

**City of South Pasadena Finance Committee
Minutes for Meeting of:
Nov. 14, 2012, 6:30 p.m.**

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

- I. Roll Call** Committee Chair Adrian – Present
Member Burke – Present
Member Catania – Present – Left 7:48 p.m.
Member Rusk – Present – Left 7:48 p.m.
City Council Liaison Putnam – Present - Arrived 7:45 p.m.
City Treasurer Pia – Excused
Finance Director Thai – Present
Assistant Finance Director Batt – Present

Also Present: Asst. City Manager Hilary Straus

II. Public Comment

None.

III. Approval of the Minutes from the Sept. 26, 2012 meeting

Approved 4-0.

IV. New Business

- a. Refunding of 2004 Bonds

Finance Director Thai said that refinancing the 2004 Water Bonds could result in savings of between \$700,000 and \$1,000,000 over the life of the bonds. Member Rusk said a possible change in the tax-free status would affect this; Fin. Director Thai said our financial advisors would be examining that. There was discussion about the feasibility and timing of the issue, and the consequences of not being able to sell the bonds. Asst. City Manager Straus briefed the committee on the RFP process for the selection of Financial Advisors, and that the recommendation was to select Urban Futures. He said that a contract is scheduled to be awarded at the 12/19/12 Council meeting. The committee requested an opportunity to discuss this item with the Financial Advisor at some point in the future.

Continued.

- b. Payment for Joint Powers Insurance Authority

Asst. City Manager Straus gave an overview of the City's insurance coverages through the California JPIA. He explained that the Authority is changing from a retrospective to a prospective funding model, and this

means that the City needs to make a one-time catch-up payment. The total due is \$1.9 million for the liability coverage, but we have a \$500,000 credit for workers compensation, for a net amount due of \$1.4 million. Also, if paid before 12/31/12, we would get a 1% credit. Asst. CM Straus said that the payment is actually due by June 30, 2013, but because LAIF is paying only around 0.35%, it makes sense to pay it in December and take advantage of the savings. There was discussion about going to another vendor, and possibly doing a zero-based review of our insurance. Asst. CM Straus said that CJPIA is offering payment plans if we don't want to make a single lump-sum payment, but we do have sufficient reserves to do so. He said that issues related to review of our programs could be addressed as part of the upcoming Strategic Planning sessions.

The committee felt they didn't have enough information to make a decision on this issue at this meeting. Asst. CM Straus said that he would reach out to Bob May, the CJPIA Risk Program Manager, to see if he could meet with the committee about this prior to the Dec.19 Council meeting. The committee agreed to schedule a Special Meeting to further discuss the issue.

Continued.

c. 2012 Strategic Planning Session

Finance Director Thai and Asst. CM Straus gave an overview of the Strategic Planning Session scheduled for January 26, 2013; the Council has requested that each City committee provide input into the City's goals and objectives, and also designate one member to attend the Session. The committee decided to agendaize this for their January 9 meeting.

Continued.

V. Continuing Business

a. Update on Water Rates

Finance Director Thai said that the Council will be holding a public hearing on the proposed water rates. They're scheduled to increase by only 14.5% instead of 18% for the next year due to inclusion of pass-through provisions. He also updated the committee on the progress that Global Water has made in taking over the water billing system.

VI. Adjournment

The meeting was adjourned at 8:20 p.m. The next regular meeting is scheduled for 6:30 p.m., Wednesday, Jan. 9, 2013, at Burke Triolo Studio, 538 Mission Street.

Accepted:

Carrie Adrian
Committee Chair Adrian

Feb 17, 2014
Date