

# Agenda Report

**TO:** CITY COUNCIL                      **DATE:** April 26, 2004  
**THROUGH:** Finance Committee

**FROM:** CITY MANAGER

**SUBJECT:** Fiscal Year 2004 Operating Budget Amendments

## **RECOMMENDATION:**

It is recommended that the City Council approve a journal voucher implementing certain amendments to the fiscal year 2004 Operating Budget as detailed in the Background Section of this report.

## **BACKGROUND:**

On June 30, 2003 the City Council adopted the Operating Budget for fiscal year 2004. Subsequent to the adoption of the City's annual operating budget, there is often a need to make various budgetary adjustments as the result of changes in revenues, expenditures and operational priorities. Accordingly, the following amendments are recommended for adoption:

1. Add 1.00 FTE, Business Tax Inspector to the Finance Department and recognize and appropriate \$9,564 in business license revenue for the remainder of fiscal year 2004 to account 101-8005-327200. The proposed position will focus on improving enforcement of business license taxes on mobile businesses and vendors, such as contractors performing home improvements and additions. It is anticipated that this position will generate sufficient revenue to cover its annual cost of \$57,632.
2. Appropriate \$45,496 from the Foothill Air Support Team Fund (Fund 108) unappropriated fund balance to account 108-402420 to cover the costs of insurance and administration that were not included in the fiscal year 2004 adopted operating budget. The Foothill Air Support Team has a current budget of \$208,160 in expenses and \$253,000 in anticipated revenues.
3. Transfer \$5,000 from the Miscellaneous Public Safety Grants Fund (Fund 228) unappropriated fund balance to account 101-8108-405300 for the purchase of miscellaneous computer hardware for the Police

## Fiscal Year 2004 Operating Budget Amendments

Department's Computer Assisted Dispatch System conversion. This is a grant-funded project. The transfer of these funds to the General Fund will offset like expenses. The Public Safety Grants Fund has an unappropriated balance of \$343,000, of which \$260,000 is intended to be used toward this project.

4. Approve the addition of 1.0 FTE, Information Technology Analyst I to the Planning and Development Department. This position will support the Homeless Management Information System (HMIS). The HMIS is a computerized data collection system used by agencies providing homeless services. Participation in this project is required if the City wishes to continue to receive federal Support Housing Program funds. The grant funds for this project have been obtained from HUD through February 2006 and have been included in the operating budget. The FTE will be responsible for training, maintaining the database, technical support, report writing, set-up and installation of the software for the participating agencies. The position is limited to the term of the grant and funds allocated for administration of this program cannot be used to support other city, state or federal housing initiatives. The annual cost is \$68,670.
5. Increase appropriations in the Refuse Fund fleet maintenance line item (account 8616) by \$491,137 and fuel line item (8618) by \$40,000. The Fleet Maintenance Division has been incurring increased expenses for vehicle maintenance as a result of the purchase of new equipment and the maintenance of older vehicles, which require more frequent repair. This increase will bring the appropriation in line with actual expenses and these increases are in accordance with the Integrated Waste Management Operations Plan approved by Council on 11/17/2003.
6. Transfer \$394,463 from the Fleet Maintenance & Replacement Fund to various other funds detailed in the table below. The City has been keeping its fleet vehicles longer than anticipated by the fleet replacement schedule. Consequently, the Fleet Maintenance & Replacement Fund has built up a large cash reserve. As part of the fiscal year 2004 operating budget, Council approved a rebate back to contributing funds an amount equal to their contribution to the replacement fund, essentially providing for a one-year moratorium on contributions.

The rebates back to the various funds were programmed in the budget based on anticipated replacement charges; however, in a number of funds the actual replacement charges have been higher than budgeted amount. In order to properly carryout the full rebate of replacement contributions, the following additional transfers from the Fleet Maintenance & Replacement Fund are necessary.

Fiscal Year 2004 Operating Budget Amendments

Fund	Amount to be transferred back \$
General Fund (101)	363,205
Gas Tax (210)	11,541
Computing and Communications (501)	11,338
Sewer Construction and Maintenance (205)	5,569
Library Services Fund (212)	2,810
Total	394,463

For fiscal year 2005 a revised replacement schedule has been developed which is based more closely on the actual replacement cycles of vehicles. It is estimated that this new schedule will save other City funds at total of \$628,850 in fiscal 2005 as compared to budgeted charges for fiscal year 2004.

7. Approve a journal voucher recognizing revenue in the amount of \$100,000 from the Hasting Village-Public Safety Deferred Revenue Account 3291 and appropriate it to the East Pasadena Sub-Station program budget account number 8114-101-403160, and appropriate \$77,000 from the Asset Forfeiture Fund (Fund 207) unappropriated fund balance to account 207-8114-401500.

On March 29, 2004 the City Council approved the following actions as part of the approval for the construction of the indoor firing range:

- Approve a journal voucher transferring \$100,000 from the east Pasadena Sub-Station program budget (account number 8114-101-403160), to the Indoor Firing Range at Eaton Canyon CIP project (account 71139).
- Approve a journal voucher transferring \$77,000 from Asset Forfeiture (account number 8114-207-401500) to the Indoor Firing Range at Eaton Canyon CIP project (account 71139).

The effect of the above actions was to transfer funds from the Police Department's current budget (i.e., appropriated dollars) to the firing range project. However, the intent was to appropriate previously unappropriated funds and transfer them to the project. Since the prior journal vouchers have already been executed, and the associated dollars transferred out of the Police Department's Operating Budget, the proposed action will effectively restore funds.

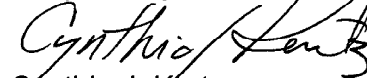
Fiscal Year 2004 Operating Budget Amendments

**FISCAL IMPACT:**

The proposed recommendations will add 2.00 FTEs and change fiscal year 2004 appropriations, revenues and fund balances as follows:

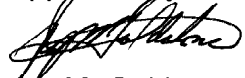
- Increase appropriations in the General Fund by \$114,564.
- Increase estimated revenues in the General Fund by \$114,564.
- Increase appropriations in the Foothill Air Support Team Fund by \$45,496.
- Decrease Miscellaneous Public Safety Grant Fund balance by \$5,000.
- Increase appropriations and decrease fund balance in the Refuse Fund by \$531,137.
- Decrease the Fleet Maintenance & Replacement Fund balance by \$394,463 and increase revenues to various funds as shown in table above.
- Decrease Asset Forfeiture Fund balance by \$77,000 and increase appropriations to Capital Project Fund (Project 71139).

Respectfully submitted,



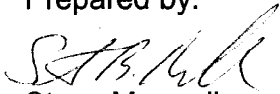
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Approved by:



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