



Amended Additional Documents
Distributed for the
City Council Meetings of
February 15, 2023

Item No.	Agenda Item Description	Distributor	Document
SP 02.	RECEIVE HOUSING ELEMENT PRESENTATION AND PROVIDE DIRECTION ON 5 TH DRAFT	Angelica Frausto-Lupo, Community Development Director Alison Becker, Deputy Community Development Director	PowerPoint
10.	PRESENTATION OF THE OTHER POST-EMPLOYMENT BENEFITS (OPEB) ACTUARIAL STUDY BY FOSTER & FOSTER	John Downs, Interim Finance Director Hsiulee Tran, Deputy Finance Director/Controller Albert Trinh, Finance Manager	PowerPoint
11.	PRESENTATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2022	Hsiulee Tran, Deputy Finance Director/Controller Albert Trinh, Finance Manager	PowerPoint
11.	PRESENTATION OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2022	Hsiulee Tran, Deputy Finance Director/Controller Albert Trinh, Finance Manager	PowerPoint
13.	FINANCE DEPARTMENT CURRENT STATUS UPDATE AND ORGANIZATIONAL ASSESSMENT	Domenica Megerdichian, Deputy City Manager Hsiulee Tran, Deputy Finance Director	PowerPoint
14.	PRESENTATION OF THE CITY'S INVESTMENT BY MORGAN STANLEY AND WESTERN ASSET MANAGEMENT	John Downs, Interim Finance Director Hsiulee Tran, Deputy Finance Director/Controller Albert Trinh, Finance Manager	PowerPoint
14.	PRESENTATION OF THE CITY'S INVESTMENT BY MORGAN STANLEY AND WESTERN ASSET MANAGEMENT	Councilmember Michael Cacciotti	PowerPoint
16.	COUNCILMEMBER COMMUNICATIONS	Councilmember Michael Cacciotti	PowerPoint

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Presentation of recommended actions to finalize the 5th Draft Housing Element

February 15, 2023

Prepared By: Community Development

Summary of HCD Comments

- Site Suitability
 - Site 8 (City Public Works Yard)
 - Site 16 (Pavilions)
 - Site 17 (Oak Tree Inn Shopping Center)
- Program revisions
 - Program 3.b (Mixed Use Development)
 - Programs 2.i & 2.m (Inclusionary Housing Regulations)
 - Program 2.n (Citywide Height Limit)
- Affirmatively Furthering Fair Housing
- Response to Public Comments

Areas of Focus

- Regional Housing Needs Allocation (RHNA)
- Streamlining – remove impediments to housing production
- Affirmatively Furthering Fair Housing
- Tenant Protection Programs

Regional Housing Needs Allocation (RHNA)

Regional Housing Needs Allocation

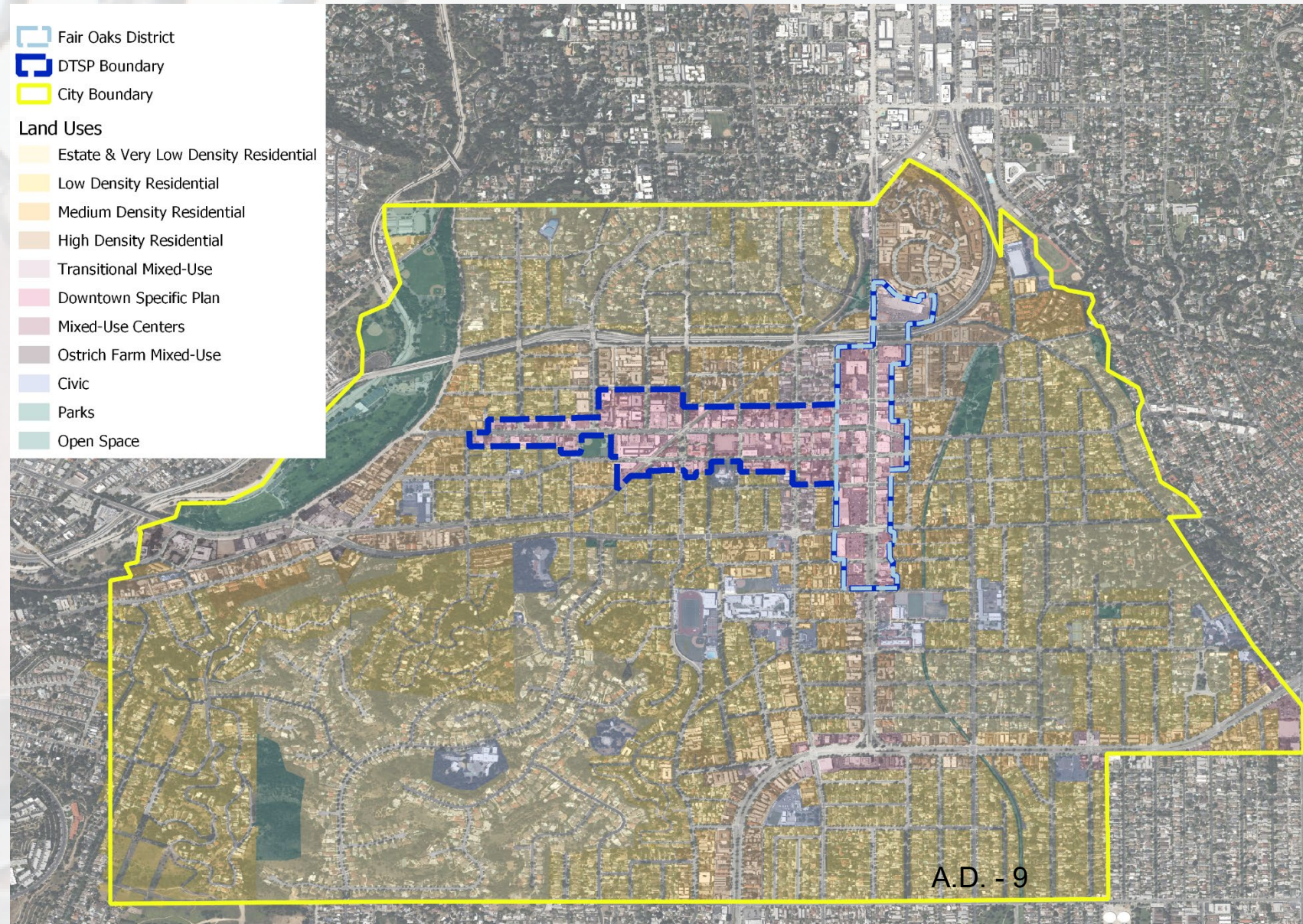
- Need a minimum of 65 additional affordable units
- Also need an additional 15% buffer (~175 lower income units)

Regional Housing Needs Allocation

Four strategies for increasing affordable housing supply:

1. Increase density and height within the DTSP along Fair Oaks Ave.;
2. Allow for mixed-use development along Huntington Drive;
3. Expand Ostrich Farm mixed-use area; and,
4. Restore RM and RH zones to pre-1998 GP densities.

Regional Housing Needs Allocation

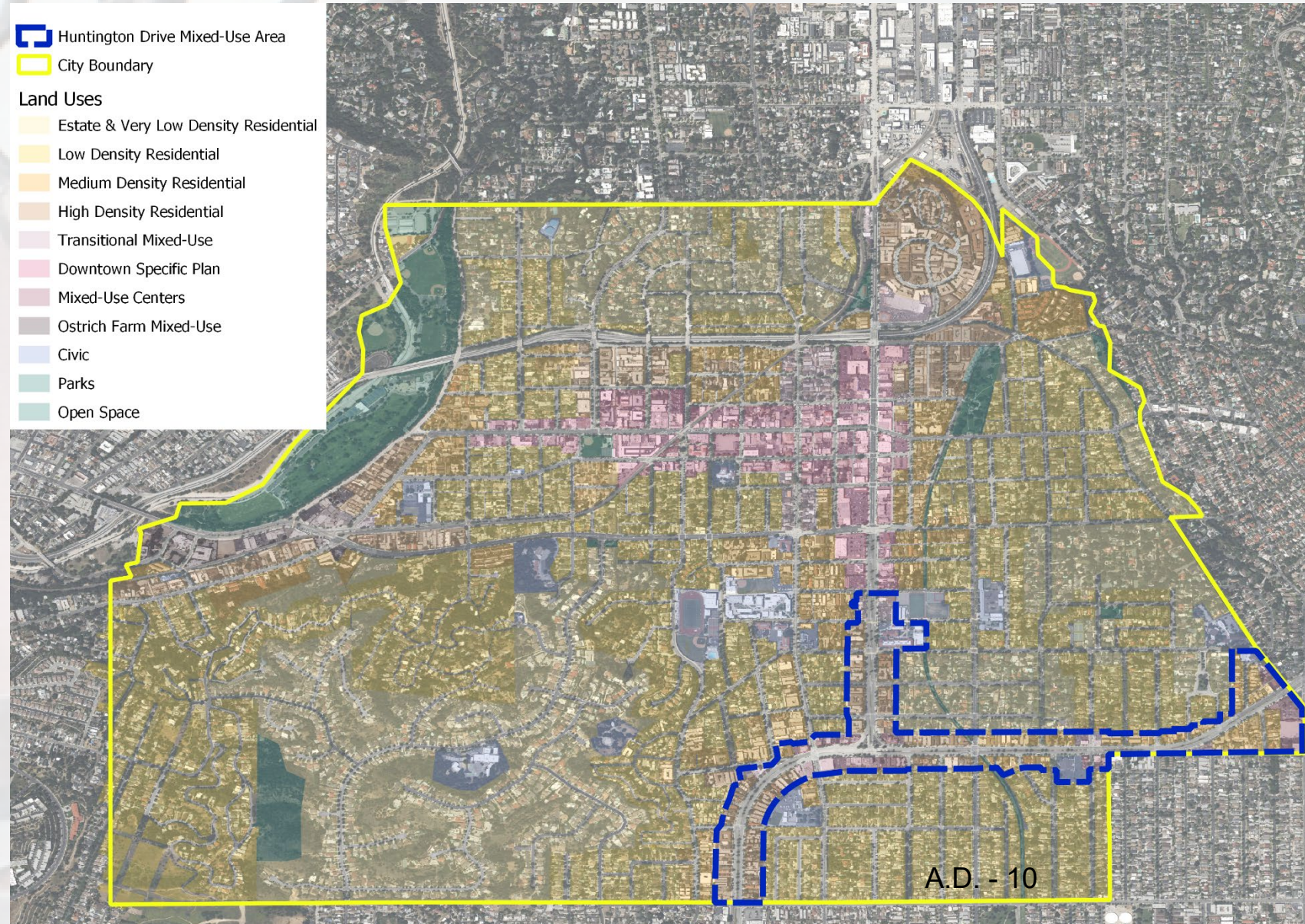


Increase the density and height within the DTSP along Fair Oaks Ave.

Increase the density of this portion of the Downtown Specific Plan.

Enables an additional 34 lower income units and allows the retention of 80 lower income units that would need to be removed without the increase.

Regional Housing Needs Allocation



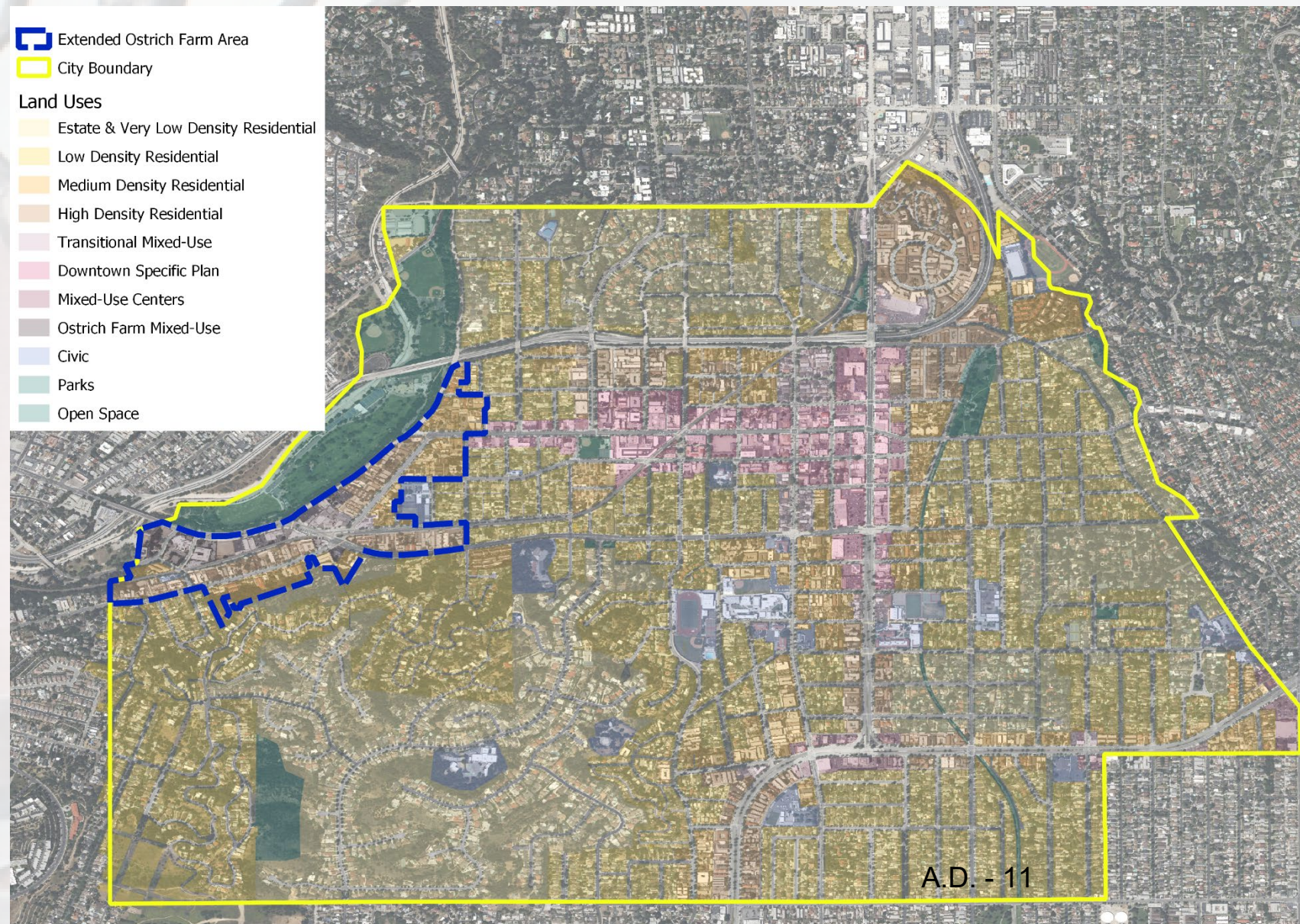
Allow for Mixed-Use along Huntington Drive

Target 70 du/ac along Huntington Drive corridor.

Could be accomplished through expanding DTSP or through other zoning changes.

Enables an additional 159 lower income units.

Regional Housing Needs Allocation



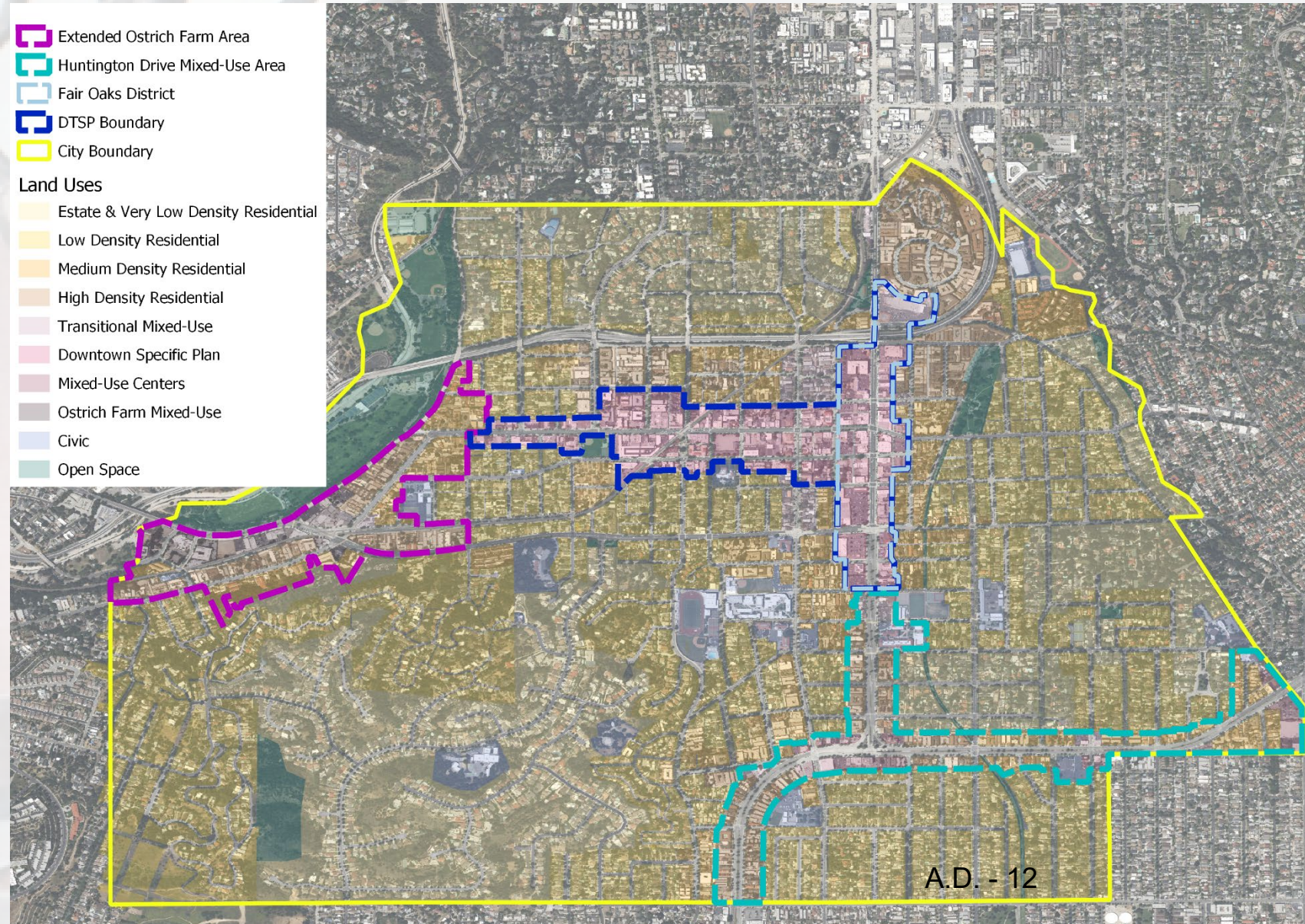
Expand Ostrich Farm Mixed-Use Area.

