

CITY OF PASADENA
City Council Minutes
April 8, 2024 – 4:30 P.M.
City Hall Council Chamber

OPENING: Mayor Gordo called the regular meeting to order at 4:30 p.m. (Absent: Councilmember Williams, Vice Mayor Madison)

CLOSED SESSION On the order of the Mayor, the regular meeting recessed at 4:37 p.m. to discuss the following closed session item:

CONSIDERATION OF INITIATION OF LITIGATION pursuant to Government Code Section 54956.9(d)(4) (one potential case)

CITY CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) (one potential case)

CITY COUNCIL CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code Section 54957.6

Agency Designated Representatives: Miguel Márquez and Tiffany Jacobs-Quinn

Employee Organizations: Pasadena Police Officers Association (PPOA); Pasadena Police Lieutenants Association (PPLA)

The above closed session items were discussed, with no reportable action at this time.

On the order of the Mayor, the regular meeting reconvened at 6:21 p.m. The pledge of allegiance was led by Councilmember Hampton.

ROLL CALL:
Councilmembers: Mayor Victor M. Gordo
Vice Mayor Steve Madison (arrived at 6:50 p.m.)
Councilmember Tyron Hampton
Councilmember Justin Jones
Councilmember Jason Lyon
Councilmember Gene Masuda
Councilmember Jessica Rivas
Councilmember Felicia Williams (absent)

Staff: City Manager Miguel Márquez
City Attorney/City Prosecutor Michele Beal Bagneris
City Clerk Mark Jomsky

CEREMONIAL MATTERS Mayor Gordo presented a proclamation declaring the month of April 2024 as Donate Life Month in the City of Pasadena and recognized the lives saved through organ donations. Allen Jolley, One Legacy Ambassador, accepted the proclamation on behalf of the organization and shared the story of his young daughter's organ donation.

Mayor Gordo presented a proclamation declaring April 11-17, 2024 as Black Maternal Health Week in the City of Pasadena, and reaffirmed the City's commitment to eliminate racial disparities in health outcomes. Stella Clingmon Simon, Maternal Child Health Program Manager, and Monette Clark, Black Infant Health Program Coordinator, thanked the Mayor and City Council for the recognition and accepted the proclamation on behalf of the City's Health Department, and spoke on the Department's initiatives to address this nationwide crisis.

Mayor Gordo presented a proclamation recognizing April 2024 as Sexual Assault Prevention and Awareness Month, and encouraged everyone to participate in Denim Day on April 24, 2024 by wearing jeans, as part of the international effort to communicate that there is never an invitation to rape. Vanessa Rodriguez, Vice Chair of the Commission on the Status of Women (CSW), and Leticia Lopez, CSW Staff, accepted the proclamation on behalf of the Commission, thanked the Council for the recognition, provided comments on the importance of addressing together the underlying issues of sexual assault as a community.

Councilmember Hampton thanked the proclamation recipients for their hard work and requested that City staff take into further consideration these public safety and public health initiatives during the upcoming budget consideration.

Mayor Gordo announced that the 710 Highway Ad Hoc Committee has been established and the meeting schedule has yet to be determined. He noted that the ad hoc committee members include himself, Vice Mayor Madison, Councilmember Hampton, and Councilmember Lyon.

**PUBLIC COMMENT ON
MATTERS NOT ON THE
AGENDA**

Nathan Lafontaine, Pasadena resident, expressed frustrations with loud music in stores and how it affects his misophonia.

Heavenly Hughes, My Tribe Rise, spoke in recognition of April as Autism Awareness month, and thanked the proclamation recipients for their contributions to the community.

CONSENT CALENDAR

**City Manager/ Executive
Director**

AUTHORIZATION TO ENTER INTO A CONTRACT WITH MICHAEL BAKER INTERNATIONAL FOR A NOT-TO-EXCEED AMOUNT OF \$1,000,000 FOR THREE YEARS WITH TWO OPTIONAL ONE-YEAR EXTENSIONS, TO PROVIDE ENVIRONMENTAL COORDINATOR AND PLANNING SERVICES FOR THE PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT (Planning Dept.)

