



Ordinance Fact Sheet

TO: CITY COUNCIL **DATE:** June 2, 2025

FROM: CITY ATTORNEY

SUBJECT: MUNICIPAL CODE AMENDMENTS TO REMOVE STRANDED INVESTMENT CHARGE AND RESERVES AND INCLUDE A RESERVE FOR WORKING CAPITAL

TITLE OF PROPOSED ORDINANCE

AN ORDINANCE OF THE CITY OF PASADENA, CALIFORNIA, AMENDING PASADENA MUNICIPAL CODE CHAPTER 13.04 TO REMOVE STRANDED INVESTMENT CHARGE AND RESERVES AND INCLUDE A RESERVE FOR WORKING CAPITAL

PURPOSE OF ORDINANCE

As directed by the City Council on February 24, 2025, this ordinance implements and codifies modifications to the Pasadena Municipal Code ("PMC") that impact the Light and Power Fund's reserves in order to dissolve a narrowly focused Stranded Investment Reserve and to adopt a Reserve for Working Capital.

REASON WHY LEGISLATION IS NEEDED

Pasadena Water and Power ("PWP") recommends streamlining PMC sections that impact the Light and Power Fund's reserves to create a Reserve for Working Capital, which will ensure exceptional credit worthiness and resilience to unforeseen circumstances.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

Pasadena Water and Power will implement, and Department of Finance will assist in the administration of, the proposed ordinance.

06/09/2025

MEETING OF 06/02/2025

AGENDA ITEM NO. -16- 14

FISCAL IMPACT

There is no fiscal impact associated with the adoption of the proposed PMC revisions.

ENVIRONMENTAL DETERMINATION

On February 24, 2025, the City Council found that the proposed PMC amendments are exempt from the California Environmental Quality Act ("CEQA"), which excludes from environmental review actions that are not "projects" as defined by California Public Resources Code ("PRC") Section 21065 and within the meaning of CEQA Guidelines Section 15378(b). PRC Section 21065 and CEQA Guidelines Section 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. CEQA Guidelines Section 15378 excludes from the definition of "project" administrative activities of governments that will not result in direct or indirect physical changes in the environment. The actions proposed herein, amending the PMC to establish a consolidated Reserve for Working Capital for the Light and Power Fund, is an administrative activity, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

Respectfully submitted,



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