During the adoption of the FY 2026 Operating Budget on June 16, 2025, the City Council gave direction to return on June 23rd to identify options to fund the full request from the Fire Department to add two additional 24-Hour Shift Battalion Chief FTE positions in FY 2026 and convert the approved 40-Hour Battalion Chief to 24-Hour shift, for a total of three new 24-Hour Battalion Chief FTEs. The addition of the three FTEs would provide for a total of two Battalion Chiefs assigned to each shift (A, B, and C).

The included Battalion Chief FTE in the adopted FY 2026 Operating Budget is funded for six-months with an anticipated start date of January 1, 2026. As this position is intended to be a 40-hour position, it would not have position coverage backfill when a shift was missed. Additionally, one-time funding was approved in the amount of $200,000 for the purchase and upfit of a new vehicle to be assigned to the position.

The Fire Department's request to assign an additional Battalion Chief to each shift will have budget impacts beyond the cost of the three FTEs. The initial analysis of this request concluded that the one-year cost for FY 2026 would be approximately $1.3 million for operations and full $420,000 for the acquisition and upfitting of two new vehicles. The one-year costs include three Battalion Chief FTEs, position coverage overtime costs to backfill shifts when an absence occurs, normal supply and service costs related to the additional positions, including vehicle fuel and maintenance of the assigned vehicle, and a contribution to the vehicle replacement fund for the future replacement of the two purchased vehicles. To account for all of these costs, the proposed budget amendment provides options to fund the additional two Battalion Chief FTEs for six-months, including operational costs for the same time period for a total of $480,000 in FY 2026, the one-time cost to purchase a second vehicle with upfitting, and plans to fund the full annual costs starting in FY 2027.

Proposed Budget Amendments

1. The FY 2026 Operating Budget was adopted with a $120,705 surplus in the General Fund. It is proposed that this amount will be utilized to reduce the current year need for this proposed amendment.

2. It was mentioned during the June 16th City Council meeting that repurposing existing vacant positions is a possible option to identify funding. Every position in the City has core responsibilities and functions, and these duties are often backfilled with other staff on regular time or overtime, acting assignments, contract/temporary staff, or work is delayed when there is a vacancy. With the elimination of a position, there will be a service level impact. An analysis of vacant positions funded by the General Fund follows.
    a. A question was raised regarding the Firefighter Trainee positions and if those positions could be repurposed from a funding perspective to support the costs of the Battalion Chiefs. There are no budgeted funds associated with the eight Firefighter trainee positions; therefore, there are no funds to reassign from these positions.
    b. The Fire Department has presented an option to run a smaller Paramedic Intern program in FY 2026. The approved budget includes funding for nine Paramedic Interns at $24,000 per intern. The Department recommends leaving four intern positions vacant in FY 2026 and redirecting those funds to support the Battalion Chief positions. This will provide $96,000 in funding for FY 2026.
    c. Following is a summary table of vacant positions funded by the General Fund. As noted in the summary, most vacant FTEs are in the Police and Fire Departments, or part-time positions/seasonal positions in the Parks, Recreation, and Community Services Department. Additionally, some of these positions are temporarily filled with acting assignments or temporary staff. If the City Council desires to dive further into vacancies and what was provided during the individual department budget presentations, a follow-up item can be agendized for a future Council Committee or City Council meeting.

Department	Vacant Positions	FTE (Vacant)	Comment
CITY MGMT	3	3	Sustainability; Early Childhood; Assistant City Manager
FINANCE	1	1	Revenue Collections
FIRE	14	14	
PLANNING	2	2	Associate Planner and Office Assistant
POLICE	22	21.5	
PRCS	15	9.68	Part-time/seasonal recreation
PUB WRKS	4	4	Support for fleet based on Internal Audit
TRANSPORT	6	6	Parking Enforcement
Grand Total	**67**	**61.18**	

3. Increase fees or charges to increase General Fund revenues. While the City Council could not take a formal action to increase fees as part of this item due to the public noticing requirements of a fee increase, the City Council may direct staff to return with fee increases that would be expected to cover the increased expenditures.
    a. The FY 2026 General Fee Schedule adopted on June 16th included Emergency Medical Services (EMS) transport fees of $4,354, a 4.4876% increase over the FY 2025 fee, based on a cost-of-service study. The detailed attachment in the General Fee Schedule documentation provided for an estimated $500,000 increase in revenue. Additionally, the fees for oxygen, electrocardiogram, and response only were increased based on the cost-of-service study. The estimated increase in revenue for those fees totaled $223,618.

