

January 11, 2016

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Human Services & Recreation Department
SUBJECT: RECOGNIZE AND APPROPRIATE FUNDS IN THE AMOUNT OF \$335,733 TO THE HUMAN SERVICES AND RECREATION DEPARTMENT'S FISCAL YEAR 2016 OPERATING BUDGET TO SUPPORT CORE PROGRAMS AND RELATED ACTIVITY

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the recommended action is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA guidelines per Section 15061(b)(3); and
2. Recognize and appropriate \$335,733 to the Human Services and Recreation Department's Fiscal Year 2016 operating budget.

BACKGROUND:

The Human Services and Recreation Department (HS&R), in addition to being supported by the City's General Fund, generates revenues through participant fees, facility use/rental fees, security deposits, grants, and donations. Historically, rather than being accounted for in the City's General Fund, some of these revenues were placed in what are termed "Deposit Accounts".

In some cases these accounts were used to segregate funds for particular purposes. For example, the Department may receive donations to fund a particular event or activity. To ensure the funds are not comingled or spent on other activities, they were placed in a Deposit account where the expenditures related to the particular event were also recorded. Examples of this include the Black History Celebration and the Latino Heritage Parade and Jamaica. Other examples include grant funds such as a National Collegiate Athletic Association (NCAA) grant for the Robinson Park football field.

In other cases, program revenues which would otherwise be recorded in the City's General Fund were placed in Deposit accounts and used to fund either ongoing department programs or special activities/purchases as they arose.

Good financial management necessitates limiting the use of such accounts to only those instances where it is absolutely necessary to restrict funds. Accordingly, as part of the City's effort to ensure best practices, a review of the Human Services and Recreation Department's Deposit accounts was undertaken. This was the first such review in many years. The review indicated that there is a total of \$348,886.90 in 21 different accounts, as follows:

<i>Name of Deposit Account</i>	<i>Munis Project #</i>	<i>Current Balance</i>
Annual Latino Heritage Parade	41005	\$720.00
Latino Heritage Parade-Jamaica	41007	-\$6,905.62
Commission on the Status of Women	41015	\$3,141.45
Jackie Robinson Center Events	41016	\$19,344.61
Black History Celebration	41018	\$18,495.99
Special Event Liability Insurance	41020	\$50,991.26
Pasadena Neighborhood Leadership	41023	\$9,507.91
Recreation Gift Account-West Area	41025	-\$6,268.49
Recreation Gift Account-East Area	41026	\$22,908.56
Recreation Gift Account, <i>includes NCAA grant</i>	41027	\$62,743.13
Recreation Campership Program	41028	\$13,337.58
Villa Parke Community Center-Gift Account, <i>includes coaches deposits</i>	41029	\$72,241.64
Villa-Parke Summer Program	41030	\$16,711.13
Recreation-Holiday Dinner Dance Dep	41033	\$3,995.63
Human Services-Clean Deposit Villa Parke	41035	\$15,342.04
Recreation-Youth Sports Assist.	41036	-\$8,550.76
Neighborhood Connections	41037	\$681.80
Human Relations Gift Account	41038	\$5,659.82
Neighborhood Parks Gift Acct	41039	\$313.97
Villa-Parke Youth Soccer	41041	\$0
Park Facility Rental	41042	\$54,475.25
TOTAL		\$348,886.90

Applying a strict standard, staff has determined that 19 of these 21 accounts should be closed. The remaining two accounts, the Villa Parke Community Center-Gift account and the Park Facilities Rental account should remain open as these are revolving accounts used to take in and refund deposits. The requested amounts to remain in

these accounts are \$7,100 and \$6,054 respectively. Nevertheless, the balances in these accounts are greater than need and the proposed action addresses this.

As a result of closing 19 accounts and reducing the balance in the remaining two, the funds would normally be credited to fund balance of the General Fund. However, staff is requesting to program these funds into the revised FY16 operating budget through recognition of revenues and an increase in appropriations. The purpose for appropriating these funds would be to provide for expenditures which were previously intended to be charged against the Deposit accounts in the first instance and to address anticipated budgetary shortfalls as explained below.

