

SOUTH PASADENA FINANCE COMMISSION

SPECIAL MEETING AGENDA
February 11, 2019, 6:30 pm
South Pasadena City Hall
City Manager's Conference Room
1414 Mission St.
South Pasadena, CA 91030

1. ROLL CALL

Commission Vice Chair Adrian, Commissioners Choi, Findley, Wood, and Zhen, City Treasurer Pia, Staff Liaison/Finance Director Koehler, and City Council Liaison Mahmud.

2. PUBLIC COMMENT

Time reserved for public input from those who wish to address the Commission. Public input will also be taken on all agenda items. Public input is limited to 5 minutes per speaker.

3. APPROVAL OF MINUTES

Review minutes for the Regular Meeting of August 23, 2018, and the Regular Meeting of October 25, 2018. Minutes for the Special Meeting of November 15, 2018, will be on the agenda for the Special Meeting in March.

4. NEW BUSINESS (Information Items)

- A. Election of Chairperson and Vice-Chairperson for 2019.**
- B. Budget Outreach Plan FY19-20.**
- C. Review Commission duties and responsibilities.**
- D. Review Work Plan for 2019.**

5. CONTINUING BUSINESS

6. COMMISSIONER COMMENTS

7. COUNCIL LIAISON COMMENTS

8. STAFF LIAISON COMMENTS

9. NEXT MEETING – Special Meeting March 28, 2019

2/6/19

Date



Signature

I declare under penalty of perjury that I am an employee of the City of South Pasadena and that I posted this Agenda on the bulletin board in the courtyard of the City Hall at 1414 Mission Street, South Pasadena, CA 91030, as required by law.



CITY OF SOUTH PASADENA

CITY COUNCIL

1414 MISSION STREET, SOUTH PASADENA, CA 91030

TEL: (626) 403-7210 • FAX: (626) 403-7211

WWW.SOUTHPASADENACA.GOV

January 24, 2019

Dear Commissioner:

The Mayor and City Council of South Pasadena request your attendance at the 1st Annual Commissioners Congress. The event will take place on Thursday, February 28, 2019 at 6:00 p.m. at the War Memorial Building, 435 Fair Oaks Ave. in South Pasadena.

This inaugural event will recognize the vital contributions that you and other Commissioners give to South Pasadena as members of the City's critical advisory bodies. The event will include:

- An appreciation dinner with recognitions from the Mayor and Council;
- An opportunity for all Commission Chairs to present their annual reports and work plans for the coming year;
- Soliciting input and suggestions from Commissioners;
- Information on additional support and training that Commissioners can expect from City staff in the coming year and beyond.

Please RSVP with the City Clerk's Division at: cityclerk@southpasadenaca.gov or call 626-403-7232

Sincerely,



Marina Khubesian, M.D.
Mayor



Robert S. Joe
Mayor Pro Tem



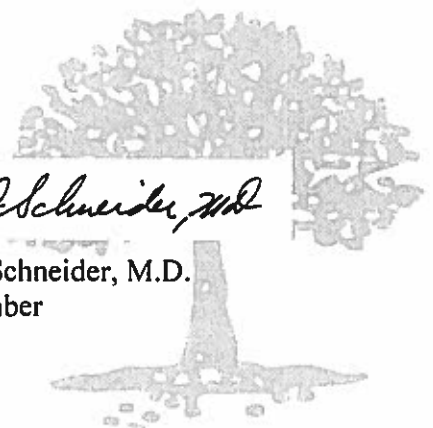
Michael A. Cacciotti
Councilmember



Diana Mahmud
Councilmember



Richard D. Schneider, M.D.
Councilmember



**City of South Pasadena Finance Commission
Minutes for Regular Meeting of:
August 23, 2018 6:30 p.m.**

Location: Burke Tripoli Studio
538 Mission Street
South Pasadena, CA 91030

- I. Roll Call
Commission Chair Catania – Present
Commission Vice-Chair Adrian – Present
Commissioner Burke – Present
Commissioner Cory – Present
Commissioner Wood – Present
City Council Liaison Schneider – Present
City Treasurer Pia – Present
Staff Liaison/Finance Director Koehler – Present
Human Resources Manager Ko – Present
- II. Public Comment
Commissioner Cory announced his involvement in the No on N Committee.
- III. Approval of Minutes
Approval of Meeting Minutes of April 26, 2018 and May 22, 2018 was continued to October 25, 2018.
- IV. New Business
 - a. Presentation and Review of City's Investments by Bryan Longpre of Morgan Stanley & Western Assets
Bryan Longpre, Financial Advisor, Morgan Stanley, provided a brief economic summary and presented a general overview of the City's asset performance. He reported a total of \$278,000.00 of investment earnings were added to the City's portfolio since December 2014 with an ending market value of \$16.4M.

