

# Agenda Report

June 4, 2012

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Finance  
**SUBJECT: REVISED RECOMMENDATIONS FOR FISCAL YEAR 2013  
OPERATING BUDGET**

## **REVISED RECOMMENDATIONS:**

It is recommended that the City Council:

1. Review the proposed changes to the City Manager's Fiscal Year 2013 Recommended Budget; and
2. Continue the Fiscal Year 2013 Budget Public Hearing to June 11, 2013.

## **BACKGROUND:**

On May 7, 2012, the City Manager submitted the Recommended Fiscal Year (FY) 2013 Operating Budget in compliance with the requirements of the City charter. This budget represents the City's financial plan for the coming fiscal year and furthers the City's mission to deliver exemplary municipal services responsive to our entire community and consistent with the City's history, culture, and unique character. Adoption of the City's annual budget is required as set forth in Section 904 of the City Charter. In addition to the City's anticipated operating revenues and expenses, the FY 2013 Recommended Budget includes the appropriations for FY 2013-2017 Capital Improvement Program (adopted by the City Council on May 14, 2012) and the City's operating companies (Rose Bowl Operating Company, Pasadena Center Operating Company, and Pasadena Community Access Corporation).

Attachment A provides a summary of city-wide FY 2013 recommended appropriations by department and affiliated agencies and estimated revenues by category. The corresponding detail budget information was delivered to the City Council, to various City facilities, and was uploaded to the City's website on May 7, 2012.

Subsequent to delivery of the FY 2013 budget document, it was discovered that as a result of timing issues, six amendments are necessary to complete the FY 2013 Recommended Budget.

**PROPOSED CHANGES TO FY 2013 RECOMMENDED BUDGET:**

1. Increase revenues and appropriations for the Public Health Department in the Public Health Fund (Fund 203) by \$1,306,720 and 15 limited term FTEs. On April 30, 2012 the City Council amended the FY 2012 Budget to include the funding and expenditures necessary to accept grant funds from the County of Los Angeles and begin operation of a new Public Health Department venture to provide HIV/AIDS medical outpatient services to HIV-infected individuals. Because of the timing of this budget amendment and the time necessary to hire the additional staff and begin operation of this new program, the revenues will be received and the appropriations will occur in FY 2013. The additional appropriations include annual personnel costs for the 15 limited term positions of \$1.1 million. The remaining appropriations of \$200,000 will be used for various non-labor program support costs.
2. Add one additional FTE (Medical Officer 0.75 FTE and Physician's Assistant 0.25 FTE) to the Public Health Department. The additional labor costs of \$156,536 will be partially offset by the proposed elimination of contracts totaling \$149,999 that have provided the same service. These services will now be performed by City staff. This change will result in a net increase to the Public Health Fund's FY 2013 Recommended Budget of \$5,733. This cost increase will be addressed by revenues already included in the FY 2013 Recommended Budget for the Public Health Fund.
3. Increase revenues and appropriations for the Transportation Department in the Proposition C Local Transit Fund (Fund 209) by \$34,830 and two limited term FTEs (Student Intern). The Transportation Department recently received notification of a grant award for \$44,265 from the Federal Transit Administration Section 5304 Transit Planning Student Internship program. To accept this grant the City must commit to a local in-kind match of \$5,735, bringing the total program cost to \$50,000. The local match requirement will not impact the FY 2013 Recommended Budget as sufficient funds have been identified within the FY 2013 Recommended Budget for the Transportation Department. Program costs and revenues will be spread over two fiscal years: FY 2013 (\$39,341) and FY 2014 (\$10,659). The remaining balance of the grant award (\$9,435) and in-kind contribution (\$1,224) will be included in the FY 2014 Budget.
4. Increase appropriations for the Transportation Department in the Old Pasadena Parking Fund (Fund 407) by \$96,933. The additional appropriation is for the annual amortized cost of the Old Pasadena Parking land lease. This expense was inadvertently left out of the FY 2013 Recommended Budget. The Old Pasadena Parking Fund has sufficient available fund balance to support the increased appropriation.
5. Increase appropriations for the Water & Power Department (PWP) in the Power Fund (Fund 401) by \$3,711,416. In 2006, the State enacted AB 32,

the Global Warming Solutions Act of 2006. This law set a goal for 2020 greenhouse gas emissions and directed the California Air Resources Board (CARB) to begin developing actions to reduce greenhouse gases while also preparing a long term plan to identify how best to reach the 2020 greenhouse emissions limit. In response to AB 32 CARB developed California's greenhouse gas cap-and-trade program. This additional appropriation is necessary to support the anticipated costs that will be incurred as a result implementation of the cap-and-trade program and approximately \$180,000 for the CARB fees to participate in the cap-and-trade auctions.

