



Agenda Report

June 17, 2019

TO: Honorable Mayor and City Council

FROM: Department of Finance

SUBJECT: AMENDMENTS TO FISCAL YEAR 2019 ADOPTED OPERATING BUDGET; AND AUTHORIZE AMENDMENT TO CONTRACT WITH FLINTRIDGE CENTER (NO. 31,008).

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;
2. Amend the Fiscal Year (FY) 2019 Adopted Operating Budget as detailed in the "Proposed Budget Amendments" section of this report by a net amount of \$71,741;
3. Authorize the City Manager to amend Contract No. 31,008 with Flintridge Center for Board of State and Community Corrections Proposition 47 Services to increase the contract amount by \$73,000 for a total not-to-exceed amount of \$1,839,799.

BACKGROUND:

Throughout the 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 FY 2019 Operating Budget based on information that was not available when the operating budget was approved by the City Council on June 18, 2018.

A discussion of each proposed budget amendment is included in the "Proposed Budget Amendments" section. As detailed in the attachment to this report, approval of the proposed budget amendments will increase FY 2019 total authorized operating appropriations across multiple funds by a net amount of \$71,741.

Proposed Budget Amendments

- 1. Billable Projects** – The Finance Department recommends recognizing revenue of \$2,435,043 and appropriating \$2,412,118 in the General Fund Projects Fund (105) for services rendered in connection with billable projects. These projects include items such as the Fire Department’s responses to wildfire incidents during the year, developer funded projects for Planning, Public Works or Transportation, and/or public safety related costs for billable events at the Rose Bowl or movie and television tapings. The level of billable activity is uncertain for any given fiscal year; therefore, as recommended by external auditors, it is a good practice to realign the budget for work performed on billable projects/events throughout FY 2019. Billable services within the fund are designed to at least recover 100% of related costs, and in some cases, such as wildfire response, result in a surplus, which is transferred back to the General Fund at year-end.
- 2. Appropriate Housing Funds for the Payment Back to the California Department of Housing and Community Development (HCD)** –The Housing Department recommends appropriating \$193,475 from the unappropriated fund balance of the Housing Successor Fund (237). As advised by legal staff and the State Department of Finance, in January 2019, the Housing Department remitted \$193,475 of excess surplus funds from FY 2013-2014 to HCD, as such funds had not been encumbered or transferred by the deadline mandated in the Dissolution Law. The City Council reviewed this item during the regular meeting on June 11, 2018; however, funds for the repayment were not appropriated at that time. This action will right size the budget.
- 3. Purchase of a Rapid Evacuation Module Support (REMS) Vehicle** – The Fire Department recommends appropriating \$55,000 in the General Fund (101) to purchase a REMS vehicle, which will be deployed as an additional mutual aid resource to send qualified REMS personnel to statewide wildland incidents. Funding comes from surplus residual revenue received in the Billable Projects Fund (105) from the California Governor's Office of Emergency Services for the Department's eleven mutual aid responses that were provided throughout FY 2019. The transfer of surplus funds from Fund 105 to Fund 101 to enable this purchase are included as part of item 1 above.
- 4. Excess Property Tax Revenue in Supplemental Law Enforcement Fund** – The Police Department recommends recognizing revenue and appropriating \$47,000 in the Supplemental Law Enforcement Fund (201). The fund received property tax revenue (based on City's population) in excess of budget. The additional appropriations will cover the contract license renewal for automatic license plate readers, which was not fully budgeted in the current year within this fund and otherwise would have been funded through the department's General Fund allocation.
- 5. First 5 LA Grant for Office of the Young Child** – The Library and Information Services Department recommends recognizing revenue of \$73,492 in the Library Services Fund (212). First 5 LA awarded the Department funding for continued

support of the Office of the Young Child's efforts to become a Kindergarten Readiness Mentor Community over two years. The necessary appropriations to support the program are already included in the existing budget and this revenue will relieve the Library Services Fund from covering the costs that would have been incurred by the General Fund contribution or the Special Library Tax.