Recommendation: It is recommended that the City Council:

(1) Find that the action proposed herein are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3);

(2) Authorize the City Manager to enter into a contract, without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services, with Michael Baker International,

Inc. for environmental coordinator and planning services in an amount not to exceed \$1,000,000 for an initial three-year term (Contract No. 32917);

(3) It is further recommended that the City Council grant the proposed contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served; and

(4) Authorize the City Manager to extend the contract for up to two additional one-year periods in the amount not to exceed \$500,000 per year.

AUTHORIZE THE CITY MANAGER TO EXECUTE AGREEMENTS WITH LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO) FOR RECEIPT OF FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5310 GRANT FUNDING OF \$1,050,000 FOR THE PASADENA DIAL-A-RIDE AGING VEHICLE REPLACEMENT PROJECT (Transportation Dept.)

Recommendation: It is recommended that the City Council:

(1) Find that the proposed action in the agenda report is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3) (Common Sense exemption) that CEQA only applies to projects that may have an effect on the environment; and

(2) Authorize the City Manager to execute any and all agreements with the Los Angeles County Metropolitan Transportation Authority (Metro) associated with the receipt of \$1,050,000 in reimbursable Federal Transit Administration (FTA) grant funding for implementation of the City of Pasadena Dial-A-Ride Aging Vehicle Replacement Project (75086).

AUTHORIZE THE CITY MANAGER TO EXTEND CONTRACT 31,568 WITH TRC ENGINEERING SERVICES, LLC TO CONDUCT QUALITY CONTROL INSPECTIONS FOR THE PASADENA TRANSIT AND DIAL-A-RIDE FLEET (Transportation Dept.)

Recommendation: It is recommended that the City Council:

(1) Find that the proposed action in the agenda report is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities), and that there are no features that distinguish this project from others in the exempt class, and as such, there are no unusual circumstances; and

(2) Authorize the City Manager to extend Contract 31,568 with TRC Engineering Services, LLC for six months for a total contract period of January 1, 2020, through December 31, 2024, to conduct inspections of the Pasadena Transit and Pasadena Dial-A-Ride fleet within the current not to exceed contract amount of \$130,085 (Contract No. 31568-4); and

(3) Grant the proposed contract extension an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

AUTHORIZE THE CITY MANAGER TO ENTER INTO A PURCHASE ORDER WITH WESTERN STEEL BUILDINGS, INC. FOR PURCHASE OF A PREFABRICATED STEEL HANGAR AT THE POLICE DEPARTMENT HELIPORT FACILITY FOR AN AMOUNT NOT-TO-EXCEED \$229,970 (Public Works Dept.)

Recommendation: It is recommended that the City Council:

(1) Find the contract proposed herein to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Title 14, Chapter 3, Article 19, Section 15301, Class 1 - Existing Facilities, and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances;

(2) Authorize the issuance of a purchase order contract to WSB Assets, Inc. dba Western Steel Buildings, Inc. for the procurement of a new prefabricated steel hangar at the Police Department Heliport facility for an amount not-to-exceed \$229,970, which includes the base contract amount of \$199,970 and a contingency of \$30,000 to provide for any necessary change orders.

ADOPT A RESOLUTION TO AUTHORIZE SUBMITTAL OF AN APPLICATION FOR THE DISTRIBUTED ELECTRICITY BACKUP ASSETS PROGRAM, BULK GRID ASSET ENHANCEMENTS FOR GRID RELIABILITY GRANT FROM THE CALIFORNIA ENERGY COMMISSION (Water & Power Dept.)

Recommendation: It is recommended that the City Council:

(1) Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required;

(2) Adopt a Resolution authorizing the City of Pasadena Water and Power Department (PWP) submission of a grant application for the Distributed Electricity Backup Assets Program ("DEBA"), Bulk Grid Asset Enhancements for Grid Reliability Grant ("DEBA/Bulk Grid") in an amount not-to-exceed \$9,660,000 from the California Energy Commission ("CEC") (Resolution No. 10038);

(3) Authorize the City Manager, or designee, as the authorized representative with signature authority to execute the DEBA/Bulk Grid Grant agreement with CEC in an amount not to exceed \$9,660,000; and

(4) Designate the General Manager of PWP, or designee, as the authorized representative for all matters related to the application, administration, implementation, and any subsequent activities related to the administration of the grant agreement.

