

# Agenda Report

**DATE:** FEBRUARY 28, 2005

**TO:** CITY COUNCIL

**THROUGH:** FINANCE COMMITTEE

**FROM:** CITY MANAGER

**SUBJECT:** APPROVAL OF JOURNAL VOUCHER APPROPRIATING \$525,079 TO THE OLD PASADENA PARKING STRUCTURE FUND AND DIRECT STAFF TO REDUCE THE ANNUAL REPAYMENT TO THE GENERAL FUND TO \$350,000 BEGINNING IN FISCAL YEAR 2005 UNTIL THE NOTE IS TOTALLY REPAID

## RECOMMENDATION

It is recommended that the City Council:

1. Approve a Journal Voucher appropriating \$525,079 to account number 8114-407-774500, within the Old Pasadena Parking Structure Fund. A portion of these funds, \$324,362, will come from a reduction in appropriations to the Capital Improvement budget, while the balance of the funding, \$200,717, will come from the Old Pasadena Parking Structure Fund unappropriated fund balance; and
2. Reduce the amount of repayment of the General Fund advances beginning in fiscal year 2005 to the fiscal year 2003 level of \$350,000 per year until it is demonstrated that the Old Pasadena Parking Structure Fund can increase these payments without depleting cash. As of June 30, 2005, the principal balance of the outstanding advances from the General Fund to the Old Pasadena Parking Structure Fund will be \$3,736,545.

## **BACKGROUND**

In fiscal year 2002, the City received a proposal from the Old Pasadena Management District (OPMD) to take over the management of the three City garages in Old Pasadena. As a result, the City entered into a management agreement with the OPMD. In February 2004, the OPMD assumed full management responsibilities for the garages. Fiscal year 2005 represents the first full year of operations under the OPMD.

Following the end of the first quarter of fiscal year 2005, OPMD staff met with City staff and indicated that they believed that they would be unable to reduce operating expenses as anticipated in their adopted budget request. A major reason for this was they were not able to renegotiate the current contract with the garage operator to the extent originally anticipated and that they would not have enough time to issue a request for proposal for a new operator and incorporate any possible savings into this year's operating budget. A second component to the request for additional funding is to provide spending authority to cover several invoices for fiscal year 2004 that were not paid or encumbered during that fiscal year. Because the financial records are closed for fiscal year 2004, bills to the operator for the months of April and May 2004 will need to be paid out of the fiscal year 2005 operating budget.

Five documents are attached for the City Council's review. Attachment 1 represents a seven-year historical presentation of both income statements and balance sheets for the Old Pasadena Parking Structure Fund. This demonstrates the historical financial performance of the garages. Attachment 1 also includes a fiscal year 2004 revised column that has been added to reflect what the operating results would have been if all the invoices had been expensed in fiscal year 2004.

Attachment 2 represents a budget comparison for those items managed by OPMD and compares the budget as originally adopted by the City Council to the recommended amended budget.

Investment earnings for the Old Pasadena Parking Fund were projected at \$336,131 based on the adopted budget for fiscal 2005. As a result of the additional appropriation, the decreased amount of unappropriated fund balance available for investment would reduce interest earnings by \$104,409 for revised projected income of \$231,722.

Attachment 3 is a five-year fund sheet that projects revenues and expenditures on a cash basis versus an accrual basis. The fiscal year 2005 estimated column reflects the projected expenditures based upon the recommended budget amendments. After discussion with OPMD staff, it was agreed that projected expenditures for fiscal year 2006 and beyond would be based upon the revised

fiscal year 2005 estimated actuals. Should the OPMD reduce expenditures in the future, these projections will be modified accordingly. At the current rate of expenditures and the accelerated rate of repayment of the General Fund advances (\$450,000 in fiscal year 2005 and \$500,000 per year thereafter), this Fund will exhaust all of its unrestricted cash by the end of fiscal year 2006 and continue in a deficit position going forward.

Attachment 4 is a modified version of Attachment 3. The only change reflected is the recommended reduction to the accelerated repayment of the General Fund advances. Instead of paying the General Fund back at an accelerated rate, the repayment has been reduced to \$350,000 per year. This demonstrates the level of repayment prior to entering into the management agreement with OPMD. In fiscal year 1998, the repayment was increased from \$250,00 per year to \$350,000. At the reduced rate of repayment, the Old Pasadena Parking Structure Fund will still exhaust its unrestricted cash by the end of fiscal year 2006, but by a much lesser amount thereby making it easier to make changes needed to keep the fund solvent. If OPMD is able to reduce costs, the General Fund payback could be increased at that time.

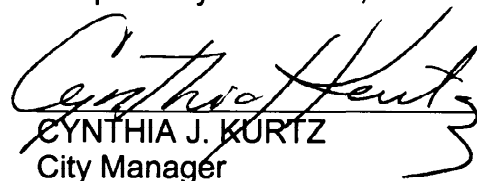
Under the scenario shown in Attachment 4, the General Fund would be repaid in fiscal year 2016, whereas under the accelerated rate of repayment, it would be repaid in fiscal year 2013.

