

Agenda Report

TO: CITY COUNCIL
THROUGH: Finance Committee

DATE: November 24, 2008

FROM: CITY MANAGER

SUBJECT: FISCAL YEAR 2009 OPERATING BUDGET AMENDMENTS

RECOMMENDATION:

It is recommended that the City Council authorize a journal voucher implementing certain amendments to the fiscal year 2009 Operating Budget 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 General Fund of \$48,500; a reduction to the Building Services Fund of \$48,500; a reduction to Library Services Fund of \$20,000; a reduction to Computing and Communications Fund of \$200,000 and a reduction to the Pasadena Community Development Commission Funds of \$2,232,491. In addition the following funds' revenues will be affected as follows: an increase of \$48,228 to the General Fund and an increase of \$200,000 to the Library Services Fund.

RECOMMENDATION FROM COMMUNITY DEVELOPMENT COMMITTEE:

The Community Development Committee at a scheduled meeting on November 13, 2008 unanimously supported the recommendation to appropriate funds for payment to the State as required by AB 1389, a trailer bill to the State's adopted budget.

BACKGROUND:

Operating Budget Amendments

On June 23, 2008 the City Council adopted the Operating Budget for fiscal year 2009. 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:

1. Recognize and appropriate \$4,000 in grant funds from Target Stores, Inc. to the Police Department for the support of National Night Out activities. National Night Out is a drug- and crime-prevention event sponsored annually by the National Association of Town Watch and local Target Stores. The event strengthens neighborhood spirit and police/community partnerships, raises awareness of local

anti-crime and anti-drug programs and sends a message to criminals that Pasadena's neighborhoods will not tolerate crime. Funds were used for food, entertainment, decorations and supplies. Approximately 600 people attended the main event at La Pintoresca Park, which was co-hosted by Kings Village and Community Arms properties.

2. Recognize and appropriate \$44,228 in grant funds from the Fireman's Fund Insurance Company to the Fire Department for purchase of training ventilation roof props (\$41,757) and wood (\$2,471) as designated by the grant.
3. Appropriate \$48,500 from General Fund and \$48,500 from Building Services Fund unappropriated fund balances to the Planning and Development Department for preparation of the Greenhouse Gas Emissions Reduction Plan (inventory of Greenhouse gases in Pasadena with a plan on how to reduce them to comply with AB32) and the Air Toxics Risk Reduction Plan (study that will aid in reducing air toxic risks for sensitive receptors adjacent to major transportation corridors).
4. Recognize and appropriate \$200,000 from the Computing and Communications Fund to the Library Services Fund for the web redesign project. The adopted budget included internal service charges to departments for this project but omitted the transfer of the collected funds to the Library Services Fund.
5. Appropriate \$20,000 from the Library Services Fund Balance to the Library Services Administration Division for the design and implementation of the City's website. On September 15, 2008 the City Council approved a contract award to Civic Resource Group for an amount not to exceed \$220,000. The fiscal year 2009 operating budget includes \$200,000 for the website redesign. The additional appropriation will cover the 10% contingency included in the contract authorization should use of such be necessary.
6. Appropriate \$2,232,491 from Pasadena Community Development Commission fund balances for payment to the State as required by AB 1389, a trailer bill to the State's adopted budget. The Community Development Committee reviewed this recommendation at a scheduled meeting on November 13, 2008. The Commission unanimously voted to recommend to City Council the payment to the State as required by AB 1389. The funds to be appropriated are as follows and payment to the State is required before May, 2010 (see Attachment A for more detail):

\$1,553,199	Downtown Project Area
\$ 366,855	Old Pasadena Project Area
\$ 312,437	Orange Grove Project Area

7. Appropriate \$470,000 of Rose Bowl Operating Company (RBOC) Unrestricted Retained Earnings to a Designated Reserve for the Rose Bowl Strategic Plan. These funds were previously designated for the Reserve for Future Payments on Debt Service, however due to the low interest rate at the time, the funds were kept

as reserves. The RBOC recently established a Strategic Plan Fund, which is a top priority as the RBOC and the City addresses the stadium's long term needs in order to preserve and enhance the stadium. Therefore the RBOC requests these funds be restricted for the Strategic Plan's use exclusively.

FISCAL IMPACT:

The proposed recommendation will result in the following changes:

- Increase General Fund appropriations by \$101,728, estimated revenues by \$48,228 and reduce unappropriated fund balance by \$48,500.
- Increase Building Services Fund appropriations by \$48,500 and reduce unappropriated fund balance by \$48,500.
- Increase Library Services fund appropriations by \$20,000 and estimated revenues by \$200,000.
- Increase Computing and Communications Fund appropriations by \$200,000.
- Increase PCDC appropriations and decrease unappropriated fund balances by \$2,232,491 as follows:

\$1,553,199	Downtown Project Area
\$ 366,855	Old Pasadena Project Area
\$ 312,437	Orange Grove Project Area

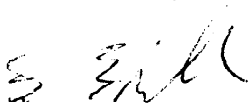
- Transfer \$470,000 from RBOC Reserve For Future Payments on Debt Service to RBOC Reserve for Strategic Plan.

Respectfully submitted,



Michael J. Beck
CITY MANAGER

Approved by:



Steve Mermell
Acting Director of Finance

Prepared by:



Paula Hanson
Budget Administrator

Impact of State Shift to PCDC

	FY09 Projected Tax Increment	% of total Tax Increment	FY 2009 Debt Service Requirements	FY 2009 Housing Requirement	FY09 State Hit
Downtown	18,938,767	69.57%	18,366,045	800,000	1,553,199
Old Pasadena	4,473,212	16.43%	966,432	1,517,275	366,855
Orange Grove	815,045	2.99%	654,477	170,403	66,843
Fair Oaks	866,081	3.18%	1,143,876	165,484	71,029
Villa Parke	1,477,656	5.43%	985,521	315,205	121,185
Lake Washington	365,265	1.34%	675,492	77,669	29,956
Lincoln Ave.	285,621	1.05%	97,951	52,067	23,424
	27,221,647	100.00%	22,889,794	3,098,103	2,232,491

State Shift

2,232,491

	Projected FY08 Ending Fund Balance	Proposed State Allocation	Projected Fund Balance After State Hit
Downtown	2,393,130	1,553,199	839,931
Old Pasadena	4,866,258	366,855	4,499,403
Orange Grove	1,580,949	312,437	1,268,512
Fair Oaks	791,501		
Villa Parke	3,566,732		
Lake Washington	1,253,733		
Lincoln Ave.	1,288,280		
	15,740,583	2,232,491	13,508,092