Target 70 du/ac along Huntington Drive corridor.

Could be accomplished through expanding DTSP or through other zoning changes.

Enables an additional 97 lower income units.

Regional Housing Needs Allocation



Increase allowable density of RM to 30 du/ac and RH to 45 du/ac.

Restores allowable densities to pre-1998 levels.

Enables an additional 113 lower income units.

Regional Housing Needs Allocation

		Lower Income	Moderate Income	Above- Moderate Income	Total
Existing Capacity	Units Approved Since 6/30/21	-	-	9	9
	ADUs With Approved BUILDING Permits Since 6/30/21	5	1	22	28
	Projected Accessory Dwelling Units	202	6	89	297
	Units on Vacant and Non-Vacant Sites with Suitable Zoning	-	22	125	147
	Units on Vacant Sites Needing Zoning Changes	70	-	-	70
Revised Capacity	Units on Non-Vacant Sites Needing Zoning Changes	479	177	244	900
	Units Within DTSP	154	77	77	308
New Capacity	Huntington Drive	159	79	79	317
	Fair Oaks Increase	34	17	17	68
	Ostrich Farm Expansion	97	48	48	193
	RM & RH Restoration	113	57	196	366
	Total Units	1,312	484	906	2,702
	Total RHNA Requirement	1,155	334	578	2,067
	Excess Units	157	150	328	635
	Percent Buffer	14%	45%	57%	31%

Removing Impediments to Housing Production

Streamlining Recommendations

- Create a ministerial pathway for minor additions to historic properties (*add to program 3.n*)
- Allow a limited evaluation report for requests to demolish non-historic structures (*new program 3.p*)
- Adopt objective design standards for multi-family, mixed-use and adaptive reuse developments (*add to program 3.b*)

Affirmatively Furthering Fair Housing (AFFH)

Affirmatively Furthering Fair Housing

- HCD objective: provide for “Missing Middle” housing in low density neighborhoods
- So. Pasadena draft DTSP includes development standards for Missing Middle; applicable standards could be used in other areas
- SB10 implementation would create an opt-in program for limited low density areas without rezoning

Affirmatively Furthering Fair Housing

South Pasadena already includes examples of Missing Middle housing.



Stacked Duplex



Courtyard Building



Side-by-side Duplex



Stacked Fourplex

Affirmatively Furthering Fair Housing

Staff Recommendation:

Develop a Missing Middle Housing Program using one of the following SB10 options:

- Implement Missing Middle Housing within ½ mile of a major transit stop;
- Implement Missing Middle Housing in high quality transit corridors;
- Implement Missing Middle Housing citywide except for high fire hazard areas.

Tenant Protections

A.D. - 20

Proposed Tenant Protection Programs

- Rent Registry
- Rental Housing Inspections
- Right to Return
- Relocation Assistance for No-Fault Evictions
- Rent Stabilization

Rent Registry

- Mandatory registration of rental units by owners of properties with more than a certain number of units.
- A database used to:
 - ❖ collect and track rental data on units
 - ❖ educate property owners on tenant protections
- Can incorporate additional activities and programs over time.
- Example:

No. of properties (5+ units)	No. of units	Example fee per unit*	Potential total fees
326	3,837	\$38.75	\$148,684

*Current rent registry fee in City of LA for units subject to its Rent Stabilization Ordinance (RSO) A.D. - 22

Rental Housing Inspections

- A rental housing inspection program would:
 - ❖ enable compliance with AB 838, which requires inspections in response to renter complaints of substandard housing
 - ❖ entail routine inspections of properties every few years to ensure compliance with health and safety codes.
- Inspection program can be administered (and fees can be collected) through the rent registry.

Right to Return Policy

- South Pasadena can establish a tenant's legal right to return to a property after relocation/no-fault eviction due to substantial renovation.
- Can be combined with a temporary relocation assistance requirement.

Relocation Assistance

- New wave of relocation assistance ordinances post-COVID across California.
 - ❖ Relocation assistance for no-fault evictions, 2 or 2.5 times the rent, and moving expense allowance
- City passed urgency ordinances for relocation assistance during the pandemic, and these can be reviewed.

Rent Stabilization

- State Tenant Protection Act of 2019 (AB 1482) caps rent increases for certain properties at 5% plus inflation or 10%.
- South Pasadena can adopt rent stabilization ordinance with a lower cap on rent increases.
 - ❖ For example, Measure H (approved in 2022) in Pasadena caps increases at 75% of inflation.
- South Pasadena can also require relocation assistance for rent increases in properties exempt by Costa-Hawkins Rental Housing Act.

Immediate Next Steps

A.D. - 27

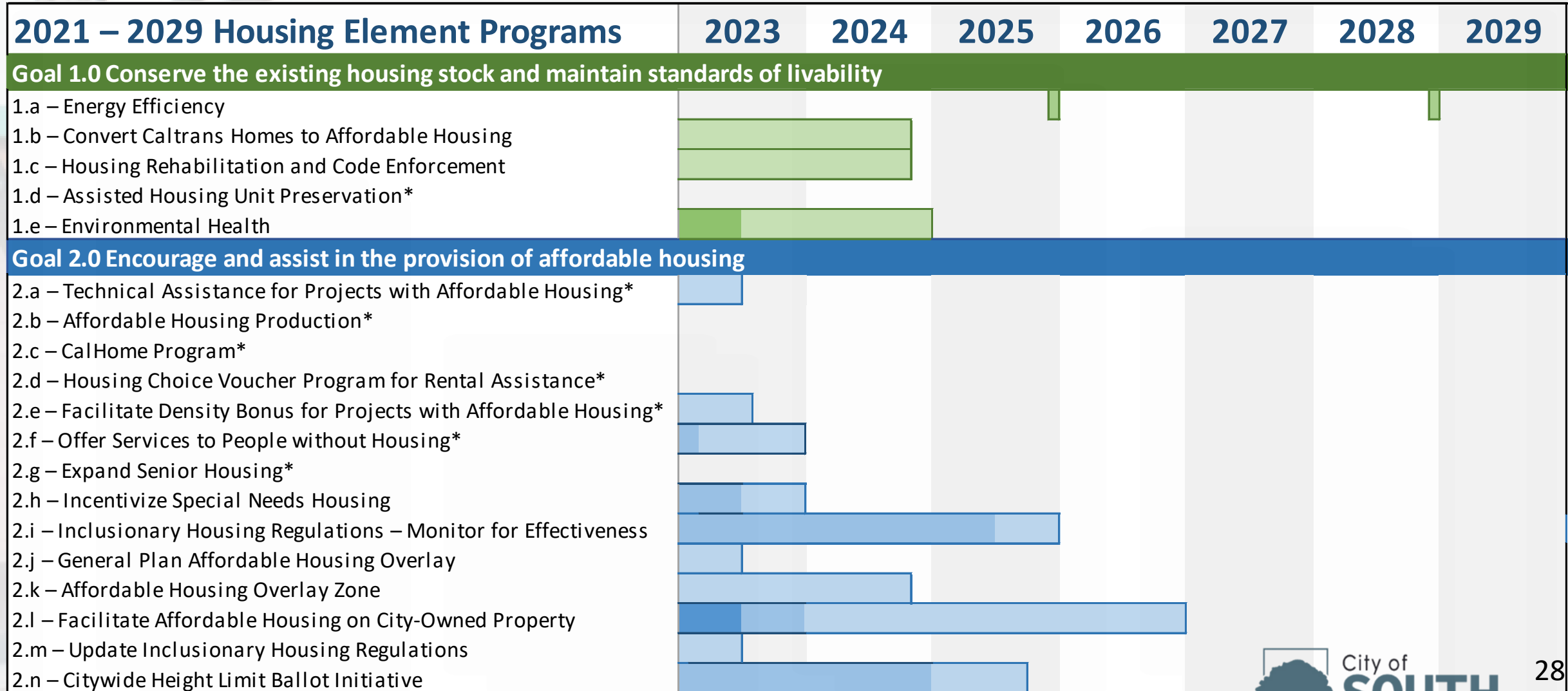
Housing Element Adoption and Implementation

- March 3, 2023 - public release of final draft
- March 10, 2023 - submission to HCD
- April 25, 2023 - HCD response
- May 31, 2023 - adoption of Housing Element
- Sept. 30, 2023 - complete required rezoning
- Nov. 2024 - field height limit ballot measure

Implementation Schedule

A.D. - 29

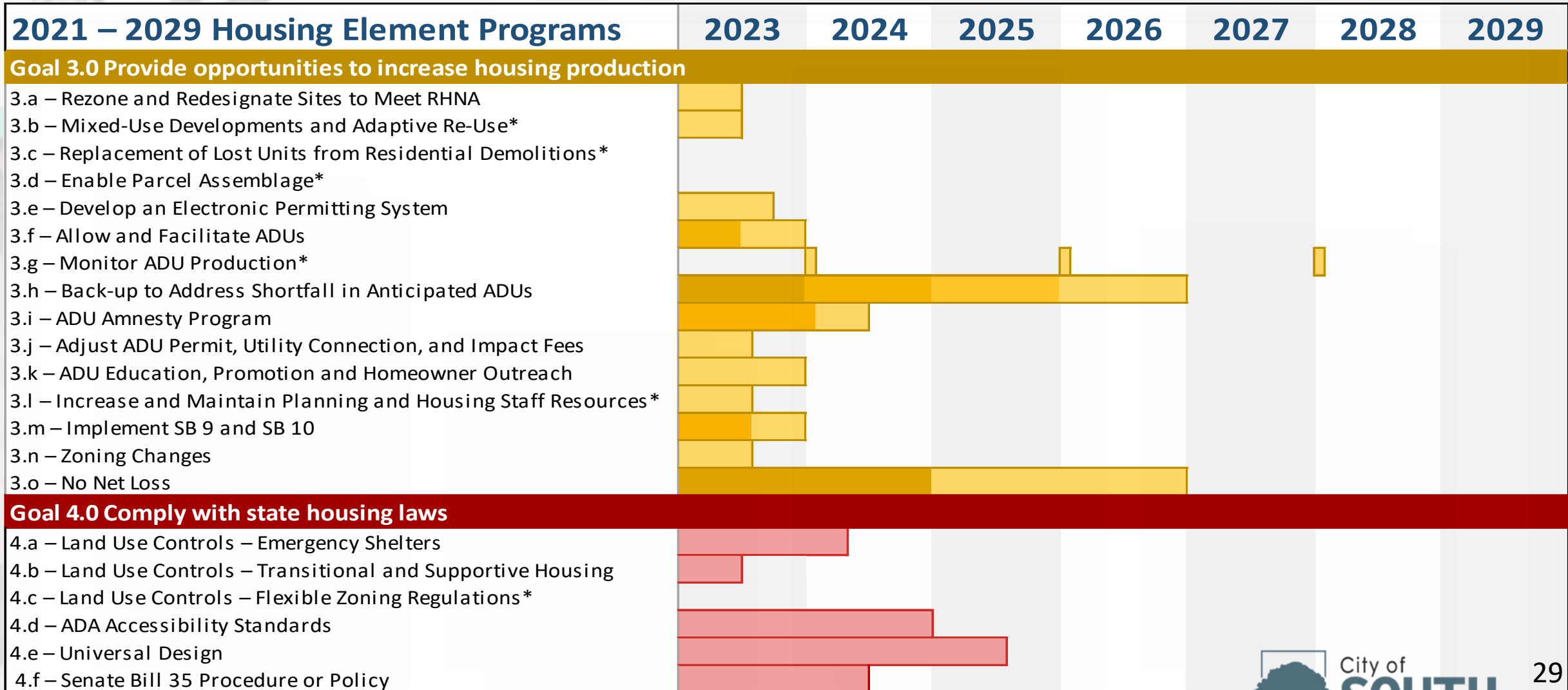
Implementation of Goals 1 and 2



*On-going program activities are not represented by shaded bars.

A.D. - 30

Implementation of Goals 3 and 4



*On-going program activities are not represented by shaded bars.

A.D. - 31

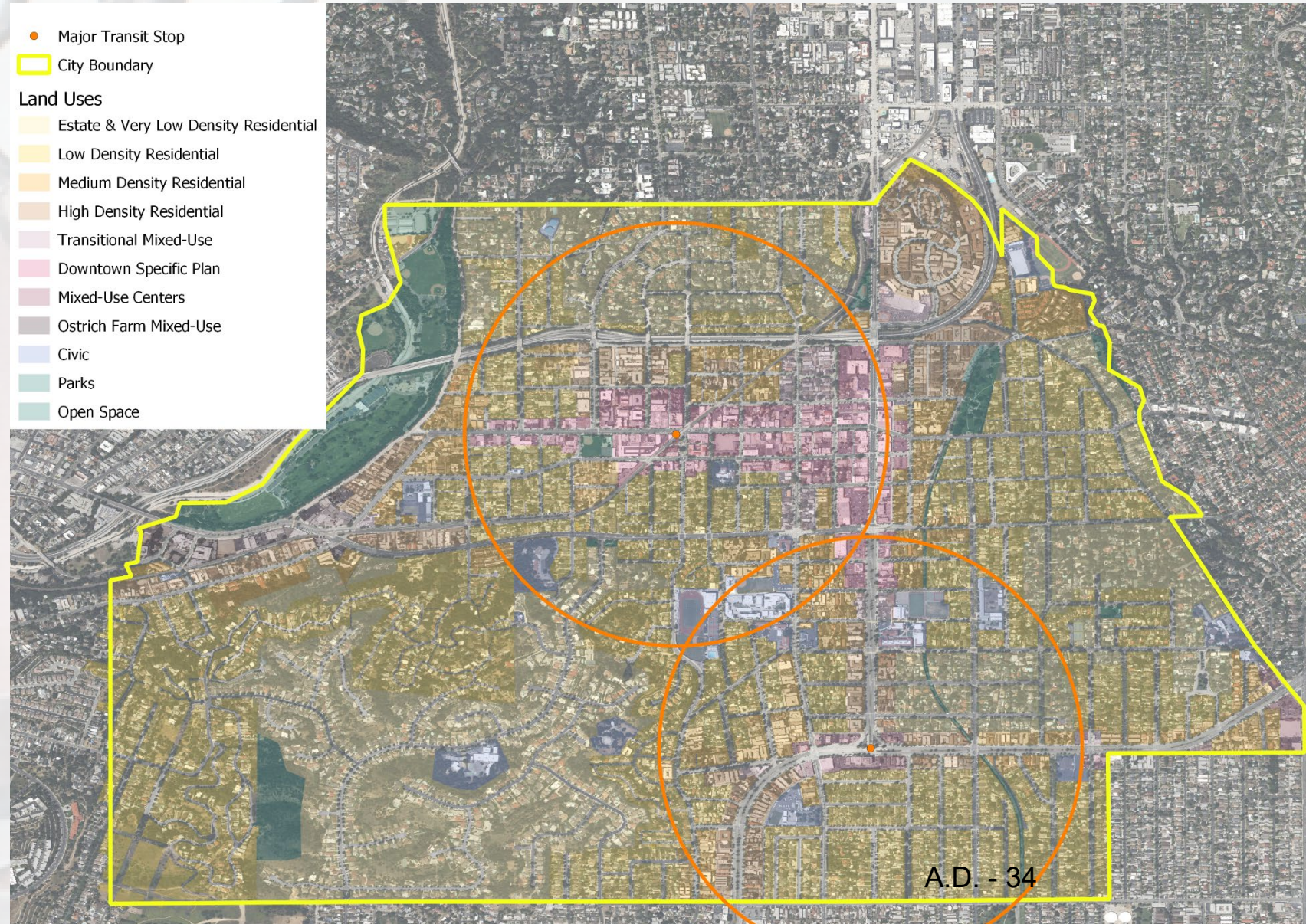
Implementation of Goals 5 and 6

2021 – 2029 Housing Element Programs	2023	2024	2025	2026	2027	2028	2029
Goal 5.0 Promote fair housing while acknowledging the consequences of past discriminatory housing practices							
5.a – Fair Housing Education, Outreach, and Services*							
5.b – Encourage a Variety of Housing Types*							
5.c – Removal of Racially Restrictive Covenants Citywide*							
Goal 6.0 Expand and strengthen tenant protections for South Pasadena’s existing renters							
6.a – Rent Registry							
6.b – Right to Return							
6.c – Temporary Relocation Assistance							
6.d – Permanent Relocation Assistance							
6.e – Rent Stabilization							

*On-going program activities are not represented by shaded bars.