AUTHORIZATION TO ENTER INTO CONTRACT WITH BELTMANN GROUP INCORPORATED DBA: BELTMANN RELOCATION GROUP TO PROVIDE RELOCATION SERVICES OF CENTRAL LIBRARY COLLECTION FOR AN AMOUNT NOT-TO-EXCEED \$155,144 (Library Dept.)

Recommendation: It is recommended that the City Council:

- (1) Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required; and
- (2) Authorize the City Manager to enter into a contract with Beltmann Group Incorporated dba: Beltmann Relocation Group ("BRG") for an amount not-to-exceed \$155,144 which includes a base contract amount of \$141,040 and a contingency of \$14,104, pursuant to the competitive selection process specified in Section 4.08.047 of the Pasadena Municipal Code, for relocation services. Competitive bidding is not required pursuant to City Charter Article X Section 1002(F), Contracts for professional or unique services. (Contract No. 32916)

ECONOMIC DEVELOPMENT AND TECHNOLOGY COMMITTEE: APPROVE A MEMORANDUM OF UNDERSTANDING WITH SELF-HELP CREDIT UNION OR ANY QUALIFIED LENDER TO MODIFY LOANS UNDER THE ACCESSORY DWELLING UNIT PROGRAM (Housing Dept.)

Recommendation: It is recommended that the City Council:

- (1) Find that the proposed action in the agenda report is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities), and that there are no features that distinguish this project from others in the exempt class, and as such, there are no unusual circumstances; and
- (2) Authorize the City Manager to execute a memorandum of understanding with Self-Help Federal Credit Union, or any qualified lender for optional refinancing of accessory dwelling unit loans from the City, according to the terms and conditions set forth in this report. (Contract No. 23,993)

FINANCE COMMITTEE: ADOPT A RESOLUTION AUTHORIZING THE CITY OF PASADENA TO ENTER INTO AN AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES, RECOGNIZE REVENUE AND APPROPRIATE FUNDS OF \$3,000,000 TO THE FISCAL YEAR 2024 CAPITAL IMPROVEMENT PROGRAM BUDGET, TO BE TRANSFERRED TO THE ROSE BOWL OPERATING COMPANY, FOR THE GAS AND WATER INFRASTRUCTURE IMPROVEMENTS PROJECT (Finance Dept.)

Recommendation: It is recommended that the City Council:

- (1) Find that the action proposed herein are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3)(Common Sense Exemption);

- (2) Adopt a Resolution authorizing the City of Pasadena to enter into an agreement with the California Department of Water Resources Board (CDWR) to receive funds for Rose Bowl Gas and Water Infrastructure Improvements (Resolution No. 10039);
- (3) Authorize the City Manager to execute and the City Clerk to attest the funding agreement, and all other documents deemed necessary by the CDWR related to funding the Gas and Water Infrastructure Improvements Project (Contract No. 23,992); and
- (4) Amend the Fiscal Year (FY) 2024 Capital Improvement Program Budget by recognizing revenue and appropriating \$3,000,000 to the Rose Bowl Major Improvement Project (FY 2020-2024) specifically for the Gas and Water Infrastructure Improvements. (Budget Amendment No. 2024-43)

Item discussed separately

FINANCE COMMITTEE: DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE WITHIN 60-DAYS AMENDING PASADENA MUNICIPAL CODE CHAPTER 4.08 TO INCREASE FORMAL AND INFORMAL PROCUREMENT LIMITS, AND RELATED CLEAN-UP CHANGES (Finance Dept.)

FINANCE COMMITTEE: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT FOR AN AMOUNT NOT-TO-EXCEED \$379,354 WITH ENDERA MOTORS, LLC TO PURCHASE ONE REPLACEMENT PASADENA DIAL-A-RIDE ZERO-EMISSION BUS AND AMEND THE FY2024 CAPITAL IMPROVEMENT BUDGET TO FUND THE BUS PURCHASE (Transportation Dept.)