A representative of Western Assets reported out on the City's current investment bonds, and provided information regarding the well-diversified strategy utilized by Western Assets. The City's portfolio continues to perform as expected and Western Assets has taken a defensive approach to guard the City's investments against potential, predicted fluctuations in the coming months.

The Commission requested to receive reports on the City's investments on a more frequent basis. Financial Advisor Bryan Longpre agreed to include the information in the monthly report provided to the City by Morgan Stanley & Western Assets.
 - b. 2018-2019 Investment Policy
City Treasurer Pia reported no changes in the policy from the previous year and requested that the Commission recommend the Investment Policy to the City Council for adoption in the 2018-2019 Fiscal Year.

Approved 5-0

C. Discussion of Future Commission Meeting Dates

There was a brief discussion regarding potential need for a new meeting day and time. The request for a new meeting date was withdrawn, and there was no reportable action.

- V. Continuing Business
None.
- VI. Commissioner Comments
None.
- VII. Council Liaison Comments
None.
- VIII. Staff Liaison Comments
None.
- IX. Next Meeting – October 25, 2018

**City of South Pasadena Finance Commission
Minutes for Regular Meeting of:
October 25, 2018 6:30 p.m.**

Location: City Hall – City Manager’s Conference Room
1414 Mission Street
South Pasadena, CA 91030

- I. Roll Call Commission Chair Catania – Present
Commission Vice-Chair Adrian – Present
Commissioner Burke – Present
Commissioner Cory – Present
Commissioner Wood – Present
City Council Liaison Schneider – Absent
City Treasurer Pia – Present
Staff Liaison/Finance Director Koehler – Present
Human Resources Manager Ko – Present

II. Public Comment
None.

III. Approval of Minutes
Minutes of April 26, 2018 Approved 5-0; and Minutes of May 22, 2018 Approved 4-0
(Commissioner Cory abstained)

The Commission directed staff to prepare action minutes moving forward.

IV. New Business

- a. Fiscal Impact Report and Draft Implementation Plan Relating to the Utility Users Tax Repeal Initiative Measure
Staff presented the Fiscal Impact Report and there was a brief discussion regarding the Draft Implementation Plan, with no reportable action.
- b. City 2018-2019 Strategic Plan Quarter 1 Update
Finance Director Koehler presented the Quarter 1 report and responded to Commission questions regarding the pending reorganization of the City’s Finance Department, scheduled for City Council approval on November 7, 2018.

The Commission briefly discussed the necessity of transparency in City finances, exercising fiscal restraint, and the importance of educating the public on the City’s basis for potential rate increases.

V. Continuing Business
None.

VI. Commissioner Comments
None.

VII. Council Liaison Comments
None.

VIII. Staff Liaison Comments

City Treasurer Pia commended the Commission for its regard for transparency and public opinion.

Finance Director Koehler reminded the Commission of a Commission Appreciation event to be held on February 28, 2019, which conflicts with the Commission's current meeting schedule. He advised the Commission of the City's plan to implement a city-wide change in early 2019 that will provide greater public access to Commission meetings, including access to meeting audio recordings.

IX. Next Meeting – January 24, 2019



Finance Commission Agenda Report

ITEM NO. 4A

DATE: February 11, 2019
FROM: Craig Koehler, Finance Director
SUBJECT: Election of Chairperson and Vice Chairperson 2019

Recommendation

It is recommended that the Finance Commission elect a new Chairperson and Vice-Chairperson for 2019.

Discussion/Analysis

The Chairperson resigned effective January 15, 2019 to accept an offer to join City staff on a temporary basis to provide financial analysis under direction of the City Manager. In their absence, the Vice-Chairperson will call for nominations and Commissioners will vote to elect a new Chairperson for 2019. The new Chairperson will call for nominations and Commissioners will vote to elect a new Vice-Chairperson for 2019.

Background

Per Article III, Section 3, of the South Pasadena Finance Committee By-Laws, the Committees shall elect two officers, a Chairperson and Vice-Chairperson, annually during the December meeting each year by a majority vote of the Board members. The Chairperson and the Vice-Chairperson shall serve one-year terms, but may be elected to multiple terms. In the event that an annual election does not take place in December of any given year, the officers shall continue in their respective offices until their successors are elected.

Fiscal Impact

There is no fiscal impact.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.



