

# Agenda Report

April 11, 2016

**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:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment and;
2. Amend the Fiscal Year (FY) 2016 Adopted Budget as detailed in the *Proposed Budget Amendments* section of this report.

## **BACKGROUND:**

Throughout the fiscal year, budget amendments are necessary to account for anticipated changes to the adopted budget. These revenue and appropriation amendments are presented to the City Council for its consideration. This agenda report includes proposed amendments to the FY 2016 budget based on information that was not available when the budget was presented to the 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 and B provide accounting details for each recommended budget amendment by fund and department for the FY 2016 Operating Budget.

## **PROPOSED BUDGET AMENDMENTS**

### **City Clerk**

#### **a. Recognize Revenues and Appropriate Expenditures – General Fund and Project Management Fund**

Transfer \$54,791 from the City Clerk Imaging System Equipment deposit account in the General Fund to the Enterprise Content Management System (ECMS) project in the Project Management Fund. The City Clerk Imaging System Equipment deposit account was created to support equipment purchases for the City Clerk's Questys Content Management System. Funds collected in the deposit account were from internal contributions by City departments. Recently, the City Clerk's Office, Department of Water and Power, and the Department of Information and Technology launched the ECMS project to replace Questys in order to leverage more modern technology to improve document management processes and to enhance end-user functionality. The intent of this action is to utilize funds for equipment purchases supporting the new ECMS project that were originally slated for equipment purchases supporting Questys. This transfer will close out the \$54,791 balance of the City Clerk Imaging System Equipment Deposit Account.

### **Fire Department**

#### **b. Recognize Revenue and Appropriate Expenditures – Fire Grants Fund**

Recognize revenue and appropriate expenditures in the amount of \$5,376 for the 2014 State Homeland Security Program (SHSP) grant. On January 7, 2016, the Los Angeles County Operational Area received state approvals to proceed with the allocation of funds awarded to the Pasadena Fire Department to attend a Mobilization Exercise (MOBEX).

#### **c. Recognize Revenue and Appropriate Expenditures – Fire Grants Fund**

Recognize revenue and appropriate expenditures in the amount of \$30,129 from the 2014 Urban Area Security Initiative (UASI) grant. On February 24, 2016, the California Governor's Office of Emergency Services (CAL OES) provided the Pasadena Fire Department additional funding for the USAR Rope Rescue Technician Training that was held on February 15-19, 2016.

## **Housing Department**

d. Recognize Revenues and Appropriate Expenditures – Shelter Plus Care Fund and Continuum of Care Fund

Correct the recording of revenues and expenditures in the Shelter plus Care (SPC) Fund of \$778,232 and recognize revenues and appropriate expenditures of \$778,232 in the Continuum of Care (CoC) Fund. Due to changes in HUD regulations, the SPC renewed grants were funded under the CoC program. The revenues were originally deposited in the SPC Fund and now need to be deposited in the CoC fund.

e. Recognize Revenues and Appropriate Expenditures – Continuum of Care (CoC) Fund

Recognize revenue and appropriate expenditures of \$145,016 in the CoC Fund. This reflects increases to previously awarded annual HUD allocations.

f. Recognize Revenues and Appropriate Expenditures – Emergency Solutions Grant (ESG) Fund

Recognize revenue and appropriate expenditures of \$8,634 in the ESG Fund. This reflects increases to previously awarded annual HUD allocations.

g. Appropriate Expenditures – Other Housing Fund

Appropriate expenditures of \$2,345 from unappropriated fund balance of the Other Housing Fund, specifically the Job Center. This reflects an increase to the lease payment to TOVA LLC for the lease at 500 N. Lake Avenue. The amount requested is for escalation in the lease payment for the property.

h. Recognize Revenues and Appropriate Expenditures – Community Development Block Grant (CDBG) Fund

Recognize revenue and appropriate expenditures of \$37,125 in the CDBG Fund. This reflects increases to previously awarded annual HUD allocations.