Attachment 5 is a letter from the OPMD requesting that the City approve the recommended budget amendment for fiscal year 2005. Representatives from the OPMD will be available at both the Finance Committee and City Council meetings to discuss their request.

### **FISCAL IMPACT**

The impact of this proposed action will increase the operating budget appropriation by \$525,079. Funding is available within the Old Pasadena Parking Structure Fund to cover the additional cost. A portion of these funds, \$324,362, will come from the reduction in capital appropriations to the garages. The balance will come from the unappropriated fund balance.

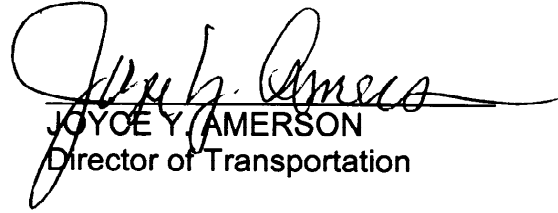
Respectfully submitted,

  
CYNTHIA J. KURTZ  
City Manager

Approved:

  
JAY M. GOLDSTONE  
Director of Finance

Concurrence:

  
JOYCE Y. AMERSON  
Director of Transportation

- Attachment 1
- Attachment 2
- Attachment 3
- Attachment 4
- Attachment 5

**ATTACHMENT 1**

**OLD PASADENA PARKING FUND**

**Income Statements**

	<b>REVISED</b>							
	<b>FY2004</b>	<b>FY2004</b>	<b>FY2003</b>	<b>FY2002</b>	<b>FY2001</b>	<b>FY2000</b>	<b>FY1999</b>	<b>FY1998</b>
<b>Revenues</b>								
Parking/Rental Revenues	4,708,989	4,708,989	4,523,827	3,504,967	3,591,135	3,264,810	2,949,174	2,367,127
Zoning Parking Credits	0	0	0	233,492	221,674	221,372	172,383	231,557
Taxes	0	0	0	803,118	787,371	1,187,371	636,888	565,000
Investment Earnings	221,781	221,781	258,640	280,096	312,789	288,929	270,262	324,298
Change in Net Value	(6,145)	(6,145)	912	16,550	23,565	(18,359)	(34,518)	
Other Non-Operating Income	0	0	0	0		9,335	2,398,929	345,937
Operating Transfers In	43,282	43,282	56,414	30,148	31,050	130,134	939,168	
	<b>4,967,907</b>	<b>4,967,907</b>	<b>4,839,793</b>	<b>4,868,371</b>	<b>4,967,584</b>	<b>5,083,592</b>	<b>7,332,286</b>	<b>3,833,919</b>
<b>Operating Expenses</b>								
Parking Expenses	2,336,429	2,114,924	2,186,222	2,149,239	1,797,218	2,461,154	1,051,285	1,250,288
Depreciation	442,960	442,960	442,753	393,247	393,246	361,929	315,400	535,524
Interest Expense	1,475,747	1,475,747	1,533,432	1,620,848	1,629,371	1,659,019	1,579,560	1,613,889
Other Non-Operating Expenses	119,521	119,521	119,521	119,521	106,686	0		
Operating Transfers Out					0	0	0	1,101,753
	<b>4,374,657</b>	<b>4,153,152</b>	<b>4,281,928</b>	<b>4,282,855</b>	<b>3,926,521</b>	<b>4,482,102</b>	<b>2,946,245</b>	<b>4,501,454</b>
<b>Net Operating Income</b>	<b>593,250</b>	<b>814,755</b>	<b>557,865</b>	<b>585,516</b>	<b>1,041,063</b>	<b>601,490</b>	<b>4,386,041</b>	<b>(667,535)</b>

