



Agenda Report

September 28, 2015

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: AMENDMENTS TO FISCAL YEAR 2016 ADOPTED BUDGET

RECOMMENDATION:

It is recommended that the City Council amend the Fiscal Year 2016 Adopted Budget as detailed in the *Proposed Budget Amendments* section of this report.

BACKGROUND:

Each fiscal year budget amendments are necessary to account for anticipated changes to the adopted budget. These revenue and appropriation amendments are presented to City Council for their review and approval. This agenda report includes proposed amendments to the Fiscal Year (FY) 2016 budget. These proposed budget amendments fall into one of the following categories:

1. Carry forward of previously approved appropriations from the FY 2015 budget that were unexpended as of June 30, 2015 and are now anticipated to be expended during FY 2016 and,
2. Carry forward of previously approved projects and grants from the FY 2015 budget that have unappropriated fund balance and are now anticipated to be expended during FY 2016 and,
3. Amendments to the FY 2016 budget based on information that was not available when the budget was presented to City Council for adoption on June 22, 2015.

A discussion of each proposed budget amendment is included in the *Proposed Budget Amendments* section. Additionally, Attachments A through E provide the accounting details for each recommended budget amendment by fund, department, and line item for the FY 2016 Operating Budget.

1. FY 2015 Budget Carry forward of previously approved appropriations:

Staff is requesting that a total of \$3,441,331 from various funds be carried forward to the FY 2016 budget. Of this amount, \$1,291,651 is for the General Fund. These dollars represent the balance still available on approved purchase orders, contracts, and one-time projects that were opened in FY 2015 but, invoices will not be received until FY 2016. Compliance with the new financial system requires that we carry forward purchase order balance so that we can apply the available balance verification feature.

Attachment A provides a detailed list of the purchase orders and contracts being requested to be carried forward into FY 2016. The total amount of the purchase orders and contracts is \$2,642,300. Additionally, the FY 2015 budget was amended by the City Council on June 22, 2015 to fund five one-time projects that totaled \$799,031. Due to timing, these purchase orders and contracts could not be secured by the end of the fiscal year therefore, it is necessary to carry forward this approved funding.

SUMMARY BY FUND:	# OF PURCHASE ORDERS	AMOUNT
(101) General Fund	20	1,291,651
(209) Prop C. Fund	1	57,922
(213) Old Pasadena Parking Meter Fund	1	807
(214) Civic Center Parking Meter Fund	1	3,667
(217) So. Lake Parking Operations Fund	1	2,705
(301) CIP	7	161,896
(401) Light & Power Fund	6	114,232
(402) Water Fund	1	13,705
(406) Refuse Fund	3	329,428
(407) Off Street Parking Fund	1	13,500
(411) Power Capital Fund	3	936,052
(412) Water Capital Fund	2	96,213
(502) Building Maintenance Fund	2	57,455
(503) Fleet Fund	3	305,099
(610) Inclusionary Housing Trust Fund	1	56,999
TOTAL	53	\$3,441,331

2. FY 2015 Budget Carry forward of previously approved grants:

Police Department

a. Increase Appropriations for the AB109 Grant Funds - General Fund

In FY 2015, City Council recognized and appropriated an additional \$238,095 of State funding to the Police Department to support public safety initiatives associated with AB109 Criminal Justice Realignment and Early Prisoner Release, including the West San Gabriel Valley Anti-Crime Task Force and the Pasadena/Altadena Parole Re-Integration Program. Total amount of grant money received in FY 2015 was \$443,000. The Police Department requests to carry forward unspent grant funds in the amount of \$320,500 to be spent in FY 2016 as follows:

- a. In partnership with the Public Health Department, the Police Department requests City Council appropriate \$63,458 in AB109 funds in FY 2016 to support a limited-term 1.0 Full-Time Equivalent (FTE) Clinician for one year within the Public Health Department Health Administration Division. Public Health Department requests to recognize revenue and increase appropriations by \$63,458 for the increased FTE. The position will work directly with an existing Police Officer, offering the community a third additional HOPE Team. The two existing teams consist of one Police Officer and one Clinician. The HOPE Teams are first responders to citizen calls for service and provide the initial contact, evaluation, and treatment placement for those in need of mental services.
- b. Requests to appropriate expenditures for a one year only contracted Coordinator for \$136,542;
- c. Funding for one contracted Crime Analyst for \$57,000; and
- d. Funding for the cost of six month annual participation in the West San Gabriel Valley Anti-Crime Task Force for \$63,500.