Under the CARB cap-and-trade program, PWP must sell its entire administratively allocated cap-and-trade allowances in upcoming CARB auctions. PWP will then be required to buy back all of the allowances needed to meet PWP's cap-and-trade obligations. These obligations are based on previous emission levels. The sale and purchase price of emission allowances will be determined by the auction. CARB estimates are still very soft and range from a floor of \$10.00 per allowance to a ceiling of \$50.00. For the FY 2013 Budget PWP has estimated that the sale of PWP's approximately 512,067 allowances in FY 2013 (January – June 2013) will be at a projected rate of \$15.00 per allowance. This would generate revenues of approximately \$7.6 million. PWP estimated that to buy back the same amount of allowances plus an additional 48,054 allowances will be at a projected rate of \$20 per allowance for a total projected cost of \$11.2 million. The difference between the sale price and purchase price of \$5 per allowance is included to cover PWP's risk that could result from the difference in the timing of the sale and purchase. PWP will use its energy reserve account to cover the additional projected expenses.

6. Increase revenues for the Public Works Department in the Refuse Fund (Fund 406) by \$1,060,030. A recent study commission by the Public Works Department determined that the current refuse rates and franchise fees are not sufficient to fully recover the City's costs of providing refuse services. As a result of this study on June 4, 2012, the Public Works Department is presenting a recommendation to City Council to increase both the refuse rate and the refuse-related franchise fees. If approved, the increase Refuse Collection Fees is projected to generate \$560,547 and the Franchise Fee, an additional \$499,483 over the FY 2013 Recommended Budget revenue projections. The recommended new Refuse Collection and Franchise Fee Rates will enable the Refuse Fund to operate with a positive fund balance and support the City's goal of reducing waste from the landfills.
7. Increase revenues for the Planning Department in the Building Services Fund (Fund 204) by \$1,088,431. As detailed in the following table, the revenues associated with selected fees were understated in the FY 2013 Recommended Budget as submitted to City Council on May 7, 2012. Planning Department staff has revised the revenue estimates based on updated information and revised assumptions. The Building Services Fund

has experienced annual deficits as a result of the recession related slowdown in development and construction activities. This information supports the Department's FY 2013 Budget Presentation which was discussed at the May 21, 2012 Joint Finance Committee/City Council Meeting. Based on the revised revenue budget the Building Services Fund is now forecast to experience a modest surplus of \$320,000. This surplus will help address the negative fund balance that has developed over the last several years.

		<b>FY13 Recommended Revenues</b>		
		<b>Original</b>	<b>Revised</b>	<b>Change</b>
6131	Plan Check Fees	\$1,500,000	\$1,602,175	\$102,175
6134	Fire Plan Review	425,239	692,823	267,584
6138	Grading Plan Check & Inspect	15,000	25,000	10,000
6139	Building Permits	1,051,278	1,535,209	483,931
6141	Address Changes/Assignment Fe	8,371	15,442	7,071
6143	Records Management Surcharge	102,702	154,476	51,774
6146	Electrical Permits	150,720	210,702	59,982
6147	Plumbing Permits	149,520	188,404	38,884
6148	Mechanical Permits	123,274	183,940	60,666
6151	Predevelopment Plan Review	0	5,864	5,864
7023	Misc Revenue	0	500	500
	<b>Total</b>	<b>\$3,526,104</b>	<b>\$4,614,535</b>	<b>\$1,088,431</b>

**COUNCIL POLICY CONSIDERATION:**

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through adoption of the FY 2013 Recommended Budget.

**FISCAL IMPACT:**

The numbers below reflect the adjustments discussed in this report.

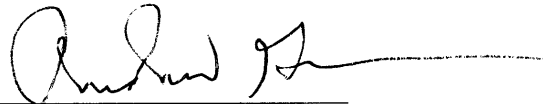
**Revised Recommended Budget Summary**

	<u>Appropriations</u>	<u>Revenues</u>
Operating Budget		
General Fund	\$215.7 Million	\$215.8 Million
All Other Funds	<u>\$402.1 Million</u>	<u>\$506.9 Million</u>
Citywide Operating Costs	\$617.8 Million	\$722.7 Million
Capital Improvement Program	\$88.5 Million	\$88.5 Million
Operating Companies	<u>\$39.4 Million</u>	<u>\$39.4 Million</u>
Total:	<u>\$745.7 Million</u>	<u>\$860.6 Million</u>

FTEs

General Fund	946.4
All Funds	2,125.0

Respectfully submitted,



ANDREW GREEN  
Director of Finance  
Department of Finance

Prepared by:



Richard Davis  
Budget Administrator

Approved by:



MICHAEL J. BECK  
City Manager

# Attachment A

## Citywide Revenues and Appropriations (including Capital Improvement Program and Affiliated Agencies) Revenues by Category