**Balance Sheet**

	<b>REVISED</b>							
	<b>FY2004</b>	<b>FY2004</b>	<b>FY2003</b>	<b>FY2002</b>	<b>FY2001</b>	<b>FY2000</b>	<b>FY1999</b>	<b>FY1998</b>
<b>Assets</b>								
Cash & Investment	1,635,887	1,635,887	1,762,516	1,850,743	2,165,148	1,519,278	1,825,471	1,590,418
Restricted Cash	2,691,190	2,691,190	2,687,334	2,678,549	2,671,460	3,083,375	2,943,216	2,943,216
Accounts Receivable	303,618	303,618	264,484	283,591	285,763	292,790	250,856	221,488
Prepaid and Other Assets	2,949,318	2,949,318	3,005,730	3,221,585	3,437,438	3,653,292	3,869,145	4,085,000
Property, Plant & Equipment (net)	16,469,897	16,469,897	16,894,769	17,337,523	17,700,620	18,093,866	17,829,448	12,416,786
	<b>24,049,910</b>	<b>24,049,910</b>	<b>24,614,833</b>	<b>25,371,991</b>	<b>26,260,429</b>	<b>26,642,601</b>	<b>26,718,136</b>	<b>21,256,908</b>
<b>Liabilities</b>								
Accounts Payable	1,096,529	875,024	941,857	886,467	1,020,675	1,134,196	815,549	1,025,007
Deposits	329,303	329,303	325,415	303,500	303,547	309,659	286,344	258,298
Due to Other Funds	0	0	0	0	0	0	2,400,000	0
Advances from General Fund	4,186,545	4,186,545	4,536,545	4,886,545	5,236,545	5,596,545	5,936,545	6,286,545
Notes Payable - Current	97,482	97,482	92,471	88,295	84,026	79,962	0	0
Notes Payable - Long Term	2,119,416	2,119,416	2,216,898	2,309,370	2,397,664	2,481,690	0	0
COP - Current	1,017,175	1,017,175	963,819	916,021	867,664	770,000	792,629	778,380
COP - Long Term	20,588,068	20,588,068	21,477,676	22,441,495	23,357,516	24,285,606	25,055,606	25,825,245
Unamortized discount	452,954	452,954	490,964	528,975	566,984	604,994	643,004	681,015
	<b>29,887,472</b>	<b>29,665,967</b>	<b>31,045,645</b>	<b>32,360,668</b>	<b>33,834,621</b>	<b>35,252,652</b>	<b>35,929,677</b>	<b>34,854,490</b>
<b>Retained Earnings</b>	<b>(5,837,562)</b>	<b>(5,616,057)</b>	<b>(6,430,812)</b>	<b>(6,988,677)</b>	<b>(7,574,192)</b>	<b>(8,610,051)</b>	<b>(9,211,541)</b>	<b>(13,597,582)</b>
<b>Total Liab &amp; Retained Earnings</b>	<b>24,049,910</b>	<b>24,049,910</b>	<b>24,614,833</b>	<b>25,371,991</b>	<b>26,260,429</b>	<b>26,642,601</b>	<b>26,718,136</b>	<b>21,256,908</b>

**Old Pasadena Parking Structures Fund  
Revised Operating Budget**

	<u>FY 2005 Adopted</u>	<u>FY 2005 Revised</u>	<u>Increase/ (Decrease)</u>
Materials, Supplies, Miscellaneous	7,140	8,120	980
Contract Services			
Public Relations	4,000	2,361	(1,639)
<u>Delacey &amp; Schoolhouse Expenses</u>			
Security	212,443	257,191	44,748
Parking Management	664,549	1,034,584	370,035
Repairs and Maintenance	0	69,523	69,523
<u>Marriott Expenses</u>			
Security	53,111	27,947	(25,164)
Parking Management	119,390	176,704	57,314
Repairs and Maintenance	0	3,232	3,232
Schoolhouse Trash Compactor	60,398	55,297	(5,101)
Miscellaneity	35,000	59,584	24,584
Insurance	63,752	50,320	(13,432)
<b>OPMD Operating Budget</b>	<b><u>1,219,783</u></b>	<b><u>1,744,862</u></b>	<b><u>525,079</u></b>

City of Pasadena  
Fund Appropriations Report  
Five Year Projection - Revenue & Expenses

