



**CITY OF SOUTH PASADENA
FINANCE COMMISSION
SPECIAL MEETING AGENDA**

**Commissioners to participate via ZOOM
Meeting ID: 818 4041 2206
Password: finance
February 7, 2022, at 1:30 pm.**

CALL TO ORDER: Commission Chair Elsner
ROLL CALL: Commissioners Tao, Findley, Wood,
and City Treasurer Pia
COUNCIL LIAISON: Council Member, Jack Donovan
STAFF PRESENT: Interim Finance Director, Ken Louie

NOTICE OF PUBLIC PARTICIPATION AND ACCESSIBILITY

Pursuant to Government Code Section 54953, subdivision (e) (3), the Finance Commission may conduct its meetings remotely and be held via video conference. The Finance Commission may allow public participation to continue via live public comment conducted over ZOOM.

The Meeting will be available –

- Via Zoon link: <https://us06web.zoom.us/j/81840412206?pwd=bUNZQ1RpWmNveStlUUVUN25SNmpLZz09>

If you would like to comment on an agenda item, or make a general public comment, members of the public may submit their comments for Finance Commission’s consideration by one of the following options:

Option 1: Participants will be able to “raise their hand” using the Zoom icon during the meeting, and they will have their microphone un-muted during comment portions of the agenda to speak.

Option 2: Email your public comment(s) to fcpubliccomment@southpasadenaca.gov
Public Comments must be received by 6 p.m., February 6, 2022 to ensure adequate time to compile and post. Public Comment portion of the email is limited to 150 words. Please make sure to indicate: 1) your name; 2) what agenda item you are submitting public comment on, or if it is a general public comment.

ACTION/DISCUSSION

- 1. Review of the Preliminary Mid-Year Report
- 2. Update on Cell Tower Revenue

ADJOURNMENT

FUTURE FINANCE COMMISSION MEETINGS

February 24, 2022

Virtual

PUBLIC ACCESS TO AGENDA DOCUMENTS

Prior to meetings, agenda related documents are available for public inspection at, City Hall, 1414 Mission Street, South Pasadena, CA 91030. The complete agenda packet may also be viewed on the City’s website at: www.southpasadenaca.gov/financecommission

ACCOMMODATIONS



The City of South Pasadena wishes to make all of its public meetings accessible to the public. Meeting facilities are accessible to persons with disabilities. If special assistance is needed to participate in this meeting, please contact the City Clerk's Division at (626) 403-7230. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Hearing assistive devices are available in the Council Chamber. Notification at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting (28 CFR 35.102-35.104 ADA Title II).

I declare under penalty of perjury that I posted this notice of agenda on the bulletin board in the courtyard of City Hall at 1414 Mission Street, South Pasadena, CA 91030, and on the City's website as required by law.

2/3/22

Date

Interim Finance Director – Kenneth Louie



Finance Commission Agenda Report

DATE: February 07, 2022

FROM: Ken Louie, Interim Finance Director

SUBJECT: **Mid-Year Report**

Recommendation

It is recommended that the Finance Commission receive and file the Preliminary Mid-Year Report.

Background

The City of South Pasadena adopts an annual budget for each fiscal year that runs from July 1 to June 30th. Because the estimates for the upcoming budget year are done in early Spring prior to the adoption of the budget, they often will require updating during the fiscal year. It is prudent for the Finance Department to do a mid-year review to ensure that revenue and expenditure “estimates” are reasonably accurate. The focus of the review is primarily on the General Fund as this fund is at the sole discretion of the City Council whereas special funds are highly-regulated by outside boards and other governmental regulations. Additionally, most special funds are self-balancing by definition.

Analysis

The following items are being presented for adjustment as they are considered materially off from the budget estimate:

GENERAL FUND REVENUE

Property Taxes: Reduce \$93,600

As projected by HdL, property values remain strong but budget estimate was too high.

Sales Tax: Increase estimate by \$238,320

As calculated by HdL, sales tax were greater than estimate due to re-opening of retail.

Sales Tax Measure A: Increase estimate by \$518,000

Despite the re-opening of retail brick and mortar stores, online purchases have continued to grow in popularity. The new Measure A is technically a transaction tax and therefore the City derives the full “.75 %” of transaction. This is not shared with LA County Pool as online sales taxed are.

Real Property Transfer Tax: Increase by \$43,000

This is calculated (1.25%) off of the value of a home sold during the year. With values strong this estimate will need to be adjusted upwards.

Business License: Increase by \$40,000

During 2021 many licenses lapsed or were dormant due to the pandemic. This fiscal year, many businesses have re-instated their license.

