

Agenda Report

June 17, 2024

TO: Honorable Mayor and City Council

FROM: Retirement Board, Pasadena Fire & Police Retirement System

SUBJECT: **REQUEST FROM THE FIRE AND POLICE RETIREMENT SYSTEM BOARD FOR CITY COUNCIL CONSIDERATION ON A PROPOSED CITY CHARTER AMENDMENT MEASURE RELATED TO SECTION 1502 – RETIREMENT BOARD, AND IF APPROVED, TO DIRECT STAFF TO PREPARE THE NECESSARY RESOLUTIONS TO SUBMIT A CITY CHARTER AMENDMENT MEASURE FOR VOTER CONSIDERATION AT THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION**

RECOMMENDATION:

1. Find that the recommended action is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines per Section 15061(b)(3), the “Common Sense” exemption that CEQA only applies to projects that may have an effect on the environment; and
2. Direct staff to prepare the necessary resolutions required to place a Charter amendment measure for Section 1502, Retirement Board, regarding the election of Fire and Police Trustees to the Retirement Board of the Pasadena Fire & Police Retirement System, as detailed in the agenda report, on the General Municipal Election of the City of Pasadena on Tuesday, November 5, 2024.

BACKGROUND:

The Fire and Police Retirement System (“FPRS”) Board maintains fiduciary oversight and responsibility for approximately \$97,000,000 in plan assets and manages monthly pension payroll for approximately 174 retirees and beneficiaries.

Pursuant to Charter § 1502, the FPRS Board consists of five individuals as follows:

“The Retirement Board shall consist of one member of the legislative body of the city to be selected by and to serve at the pleasure of the said legislative body, two qualified electors of the City of Pasadena not

connected with the government thereof, to be appointed by the legislative body, and two members elected under the supervision of the Retirement Board from the active or retired members of the Retirement System. One of such two members shall be a member or retiree of the Fire Department and one a member or retiree of the Police Department, and the election of each of such two members shall be confined to the group from which the member must be chosen.”

The foregoing language ensures that FPRS retirees are represented on the Board, while balancing representation with a representative of the City Council, and two members of the community (not affiliated with Police or Fire).

The FPRS Board Member elected by FPRS members that retired from the Fire Department (“Fire Trustee”), William “Joe” Milligan, stepped down effective December 31, 2023 with 18 months remaining on his term. Per the Retirement Board’s Trustee Election Policy, staff solicited nominations for the Fire Trustee position in both October and December 2023. Neither of the solicitations yielded any candidates for the position.

Following the unsuccessful call for nominations, the FPRS Board attempted to identify a solution to what is expected to be a long-term challenge in filling the two positions on the Retirement Board that represent FPRS members. This challenge results from limiting language in the Pasadena City Charter that requires that the two positions on the Retirement Board be elected by among the FPRS members with each representing the police and fire groups and each elected by the respective group. As the age of FPRS members continues to advance, there has been less interest in serving on the Retirement Board. The average age of current FPRS members is 81 years. With only four Board Trustees remaining, this poses potential operational challenges for the Board when trying to reach quorum to conduct Board business. It may also affect the Board’s work as the designated hearing body for City of Pasadena CalPERS Industrial Disability Retirement hearings for the City’s current police and fire employees. In consultation with the City Attorney’s Office, the Retirement Board discussed potential charter amendments that would keep with the original intent of the charter language at its February 21, 2024 meeting and directed staff to return with proposed language alternatives for its consideration.

At its meeting on March 20, 2024 the Retirement Board approved a recommendation to the City Council that proposed revising the Charter to remove the limiting language, and instead provides that the Fire and Police Trustee positions will be filled pursuant to the Retirement Board’s Trustee Election Policy approved by resolution of the Retirement Board after a comment period of no less than 30 days to solicit input from FPRS members. In addition, the Retirement Board directed staff to prepare revisions to the current Trustee Election Policy to widen the pool of eligible candidates and expand the election process, and to notify all FPRS retirees of the Retirement Board’s consideration of proposed changes to Charter Section 1502 and the Retirement Board’s Trustee Election Policy. FPRS retirees were invited to attend the Retirement Board’s meeting on

May 15, 2024 to provide input on both the proposed charter amendment and the proposed changes to the Trustee Election Policy.

