

AGENDA – PUBLIC HEARING

SUBJECT: PUBLIC HEARING – ADOPTION OF THE FY 2006 OPERATING BUDGET.


DATE: June 20, 2005

8:00 p.m.

Mayor Bogaard: “This is the time and place for the public hearing of the City Council of the City of Pasadena on the Adoption of the FY 2006 Operating Budget.”

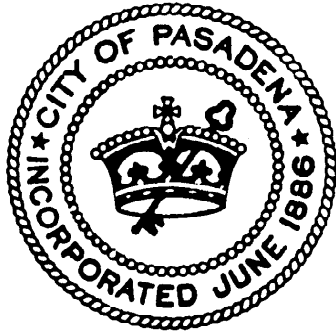
1. Clerk reports on publication of public hearing notice and the continuation of the public hearing to and through the present meeting.
2. Hear staff presentation, if desired.
3. Clerk reports on letters received regarding the Recommended FY 2006 Operating Budget.
4. Hear public testimony on Recommended FY 2006 Operating Budget.
5. Motion to close public hearing.
6. At close of the Public Hearing, the Council may:
 - A. Adopt by resolution the City’s FY 2006 Operating Budget as detailed in the staff report;
 - B. Modify the staff recommendation with revisions based on public testimony received at the hearing; or
 - C. Reject the staff recommendation.

APPROVED AS TO FORM:

 6/14/05

NICHOLAS GEORGE RODRIGUEZ
ASSISTANT CITY ATTORNEY

6/20/2005
6.B. 8:00 P.M.



Agenda Report

DATE: JUNE 20, 2005

TO: CITY COUNCIL
THROUGH: Finance Committee

FROM: CITY MANAGER

SUBJECT: ADOPTION OF THE FISCAL YEAR 2006 OPERATING BUDGET

RECOMMENDATION

It is recommended that the City Council:

- i) Adopt by resolution the City's fiscal year 2006 Operating Budget as detailed in the attached Exhibit A and as amended by the recommended modifications outlined in the Background section of this report;
- ii) Adopt a resolution amending the salary resolution to establish salary and Control Rates for the new classifications of City Auditor, Senior Capital Projects Manager, Payroll Services Manager, Public Information Officer, Epidemiologist, Customer Services Representative III, and Assistant Bureau Chief/Fire Marshal;
- iii) Adopt a resolution determining the amount to be transferred from the Light and Power Fund to the General Fund for fiscal year 2006;
- iv) Direct staff to undertake a competitive selection process to hire a consultant to study and present options to reduce the amount of traffic on city streets by 10% to 25%.

BACKGROUND

On May 9, 2005 the City Manager submitted the Recommended Fiscal Year 2006 Operating Budget in compliance with the requirements of the City Charter. Since that date, joint meetings between the Finance Committee and the City

Council have been held to review and discuss the recommended budget for each City department, as well as the two operating companies.

The following items are related to the first recommendation above and summarize the changes between the Recommended Operating Budget submitted by the City Manager on May 9th and the revised recommended budget.

1. Transfer .15 FTE, Project Manager from Planning and Development, PCDC, to the City Manager's Office. The recommended transfer of the Housing Division to City Manager's Office that was included in the Recommended Budget inadvertently omitted a .15 FTE. This action will increase appropriations to the Affordable Housing Section of the City Manager's Office and decrease appropriations to Planning and Development by \$18,548. There is no fiscal impact associated with this action.
2. Increase appropriations in the General Fund, City Clerk's Office by \$28,205. This action is related to a recently approved upgrade of one Deputy City Clerk position to Assistant City Clerk in the Official Records program that was approved subsequent to the compilation of the Recommended Operating Budget. Typically, when such reclassifications are made, the affected department absorbs the cost for the balance of the fiscal year and funds are added as part of the subsequent operating budget. In this case it is recommended that the additional funds be added because the fiscal year has not yet begun and it would be difficult for the City Clerk's budget to absorb the amount for the full fiscal year. This action would increase the City Clerk's Office budget from \$1,757,721 to \$1,785,926.
3. Reduce appropriations in the General Fund, City Attorney/City Prosecutor's Office by \$150,000 and eliminate a 1.0 FTE Paralegal position. At the joint City Council/Finance Committee meeting of May 23rd the City Attorney was asked to reexamine her budget and return with a revised budget proposal. As a result of this process, the City Attorney is recommending reductions totaling \$150,000 and comprised of the elimination of a vacant Paralegal position that was added to the budget in November 2004 (\$83,308), and a reduction in outside legal services of \$66,692.
4. Increase appropriations in the Library Service Fund, Library Department by \$29,900. As discussed at the joint meeting of June 13, the additional sum to be added to the Library's budget consists of two elements: \$12,400 represents funds that were reduced from the Library's budget in anticipation of a funding reduction by the state, which now it appears will not be occurring and the remaining \$17,500 is related to additional funds

for the book collection budget which will be split between the General Fund and the Library Services Fund.

