



# Agenda Report

May 13, 2024

**TO:** Honorable Mayor and City Council

**FROM:** City Manager's Office

**SUBJECT: DIRECT THE CITY ATTORNEY TO PREPARE AN ORDINANCE WITHIN 60-DAYS AMENDING PASADENA MUNICIPAL CODE CHAPTERS 2.40, 2.265, AND 2.275 TO CENTRALIZE THE CITY'S RISK MANAGEMENT FUNCTIONS WITHIN THE CITY MANAGER'S OFFICE**

**RECOMMENDATION:**

1. Find that the action proposed in the agenda report 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 that centralizes the City's Risk Management functions within the City Manager's Office.

**BACKGROUND:**

The City of Pasadena is dedicated to managing its organizational risks in a responsible and consistent manner through the application of centralized strategic organizational processes that proactively evaluate, communicate, and manage risks on an ongoing basis while pursuing opportunities to enhance service delivery and add organizational value.

In keeping with this commitment, the City Manager's Office is completing the process of centralizing the City's traditional risk management functions within the City Manager's Office. These functions include the safety and workers' compensation divisions, formerly housed within the Human Resources Department, and the City-wide Americans with Disabilities Act accessibility program, formerly housed within the Parks, Recreation and Community Services Department, that have now transitioned into the City Manager's Office. The final component of this transition is the liability claims and insurance division, currently housed within the City Attorney's Office, that will transition to the City Manager's Office at the commencement of FY 25. The foregoing divisions, combined with a newly established enterprise risk management section, will comprise the Risk Management Division of the City Manager's Office.

The following revisions to the Pasadena Municipal Code (PMC) will formalize the consolidation and centralization of the City's risk management functions within the City Manager's Office and align the new organizational structure with the PMC:

1. PMC 2.40.020: City Manager's Department – Department Functions

Include administration of the City's risk management program, including enterprise risk management, workers' compensation, safety, loss control, property and liability insurance, liability claims management, and administration of the City's ADA accessibility program in the list of the departmental functions of the City Manager's Office. Additionally, include the provision of support and general direction for the City's internal audit division in the list of departmental functions.

2. PMC 2.265.020: Parks, Recreation, and Community Services Department – Department Functions:

Remove the provision of staff support to the Accessibility and Disability Commission from the list of departmental functions. This function has transitioned to the City Manager's Office.

3. PMC 2.275.020: Finance Department – Department Functions:

Remove administration of the City's workers compensation, safety, and loss control programs from the list of departmental functions. These functions have transitioned to the City Manager's Office. Remove management of the City's insurance and liability claims functions from the list of departmental functions. These functions will transition to the City Manager's Office effective July 1, 2025.

**COUNCIL POLICY CONSIDERATION:**

This action supports the City Council's strategic goal to maintain fiscal responsibility and stability.

**ENVIRONMENTAL ANALYSIS**

The action proposed herein is exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act (CEQA) Section 15061(b)(3), the "common sense" exemption that CEQA applies only to projects which may 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. Authorizing an amendment to the Municipal Code to centralize the City's risk management functions within the City Manager's Office will not have a significant effect on the environment and, hence, is not subject to environmental review.

**FISCAL IMPACT:**

There is no direct fiscal impact the to the proposed change as all costs affiliated with the impacted operations are included in the FY 24 Operating Budget.

Respectfully submitted,

  
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ALEX SOUTO  
Deputy City Manager

Approved by:

  
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MIGUEL MÁRQUEZ  
City Manager