Questions and Discussion

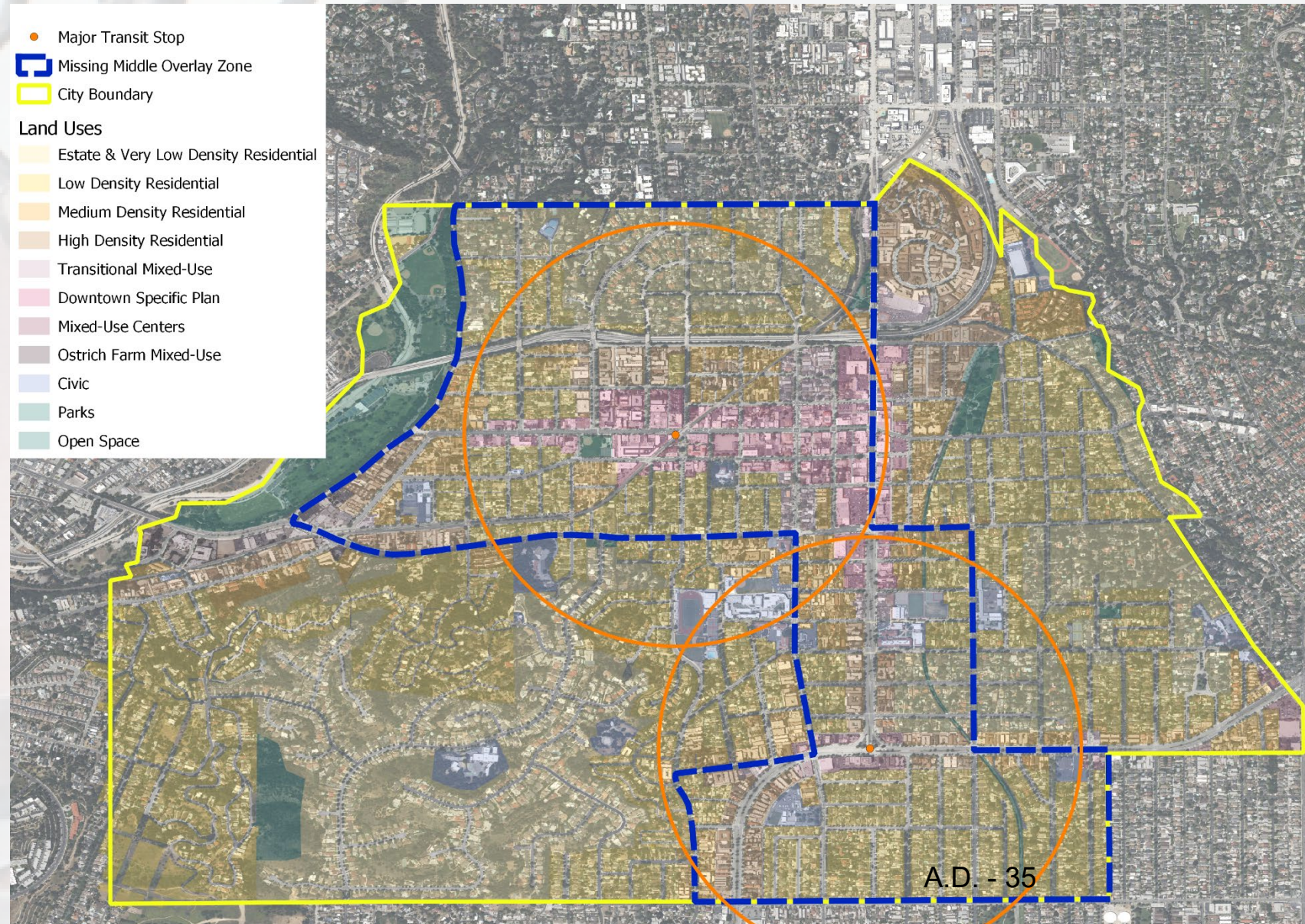
Affirmatively Furthering Fair Housing



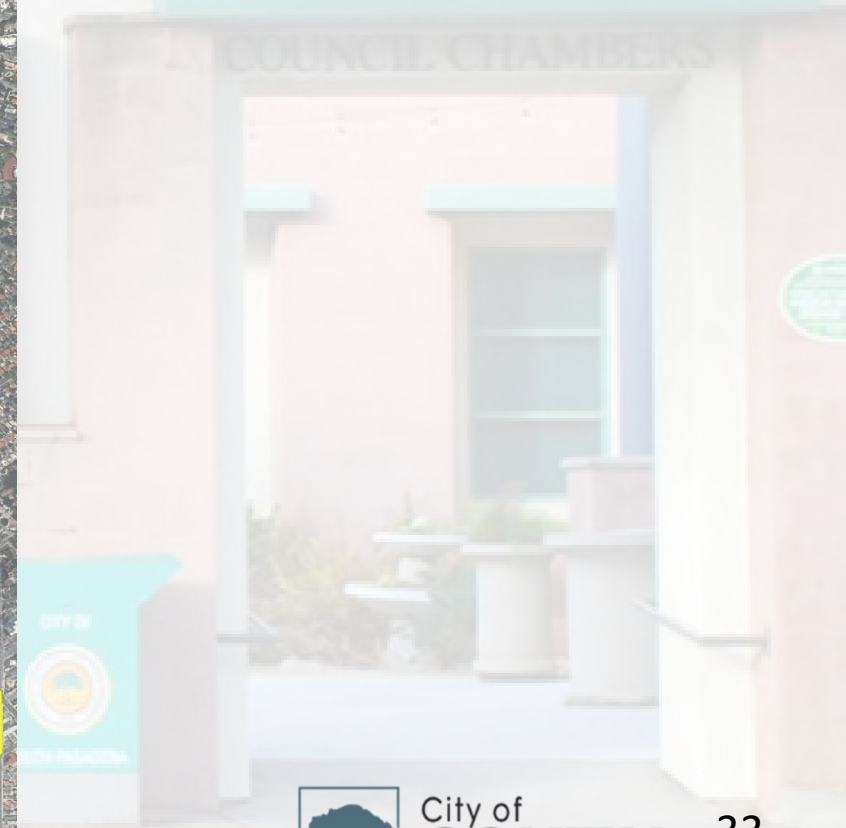
Implement Missing Middle Housing within ½ mile of a major transit stop.



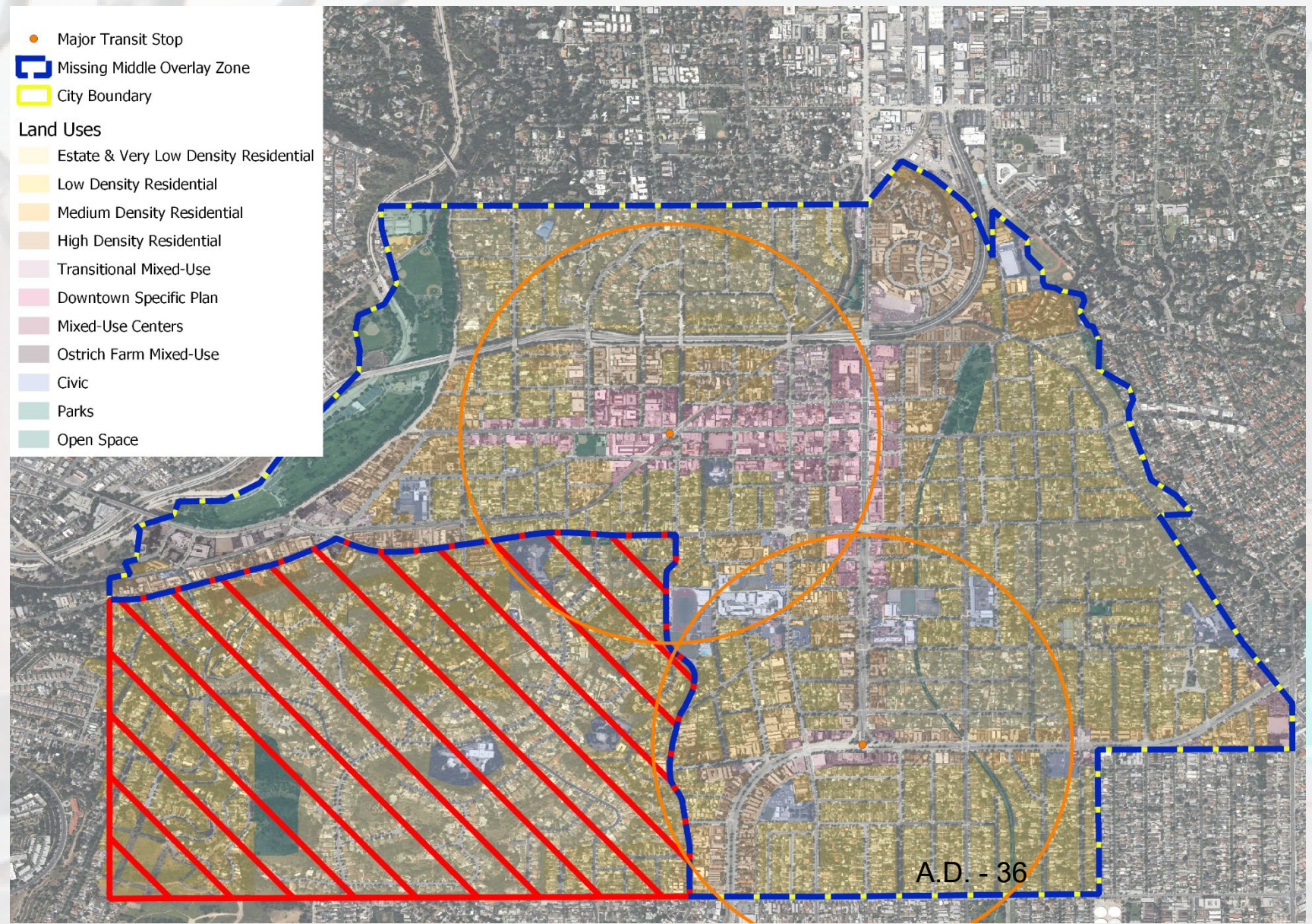
Affirmatively Furthering Fair Housing



Implement Missing Middle Housing in high quality transit corridors.



Affirmatively Furthering Fair Housing



Implement Missing Middle Housing citywide except for high fire hazard areas.



City of South Pasadena OPEB Valuation

Presented by Mary Beth Redding, FSA
Senior Consulting Actuary
mary.beth.redding@foster-foster.com

OPEB

- OPEB:
 - Other (not pension) Post Employment Benefits
 - Usually retiree health care
- City-paid benefits
 - Eligible if retire directly from the City and elect health benefits from City's CalPERS plans
 - Non-Safety hired after 7/1/20: City pays minimum required amount (currently approx. \$150/month)
 - Others: City pays retiree-only premium up to \$625/month (\$915/month for Management)
 - Retiree pays remainder

Actuarial Valuation Process

- City requests employee & retiree census from MyCalPERS
- Actuarial valuation model calculates how much the benefits to be paid to current and future retirees worth now?
 - Discount for time value of money: how much must be invested now to grow to the required amount?
 - Consider how long retirees and beneficiaries will live
 - Consider whether current active employees will get benefits or if they will leave the District before retirement
- F&F recommends actuarial assumptions
 - CalPERS demographics
 - Discount rate – expected return on investments or Municipal Bond (2.61% for 6/30/2021) rate if not pre-funding

GASB Statement 75

- Employer OPEB accounting & financial reporting
- Net OPEB liability on the balance sheet
- Year to year change in OPEB liability is OPEB Expense
 - Some changes recognized in OPEB expense over time
- Timing

	Fiscal Year Ended June 30, 2022
■ Measurement date	June 30, 2021
■ Measurement period	July 1, 2020 to June 30, 2021
■ Actuarial valuation date	June 30, 2021

GASB Statement 75

Funding will be reflected for 6/30/23 reporting since it began after the 6/30/21 measurement date

	Total OPEB Liability
■ Balance at 6/30/21 (6/30/20 measurement date)	\$20,220,894
■ Changes for the year	
● Service Cost	895,656
● Interest	461,163
● Changes of benefit terms	(3,110,716)
● Actual vs. expected experience	887,933
● Assumption changes	(874,999)
● Benefit payments*	(498,954)
■ Net Changes	(2,239,917)
■ Balance at 6/30/22 (6/30/21 measurement date)	\$17,980,977

Expected changes for the year

Change in benefits to retiree only

Demographics, premiums, discount rate

“Funding” Valuation

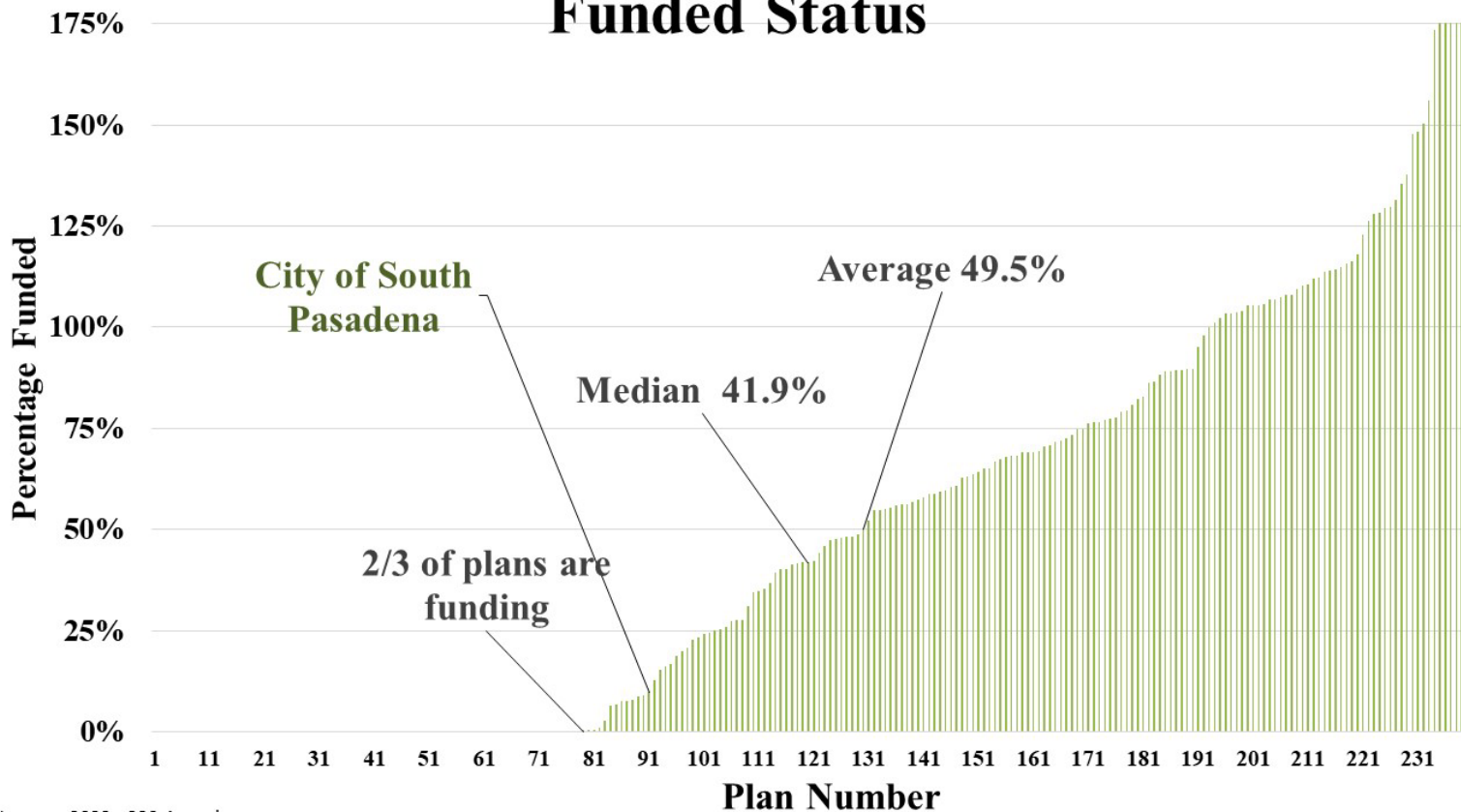
- Determine funded status and recommend contributions
 - Focus on the future

	6/30/2022
Actuarial liability, 6.25% discount rate	11,660,000
Plan assets	<u>1,140,000</u>
Unfunded actuarial liability	10,520,000
Funded status	9.8%

	FY 22/23
Expected City-paid retiree health premiums	\$ 575,000
Recommended trust contribution (20-year UAL funding)	<u>300,000</u>
Total cash OPEB payments	875,000

Comparison

Foster & Foster OPEB Clients Funded Status



January 2023. 239 Agencies

City of South Pasadena

AUDIT PRESENTATION

FOR THE YEAR ENDED JUNE 30, 2022

FEBRUARY 15, 2023

City of South Pasadena

Audit objective

- Express an opinion on ***management's*** financial statements
- After gathering and evaluating sufficient, appropriate audit evidence, provide:
 - *Reasonable assurance* the financial statements are free of *material* misstatement
 - An opinion as to whether the financial statements are fairly presented, in all material respects, in accordance with Generally Accepted Accounting Principles

City of South Pasadena

Audit standards followed:

- Generally Accepted Auditing Standards (GAAS)
- Generally Accepted Government Auditing Standards (GAGAS)

City of South Pasadena

Responsibilities

- Management:
 - Financial statements
 - Complete accurate financial records
 - Comprehensive framework of internal control, including controls to prevent and detect fraud
- Governing body:
 - Fiduciary
 - Ensure management fulfills obligations for internal control and financial reporting

City of South Pasadena

- Auditor responsibilities:
 - Obtain reasonable assurance that the financial statements are free of material misstatement
 - Examine, on a test basis, evidence supporting amounts and disclosures
 - Assess accounting principles used, estimates made and evaluate the overall financial statement presentation.
 - Express an opinion on the City's financial statements

City of South Pasadena

Final opinion over financial statements:

- Unmodified
 - Financial statements are fairly presented in all material respects
 - Significant accounting policies have been consistently applied
 - Estimates are reasonable
 - Disclosures are properly reflected

Presentation of Year End Results June 30, 2022

February 15, 2023

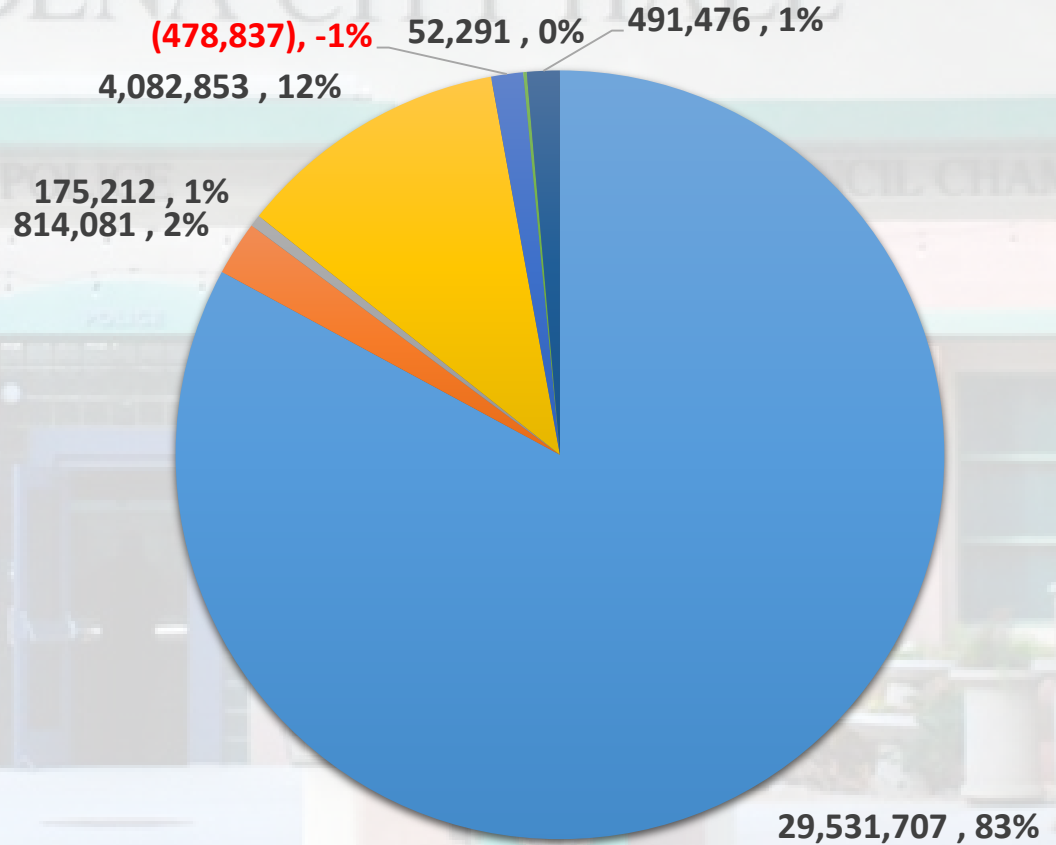
**Prepared By: Hsiulee Tran, Deputy Finance Director/Controller
Albert Trinh, Finance Manager**

Top Three Revenue Sources

Revenue Sources

- Property Taxes
- Sales Taxes
- Utility Users' Taxes

FY 21-22 GENERAL Funds Revenue



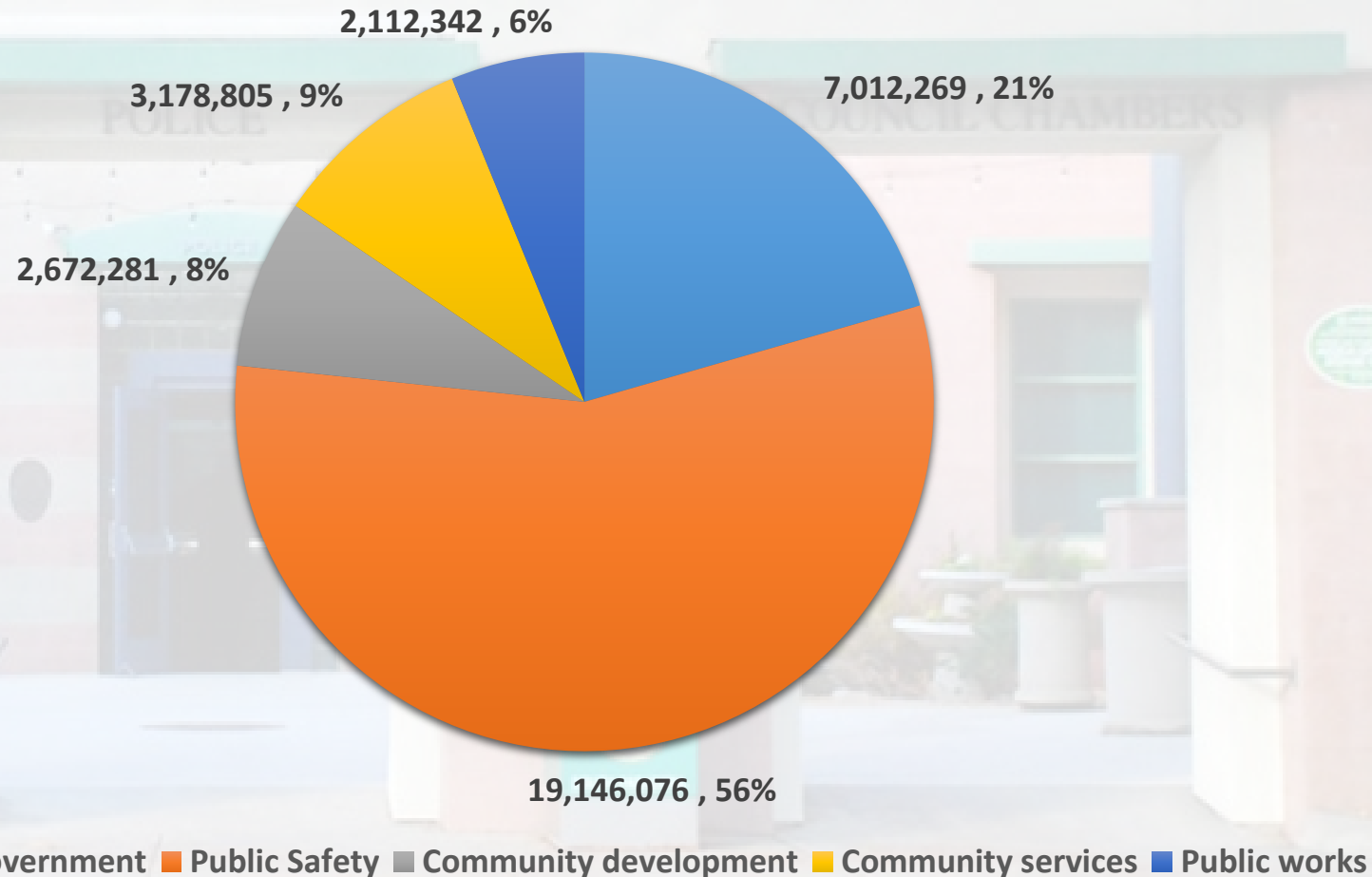
- Taxes
- Licenses and permits
- Intergovernmental
- Charges for services
- Use of money and property
- Fines and forfeitures
- Miscellaneous

Top Three Expenditures

FY 21-22 GENERAL Funds Expenditures

Expenditures

- Public Safety
- General Government
- Community Services

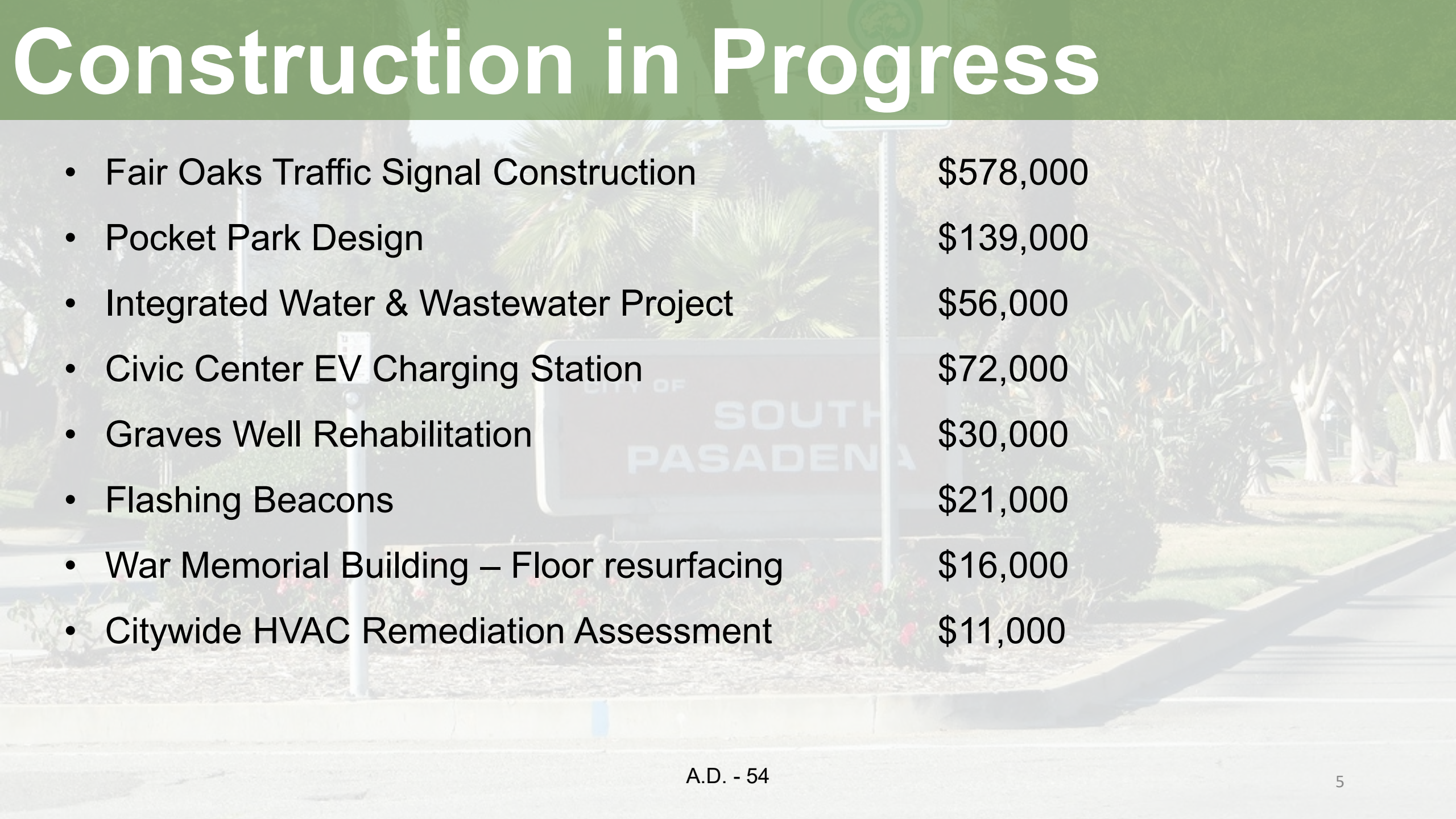


Long-Term Debt

Governmental Activities Long-Term Debt

	<u>FY 2019-20</u>	<u>FY 2020-2021</u>	<u>FY 2021-2022</u>
Employee Compensated Absences	935,322	863,279	870,984
Net OPEB Liability	14,581,610	17,511,294	15,571,526
Net Pension Liability	<u>35,591,004</u>	<u>39,816,420</u>	<u>24,837,151</u>
Total Long-Term Debt	<u>51,107,936</u>	<u>58,190,993</u>	<u>41,279,661</u>
<i>Percentage Increase / (Decrease)</i>		13.9%	-29.1%
<i>\$ Increase / (Decrease)</i>		\$ 7,083,057	\$ (16,911,332)

Construction in Progress



Finance Accomplishments

- Completed audit by February 2023
- Policies and Procedures adopted November 2022
- Provided timely w-2s and 1099s
- Completed compliance reporting in a timely manner
- Staff attending conferences



Police Department Accomplishments

- Computer Aided Dispatch and Records Management System (CAD/RMS)
- Electric vehicle fleet
- Completed Police Department assessment RFP and a vendor was selected
- Command staff attended the Executive Leadership Institute presented by the Drucker School of Management at Claremont Graduate University.
- Implemented new software to streamline the collection and submission of data for compliance with AB 953: The Racial and Identity Profiling Act of 2015.



Fire Department Accomplishments

- Response times below the national standard
- Clean audit from LA County Department of Health Service (DHS) for Paramedic Program
- Completed 100% of mandated annual occupancy/brush inspections
- Hosted three basic CERT Classes
- Received the “Gold Standard” award from LA County DHS for department’s treatment of cardiac patients



Library Department Accomplishments

- Hosted 167 in-person programs
 - Total attendance of over 7,000 people
- Answered 19,875 reference questions.
- Issued 2,626 new library cards.
- Awarded grant funds
 - California State Library for a Memory Lab program
- Completed RFP
 - Selection of a strategic planning consultant.



Public Works Accomplishments

- Public Works Department Reorganization
- Adoption of an Ordinance Banning Gas-Powered Leaf Blowers
- City Golf Course & Driving Range Repairs
- 626 Golden Streets Mission-to-Mission Open Streets Event
- Adopted a 5-Year Capital Improvement Program (CIP)
- Implementation of a Stage 2 Serious Water Supply Shortage Program



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Acompañanos al **Parque Garfield** a una
**DEMONSTRACIÓN GRATUITA DE
SOPLADORAS ELÉCTRICAS DE HOJAS**

¿Has escuchado el rumor alrededor de la ciudad?
¡South Pasadena a prohibido las sopladoras de hojas de gasolina!



* Mejor Salud * Aire Limpio * Bajo Ruido
* No Más Gasolina, Aceite, Bujías o Filtros

¡Regístrate para las rebajas de sopladoras eléctricas de hojas asta del 70% patrocinadas por CARB CORE, 2 baterías y un cargador califican para la rebaja, y vengan calen modelos eléctricos de primera mano que pueden ser compradas en distribuidores participantes! *

* Para más información visite www.SouthPasadenaCA.gov/LeafBlowers y www.CaliforniaCore.org

Se servirán refrescos durante el evento!

Miércoles, 8 de Febrero del 2023
Garfield Park
1000 Park Avenue
Visitenos a cualquier hora entre 8am-1pm



在 **Garfield Park** 將有免費的
**電動吹葉機
示範會**

你知道嗎?
南塔城已經禁止使用汽油吹葉機



* 更健康 * 更潔淨 * 更安靜
* 再也沒有汽油, 機油, 火花塞, 過濾器

申請由 CARB CORE 贊助的電動吹葉機, 可得到高達70%的返款。請來試用電動吹葉機。該機可向有資格的供應商*購買。

* 如需詳情, 請造訪 www.SouthPasadenaCA.gov/LeafBlowers and www.CaliforniaCore.org
示範會將提供茶點

Wednesday, February 8, 2023
Garfield Park
1000 Park Avenue
Stop by anytime between 8am - 1pm



Community Services Accomplishments

- Hired Deputy Director of Community Services
- Approved Guidelines for Events, Facilities, and Program Management
- Berkshire and Grevelia pocket park plans – complete and under review
- All-Electric Transit Van – Dial A Ride
- Bring back Community Events and Programming
- Passed National Transit Database Audit



City Manager Accomplishments

- Reorganization of the City Manager's Office
- Adoption of the 2021-2026 Strategic Plan
- Communications team and an Economic Development Division
- Agency-wide operational assessments and improvements
- Employee engagements, morale boosting efforts, recruitments
- Delivered a Mid Year and improved budget process



Community Development Accomplishments

- Adoption of ADUs on Historic Properties
- Award by the CA Preservation Foundation
- Hired a City staff Community Improvement Coordinator (rather than contracted staff)
- Approval of a mixed-use development at 815 Fremont
- New Housing Division



Management Services Accomplishments

Human Resources Division:

- Negotiated labor agreements with the city's full-time labor groups
- Hosted a Benefit & Wellness Fair
- Comprehensive assessment of Human Resource operations

City Clerk Division:

- Advisory Body Appointments and Reappointments
- Efficiencies by digitizing and preserving vital City records

Information Technology Division:

- Replace aging technology equipment
- Asset management system to track IT inventory and replacement cycles
- Consolidate mobile phone lines = cost savings



Questions?