5. Reduce appropriations in the General Fund, Fire Department by \$7,086. As originally submitted, the recommended budget for the Fire Department included the upgrade of a Battalion Chief position to that of Bureau Chief. After discussions with the Finance Committee, the Fire Chief has requested that the newly created position be that of Assistant Bureau Chief/Fire Marshal rather than Bureau Chief. A revised organizational chart is attached. The change in appropriations represents the difference in salary/benefits between the two classifications.
6. Increase appropriations and revenues in the General Fund, Transportation Department by \$100,000. These additional appropriations and revenues are related to the expansion of the automated red light camera traffic enforcement program that was approved by City Council on June 13, 2005. The appropriations will cover increased contract services costs (\$69,750) as well as staff time expenses (\$24,000) and electricity charges (\$6,250) related to the addition of intersections to the program.
7. Increase appropriations and FTEs in the Public Health Department, Public Health fund from \$11,241,004 and 91.40 FTEs to \$11,316,004 and 103.40 FTEs. The purpose of this change is to replace services currently being provided by a third party contractor with City staff positions. A total of \$578,251 will be reallocated from the Services and Supplies portion of the budget to Personnel and an additional \$75,000 appropriated from the Public Health Fund to accommodate this action.
8. Reduce appropriations in the Building Services Fund, Planning and Development Department by \$240,000. These funds were originally appropriated in fiscal year 2005 for the one-time purchase of vehicles for the Building Inspectors and Code Compliance Officers. These vehicles were purchased in fiscal year 2005 and it is not necessary to carry the funds forward into fiscal year 2006.
9. Add 1.0 FTE Senior Plans Examiner in the Fire Department and take the following related actions; increase appropriations in the General Fund, Fire Department Budget by \$115,389, increase revenues in the General Fund from the Building Services Fund, increase appropriations in the Building Services Fund, and increase revenues for Fire Plan Check Fees in the Building Fund by the same amount. The addition of this position is necessary to meet current and anticipated future workload demands.
10. Increase appropriations in the Old Pasadena Parking Structure Fund, by \$145,199 and increase revenues by \$212,781. This change reflects the

revised budgetary recommendation made by the Old Pasadena Management District as discussed at the joint meeting of June 6, 2005.

11. Transfer \$45,000 from the Parking Operations Fund, Transportation Department's budget to the Building Maintenance Fund, Public Works Department, increase and decrease appropriations accordingly. This action will place the funding for security services at various city facilities into a single departmental budget and is expected to improve fiscal management of the security services contract.

Regarding recommendation number 2, the attached resolution establishes Control Rates for the new classifications of City Auditor, Senior Capital Projects Manager, Payroll Services Manager and Public Information Officer, all of which more accurately reflect existing job duties in these functions. Control rates are also established for the new classification of Epidemiologist, a function in the Public Health Department previously performed by contract; for the new classification of Customer Service Representative III, which will provide lead supervision of the staff of the Water & Power call center; and for the classification of Assistant Bureau Chief/Fire Marshal, which will oversee the administration and fire prevention functions in the Fire Department.

With the exception of the Epidemiologist, this amendment to the Salary Resolution does not create additional FTEs; in each case an existing FTE will be converted into a new classification. The creation of the Epidemiologist classification is part of the continuing effort to ensure that ongoing operations are staffed by regular employees, instead of by contract. Where an incumbent is permanently employed in an impacted FTE, that individual will be reclassified; where an impacted FTE is vacant, a recruitment process will be conducted in accordance with the City's merit selection rules.

Regarding recommendation number 3, pursuant to Pasadena Municipal Code Section 4.100.020 the maximum aggregate amount available for transfer pursuant to Sections 1407 and 1408 of the City Charter from the light and power fund to the general fund shall be calculated by multiplying the annual gross electric retail income by 8 percent and comparing the amount so calculated to the accrual year's actual net income. The City Council shall by resolution transfer the lesser of the 2 amounts. Notwithstanding the foregoing, the City Council may transfer an amount other than 8 percent by resolution if it determines that it would not be detrimental to the functioning and administration of the power utility during the budget year under consideration.