Following input received at its May meeting, the Retirement Board reaffirmed its decision to continue with the proposed charter amendment. No action was taken to approve the proposed revisions to the Trustee Election Policy as continued input from FPRS retirees is desired. See Attachment A – Proposed Revisions to Charter Section 1502 - Retirement Board, and Attachment B – Revised FPRS Retirement Board Trustee Election Policy (draft).

PROPOSED BALLOT QUESTION:

The draft ballot question for the FPRS ballot initiative is presented below for Council consideration. This working version will be finalized and approved by the Retirement Board at their July 17, 2024 FPRS Board meeting. Following, the Retirement Board-approved version will be presented to the Council for its consideration of approval with the final ballot resolution on July 22, 2024.

Shall an amendment to Article 15, Section 1502 of the Pasadena City Charter that allows the fire and police representatives on the FPRS Retirement Board be selected by a policy that is approved by resolution of the Retirement Board, to ensure continued fire and police representation, be adopted?	YES	
	NO	

ENVIRONMENTAL ANALYSIS:

The action proposed herein has been determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), the "Common Sense" exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Such is the case with the proposed Charter amendment.

FISCAL IMPACT:

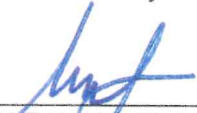
There is no direct fiscal impact due to the proposed changes. However, there will be a cost to place a charter amendment on the ballot. The City Clerk's Office estimates the cost per proposal will be \$80,000-100,000, plus an additional \$5,000-10,000 for related public information mailings. The FPRS Retirement Board will consider approving an appropriation to reimburse the City Clerk's Office for 50% of the actual expenditures for the FPRS initiative as part of the Fiscal Year 2025 Recommended Budget.

Respectfully submitted,



KEITH JONES
Chair, FPRS Retirement Board

Concurred by:



MARK JOMSKY
City Clerk

Approved by:



MIGUEL MÁRQUEZ
City Manager

Attachments: (2)

Attachment A – Proposed Revisions to Charter Section 1502 - Retirement Board
Attachment B – Revised FPRS Retirement Board Trustee Election Policy (draft)

CITY CHARTER – VERSION 2

Charter Section 1502. - RETIREMENT BOARD.

The Retirement System shall be managed by a Retirement Board hereby created, which shall be the successor to, and have the powers and duties of the Fire and Police Pension Board of the City of Pasadena, heretofore created and effective and now by this Article superseded by the Retirement Board. The Retirement Board shall consist of one member of the legislative body of the city to be selected by and to serve at the pleasure of the said legislative body, two qualified electors of the City of Pasadena not connected with the government thereof, to be appointed by the legislative body, and two members elected under the supervision of the Retirement Board ~~from the active or retired members of the Retirement System. One of such two members shall be a member or retiree of the Fire Department and one a member or retiree of the Police Department, and the election of each of such two members shall be confined to the group from which the member must be chosen.~~ pursuant to the process set forth in the Trustee Election Policy, provided that such policy is approved pursuant to a resolution of the Retirement Board after a comment period of no less than 30 days to solicit input from Retirement System members.

The term of office of the four members, other than the member appointed from the legislative body of the City, shall be four years, one term expiring each year, ~~provided that immediately after the election of the two members from the Fire and Police Departments, they shall draw lots for terms of one, two, three and four years respectively.~~ The members of the Retirement Board shall serve without compensation. The Retirement Board shall appoint a secretary to hold office at its pleasure, and when necessary employ a consulting actuary.

The Retirement Board shall have the sole power and authority under such general ordinances as may be adopted by the legislative body to hear and determine all facts pertaining to applications for and awards of any benefits under the Retirement System, or any matters pertaining to the administration thereof. Said Retirement Board shall have exclusive control of the administration and investment of such fund or funds as may be established and all investments shall be subject to the same terms, limitations and restrictions as are imposed by the Constitution and laws of the State upon the investment of the Public Employees' Retirement System Funds, as now enacted or hereafter amended.