Finance Department Current Status Update & Organizational Assessment

February 15, 2023

Prepared by: City Manager's Office & Finance Department

Background

- Historical accounting of previous assessments
- Current status update
- Department organizational assessment

Past Assessments/ Reports

- **Citygate Report (2018)**
 - Hired to conduct an audit of the department pertaining to work flow, work product, technology & resource needs, staffing, & morale
- **Claro Report (2020)**
 - Retained to review & identify accounting records related to potential misappropriations & to identify areas for further investigation
- **Finance Ad Hoc Committee Report (2022)**
 - Appointed by the City Council to review the FY 20-21 budget, the FY 18-19 Annual Comprehensive Finance Report (ACFR), & address concerns of oversight & management of the budget for previous administration

Citygate Report (2018)

- Report consisted of 36 findings and 44 recommendations pertaining to:
 - Lack of training
 - Lack of sufficient policies & procedures
- Staff has reviewed and charted all progress since 2019 (attachment), with significant improvements from 2021-present
 - 98% of findings and recommendations have been completed or are in-progress
 - Small fraction are N/A or removed
- Current leadership has instilled best practices

Post- Citygate Improvements

- Professional development of staff
- Improvements to technology
- Adopted Finance Policies & Procedures (Nov. 2022)
- Annual presentation of mid-year budget reports to City Council
- Timely annual audit presented to City Council ahead of budget (2022 and 2023)
- Significantly improved work flows and work product
- Significant improved staff morale, improved inter-departmental relationships
- Quarterly budget updates to City Council (2022)
- Monthly updates beginning in Spring 2023
- Alignment of work plans with 2021-2026 Strategic Plan & Budget

Claro Report (2020)

- Conducted nine (9) analyses of the City's Accounts Payable:
 - Seek out fictitious vendors- none found
 - Apply forensic analysis tools
 - Test round dollar amounts for improper records- none found
 - Review Calpers payments- deemed appropriate
 - Review payments by year to vendors- no further investigation
 - Analyze frequency of checks from 2012-2018- no further investigation
 - Identify variance from averages- no further investigation
 - Review new vendors to identify fictitious entities- none found
 - Review vendors with significant increase in payments- deemed appropriate & reasonable

No significant findings were concluded at the conclusion of the report.

Finance Ad Hoc Committee Report (2022)

- Formed by the City Council in September 2020
- Tasked with making recommendations to improvements, including timely completion of various milestones
- The report provided a number of recommendations, many of which have been remedied or are in the remedial process

FAHC- Improvements

- Finance Policies & Procedures adopted by City Council Nov. 2022
- Timely reporting & transparency
- Timely audits, with the FY 2021-22 being completed 4 months earlier than last year
- Staffing, training, retention, professionalizing our workforce, best practices
 - Accounting Manager position reclassified to Deputy Finance Director/Controller and hired; and other staff promoted within the department.
- Per the FAHC recommendation and the direction of City Council, a Request for Proposal for City Attorney Services is underway, with award of contract expected June 2023.

FAHC- Improvements

- Other improvements:
 - Improvements to internal processes with industry best practices and corrective measures
 - Updates on litigation and legal matters to City Council and liability positions
 - Legal expenses and invoices parsed out to provide additional detail
 - Quarterly updates to the Finance Commission and the City Council are underway, with a shift to monthly updates in Spring 2023
 - Staff committed to maintaining a higher level of information sharing and transparency

Department Status Update & Assessment

- Progress has been noted by the City's auditor in the FY 2021-22 audit
- Financial statements for FY 22 have been completed, will be presented to Commission and Council
- ACFR completed timely, and Government Finance Officers Association (GFOA) being submitted for ACFR Award of FY22
- One finding removed from the annual audit, and staff committed to furthering improvements

Timely Reporting

- State Controller's Report
- Payroll W-2 forms and vendor 1099 forms
- Metro (MTA) Audit completed with no findings
- Street Report
- US Census report
- Other post-employment benefits (OPEB) actuarial
 - Presentation to Commission on February 6, presentation to City Council tonight
- Investment Reports are timely and have met all deadlines
- Bank reconciliations well-managed with a significant catch-up of 18 months
 - November completed & December being finalized
- Mid-year budget report underway – scheduled to City Council on March 1, 2023
- Budget process in full swing, and a Budget Calendar has been distributed
 - Includes additional community input sessions from last year

Areas for Improvement

- Staffing
 - Temporary staffing allocations have been recently approved for capacity building
 - City is recruiting for Finance Director & accountant positions
 - Mid-year request will include the downgrading of a part-time Management Analyst to a full-time Management Assistant
 - Budget request will include the addition of an account technician position
- Analyses of Priority Areas
 - Payroll, workers compensation & self-insurance coverage & liability is being analyzed for further improvements
- Cross-Training
 - Significant commitment here to cross-train staff across the department
- Technology
 - Exploring new modules on existing products, and a robust new financial system investment will be needed in the near future

Summary

- Much improvement in the Finance Department
 - Polices & Procedures
 - Staff training & morale
 - Timely reporting & documentations
 - Timely audits, reports, budgets & process
 - Staff commitment to further improvements

Questions?



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City of South Pasadena

Western Asset Enhanced Cash Portfolios

February 15, 2023

Separately Managed Accounts (SMAs) are investment services provided by Legg Mason Private Portfolio Group, LLC (LMPPG), a federally registered investment advisor. Client portfolios are managed based on investment instructions or advice provided by one or more of the following Franklin Templeton-affiliated sub-advisors: Western Asset Management Company, LLC. Management is implemented by LMPPG, the designated sub-advisor or, in the case of certain programs, the program sponsor or its designee.

These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials be preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Professional or contact your sponsor firm.

FOR FINANCIAL PROFESSIONAL AND INSTITUTIONAL USE ONLY. NOT FOR PUBLIC USE.

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Definition of Terms and Performance Disclosures

Western Asset Enhanced Cash SMA vs. 50% FTSE 3-Month U.S. Treasury Bill Index and 50% Bloomberg 1-3 Year Government Bond Index

Definition of Terms

Adjusted Spread Duration is spread duration scaled by the level of each security's spread to account for different spread volatilities.

Cash Flow Yield (CFY) the option-adjusted measure of expected return.

Convexity is the second order, option-adjusted price sensitivity to a parallel shift in interest rates.

Diversified Risk is the contribution of a group of risk factors to total tracking error (or volatility if the portfolio is not managed to a benchmark) from a group of risk factors that consider estimated correlations among all risk factors, rather than the worst-case assumptions embodied in total Undiversified Risk.

Duration is the option-adjusted price sensitivity to a parallel shift in interest rates.

Ex-Ante Expected Shortfall (ES) is the forward-looking estimate of average loss if the loss is more than VaR at predetermined confidence level assuming the exposures of portfolio and benchmark are held constant going forward. For example, a 99% ES of 450 bps/month means that within the worst 1% of cases that the portfolio loses more than the VAR of 400 bps; the average loss in those 1% worst cases is 450 bps.

Ex-Ante Tracking Error Volatility is the forward-looking estimate of standard deviation of the difference between portfolio return and benchmark return (i.e., active return) assuming the exposures of portfolio and benchmark are held constant going forward.

Ex-Ante Value at Risk (VaR) is the forward-looking estimate of maximum loss at a pre-defined confidence level assuming the exposures of portfolio and benchmark are held constant going forward. For example, a 99% VaR of 400 bps/month means that the portfolio is expected to not lose more than 400 bps in one month 99% of the time.

Ex-Ante Volatility Ratio is the forward-looking ratio of a portfolio's volatility to its benchmark's volatility assuming the exposures of portfolio and benchmark are held constant going forward.

Key Rate Duration (KRD) is the option-adjusted price sensitivity to the changes in interest rates located close to the given key interest rate tenors (e.g., 6M, 2Y, 5Y, 10Y, 20Y, 30Y).

Option Adjusted Spread (OAS) is a measure of expected excess return over the risk-free rates that considered embedded options and possible pre-payments.

Spread Duration is the option-adjusted price sensitivity to the change in option adjusted spread.

Undiversified Risk is the standard deviation of return contribution attributable to a group of risk factors on a standalone basis. Total undiversified risk is an indicator of the potential tracking error under a stress scenario whereby pre-selected groups of risk factors become perfectly correlated.

Yield-to-Worst (YTW) is the lesser of yield-to-maturity or yield-to-call across all known call dates.

Credit ratings are based on each portfolio security's rating as provided by the following Nationally Recognized Statistical Rating Organizations ("NRSRO"): Standard and Poor's ("S&P"), Moody's Investors Service ("Moody's"), Fitch Ratings, Ltd. In the absence of an NRSRO rating, Western Asset may assign a comparable rating. The credit quality of the investments in the portfolio does not apply to the stability or safety of the portfolio. The portfolio itself has not been rated by an independent rating agency.

Returns (%) as of 31 Dec 22	1 Yr	3 Yr	5 Yr	10 Yr	SI*
Portfolio (gross)	-1.59	0.36	1.24	1.12	2.52
Portfolio (net)	-3.04	-1.13	-0.26	-0.37	1.00
Benchmark	-1.18	0.13	1.00	0.70	2.02

Returns (%) as of 31 Dec 21	1 Yr	3 Yr	5 Yr	10 Yr	SI*
Portfolio (gross)	-0.14	2.02	1.81	1.50	2.71
Portfolio (net)	-1.62	0.51	0.31	0.00	1.19
Benchmark	-0.28	1.49	1.37	0.85	2.17

Source: Franklin Templeton *Since Inception: 31 Dec 99

The standard fee schedule for SMA Enhanced Cash (Retail) is 1.50%.

Past investment results are not indicative of future investment results. Returns for periods greater than one year are annualized.

Gross-of-fees returns are presented before management fees, but after all trading expenses. Net-of-fees results are calculated using a model approach whereby the current highest tier of the appropriate strategy's fee schedule is used. Effective January 1, 2020, for annual periods where the actual account weighted fees are higher than the composite model fee, the actual account weighted fees will be used for the net-of-fee composite return calculations. Net-of-fee composite return calculations using actual account weighted fees may include fund returns that incur higher fees than those applied to separately managed accounts. Please see Performance and Risk Disclosure section for more information.

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- IV. City of South Pasadena
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About Western Asset

About Western Asset

Western Asset is a globally integrated fixed-income manager, sourcing ideas and investment solutions worldwide.

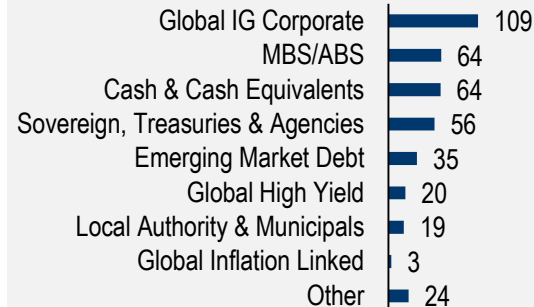
Western Asset At a Glance

- Founded in 1971. Specialist Investment Manager of Franklin Distributors, LLC since July 31, 2020
- Fixed-income value investors
- 394.9 billion (USD) AUM
 - 331.3 billion (USD) long-term assets
 - 63.5 billion (USD) cash and cash equivalent assets
- 746 employees

Organizational Pillars

- Clients first
- Globally integrated
- Team-based
- Active fixed-income
- Integrated risk management

AUM by Sector – Total 394.9 billion (USD)



Western Asset's Deep Global Integration Allows Us to Source Investment Ideas and Investment Solutions Across Regions

Investment Management

- 136 investment professionals on five continents and in seven offices
- 25 years average experience
- 39 portfolio and quantitative analysts in portfolio operations

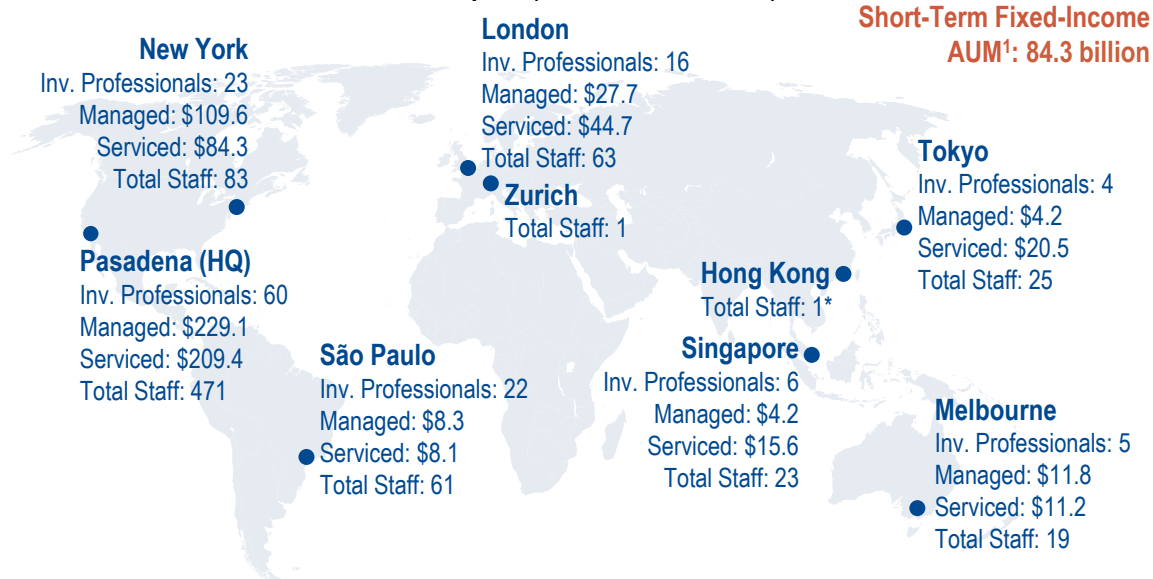
Client Service & Marketing

- 169 staff dedicated to client service
- Specialized teams to meet individual client needs

Risk Management & Operations

- Independent risk management function with 35 professionals including 13 PhDs
- 288 staff dedicated to globally integrated operations

Global Footprint (AUM in USD billions)



Source: Western Asset. As of 31 Dec 22 ¹Short-Term Fixed-Income assets under management include Money Markets, US Enhanced Liquidity, US Liquidity, US Short Duration, US Short Duration Constrained and local office cash and liquidity strategies. *Splits time between Hong Kong and Singapore offices

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Investment Solutions

Western Asset offers a full range of fixed-income products that can be tailored to meet the needs of our clients.

Identifying Investment Solutions to Align With Client Objectives and Risk Tolerances

- Protect from rising rates
- Protect from inflation
- Preserve capital
- Diversify globally
- Hedge liabilities
- Enhance income
- Generate tax-free income
- Generate total return
- Achieve ESG objectives

Selected Investment Strategies

Broad Market

- WA Core Bond Fund (WATFX)
- WA Core Plus Bond Fund (WACPX)
- WA Intermediate Bond Fund (WATIX)
- WA Active Bond Portfolios
- WA Core Portfolios
- WA Core Plus Portfolios
- WA Intermediate Portfolios

Credit

- WA Corporate Bond Fund (SIGYX)
- WA Global High Yield Bond Fund (SHYOX)
- WA Short Duration High Income Fund (SHIYX)
- WA High Yield Fund (WAHYX)
- WA Corporate Bond Ladders
- WA Intermediate Corporate Portfolios

Mortgage / Asset-Backed

- WA Mortgage Total Return Fund (SGVAX)²

US Municipals

- WA Managed Municipals Fund (SMMYX)
- WA Intermediate Term Municipals Fund (SBTYX)
- WA Short Duration Municipals Income Fund (SMDYX)
- WA Municipal High Income Fund (LMHIX)
- WA California Municipals Fund (LMCUX)
- WA Intermediate Maturity CA Municipals Fund (SICYX)
- WA New York Municipals Fund (SNPYX)
- WA Intermediate Maturity New York Municipals Fund (LMIIX)
- WA Massachusetts Municipals Fund (LHMIX)
- WA New Jersey Municipals Fund (LNJIX)
- WA Pennsylvania Municipals Fund (LPPIX)
- WA Oregon Municipals Fund (LMOOX)
- WA Current Market Muni Portfolios
- WA Managed Municipals Portfolios
- WA Municipal Bond Ladders
- WA Municipal Impact Bond Ladders
- WA Municipal Opportunities
- WA Short-Term Muni Portfolios

Unconstrained / Alternatives

- WA Income Fund¹ (SDSYX)
- WA Macro Opportunities Fund (LAOIX)
- WA Total Return Unconstrained Fund (WAARX)

Emerging Markets Debt

- WA Emerging Markets Debt Fund (SEMDX)

Short Duration

- WA Ultra-Short Income Fund³ (SBAYX)
- WA Short Term Bond Fund (SBSYX)
- WA Enhanced Cash Portfolios

Inflation-Linked

- WA Inflation Indexed Plus Bond Fund (WAIIX)

¹Prior to March 31, 2018, this fund was known as Western Asset Global Strategic Income Fund. ²Prior to September 27, 2019 this fund was known as Western Asset Mortgage Backed Securities Fund. ³Prior to April 22, 2020, this fund was known as the Western Asset Adjustable Rate Income Fund.
The listed products may not be available at all broker/dealer firms.

Before investing, carefully consider a Fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, which is available at www.franklintempleton.com. Please read it carefully.