3. FY 2016 AMENDMENTS:

City Clerk's Office

a. Decrease Revenue in City Clerk's Office - General Fund

Decrease revenue by \$61,000 for Records Management and by \$175,000 for PUSD Election Reimbursement in the City Clerk's Office. This revenue will not be received in FY 2016 as this is not an election year. This was an administrative oversight and should not have been included in the FY 2016 budget.

Finance Department

b. Local Agency Formation Commission (LAFCO) Charges - General Fund

Use General Fund uncommitted fund balance to increase appropriations by \$19,356 to the Finance Department for payment for the LAFCO charges. This is a required payment to the County of Los Angeles as per Section 56381.6 of the Government Code. After the adoption of the FY 2016 budget, staff discovered that the LAFCO had not previously been budgeted and this action will correct this.

Fire Department

c. Paramedic Pay Increase - General Fund

Use General Fund uncommitted fund balance to increase appropriations by \$61,644 for Paramedic Pay Increases. The MOU was previously approved by City Council in FY 2015. This was an administrative oversight and the amount should have been included in the FY 2016 Adopted Budget.

Human Services and Recreation Department

d. Deposit Revenue - General Fund

Recognize revenue in the amount of \$13,590 in the After School Program and \$7,300 in the Day Camp Program for gift, donation and recreation class registration revenue. This will be offset by an increase in appropriations by \$13,590 for field trips for Robinson Park Summer Camps and \$7,300 for field trips at Victory Park.

e. Contracts at Robinson and Victory Parks - General Fund

Increase appropriations to account for the proper payment of recreation contract instructors at Robinson Park in the amount of \$6,000 and in Victory Park in the amount of \$38,750. Human Services and Recreation collects fees for various recreation classes of which 60 percent is remitted to the instructor and 40 percent to the City for administrative costs. The total revenue amount for the classes was budgeted in FY 2016 as revenue however the corresponding 60 percent expense was not included in the appropriations. This action will align total revenues received from contract classes with total expenses.

f. Substance Abuse and Mental Health Services Administration (SAMHSA) Grant - General Fund and Public Health Fund

In partnership with the Public Health Department, the Human Services and Recreation Department requests to increase an existing Community Services Rep II from 0.50 FTE to 0.79 FTE and to recognize and appropriate \$34,885 to the Human Services and Recreation Department's Neighborhood Connections program. The Public Health Department will use existing funding approved in the FY 2016 Adopted Budget to fund the increase in FTE. The Public Health Department requests to transfer \$34,885 in salary savings in the SAMHSA program to the Human Services and Recreation Department to fund the increased FTE.

The Public Health Department is the recipient of a five year grant from the SAMHSA. This grant supports the development and expansion of coordinated behavioral health services for low-income families. A component of this effort is to reach out to Pasadena's Northwest Community, to identify families in need and to refer them to case managers who will assess needs and coordinate services.

g. Add a 0.625 FTE Community Relations Representative III at Villa Parke - General Fund

Request to add a 0.625 FTE for a Community Relations Representative III at Villa Parke. The funding for this position will be achieved through a transfer of \$31,700 from Child Youth Programs and a transfer of \$22,046 from the After School Programs to fund this position. The total cost including benefits is \$53,746. After the closure of El Centro de Accion in spring 2015, The City and other partners determined how social services can be provided that were formerly provided by El Centro. Human Services and Recreation Department is requesting this position to increase its staffing capacity in order to provide better case management services for seniors and coordinate social services such as educational workshops, health and well-being checks. This position will complement the Recreation Site Coordinator,

which will focus on recreational programming and overall operations of senior services at Villa Parke.

