

Agenda Report

TO: CITY COUNCIL
THROUGH: Finance Committee

DATE: June 9, 2008

FROM: CITY MANAGER

SUBJECT: FISCAL YEAR 2008 OPERATING AND CAPITAL BUDGET
AMENDMENTS

RECOMMENDATION:

It is recommended that the City Council:

- 1) Authorize a journal voucher implementing certain amendments to the fiscal year 2008 Operating and Capital Budgets as detailed in the background section of this report. The net effect of these amendments to the various fund balances is as follows: a reduction to the Power Fund \$406,500; a reduction to the Proposition C Fund of \$50,000; a reduction to South Lake Parking Operations Fund of \$50,000 and a reduction to the Fleet Maintenance Fund of \$393,526. In addition the following funds' both revenues and appropriations will be affected as follows: an increase of \$3,832,188 to the General Fund; an increase of \$68,035 to the Rose Bowl Capital Improvement Trust Fund and an increase of \$25,000 to the Capital Improvement Projects Fund and;
- 2) Authorize an increase in the not to exceed amount of purchase order number 36968 with G. P. Resources, Inc. from \$2.0 million to \$2.393 million; and
- 3) Amend the General Fee Schedule to include a new fee for Temporary On-street Construction Parking Permit.

BACKGROUND:

On June 25, 2007 the City Council adopted the Operating Budget for fiscal year 2008. Subsequent to the adoption of the budget, as is often the case, several items have been identified that necessitate amendments to the budget. Accordingly, the following amendments are recommended for adoption:

Fiscal Year 2008 Operating Budget Amendments

Operating Budget Amendments

1. Recognize and appropriate \$25,000 in revenue received from the Heritage Reward Grant to the Fire Department for protective rescue clothing.
2. Recognize and appropriate \$10,000 in grant funds from the State Office of Traffic Safety, Click It or Ticket Program to the Police Department Traffic budget. The funds are being provided for seat belt compliance enforcement during May and June 2008 in support of the national Click It or Ticket mobilization campaign. The objective of the project is to increase seat belt use statewide through the combined efforts of State and Local law enforcement agencies.
3. Recognize and appropriate \$3,797,188 in investment earnings from Pasadena Community Development Commission (PCDC) Downtown Project Area to the 1999 Fire and Police Retirement Pension Obligation Bond Fund for repayment of Pension Obligation Bonds. These payments are linked to the receipt of property tax increment from the County.
4. Reduce ISO Excess Capacity revenues in the Power fund by \$406,500. Revenues were previously increased for this item based on an estimate for the entire year. This reduction reflects the corrected figure for six months.
5. Appropriate \$50,000 from the Prop C unappropriated fund balance to the ARTS Circulator program budget in the Transportation Department to cover the increased cost of fuel. Estimated cost for fuel in FY 2008 was based on the cost of fuel in early 2007. However, since then, there has been a substantial and unforeseen increase in fuel cost in the last six months.
6. Appropriate \$50,000 from South Lake Avenue Parking Operating unappropriated fund balance to the South Lake Parking Operating account. These funds are to pay property taxes (\$20,000) resulting from the South Lake Avenue Parking District's participation in the newly established South Lake Avenue PBID (Property-Based Business Improvement District) and contract services (\$30,000) for operations. The additional taxes are assessments levied against the City managed properties that constitute the Shoppers Lane surface parking lots.
7. Recognize and appropriate \$68,035 from unanticipated interest earnings on the 2003 Rose Bowl and City Hall Certificates of Participation to the Rose Bowl Capital Improvement Trust Fund. In the future this type of unanticipated revenue will be held in trust for future Rose Bowl capital projects which may include implementation of the strategic plan.
8. Increase appropriations in the Fleet Maintenance Fuel budget in the amount of \$393,526 and authorize an increase to purchase order contract number 36968 from not to exceed \$2.0 million to not to exceed \$2.393 million. Due to increasing fuel prices as well as increased fuel usage, additional funding is

Fiscal Year 2008 Operating Budget Amendments

needed to pay for fuel purchases through the end of the fiscal year. The approved budget amount of \$2,039,215 was based on an average diesel fuel price of \$2.54 per gallon and \$2.55 per gallon for unleaded fuel. Since the time this figure was developed, fuel prices to the City have risen to \$4.20 and \$3.57 per gallon respectively. This action will bring the budget in line with the purchase order.

Capital Improvement Program Budget Amendments

9. Recognize and appropriate \$25,000 of Street Occupancy Rental Charges revenue to the Neighborhood Traffic Management Capital Improvement Program project (budget account 75210) for the completion of the work in the South El Molino neighborhood. This program consisted of installing temporary chicanes, implementing on-street parking restrictions, and constructing temporary raised traffic chokers at the intersection of Alpine Street and El Molino Avenue. The additional funds will allow for the installation of the raised chokers at Alpine and El Molino.

General Fee Schedule Amendment

10. Adopt a new fee – Temporary On-street Construction Parking Permit. The City recognizes the occasional need for construction vehicles to be allowed to park in non-metered, time restricted zones for a period of time longer than posted. To best accommodate this need, a Temporary On-street Construction Parking Permit program has been implemented. Eligible participants must complete an application and provide proof of need to the Parking Division to purchase a permit. The recommended permit fee is \$21 per permit, per month. The permit fee is the same charged for the thirty-day parking permit currently issued by Municipal Services. The staff time for processing the permits and enforcement of the parking restrictions is the same as the thirty-day parking permit.

Fiscal Year 2008 Operating Budget Amendments

FISCAL IMPACT:

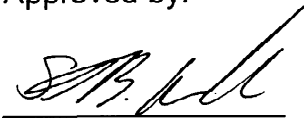
- Increase General Fund estimated revenues and appropriations by \$3,832,188.
- Decrease estimated revenues in the Power Fund by \$406,500.
- Increase appropriations and decrease Proposition C fund balance by \$50,000.
- Increase appropriations and decrease South Lake Parking Operations fund balance by \$50,000.
- Increase estimated revenues and appropriations in the Rose Bowl Capital Improvement Trust Fund by \$68,035.
- Increase revenues and appropriations to the Capital Improvement Fund by \$25,000.
- Increase appropriations and decrease Fleet Maintenance Fund unappropriated fund balance by \$393,526.

Respectfully submitted,



Bernard K. Melekian
City Manager

Approved by:



Steve Mermell
Director of Finance

Prepared by:



Paula Hanson
Budget Administrator