**CITY OF PASADENA**
**MEETING OF THE FINANCE/AUDIT COMMITTEE MINUTES**
**PASADENA CITY HALL**
**100 NORTH GARFIELD AVENUE**
**CITY HALL COUNCIL CHAMBER S249**
**SEPTEMBER 8, 2025**
**SPECIAL MEETING**

**OPENING** Chair Gordo called the special Meeting of the Finance/Audit Committee to order at 3:16 p.m.

**ROLL CALL**: Mayor Victor M. Gordo (Chair)
Councilmember Rick Cole
Councilmember Tyron Hampton (Arrived at 3:42 p.m.)
Councilmember Gene Masuda

Staff: Miguel Márquez, City Manager
Matthew Hawkesworth, Assistant City Manger
Arnold Lee, Chief Assistant City Attorney
Vic Erganian, Acting Director of Finance/City Treasurer
Joaquin Siques, Director of Transportation
Greg de-Vinck, Director of Public Works
Phyllis Hallowell, Public Works Administrator
James Wong, Director of Housing
Caroline Nelson, Program Coordinator
Phillip LeClair, Chief Information Officer
David Reyes, General Manager, Water and Power
Gary Takara, Engineering Manager
Armine Trashian, Controller
Ani Antanesyan, Internal Audit Manager
Steven Andersen, Senior Internal Auditor
Gloria Acevedo, Recording Secretary

Guests: Alexa, Washburn, Chief Development Officer, National Community Renaissance of California

**APPROVAL OF MINUTES**: It was moved by Councilmember Masuda, seconded by Councilmember Cole, to approve the August 25, 2025, Special Meeting of the Finance Committee minutes. (Motion Unanimously carried) (Absent Councilmember Hampton).

**NEW BUSINESS:**

**APPROVE THE KEY BUSINESS TERMS OF A FIRST AMENDMENT TO THE DEVELOPMENT AND LEASE AGREEMENT WITH NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA AND AMEND THE HOUSING DEPARTMENT'S FISCAL YEAR 2026 OPERATING BUDGET BY RECOGNIZING REVENUE AND APPROPRIATING $5,000,000 OF STATE LOCAL HOUSING TRUST FUNDS FOR THE CONSTRUCTION OF AN AFFORDABLE HOUSING PROJECT FOR SENIORS ON CITY-OWNED PROPERTY AT 280 RAMONA STREET**

Chair Gordo introduced the item and James Wong, Director of Housing, gave a brief overview and introduced Caroline Nelson, Program Coordinator, who provided a PowerPoint presentation and responded to questions.

Councilmember Cole asked for explanations on the cost increase, the $250,000 set aside for project administration, residual receipts, and accountability measures tied to this project. Staff associated the cost increase to several changes in the design, the set aside is necessary to ensure the project is administered properly, the residual receipts are part of conducting large scale projects, and the developer provides standards that are dictated by the county and the state.

Councilmember Cole expressed concern with the cost of each unit reaching $830,00. The design process should be carefully reviewed while not compromising the quality moving forward and made part of the learning lesson. He also suggested for staff to set realistic plans to avoid driving up the cost of the project.

Councilmember Masuda inquired about parking arrangements for staff and visitors. Ms. Washburn stated that arrangements will be made with nearby parking garage operators to secure parking for staff and guests.

Chair Gordo requested for the number of secured staff and visitor parking spaces with adjacent parking lots to be added to the operator lease agreement. Chair Gordo agreed with staff's recommendation to set aside $250,000 for project oversight, to ensure a successful project. Lastly, Chair Gordo provided background information on residual receipts being a common shared risk with developers.

Chair Gordo believes the City should set clear management standards on all projects and set recourses for non-compliance; the recourse should be added to future agreements. In addition, the City should have the recourse to bill property owners that allow properties to become a nuisance, for enforcement activities that are provided by the City. Chair Gordo agrees that staff should look at the design process for any streamlining opportunities.

Gloria Acevedo, Recording Secretary, reported that one letter of correspondence was received for this item, which was distributed to the Finance/Audit Committee, posted online, and made part of the record for this item.