About Western Asset – 4Q22

Business Update

Organizational and Product Updates

- Since 2020, launched four collateralized loan obligations (CLOs) resulting in just under \$1.5 billion in assets
- Fund launched:
 - Western Asset Global Sustainable Corporate Bond Fund

Tools and Resources

- Client portal
- WISER, a proprietary fixed-income risk analysis system
- Liability Driven Investing (LDI) portfolio modelling capabilities
- www.westernasset.com
- www.westernassetfunds.com
- Western Asset App – featuring our latest perspectives at your fingertips, now with notification



Thought Leadership and Industry Recognition

Insights

- 4Q22 Market Commentary by CIO Ken Leech
- Prospects for Inflation's Decline by Michael J. Bazdarich, PhD

Key Convictions

- An at-a-glance dashboard that presents the Firm's overall investment views

Global Outlook

- A high-level summary of our forward-looking investment views each quarter

The Western Asset Blog

- December CPI Data Put the Ball in the Fed's Court by Michael J. Bazdarich
- Reflecting on COP27, and Looking Ahead to 2023 by Bonnie M. Wongtrakool, CFA
- A More Forward-Looking Monetary Policy by John L. Bellows, PhD
- Can CLO Equity Outperform If the Economy Tips Into Recession? by Jeff Helsing

Webcasts

- 1Q23 Market and Strategy Update Featuring CIO Ken Leech
- Strategy Update: Core and Core Plus Featuring John L. Bellows, PhD and Travis M. Carr, CFA – February 9

- Recognition
 - ▶ Western Asset has been named a 2021 Greenwich Quality Leader in U.S. Institutional Investment Management Service



Awards and Rankings are provided from independent third parties or industry publications and are based on unbiased quantitative and/or qualitative information determined independently by each 3rd party or publication. In some cases, Western Asset may subscribe to these 3rd party's standard industry services or publications. These standard subscriptions and services are available to all asset managers and do not influence rankings or awards in any way. 1534711

Philosophy, Process and People

Investment Philosophy

These are the core beliefs that drive our investment decision-making.

Long-term fundamental value

- **Markets often misprice securities.** Prices can deviate from fundamental fair value, but over time, they typically adjust to reflect inflation, credit quality fundamentals and liquidity conditions. Consistently investing in undervalued securities may deliver attractive investment returns.
- **We can systematically identify mispricings.** We believe we can identify and capitalize on markets and securities that are priced below fundamental fair value. We do this through disciplined and rigorous analysis, comparing prices to the fundamental fair values estimated by our macroeconomic and credit research teams around the globe.
- **Our portfolios emphasize our highest convictions.** The greater the difference between our view of fair value and markets' pricing, the bigger the potential value opportunity. The greater the degree of confidence in our view of fundamentals, the greater the emphasis of the strategies in our portfolios.

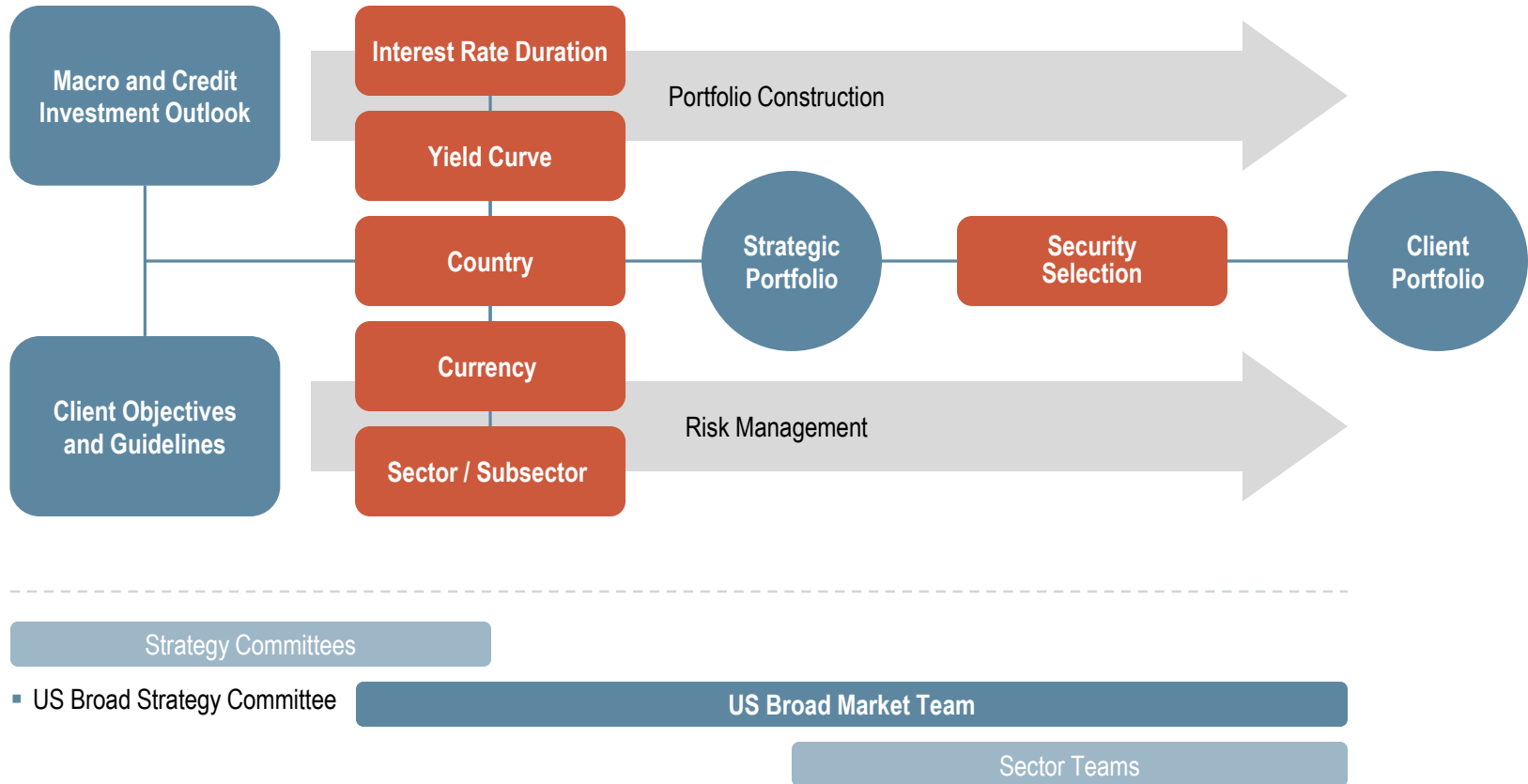
Multiple diversified strategies

- **We seek diversified sources of returns.** Our objective is to meet or exceed our investors' performance objectives within their tolerances for risk. We seek to diversify investments and add value across interest rate duration, yield curve, sector allocation, security selection, country and currency strategies. We deploy multiple diversified strategies that benefit in different environments so no one strategy dominates performance, helping to dampen volatility.

Investment Process

Our time-tested investment process is designed around our value philosophy and our team-based approach.

US Broad Market Investment Process and Team Interaction



People

The US Broad Strategy Committee sets the overall themes for the US broad market investment strategies.

US Broad Strategy Committee

S. Kenneth Leech
Chief Investment Officer

John L. Bellows, CFA
Fed Policy /
US Broad Market

Ryan K. Brist, CFA
Investment-Grade
Credit

Michael C. Buchanan, CFA
Deputy CIO /
Global Credit

Amit Chopra, CFA
Long Duration /
US Broad Market

Greg E. Handler, CFA
Mortgage and
Consumer Credit

Kevin K. Kennedy
Liquidity

Walter E. Kilcullen
High Yield

Chia-Liang Lian, CFA
Emerging Markets

Mark S. Lindbloom
US Broad Market

Frederick R. Marki, CFA
Inflation-Linked

Dennis J. McNamara, CFA
US Broad Market

Rajiv Sachdeva
Portfolio &
Quantitative Analysis

Julien A. Scholnick, CFA
US Broad Market

Bonnie M. Wongtrakool, CFA
ESG Investments

- Sets macro and sector investment themes
- Meets weekly to evaluate and establish the US investment outlook over a 6-9 month horizon.
 - Within the context of our global investment outlook
 - Based on long-term economic developments and market valuations
 - Leveraging sector input and broad top-down analysis
- Evaluates risk factors and potential scenarios. Sets the risk tone for US investment strategies

People

The US Broad Strategy Committee sets the overall themes for the US broad market investment strategies.

US Broad Market Team

Portfolio Management

S. Kenneth Leech
Portfolio Manager / CIO

Scott M. Beatty, CFA
Portfolio Manager

John L. Bellows, PhD, CFA
Portfolio Manager

Amit Chopra, CFA
Portfolio Manager

Eugene J. Kirkwood
Portfolio Manager (SMAs)

Mark S. Lindbloom
Portfolio Manager

Keith A. Luna, CFA
Portfolio Manager

Frederick R. Marki, CFA
Portfolio Manager

Nicholas Mastroianni, CFA
Portfolio Manager

Julien A. Scholnick, CFA
Portfolio Manager

Molly Schwartz, CFA
Portfolio Manager

Stephen Sibley, CFA
Portfolio Manager (SMAs)

Theresa Veres
Portfolio Manager

Bonnie M. Wongtrakool, CFA
Portfolio Manager

Rafael Zielonka, CFA
Portfolio Manager

Derivatives

Scott M. Beatty, CFA¹
Portfolio Manager

Jim K. Huynh
Portfolio Manager

Keith A. Luna, CFA¹
Portfolio Manager

Risk Management

Robert Gingrich, PhD
Manager of Alternatives & Derivatives Risk

Pornatawee Nantamanasikarn, PhD
Portfolio Risk Manager

Product

Travis M. Carr, CFA
Product Specialist

Virgil Esguerra
Product Analyst

Douglas Wade, CFA
Product Specialist

Trading

Nicholas Mastroianni, CFA¹
Trader

Ian J. Smith, CFA²
Trader

Rafael Zielonka, CFA¹
Trader

Portfolio Analysis

Todd R. Cronin³
Portfolio Analyst/Trader (SMAs)

Ryan Jackson
Portfolio Analyst

Zachary Klein, CFA
Portfolio Analyst

Samantha Ritenband
Portfolio Analyst (SMAs)

John Rodli, CFA
Portfolio Analyst

Western Asset Investment Team

Investment Management Professionals

- Chief Investment Officer: S. Kenneth Leech
- Deputy CIO: Michael C. Buchanan
- 136 Investment Professionals on five continents and seven offices, as of December 31, 2022
- 25 years of average experience

Major Investment Committees

- Global Investment Strategy Committee
- Global Credit Committee
- US Broad Strategy Committee
- Global Emerging Markets Strategy Committee
- Unconstrained Asset Allocation Committee

Sector and Regional Teams

- | | |
|------------------------------|-------------------------|
| Global credit | US |
| Investment-grade | Europe |
| High-yield | UK |
| Emerging markets | Japan |
| Mortgage and consumer credit | Asia |
| Long duration | Brazil |
| US municipal | Australia / New Zealand |
| Liquidity | |
| Insurance | |

Independent Risk Management Function

- Chief Risk Officer: Ahmet E. Kocagil
- Independent evaluation of strategies and risks
- Market and Credit Risk Committee
- 35 investment risk professionals

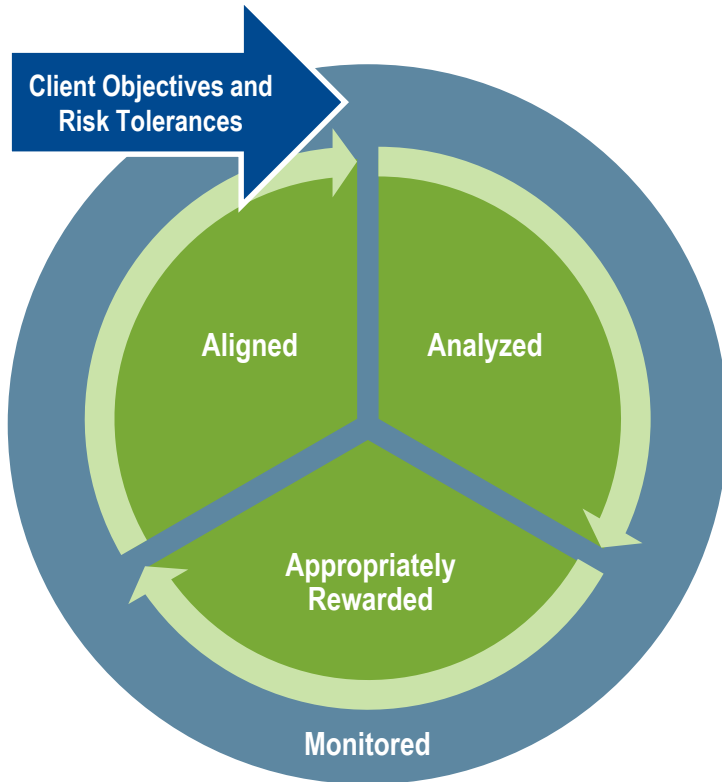
As of 31 Dec 22

¹Dual role with Portfolio Management; ²Dual role with Derivatives; ³Dual role with Trading

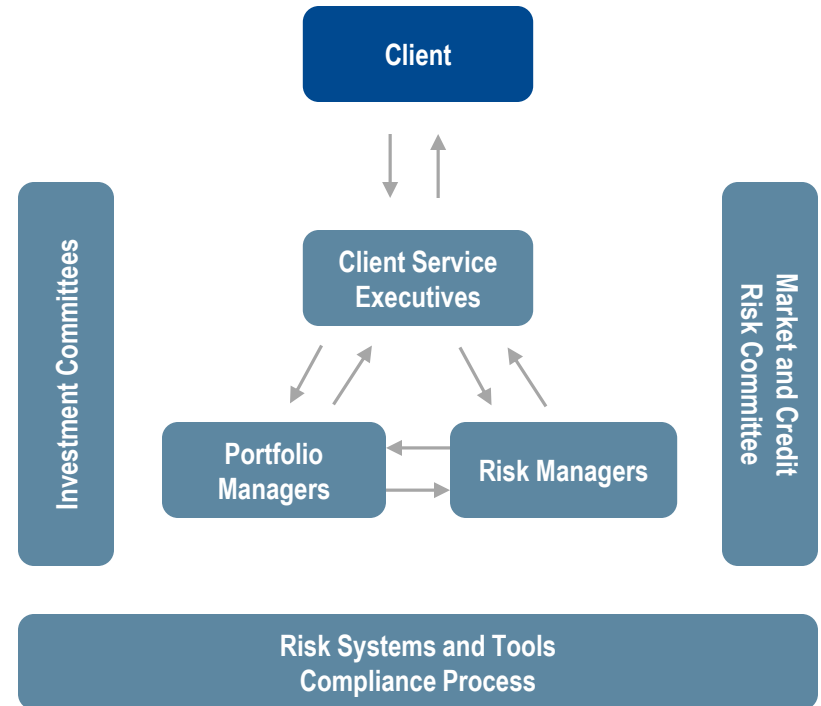
Risk Management

In our culture, effective risk management is critical to successful portfolio management.

Integrating risk management into portfolio construction and in the independent review of portfolio risks strengthens its effectiveness.



Risk management is a team effort. Robust communication and escalation procedures underpin the independence and transparency of risk management.



Why Western Asset for Separately Managed Accounts (SMAs)?

\$22.5 billion of SMA assets under management¹ with long-term track records

SMA suite of offerings allows clients to invest in domestic and global fixed-income markets

- Municipals
 - Short-Term Muni
 - Current Market Muni
 - Municipal Bond Ladders
 - Municipal Impact strategies
 - Municipal Opportunities
 - Managed Municipals
 - Tax-managed strategies
 - Custom portfolios
- Corporates
 - Enhanced Cash
 - Government Securities Management (GSM)
 - Active Bond strategies
 - Core and Core Plus Portfolios
 - Ladders Portfolios
 - Custom portfolios

Incorporation of Western Asset's macro themes within an SMA portfolio

Experienced team across credit, quantitative research and sector-dedicated risk analysts

Analytics and systems tailored to provide scale and reporting to large numbers of SMA portfolios

Flexibility to manage to a variety of custom, individual, client-driven preferences (e.g., state preferences, income considerations)

Access to inventory and competitively-priced securities driven by activity in market

Tax-efficient processes consider ability to harvest gains/losses as beneficial for the client

Ongoing credit analysis of all positions by Western Asset's Research Team

The listed products may not be available at all broker/dealer firms.
¹Assets under management in USD (billions) as of 30 Sep 22.

Western Asset Enhanced Cash Portfolios

IMPORTANT INFORMATION:

RISKS:

All investments involve risk, including the loss of principal, and there is no guarantee that investment objectives will be met.

Fixed income securities are subject to interest rate and credit risk, which is a possibility that the issuer of a security will be unable to make interest payments and repay the principal on its debt. As interest rates rise, the price of fixed income securities falls.

Investments may also be made in mortgage-backed, asset-backed securities and taxable municipal securities. Asset-backed securities generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments. Mortgage-backed securities involve additional risk over more traditional fixed-income investments, including: interest rate risk, implied call and extension risks; and the possibility of premature return of principal due to mortgage prepayment, which can reduce expected yield and lead to price volatility.

Foreign securities, where permitted, are subject to the additional risks of fluctuations in foreign exchange rates, changes in political and economic conditions, foreign taxation, and differences in auditing and financial standards. These risks are magnified in the case of investments in emerging markets.

U.S. Treasuries are direct debt obligations issued and backed by the "full faith and credit" of the U.S. government. The U.S. government guarantees the principal and interest payments on U.S. Treasuries when the securities are held to maturity. Unlike U.S. Treasuries, debt securities issued by the federal agencies and instrumentalities and related investments may or may not be backed by the full faith and credit of the U.S. government. Even when the U.S. government guarantees principal and interest payments on securities, this guarantee does not apply to losses resulting from declines in the market value of these securities.

