

Agenda Report

May 18, 2026

TO: City Council

THROUGH Finance Committee (February 9 and 23, 2026)

FROM: City Manager's Office

SUBJECT: **ADOPT A RESOLUTION APPROVING AN UPDATED POLICY FOR REIMBURSEMENT FOR TRAVEL AND EXPENSES FOR ELECTED OFFICIALS AND RE-ADOPT WITHOUT CHANGES A POLICY FOR REIMBURSEMENT FOR TRAVEL AND EXPENSES FOR OFFICIALS APPOINTED BY THE CITY COUNCIL OF THE CITY OF PASADENA AS MEMBERS OF COMMISSIONS OR COMMITTEES**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Adopt a Resolution Approving an updated Policy for Reimbursement for Travel and Expenses for Elected Officials and re-adopt without changes a Policy for Reimbursement for Travel and Expenses for Officials Appointed by the City Council of the City of Pasadena as Members of Commissions or Committees

BACKGROUND:

City Charter Section 405 sets forth the process and requirements to study and make changes to City Council compensation. In November 1998, Pasadena voters approved Measure O, which modified Section 405 of the City Charter to authorize the City Council to establish a Committee on City Councilmembers' Compensation (Committee) by ordinance. The charge of the Committee is to study, take public input, and make recommendations to the City Council regarding the compensation and benefits to which members of the City Council are entitled.

In November 2024, Pasadena voters approved measure PA, which amended Section 405 of the City Charter to add a new requirement that the Committee be convened by the City Council not less than once every five years. This was done to address the issue that the City Council’s compensation had only been studied two times in 26 years.

On June 16, 2025, the City Council appointed the third Committee on City Councilmember’s Compensation, and the first to be appointed since 2001. The Committee held seven meetings between June 30, 2025 and September 24, 2025. On September 29, 2025, the Committee submitted a report to the City Council recommending changes to City Council compensation and reimbursable allowances.

As part of its review, the Committee considered the provisions related to compensation and allowances detailed in Section 2.05.220 of the Pasadena Municipal Code, which states the Mayor and members of the City Council may be reimbursed for actual and reasonably necessary expenses incurred in the performance of City business. Currently, reimbursements fall under four categories:

- General Expense / Childcare Allowance
- Telecommunications Allowance
- Cellular Allowance
- Computer Allowance

On September 29, 2025, the City Council received a report from the Committee recommending various changes to City Council compensation, as well as to eligible reimbursement allowances. The key recommended changes to allowances are:

- Eliminating Telecommunications, Cellular, and Computer allowances
- Introducing an Office Setup, Operations, and Security Reimbursement Allowance
- Establishing a standalone Family Care Reimbursement Allowance

On October 26, 2025, the City Council voted to approve the recommendations of the Committee and directed the City Attorney to prepare an ordinance incorporating changes to reimbursable allowances to be effective July 1, 2026, with compensation changes to the monthly stipend to be effective January 1, 2027. A comparison of current allowances and the Committee’s recommended changes is shown on the following table:

Reimbursement Allowances	Current		Recommended	
	CM	Mayor	CM	Mayor
General Expense / Childcare (Max)	\$3,600	\$6,000	\$6,000	\$11,000
Telecommunications (Annual Max)	\$1,800	\$3,600	Eliminated	Eliminated
Cellular (Per Term Max)	\$300	\$300	Eliminated	Eliminated

Computer (Per Term Max)	\$5,000	\$5,000	Eliminated	Eliminated
Family Care (Annual Max)	n/a	n/a	\$18,000	\$18,000
Office Setup, Operations, and Security (Per Term Max)	n/a	n/a	\$20,000	\$20,000

The administrative process governing City Council expense reimbursements is managed by staff in a manner consistent with the PMC and the provisions contained in the existing Policy for Reimbursement for Travel and Expenses for Elected Officials, adopted by Resolution 8596 in 2006 and amended by Resolution 8596-1 in 2007.

Included in Resolution 8596 is a separate Policy for Reimbursement for Travel and Expenses for Officials Appointed by the City Council of the City of Pasadena as Members of Commissions or Committees. Changes to travel and expense reimbursements for appointed officials **are not** being contemplated at this time. However, for purposes of keeping the travel and expense reimbursement policies together as part of one Resolution, the Policy for Reimbursement for Travel and Expenses for Officials Appointed by the City Council of the City of Pasadena as Members of Commissions or Committees is included with the proposed Resolution, as originally adopted and without edits.

Given the new categories and framework for reimbursement allowances proposed by the Committee on City Councilmembers' Compensation and the City Council's direction to staff to prepare an ordinance to effectuate the changes in FY 27, staff recommends that the City Council adopt an updated Policy for Reimbursement for Travel and Expenses for Elected Officials to coincide with adoption of the ordinance implementing City Council compensation adjustments.

Adoption of an updated Policy provides continued transparency and good governance protocols by defining eligible expenses and placing reasonable limitations on reimbursable expenses. Further, adoption of an updated Policy ensures equity by establishing clear, mutually understood guidelines agreed upon by the City Council that will help to ensure all members of the City Council are treated equally under the same rules and processes.

Lastly, it will facilitate the implementation and ongoing administration of the City Council compensation ordinance by addressing key matters such as: 1) defining eligible family members for family care and determining when qualifying expenses maybe incurred and eligible for reimbursement under the Family Care Reimbursable Allowance; 2) how reimbursements are processed by City staff; 3) how allowances are managed in instances of partial terms of office; and 4) the process for how the City Council and City staff address novel scenarios of first impression not anticipated in the Policy.