ATTACHMENT 3

Fund 407 Old Pasadena Parking Structures Fund

WITH OPMD AGREEMENT EFF FEBRUARY 2004

	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2005 thru 12/31/04	FY 2005 Est. Actual	FY 2006 Proposed	FY 2007 Proposed	FY 2008 Proposed	FY 2009 Proposed	FY 2010 Proposed
Beginning Cash Balance (1001) 7/1/00	1,850,742	1,762,516	1,655,887		1,635,887					
Restricted Cash and Investments	2,678,549	2,687,334	2,691,190		2,691,190					
Current Assets (other than above accs.)	283,589	264,483	335,494		335,494					
Current Liabilities	(1,189,964)	(1,257,272)	(1,204,327)		(1,204,327)					
Less: Restricted Cash and Investments	(2,678,549)	(2,687,334)	(2,691,190)		(2,691,190)					
Less: Designated for CIP	(130,496)	(135,543)	(339,455)		(15,093)					
Less: Accumulated Change in Fair Value	(52,107)	(33,019)	(46,874)		(46,874)					
<b>Beginning Amount Available for Appropriations</b>	<b>761,764</b>	<b>571,166</b>	<b>380,724</b>		<b>705,086</b>	<b>123,629</b>	<b>(297,604)</b>	<b>(421,015)</b>	<b>(493,858)</b>	<b>(530,986)</b>
<b>Revenues</b>										
<b>Transient</b>										
6960 Delacey Ave Parking Charges	973,456	1,020,449	977,446	443,195	1,018,633	1,013,395	1,033,653	1,054,336	1,075,423	1,096,931
6987 Schoolhouse Parking Charges	1,454,464	1,414,915	1,499,406	600,409	1,402,663	1,390,298	1,418,104	1,446,466	1,475,195	1,504,903
6996 Marriott Parking Revenues	57,133	83,163	54,129	40,447	93,224	92,354	94,201	96,085	98,007	99,967
<b>Monthly</b>										
6958 Delacey Monthly Pkg Permits	129,728	178,052	136,233	61,798	195,267	205,140	209,243	213,428	217,696	222,050
6959 Schoolhouse Monthly Pkg Permit	477,428	448,222	486,887	149,691	464,686	480,300	489,906	499,704	509,698	519,892
6984 Marriott Monthly Pkg Permits	45,262	68,567	43,385	20,394	64,611	68,040	69,401	70,789	72,205	73,649
<b>Leases</b>										
6962 Delacey Restaurant Lease	91,189	107,769	99,500	49,740	99,480	99,500	99,500	99,500	99,500	99,500
6961 Schoolhse Bldg Property Leases	213,818	277,961	248,185	111,730	248,878	250,296	252,799	255,327	257,880	260,459
<b>Other</b>										
6982 Rose Parade Parking	0	0	28,600	0	28,600	28,600	28,600	28,600	28,600	28,600
7142 Zoning Parking Credits	262,169	274,328	275,315	148,645	250,645	265,650	270,963	276,382	281,910	287,548
6542 Pasadena Community Devel Comm	819,180	835,563	852,275	0	852,275	869,321	886,707	904,441	922,550	940,981
6926 Investment Earnings	56,056	24,140	336,131	13,145	26,290	22,110	225,198	229,366	233,617	237,951
6929 Investment Earnings Bonds	202,587	197,643	0	21,716	205,432	0	0	0	0	0
6726 Schoolhouse Trash Compactor Fees (1)	94,287	43,282	60,398	0	11,228	9,816	10,013	10,213	10,417	10,626
7023 Miscellaneous Revenue			45,000	20,201	40,402	45,000	45,000	45,000	45,000	45,000
<b>Total Revenues</b>	<b>4,876,757</b>	<b>4,974,054</b>	<b>5,142,890</b>	<b>1,681,110</b>	<b>5,002,314</b>	<b>5,038,820</b>	<b>5,133,297</b>	<b>5,229,638</b>	<b>5,327,878</b>	<b>5,428,057</b>
<b>Operating Expenses</b>										
<b>City Operating</b>										
8005 City Personnel	76,442	45,705	42,100	34,532	43,141	45,039	46,390	47,782	49,215	50,692
8101 Materials, Supplies, Miscellaneous	19,839	6,354	10,910	659	6,659	10,910	11,110	11,310	11,510	11,720
8106 Office Rent	10,103	6,337	5,650	0	5,650	5,933	6,229	6,541	6,868	7,211
8114 Contract Services										
Security	242,956	264,610								
Parking Management	974,728	553,877								
Property Management/Misc.	131,173	76,749	35,000	19,369	33,369	35,000	35,000	35,000	35,000	35,000
Marriott Expenses	214,254	179,288	30,000	0	30,000	30,000	30,000	30,000	30,000	30,000
Old Pasadena Management District (formerly Marketing)	30,000	30,000	113,300	55,002	111,654	115,004	118,454	122,007	125,688	129,438
Old Pasadena Management District (Garage Mgmt Fee)			20,000	0	0	20,000	0	0	20,000	0
8115 Consultant Services	13,581	0	185,000	97,585	192,096	185,000	185,000	185,000	185,000	185,000
819/42 Electric & Water	165,069	178,853	39,000	15,831	36,123	37,000	39,000	41,000	43,000	45,000
8149/56 Insurance & Fiscal Fees	45,404	48,277	79,111	39,553	79,111	81,484	83,929	86,447	89,040	91,711
8163 City Cost Abatement	66,208	76,436								
8178 Program Expenditure Recovery (Validations)	(800)	(2,538)								
8600 Internal Services (1)	117,639	53,917	14,126	5,723	11,445	17,255	17,600	17,952	18,311	18,677
<b>City Operating Subtotal</b>	<b>1,570,577</b>	<b>1,570,577</b>	<b>574,197</b>	<b>268,254</b>	<b>549,248</b>	<b>582,624</b>	<b>572,712</b>	<b>583,039</b>	<b>613,612</b>	<b>604,449</b>

City of Pasadena  
Fund Appropriations Report  
Five Year Projection - Revenue & Expenses

