

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PASADENA, CALIFORNIA SUSPENDING COLLECTION OF THE
LIGHT AND POWER SURTAX (“UNDERGROUND SURTAX”)
THROUGH JUNE 30, 2022**

WHEREAS, the light and power surtax ordinance, Chapter 4.24 of the Pasadena Municipal Code (“PMC”), was adopted in 1966 to establish a special activity fund (hereinafter, the “Underground Surtax”); and

WHEREAS, the light and power surtax ordinance, as amended, provides that the Underground Surtax shall be used to pay for: additions to, and construction and extension of underground utility lines; conversion of overhead to underground utilities; street lighting improvements in connection with such conversions; and replacement and repair of underground utility lines in connection with such conversions within the city (PMC Section 4.24.050); and

WHEREAS, on February 4, 2019, the City Council approved staff’s recommendations to maintain the Underground Surtax and use of Underground Surtax funds for the purposes stated in PMC Section 4.24.050, including continued construction of underground utility projects in both existing and future underground utility districts created pursuant to PMC Chapter 13.14; and

WHEREAS, the Underground Utilities Surtax Fund cash and assets totaled approximately \$50.7 million as of June 30, 2018; and

WHEREAS, at current and projected spending levels, staff estimates it will take approximately ten years to fully utilize the current Underground Utilities Surtax fund balance for its stated purposes if collection of the Underground Surtax is not temporarily suspended; and

WHEREAS, in order to accelerate the use of the Underground Surtax fund balance, and reduce the burden on the City’s ratepayers and taxpayers, staff recommends the City Council adopt a resolution to temporarily suspend collection of the Underground Surtax.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena as follows:

1. Collection of the Underground Surtax is hereby suspended effective July 1, 2019 through June 30, 2022, in order to reduce the burden on the City’s ratepayers and taxpayers and to accelerate the drawdown of the Underground Surtax fund balance while funding all anticipated eligible capital projects over the next three years.
2. Underground Surtax collection shall resume at the current Underground Surtax rates on July 1, 2022.

ADOPTED at a regular meeting of the City Council of the City of Pasadena this ____ day of June, 2019, by the following votes:


AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED AS TO FORM:



Lisa Hosey
Assistant City Attorney

Mark Jomsky
City Clerk