Finance Commission Agenda Report

ITEM NO. 48

DATE: February 11, 2019
FROM: Craig Koehler, Finance Director
SUBJECT: **Budget Outreach Plan for FY19-20**

Recommendation

It is recommended that the Finance Commission receive the report on the Budget Outreach Plan for Fiscal Year 2019-20 budget.

Discussion/Analysis

The City's Public Information Officer will provide an outline of the budget outreach program that will be conducted during the month of March 2019 in connection with receiving community input for the Fiscal Year 2019-20 budget.

Next Steps

The Budget Outreach Plan will be reviewed by Council at the February 20, 2019 Council Meeting.

Background

Each year, staff conducts outreach with the community to solicit input and feedback on the proposed budget for the next fiscal year, including review of an updated five-year forecast. For the Fiscal Year 2019-20 budget, particular attention will be on the rising PERS costs and considering various options for matching revenues with costs. The Budget Outreach Plan will provide a roadmap for City staff to present the Proposed Budget to various community groups and receive input for Council consideration.

Fiscal Impact

There is no fiscal impact.

Public Notification of Agenda Item

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Attachment: City Budget Outreach



City of South Pasadena Communications Plan

City Budget Outreach

February-March 2019

Situation: The City of South Pasadena is facing a budget deficit that is projected to grow larger over the next five years if no actions are taken. The City's goal is to take steps to close the budget gap in ways that are most acceptable to the community. The City will engage in a comprehensive community outreach effort during the month of March 2019 to gain input on potential solutions to the deficit. The deficit projections will be available on March 1.

Communications goal: The intent of this Communications Plan is to map out strategies and tactics to educate target audiences about the budget situation, the challenges it presents, and the potential solutions. The City will seek community input on the most (and least) preferable solutions to closing the gap.

Audiences:

- South Pasadena Residents
- South Pasadena Business owners
- Finance Commission members
- Media
- City Council members
- South Pasadena employees

Key Messages

- The City will be facing a serious budget deficit that is projected to grow larger over the next five years.

- We are conducting the forecasts now and expect to have the exact numbers by March 1.
- By taking proactive steps now, South Pasadena can close its projected budget deficit.
- We are seeking community input to help advise us on potential budget solutions.
 - The City will host a variety of outreach activities in March.
- While some of the potential solutions may be controversial, we will lay out all options for community input and discussion.
- The City has engaged an expert, South Pasadena resident and former finance commissioner Frank Catania, to assist in the budget projections and present potential solutions to the community.
- Retaining the UUT in November 2018 not eliminate the budget deficit. If the city had lost the UUT, it would have resulted in significant and immediate cuts in vital city services.

Outreach Tactics:

Materials:

- Key Messages
- Fact Sheet
- News Releases
- Q and A
- Website page specifically dedicated to the project
- PowerPoint Presentation
- Fliers to promote community meetings
- Online survey (SurveyMonkey)
- Social media content
- E-newsletter content
- Buckets and poker chips
- Excel spreadsheet to record votes

Media Relations:

- News release
- Conduct background briefings for reporters on the budget and opportunities for public input.
- Issue regular updates to media

Events/Meetings :

- 2 community meetings
- South Pas farmer's market (March)
- Employee briefings
- Finance Commission
- Chamber of Commerce
- Kiwanis
- Rotary

City Council:

- Presentation on communications plan/outreach activities
- Presentation on budget challenges/opportunities
- Announce engagement opportunities at City Council meetings

Publications:

- E-neighbors
- City Web Site
- South Pasadena Review
- Southpasadenan.com
- WISPPA newsletter
- Chamber of Commerce e-blast

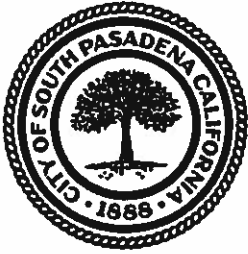
Communications Checklist

Task	Due Date/ Publication Date	Responsibility
Materials: Key Messages 1	Completed	John
Key Messages 2	March 6 pending completion of budget analysis	John
		John, Frank