Interest Income: Reduce by \$40,000

The City predominantly invests in LAIF which tends to be high-liquidity but low yield. Rates from the pool have been generally less than half a percent and thus low returns.

Camp Med Fees: Increase estimate by \$45,000

Enrollment for this camp has been much stronger than anticipated.

Recreation Classes: Increase estimate by \$100,000

A combination of underbudgeting and a strong return to recreation classes.

Park/Field Reservations: Increase estimate by \$25,000

All outdoor related events have seen an increase in bookings.

GENERAL FUND EXPENDITURES

Police Department (PD) – Overtime: Increase by \$200,000

The PD is projected to go over budget in its Overtime account by \$200,000. This is largely due to the lack of available staffing which has been magnified by the pandemic.

Fire Department – Paramedic Billing: Increase by \$55,000

During the fiscal year, staff determined it would be more appropriate accounting to show the third-party charges from the paramedic provider in the Contract Services line item. The City currently uses Wittman Enterprises LLC “Wittman”. This firm remits all payments from the user of the services directly to the City and then the City pays Wittman back the appropriate portion for their services. The \$55,000 was not originally provided for in the budget.

Human Resources – Professional Services: Increase by \$75,000

Staff is seeking to conduct a citywide class and compensation study to more appropriately classify employees.

PW Admin – Professional Services: Increase by \$75,000

This is to provide 20% matching funds required for the City to utilize \$375,000 Metro Open Streets Grant funding for Slow Streets Program. This was not previously appropriated at the time the City Council approved the Metro Grant funding agreement.

PW Admin – Professional Services: Increase by \$150,000

Pending confirmation, these are funds to complete the Slow Streets Program, including design, public outreach, and installation.

PW Admin – Special Department Expense: Increase by \$35,000

Add ten (10) workstations/offices, moving Public Works staff from City Hall to the Garfield Water Distribution Facility.

PW Park Mtce. – Contract Services: Increase by \$25,000

Funds required for annual weed abatement. In the past, task was funded through the Fire Department.

PW Facilities Mtce. – Contract Services: Increase by \$10,000

Funds required for annual weed abatement. In the past, task was funded through the Fire Department.

PW Facilities Mtce. – Building Mtce.: Increase by \$15,000

Funds required for annual weed abatement. In the past, task was funded through the Fire Department.

Attachments:

1. Mid-Year Adjustments

MID-YEAR REPORT

REVENUE

	2021-2022 Budget	2021-2022 Estimated	Adj. Needed
Property Taxes	\$ 13,053,474	\$ 12,959,865	\$ (93,609)
Motor Vehicle In-lieu	3,436,613	3,445,099	8,486
Library Special Tax	357,170	357,170	0
Sales Tax	2,270,228	2,508,548	238,320
Sales Tax - Measure A	2,244,000	2,762,000	518,000
PSAF - Prop 172 ST	322,485	331,290	8,805
Utility Taxes	3,383,000	3,383,000	0
Franchise Taxes	1,007,000	1,007,000	0
Real Property Transfer	162,000	205,000	43,000
Business License	364,000	434,000	70,000
Permits	455,280	455,280	0
Code Fines/Citations	265,000	100,000	(165,000)
Interest Income	125,000	85,000	(40,000)
Rental Revenue	313,500	313,500	0
Fire Support	315,000	315,000	0
Planning Fees	659,000	659,000	0
Plan Check Fees	300,000	400,000	100,000
Building Permits	500,000	450,000	(50,000)
Engineering Fees	102,500	52,500	(50,000)
NPDES	90,000	90,000	0
Police Services	175,800	175,800	0
Camp Med Fees	230,000	275,000	45,000
Recreation Classes	100,000	200,000	100,000
Park/Field Reserv.	50,000	75,000	25,000
Fire Services	982,500	982,500	0
Reim. From Sewer Fd	69,022	69,022	0
Reim. From Water Fd	414,362	414,362	0
All other revenue	200,700	200,700	0
Totals	\$31,947,634	\$32,705,636	\$758,002

EXPENDITURES

	2021-2022 Budget	2021-2022 Estimated	Adj. Needed
<u>Increases</u>			
PD - Overtime	\$ 592,000	\$ 792,000	\$ 200,000
Fire - Paramedic Billing	157,000	212,000	55,000
<u>Increases - New Items</u>			
Class/Comp Study		\$ 75,000	75,000
PW Proj. - GF portion *		31,000	310,000
Expenditure Increase	\$749,000	\$1,110,000	\$640,000
Net Favorable Adjustment			\$ 118,002

* = see attached schedule