h. Add a 0.475 FTE Recreation Site Coordinator at Washington Park - General Fund

Request to add a 0.475 FTE Recreation Site Coordinator at Washington Park. The department is asking to transfer \$26,889 from After School Programs to fund the position (including benefits), supplies, and other sundry expenses. Costs are \$19,889 for the position, \$3,500 in Other Contract Services, and \$3,500 in Materials and Supplies in the Neighborhood Connections Program. This new position will be responsible for activities for children, youth and adults, including community engagement and outreach for existing services and programs, health and wellness programs, and parent education. In 2012, due to low participation levels, programs at Washington Park during the academic school year were discontinued. Instead, great investments were made in increasing summer programming from six to eight weeks of day camp activities for school-age youth. Recently, there have been increased calls for police services at Washington Park. To bring the community together, the Recreation Site Coordinator will reintroduce residents to the park and bring neighbors together via events, workshops, recreational classes and activities. The Recreation Site Coordinator will engage the residents, users of the park, and City staff to improve the overall safety and suitable use of the park. Adding this position will enable the department to focus staff resources on more positive activities at Washington Park.

Planning and Community Development Department

i. Capital Public Art Fund and General Fund

Decrease revenues and appropriations as follows:

- \$9,410 in revenues for Public Works Design Program
- \$9,410 in revenues for Public Works Construction Engineering Program
- \$18,820 in expenditures for the Capital Public Art Program.

This abatement was set up to capture costs provided by Public Works Engineering Services for a one year Rotating II Public Art Program. This abatement was inadvertently carried forward into FY 2016 budget. This action will correct this error.

Police Department

j. ABC Grant Funds - General Fund

Increase appropriations in the Police Department by \$47,655 and recognize revenue of \$47,655. The grant funds will be used to support alcohol-related operations, including inspections and undercover operations to ensure restaurants and liquor stores are in compliance with State and Local laws. This grant is a cost-reimbursable grant that was awarded in FY 2015, however no revenue was received nor costs expended.

Public Health Department

k. During the FY 2016 operating budget process, the Public Health Department underwent major changes that resulted in the department transitioning key clinical programs to other health center providers. In the end, the department reduced programs and services by \$2.2 million compared to the FY 2015 budget. City Council approved a budget appropriation for the Public Health Department of \$12,145,972 for FY 2016 with a FTE personnel allocation of 84.80. The budget that was ultimately approved reflects appropriations and the FTE allocation as presented in the department budget narrative drafted in May 2015. During the budget hearing process, the department presented revised figures with increases to both appropriations and personnel due to successful department efforts to secure funding in support of ongoing programs. Since the start of the fiscal year, the department has identified additional adjustments deemed critical in light of the transition currently underway. Overall, the department requests increase appropriations by \$958,982 and recognize new revenues by \$707,532 increasing the total budget appropriations to \$13,104,954 and increase the FTE allocation by 7.82 FTEs to a total FTE allocation of 92.62 FTEs. The budget gap between additional revenue and appropriations is \$251,450 and will be deficit funded. Staff believes that these revisions are critical to the on-going operations of the department and are therefore necessary despite the funding gap. As the fiscal year progresses, staff will continue to monitor budget and expenses for the department and offer additional revisions as needed.