Fund 407 Old Pasadena Parking Structures Fund		FY 2003	FY 2004	FY 2005	FY 2005	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
		Actual	Actual	Adopted	thru 12/31/04	Est. Actual	Proposed	Proposed	Proposed	Proposed	Proposed
WITH OPMD AGREEMENT EFF FEBRUARY 2004											
<b>OPMD Operating</b> (based on transition effective 2/02/04)											
8101	Materials, Supplies, Miscellaneous		3,283	7,140	5,859	8,120	7,300	7,450	7,600	7,750	7,900
8114	Contract Services		0	4,000	0	2,361	4,000	4,000	4,000	4,000	4,000
Public Relations											
Delacey & Schoolhouse Expenses											
Security (2)			63,932	212,443	86,750	257,191	262,335	267,582	272,933	278,392	283,960
Parking Management (3)			240,398	664,549	518,746	1,034,584	883,944	901,623	919,656	938,049	956,810
Repairs and Maintenance (4)				0	34,905	69,523	76,913	72,332	73,778	75,254	76,759
Marriont Expenses											
Security			22,314	53,111	9,365	27,947	28,506	29,076	29,638	30,251	30,856
Parking Management (4)			37,877	119,390	77,681	176,704	154,040	157,121	160,264	163,469	166,738
Repairs and Maintenance (4)				0	1,163	3,232	3,297	3,363	3,430	3,498	3,568
Schoolhouse Trash Compactor (1 & 5)			15,802	60,398	20,507	55,297	54,689	55,783	56,899	58,037	59,197
Miscellaneous (6)			50,621	35,000	44,431	59,584	33,232	33,896	34,574	35,266	35,971
8156	Insurance		31,876	63,752	31,876	50,320	20,000	22,000	24,000	26,000	28,000
<b>OPMD Operating Subtotal</b>			<b>466,102</b>	<b>1,219,783</b>	<b>831,282</b>	<b>1,744,862</b>	<b>1,522,256</b>	<b>1,554,225</b>	<b>1,586,791</b>	<b>1,619,965</b>	<b>1,653,759</b>
<b>Total Operating Expenses</b>			<b>2,106,596</b>	<b>1,793,980</b>	<b>1,099,536</b>	<b>2,294,110</b>	<b>2,104,881</b>	<b>2,126,937</b>	<b>2,169,829</b>	<b>2,233,576</b>	<b>2,258,208</b>
<b>Long-term Debt</b>											
867677	Debt Service-Garage Construction (ends 2018)		2,192,344	2,214,375	0	2,214,375	2,225,312	2,216,875	2,220,000	2,218,750	2,223,125
867677	Debt Service-Marriont Construction (ends 2020)		207,541	208,000	55,783	207,541	208,000	208,000	208,000	208,000	208,000
867677	Debt Service-Delacey Seismic Upgrade - CIP (ends 2016)		132,582	133,553	10,196	133,553	133,860	133,896	133,652	133,680	133,942
8705	Payback To General Fund (ends 2013)		350,000	-450,000	350,000	450,000	500,000	500,000	500,000	500,000	500,000
<b>Total Debt Service</b>			<b>2,882,467</b>	<b>3,005,928</b>	<b>415,979</b>	<b>3,005,468</b>	<b>3,067,172</b>	<b>3,058,771</b>	<b>3,061,652</b>	<b>3,060,430</b>	<b>3,065,067</b>
<b>Capital Improvement Projects (CIP) (7)</b>											
Schoolhouse Trash Compactor - 7/1714			0	0	0	0	0	0	0	0	0
Parking Structure Improvements - 7/1664 (8 & 9)			18,088	163,500	0	134,958	288,000	0	0	0	0
Parking Structure Energy Efficiency Project - 7/1722			0	75,000	8,635	118,635	0	0	0	0	0
<b>Total CIP</b>			<b>18,088</b>	<b>238,500</b>	<b>8,635</b>	<b>253,593</b>	<b>288,000</b>	<b>71,000</b>	<b>71,000</b>	<b>71,000</b>	<b>71,000</b>
<b>Total Expenses</b>			<b>5,012,432</b>	<b>5,038,408</b>	<b>1,524,150</b>	<b>5,553,171</b>	<b>5,460,053</b>	<b>5,256,708</b>	<b>5,302,481</b>	<b>5,365,006</b>	<b>5,394,275</b>
<b>Net Income</b>			<b>(135,675)</b>	<b>104,482</b>	<b>156,960</b>	<b>(550,857)</b>	<b>(421,233)</b>	<b>(123,411)</b>	<b>(72,844)</b>	<b>(37,128)</b>	<b>33,782</b>
<b>Total Adjustments</b>			<b>(54,924)</b>			<b>(30,600)</b>					
<b>Ending Amount Available for Appropriation</b>			<b>571,166</b>	<b>485,206</b>	<b>485,206</b>	<b>123,629</b>	<b>(297,604)</b>	<b>(421,015)</b>	<b>(493,858)</b>	<b>(530,986)</b>	<b>(497,204)</b>

(1) Commencing with management of the garages by OPMD in February 2004, trash compactor fees and costs will be billed and collected by them, and will offset one another. Update, Morrin Management was retained at \$3,000 per month to do these duties, thus, the only revenue to be recouped should be the \$802 per month that is paid by OPMD for daily janitorial costs for the compactor.

(2) FY 2005 budget includes carry forward of \$15,000 for security services from FY 2004.

(3) FY 2005 estimated includes \$168,249 for April & May 2004, (not paid in FY04) and \$6,742 for June, which was the difference between the estimated bill (paid in FY04) and the actual expenses.

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(7) FY 2004 Year-end Capital Project Balances as of 6/30/04 totaled \$339,455 as follows: 1) CIP 71714 - \$5,047; 2) CIP 71664 - \$154,888; and 3) CIP 71722 - \$179,520. It is anticipated all 3 projects will be closed in July, 2005 after work is completed in improved signage in the garages.

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(9) This line item added to track repair and maintenance items, the budget for which is included in the parking management line item for each garage.

(10) For FY 2006, \$31,000 was added here to allow for City crews to maintain the emergency generator in the Schoolhouse Garage.