Disbursement of retirement funds shall be made upon demands duly audited in the manner prescribed in this Charter for disbursement of public funds. The City Treasurer shall be the custodian of any such retirement funds, subject to the control of the Retirement Board as to the administration and investment of said funds.

FIRE & POLICE RETIREMENT SYSTEM

TRUSTEE ELECTION POLICY

~~Pursuant to §1502 of the Charter of the City of Pasadena, an election shall be held to select a member of the Board from the Fire Department and a member from the Police Department. The procedure for the election shall be as set forth in this election policy.~~

Proposed Changes

Pending Approval of City Charter Section 1502 by an Affirmative Vote of the Public on November 5, 2024

In relevant part, Section 1502 of the Charter of the City of Pasadena provides the following:

“The Retirement Board shall consist of one member of the legislative body of the city to be selected by and to serve at the pleasure of the said legislative body, two qualified electors of the City of Pasadena not connected with the government thereof, to be appointed by the legislative body, and two members elected under the supervision of the Retirement Board pursuant to the process set forth in the Trustee Election Policy, provided that such policy is approved pursuant to a resolution of the Retirement Board after a comment period of no less than 30 days to solicit input from Retirement System members.”

Accordingly, the procedure for the election of the two Retirement Board member shall be as set forth in this Policy. Any revisions to the existing Policy shall not be effective unless approved by a resolution of the Retirement Board after a comment period of no less than 30 days.

Section 1: Candidate Pool and Eligible Voters for Fire Department Trustee

- 1.1 One of the two members elected under the supervision of the Retirement Board shall be a member of the Retirement System that retired as an employee of the Fire Department. If no candidate is willing to serve on the Retirement Board from Retirement System Fire retirees, then the call for candidates shall be expanded to include City of Pasadena employees that retired from the Fire Department under the California Public Employees Retirement System. If the foregoing categories fail to yield a candidate willing to serve on the Retirement Board, then the call for candidates shall be further expanded to include any member of the Retirement System or any employee of the Pasadena Fire Department or Pasadena Police Department that retired under the California Public Employees Retirement System.

- 1.2 Only Fire Department members that retired under the Retirement System are eligible to vote for the Fire Department Trustee.

Section 2: Candidate Pool and Eligible Voters for Police Department Trustee

- 2.1 The other member elected under the supervision of the Retirement Board shall be a member of the Retirement System that retired as an employee of the Police Department. If no candidate is willing to serve on the Retirement Board from Retirement System Police retirees, then the call for candidates shall be expanded to include City of Pasadena employees that retired from the Police Department under the California Public Employees Retirement System. If the foregoing categories fail to yield a candidate willing to serve on the Retirement Board, then the call for candidates shall be further expanded to include any member of the Retirement System or any employee of the Pasadena Fire Department or Pasadena Police Department that retired under the California Public Employees Retirement System.
- 2.2 Only Police Department members that retired under the Retirement System are eligible to vote for the Police Department Trustee

Section 3: Retirement System Election Guidelines

- 3.1 ~~1-~~The Secretary of the System shall serve as the Election Official.
- 3.2 ~~2-~~In any election for ~~trustee~~Trustee of the Retirement System, the candidate receiving the highest number of votes, which need not be a majority of the votes cast, shall be declared the winner.
- 3.3 ~~3-~~In the case of death, resignation or removal of a ~~trustee~~Trustee, a special election shall be held for the unexpired term of the ~~trustee~~Trustee who died, resigned or was removed, provided that if such death, resignation, or removal occurs less than six months prior to the expiration of such ~~trustee's~~Trustee's term of office, the Retirement Board may elect not to hold a special election to fill the vacancy.
- 3.4 ~~4-~~If any election for the office of a ~~trustee~~Trustee should result in a tie, the winner shall be decided by a toss of a coin in the presence of the affected candidates in the office of the Election Official.
- 3.5 ~~5-~~Notice of an election of a ~~trustee~~Trustee shall be mailed by the Election Official to all active and retired Retirement System members, ~~if the trustee will be elected by them,~~ three (3) months prior to the expiration of the ~~trustee's term~~Trustee's term. In the case of a vacancy occurring prior to the expiration of the term, notice of an election shall be provided as soon as reasonably practicable after the vacancy occurs. Election notification shall include: advising that such election will be held, the qualifications for the ~~trustee~~Trustee to be elected, instructions for nominating a candidate for such election, and the ~~registration~~nomination deadline. A copy of this ~~Election~~-Policy shall

also be included.