Recommendation: It is recommended that the City Council:

- (1) Find that the proposed action in the agenda report is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities), and that there are no features that distinguish this project from others in the exempt class, and as such, there are no unusual circumstances; and
- (2) Authorize the City Manager to enter into a contract with Endera Motors, LLC for one battery electric bus as a replacement Pasadena Dial-A-Ride bus in an amount not to exceed \$379,354, which includes a base of contract \$344,867 and a 10% contingency of \$34,487. Competitive Bidding is not required pursuant to City Charter Section 1002(H) contracts with other governmental entities or their contractors for labor, materials, supplies or services (P.O. Per Staff);
- (3) Grant the proposed contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served; and
- (4) Amend the Fiscal Year 2024 Capital Improvement Budget by appropriating \$199,331 in Proposition A local transit funds (Fund 208) to the Purchase of Dial-A-Ride Vehicles (75086) project. (Budget Amendment No. 2024-44)

Item discussed separately

MUNICIPAL SERVICES COMMITTEE: SET A DATE OF JUNE 3, 2024, TO CONDUCT A PUBLIC HEARING FOR RECOMMENDED WATER RATE STRUCTURE AND RATE ADJUSTMENTS (Water & Power Dept.)

City Council

APPOINTMENT OF JASON LYON TO THE FIRE & POLICE RETIREMENT BOARD (City Council Nomination)

RESIGNATIONS, APPOINTMENTS, & REAPPOINTMENTS

ACKNOWLEDGMENT OF RESIGNATION OF LAURA LUNA FROM THE HISTORIC PRESERVATION COMMISSION EFFECTIVE JUNE 30, 2024 (District 4 Nomination)

City Clerk/ Secretary

Item discussed separately

ADOPTION OF A RESOLUTION ACCEPTING THE “CERTIFICATE OF THE CANVASS OF THE ELECTION RETURNS” AS PREPARED AND CERTIFIED BY THE LOS ANGELES COUNTY REGISTRAR-RECORDER/COUNTY CLERK FOR THE PASADENA PRIMARY MUNICIPAL ELECTION CONSOLIDATED WITH THE MARCH 5, 2024 PRESIDENTIAL PRIMARY ELECTION

MINUTES APPROVED

March 11, 2024	City Council
March 11, 2024	Successor Agency to the Pasadena Community Development Commission
March 18, 2024	City Council Special Meeting

CLAIMS RECEIVED AND FILED

Claim No.	Claimant	Claim Amount
2024-0223	Louise Claps	\$ 2,000.00
2024-0224	Jaime Ramos	1,000.00
2024-0225	Sossi Perrigo	25,000.00+
2024-0226	Carmen Rodriguez	25,000.00+
2024-0227	Nuvia Urrutia	25,000.00+
2024-0228	Christina L. Garcia	5,548.30
2024-0229	W.S.	25,000.00+
2024-0230	Jesse Viray	150.00
2024-0231	Alex Cameron	25,000.00+
2024-0232	Daniel Lee	25,000.00+
2024-0233	Geico	11,383.00
2024-0234	Interinsurance Exchange of the Automobile Club	Not stated
2024-0235	Rogerson Aircraft Corporation	25,000.00+
2024-0236	Soraya Radsen	331.53

City Clerk Jomsky announced that 1 letter in support of the staff recommendation for Consent Calendar Item 2, to extend the contract and conduct quality control inspections for the Pasadena transit and Dial-a-Ride fleet, was received by the City Clerk’s Office, distributed to the City Council, posted online and made part of the public record.

MOTION:

It was moved by Councilmember Lyon, seconded by Councilmember Masuda, to approve all items on the Consent Calendar with the exception of Items 9, 11, and 13. (Motion unanimously approved.) (Absent: Councilmember Williams, Vice Mayor Madison)

Item discussed separately

FINANCE COMMITTEE: DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE WITHIN 60-DAYS AMENDING PASADENA MUNICIPAL CODE CHAPTER 4.08 TO INCREASE FORMAL AND INFORMAL PROCUREMENT LIMITS, AND RELATED CLEAN-UP CHANGES (Finance Dept.)

