

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)