For tax-exempt securities, certain investors may be subject to the Federal Alternative Minimum Tax, and state and local taxes may apply. Capital gains, if any, are fully taxable. Depends on individual tax situation.

TAX:

Franklin Templeton, its affiliates, and its employees are not in the business of providing tax or legal advice to taxpayers. These materials and any tax-related statements are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties or complying with any applicable tax laws or regulations. Tax-related statements, if any, may have been written in connection with the "promotion or marketing" of the transaction(s) or matter(s) addressed by these materials, to the extent allowed by applicable law. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

BENCHMARK:

The Bloomberg 1-3 Year Government Bond Index is a broad measure of the performance of short-term government bonds. The index is not managed and not subject to management or brokerage commission. Income from coupon is subject to reinvestment. The FTSE 3-Month U.S. Treasury Bill Index is an index based upon the average monthly yield of the 90-day Treasury bills. U.S. Treasury bills are secured by the "full faith and credit" of the U.S. government and offer a fixed rate of return. The portfolio composition typically varies from that of the above-noted, unmanaged indices. Investors cannot invest directly in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.

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Western Asset Enhanced Cash Portfolios

Overview

- The Enhanced Cash SMA invest in short-term investment-grade securities with a maximum portfolio duration of two years or less and benchmarked to a variety of short-term indexes, such as the FTSE 3-Month U.S. Treasury Bill and the Bloomberg 1-3 Year Government Bond Index

Philosophy

- We believe that active portfolio management within a low volatility corporate liquidity framework can help preserve capital, maintain liquidity, and maximize total return

Objectives

- The strategy seeks total return superior to money market investment

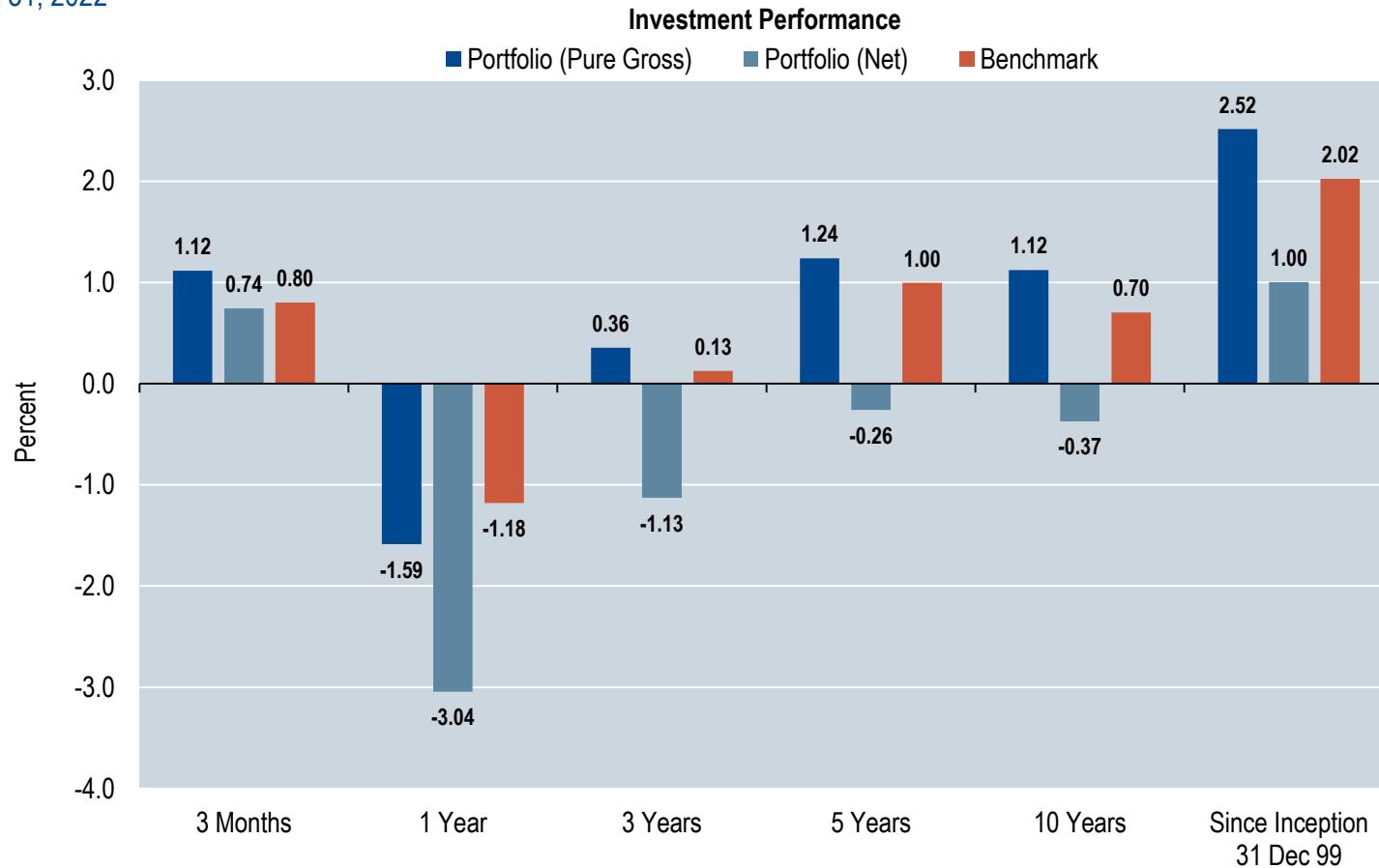
Client-focused solutions

- Portfolios can be tailored to adhere to investment policy statements, client objectives and/or cash flow needs

Investment Results

Western Asset Enhanced Cash SMA Portfolios vs. 50% FTSE 3-Month U.S. Treasury Bill Index and 50% Bloomberg 1-3 Year Government Bond Index

December 31, 2022



Source: Franklin Templeton

Past performance is not a guarantee of future results. Please see GIPS® Report in the Appendix for important additional information regarding the portfolio performance shown and for effects of fees.

Management and performance of individual accounts may vary for reasons that include the existence of different implementation practices and model requirements in different investment programs. Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs. Net performance includes the deduction of a 1.5% annual wrap fee, which is the maximum anticipated wrap fee for fixed income portfolios. Actual fees may vary.

For fee schedules, contact your financial professional, or if you enter into an agreement directly with Legg Mason Private Portfolio Group ("LMPPG"), refer to LMPPG's Form ADV disclosure document. Returns reflect the reinvestment of dividends and other earnings. All performance is reported in US dollars. Returns for periods greater than one year are annualized.

Please see Definition of Terms and Performance Disclosures for more information.

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City of South Pasadena

The information contained is for illustrative purposes only and is being provided to you at your specific request to illustrate how the portfolio manager manages the strategy/portfolio discussed. Individual client accounts in the program may differ. Information shown is not on behalf of an actual Western Asset managed portfolio.

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Characteristics

City of South Pasadena vs. Bloomberg 1-5 Year Government Bond Index

February 13, 2023

Client Account			
Sector	% Held		
USD	100.00	Communications	0.99
Cash	0.19	Consumer Cyclical	3.21
U.S. Government	70.65	Consumer Non-Cyclical	3.95
Treasury	70.65	Technology	2.45
Nominal Pay	70.65	Transportation	1.49
Agency	0.00	Finance	13.59
Credit	29.16	Banking	8.41
Corporate	29.16	Brokerage/Asset Managers/Exchanges	1.98
Industrial	15.57	Insurance	3.2
Capital Goods	3.49		

Benchmark	
Sector	% Held
USD	100.00
Cash	0.00
U.S. Government	100.00
Treasury	96.16
Nominal Pay	96.16
Agency	3.84

Source: BondEdge, Western Asset

Swaps are not included in maturity years, effective duration years and coupon distribution. Forward Rate Agreements are excluded from all categories except sector.

This information does not constitute, and under no circumstances is to be construed as, investment advice or recommendations with respect to the securities listed and should not be the sole basis for any investment decision. The above summary/prices/quotes/statistics have been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness. Your Client Statement is the official record of your account. Therefore, if there are any discrepancies between this report and your client statement, you should rely upon the Client Statement and call your financial professional with any questions.

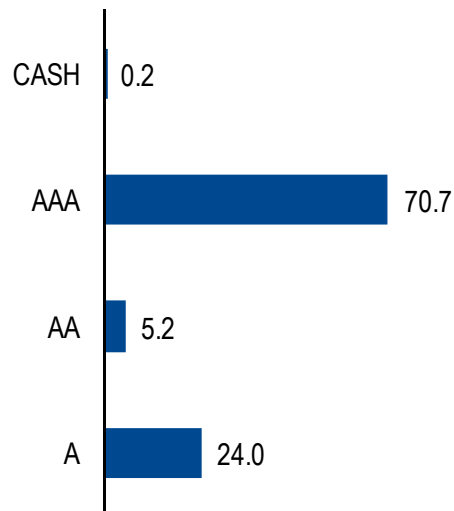
Past investment results are not indicative of future investment results. Please see Definition of Terms and Performance Disclosures for more information.

Characteristics

City of South Pasadena vs. Bloomberg 1-5 Year Government Bond Index

February 13, 2023

Client Account (%)



Benchmark (%)



Client Account	
Duration (yrs)	1.84
Average Maturity (yrs)	1.96
Yield to Worst (%)	4.62

Benchmark Characteristics	
Duration (yrs)	2.62
Average Maturity (yrs)	2.78
Yield to Worst (%)	4.37

Source: BondEdge, Western Asset

Swaps are not included in maturity years, effective duration years and coupon distribution. Forward Rate Agreements are excluded from all categories except sector.

Credit quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by one of the following Nationally Recognized Statistical Rating Organizations ("NRSRO"): Standard and Poor's ("S&P"), Moody's Investors Service ("Moody's"), Fitch Ratings, Ltd. In the event a portfolio security is rated by more than one NRSRO, the higher rating is shown. In the case where a security is not rated by an NRSRO, these are listed as "Non Rated". The credit quality of the investments in the Portfolio does not apply to the stability or safety of the Portfolio. These ratings may change over time. The Portfolio itself has not been rated by an NRSRO.

Yield to worst (YTW) is based on a portfolio's current holdings on one specific day, is gross of all portfolio expenses, and is calculated based on assumptions that prepayment occurs if the bond has call or put provisions and the issuer can offer a lower coupon rate based on current market rates. If market rates are higher than the current yield of a bond, the YTW calculation will assume no prepayments are made, and YTW will equal the yield to maturity. The YTW will be the lowest of yield to maturity or yield to call (if the bond has prepayment provisions). The YTW of a bond portfolio is the market-weighted average of the YTWs of all the bonds in the portfolio.

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City of South Pasadena Holdings

Holdings (1/3)

City of South Pasadena

February 13, 2023

Sector 1	Par (000)	Identifier	Issuer Name	Coupon	Maturity	Moody's	S&P	Price	Curr			Eff Dur		% Held (MV)	
									Yield	YTW	YTM	Avg Life	(Par)		Mkt Value
CASH	89			4.50	0.08			100.00	4.50	4.49	4.49	0.08	0.08	89,000	0.19
	89	000000CM9	CASH & EQUIVALENTS	4.50	03/13/2023	Aaa	AAA	100.00	4.50	4.49	4.49	0.08	0.08	89,000	0.19
TSY	35,177			1.35	2.02			94.73	1.43	4.52	4.52	2.05	1.89	33,428,978	70.65
	2,700	912796CU1	UNITED STATES TREAS BILL	0.00	04/18/2023	TSY	TSY	99.21	0.00	4.57	4.57	0.18	0.17	2,678,562	5.66
	2,648	912828S35	UNITED STATES TREAS NTS	1.38	06/30/2023	TSY	TSY	98.73	1.39	4.79	4.79	0.42	0.37	2,618,716	5.53
	1,471	91282CDA6	UNITED STATES TREAS BDS	0.25	09/30/2023	TSY	TSY	97.13	0.26	4.96	4.96	0.67	0.62	1,430,200	3.02
	1,065	91282CDE8	UNITED STATES TREAS NTS	4.68	10/31/2023	TSY	TSY	100.00	4.68	4.80	4.80	0.75	-0.02	1,066,789	2.25
	2,133	9128285P1	UNITED STATES TREAS NTS	2.88	11/30/2023	TSY	TSY	98.39	2.92	4.96	4.96	0.83	0.77	2,111,315	4.46
	2,036	912828W71	UNITED STATES TREAS NTS	2.13	03/31/2024	TSY	TSY	96.91	2.19	4.98	4.98	1.17	1.09	1,989,253	4.20
	2,888	912828X70	UNITED STATES TREAS NTS	2.00	04/30/2024	TSY	TSY	96.56	2.07	4.96	4.96	1.25	1.17	2,805,377	5.93
	2,753	91282CDB4	UNITED STATES TREAS NTS	0.63	10/15/2024	TSY	TSY	93.53	0.67	4.71	4.71	1.67	1.62	2,580,518	5.45
	2,539	912828ZF0	UNITED STATES TREAS NTS	0.50	03/31/2025	TSY	TSY	92.09	0.54	4.44	4.44	2.17	2.06	2,342,807	4.95
	2,320	912828ZW3	UNITED STATES TREAS NTS	0.25	06/30/2025	TSY	TSY	90.88	0.28	4.33	4.33	2.42	2.31	2,109,191	4.46
	2,077	91282CAZ4	UNITED STATES TREAS NTS	0.38	11/30/2025	TSY	TSY	89.89	0.42	4.25	4.25	2.83	2.71	1,868,641	3.95
	2,215	91282CBH3	UNITED STATES TREAS NTS	0.38	01/31/2026	TSY	TSY	89.45	0.42	4.20	4.20	3.00	2.88	1,981,505	4.19
	2,062	91282CBT7	UNITED STATES TREAS NTS	0.75	03/31/2026	TSY	TSY	90.14	0.83	4.14	4.14	3.17	3.01	1,864,486	3.94
	2,598	91282CCW9	UNITED STATES TREAS NTS	0.75	08/31/2026	TSY	TSY	88.97	0.84	4.13	4.13	3.58	3.40	2,320,454	4.90
	1,400	91282CFM8	UNITED STATES TREAS NTS	4.13	09/30/2027	TSY	TSY	100.57	4.10	3.99	3.99	4.67	4.09	1,429,613	3.02
	2,272	91282CGH8	UNITED STATES TREAS NTS	3.50	01/31/2028	TSY	TSY	98.09	3.57	3.93	3.93	5.00	4.48	2,231,551	4.72
IND	7,585			2.71	1.79			96.26	2.82	4.84	4.84	1.79	1.67	7,369,372	15.57
	470	369550BD9	GENERAL DYNAMICS CORP	3.38	05/15/2023	A3	A-	99.63	3.39	4.80	4.80	0.25	0.25	472,138	1.00

Source: BondEdge, Western Asset

Current Yield is defined as the coupon of a bond divided by its price.