- 6. California State Library and Southern California Library Cooperative (SCLC) Grant Award for Various Mental Health Endeavors** – The Library and Information Services Department recommends recognizing a total of \$40,500 in the Library Services Fund (212). The SCLC grant awarded the Department \$13,000 to fund the creation and implementation of mental health education kits for local educators, as well as to provide youth mental health first aid training workshops for adults and a youth mental health workshop. Another \$10,000 was awarded to host the 2019 Mental Health Resource Fair and provide educational/informational materials to the public. The Department was also granted \$10,000 to fund mental health training for library staff so that customers with mental health challenges can be better served (i.e. an online course and in-person training focusing on compassionate service and de-escalation concepts). Lastly, \$7,500 was awarded to purchase mental health materials including books and audiovisual materials to enhance the library's mental health collection. The necessary appropriations to support these programs are already included in the existing budget and this revenue will relieve the Library Services Fund from covering the costs that would have been incurred by the General Fund contribution or the Special Library Tax.
- 7. Pasadena Literary Alliance Grant for One City, One Story Event** – The Library and Information Services Department recommends recognizing revenue of \$10,000 in the Library Services Fund (212). The Pasadena Literary Alliance funded the 2019 One City, One Story event's author honorarium, copies of the book and programming. The necessary appropriations to support the program are already included in the existing budget and this revenue will relieve the Library Services Fund from covering the costs that would have been incurred by the General Fund contribution or the Special Library Tax.
- 8. California State Library Grant for Early Childhood Hub Site Materials** – The Library and Information Services Department recommends recognizing revenue of \$10,000 in the Library Services Fund (212). The California State Library granted the Department funding to purchase materials to create a comfortable learning environment for children and families visiting an Early Childhood Hub site. The necessary appropriations to support the program are already included in the existing budget and this revenue will relieve the Library Services Fund from covering the costs that would have been incurred by the General Fund contribution or the Special Library Tax.
- 9. Pacific Library Partnership Grant for Library Books** – The Library and Information Services Department recommends recognizing revenue of \$9,402 in the Library Services Fund (212). Pacific Library Partnership awarded the Department funding to purchase library books for the library collection. The

necessary appropriations to support the program are already included in the existing budget and this revenue will relieve the Library Services Fund from covering the costs that would have been incurred by the General Fund contribution or the Special Library Tax.

- 10. Califa Grant for Bilingual Books** – The Library and Information Services Department recommends recognizing revenue of \$5,415 in the Library Services Fund (212). The Department was awarded Califa grant funding to purchase bilingual books for the library collection. The necessary appropriations to support the program are already included in the existing budget and this revenue will relieve the Library Services Fund from covering the costs that would have been incurred by the General Fund contribution or the Special Library Tax.
- 11. Pasadena Child Health Foundation Grant for Brain Development and Trauma Informed Care Training** – The Library and Information Services Department recommends recognizing revenue of \$5,000 in the Library Services Fund (212). This Pasadena Child Health Foundation grant was awarded to the Department in partnership with Young and Healthy, for brain development and trauma informed care training for the Early Childhood Hub Network staff, parents and caregivers. The necessary appropriations to support the program are already included in the existing budget and this revenue will relieve the Library Services Fund from covering the costs that would have been incurred by the General Fund contribution or the Special Library Tax.

Contract Amendment

- 12. Increase Contract Amount with Flintridge Center** – The Police Department recommends increasing Contract No. 31,008 with Flintridge Center for Board of State and Community Corrections Proposition 47 Services by \$73,000 for a total not-to-exceed amount of \$1,839,799. The requested services of data collection are included in the contract; however, there was administrative oversight in not ensuring the amount was incorporated in the total contract award. The monies for this contract are budgeted in the FY 2019 Operating Budget and were funded with Proposition 47 funding.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2019 Adopted Operating Budget and by implementing necessary budget amendments.

FISCAL IMPACT:

As detailed in the attached "Summary of Proposed FY 2019 Budget Amendments," approval of the proposed budget amendments will increase FY 2019 total authorized operating appropriations across multiple funds by a net amount of \$71,741.

The General Fund's unappropriated fund balance will decrease by \$55,000.

The budget amendments included in this agenda report are not anticipated to impact existing FY 2019 budgeted indirect and support costs such as maintenance and DoIT support.

Respectfully submitted,



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Attachments: (1)

1) Attachment: Summary of Proposed FY 2019 Budget Amendments by Fund