The following represents a chart summarizing these changes followed by a more detailed narrative of the increases by program:

	Program	New FTEs	New Appropriations	New Revenues
i.	*County Healthy Kids (First 5 LA)	0.27	\$21,775	\$21,653
	*DHCS Medi-Cal Outreach (SB18)	0.48	\$38,563	\$38,347
	*DHCS Medi-Cal Outreach (AB82)	0.25	\$20,162	\$20,050
ii.	*SAMHSA	0.00	\$275,000	\$275,000
iii.	*REACH	1.00	\$180,000	\$180,000
iv.	*WIC	1.00	\$80,000	\$80,000
v.	*Breastfeeding Peer Counseling	0.50	\$25,000	\$25,000
vi.	<Environmental Health Services	1.50	\$92,000	
vii.	*HIV Counseling & Testing	0.75	\$59,400	\$59,400
viii.	*Home-Based Case Management	0.25	\$25,000	
ix.	<Public Health Laboratory	0.12	\$13,000	
x.	*SCIP	0.00	\$8,082	\$8,082
xi.	<Health Administration	1.00	\$70,000	
	*CHLA	0.50	\$35,000	
	^Prenatal Clinic	0.20	\$16,000	
	TOTAL	7.82	\$958,982	\$707,532

Legend: * Cost Reimbursement Grant
 < Requesting new Appropriations
 ^ Fee for Service Program

i. County Healthy Kids and Medi-Cal Outreach Projects

The Public Health Department successfully secured First 5 Los Angeles and Department of Health Care Services grant funding to continue offering the County Healthy Kids and Medi-Cal Outreach programs. The goal of these two programs is to enroll eligible Los Angeles County children and their families into the Medi-Cal program. The department requests appropriations of \$72,000 to add a 1.0 FTE Community Services Representative II and \$8,500 for materials and supplies to be split 75/25 percent between the County Healthy Kids and Medi-Cal Outreach Programs for a total increase of \$80,500. The department recommends City Council recognize \$21,653 in grant funds from First 5 Los Angeles, \$38,347 in grant funds from California Department of Health Care Services SB18 and \$20,050 from the California Department of Health Care Services AB82 in the FY 2016 Adopted Budget.

ii. Substance Abuse and Mental Health Services Administration (SAMHSA)

Since the SAMHSA Program is funded with federal funds, the program year ends September 30, 2015. The Public Health Department recommends City Council recognize FY 2015 federal funds as new revenue in the FY 2016 Adopted Budget. In addition, the department proposes an increase in appropriations by \$125,000 for Materials and Supplies, \$100,000 for Other Contracted Services, and \$50,000 for equipment purchases for a total increase of \$275,000. The SAMHSA Program will use existing space at the Jackie Robinson Community Center and the requested appropriation will provide funds to procure office equipment, a mental health case management system, and other information technology equipment.

iii. Racial and Ethnic Approaches to Community Health (REACH)

Since the REACH Program is funded with federal funds, the program year ends September 30, 2015. The Public Health Department recommends City Council recognize FY 2015 federal funds as new revenue in the FY 2016 Adopted Budget. In addition, the department proposes an increase in appropriations by \$80,000 for Other Contracted Services, \$70,000 for personnel for the addition of a 1.0 FTE Community Services Representative II, \$20,000 for Conferences and Meetings, and \$10,000 for Materials and Supplies for a total increase of \$180,000. The REACH Program will use the appropriations to support a media campaign, media installments, and travel related expenses for conferences and workshops required by the federal grant.

iv. Women, Infants, and Children (WIC)

Since the WIC Program is funded with federal funds, the program year ends September 30, 2015. The Public Health Department recommends City Council recognize FY 2015 federal funds as new revenue in the FY 2016 Adopted Budget. In addition, the department proposes an increase in appropriations by \$80,000 for personnel costs to support the addition of three Community Services Representative II positions each at 0.25 FTE and one Nutritionist – WIC position at 0.25 FTE. The positions will work full-time on a temporary basis and the assignments will end no later than September 30, 2015.

v. Breastfeeding Peer Counseling – WIC

Since the Breastfeeding Peer Counseling Program is funded with federal funds, the program year ends September 30, 2015. The Public Health Department recommends City Council recognize FY 2015 federal funds as new revenue in the FY 2016