## **Human Services and Recreation Department**

i. Recognize Revenue and Appropriate Expenditures – General Fund

Recognize revenue and appropriate expenditures of \$5,000 in the General Fund for a donation received from Farmers Market. During the holidays, the Farmers Market made a donation to The Jackie Robinson Center, Robinson Park, Victory

Park, and Villa-Parke for holiday activities, primarily food-related items for residents.

j. Recognize Revenue and Appropriate Expenditures – General Fund

Recognize revenue and appropriate expenditures of \$1,730 in the General Fund for the Peace through Music fundraiser. This fundraiser is hosted by the Human Relations Commission to fund scholarships for its Spring Essay contest for high school students.

k. Recognize Revenue and Appropriate Expenditures – General Fund

Recognize revenue and appropriate expenditures of \$22,590 in the General Fund for Black History Month events. The department received \$22,590 in donations. These donations are used to support such events as the Black History Parade and Festival and the Red, Black, and Green Honors Dinner. The Black History Parade and Festival is one of the biggest and longest-running Black History parades in California. More than 80 entries are featured in the parade with participants traveling from as far as Bakersfield and San Diego. Featured acts include the Wilson Middle School Marching Band, New Buffalo Soldiers, local dance and drill teams, car and motorcycle clubs, musicians, community dignitaries, and City officials. The Red, Black and Green Honors Dinner celebrates the Parade Grand Marshals and presents community service awards.

**Planning and Community Development Department**

i. Appropriate Expenditures – Capital Public Art Fund

Appropriate expenditures of \$17,000 from the unappropriated fund balance of the Capital Public Art Fund to support the Rotating Public Art Exhibition Program, Phase II. Since the FY 2016 budget was approved in June 2015, the project exhibition period for eleven temporary artworks was extended from two years to three years which is impacting the costs of honoraria, insurance, and maintenance for a total of \$3,000. The additional year extension is to maintain continuity and programming while minimizing costs. The cost of the one-year extension is significantly lower than the cost of the new artwork installation. Additionally, \$14,000 of the \$17,000 requested appropriation is for re-fabrication of the rotating sculpture at State Street near South Fair Oaks. The sculpture cannot be repaired and needs to be completely re-fabricated. This sculpture was installed as part of the Rotating Public Art Exhibition Program Phase I in FY 2012.

## **Public Health Department**

### **m. Recognize Revenue and Appropriate Expenditures – Public Health Fund**

Recognize revenue and appropriate expenditures of \$44,000 for the Nutrition Education and Obesity Prevention (NEOP) grant. The State of California Department of Public Health (CDPH) provided the Pasadena Public Health Department additional grant dollars for the NEOP grant that will support ongoing NEOP programming. Current activities include nutrition education for Pasadena Unified School District (PUSD) students and community members in Northwest Pasadena and at eligible school sites. The supplemental funding allocation will sunset on September 30, 2016. The department is requesting to increase allocations for existing staff members to ensure the program is staffed at appropriate levels necessary to deliver additional programming to the Pasadena community.

## **Public Works Department**

### **n. Appropriate Expenditures – Fleet Maintenance Fund**

Appropriate \$197,800 of unappropriated fund balance from the Fleet Maintenance Fund to purchase one compressed natural gas (CNG) 2000 gallon water truck. On April 27, 2015, the City Council authorized the purchase of a CNG powered water truck for the tree watering services provided by Public Works' Parks and Natural Resources Division in the amount of \$197,800. Purchase Order No. 59234 was issued for this purchase in FY 2015, however, due to an extended build time, these funds were not expended by fiscal year-end. This purchase was erroneously left off the re-appropriation list approved by the City Council earlier this fiscal year. These funds were returned to the Fleet Maintenance Fund unreserved/unappropriated fund balance.

## **Department of Transportation**

### **o. Appropriate Expenditures – Old Pasadena Parking Meter Fund and Civic Center Parking Meter Fund**

Appropriate \$27,000 of unappropriated fund balance from the Old Pasadena Parking Meter Fund and appropriate \$40,000 of unappropriated fund balance from the Civic Center Parking Meter Fund for a commercial loading zone study. In October 2015, the Department of Transportation issued a request for proposals for an analysis of on-street commercial loading zones. The analysis will include review and update to the inventory of existing loading zones in the area, an analysis of commercial loading demand, and potential development of a citywide policy for uniform placement of loading zones.

p. Appropriate Expenditures – Old Pasadena Parking Meter Fund

Appropriate \$10,000 of unappropriated fund balance from the Old Pasadena Parking Meter Fund for increased fiscal agent/bank fees associated with credit card transactions. The number of credit card transactions at the Old Pasadena Parking Meters has increased primarily due to new parking meter installations that are now accepting credit card transactions resulting in an increase in fiscal agent/bank fees. The department expects this trend to continue and will adjust next year's budget accordingly.