	FY 2010 Actual	FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2013 Recommended
-----\$'s in thousands-----					
Property Tax	\$66,878	\$69,176	\$67,675	\$67,774	\$85,327
Sales Tax	28,949	30,159	31,968	30,868	31,995
Transient Occupancy Taxes	8,406	9,088	9,250	9,660	10,592
Utility Taxes	29,519	29,355	32,622	30,003	30,342
Franchise Taxes	5,241	5,394	5,402	5,490	6,099
Other Taxes	20,918	20,138	23,277	21,927	22,273
<b>Taxes Subtotal</b>	<b>159,911</b>	<b>163,310</b>	<b>170,194</b>	<b>165,722</b>	<b>186,628</b>
Licenses and Permits	7,082	7,412	7,589	7,644	7,494
Intergovernmental	66,069	67,483	59,376	60,237	59,376
Charges For Services	36,907	38,201	31,755	31,712	27,749
Fines and Forfeitures	5,135	6,362	6,352	6,352	6,637
Investment Earnings	52,906	52,254	30,123	29,791	29,590
Rental Income	16,568	15,746	17,381	18,061	16,371
Miscellaneous	22,401	24,997	12,647	12,880	9,785
Operating Income	266,362	274,058	286,769	287,484	299,949
Operating Transfers In	120,629	104,607	75,316	78,154	74,066
Non-Operating Income	1,868	1,753	4,135	4,135	5,057
<b>Revenue Subtotal</b>	<b>755,838</b>	<b>756,183</b>	<b>701,637</b>	<b>702,172</b>	<b>722,702</b>
<b>Capital Improvement Program</b>	<b>64,397</b>	<b>109,754</b>	<b>154,606</b>	<b>154,606</b>	<b>88,485</b>
<b>Affiliated Agencies</b>					
Pasadena Center Operating Company	12,158	13,496	18,954	18,116	15,695
Pasadena Community Access Corporation	NA	766	779	778	820
Rose Bowl Operating Company	19,712	21,274	11,158	11,158	22,838
<b>Affiliated Agencies Subtotal</b>	<b>31,870</b>	<b>35,536</b>	<b>30,891</b>	<b>30,052</b>	<b>39,353</b>
<b>Total Revenues</b>	<b>\$852,105</b>	<b>\$901,473</b>	<b>\$887,134</b>	<b>\$886,830</b>	<b>\$850,540</b>

# Attachment A

## Citywide Revenues and Appropriations (including Capital Improvement Program and Affiliated Agencies) Appropriations By Department

	FY 2010 Actual	FY 2011 Actual	FY 2012 Adopted	FY 2012 Revised	FY 2013 Recommended
-----\$'s in thousands-----					
<b>Operating Expenses</b>					
<b>City Departments</b>					
City Council	1,965	1,924	1,951	1,950	2,007
City Manager	3,980	3,816	4,278	5,379	5,546
City Attorney/City Prosecutor	6,308	6,036	6,407	6,180	6,197
City Clerk	1,846	2,624	2,142	2,139	2,773
Finance	11,684	11,395	11,893	11,887	12,622
Fire	39,518	39,728	39,600	39,710	38,990
Information Technology	9,805	11,895	11,408	11,422	12,490
Police	63,054	63,527	62,633	63,564	62,736
Planning	13,958	12,481	12,374	12,670	12,131
Human Resources	3,698	3,597	3,363	3,362	3,177
Public Health	11,250	11,039	10,959	11,035	13,323
Libraries and Information Services	11,888	11,158	11,710	11,705	11,806
Human Services & Recreation	9,014	9,084	9,143	8,928	8,735
Housing	31,680	27,945	29,975	33,827	25,113
Public Works	50,270	53,316	59,626	63,914	60,849
Transportation	26,103	29,237	30,154	30,313	29,950
Water & Power	214,638	224,022	264,941	270,294	283,963
Non Departmental	147,301	143,862	60,847	57,826	61,019
<b>Department Total</b>	<b>657,960</b>	<b>666,686</b>	<b>633,404</b>	<b>646,105</b>	<b>653,427</b>
Successor Agency to PCDC	46,993	39,922	34,463	34,541	45,315
<b>Citywide Sub-Total</b>	<b>704,953</b>	<b>706,608</b>	<b>667,867</b>	<b>680,646</b>	<b>698,742</b>
Capital Labor Adjustment	NA	NA	(25,273)	(25,160)	(25,596)
Inter-Departmental Transfers	(64,364)	(58,164)	(51,354)	(54,554)	(55,291)
<b>Citywide Operating Sub-Total</b>	<b>640,589</b>	<b>648,444</b>	<b>591,240</b>	<b>600,932</b>	<b>617,855</b>
<b>Affiliated Agencies</b>					
Pasadena Center Operating Company	12,158	13,496	18,954	18,116	15,695
Pasadena Community Access Corporation	NA	766	779	778	820
Rose Bowl Operating Company	19,712	21,274	11,158	11,158	22,838
<b>Affiliated Agencies Sub-Total</b>	<b>31,870</b>	<b>35,536</b>	<b>30,891</b>	<b>30,052</b>	<b>39,353</b>
<b>Total Operating Appropriations</b>	<b>672,459</b>	<b>683,980</b>	<b>622,131</b>	<b>630,984</b>	<b>657,208</b>
<b>Capital Appropriations</b>					
Finance	0	0	0	0	1,500
Information Technology	407	173	1,202	1,202	950
Pasadena Center Operating Company	250	350	0	0	500
Public Works	26,061	11,239	16,562	16,562	10,447
Rose Bowl Operating Company	875	41,000	71,500	71,500	30,300
Transportation	3,999	1,742	1,472	1,472	4,563
Water & Power	32,805	55,250	63,870	63,870	40,225
<b>Capital Improvement Program Appropriations Subtotal</b>	<b>64,397</b>	<b>109,754</b>	<b>154,606</b>	<b>154,606</b>	<b>88,485</b>
<b>Total Appropriations</b>	<b>736,856</b>	<b>793,734</b>	<b>776,737</b>	<b>785,590</b>	<b>745,693</b>