City of Pasadena  
Fund Appropriations Report  
Five Year Projection - Revenue & Expenses

ATTACHMENT 4

Fund 407 Old Pasadena Parking Structures Fund WITH OPMD AGREEMENT EFF FEBRUARY 2004		FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2005 thru 12/31/04	FY 2005 Est. Actual	FY 2006 Proposed	FY 2007 Proposed	FY 2008 Proposed	FY 2009 Proposed	FY 2010 Proposed
<b>Beginning Cash Balance (1001) 7714900</b>		1,850,742	1,762,516	1,635,887		1,635,887					
Restricted Cash and Investments		2,678,549	2,687,334	2,691,190		2,691,190					
Current Assets (other than above accts.)		283,589	264,483	335,494		335,494					
Current Liabilities		(1,189,964)	(1,267,272)	(1,204,327)		(1,204,327)					
Less: Restricted Cash and Investments		(2,678,549)	(2,687,334)	(2,691,190)		(2,691,190)					
Less: Designated for CIP		(130,496)	(135,543)	(339,455)		(15,093)					
Less: Accumulated Change in Fair Value		(52,107)	(53,019)	(46,874)		(46,874)					
<b>Beginning Amount Available for Appropriations</b>		<b>761,764</b>	<b>571,166</b>	<b>380,724</b>		<b>705,086</b>	<b>223,629</b>	<b>(47,604)</b>	<b>(21,015)</b>	<b>56,142</b>	<b>169,014</b>
<b>Revenues</b>											
<b>Transient</b>											
6960	Delacey Ave Parking Charges	973,456	1,020,449	977,446	443,195	1,018,633	1,013,395	1,033,663	1,054,336	1,075,423	1,096,931
6987	Schoolhouse Parking Charges	1,454,464	1,414,915	1,499,406	600,409	1,402,663	1,390,298	1,418,104	1,446,466	1,475,395	1,504,903
6996	Marmont Parking Revenues	57,133	83,163	54,129	40,447	93,224	92,354	94,201	96,085	98,007	99,967
<b>Monthly</b>											
6958	Delacey Monthly Pkg Permits	129,728	178,052	136,233	61,798	195,267	205,140	209,243	213,428	217,696	222,050
6959	Schoolhouse Monthly Pkg Permit	477,428	448,222	486,887	149,691	464,686	480,300	489,906	499,704	509,698	519,892
6984	Marmont Monthly Pkg Permits	45,262	68,567	43,385	20,394	64,611	68,040	69,401	70,789	72,205	73,649
<b>Leases</b>											
6962	Delacey Restaurant Lease	91,189	107,769	99,500	49,740	99,480	99,500	99,500	99,500	99,500	99,500
6961	Schoolhouse Bldg Property Leases	213,818	277,961	248,185	111,730	248,878	250,296	252,799	255,327	257,880	260,459
<b>Other</b>											
6982	Rose Parade Parking	0	0	28,600	0	28,600	28,600	28,600	28,600	28,600	28,600
7142	Zoning Parking Credits	262,169	274,328	275,315	148,645	250,645	265,650	270,963	276,382	281,910	287,548
6542	Pasadena Community Devel Comm	819,180	835,563	852,275	0	852,275	869,321	886,707	904,441	922,530	940,981
6926	Investment Earnings	56,056	24,140	336,131	13,145	26,290	221,110	225,198	229,366	233,617	237,951
6929	Investment Earnings Bonds	202,587	197,643	0	21,716	205,432	0	0	0	0	0
6726	Schoolhouse Trash Compactor Fees (1)	94,287	43,282	60,398	0	11,228	9,816	10,013	10,213	10,417	10,626
7023	Miscellaneous Revenue	4,876,757	4,974,054	45,000	20,201	40,402	45,000	45,000	45,000	45,000	45,000
<b>Total Revenues</b>		<b>4,876,757</b>	<b>4,974,054</b>	<b>5,142,890</b>	<b>1,681,110</b>	<b>5,002,314</b>	<b>5,038,820</b>	<b>5,133,297</b>	<b>5,229,638</b>	<b>5,327,878</b>	<b>5,428,057</b>
<b>Operating Expenses</b>											
<b>City Operating</b>											
8005	City Personnel	76,442	45,705	42,100	34,532	43,141	45,039	46,390	47,782	49,215	50,692
8101	Materials, Supplies, Miscellaneous	19,839	6,354	10,910	659	6,659	10,910	11,110	11,310	11,510	11,720
8106	Office Rent	10,103	6,337	5,650	0	5,650	5,933	6,229	6,541	6,868	7,211
8114	Contract Services										
	Security	242,956	264,610	35,000	19,369	33,369	35,000	35,000	35,000	35,000	35,000
	Parking Management	974,728	553,877								
	Property Management/Misc.	131,173	76,749								
	Marmont Expenses	214,254	179,288	30,000	55,002	30,000	30,000	30,000	30,000	30,000	30,000
	Old Pasadena Management District (former Marketing)	30,000	30,000	113,300	0	111,654	115,004	118,454	122,007	125,668	129,438
	Old Pasadena Management District (Garage Mgmt Fee)		52,710								
8115	Consultant Services	13,581	0	20,000	0	0	20,000	0	0	20,000	0
8139/42	Electric & Water	165,069	178,853	185,000	97,585	192,096	185,000	185,000	185,000	185,000	185,000
8149/56	Insurance & Fiscal Fees	45,404	48,277	39,000	15,831	36,123	37,000	39,000	41,000	43,000	45,000
8163	City Cost Abatement	66,208	76,436	79,111	39,553	79,111	81,484	83,929	86,447	89,040	91,711
8178	Program Expenditure Recovery (Validations)	(800)	(2,538)	0	0	0	0	0	0	0	0
8600	Internal Services (1)	117,639	53,917	14,126	5,723	11,445	17,255	17,600	17,952	18,311	18,677
<b>City Operating Subtotal</b>		<b>1,570,577</b>	<b>1,570,577</b>	<b>574,197</b>	<b>268,254</b>	<b>549,248</b>	<b>582,624</b>	<b>572,712</b>	<b>583,039</b>	<b>613,612</b>	<b>604,449</b>