Once adopted, the Policy may be reviewed and amended at any point in the future as deemed appropriate by the City Council.

The following is a summary of the key updates to the Policy:

1. Section A – Authorized Expenses (updated)

- a. Removes reference to the old reimbursement categories and amounts and adds the new reimbursement categories and allowance amounts
- b. Includes additional guidance on authorized and unauthorized types of expenses. Reimbursable expenses include the purchase of:
 - Office equipment and supplies
 - Refreshments and supplies for constituent meetings
 - Office furniture
 - Computer equipment, including laptops and/or desktop computers, monitors, printers, and related peripherals
 - Cellular telephone and peripherals
 - Home and mobile internet connection
 - Home security system hardware, installation, and monitoring costs
 - Council business meeting expenses
 - Parking, tolls, transportation and rideshare services not related to conference travel

With the exception of expenses related to home security, the aforementioned reimbursable expenses were previously reimbursable under the General Expense Reimbursable Allowance. However, for clarity and avoidance of doubt, they are now proposed to be expressly incorporated into the Policy.

Non-Reimbursable expenses include the purchase of:

- Gift cards
- Security animals, pets, or pet care
- Home improvements not reasonably related to the performance of the duties of office
- Firearms or private armed security
- Expenses that do not fall within the types of eligible expenses listed in the policy; and are not related to duties and responsibilities of serving as a member of the City Council

These non-reimbursable expenses were previously not reimbursable. However, for clarity and avoidance of doubt, the exclusions are proposed to be expressly incorporated into the Policy.

- c. Establishes that the Family Care Reimbursable Allowance applies to family care expenses incurred while performing City Council duties and defines family member for purposes of eligibility for reimbursement as qualified children or dependents pursuant to Internal Revenue Service Publication 503

2. Section I – Reimbursement Process (new)

Establishes that the Family Care Reimbursable Allowance will be processed by the City's third-party administrator for employee dependent care benefits, to be funded on a taxable basis for Councilmembers that elect to opt in during the annual open enrollment period or within 30 days of a qualifying event.

3. Section L – Home Security Assessments (new)

States that members of the City Council are encouraged to request a home security assessment from the Pasadena Police Department upon appointment to City Council office, when selecting a new home security system, and at any other time where the Councilmember believes circumstances warrant an assessment.

4. Section M - Purchase and Reimbursement for Home Security Systems and Services (new)

Establishes that members of the City Council who have existing home security systems and monitoring services at the time they assume their duties on the City Council, they may elect to keep their systems and be reimbursed for ongoing monitoring expenses. Any member of the City Council who elects to purchase a new system to be reimbursed under the provisions of the Office Setup, Operations, and Security Allowance shall do so through a City provided vendor. The City Council Department shall maintain a list of at least three home security system vendors from which members of the City Council may select the system that best suits their needs.

5. Section N – Availability of Allowances for Partial Terms (new)

Establishes that members of the City Council who are appointed or elected to office during a partial unexpired term of office shall be entitled to the remaining allowance amounts unspent in each expense category. This provision mirrors the existing City practice.

6. Section O – Exceptional or Unique Circumstances (new)

Establishes that members of the City Council may request reconsideration by the Director of Finance of reimbursement requests that have been denied by City staff on the basis that they fall outside of the parameters established in the Policy. If the matter remains unresolved in the assessment of the member of the City Council, they may request that the Policy be reviewed by the full City Council for consideration of an amendment to the Policy.

7. Section P – Return of City Funded Assets Upon Departure from Office (new)

Establishes that when a member of the City Council leaves office, the departing member shall have the option of purchasing any assets of material value for which they received reimbursement at their present-day depreciated value or returning such assets to the City. This provision mirrors the existing City practice.

The following are pertinent details related to the initial implementation of the new reimbursable allowance categories and values:

1. As an annual allowance that runs on a fiscal year cycle, the **General Expense Reimbursable Allowance** will be established at 100% of its new annual value on July 1, 2026.
2. As an annual allowance that runs on a calendar year cycle, the **Family Care Reimbursable Allowance** will be established at 50% of its annual value on July 1, 2026 and at its full value commencing on January 1, 2027.
3. As a per-term allowance, the **Office Setup, Operations, and Security Reimbursable Allowance** will be established at its pro-rated value for each remaining term of office on July 1, 2026, and at its full value commencing with each new term of office thereafter.

COUNCIL POLICY CONSIDERATION:

Approval of a City Council Expense Reimbursement Policy advances the City Council's strategic planning goal of maintaining fiscal responsibility and stability.

FISCAL IMPACT:

The annualized fiscal impact of the adjustments to City Council compensation recommended by the Committee on Councilmembers' Compensation is estimated at an amount up to \$314,000 which will be fully funded by the General Fund.

The annualized fiscal impact of the increase to the monthly stipend is \$135,000. The annualized fiscal impact of the reimbursable allowances increases is up to \$179,000. The actual cost of the increases to the reimbursable allowances may be lower depending on utilization rates. Funding for the proposed increases will be included in the City Council Department's FY 27 Recommended Operating Budget.

Respectfully submitted,




ALEX SOUTO,
Deputy City Manager

Concurred,



MARK JOMSKY,
City Clerk

Approved by:



Matthew E. Hawkesworth
Interim City Manager

Attachments:

- A. Policy for Reimbursement for Travel and Expenses for Elected Officials (Redlined)
- B. Policy for Reimbursement for Travel and Expenses for Officials Appointed by the City Council of the City of Pasadena as Members of Commissions or Committees