

**City of South Pasadena Finance Committee
Minutes for Meeting of:
January 24, 2014, 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
Member Peters – Present
Member Robinson – Present
City Council Liaison Schneider - Present
City Treasurer Pia – Present
Finance Director Batt – Present
Asst. Finance Director Lieu – Present

II. Public Comment

None

III. Approval of Minutes

Minutes of the 8/22/13 Special Meeting Approved 5-0.
Minutes of the 10/10/13 Meeting Approved 5-0.

IV. New Business

a. Strategic Planning

Finance Director Batt gave a brief overview of the agenda for the January 25, 2014 Citizens Summit. The City Council requested each Committee to designate a member to attend the Summit, and to provide three “big picture” items for consideration at the February 2014 Strategic Planning Session. Committee Chair Adrian agreed to represent the Finance Committee at the event. After discussion of City operations, including reserves, the Utility Users Tax, the Water Fund, and outsourcing, Member Burke made a motion that the three goals should be 1) Maintain financial discipline and budget integrity, 2) Assure that City resources are used effectively and efficiently, and 3) Adopt best management practices for all City operations.

Motion passed 5-0.

b. Proposed Connection Fee Charges

Deferred.

c. Review of Post-Employment Benefits Actuarial

Finance Director Batt gave a brief review of the latest actuarial study of the City's Post-Employment Benefits. The liability for retiree health care was reduced from \$22 million at Jan. 1, 2011 down to \$12.7 million as Jan. 1, 2013. The reduction was due primarily to capping the City-paid health insurance premiums. Other factors in the reduction were the adoption of the new Pension Reform Law which allows lower benefits for new hires, and ensuring that part-time employees work less than 28 hours per week.

Closed.

d. Review of Comprehensive Annual Financial Report

Asst. Finance Director Pearl Lieu gave a brief overview of the City's 2013 Comprehensive Annual Financial Report (CAFR), and the new Government Accounting Standards Board (GASB) Statements that were implemented this year.

Closed.

V. Continuing Business

a. Update on Changes to City's General Liability and Workers Compensation Program

Finance Director Batt said that data has been provided to our proposed new insurance carrier (CESAC) and after their review, this will be brought back to the Committee for further analysis and recommendations.

Continued.

b. Update on Global Water Issues

Finance Director Batt gave a brief update on remaining issues with the Global Water billing systems. He said that because of these continuing problems, staff is doing a great deal of work that had not been anticipated, so the City is not seeing the savings that had been promised. There was some discussion of the cost of bringing the service back in-house, which would involve upgrading the Finance software, and hiring additional staff.

Continued.

c. Update on Ad Hoc Downtown Project Advisory Committee

Member Catania said the Committee has not met for a while since the developer is still trying to work out arrangements with the various property owners.

Continued.

VI. Committee Member Comments

Council Liaison Schneider said that he has enjoyed his time with the Committee, but he will be replaced this year. City Treasurer Pia and the other Committee members expressed their appreciation of Council Liaison Schneider's work with the Committee.

VII. Adjournment

The meeting was adjourned at 8:00 p.m. The date of the next regular meeting was scheduled for March 20, 2014.

Accepted:

Committee Chair Adrian

Date