City of Pasadena  
Fund Appropriations Report  
Five Year Projection - Revenue & Expenses

	FY 2003 Actual	FY 2004 Actual	FY 2005 Adopted	FY 2005 thru 12/31/04	FY 2005 Est. Actual	FY 2006 Proposed	FY 2007 Proposed	FY 2008 Proposed	FY 2009 Proposed	FY 2010 Proposed
<b>Fund 407 Old Pasadena Parking Structures Fund</b>										
WITH OPMD AGREEMENT EFF FEBRUARY 2004										
<b>OPMD Operating</b> (based on transition effective 2/02/04)										
8101 Materials, Supplies, Miscellaneous		3,283	7,140	5,859	8,120	7,300	7,450	7,600	7,750	7,900
8114 Contract Services		0	4,000	0	2,361	4,000	4,000	4,000	4,000	4,000
Public Relations										
Delacey & Schoolhouse Expenses										
Security (2)		63,932	212,443	86,750	257,191	262,335	267,582	272,933	278,392	283,960
Parking Management (3)		240,398	664,549	518,746	1,034,584	883,944	901,623	919,656	938,049	956,810
Repairs and Maintenance (4)			0	34,905	69,523	70,913	72,332	73,778	75,254	76,759
Marriott Expenses										
Security		22,314	53,111	9,365	27,947	28,506	29,076	29,658	30,251	30,856
Parking Management (4)		37,877	119,390	77,681	176,704	154,040	157,121	160,264	163,469	166,738
Repairs and Maintenance (4)			0	1,163	3,232	3,297	3,363	3,430	3,498	3,568
Schoolhouse Trash Compactor (1 & 5)		15,802	60,398	20,507	55,297	54,689	55,783	56,899	58,037	59,197
Miscellaneous (6)		50,621	35,000	44,431	59,584	33,232	33,896	34,574	35,266	35,971
Insurance		31,876	63,752	31,876	50,320	20,000	22,000	24,000	26,000	28,000
OPMD Operating Subtotal		466,102	1,219,783	831,282	1,744,862	1,522,256	1,554,225	1,586,791	1,619,965	1,653,759
<b>Total Operating Expenses</b>		2,106,596	1,793,980	1,099,536	2,294,110	2,104,881	2,126,937	2,169,829	2,233,576	2,258,208
<b>Long-term Debt</b>										
8616/77 Debt Service-Garage Construction (ends 2018)		2,197,625	2,214,375	0	2,214,375	2,225,312	2,216,875	2,220,000	2,218,750	2,223,125
8616/77 Debt Service-Marriott Construction (ends 2020)		207,541	208,000	55,783	207,541	208,000	208,000	208,000	208,000	208,000
8616/77 Debt Service-Delacey Seismic Upgrade - CIP (ends 2016)		132,582	133,553	10,196	133,553	133,860	133,896	133,652	133,680	133,942
8705 Payback To General Fund (ends 2016)		350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
<b>Total Debt Service</b>		2,887,748	2,905,928	415,979	2,905,468	2,917,172	2,908,771	2,911,652	2,910,430	2,915,067
<b>Capital Improvement Projects (CIP) (1)</b>										
Schoolhouse Trash Compactor - 71714		0	0	0	0	0	0	0	0	0
Parking Structure Improvements - 71664 (8 & 9)		18,088	163,500	0	134,958	288,000	0	0	0	0
Parking Structure Energy Efficiency Project - 71722		0	75,000	8,635	118,635	0	0	0	0	0
<b>Total CIP</b>		18,088	238,500	8,635	253,593	288,000	71,000	71,000	71,000	71,000
<b>Total Expenses</b>		5,012,432	4,938,408	1,524,150	5,453,171	5,310,053	5,106,708	5,152,481	5,215,006	5,244,275
<b>Net Income</b>		(135,675)	55,337	156,960	(450,857)	(271,233)	26,589	77,156	112,872	183,782
<b>Total Adjustments</b>		(34,924)	(245,778)	(30,600)	(30,600)					
<b>Ending Amount Available for Appropriator</b>		571,166	380,724	585,206	223,629	(47,604)	(21,015)	56,142	169,014	352,796

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## ATTACHMENT 5

February 22, 2005

Mayor Bill Bogaard and Members of the Pasadena City Council  
117 E. Colorado Boulevard  
Pasadena, CA 91103

Dear Mayor Bogaard and City Council members:

The Old Pasadena Management District is respectfully requesting an increase in spending authority for the Old Pasadena Parking Garage Fund for the 2004-2005 Fiscal Year. This increase is necessary because we were unable to operate inside the ambitious budget we created, and we have recognized that more time was needed this year, in order to accomplish significant operational savings for these garage properties.