Recommendation: It is recommended that the City Council:

(1) Find that the proposed action in the agenda report is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15301 (Class 1 – Existing Facilities), and that there are no features that distinguish this project from others in the exempt class, and as such, there are no unusual circumstances; and

(2) Direct the City Attorney to prepare and return with an ordinance within 60 days that (a) sets the formal and informal procurement limits; and (b) updates and/or clarifies the Purchasing Ordinance as further described in this Agenda Report.

Matt Hawkesworth, Acting Assistant City Manager/Finance Director, provided clarification on the revised recommendation recommended by the Finance Committee. He referenced Item 6 on page 3 of the staff report, delegating authority to the City Manager to reject bids under \$250,000. He noted that the Pasadena Municipal Code currently identifies the City Council as the only entity with authority to reject bids. He reported that the Finance Committee determined it was appropriate to maintain the status quo.

MOTION:

It was moved by Councilmember Hampton, seconded by Councilmember Jones, to approve Consent Calendar Item 9, with the City Council to retain authority to reject bids. (Motion unanimously approved) (Absent: Councilmember Williams, Vice Mayor Madison)

Item discussed separately

MUNICIPAL SERVICES COMMITTEE: SET A DATE OF JUNE 3, 2024, TO CONDUCT A PUBLIC HEARING FOR RECOMMENDED WATER RATE STRUCTURE AND RATE ADJUSTMENTS (Water & Power Dept.)

Recommendation: It is recommended that the City Council:

(1) Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project;

(2) Set a public hearing for June 3, 2024, regarding proposed water rate structure and rate adjustments, to be effective beginning July 1, 2024, or as soon as practicable thereafter; and

(3) Direct the Water and Power Department to mail notices of public hearing set for June 3, 2024, regarding proposed water rate structure and rate adjustments.

MUNICIPAL SERVICES COMMITTEE RECOMMENDATION: On March 26, 2024, with one member absent, the Municipal Services Committee (“MSC”) unanimously approved the staff recommendation to the City Council.

Genette Foater, Pasadena resident, expressed concerns regarding the utility rate increases and the disproportionate impacts of the fixed fees.

Item discussed separately

ADOPTION OF A RESOLUTION ACCEPTING THE “CERTIFICATE OF THE CANVASS OF THE ELECTION RETURNS” AS PREPARED AND CERTIFIED BY THE LOS ANGELES COUNTY REGISTRAR-RECORDER/COUNTY CLERK FOR THE PASADENA PRIMARY MUNICIPAL ELECTION CONSOLIDATED WITH THE MARCH 5, 2024 PRESIDENTIAL PRIMARY ELECTION

Recommendation: It is recommended that the City Council:

(1) Find that the proposed action is not a project subject to California Environmental Quality Act (CEQA) as defined in Section 21065 and Section 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for this action; and

(2) Adopt a resolution accepting the “Certificate of the Canvass of the Election Returns” (Exhibit A to the resolution) as prepared and certified by the Los Angeles County Registrar-Recorder/County Clerk for the Pasadena Primary Municipal Election, consolidated with the Presidential Primary Election held on March 5, 2024 declaring:

(a) The following persons, receiving a majority of the votes cast, are elected to the following offices:

Victor M. Gordo	Office of Mayor of Pasadena	4 Year Term
Tyron Hampton	Member of the City Council, District 1	4 Year Term
Rick Cole	Member of the City Council, District 2	4 Year Term
Gene Masuda	Member of the City Council, District 4	4 Year Term
Steve Madison	Member of the City Council, District 6	4 Year Term
Justin Jones	Member of the City Council, District 3	2 Year Term

(Unexpired term ending December 7, 2026)

(b) That City Charter Amendment Measures R, S, and T, receiving a majority of the votes cast, are determined to have passed and are hereby adopted by a vote of the people.

Vice Mayor Madison arrived at 6:50 p.m.

Heavenly Hughes, My Tribe Rise, congratulated the elected officials who won their March Primary election.