For fiscal year 2006 staff is recommending the City Council adopt a resolution transferring an amount equal to 11.17% of estimated gross revenues, or \$13,873,809. The chart on the following page illustrates the use of these funds:

Annual gross electric retail income \$ - estimated FY 06	124,237,234
Total Transfer for FY06	13,873,809
Transfer as a %	11.17%
Uses of Transfer	Amount
5% transfer General Fund for any municipal use	6,211,862
.85% transfer to offset the cost of electrical consumption in the General, Health & Library Funds, approved as part of the FY04 Budget	1,056,016
2.5% transfer for City Hall Seismic Retrofit, approved as part of original project financing plan	3,105,931
\$3.5 million additional transfer to partially fund cost increases in City Hall Seismic Retrofit, approved by Council on Jan. 31, 2005*	3,500,000

*City Council had approved a total additional transfer of \$8.8 million for fiscal year 2005; however, due to restrictions of net income only \$5.1 million was available for that year. The \$3.5 million included above represents the balance of the total \$8.8 million pledged to the Seismic Retrofit project.

Finally, it was requested by the Chair of the Finance Committee and recommended by the Finance Committee that the Transportation Department undertake a competitive selection process to hire a consultant to study and present options to reduce the amount of traffic on city streets by 10% to 25%. This work may impact other existing work plans.

FISCAL IMPACT

Approval of the above recommendations will establish the Fiscal Year 2006 budget as illustrated in the following tables:

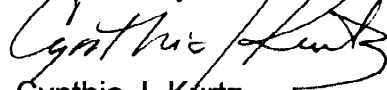
Total Appropriations

Operating Budget	Adopted Fiscal Year 2005	Revised Fiscal Year 2005	Recommended Fiscal Year 2006 – as submitted May 9	Recommended Fiscal Year 2006 – as proposed June 20
All Funds	476,246,865	479,125,484	508,534,691	508,628,252
General Fund	178,987,929	179,924,406	193,076,357	193,159,819

Total Full-Time Equivalent Positions

Operating Budget	Adopted Fiscal Year 2005	Revised Fiscal Year 2005	Recommended Fiscal Year 2006 – as submitted May 9	Recommended Fiscal Year 2006 – as proposed June 20
All Funds	2,271.971	2,296.341	2,319.325	2,331.325
General Fund	1,051.127	1,054.297	1,053.297	1,053.297

Respectfully submitted,



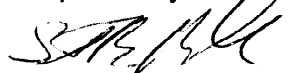
Cynthia J. Kurtz
CITY MANAGER

Approved by:



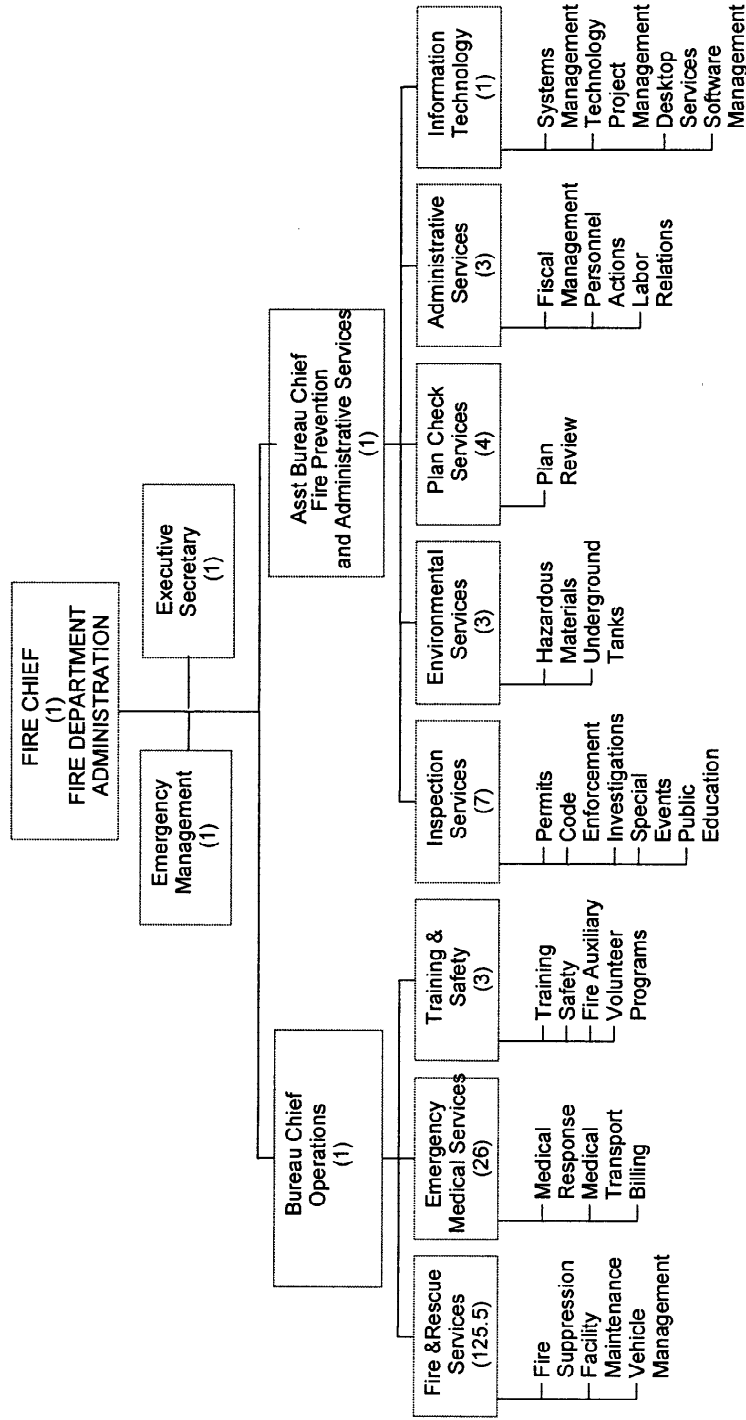
Jay M. Goldstone
Director of Finance

Prepared by:



Steve Mermell
Budget Administrator

Fire



RESOLUTION NO. _____

**A RESOLUTION OF THE PASADENA CITY COUNCIL ADOPTING THE
OPERATING BUDGET FOR FISCAL YEAR 2006**

WHEREAS, the City Council of the City of Pasadena has received and reviewed the City Manager's recommendations for the Operating Budget for Fiscal Year 2006; and

WHEREAS, pursuant to Section 904 of the City Charter, the City Council desires to adopt the Fiscal Year 2006 Operating Budget and to appropriate certain funds therefore; and

WHEREAS, pursuant to Section 903 of the City Charter, a notice of public hearing on the proposed Fiscal Year 2006 Operating Budget was published in the Pasadena Star News on April 23, 2005, and public hearings were held on May 16th, 23rd, June 6th, June 13th and June 20th; and

WHEREAS, the City Council approved said Operating Budget by oral motion on June 20, 2005; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena as follows:

SECTION I. In compliance with Section 904 of the Charter of the City of Pasadena, the proposed Operating Budget for Fiscal Year 2006, as submitted by the City Manager and amended by the City Council, is approved and adopted, and the City Clerk is directed to file a certified copy of the approved Operating Budget in her office and forward a certified copy thereof to the Director of Finance. The Fiscal Year 2006 Operating Budget is attached hereto and incorporated herein by reference as Exhibit "A".

SECTION II. The specific sums of money set forth opposite the names of funds, activities, projects, programs and objects of expenditure, as shown on Exhibit "A" are appropriated to these funds, activities, projects, programs and objects in order to carryout the approved Fiscal Year 2006 Operating Budget.

Adopted at the regular meeting of the City Council on the 20th day of June, 2005
by the following vote:

AYES:

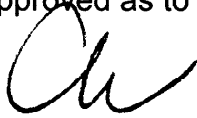
NOES:

ABSENT:

ABSTAIN:

JANE L. RODRIGUEZ, City Clerk

Approved as to form:

 6/24/05

NICHOLAS GEORGE RODRIGUEZ
Assistant City Attorney

EXHIBIT "A" IS THE
RECOMMENDED OPERATING
BUDGET THAT WAS
DISTRIBUTED WITH THE MAY 9TH
AGENDA PACKET

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA
AMENDING THE SALARY RESOLUTION
TO ESTABLISH CONTROL RATES FOR THE NEW CLASSIFICATIONS OF
CITY AUDITOR, SENIOR CAPITAL PROJECTS MANAGER,
PAYROLL SERVICES MANAGER, PUBLIC INFORMATION OFFICER, EPIDEMIOLOGIST,
CUSTOMER SERVICES REPRESENTATIVE III, AND
ASSISTANT FIRE BUREAU CHIEF/FIRE MARSHAL