Operating Budget. In addition, the department proposes an increase in appropriations by \$25,000 for personnel costs to support an increase from 0.40 to 0.60 FTE for a Program Coordinator I position. This position will work 30 hours per week through September 30, 2015, and will return to 0.40 FTE at that time. The department also proposes an increase from 0.45 to 0.75 FTE for a Community Services Representative II position supported by existing Breastfeeding Peer Counseling grant funds, which City Council recognized in the FY 2016 Adopted Budget.

vi. Environmental Health Services

The Public Health Department proposes an increase in appropriations by \$92,000 for the addition of a 0.50 FTE Staff Assistant III and the addition of a 1.0 FTE Staff Assistant II within Environmental Health Services. With the Tyler Munis Business License module expected to go live on October 1, 2015, the program will assume new responsibilities including invoicing customers and issuing permits at the Public Health Department. The proposed positions will provide administrative support for customer service and timely invoicing, which is expected to increase revenues due to improved collection rates. The expenditures will be supported by existing Environmental Health revenue from fees and permits which City Council recognized in the FY 2016 Adopted Budget.

vii. HIV Counseling and Testing

As presented during the FY 2016 budget hearings in June 2015, the Public Health Department successfully secured Los Angeles County grant funding to continue offering HIV Counseling and Testing Storefront and HIV Counseling and Testing Pay for Performance programs. The goal of these two programs is to offer counseling and testing for populations at risk of HIV infection. The department requests an increase in appropriations by \$58,000 to increase a Community Services Representative III from 0.25 to 1.0 FTE and \$1,400 for Materials and Supplies in the HIV Counseling and Testing programs for a total increase of \$59,400. The Department recommends City Council recognize \$81,725 in additional Los Angeles County grant revenue for HIV Counseling and Testing in the FY 2016 Adopted Budget.

viii. Home-Based Case Management

With the winding down of HIV/AIDS programs and the transfer or loss of key staff, the department proposes an increase in the FTE allocation from 0.50 to 0.75 FTE for a Senior Registered Nurse within the Home-Based Case Management Program. The increase is necessary to avoid disruption in services and maintain continuity of care for clients. The position will increase from 0.50 FTE to 1.0 FTE through December 31, 2015. At that time, the incumbent will be transferred to another program and the FTE allocation will be reduced to 0.50 FTE resulting in a net fiscal year increase of 0.25 FTE over the budgeted 0.50 FTE. The department requests an increase in appropriations by \$25,000 for personnel costs and will be supported by existing Los Angeles County Ryan White Grant funds which City Council recognized in the FY 2016 Adopted Budget.

ix. Public Health Laboratory

While the City Council approved the department recommendation to end Public Health Lab operations effective July 1, 2015, the department continued lab operations through July 23, 2015 to ensure operations ended with appropriate notification to the public and employees. Lab employees performed duties through July 23, 2015, and their personnel costs were not included in the FY 2016 Operating

Budget. The department requests an increase in appropriations of \$13,000 for personnel costs to support the addition of a 0.06 FTE Public Health Lab Coordinator and a 0.06 FTE Public Health Lab Technician. No additional revenues are expected.

x. STD Community Intervention Program (SCIP)

In FY 2015, City Council recognized and appropriated grant funding for SCIP from the State of California STD Control Branch. The grant aims to build the capacity of community agencies to integrate STD information into their programs and services. The Public Health Department requests City Council recognize and appropriate \$8,082 in State grant funds for SCIP in FY 2016. The funds will be used to purchase program materials and supplies.

xi. Other Public Health Programs

The department proposes an increase in appropriations to support positions in three program areas including increasing appropriations by \$70,000 to add a 1.0 FTE Staff Assistant III in Health Administration, \$35,000 to add a 0.50 FTE Community Services Representative II to the Choose Health Los Angeles Kids Program, and \$16,000 to add a 0.20 FTE Licensed Vocational Nurse through December 31, 2015, to the Prenatal Clinic for a total increase of \$121,000. These positions will be supported by existing funding recognized by City Council in the FY 2016 Adopted Budget.