The following programs, totaling \$73,819.48 were previously intended to be charged directly against various Deposit accounts. By recognizing the revenues and increasing appropriations by a like amount, these activities are effectively being brought on budget. These include:

1. Activities related to the Black History Celebration: \$5,967.53
2. Donations to HS&R's Adaptive Recreation Program (activities for differently abled participants): \$3,410.44
3. Peace Through Music/Human Relations Commission Scholarships: \$300
4. Senior Winter Camp Program: \$3,000
5. Villa-Parke Fitness Equipment: \$40,633.60 which has been encumbered to a purchase order contract following a competitive bidding process.
6. NCAA grant for Robinson Park football field and equipment: \$11,000.
7. Pasadena Neighborhood Leadership Grant Funds: \$9,507.91

After accounting for activities intended previously to be charged to the deposit accounts, there is a total balance of \$275,067.42. Subtracting the \$7,100 and the \$6,054 recommended to remain in the Park Facility Rental and coaches deposits/Villa-Parke Community Center-Gift Account discussed above, leaves a balance of \$261,913.42. This amount is theoretically available to be recognized in the General Fund. However, the Human Services & Recreation Department currently projects that based on its current level of programming, the Department will exceed appropriations in the current year. While revenues are also expected to exceed budget thus creating a partial or full off-set, in order to tie appropriations more closely to anticipated expenditures staff is recommending utilizing these funds to increase appropriations in the areas of the Department most likely to exceed appropriations; the Afterschool and Day Camp Programs.

After School Program

In the past few years, the combination of an expanded After School Program, new programs, and staffing needs for Special Events and other activities resulted in increased personnel and related costs.

A combination of earlier Pasadena Unified School District (PUSD) school dismissal (which increased program hours to ensure no service break in after school care) as well as HS&R Special Events evolving from site-specific events to City-wide events have contributed to the need for additional appropriation for the After School Program.

Moreover, new programs were implemented in the past few years to provide increased levels of service for the Northwest Pasadena community and in response to demonstrated community need. These new programs include:

- Early Care Adventures Program – provides child care in the morning to meet the need of working parents at 3 PUSD school sites during the school year;
- Tiny Tot Program – offers child development activities for 3-6 year olds through four 10-week sessions;
- Tiny Tot Summer Camp – summer day camp that provides activities for 3-6 year olds to foster their creative, physical and social skills; and
- Urban Adventure Camp – provides school-aged children the opportunity to explore Pasadena and to participate in recreational activities.

The additional personnel dollars needed to properly budget the After School and affiliated programs is \$207,688.42.

Day Camp Program

The Day Camp Program has historically been budgeted for six weeks. In recent years, HS&R expanded the program to an eight and nine week program to provide more continuity in service provision during the PUSD summer break. The additional dollars needed to properly budget the Day Camp Program is \$54,225.

In combination, the total requested appropriation for these programs is \$261,913.42. Along with the aforementioned programmatic total of \$73,819.48 brings the total appropriation to \$335,733.

COUNCIL POLICY CONSIDERATION:

This action would support the City Council's strategic planning goals of maintaining fiscal responsibility and supporting quality of life by supporting core Human Services and Recreation Department programs.

ENVIRONMENTAL ANALYSIS:

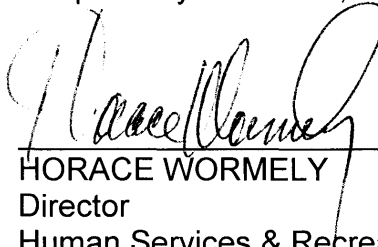
The proposed project is exempt from CEQA per Section 15061(b)(3), the General Rule. CEQA applies only to projects that have the potential for causing a significant effect on

the environment. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed expenditures/programs will not have a significant effect on the environment, and therefore are not subject to the provisions of CEQA.

FISCAL IMPACT:

The proposed action will have net zero impact but will result in \$335,733 in appropriations for which there are corresponding revenues in the Deposit accounts.

Respectfully submitted,



HORACE WORMELY
Director
Human Services & Recreation Department

Prepared by:



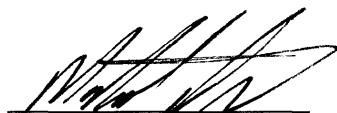
Susan Kim
Management Analyst

Concurred by:



MATTHEW E. HAWKESWORTH
Director of Finance
Department of Finance

Approved by:



MICHAEL J. BECK
City Manager