BE IT RESOLVED by the City Council of the City of Pasadena that the Salary Resolution is amended as follows:

SECTION 1. Page 3.10-E-1 is amended to add the following:

City Auditor (C)	\$108,993
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SECTION 2. Page 3.15-E-1 is amended to add the following:

Assistant Fire Bureau Chief/Fire Marshal	\$123,368
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Payroll Services Manager (C)	\$95,362
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Public Affairs Officer (C)	\$89,652
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SECTION 3. Page 3.20-E-1 is amended to add the following:

Epidemiologist	\$80,515
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Senior Capital Projects Manager	\$117,651
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SECTION 4. Page 3.35-E-1 is amended to add the following:

Customer Service Representative III	\$17.99	\$24.11
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This Amendment shall be effective as of July 11, 2005.

Adopted by the following vote at the meeting of the City Council on the _____ day of June, 2005:

AYES:

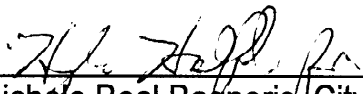
NOES:

ABSTAIN:

ABSENT:

Jane Rodriguez, City Clerk

Approved as to Form:



Michele Beal Bagneris, City Attorney

RESOLUTION NO.

A RESOLUTION OF THE CITY OF PASADENA DETERMINING AMOUNTS TO BE TRANSFERRED FROM THE LIGHT AND POWER FUND TO THE GENERAL FUND FOR FISCAL YEAR 2006

WHEREAS, Sections 1407 and 1408 of the City Charter provide for the transfer of certain amounts from the Light and Power Fund to the General Fund; and

WHEREAS, Section 4.100.020 of the Pasadena Municipal Code provides for a maximum aggregate amount available for transfer pursuant to Sections 1407 and 1408 of the City Charter and further provides that the City Council may by resolution transfer a different amount, not to exceed the net income of the power utility in the preceding fiscal year or the maximum amount allowable under the City Charter, if it determines that such additional transfer would not be detrimental to the functioning and administration of the power utility during the budget year under consideration; and

WHEREAS, the estimated Annual Gross Electric Retail Income of the power utility for fiscal year 2005 is \$124,237,234 and City Council desires to transfer 11.17% of this amount, or \$13,873,809.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena as follows:

1. The amount to be transferred from the Light and Power Fund to the General Fund of the City of Pasadena in accordance with the provisions of Section 1407 of Article XIV of the Charter of the City of Pasadena has been determined to be and hereby is fixed as the sum of \$6,605,931. In accordance with the Charter an amount equal to 75% of this transfer (\$4,954,448) is hereby ordered to be advanced from the Light and Power Fund to the City's General Fund upon adoption of the Operating Budget for fiscal year 2006, with the

balance to be transferred no earlier than the receipt of the annual financial audit of the Light and Power Fund prepared by independent certified public accountant. This sum shall be expended for the payment of interest, principal or both due or to become due prior to July 1, 2006 on bonds of the City of Pasadena which are wholly payable out of moneys received from general taxes of the City and for municipal improvements included in the 2005 Budget.

2. The amount to be transferred from the Light and Power Fund to the General Fund of the City of Pasadena in accordance with the provisions of Section 1408 of Article XIV of the Charter of the City of Pasadena has been determined to be and hereby is fixed as the sum of \$7,267,878. In accordance with the Charter an amount equal to 75% of this transfer (\$5,450,909) is hereby ordered to be advanced from the Light and Power Fund to the City's General Fund upon adoption of the Operating Budget for fiscal year 2006, with the balance to be transferred no earlier than the receipt of the annual financial audit of the Light and Power Fund prepared by independent certified public accountant. This sum shall be expended for any municipal purpose.

3. It is hereby found and determined that the total amounts to be transferred, representing 11.17% of the estimated Annual Gross Electric Retail Income of the electric works as allowed by Sections 1407 and 1408 of the City Charter for fiscal year 2005, will not be detrimental to the functioning and administration of the power utility.

Adopted at the regular meeting of the City Council of the City of Pasadena on the _____ day of _____, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jane L. Rodriguez, CMC
City Clerk

APPROVED AS TO FORM:


Scott D. Rasmussen
Assistant City Attorney