Fact Sheet	March 6	
Q&A	March 6	John, Frank
Online Survey (SurveyMonkey)	March 6	John
News Releases	Beginning February 25	John
Media Advisory(s)	Feb 25 and before each public meeting	John
City website page specifically dedicated to budget and outreach opportunities	March 6	John
Fliers to promote community meetings	March 1; distributed to Library, senior center, community rooms	John
E-newsletter	March 1	John
PowerPoint	March 6	John, Frank, Craig
Chamber of commerce e-blast	March, ongoing	John to coordinate with Laurie
WISPPA newsletter announcements	March, ongoing	John to coordinate with Barbara
Bucket and poker chips (or equivalent)	March 1	John
Excel spreadsheet on google docs to record community "bucket" votes	March 1	John
Media Relations:		
Conduct background briefings for reporters	Week of March 4	John, Frank, Craig, Stephanie
Issue regular updates to		

media	Ongoing	John
<i>Special events/meetings:</i>		John to coordinate, Frank to present
Public meetings (general community)	Week of March 11 and week of March 18	
Employee meeting #1	March 13 in Council Chambers 2:30 p.m.	Stephanie
Employee meeting #2	March 13 at Senior Center 2 p.m.	Stephanie
Employee meeting #3	March 13 at public works yard 4 p.m.	Stephanie
Chamber of Commerce	March (date dependent on schedule)	John to coordinate
Kiwanis	March (date dependent on schedule)	John to coordinate
Rotary	March (date dependent on schedule)	John to coordinate
Farmer's market	March 7 March 14 March 21	John to coordinate
<i>City Council:</i>		
City Council outreach presentation	Feb. 20	John
Budget presentation to city council	March 6	Frank
Announce engagement opportunities	March 6 March 20	Stephanie
<i>Finance Commission:</i>	Feb. 11	

Present outreach plan and get input from Finance Commissioners		John
Budget presentation	TBD	Frank/Craig
Social Media:		
Nextdoor	Ongoing	John
Facebook	Ongoing	John



Finance Commission Agenda Report

ITEM NO. 4C

DATE: February 11, 2019
FROM: Craig Koehler, Finance Director
SUBJECT: Review Commission Duties and Responsibilities

Recommendation

It is recommended that the Finance Commission review the duties and responsibilities as outlined in the South Pasadena Finance Committee By-Laws.

Discussion/Analysis

The Finance Commission will review the list of duties and responsibilities to determine relevancy and make revisions as needed.

Background

The South Pasadena Finance Committee By-Laws were approved February 18, 2010. As stated in Article II, 'The purpose of the Committee shall be to provide high-level oversight and advice to the City Council, City Treasurer, and Finance Director regarding financial matters affecting the City including, but not limited to, investments, budget development and monitoring, revenue development, taxation, debt financing, and internal controls.'

Fiscal Impact

There is no fiscal impact.

Public Notification of Agenda Item

The public was made aware that this item was to be considered this evening by virtue of its inclusion on the legally publicly noticed agenda, posting of the same agenda and reports on the City's website and/or notice in the *South Pasadena Review* and/or the *Pasadena Star-News*.

Attachment: South Pasadena Finance Committee By-Laws

SOUTH PASADENA FINANCE COMMITTEE BY-LAWS

(Approved on February 18, 2010)

ARTICLE I. CREATION AND NAME

On September 5, 2007 the South Pasadena City Council renamed and restructured its Investment Policy Advisory Committee. The Committee was renamed as the Finance Committee (hereinafter referred to as Committee) and its role was expanded to that of providing advice to the City Council regarding financial matters affecting the City of South Pasadena. On November 5, 2008, the City Council expanded the Finance Committee membership from three to five members.

ARTICLE II. PURPOSE

The purpose of the Committee shall be to provide high-level oversight and advice to the City Council, City Treasurer and Finance Director regarding financial matters affecting the City including, but not limited to, investments, budget development and monitoring, revenue development, taxation, debt financing, and internal controls.

ARTICLE III. ORGANIZATION AND MEMBERSHIP

Section 1. Composition

The Committee shall be comprised of five members residing within the City of South Pasadena who are appointed by the Mayor. No member may participate in the making of any decision if that person may have a conflict of interest under 1090 et seq. of the California Government Code, 87100 et seq. of the California Government Code.

Section 2. Terms of Office

Under Resolution 7014, there shall be no term of office for Finance Committee members.

Section 3. Officers

The Committee shall elect two officers, a Chairperson and Vice-Chairperson, annually during the December regular meeting each year by a majority vote of the Board members. The Chairperson and Vice-Chairperson shall serve one-year terms, but may be elected to multiple terms. In the event that an annual election does not take place in December of any given year, the officers shall continue in their offices until their successors are elected.

Section 4. Duties of Chairperson

- A. Preside over all regular and special meetings of the Committee.
- B. Develop meeting agendas in consultation with the Finance Director. However, at any regular meeting, any member may request the inclusion of any specific agenda item for future meetings. Upon a request and second by committee members, such item will be placed on a future meeting agenda.
- C. Serve as the official representative of the Committee to the City Council and represent the official positions taken by the Committee.
- D. Make appointments to ad hoc advisory committees.
- E. Ensure the completion of all project projects and assignments, undertaken by the Committee.
- F. Represent the Committee at community functions as needed or appoint an alternate to attend in his/her place.