**Responses to City Council's Questions  
from May 21, 2012 Special Joint Finance  
Committee/City Council Meeting on the  
Fiscal Year 2013 Recommended  
Operating Budget**






DEPARTMENT OF FINANCE

May 31, 2012

**TO:** The Honorable Mayor and City Council

**FROM:** Andrew Green   
Director of Finance

**SUBJECT:** Follow-up from May 21, 2012 Special Joint Finance Committee/City Council Meeting

This memo is a follow up to questions posed by City Councilmembers on the Fiscal Year 2013 Recommended Budget at the May 21, 2012 special joint meeting of the City Council and the Finance Committee. This memo does not include questions posed by City Council where complete answers were provided at the meeting. Please contact me or Richard Davis if you have any additional questions or if you would like additional information related to any of the questions responded to at the meeting and not included in this memo.

**CITY COUNCIL QUESTIONS**

1. Of the 320 positions that were eliminated between FY 2009 and FY 2013. How many were laid off, took the retirement incentive, limited term, early out, part time etc.

Response: From FY 2009 through FY 2012, 36.5 positions were laid off. Of those 36.5, 7 transferred to vacancies in other departments, 1 accepted a voluntary demotion and 1 was rehired at a lower classification. In FY2009, 40 employees participated in a separation incentive, and in FY2010, 54 employees participated in a separation incentive.

2. Councilmember Tornek requested additional detail for selected revenue accounts.

Response: See **Exhibit A**.

**Rose Bowl Operating Company**

3. What is the plan for the Rose Bowl project?

Response: A financing plan for the gap in the Rose Bowl project will be presented to the Finance Committee in June.

**Water & Power Department**

4. Why is personnel budget going up significantly between FY 2007 (\$18.9M) and FY 2013 (\$37.2M)?

Response: Due to a revised budget methodology, FY 2012 and FY 2013 include capital labor costs and historical numbers do not. The rationale for the methodological change, as reported at the May 21, 2012 budget hearing, was to reflect true costs which included capital labor then reversed them out in total. This allows us to provide a more accurate picture of total departmental personnel costs while preventing an overstatement of the total City budget. Departments affected by this methodological change are Public Works, Transportation, Water and Power, and DoIT.

5. What is the status on the System Average Interruption Duration Index (SAIDI) for Performance Measure "B"?

Response: The noted increase in the SAIDI was the result of lengthier outages experienced following November/December 2011 wind storm. It should be noted that the SAIDI performance measure is not cumulative. It is an average over the period measured. If PWP's index returns to average levels for the remainder of the fiscal year, PWP will meet the system average for FY 2012 despite the lengthier outages following the wind storm. This performance measure is used throughout the Power Utility industry. PWP's targets are consistent with or even more assertive than other utilities.

**Fire Department**

6. What are the dollar changes in the 3.0 FTE decrease?

<u>Response:</u>	Admin Captain	\$190,731
	Firefighter - Prevention	\$162,367
	Firefighter - Prevention	<u>\$145,962</u>
		\$499,060

7. What are the statistics for BLS versus ALS responses?

Response: Response will be provided by the Department under separate cover.

### **Police Department**

8. What are the statistics on automobile broadside collisions at Pasadena intersection with red light cameras?

Response: On December 5, 2011, Frederick C. Dock, Director of Transportation and Phillip L. Sanchez, Police Chief presented a report on the Red Light Camera Program. This report is attached. See **Exhibit B**.

### **Human Services & Recreation Department**

9. Regarding NOW program – what is department planning to do once Summer ROSE program and Parks after Dark program ends after this summer?

Response: With the Office of Juvenile Justice Department (OJJJ) funding for the NOW program scheduled to sunset on June 30, 2012, staff is continuing to coordinate with the Flintridge Center, Pasadena Unified School District, and several City Departments on the future of the program. Several new and emerging programs have been introduced in the community since the inception of NOW in 2007, most recently with the Vision 20/20 Initiative and the role of Flintridge serving as the Institutional Home to End Youth Violence.

With the Parks after Dark initiative beginning in Summer 2012 in partnership with LA County, many aspects of the NOW program have been built into programming by adding 12 new paid youth employment positions. The two (2) lead NOW workers will serve as recreational site coordinators at Villa-Parke and Robinson Park. Their function is to help coordinate and direct recreational activities and outreach the program to youth in Pasadena. Of the 8 NOW workers, 6 will be employed in the Parks after Dark Program as Junior Recreation Leaders in training who will assist with carrying out recreational services, including setup and takedown of activities. The program is scheduled to run from July 7 through August 24, 2012.

Additional youth-related programs are noted below:

- Muir High School was awarded grant funds this past year and is currently operating the S3 Safe School Intervention Program. The program works with high risk youth and provides an intensive skill and relationship building curriculum. The program will continue next school year. This program does not offer a youth employment component.
- The Flintridge Center has recently convened an interventionist collaborative that brings together groups in the community doing the work both formerly and informally. Many of these organizations are already targeting youth in the community. Most notably, "A Positive Force," is providing leadership at many of the City's community centers to mentor

and redirect gang impacted youth. Other programs operated by Flintridge include SKILLZ, a summer learning program that targets youth most at-risk of school failure and drop-out.