       After incorporating and reevaluating revenues after the approved cost-of-service increase, the EMS revenue line item can be increased to $12.8 million, resulting in an additional $500,000 in revenue, that is not currently in the FY 2026 Operating Budget. Additionally, staff recommends that any additional revenue increase in FY 2026 or 2027 beyond the $12.8 million be allocated towards the full one-year cost of this budget request for future years.

4. Use reserves to fund the increases. The General Fund has three primary categories of reserved funds that could be used by the City Council. Use of reserve funds is not recommended for this purpose, especially given the enormous uncertainty in the current economic climate.
    a. The Operating Reserve, established at 5% of General Fund expenditures, has a balance of $16.18 million. Funds from the Operating Reserve can be allocated by City Council action at any time.
    b. The Emergency Reserve, established at 15% of General Fund expenditures, has a balance of $48.55 million. Based upon the City's

Reserve Policy, the City Council would need to declare a fiscal emergency to allocate funds from the Emergency Reserve.

c. The Section 115 Pension or Other Post Employment Benefit (OPEB) Trusts are funds that have been set aside to stabilize or offset pension or OPEB liabilities. When the Pension Trust was created, the intent was to use these funds in the future to smooth out overall pension payments over time, to help reduce volatility in pension payments, and buy down unfunded liabilities over time. The City Council may expend these funds by directing staff to make required pension payments from the Pension Trust rather than from the General Fund. Staff does not recommend using either Trust as funding new positions is outside the scope of the intent for these funds.

5. Reconsider appropriations from one-time funds approved as part of the FY 2026 Operating Budget. These appropriations include replacing outdated equipment for Parks, Recreation, and Community Services ($200,000), and funding the Maintenance Assistance and Services to Homeowners (MASH) program and the Housing Rights Center previously funded by Community Development Block Grant ($303,000), funding various Public Health needs including a Program Coordinator II and the health records system replacement ($610,000), providing equipment to establish fleet repair at the Police Department ($72,000), funding additional tree planting, related watering, and a hot asphalt truck for Public Works ($415,000), or implementing Economic Development strategic plans ($200,000).

Staff Recommendation

Staff recommends utilizing the existing General Fund surplus of $120,705, the $96,000 from Paramedic Intern vacancies, and increasing the EMS revenue budget by $500,000. These three actions will provide $716,705 of funds to support the additional $480,000 for staff and operating expenditures and $220,000 for the purchase of a second vehicle and related upfitting. If the City Council desires to appropriate a lesser amount, the recommendation from staff is to proceed with the operational needs and postpone the purchase of a second vehicle until the Fire Department has sufficient funds from strike team revenue to fund the additional vehicle purchase. In this scenario, the two Battalion Chiefs for each shift would have one new vehicle, one three-year old vehicle, and a reserve that is more than ten-years old. The Fire Department expects that strike team revenue would be sufficient in late FY 2026 or 2027 to procure the second vehicle.

As discussed during the adoption of the FY 2026 Operating Budget, challenging and uncertain fiscal times are in front of the City. Revenue increases in the General Fund and many other funds are growing at rates slower than expenses. The federal government is considering large reductions to federal funding, and the State is wrestling with large deficits and is likely going to use reserves to bridge their FY 2026 gap rather than make programmatical reductions.

During this budget cycle, the General Fund had approximately $1.3 million to fund new initiatives. As demonstrated during the budget process, those funds were not sufficient to fund most departmental requests. Also, the approval of the capital project in FY 2026 for ruggedized laptops for vehicles in the Police Department comes with new operational costs of $850,000 in FY 2027 for the annual licensing, support, and replacement plan. That $850,000, plus the $1.3 million for this proposed budget amendment, will increase the base budget in FY 2027 by more than $2 million.

Looking forward to FY 2027, staff recommends funding full operational costs of the added Battalion Chief FTEs from EMS fees and what are anticipated to be increased fees in other fire inspection related services that will come to the Council as part of the Fire Department's FY 2026 workplan. If this revenue is insufficient, then staff recommends utilizing any additional fire generated revenue such as strike team funding to support the costs.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2026 Operating Budget and by implementing necessary budget amendments.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The actions proposed herein, amending the City's FY 2025 Operating Budget, are governmental fiscal activities that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The staff recommendation will provide for a balanced budget in the General Fund using existing General Fund surplus ($120,000), additional EMS revenue ($500,000), and reallocated expenditures within the Fire Department ($96,000).

Respectfully submitted,

MATTHEW E. HAWKESWORTH
Director of Finance

Approved by:

MIGUEL MÁRQUEZ
City Manager