

Agenda Report

December 8, 2014

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: AMENDMENTS TO FISCAL YEAR 2015 ADOPTED BUDGET

RECOMMENDATION:

1. It is recommended that the City Council amend the Fiscal Year 2015 Adopted Budget as detailed in the "Proposed Budget Amendments" section of this report; and
2. Authorize the City Manager to accept a \$200,000 grant and, for the purpose of effectuating the grant, enter into a five-year grant agreement with the California Department of Parks and Recreation Habitat Conservation Fund to support educational summer nature camps to encourage children to understand the importance of plant and wildlife habitats and to be responsible environmental stewards.

FINANCE COMMITTEE RECOMMENDATION:

On November 24, 2014, the Finance Committee recommended forwarding this report for full City Council review and approval.

NOTE: The version of this report that was presented and recommended for approval by the Finance Committee on November 24, 2014, did not contain the second recommendation listed in the recommendation section of this report. Although the information was included in the background section of the original report, it was added to this report's recommendation section to conform to agenda report protocol.

BACKGROUND:

Each fiscal year budget amendments are necessary to account for unanticipated changes to the adopted budget. These revenue and appropriation amendments are presented to the City Council for approval. This agenda report includes proposed

amendments to the Fiscal Year (FY) 2015 budget as adopted by the City Council on June 16, 2014. These proposed budget amendments fall into one of the following categories:

- Carry forward of previously approved appropriations from the FY 2014 budget that were unexpended as of June 30, 2014 and are now anticipated to be expended during FY 2015; or,
- Amendments to the FY 2015 budget based on information that was not available when the budget was presented to City Council for adoption on June 16, 2014.

A discussion of each proposed budget amendments is included in the "Proposed Budget Amendments" section of this report.

PROPOSED BUDGET AMENDMENTS

1. FY 2014 to FY 2015 Carry Forwards

Police

(a) State of California CalGRIP Grant

Recognize and appropriate a total of \$198,294 from the CalGRIP grant to the General Fund (101) revenue account # 6511-101-402300-91161 and appropriation account # 8114-101-402300-91161 for grant-funded programs using the Flintridge Center as the lead agency for gang violence reduction, intervention, and prevention program. Flintridge will also operate the program. The original grant of \$492,520 was received in FY 2013 and this additional amount will be spent by December 31, 2014.

Transportation

(b) Purchase 25 Multi-space Parking Meters for South Lake Meter District

Appropriate \$33,244 to account # 8114-232-774314 from available fund balance in the South Lake Meter District Fund (232) for the purchase of 25 new multi-space parking meters in the South Lake Meter District.

Public Works

(c) Vehicle Purchases

Appropriate \$364,270 from available Fleet Maintenance Fund (503) balance account # 8505-503-766300 for the purchase of one rescue ambulance (\$211,482); one Ford F-250 pickup (\$28,816); and four police sedans (\$123,972). This was part of the FY2014 vehicle replacement program.

Appropriate \$278,718 from available Refuse Fund (406) to account # 8505-406-764120 for the purchase of one front loading refuse truck, and one police patrol vehicle for the Police Department. This was part of the FY2014 vehicle replacement program.

Water and Power (PWP)

(d) Vehicle Purchases

Appropriate \$556,344 from available Power Capital Fund (411) and Water Capital Fund (412) balances for the purchase of two super-duty Ford trucks (\$171,590) and one Ford F-250 truck (\$24,970) (account #8505-411-843210); one splicing van (\$85,569) and one super-duty truck (\$85,796) (account # 8505-411-843220); and one 10-yard dump truck (\$188,419) (account # 8505-412-883000).

FY 2015 AMENDMENTS

2. Human Resources

Add a full-time Management Analyst III position in the Department of Human Resources. The new position will be used to support the Water and Power Department (PWP). As the one of the largest City departments, Human Resource staff provides significant support in the areas of Employee Relations, Labor Relations, and Employment Services. Adding a full-time position will enable the Department to dedicate resources to support PWP which will result in increased efficiency. This new position will be funded by PWP as detailed below. The annual cost of the Management Analyst III will be approximately \$114,000 including benefits. However only \$76,000, which is eight months of funding, is needed for the remainder of this fiscal year and appropriated in account # 8005-101-480100. All additional indirect costs related to this position will be absorbed in the Human Resource's existing operating budget.

8177	401	831000	0923	\$3,292
8177	401	833000	0923	\$11,663
8177	401	841000	0923	\$9,594
8177	401	843000	0923	\$32,451
Total Power Fund				\$57,000
8177	402	831000	0798	\$850
8177	402	833000	0798	\$2,935
8177	402	881000	0798	\$15,215
Total Water Fund				\$19,000

3. Police – Foothill Air Support Team

Appropriate \$150,000 from the FAST Fund (108) to account # 8504-108-401720 in the amount of \$75,000 and account # 8101-108-401720 in the amount of \$75,000 to provide funding for the purchase of one main rotor blade for use on the Bell 206B3 helicopter and for the mandatory engine inspections and overhaul of two Rolls Royce engines currently installed in both Bell aircraft.