3.6 ~~6-~~All mailings to ~~active and retired~~Retirement System members in connection with any election shall be addressed to the home addresses furnished by the ~~active and retired members~~ and on file with the Retirement System office.

3.7 ~~7-~~The following procedures shall be observed by the Election Official, in addition to such other procedures not specifically provided herein as may be ~~adopted~~deemed necessary by the Election Official ~~for any~~solely for purposes of carrying out an election.

A. At the filing deadline, the Election Official shall prepare a register of candidates who have been nominated for the election. Only the names of such candidates who have been nominated prior to the deadline shall appear on the ballot for the election. The names of candidates shall be listed on the ballot for the election, in the ~~order~~ order selected by lot by the Election Official, from a blind pool of the names of all candidates.

B. All ballots, mailing envelopes, return envelopes and instructions to voters shall be prepared by the Election Official in accordance with these guidelines, and shall be printed and controlled by the Election Official in accordance with this policy.

C. Only retired members of the Retirement System are eligible to vote in an election. Retirement System payees that are ineligible to vote in any Trustee election include payees that are surviving spouses, beneficiaries, or DRO ex-spouses. Current City of Pasadena Fire and Police Department employees and former employees that retired from Pasadena service under the California Public Employees Retirement System are ineligible to vote in any Trustee election.

D. ~~C-~~Ballots and related election materials shall be mailed first class to those ~~active and retired~~Retirement System members eligible to vote in the election. The deadline for return of the ballots shall be ~~5:00~~

~~p.m.~~ local time, fifteen (15) calendar days after the date of mailing by the Election Official. If the 15th day falls on a Saturday, Sunday or legal holiday, the deadline shall be extended to 5:00 p.m. local time on the next business day thereafter. The Election Official shall maintain a mailing list of all eligible voters showing the name and mailing address for each voter. This list shall be the Master Eligible Voter List.

E. ~~D.~~ All return envelopes, with ballots, delivered to the Election Official shall be dated and retained by the Election Official in a secure place and shall remain unopened until the official tabulation of votes.

F. ~~E.~~ Return envelopes delivered to the Election Official after the deadline shall be dated and retained by the Election Official but not opened, and the ballots therein shall not be counted.

G. ~~F.~~ The Election Official shall notify the candidates of the date, time and place for the opening of the return envelopes and the official tabulation of votes. Each candidate may have a representative present to observe the opening of the return envelopes and the counting of the votes.

H. ~~G.~~ The Election Official shall notify the Retirement System of the official tabulation of votes.

I. ~~H.~~ The Election Official shall adopt appropriate procedures to account for all ballots and return envelopes mailed and received.

J. ~~I.~~ All ballots, return envelopes, the Master Eligible Voting List and ballots not counted and return envelopes not opened for any reason for each election shall be retained by the Election Official for a period of one year after the date of the official tabulation of votes and then destroyed by the Election Official.

K. ~~J.~~ After the official tabulation of votes, the Election Official shall certify the results to the Retirement Board including a summary of ballots not counted, return envelopes not opened, and the reasons therefor.

L. The Election Official shall cause notice of the election results to be provided to Retirement System members in whatever manner is deemed to be reasonable by the Election Official.

3.8 ~~8.~~ If only one candidate, for the position of ~~trustee~~ Trustee, has been properly nominated prior to the ~~registration~~ nomination deadline for any election of a ~~trustee~~ Trustee whose term of office shall commence after April 1, the Election Official shall so notify the Retirement Board. Upon receipt of such notice, the Retirement Board shall declare the ~~registered~~ candidate to be elected as a ~~trustee~~ Trustee and the election procedures set forth in Section 73.7 of this ~~rule~~ Policy need not be complied with.