- The Flintridge Center also oversees a mentoring program that is affiliated with a larger mentoring collaborative group that matches youth with adult mentors in the community. These programs all came online within the last two years. Flintridge has requested to work with the groups detailed in this memorandum, along with City and School District staff, to seek input on how to continue similar efforts within existing programs/services, as well as to locate possible gaps with the NOW program ending. With many new programs introduced and coming online, a focus on building a system-wide approach to service delivery to avoid service duplication are all aspects of the work unfolding. Emphasis on building a strong collaborative and further mapping out other existing youth services to ensure the greatest impact on the lives of our young people are all factors being considered.
- City and Flintridge staff are planning to host a meeting with NOW parents and youth in early June to learn more on what they value most about the program. This information will be shared with Vision 20/20 partners, and the mentor and intervention groups operating through Flintridge. The expected outcome of share key feedback with these groups is to determine how existing programs can be adapted to meet the most needed services. Staff will bring a more thorough report on how efforts are unfolding and possible next steps around supporting and continuing youth prevention/intervention work to City Council before the conclusion of *Parks After Dark* in Summer 2012.

10. Is department getting any push back from residents on new fees?

Response: Following City Council approval of the fee increases in March 2012, staff conducted a series of community meetings with after school parents, who too use other services ranging from camps to aquatics. Parents reported concerns with the increased fees but overall expressed appreciation that important City services would continue uninterrupted. As a result of the fee increases for the afterschool program, a majority of the approximately 80 parents who participated in the meetings stated they would like to see the following: improved staff training, greater support for tutoring and educational programs, continued expanded weeks of summer programming, increased enrichment opportunities and improved communication.

The Passport to Fun Youth Scholarship program has broadened the overall accessibility of programs to low-income families. The Villa-Parke and Victory Park Summer camps are at capacity for a majority of the weeks, and taking waiting lists. Other camps are enrolling at similar trends from previous years.

The aquatics registration remains on track with no impact to participation levels. Registration for the After School Program is scheduled to begin in July.

Department will provide a six-month status report of the new program fee structure / pricing policy and its impact on residents participating in recreation programs in January 2012. The new program fees generally impact the Summer Day Camp Program, Aquatics and the After School Program; customer registration information as well as any significant changes in customer satisfaction as a result of fee changes will be captured in the status report. The report will be presented first to the Recreation & Parks Commission and subsequently to the City Council.

**Library & Information Services Department**

11. Provide updated Performance Measures.

Response: Performance Measures presented at meeting were accurate.

**City Attorney**

12. Provide revised Performance Measures

Response: See revised Performance Measures below.

**Council Goal(s):**

To Ensure Public Safety

**Objective(s):**

A. To improve street safety by providing quick case resolution to motorists cited for invalid licenses.

<b>Measure(s):</b>		FY 2012			
		FY 2011 Actual	FY 2012 Target	Mid-Year Actual	FY 2013 Target
1	Number of Unlicensed Driving cases resolved at first hearing	195	168	176	198
2	Percentage of Unlicensed Driver cases resolved at Arraignment	67%	66%	69%	68%
3	Percentage of Convictions for Unlicensed Driver cases	88%	93%	93%	93%

B. To improve neighborhood safety by promptly assessing nuisance

<b>Measure(s):</b>		FY 2012			
		FY 2011 Actual	FY 2012 Target	Mid-Year Actual	FY 2013 Target
1	Number of matters referred to C.R.A.S.H. team per quarter	0	4	5	5
2	Percentage of referred matters inspected within 30 days	0	50%	20%	70%

**Successor Agency to Pasadena Community Development Commission**

13. Provide Power Point presentation to Mayor and City Council.

Response: Presentation was emailed on May 22, 2012.

14. What are the projects in Old Pasadena and Lincoln Project Area?

Response: Recognized Obligations Payment Schedule (ROPs) was emailed on May 22, 2012.

**GENERAL INFORMATION**

15. The 10-year expenditure history handout Council received at the May 21, 2012 meeting is a revised version of the information sent previously. The previous version misstated the split between the salaries and benefits expense categories. A new 10-year stacked bar chart for Salaries, Benefits, and Overtime based on the revised data is provided. See **Exhibit C**.

# **EXHIBIT A**

## **Responses to Councilmember Tornek's Revenue Account Questions**

### **Account 6139 – Building Permits**

The initially presented revenue estimates for this line item were understated. Planning Department staff has revised the revenue estimate from \$1,051,278 to \$1,535,209. This change is discussed further in the June 11, 2013 Budget Adoption Agenda Report.

### **Account 6426 – Traffic Congestion Relief**

This account experienced one-time revenue in FY10 and is no longer being budgeted. The amount included in the FY12 Budget is an error which has now been corrected for FY13.