The Old Pasadena Management District took over management of the three City-owned garages in mid-February, 2004. Our goals in seeking this management contract included:

1. Overcoming the perception of severe parking problems held by many customers and clients who shop and visit Old Pasadena.
2. Increasing security at the garages in order to help our merchants and business owners retain existing clients and make it easier to attract new clientele with a welcoming, safe environment that begins from the time they arrive until they leave the gate.
3. Satisfying the calls from merchants and their clientele for a cleaner, more attractive atmosphere in our parking areas that would rival the parking experiences at competing shopping areas from Santa Anita to Glendale and beyond.
4. Maintaining competitive parking prices and retaining the free parking benefit that our owners and businesses believe are essential to the health of our district and our city.
5. Maintaining and improving the infrastructure of the City-owned garages, namely maintenance and repairs, improving garage hospitality and meeting our financial responsibilities.
6. Reducing overall costs by improving garage operations.

This contract was the result of two years of negotiations and discussions, with the budget assuming comprehensive changes in all staffing and operations happening simultaneously with our contract.

While we have accomplished many of the goals outlined above, we have now determined that more time was needed to significantly affect the goal of reducing overall costs. You will be able to determine from the amended Income Statement Reports that while the garages are not operating at any higher cost than was previously incurred, we set goals for reducing operating expenses in our first year of management that were not realistic in this given time period.

Because we addressed the needed maintenance and security improvements first, we did not originally anticipate changing operators, thereby affecting the parking management expenses, until FY 2005. We prepared a draft Request for Proposals for parking operations in September 2004, with a proposed start date for the successful operator of November 1, and asked for City review. After further discussion with all parties, we determined it would not be in our collective best interests to change parking operators prior to the holiday season and New Years. The RFP issue date was delayed with a new start date of February 1. This was clearly the best schedule decision, but has contributed to our continued overruns on monthly costs for the garages.

We now believe that a more comprehensive approach including technical assistance and analysis is in order, with a recommended sequence that ultimately gets to the end goal of issuing a new multi-year Request for Proposal for parking operations, only after efforts have been made to analyze all opportunities for improvements to the operating systems and equipment.

To that end, the Board of Directors for the Old Pasadena Management District recently retained Carl Walker, a nationally-known parking consultant firm, to perform a detailed and thorough analysis on the existing parking operations, including staffing recommendations, analysis and recommendations on revised operational hours for each facility, and the development of new operating guidelines to be used as the basis for a new interim parking operator contract with the current operator. We expect these consulting services will be completed by late March 2005, with the potential of additional savings to be found in operations and staffing. We have been able to amend our current contract with the parking operator to reduce some staffing costs from January – June to comply with this recommended budget amendment.

We will then consider a Phase II analysis with parking consultants, through a competitive RFP process, to determine the viability and feasibility for new revenue control and access equipment, including pay-on-foot stations, working to define cost options and return on investment projections for consideration as part of the 2005-2006 budget recommendations.

Once we have completed this analysis and included needed costs for any equipment changes or improvements in our 2005-2006 budget, we will be in a position to include all

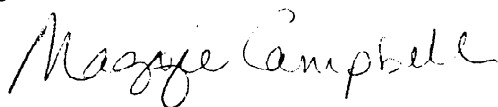
the appropriate and feasible recommendations identified in the earlier phases of analysis by our consultants. The final phase of this recommended action plan is to prepare a multi-year Operator contract and Request for Proposal, to be accomplished during FY 2005-2006. We believe this phased approach will best position the City and our organization to realize overall objectives to improve the financial performance of the garages, while maintaining quality operations and good customer service.

It is noteworthy that we have completed several CIP projects, and are in the process of finalizing all costs and contracts associated with a long-standing CIP for energy efficiency and lighting improvements. Based on the firm prices and our projected completion of this CIP work, we anticipate a reduction of \$324,362 in capital expenditures for the garages in this current fiscal year.

An increase in spending authority will allow us to continue to operate the garages for the remainder of this fiscal year with the status-quo system and equipment, while we complete a more detailed analysis and planning effort aimed at improved performance in FY 2005-2006. This spending authority increase would also address the FY 04 expenses that were paid in FY 05, contributing to our budget overruns in this current fiscal year. Based on this Proposed Amended Budget for FY 2004-2005, we are now requesting additional spending authority in the amount of \$525,079.

We thank you for the opportunity to work with the City of Pasadena. Our motivation in originally seeking a management role for the Old Pasadena garages was driven by our opposition to across-the-board rate increases at the expense of our customers. We are still committed to accomplishing our goal of managing these garages for the benefit of our customers while maintaining and increasing revenues, maintaining competitive pricing and providing quality parking experiences. We appreciate your support, and look forward to coming closer to our mutual goals in 2006.

Regards,

A handwritten signature in cursive script that reads "Maggie Campbell".

Maggie Campbell  
President and CEO

Cc: Board of Directors, Old Pasadena Management District