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Will I receive a refund, or will my utility rate be lowered if Measure P does not pass?

No. At this time, the City has no plans to reduce utility rates if Pasadena voters do not pass Measure P. Instead, a significant portion of the 18 million dollars currently used, each year, to fund fire, paramedic, 911 emergency, and other essential city services and programs that benefit Pasadena residents could no longer be used for these purposes and would instead be used to finance outstanding utility infrastructure projects and other utility programs.

Attached below is the City Attorney Impartial Analysis and Argument submitted In Favor of Measure P. No Argument was submitted against Measure P.

More information can be found at the City Clerk Elections page at www.cityofpasadena.net/city-clerk/general-election-2020.

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CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE P

This measure was placed on the ballot by the Pasadena City Council. If approved by voters, it would amend the Pasadena City Charter to continue the City's current practice of using retail electric rates to help fund the annual transfer of approximately \$18 million to the General Fund to pay for general City services.

Background

Article XIV of the Charter currently directs the City Council to make two annual transfers of revenue from the Light & Power Fund to the General Fund. Since 1934, Pasadena voters have approved the transfers a combined total of seven times. One transfer must be used to pay off City bonds and fund municipal improvements; the other may be used for any municipal purpose. The maximum amount of each transfer is set at 8 percent of the gross income received from the City's charges for electric service during the prior fiscal year. The transfers provide approximately \$18 million annually to the General Fund, which is used to pay for 911 response, fire, paramedic, public health, senior and homeless services, street repairs, and other services.

To ensure that funding is available for the transfers, the City designs its retail electric rates so that the electric utility will have enough revenue, each year, to cover its expenses and make the transfers. In 2017, this longstanding practice was challenged in a class action lawsuit. A recent ruling by the trial court suggests that to comply with the Constitution, voters must expressly approve funding the transfers through electric rates. If this ruling is upheld, the court may require refunds of transferred monies and order that the transfers cease until the City obtains the necessary voter approval.

The Measure

The City Council has placed this measure on the ballot to address the pending class action lawsuit. The measure would ratify the City's rate-setting practices by expressly authorizing the City to set electric rates that are sufficient to pay (a) the expenses of the electric utility and (b) the annual transfer to the General Fund, clarifying that the City had this authority during all periods involved in the lawsuit. It would also combine the two current transfers, allow the total amount transferred to the General Fund to be used for any municipal purpose, and reduce the maximum transfer from 16 percent to 12 percent.

This measure requires approval by a majority of the voters voting on the measure.

A "yes" vote amends the Charter to clearly allow the City to continue funding the transfer through electric rates to pay for general City services. Passage of this measure will not increase electric ratepayers' bills, because current electric rates already include the cost of the transfers.

A "no" vote means the proposed Charter amendment would not go into effect. If the City loses the lawsuit and this measure does not pass there could be an annual reduction of revenue for the General Fund of up to \$18 million, reflecting the loss of the transfer. At that time, and to account for the loss of revenue, the City Council may need to consider eliminating or reducing City services.

THE ABOVE STATEMENT IS AN IMPARTIAL ANALYSIS OF THE MEASURE. IF YOU DESIRE A COPY OF THE CHARTER AMENDMENT TEXT, PLEASE CALL THE CITY CLERK'S OFFICE AT (626) 744-4124 AND A COPY WILL BE MAILED AT NO COST TO YOU, OR YOU MAY ACCESS THE TEXT FROM THE INTERNET AT <https://www.cityofpasadena.net/city-clerk/>.

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ARGUMENT IN FAVOR OF MEASURE P

PASADENA CITY SERVICES PROTECTION MEASURE

Vote YES on Measure P to protect City services.

Since 1934, Pasadena Charter provisions calling for the annual transfer of funds from the Pasadena Water and Power's (PWP) annual sales of electricity to the City's General Fund, have been approved by voters a combined total of seven times. Those funds transferred have paid for City services including fire, paramedic, emergency 911 response, public health, senior services, homeless programs, street repairs, and the ability to maintain a clean, healthy, and safe community for the benefit of Pasadena residents.

The annual transfer amount to support city services is currently approximately \$18 million.

The validity of the Charter-authorized transfers from PWP is being challenged alleging that the transfer is a new tax despite having already gone before Pasadena voters several times. This will be the eighth time that voters will have affirmed the transfer to the General Fund.

A "Yes" vote will not result in a new tax.

A "Yes" vote will not increase taxes.

A "Yes" vote will not increase the utility rate.

A "Yes" vote **will require financial audits**, lower and limit the maximum transfer amount to not more than 12%, and require the funds be locally controlled and spent to benefit Pasadena residents and businesses.

If this measure is approved, the City will continue to transfer funds to the City's General Fund in support of the vital community services and programs that we all rely on.

Failure to approve this measure will result in the loss of approximately \$18 million annually in addition to the \$30.4 million loss in revenue this year due to COVID-19. City services during this difficult health crisis and moving forward will need to be reduced across the board.

Please vote YES on Measure P to protect Pasadena city services.

TERRY TORNEK
Mayor of Pasadena

JOEL SHELDON
Chairman Vroman's Bookstore

ANNE MISKEY
CEO Union Station Homeless Services

VICTOR M. GORDO
Pasadena Councilmember

SANDRA B. GREENSTEIN
President of the Board
Pasadena Senior Center

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NO ARGUMENT AGAINST THIS MEASURE WAS SUBMITTED