### **Account 6751 – Services to Power Fund**

### **Account 6779 – Services to Water Fund**

The significant change in the FY13 Budget from prior year budget and actuals in both these accounts is the result of revised accounting for the costs associated with the implementation of the new Cost Allocation Plan (CAP). Revenues related to the CAP were removed from this account and are now included in a separate revenue account: 7135 – CAP Allocation Revenue. This change impacts multiple funds but is far more noticeable in the Water and Power Funds as their CAP allocations are over \$3 million and \$1.1 million, respectively.

### **Account 6836 – Transfers from PCDC**

The \$1.860 million budget is the amount of the former tax increment revenues the City anticipates will be approved to fund the City's administrative activities related to the final dissolution of PCDC. The funds are included in the City's Required Obligations Payment Schedule (ROPS). The prior year actuals were transfers from PCDC to the Project Management Fund (Fund 301) to provide funding from tax increment revenues for CIP projects and were not previously budgeted.

### **Account 6841 – Transfers from Debt Service Fund**

In the past this account has been used to move tax increment revenues between RDA project area funds and RDA project area debt service funds. With the dissolution of PCDC these transactions are no longer necessary.

# **EXHIBIT A**

## **Responses to Councilmember Tornek's Revenue Account Questions**

### **Account 6844 – Transfers from Other Projects**

Similar to account 6841 for Housing Department projects/activities. The FY13 Budget amount is for the transfer of Successor Agency funding included in City's Required Obligations Payment Schedule (ROPS) between various Housing Funds.

### **Account 6977 – Rental Income**

Revenues related to Rental Income (properties owned by the City that are leased out) have been in the \$1.3 million range for the last several years. The drop in revenues in the FY13 Budget is primarily the result of the sale of air rights around Plaza Las Fuentes. Maguire Partners had been paying about \$300k to the City for an air rights lease comprised of the East West Bank Building/McCormick and CPK. The amount noted in the FY12 Revised Budget column is an error. In March the Council approved the reassignment of \$600,000 in rental income from PCDC to the General Fund. This amount reflects the rental income generated from RDA-related properties. With the dissolution of PCDC on February 1, 2012, these revenues will now flow to the General Fund. While the change was made in our budget system to account for the additional \$600,000 in the General Fund, the adjustment to the PCDC Fund lowering the revenue amount was not made. This error will be corrected since Council has provided the authority for this realignment of rental income revenues.

### **Account 7029 – Other Contributions**

This account includes revenues received by Water and Power from developers as contribution-in-aid of construction. The FY 2012 budget amount was based on the activity level of FY 2010 and the recommended FY 2013 budget amount was based on FY11 actual (\$1,731,889) and current activity level.

### **Account 7226 – Base Rate-Large C&I Primary**

There is no significant change in this revenue account. The FY013 recommended budget amount of \$4,124,969 consists of \$3,833,444 collected from current rates and an additional \$291,525 that will be generated from the proposed increase in power distribution rates. There is a disconnect between the budget and actuals. The actual revenues have been recorded under account 7235 – Large Com & Industrial-Primary. Finance staff will work with PWP staff to ensure that in future budgets the same account number is used.



# **EXHIBIT A**

## **Responses to Councilmember Tornek's Revenue Account Questions**

### **Account 7228 – Residential-Multi Family**

Similar to account 7226, there is a disconnect between where the budget and the actuals are being recorded. The FY 2012 actuals have been recorded in this account, while the FY12 budget was included in account 7101 – Base Rate Residential-SFS. This issue has been fixed for FY13 and both the budget and actuals will be in account 7228.

### **Account 7274 – Wtr Sls/Lses to Other Agency**

The increased revenues anticipated in this account for FY13 was addressed by Phyllis Curry during her budget presentation. It is projected that the Water Fund will receive approximately \$1.3 million from through the sale and lease of water rights in excess of the City's requirements.

## EXHIBIT B

**MEMORANDUM - CITY OF PASADENA  
DEPARTMENT OF TRANSPORTATION  
POLICE DEPARTMENT**

**DATE:** December 5, 2011

**TO:** Public Safety Committee

**FROM:** Frederick C. Dock, Director of Transportation  
Phillip L. Sanchez, Police Chief

**RE:** Red Light Camera Program

**Summary:**

An expanded analysis of collision rates, citation trends, court practices, actions in surrounding cities and current traffic safety programs in Pasadena supports a recommendation for the following:

- Terminate the Red Light Camera program,
- Return the sworn personnel currently dedicated to the RLC program to enforcement duty,
- Continue to implement signal timing adjustments to reduce red light running and
- Continue to seek grant assistance for expanded enforcement operations.

**Background:**

Pasadena's Automated Red Light Camera (RLC) program was first activated in 2003 via a contract agreement with Nestor Traffic Systems, now American Traffic Systems (ATS, Inc.) that had an initial expiration date of June 30, 2011. On June 20, 2011, the City Council approved a one-year extension of the RLC program to provide for a more thorough evaluation of whether the program should be continued for another five years and whether changes in the program should occur if it is continued. The evaluation has considered the following:

- Changes in the adjudication of RLC cites in Los Angeles County,
- Practices in other cities with equivalent RLC systems,
- The history of collisions and the factors involved at intersections with RLC systems, and
- The time commitments of sworn personnel to the RLC program.

