



**Additional Documents List**  
**Special City Council Meeting**  
**September 28, 2020**  
(Updated 9/28/2020 at 4:30 p.m.)

Item No.	Agenda Item Description	Distributor	Document
1	Formation of Finance Ad Hoc Committee	Elaine Aguilar, Interim Assistant City Manager Lucy Demirjian, Assistant to the City Manager	Memo
PC	Public Comment for Item No. 1	City Clerk's Division	Public Comment E-mails



**City of South Pasadena  
Management Services  
Department**

# Memo

**Date:** September 28, 2020

**To:** The Honorable City Council

**Via:** Sean Joyce, Interim City Manager

**From:** Elaine Aguilar, Interim Assistant City Manager  
Lucy Demirjian, Assistant to the City Manager

**Re:** September 28, 2020, City Council Meeting Item No. 1 Additional Document –  
Formation of Finance Ad Hoc Committee

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The attached document provides specificity with the scope and purpose for the proposed Finance ad hoc Committee to be considered by the City Council.

## Finance Ad Hoc Committee

### **Scope and Purpose**

To enhance communication with the public regarding the status of the City's FY2019-2020 Comprehensive Annual Financial Report, and the Fiscal Year 2020-2021 Annual Budget, by obtaining updates from staff, approximately every two weeks, or more often as needed.

Staff will provide information for the Ad Hoc Committee, such as:

### **2019-2020 CAFR**

- Status of monthly bank reconciliations
- Report regarding the steps necessary to close FY 2019-2020, with estimated timelines
- Provide information regarding the process to "close the year"
- Improvements and enhancements from previous fiscal years, and recommendations to continue to improve the process
- Timing of Auditor engagement
- Estimated timelines, and completion dates

### **Final 2018-19 CAFR**

- Allow the ad hoc Task Force to review and comment on the Finance Commission's September 24, 2020 comments concerning the draft CAFR prior to final Commission and City Council action, the latter of which is anticipated for October 21, 2020.

### **2020-2021 Budget**

- Provide information regarding the budget preparation process
- Provide a Budget Calendar
- Provide updates regarding the status of completion, based upon established deadlines in the Budget Calendar

### **Policies & Procedure Update**

- Provide a list of polices/procedures to be reviewed, updated, created
- Prioritize the list of policies to be updated/created, can use the Internal Controls/Management letter as a starting point.
- Prioritize implementation of corrective actions identified in Internal Controls/Management Letter

### **Financial Reports (Expenditure and Revenues)**

Working with staff, the Ad Hoc Committee will provide a recommendation to the Finance Commission (and subsequently from the Finance Commission to the City Council) regarding:

- Regular Financial Reporting - for example, quarterly financial reporting, and the report contents
- Audit and Budget Calendars

### **Forensic Audit**

Assess the necessity of, or scope of any additional audits, depending upon the summation of the Ad Hoc Committee's work, up to and including a forensic audit where the situation warrants additional review.

The Ad Hoc Committee will provide updates to Finance Commission, so that the public can be informed of the status of the CAFR, Budget, and Financial Policy Updates. The Commission will provide periodic updates to the City Council until all financial reporting is up to date.

**E-mail Public Comment 9/28/2020 SPECIAL City  
Council Meeting**

**AGENDA ITEM NO. 1  
Formation of Finance Ad Hoc Committee**

1. Chris Bray

**From:** [Chris Bray](#)  
**To:** [City Council Public Comment](#)  
**Subject:** For Sept. 28 special meeting, Item #1, "Formation of a Finance Ad Hoc Committee"  
**Date:** Monday, September 28, 2020 12:08:07 PM

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Councilmembers,

I have read the draft of the auditor's findings regarding deficiencies in financial processes in the City of South Pasadena, and my favorite thing about it is the way uncorrected deficiencies from previous years are repeated and re-numbered in the new letter. "Finding 2019-001 Material Weakness – Bank Reconciliations" was "previously reported as Finding 2018-002," for example, and "Finding 2019-002 Material Weakness – Accounting and Management of Capital Assets" was "previously reported as Finding 2018-003." It's almost as if, since right around November of 2017, problems in city policies and processes have lingered for years without anyone bothering to correct them.

It's now time for the councilmembers who defended and enabled nearly three years of disaster in our city government to **GET OUT OF THE WAY** for someone who wants to fix the chaos and ruin. Hint hint Diana Mahmud hint hint. We have people who are willing to work to make our city government better, after two-plus years of leadership that made it worse. Let the healthy part begin. An ad hoc finance committee is a rescue team for a city government that needs rescuing. Filibustering the rescue effort is unconscionable behavior.

Chris Bray