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

**AMENDMENTS TO FISCAL YEAR 2026 CAPITAL IMPROVEMENT PROGRAM**

Chair Gordo introduced the item and Greg de Vinck, Director of Public Works provided a brief description of the item.

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

> Yadi, questioned if this is the right timing for the General Fund to fund this purchase, and referenced the last purchase was made possible by a state grant.

Councilmember Masuda was pleased to see the installation of the traffic signal located at Del Mar Boulevard and Kinneloa Avenue.

Councilmember Cole asked if staff had looked at funding sources outside of the General Fund. Matthew Hawkesworth, Assistant City Manager, shared that staff was unable to find outside funding after years of seeking grants and that the equipment had reached its end-of-life cycle, leaving the General Fund as the only option to make the purchase. Councilmember Cole asked about plans to create a sustainable funding source for projects rather than constantly finding one time funding. Mr. Hawkesworth shared the goal is to approach the budget cycle differently by starting workshops earlier with the City Council. This will allow additional time for the City Council to reevaluate current projects and identify priorities for the next budget.

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: None)

**INFORMATION ONLY:** **FY 2025 CAPITAL IMPROVEMENT PROGRAM - FOURTH QUARTER MONITORING REPORT**

Chair Gordo introduced the item and Greg de Vinck, Director of Public Works was available for questions.

Councilmember Cole asked staff to provide suggestions on how to approach funding multi-million-dollar capital improvement projects. Mr. Hawkesworth shared that the focus would remain on how to fund projects locally given the uncertainty of state and federal future funding. The key will remain on how projects are prioritized and funded. Councilmember Cole commented on the importance of carefully allocating available funds while considering that delays on proceeding with certain projects can increase the cost due to continued deterioration.

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

**FOLLOW-UP AUDIT ON EMBEZZLEMENT INTERNAL CONTROL REPORTS**

Chair Gordo introduced the item and Ani Antanesyan, Internal Audit Manager, gave a quick overview of the item and introduced Steven Andersen, Senior Internal Auditor, who provided a PowerPoint presentation and responded to questions.

Councilmember Masuda asked how the incident that took place in 2014 can be prevented. Mr. Stevensen responded that the first step is to put in place many layers of controls such as electronic approvals even for check requests.

Councilmember Cole was pleased the report was provided and that there are adequate controls in place, as its important to be proactive.

Chair Gordo thanked staff for their work.

Councilmember Hampton asked if redundancies were found that would slow down any processes. Mr. Andersen shared none were found during the audit.

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

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

Chair Gordo introduced the item and Armine Trashian, Controller, provided an overview of the item.

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

**ROSE BOWL OPERATING COMPANY FINANCIAL UPDATE**

Chair Gordo introduced the introduced the item and Vic Erganian, Acting Director of Finance, was available to answer questions.

Councilmember Cole asked about the $1.2 million not reported in the operating income. Mr. Hawksworth shared that this is a new source of income for the Rose Bowl Operating Company (RBOC) that was purposefully forecasted as low given the unknown of the amount, the distribution exceeded projections and will be recorded on an annual basis for the next 10-years. Staff will provide Councilmember Cole the percentage that is transferred to the RBOC from the collection of the Pasadena Tourism Business Improvement District tax.

Chair Gordo congratulated the RBOC for being a responsible operator.

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

**PASADENA CENTER OPERATING COMPANY FINANCIAL UPDATE**

Chair Gordo introduced the item and Vic Erganian, Acting Director of Finance, was available to answer questions.

Councilmember Cole was pleased with the Pasadena Center Operating Company's (PCOC) performance. The PCOC managed successful returns even after transforming the Convention Center into an emergency shelter during the Eaton Fire.

Chair Gordo congratulated the PCOC for being a responsible operator.

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

**ADJOURNMENT:** On the order of the Chair, the special meeting of the meeting of the Finance/Audit Committee was adjourned at 4:26 p.m.

ATTEST:

Victor M. Gordo, Chair
Finance/Audit Committee

Gloria Acevedo
Recording Secretary