## **EXHIBIT B**

### **Los Angeles County Courts:**

In Los Angeles County, unlike other counties, the courts have elected to treat non-payment of red light camera violations differently than similar citations issued in person by sworn personnel. The net result of this action is that there is no effective penalty for non-payment of red light camera violations in Los Angeles County. As the lack of consequences has become better known by violators, the rate of non-payment has increased, thereby eroding the program's deterrent effect against red light running. Recent actions by the Transportation Commission in the City of Los Angeles have further increased the public awareness that there is not a legal way to compel payment of red light violations.

### **City of Los Angeles Program:**

The City of Los Angeles's RLC program (which shares Pasadena's vendor, ATS, Inc.) has come under scrutiny by the Los Angeles Transportation Commission for several technical inconsistencies related to widespread issuing of citations for right turn on red practice, under-reporting of certain collision types and increased cost of operation from the non-payment of fines. As a result, the City of Los Angeles has decided to terminate their program.

### **Public Reaction to RLC Program:**

While the City of Pasadena RLC program is structured differently and has successfully addressed the technical issues encountered in Los Angeles, the overall result of the Los Angeles issues is heightened scrutiny of all RLC programs in LA County including the City of Pasadena's program. This in turn has led to increased criticism from the public of Pasadena's RLC Program. Comments received subsequent to the latest Council action on the RLC Program question the collision data presented at the Council meeting as being too simplistic to provide a complete view of whether the RLC program is the primary cause of the crash reductions at the camera-equipped intersections in the City. Specifically, challenges have been raised about the effect of increased yellow time at the RLC intersections and whether the comparison intersections used in the analysis were appropriate.

Regarding the yellow light timing, City staff set the yellow timing 0.3 to 0.4 seconds above the required minimum for all RLC locations. The primary purpose of this increased yellow time was to provide for inadvertent red light running violators, i.e., those that may have been caught in an "indecision" (or dilemma) zone and cannot stop in time.

Individuals involved in opposing the use of RLC programs contend that the lengthened yellow may have contributed to the crash reduction as much as the Red Light Camera itself. There was also a criticism that we compared the RLC

## EXHIBIT B

locations to dissimilar intersections. To enable the City Council to take appropriate action regarding this program, staff has undertaken a more rigorous review of the program's performance that takes these criticisms into account.

### Yellow Timing and Collision Rates:

A 1985 Institute of Transportation Engineer publication, "Effects of Clearance Interval Timing on Traffic Flow and Crashes at Signalized Intersections," indicates that longer yellow intervals (up to a certain point) can reduce crashes at signalized intersections. In the case of the City's program, determining the effects of the lengthened yellow timing is difficult since it was implemented concurrent with the RLC program.

However, since the lengthened yellow was set only once at the activation of the RLC system, the best way to filter its effect is to show the trend of collision rates on a year by year basis and compare them with collision rates for non-RLC locations for the same period. If the lengthened yellow timing plays a role in accident crashes, it should only be reflected on the first year of program. After the first year, continued collision reduction may be attributed to the RLC system. To normalize the data, staff aggregated or averaged the annual crash rates for broadside collisions at all seven RLC approaches and did so for the non-RLC locations.

The results of the analysis are shown in the two charts in Attachment A. As indicated in the upper chart, a decline in broadside collision rates occurred in the first year of the RLC program, but in subsequent years, the collision rate at the RLC locations is similar to the rate at the non-RLC locations and does not show a consistent pattern of continued decline as the rates at the RLC and non-RLC intersections climb and fall at different times.

However, the trend line for the RLC intersections does show a steeper overall decline than the non-RLC intersections over the entire analysis period. The lower chart in Attachment A shows the same trend lines but excludes the first year's changes. When the effect of the initial year is removed, the rate of decline for non-RLC intersections is shown to be similar to the trend in the upper chart, but the trend for the RLC intersections is not as steep. With the initial year removed, the trend in collision reduction at the RLC intersections is also shown to be better than at the non-RLC intersections over time, which indicates that there is a residual effect of the RLC system in addition to the effect of the yellow timing. However, without the initial decline in collisions at the RLC intersections, the long term trends at both types of intersections are shown to be similar, which then brings into question the long-term utility of continuing to use the RLC system or to shift the enforcement activities to sworn personnel in the field.

## **EXHIBIT B**

### **Citation Rates, Impact to Traffic Officers Review, and Other Implications:**

As anticipated at the inception of the RLC program, the numbers of red light running citations issued have steadily declined over the years. Conversely the fines, which are set by the state, have increased over the years. The high cost of a citation and greater awareness of how LA County courts have been treating RLC citations has led to an increase in court challenges for RLC citations. The effect on Pasadena of these changes has been an increased number of court appearances for our officers to defend red light running citations. Overall, even with a reduced number of citations, sworn personnel are spending a greater proportion of their time testifying in court because of the increased challenges. The combined monthly rate for issuing citations at all RLC approaches now roughly compares with the issuance rate of a single officer for a variety of vehicle code violations including red light running. Consequently, if the officers currently dedicated to supporting the RLC system returned to duty in the field, overall enforcement would increase.