4. Police – K-9 Unit

Recognize and appropriate \$75,000 received from the Pasadena Police Foundation for the addition of a fourth canine team (canine and officer) to the K-9 Unit. The Police Department currently has three canine teams; two for narcotics detection and one for explosive detection. With the addition of special events in

the City there is now a need to add additional resources to the K-9 unit. This action will provide the Department with greater deployment flexibility, reduced response times, and will mitigate the cost to contract with outside agencies for canine services. The generosity of the Police Foundation will provide for the canine, vehicle, initial training, and ongoing training and support.

The account code detail is as follows:

Private Contributions	7029	101	403100	(\$75,000)	Revenue from Pasadena Police Foundation
Materials & Supplies	8101	101	403100	\$22,000	New canine & initial training
Conferences & Meetings	8127	101	403100	\$10,000	Ongoing canine training
Contract Services	8114	101	403100	\$3,000	Veterinary services
Automotive Equipment	8505	101	403100	\$35,000	New canine vehicle
Radio Direct	8621	101	403100	\$5,000	Radio new canine vehicle

5. City Attorney/City Prosecutor

Add a full-time Deputy City Prosecutor I position to replace the existing, part-time position in the City Attorney/City Prosecutor's Department. This action will result in the addition of .5 FTE. An existing Deputy City Prosecutor I (PT) position will be reclassified to a full-time Deputy City Prosecutor. There is no FY 2015 fiscal impact as a result of the addition of .5 FTE. The resources to increase the position to 1.0 (\$82,600) will be absorbed within the adopted Fiscal Year 2015 operating budget from salary savings account # 8005-101-182000. The position will be used to provide assistance in handling the Department's high-volume prosecution workload, including staffing a courtroom, conducting criminal jury trials, evidentiary hearings, and pretrial motions. A full-time position is sought, rather than the part-time position that currently exist because of the Division's programmatic demands and to avoid problems experienced when the strongest prosecutorial candidates seek or leave to obtain full-time positions requiring frequent re-staffing and re-training. This staffing increase is also especially needed in view of the ongoing state-wide prison reduction strategies, AB 109, and the passage of Proposition 47, all of which would further increase the number of misdemeanor filings the Division handles. In addition, the Deputy City Prosecutor I may be called upon to assist with special projects, interdepartmental initiatives, and other high-priority matters. Furthermore, the Deputy City Prosecutor I will provide much-needed staffing elasticity when prosecutors are engaged in jury trials, attending mandatory continuing legal education seminars, or when a prosecutor goes on approved leave, and to help ensure that the dedicated community prosecutor can remain focused on those matters. Going forward this additional cost will be absorbed within the existing City Attorney/City Prosecutor budget.

6. Pasadena Community Access Corporation (PCAC)

PCAC has a receivable from the General Fund (101) in the amount of \$162,975.82 due from the City representing outstanding payments from franchise fees collected in previous years. Prior year amounts were not reconciled and requested by PCAC and City didn't automatically forward funds. This is an accumulation of at least four years. Going forward the amount that is paid to PCAC is based on a budgeted amount and not a percentage of cable franchise fees, so this situation should not reoccur. This action will eliminate the outstanding receivable by appropriating funds to account # 8114-101-952000 to make the payment to PCAC. The revised year end operating surplus for the General Fund is estimated to be approximately \$900,000 based on first quarter results, so the use of unappropriated reserves should not be necessary to offset this additional appropriation.

7. Water and Power (PWP)

Reclassify a vacant Engineer position to the existing classification of Engineering Manager and appropriate \$54,024 from available fund balance in the Water Fund (402) to account # 8005-402-881000-0751. This position will report to the Assistant General Manager, Water Delivery and will focus on high-level water resource planning to ensure the City of Pasadena's future water supply. The duties assigned to this position will broaden PWP's efforts to implement the Water Integrated Resources Plan (WIRP); develop and implement other strategies which enhance local water supplies and maintain an active role in the development of regional, state and federal water policies, both legislative and regulatory. The position will also pursue synergies between the water and electric businesses of the utility aimed at maximizing end-user conservation of water and energy, cost-effective use of resources, greenhouse gas emission reductions and customer savings. This utility management position would also direct the existing Water Quality and Water Supply sections which are headed by a Water Quality Manager and Principal Engineer respectively. This action does not require an additional FTE.