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Holdings (2/3)

City of South Pasadena

February 13, 2023

Sector 1	Par (000)	Identifier	Issuer Name	Coupon	Maturity	Moody's	S&P	Price	Curr			Eff Dur		% Held	
									Yield	YTW	YTM	Avg Life	(Par)		Mkt Value
	466	12189LAQ4	BURLINGTON NORTHN SANTA FE	3.85	09/01/2023	A3	AA-	99.33	3.88	5.10	5.10	0.58	0.53	470,937	1.00
	237	17275RBH4	CISCO SYS INC	2.20	09/20/2023	A1	AA-	98.32	2.24	5.06	5.06	0.58	0.58	235,097	0.50
	473	24422EUM9	DEERE JOHN CAPITAL CORP	3.65	10/12/2023	A2	A	99.19	3.68	4.90	4.90	0.67	0.64	474,972	1.00
	469	14912L5X5	CATERPILLAR FINL SVCS MTNS B	3.75	11/24/2023	A2	A	98.97	3.79	5.11	5.11	0.75	0.75	468,010	0.99
	237	88579YBB6	3M CO	3.25	02/14/2024	A1	A+	98.25	3.31	5.07	5.07	1.00	0.95	236,675	0.50
	468	20030NCR0	COMCAST CORP NEW	3.70	04/15/2024	A3	A-	98.38	3.76	5.14	5.14	1.17	1.10	466,075	0.99
	478	882508BB9	TEXAS INSTRS INC	2.63	05/15/2024	Aa3	A+	97.33	2.70	4.84	4.84	1.25	1.20	468,314	0.99
	242	69371RQ25	PACCAR FINANCIAL CORP	2.15	08/15/2024	A1	A+	95.78	2.25	5.10	5.10	1.50	1.43	234,367	0.50
	241	911312BT2	UNITED PARCEL SVCS INC	2.20	09/01/2024	A2	A	95.92	2.29	4.97	4.97	1.58	1.48	233,548	0.49
	490	191216CL2	COCA COLA CO	1.75	09/06/2024	A1	A+	95.62	1.83	4.69	4.69	1.58	1.50	472,273	1.00
	483	713448EQ7	PEPSICO INC	2.25	03/19/2025	A1	A+	95.17	2.36	4.69	4.69	2.08	1.98	464,033	0.98
	487	87612EBL9	TARGET CORP	2.25	04/15/2025	A2	A	94.81	2.37	4.80	4.80	2.17	2.05	465,297	0.98
	472	437076BK7	HOME DEPOT INC	3.35	09/15/2025	A2	A	96.76	3.46	4.69	4.69	2.58	2.33	463,189	0.98
	513	110122DN5	BRISTOL-MYERS SQUIBB CO	0.75	11/13/2025	A2	A+	90.29	0.83	4.55	4.55	2.75	2.65	464,160	0.98
	523	742718FP9	PROCTER & GAMBLE CO	1.00	04/23/2026	Aa3	AA-	89.70	1.12	4.50	4.50	3.17	3.05	470,724	0.99
	485	458140AU4	INTEL CORP	2.60	05/19/2026	A2	A	93.30	2.79	4.84	4.84	3.25	3.02	455,443	0.96
	351	023135CP9	AMAZON COM INC	4.55	12/01/2027	A1	AA	99.98	4.55	4.55	4.55	4.83	4.16	354,120	0.75
FIN	6,622			3.04	1.85			96.47	3.15	4.92	4.94	1.86	1.74	6,429,944	13.59
	474	857477AM5	STATE STR CORP	3.70	11/20/2023	A1	A	98.78	3.75	5.33	5.33	0.75	0.74	472,265	1.00
	594	05531FBF9	TRUIST FINL CORP	3.75	12/06/2023	A3	A-	98.98	3.79	5.04	5.04	0.83	0.78	592,093	1.25
	467	09247XAL5	BLACKROCK INC	3.50	03/18/2024	Aa3	AA-	98.60	3.55	4.83	4.83	1.08	1.04	467,031	0.99

Source: BondEdge, Western Asset

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Holdings (3/3)

City of South Pasadena

February 13, 2023

Sector 1	Par (000)	Identifier	Issuer Name	Coupon	Maturity	Moody's	S&P	Price	Curr			Eff Dur		% Held	
									Yield	YTW	YTM	Avg Life	(Par)		Mkt Value
	235	59156RBH0	METLIFE INC	3.60	04/10/2024	A3	A-	98.41	3.66	5.03	5.03	1.17	1.10	234,147	0.49
	470	00440EAR8	CHUBB INA HLDGS INC	3.35	05/15/2024	A3	A	98.13	3.41	4.90	4.90	1.25	1.20	465,064	0.98
	598	91324PDR0	UNITEDHEALTH GROUP INC	2.38	08/15/2024	A3	A+	96.30	2.47	4.96	4.96	1.50	1.43	582,866	1.23
	610	693475AY1	PNC FINL SVCS GROUP INC	2.20	11/01/2024	A3	A-	95.73	2.30	4.82	4.82	1.75	1.64	587,743	1.24
	504	91159HHZ6	US BANCORP	1.45	05/12/2025	A2	A+	92.96	1.56	4.79	4.79	2.25	2.15	470,386	0.99
	827	46625HMN7	JPMORGAN CHASE & CO	3.90	07/15/2025	A1	A-	97.85	3.99	4.85	4.85	2.42	2.16	811,712	1.72
	585	06051GFS3	BANK AMERICA CORP	3.88	08/01/2025	A2	A-	97.80	3.96	4.83	4.83	2.50	2.31	572,856	1.21
	257	74432QCH6	PRUDENTIAL FINL INC	1.50	03/10/2026	A3	A	90.44	1.66	4.89	4.89	3.08	2.90	234,069	0.49
	524	808513BR5	CHARLES SCHWAB CORP	1.15	05/13/2026	A2	A	89.05	1.29	4.83	4.83	3.25	3.09	468,134	0.99
	477	06406RBJ5	BANK NEW YORK MELLON CORP	4.41	07/24/2026	A1	A	98.63	4.48	5.02	5.26	2.42	2.28	471,576	1.00
Total:	49,473			1.79	1.96			95.21	1.89	4.62	4.62	1.98	1.84	47,317,294	100.00

Source: BondEdge, Western Asset

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Appendix

Performance Disclosure

December 31, 2021

WESTERN ASSET ENHANCED CASH

Reporting Currency: USD

Strategy Inception Date: January 2000

Composite Creation Date: January 2006

Period	Total Return (Net)	Total Return (*Pure Gross)	Benchmark Return	Benchmark Return	Number of Portfolios	% of Bundled Fee Portfolios in the Composite	Composite Dispersion	Composite 3 Yr. St. Dev.	Benchmark 3 Yr. St. Dev.	Total Composite Assets at End of Period (USD million)	Percentage of Firm Assets	Total Firm Assets at End of Period (USD million)
	2021	-1.62%	-0.14%	-0.28%		5	100	n/m	1.16%	0.69%	113.1	0.02%
2020	1.33%	2.85%	1.86%		<5	100	n/m	1.11%	0.65%	107.5	0.02%	479,809.9
2019	1.86%	3.39%	2.92%		<5	100	n/m	0.60%	0.54%	56.6	0.01%	455,275.9
2018	0.26%	1.77%	1.72%		<5	100	n/m	0.62%	0.47%	50.6	0.01%	424,136.1
2017	-0.24%	1.25%	0.64%		<5	100	n/m	0.64%	0.38%	64.9	0.01%	436,309.0
2016	-0.12%	1.38%	0.57%		<5	100	n/m	0.65%	0.38%	64.2	0.02%	419,206.9
2015	-0.66%	0.83%	0.30%		<5	100	n/m	0.65%	0.29%	92.0	0.02%	433,747.1
2014	-0.58%	0.91%	0.34%		<5	100	n/m	0.71%	0.22%	91.4	0.02%	466,035.9
2013	-0.81%	0.68%	0.21%		<5	100	n/m	0.80%	0.25%	100.8	0.02%	451,631.8
2012	0.65%	2.16%	0.29%		<5	100	n/m	0.75%	0.36%	100.3	0.02%	461,890.9

*Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs, and are presented as supplemental to the net of fee returns.

n/m - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Composite Information:

Western Asset - Enhanced Cash portfolios are discretionary fixed income portfolios that offer - to individual and taxable institutional investors - customized taxable approach for a client's core or excess cash not requiring daily liquidity. Western Asset performs both duration and yield curve analysis to determine a maturity position and structure it believes will provide total returns superior to money market investments. Western Asset may invest Enhanced Cash portfolios in dollar denominated U.S. Treasury or Agency securities, corporate obligations including commercial paper, corporate bonds, Eurobonds and Yankee debt, asset-backed securities, non-U.S. sovereign debt, and U.S. Agency collateralized mortgage obligations. The composite is comprised of accounts that are separately managed accounts (SMAs) managed in accordance with the strategy. The composite employs a 10% significant cash flow policy.

Benchmark Information:

For comparison purposes, composite returns are shown against a blend index of 50% FTSE 3-month Treasury Bill Index and 50% Bloomberg U.S. Government Bond Index, 1-3 Year, rebalanced monthly.

Performance Disclosure

December 31, 2021

Compliance Statement:

Western Asset claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Western Asset has been independently verified for the periods from January 1, 1993 to December 31, 2020. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Firm Information:

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Input and Calculation Data:

The current fee schedule is 1.50% on all assets. Net returns are calculated by deducting the anticipated maximum annual bundled fee applied on a monthly basis from the "pure" gross monthly return. The bundled fee includes all charges for trading costs, portfolio management, custody, and other administrative fees. Bundled fees may vary across different financial firms and across different accounts based upon account size and other factors. Dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year (equal-weighted prior to 2014). Periods with five or fewer accounts are not statistically representative and are not presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Past investment results are not indicative of future investment results. Information contained herein is believed to be accurate, but cannot be guaranteed. Employees and/or clients of Western Asset may have a position in the securities mentioned. A list of composite and limited distribution pooled fund descriptions and a list of broad distribution pooled funds is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Please contact Michael Van Raaphorst at 212-601-6211 or Michael.VanRaaphorst@westernasset.com. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Risk Disclosure

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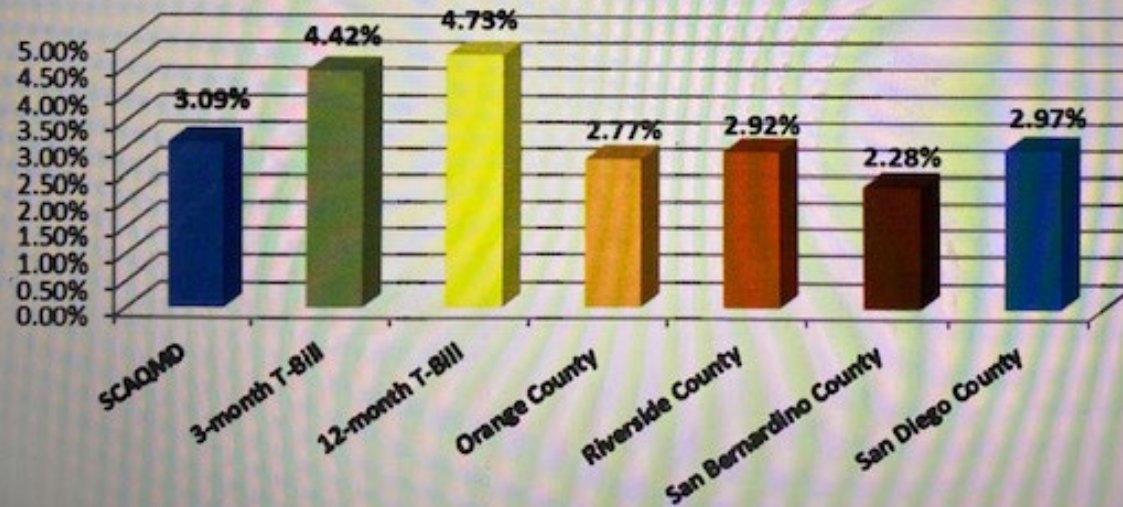
2022-10-31

Presentation of the City's Investment by Morgan Stanley and Western Asset Management

Summary

The South Coast AQMD's weighted average yield as of December 31, 2022 on total investments of \$1,243,052,097.17 from all sources (PSI, LAIF, SPI) was 3.09% based on the earned interest yield for the PSI, LAIF, and SPI. Following is a comparison of earnings/yield for the South Coast AQMD to U.S. Treasury bills and local investment pools as of December 31, 2022.

Comparison of Earnings/Yields



City Council Communications

February 15, 2023

Councilmember Michael A. Cacciotti

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Community Highlights



Community Highlights



A.D. - 110

Community Highlights




A.D. - 111

Updates on Recent Meetings

Glendora to Montclair Critical Path Schedule

Activity	Timeline
Seek Funding to Complete Pomona to Montclair Segment	Ongoing
Complete Grade Crossing Work Requiring Full Street Closures	March 2023
Install final Traction Power Substation	April 2023
Complete LRT Track Construction	June 2023
Start Local Field Acceptance Testing	August 2023
Complete Stations	October 2023
Start Systems Integration Testing	December 2023

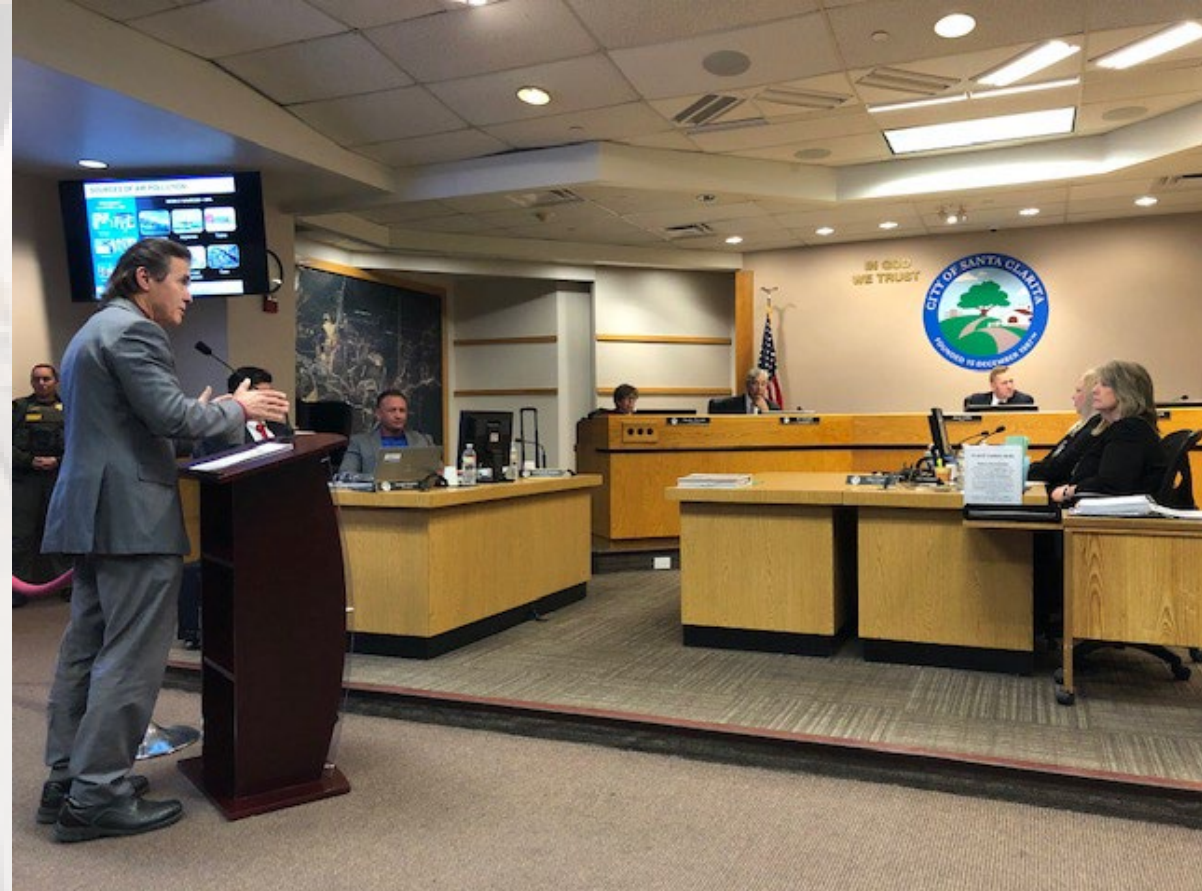


Freight Track Relocation (Complete – August 2022)



The map shows the rail line route from Azusa to Pomona, with stations marked at Azusa, Glendora, San Dimas, La Verne, and Pomona. The segment between Glendora and Montclair is highlighted in purple, indicating the focus of the project.

Updates on Recent Meetings



A.D. - 113

Additional Comments

Pro Forma
Advisors, LLC

Summary

existing course would be required in Phase I in order to free-up at least one acre for additional parking. Most likely, this would be accomplished by reducing the golf course from its current 18-hole layout to a 15-hole routing.

- Phase II of the project would consist of converting the modified 15-hole par-3 course to a new 9-hole executive length course, and redeveloping the maintenance yard. With completion of Phase II, full utilization and revenue potential of all of the Arroyo Seco components would be realized.
- Arroyo Seco conceptual redevelopment costs under a phasing program are presented in Table II-2. As indicated, the Phase I costs total about \$6.2 million, with Phase II costs at about \$4.62 million. Total costs, expressed in constant 2022 dollars, under the phased program would be slightly higher than the costs incurred under a non-phased development program. Clearly, through a phased approach, the initial investment in the project would be reduced significantly from over \$10 million to \$6.2 million.

Table II-2: Arroyo Seco Conceptual Redevelopment Cost by Phase (constant 2022 dollars)

Component	Phase I	Phase II	Total
Demolition/Site Preparation	\$150,000	\$150,000	\$300,000
Modification of 18-Hole Par-3 Golf Course (15 holes)	500,000	---	500,000
Executive 9-Hole Golf Course (17 acres)	---	3,000,000	3,000,000
Maintenance Yard	---	500,000	500,000
Miniature Golf Course (18 holes)	1,000,000	---	1,000,000
Practice Range Improvements	1,000,000	---	1,000,000
Clubhouse/Patio Renovation/Expansion (5,000 sq. ft. @ \$400)	2,000,000	---	2,000,000
Parking (100 spaces @ \$2,500)	250,000	---	250,000
Soft Costs (@15%)	735,000	547,500	1,282,500
Contingency (@10%)	663,500	419,750	983,250
Total	\$6,198,500	\$4,617,250	\$10,815,750

Arroyo Seco Golf Course Monthly Financial Report
2016-2017

Revenue	July	August	September	October	November	December	January	February	March
General & Admin	\$3,251	\$3,733							
Golf Course	\$48,723	\$40,413							
Mini Golf	\$15,299	\$13,394							
Range	\$24,172	\$24,597							
Golf Shop	\$6,151	\$5,356							
Food	\$16,472	\$12,683							
Total Revenue	\$114,068	\$100,177							
Cost of sales	\$8,606	\$5,915							
Gross Profit	\$105,462	\$94,262							
Labor Expenses									
General & Admin	\$8,979	\$9,043							
Golf Course Maint	\$18,838	\$18,231							
Range	\$3,428	\$3,514							
Golf Shop	\$7,313	\$7,202							
Food	\$8,314	\$10,640							
Total Labor Expense	\$46,872	\$48,632							
Capital & Operations									
General & Admin	\$8,347	\$8,655							
Golf Course Maint	\$21,493	\$8,982							
Range	\$818	\$207							
Golf Shop	\$1,281	\$0							
Food	\$5,393	\$1,739							
Total Other Expense	\$37,332	\$19,584							
Total Expenses	\$84,204	\$68,217							
NET INCOME	\$21,258	\$26,044							
Less Mgmt. Fee	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)	(\$8,000)
Plus Bar Rent	\$1,531	\$1,351							
City Cash Flow	\$14,789	\$19,396							

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