### **Existing Traffic Safety Programs:**

The City has many existing safety programs including but not limited to selective traffic enforcement, ongoing signal synchronization to provide more regular traffic flow, implementation of longer yellows and "all-red" clearance intervals that will maintain our level of continuing efforts to improve traffic safety throughout the City. The City has been fortunate to have received many traffic safety grants, from the Office of Traffic Safety, Safe Routes to School and Highway Safety Programs which allow a more intensified and systemic police enforcement in violation prone areas in the City. Staff acknowledges that while the RLC program is an important tool targeting the specific safety concern of red light running, the city has an array of other safety initiatives in the engineering, education and enforcement arenas to continue, if not maintain, improvement of traffic safety at our signalized intersections. As an example, staff has now adopted the yellow timing settings for RLC locations for all signalized intersection in the City and is updating timing at all signalized intersections over the next 18 - 24 months.

The above findings support a recommendation to terminate the RLC program and to return the sworn personnel currently dedicated to the RLC program to enforcement duty in the field.

### **ENVIRONMENTAL ANALYSIS:**

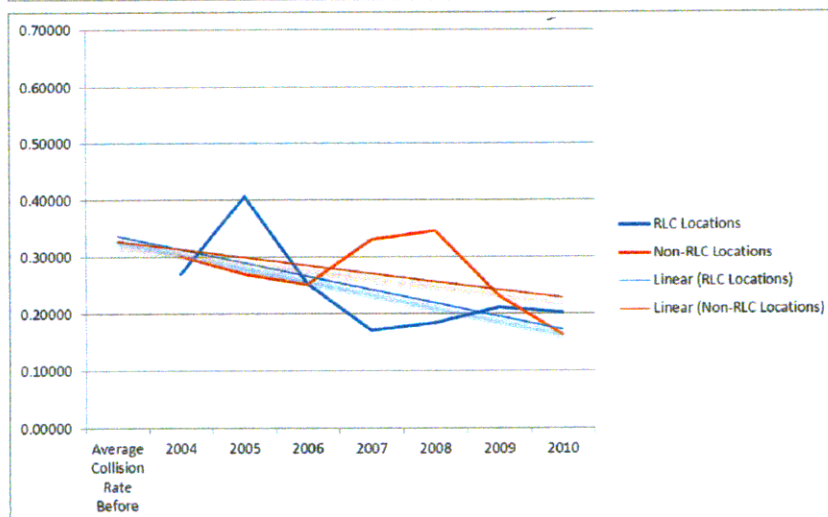
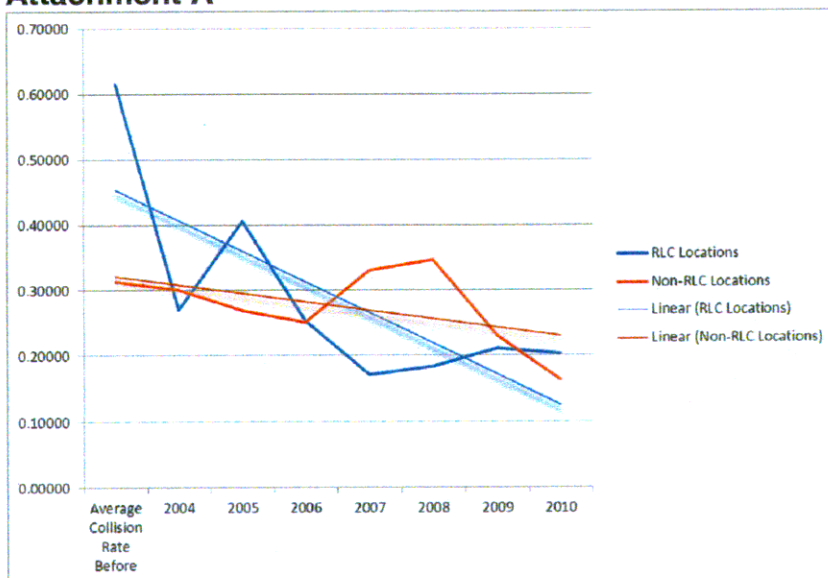
The removal of RLC equipment is categorically exempt under CEQA. Under the current contract terms, ATS, Inc. is responsible for removing all above ground equipment and restoring the sidewalk to its original condition.

# EXHIBIT B

## FISCAL IMPACT:

The Red Light Camera Program is funded annually by General Fund and is offset by City's share of revenue of every paid Red Light Running Program. The annual cost of the contract with ATS, Inc. is approximately \$274,100. In fiscal year 2010-2011, revenue for this program was \$344,013. Additional costs of running this program include electrical charges for all locations and personnel costs for the PPD and DOT staff to manage and operate the program. Those annual costs are approximately \$74,400 which yields an annual deficit to the City of approximately \$4,487. Termination of this program will be a direct savings to the City's General Fund.

### Attachment A



Charts represent Annualized Broadside Collision Rates for Red Light Camera locations and Control (Non-RLC) locations. Vertical axis represents accident rates in accidents per million entering vehicles, horizontal axis represents the year "after" RLC activation.





# EXHIBIT C