8. Public Works (PW)

Recognize and appropriate \$75,000 from Cal Fire Urban and Community Forestry Grant Program for the development of the Urban Forestry Management Plan (UFMP). These funds need to be recognized and appropriated to the FY 2015 Parks and Natural Resources operating budget (6510-101-765210) so they can be expended. The UFMP will update and consolidate the City of Pasadena's public tree management practices, guidelines for tree protection, and information on the tree ordinance into one document. In addition, the UFMP will include a strategic vision which will allow the City to set goals and objectives for management of the urban forest. The UFMP will be presented to the City Council for consideration in spring 2015.

9. Public Works (PW)

Transfer 1.55 FTE (\$240,643) from Project Maintenance Program to the Building Maintenance Fund. As part of the FY 2015 operating budget approved by the City Manager, 1.55 FTEs should have been transferred from the Project Maintenance Program (account # 8005-301-766600) to the Building Maintenance Fund. This includes 0.55 FTE for the electrical superintendent position (account #

8005-502-766110), 0.50 FTE for the carpentry/paint superintendent position (account # 8005-502-766112), and 0.50 FTE for a painter position (account # 8005-502-766116). Revenues for these expenses have already been included in the FY 2015 structural maintenance assessment rates.

10. Public Works (PW)

Increase the revenue from the General Fund unappropriated fund balance for City Yard security services from \$173,096 to \$199,785. As part of the FY 2015 operating budget approved by the City Manager, \$199,785 should have been transferred from the General Fund (account # 8177-101-955100) to the Security Program (account # 6782-502-766500) to cover security service expenses at the City Yards. However, the amount entered into the budget system and being collected is \$173,096.

11. Public Works (PW)

Reduce the Miscellaneous Revenue for Accident Repairs from \$46,427 to \$16,932. As part of the FY 2015 operating budget approved by the City Manager, the Miscellaneous Revenue for Accident Repairs (account # 7023-503-766211) was \$16,932. However, the amount entered into the budget system was \$46,427.

12. Public Works (PW)

Update PNC 1596 from a Staff Assistant III to Customer Services Representative Flex I/II. As part of the FY 2015 operating budget approved by the City Manager, PCN 1596 position was reclassified from a Staff Assistant III to a Customer Service Representative I/II Flex. However, the change was never entered in the budget system.

13. Human Services & Recreation (HS&R)

Authorize the City Manager to accept a \$200,000 grant and, for the purpose of effectuating the grant, enter into a five-year grant agreement with the California Department of Parks and Recreation Habitat Conservation Fund to support educational summer nature camps to encourage children to understand the importance of plant and wildlife habitats and to be responsible environmental stewards.

14. Human Services & Recreation (HS&R)

Recognize revenue and appropriate \$50,000 in Habitat Conservation Fund, Wildlife Area Activities grant funds to the General Fund (101) in the Human Services and Recreation Department's Fiscal Year (FY) 2015 operating budgeted revenues \$50,000 (account # 6503-101-642740) and appropriations \$8,250 (account # 8005-101-642740); \$34,000 (account # 8114-101-642740); and \$7,750 (account # 8101-101-642740).

15. Human Services & Recreation (HS&R)

Collaborate Pasadena is a partnership between the City and PUSD to align efforts and resources to improve outcomes for children and youth. The City's share of this effort is \$25,000 in FY15 and will need to be appropriated to account # 8114-101-642740. It is anticipated that, based on preliminary first

quarter operational results, the General Fund will have an operating surplus of approximately \$900,000 which should eliminate the need to use unappropriated reserves.

COUNCIL POLICY CONSIDERATION:

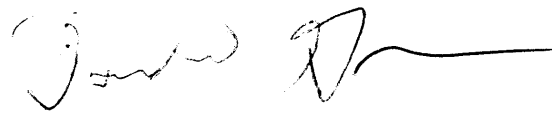
The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through monitoring the FY 2014 Operating Budget and implementing any necessary amendments.

FISCAL IMPACT:

Approval of the proposed budget amendments will increase FY 2014 total authorized operating appropriations across multiple funds by \$2,125,559. These increased costs will be offset through increased revenues of \$471,488 and the use of \$1,654,071 in revenues collected and accounted for in prior fiscal years that are now in the available balances of the respective financial funds as detailed in Attachment A. The tables in Attachment A provide summary and detailed information of the amendments by department and fund.

The budget amendments included in this agenda report are not anticipated to impact existing FY 2014 budgeted indirect and support costs such as maintenance and IT support.

Respectfully submitted,



ANDREW GREEN
Director of Finance
Department of Finance

Approved by:



MICHAEL J. BECK
City Manager

Attachments: (1)

Attachment A: Detail of Proposed Budget Amendments