Section 5. Duties of Vice-Chairperson

- A. Perform the duties of the Chair in his/her absence.
- B. Function as the parliamentarian and advise the Chairperson on such matters.

ARTICLE IV. MEETINGS

Section 1. Brown Act

All meetings shall be scheduled and conducted in accordance with the provisions of the Ralph M. Brown Act.

Section 2. Roberts Rules of Order

The rules contained in the current edition of Roberts Rules of Order (Newly Revised) shall govern the Committee in all cases to which they are applicable and in which they are not inconsistent with these bylaws. Failure to follow any procedural rule shall not invalidate any action or decision of the Committee. The purpose of such rules are for the consistency of the Committee in order to run an orderly meeting and shall not be deemed to be substantive in nature.

Section 3. Meeting Schedule

The Committee shall hold, at a minimum, one regular meeting every quarter. At the option of the Committee, meetings may be held more frequently in accordance with a schedule approved by the Committee in December of each year for the following calendar year. Special meetings may be scheduled by special call of the Chair. The Committee, by majority vote, may waive regular meetings at times it deems appropriate.

Section 4. Quorum

Three of the five Committee members shall constitute a quorum. A quorum must be present at any meeting during which business is transacted or a vote taken. In the absence of a quorum, meetings may be held to present information and conduct discussion on matters of interest to members.

Section 5. Absence from Meetings

Any member of the Committee who misses two or more consecutive meetings with any 12-month period without a valid excuse or the approval of a majority of the Committee will be subject to removal based on a recommendation from the Committee and approval of the City Council. Attendance of less than fifty percent of any meeting will be counted as a miss.

ARTICLE V. RESPONSIBILITIES OF COMMITTEE MEMBERS

Section 1. Attendance

Members shall, whenever practicable, attend and actively participate in all regular and special meetings of the Committee.

Section 2. Service as Chairperson or Vice-Chairperson

Committee members shall serve as the Chairperson or Vice-Chairperson of the Committee upon election by the Committee.

Section 3. Conflict of Interest

Committee members shall complete and File with the City Clerk a Statement of Economic Interests (Form 700) upon appointment to the Committee and annually thereafter.

Section 4. Ethics Training

Committee members shall register for and complete State-mandated ethics training when advised by the City Clerk.

ARTICLE VI. CITY SUPPORT

Section 1. City Council Liaison

The City Council may designate one of its members to act as a Liaison with the Committee

Section 2. Staff Liaison

The Finance Director is designated as the staff Liaison to the Committee, will act in an advisory role, and will attend all Committee meetings. In the event that the Finance Director is not available to attend a Committee meeting, the Assistant Finance Director or other Finance Department staff member may be designated to represent him/her at a meeting.

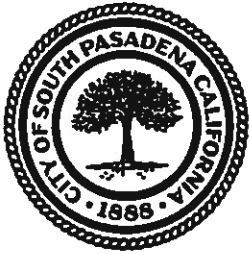
Section 3. Staff Assistance

Reasonable assistance from City staff will be provided to the Committee for the preparation and distribution of agendas, minutes, reports, etc. as needed.

ARTICLE VII: AMENDMENTS TO BY-LAWS

These By-Laws may be amended by a majority vote of the Committee as long as it complies with Resolution 7014.

Adopted by the South Pasadena Finance Committee on February 18, 2010.



Finance Commission Agenda Report

ITEM NO. 4D

DATE: February 11, 2019
FROM: Craig Koehler, Finance Director
SUBJECT: Review Work Plan for 2019

Recommendation

It is recommended that the Finance Commission review the Work Plan for 2019.

Discussion/Analysis

Each year a work plan will be developed for the Finance Commission, to establish a list of relevant areas of focus for the upcoming year.

Background

Annually staff will develop a work plan for the Finance Commission to set goals for a narrowed focus to assure items are within the scope of the Commission as set forth in their duties and responsibilities.

Fiscal Impact

There is no fiscal impact.

Public Notification of Agenda Item

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Attachment: Work Plan for 2019

FINANCE COMMISSION WORK PLAN - 2019

- Mid-Year Budget – receive and file
- CAFR/Audit – receive and file
- Budget Outreach Plan FY19-20 (Pope)
- Review Revenue Plan (Catania) – March Special Meeting
- Budget Review
- Fee Study – receive input
- Investment Portfolio Review
- Brown Act Training