Public Works Department

i. Move 0.33 FTE of a Position from the Refuse Fund, Sewer Fund and Gas Tax Fund to the General Fund

Transfer 0.33 FTE (\$34,431) of a Management Analyst II from the Refuse Fund, Sewer Fund and Gas Tax Fund to the General Fund. This 0.33 FTE portion of the Management Analyst II (PCN 1276) was allocated to the Refuse Fund, Sewer Fund and Gas Tax Fund and should have been transferred to the General Fund Public Works Management Division as part of the FY 2016 Adopted Budget. These expenses will be funded by the Refuse Fund, Sewer Fund and Gas Tax Fund through an abatement.

Water and Power Department

m. Reductions in Operating Revenues and Expenses due to the State Mandated Reduction in Water Consumption - Water Fund

Reduce water revenue previously recognized in the amount of \$12,100,000 in the FY 2016 Adopted Budget:

- Commodity Revenue – Inside City of \$7,900,000
- Commodity Revenue – Outside City of \$1,500,000
- Commodity Revenue – City Dept. of \$500,000
- Capital Improvement Charge – Inside City of \$1,800,000
- Capital Improvement Charge – Outside City of \$300,000
- Capital Improvement Charge – City Dept. of \$100,000

Reduce water expenses previously appropriated in the amount of \$6,100,000 in the FY 2016 Adopted Budget:

- Purchased water costs of \$5,700,000
- Purchased power costs associated with pumping water of \$400,000

The difference between the reduction in revenues versus expenses totals \$6,000,000, created by three primary factors:

1. Both Commodity and Capital Improvement Charges are 100 percent volumetric and decreased sales correspond directly to reduced revenues.
2. Commodity revenues fund a portion of fixed operating costs (pumping, water treatment and testing and system maintenance) on which there is minimal impact as a result of decreased sales.
3. The reduction in Capital Improvement Charge revenue is not offset by lower capital expenditures.

The funding for this gap will come from the unappropriated Water Fund balance. It should be noted that an increase to the Capital Improvement Charge would restore the revenues required to maintain the approved level of capital investment, including funding of new supply sources such as the Reclaimed Water Project and spreading basins in the Arroyo Seco. Also, the Water Fund cash balance was increased \$5,066,188 in June 2015 as a result of the Water/General Fund Transfer Settlement. This payment will partially offset the cash impact of the net revenue reduction for FY 2016.

n. Water Fund and General Liability Fund

Transfer \$1,858,812 from the General Liability Fund to the Water Fund for the payment of the Water/General Fund Transfer Settlement. In FY 2014, City Council approved the transfer of money from the General Fund to the General Liability Fund. Subsequently it was determined that the transfer from the General Liability Fund to the Water Fund did not occur. As part of the June 22, 2015 Budget Amendments, City Council approved a \$5,066,188 transfer to the Water Fund for the Water General Fund Transfer Settlement. This final transfer will complete the \$7,200,000 payment to the Water Fund.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through monitoring the FY 2016 Adopted Budget and implementing any necessary amendments.

FISCAL IMPACT:

Approval of the proposed budget amendments will increase FY 2016 total authorized operating appropriations across multiple funds by \$787,874, and reduced revenues across all funds by \$9,587,157. The use of the unappropriated fund balance across all funds of \$10,375,031 is detailed in *Attachment C: Summary of Proposed Budget Amendments*.

Respectfully submitted,



Julie A. Gutierrez
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Approved by:



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Attachments: (5)

Attachment A: FY 2015 Carryforward of Previously Approved Appropriations to FY 2016

Attachment B: FY 2015 Carryforward of Previously Approved Project/Grants to FY 2016

Attachment C: Summary of Proposed Budget Amendments

Attachment D: Detail of Proposed Budget Amendments

Attachment E: Water General Fund Transfer Settlement Summary