

**City of South Pasadena Finance Committee
Minutes for Meeting of:
August 22, 2013, 6:30 p.m.**

Location: Carrie Adrian Residence
602 Garfield Ave.
South Pasadena, CA 91030

- I. Roll Call** Committee Chair Adrian – Present
Member Burke – Present
Member Catania – Present
Member Peters – Present
Member Rusk – Present
City Council Liaison Schneider - Present
City Treasurer Pia – Present
Finance Director Batt – Present

Also Present: NREC Commissioner Diana Mahmud
NREC Commissioner Kim Hughes
Interim Asst. Finance Director Shally Lin
IT Director Bill Harder

II. Public Comment

Committee Chair Adrian brought up issues relating to the water billing for the Franciscan Woods complex.

III. Approval of Minutes

Approved 5-0.

IV. New Business

- a. FY 2014 Investment Policy

Committee Chair Adrian asked if there were any new investments that should be added to the policy. City Treasurer Pia explained that there are restrictions in the types of investments we can use, and there really aren't any new vehicles that would fit within the constraints the City has to operate under, especially with interest rates being so low. There was a brief discussion of the requirements of the Government Code related to municipal investments.

Member Catania made a motion to adopt the policy with the existing language about the Federal Temporary Liquidity Guarantee Program removed since that program is no longer in force.

Passed 5-0.

b. Global Water Issues

Finance Director Batt gave an extensive presentation on the issues that have arisen with the outsourcing of water billing. These included representations that Global made regarding the ease of transition, and delivery of services, and public perceptions of the process. Specific problems included issues with Global's call center, the bill pay systems, convenience fees, disconnect notice language and timing, and bank file import problems. Fin. Director Batt described the processes that the City and Global Water are using to solve problems, including weekly conferences with the project team, as well as daily contact with Global on specific customer complaints. He said the City is continually working to improve the process, and that the major issues that arose during the first several months have for the most part been solved. He also said that in general, Global has been very responsive in dealing with issues, and is also open to renegotiating the contract to clarify items e.g. the scope of services.

IT Director Harder gave a brief review of issues with the City's billing databases that have been revealed as a result of the outsourcing process. These include accounts that have been receiving services but have not been properly billed, in some cases for many years. There was discussion regarding the legal aspects of back billing these customers. Commissioner Mahmud raised questions regarding Global Water's ability to assist the City with implementing a water budget rate model, especially in light of the fact that the City paid them to provide geographical data which turned out to be useless. Fin. Director Batt said this matter will be taken up during the contract renegotiation discussions.

Member Burke asked for an evaluation of where the relationship with Global stands and if it's something the City feels comfortable enough with to keep them as a vendor. Fin. Director Batt said that Global has been responsive in dealing with problems, and that he believes we can continue to work with them. Member Catania pointed out that the situation is typical of these kinds of changes, and that we should expect that it could take 6-8 months to work out the various problems.

Member Burke made a motion to have staff discuss the legal issues with the City Attorney and report the results to the Committee, and also to report any further developments with Global Water and the state of the working relationship with them.

Passed 5-0.

V. Continuing Business

a. Update on Ad Hoc Downtown Project Advisory Committee

Member Catania gave a brief overview of the Downtown Project, including design changes, the status of the disputed former Redevelopment Agency

parcel, and the new reimbursement agreement between the City and developer.

VI. Committee Member Comments

Member Burke requested that if any arrangements are being discussed regarding the Rialto, that the item should be brought to the Committee before the City makes any decisions on the matter.

VII. Adjournment

The meeting was adjourned at 8:50 p.m. The next regular meeting is scheduled for 6:30 p.m., October 10, 2013, at Burke Triolo Studio, 538 Mission Street.

Accepted:

Carmie Adrian
Committee Chair Adrian

Feb 17, 2014
Date