

Agenda Report

May 6, 2024

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: **DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE TO AMEND PASADENA MUNICIPAL CODE CHAPTER 4.100 TO CONFORM TO RECENT CHARTER AMENDMENT ADDRESSING THE ANNUAL POWER FUND TRANSFER TO THE GENERAL FUND**

RECOMMENDATION:

1. Find that the action proposed herein is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines per Section 15061(b)(3)(Common Sense Exemption); and
2. Direct the City Attorney to prepare and return with an ordinance within 60-days amending Chapter 4.100 of the Pasadena Municipal Code removing references to Net Income to conform to recent amendment to the Charter pertaining to the annual Power Fund transfer to the General Fund.

BACKGROUND:

Pasadena's Charter, Article XIV, establishes regulations regarding water and power utility operations. In the March 2024 election, Pasadena voters approved a Charter amendment which, among other things, allowed the annual Power Fund transfer to the General Fund to conform to Generally Accepted Accounting Practices (GAAP). The Charter amendment removed the requirement to calculate what is known as "net income," which is no longer used in GAAP calculations. Chapter 4.100 of the Pasadena Municipal Code establishes the calculation and methodology for the determination of the transfer on an annual basis. This chapter must be amended to conform with the Charter by removing the net income calculation in determining the amount available for transfer.

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 Municipal Code amendments to remove language referencing net income.

FISCAL IMPACT:


There is no direct fiscal impact the to the proposed changes.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
Director of Finance

Approved by:



MIGUEL MÁRQUEZ
City Manager