MOTION:

Following a brief discussion, it was moved by Councilmember Masuda, seconded by Councilmember Rivas, to approve Consent Calendar Items 11 and 13. (Motion unanimously approved.) (Absent: Councilmember Williams)

**ORDINANCE – FIRST
READING**

CONDUCT FIRST READING OF “AN ORDINANCE OF THE CITY OF PASADENA AMENDING VARIOUS SECTIONS OF TITLE 17 (ZONING CODE) OF THE PASADENA MUNICIPAL CODE REGULATING ACCESSORY DWELLING UNITS”

The ordinance above was offered by Councilmember Hampton.

AYES: Councilmembers Hampton, Jones, Lyon, Masuda, Rivas,
Vice Mayor Madison, Mayor Gordo
NOES: None
ABSTAIN: None
ABSENT: Councilmember Williams

PUBLIC HEARINGS

APPROVAL OF RECOMMENDED SEWER USE FEE RATE STRUCTURE AND RATE ADJUSTMENTS (Public Works Dept.)

Recommendation: It is recommended that the City Council:

- (1) Find that the proposed action is not a project as defined in the California Environmental Quality Act (CEQA) Public Resources Code Section 21065, 21080(b)(8) and State CEQA Guidelines Sections 15378(a) and (b)(4), and that even if it were a project, the proposed sewer use fee increases are statutorily exempt pursuant to Section 15273 (Rates, Tolls, Fares, and Charges) under State CEQA Guidelines and as such, is not subject to environmental review;
- (2) Open a Public Hearing to receive public comment on the recommended adjustments to Sewer Use Fee rate structure and implement the Fiscal Year (FY) 2025 through FY 2029 rate adjustments effective July 1, 2024 or as soon as practicable thereafter;
- (3) Consider all protests against the proposed Sewer Use Fee rate increase in accordance with Proposition 218;
- (4) Following the close of the Public Hearing, approve the recommended Sewer Use Fee rate structure and rate adjustments; and
- (5) Direct the City Attorney to prepare an amendment to the Sewer Use Charge Ordinance (Ordinance) implementing the changes to the Sewer Use Fee rate structure and rates described in the agenda report.

City Clerk Jomsky opened the public hearing and reported that the public hearing notice was mailed to all residents on February 21, 2024. He also reported that 1 letter in support of the staff recommendation and 290 letters protesting the proposed sewer rate structure and rate adjustments, and/or expressing concerns regarding the financial impacts that the increase would have on residents, were received by the City Clerk’s Office, distributed to the City Council, posted online, and made part of the public record.

Tony Olmos, Director of Public Works provided introductory remarks on the item, and introduced the consulting firm, Raftelis Financial Consultants, who assisted staff by preparing the proposed rate study. Director Olmos reported that the proposed increases are necessary due to expenditures exceeding revenues received from the current rates.

Steve Gagnon, Raftelis Financial Consultant, presented a PowerPoint presentation on the comprehensive rate study; reported that the City has not raised sewer rates by more than CPI since 2007, noted that the sewer fund has a negative cash balance, and highlighted that capital improvement projects have been delayed in order to continue normal operations. Director Olmos reported on community outreach efforts and presented the combined impacts of the utility rate increases.

The following individuals spoke in opposition to the proposed sewer rate structure and rate adjustments, and/or expressed concerns regarding the financial impacts that the proposed increases would have on residents:

James Kim, Pasadena resident
Chris Patton, Pasadena resident
Janice Stimson, Pasadena resident
Richard Longobard, Pasadena resident
Adriana Lim, representing Mountain Park Townhouse Villas HOA
Elsa Saenz, Pasadena resident
Peggy Names, Pasadena resident
Rose Malmberg, Pasadena resident
Kwok-Yin Cheng, Pasadena resident
Joan Longobard, Pasadena resident

Councilmember Hampton emphasized that the proposed rate increase is extremely steep, agreed that the impacts would be difficult for residents, and advocated for more gradual rate increases spread over the years.