q. Appropriate Expenditures and Reduce Revenue– Air Quality Management District Fund (AQMD) and General Fund

This request will be correcting the transfer from the AQMD Fund to the General Fund and will allow the purchase to be made directly from the AQMD fund on behalf of the PrideShare program. Reverse the transfer in to the General Fund and reverse the transfer out of the AQMD Fund for the PrideShare program in the amount of \$86,479. Appropriate expenditures of \$86,479 in the AQMD fund. Per an audit recommendation by the audit firm of LSL, all expenses related to planning, monitoring, and implementing a motor vehicle emission reduction project, specifically the City's PrideShare program, must be expended from the AQMD Fund.

**Water and Power Department**

r. Recognize Revenue and Reduce Appropriated Expenditures – Light and Power Operating Fund

Reduce revenue of \$370,000 for Cap & Trade Revenue Wholesale and reduce appropriated expenditures of \$400,000 Cap & Trade Expense Wholesale in the Power Operating Fund. The California Independent System Operator ("CAISO") dispatched local generating units less than budgeted which resulted in lower than expected wholesale emission obligations and reduced Cap & Trade wholesale expense. This also resulted in reduced Cap & Trade wholesale revenue from the CAISO.

s. Recognize Revenue – Light and Power Operating Fund

Recognize revenue of \$1,230,000 for Cap & Trade Revenue-Retail in the Power Operating Fund. The energy portfolio generated less Green House Gas emissions than budgeted to meet retail load. As a result, there were more allocated emission allowances for sale in the Cap & Trade auctions for the benefit of retail customers.

t. Reduce Appropriations – Light and Power Operating Fund

Reduce appropriations by \$63,801 in Amortization of Bond Expenses. Due to a correction of amortization of bond issuance costs made in the prior year, the budget expenditures are not needed in FY 2016.

u. Reduce Revenue Recognition – Water Operating Fund

Reduce claim settlement revenue previously recognized in the amount of \$1,000,000 in the Water Operating Fund. As part of the September 28, 2015 FY 2016 budget amendments, the City Council approved a final transfer of \$1,858,812 from the General Fund to the Water Fund for the payment of the Water/General Fund Transfer Settlement. This completed the \$7,200,000 payment to the Water Fund. The claim settlement revenue of \$1,000,000 budgeted in the Water Fund was based on the proposed payment plan of transferring \$1,000,000 per year and this amount should be removed from the budget.

v. Reduce Appropriations - Water Operating Fund

Reduce appropriations of \$186,988 in Amortization of Bond Expenses. Due to a correction of amortization of bond issuance costs made in the prior year, the budget expenditures are not needed in FY 2016.

**COUNCIL POLICY CONSIDERATION:**

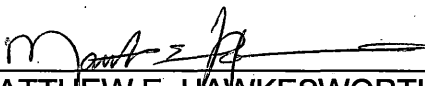
The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through monitoring of the FY 2016 Adopted Budget and implementing any necessary amendments.

**FISCAL IMPACT:**

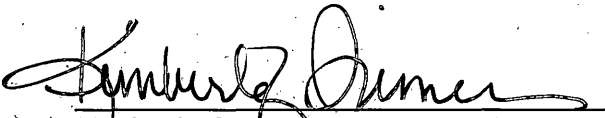
Approval of the proposed budget amendments will increase FY 2016 total authorized operating appropriations across multiple funds by \$52,537; increase revenues across multiple funds by \$182,703; and increase unappropriated fund balance across all funds by \$130,166 as detailed in *Attachment A: Summary of Proposed Amendments*. Specifically, the General Fund unappropriated fund balance is \$4,538,166 and, with the proposed net appropriations of \$86,479, the unappropriated fund balance will be \$4,451,687.

Line item detail of all revenue and expense amendments is provided in *Attachment B, Detail of Proposed Budget Amendments*. The budget amendments included in this agenda report are not anticipated to impact existing FY 2016 budgeted indirect and support costs such as maintenance and IT support.

Respectfully submitted,

  
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Director of Finance  
Department of Finance

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Approved by:

  
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Attachments: (2)  
Attachment A: Summary of Proposed Budget Amendments  
Attachment B: Detail of Proposed Budget Amendments