In response to Councilmember Masuda's inquiry regarding why rates had not increased since 2007, Director Olmos stated that although CPI was previously sustainable with the previous rate, due to recent inflation impacts, the proposed increase is needed to keep up with current costs. Director Olmos reported that without the rate increase, the City would be unable to maintain sewage systems in compliance with legal requirements, which could create liabilities for the City. City Manager Márquez added that deferred maintenance would be more costly than proper/regular maintenance. In response to Councilmember Masuda's inquiry regarding imposing fees on developers, Director Olmos stated that a sewer facility fee is charged to developers based on the designs of the project and number of fixtures being installed.

Councilmember Lyon expressed agreement with the proposed rates, noting that despite the steepness of the increase, they are still well below rates of adjacent cities. He advocated for future built-in mechanisms (i.e., if reserves drop below a certain percentage) to trigger conversations or rate studies for rate increases.

In response to Councilmember Rivas' and Councilmember Jones' inquiries regarding alternative scenarios to the proposed rate

increases, Director Olmos noted that any lesser rate increase would change the outcome of the capital reserves over the next 5 years. He stated that if the proposed rate increase was halved, revenues would remain insufficient and capital projects would be continually deferred over the next few years, until revenues stabilize.

Vice Mayor Madison noted that expenditures exceed revenues in the staff report and inquired what funds were utilized to cover the costs of these expenditures. Director Olmos stated that a balanced budget was maintained by not building certain capital projects. Vice Mayor Madison requested additional time to consider this issue, and asked that Pasadena Water and Power staff also be present when this matter is discussed in the future.

Discussion ensued regarding the adopted budget allocation for the Fiscal Year (FY) 2024 sewer fund, the lack of a formal reserve policy, options/impacts if the City determined to raise revenues below the staff recommendation, and the resulting impacts on operating costs, capital/building reserves, and the availability of funds for sewer-related CIP projects.

Kris Markarian, Deputy Director of Public Works, provided clarification on the identified CIP projects, the current appropriations, and what Council has adopted as part of the CIP budget process. She noted the 5-year CIP budget and project list is adopted each year, so the appropriations and projects change each year.

Vice Mayor Madison spoke on what appears to be a budget shortfall, questioned how staff made adjustments (specifically if City Council authorization was provided), and requested that City staff to bring back additional information and details to address these questions.

Discussion ensued regarding the movement of funds from the operational budget to the CIP budget, and the adopted FY 2024-28 CIP budget and projects presented by staff. The City Council directed City staff to provide a revised report on the capital improvement budget details, with consistent terminology, to assist the City Council in understanding how funds were utilized.

City Manager Márquez suggested that the public hearings on Sewer Use Rate Adjustment and Refuse Rate Adjustment be continued and moved to May 6, 2024 at 5:30 p.m.

MOTION:

Following discussion, it was moved by Councilmember Hampton, seconded by Vice Mayor Madison, to continue the public hearing to May 6, 2024 at 5:30 p.m., with direction to City staff to return with the following: (1) additional information regarding all upcoming utility rate increases, (2) the three fund buckets of operational costs, capital improvement budget/investments, and reserve funds; and (3) include Pasadena Water & Power staff and Finance staff to be present at the

next discussion, and for the staff report to include more comprehensive and detailed information. (Motion unanimously approved) (Absent: Councilmember Williams)

PUBLIC HEARING: APPROVAL OF RECOMMENDED REFUSE COLLECTION FEE INCREASES (Public Works Dept.)

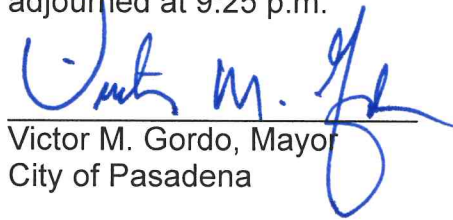
Recommendation: It is recommended that the City Council continue the public hearing to April 15, 2024 at 5:30 p.m.

MOTION:

It was moved by Councilmember Hampton, seconded by Vice Mayor Madison, to continue the public hearing for the Refuse Collection Fee Increase to May 6, 2024 at 5:30 p.m. (Motion unanimously approved) (Absent: Councilmember Williams)

ADJOURNMENT

On order of the Mayor, the regular meeting of the City Council adjourned at 9:25 p.m.



Victor M. Gordo, Mayor
City of Pasadena

ATTEST:



City Clerk