



Agenda Report

September 23, 2019

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: **AMENDMENTS TO FISCAL YEAR 2020 ADOPTED OPERATING 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;
2. Approve amending the Fiscal Year (FY) 2020 Adopted Operating Budget as detailed in the following report and increasing the citywide total Full-time Equivalent (FTE) by a net 4.57 FTEs; and
3. Authorize the City Manager to enter into an agreement with the State of California Office of Traffic Safety for acceptance of Selective and Traffic Enforcement Program Grant funds (in connection with Item #5).

EXECUTIVE SUMMARY:

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 consideration. This agenda report includes proposed amendments to the FY 2020 Operating Budget as adopted by the City Council on June 17, 2019. The proposed budget amendments fall into one of the following categories:

- Re-appropriations or "carry-forwards" of previously approved appropriations from the FY 2019 budget that were unexpended as of June 30, 2019 (purchase orders, contracts, and grants), where sufficient funding was available in the account, and are now anticipated to be expended during FY 2020. As detailed in *Attachments A and B* of this report, approval of the proposed carry-forwards will increase FY 2020 total authorized operating appropriations across multiple funds by a net amount of \$6,790,741; or

- Amendments to the FY 2020 Operating Budget based on information that was not available when the operating budget was presented to the City Council for adoption on June 17, 2019. As detailed in *Attachment C* of this report, approval of the proposed budget amendments will increase FY 2020 total authorized operating appropriations across multiple funds by a net amount of \$356,300 and will authorize a net increase of 4.57 FTEs.

Proposed Carry-Forward Items

1. **Carry-Forward of FY 2019 Purchase Orders and Contracts** – The Department of Finance recommends appropriations in the amount of \$6,790,741 be carried forward from FY 2019 to FY 2020 throughout various funds. As detailed in *Attachment A*, the recommended appropriations represent 21 contractual obligations where goods or services were ordered in FY 2019, but will not be received until FY 2020. The majority is related to vehicle/truck purchases and the ongoing installation of the Parking Access and Revenue Control Systems at nine parking garages owned by the City.
2. **Carry-Forward of FY 2019 Grants** – The Department of Finance recommends recognizing revenue and appropriating \$1,490,115 to carry forward grants from FY 2019 to FY 2020 across three funds. As detailed in *Attachment B*, the recommended revenue and appropriations represent eight grants. These multi-year grants will continue to fund a variety of programming – some of which includes support services for formerly incarcerated community members, transportation safety education at local schools, and WIC (Women, Infants, and Children) services.

Proposed Budget Amendments

3. **Pasadena Public Health Department (PPHD) Grants** – The PPHD recommends recognizing revenue and appropriating \$909,129 in the Public Health Fund (203). Of this amount, \$813,129 represents carry-forward grant funding from FY 2019 which will support an additional 5.0 limited-term FTEs and program related expenses. The remaining balance of \$96,000 represents a new grant award. The details are as follows:
 - In December 2018, the Los Angeles County Department of Mental Health (LACDMH) awarded a Transition Age Youth (TAY) grant to provide support services for youth (ages 16-25) struggling with substance abuse disorders and experiencing homelessness. A remaining grant balance of \$407,098 will fund 1.0 FTE Community Service Representative III, two Work Experience Aides (each at 0.5 FTE), 0.5 FTE Management Analyst I, and 0.5 FTE Senior Office Assistant. The operational funding will also help with delivering mental health services and build capacity for trauma-informed care.

LACDMH also awarded a Geriatric Empowerment Model (GEM) grant to provide outreach and house older adults (ages 60+) who are homeless, or at risk of becoming homeless. The remaining amount of \$184,221 will fund 0.5 FTE Management Analyst I, 0.5 FTE Senior Office Assistant, and other

program expenses. These two positions will split time with the TAY grant and provide both programs administrative support by collecting, analyzing and reporting programmatic data to meet funder requirements.

- In September 2018, PPHD was awarded a California Violence Intervention Program (CalVIP) grant by the California Board of State and Community Corrections. The remaining balance of \$221,810 will carry forward to support 1.0 FTE Community Services Representative II and program expenses related to implementing violence prevention interventions for Project Safe Pasadena.
- Lastly, the Department received new Stop Tobacco Access to Kids Enforcement (STAKE) program funding of \$96,000 from the Food and Drug Branch to reduce the illegal sales, consumption and marketing of tobacco products to underage youth. A consultant will be engaged to lead these efforts.

4. **Transit Fleet Electrification Feasibility Study** – The Transportation Department recommends recognizing revenue and appropriating \$407,997 to the Proposition C Local Transit Fund (209) for the feasibility study which is funded by the California Department of Transportation (Caltrans). On July 22, 2019, the City Council adopted a resolution authorizing the City Manager to execute all agreements with Caltrans associated with the receipt of grant funding for this study, and to execute all agreements with CALSTART and the cities of Glendale and Burbank to implement and manage this study. Caltrans will provide a total reimbursement of \$361,200 while the cities of Glendale and Burbank will provide a total local match of \$46,797, resulting in a net-zero cost to the City. The City's administrative cost to administer this study will be minimal and absorbed within the Department's operating budget.

5. **Pasadena Police Department Grants** – The Police Department recommends recognizing revenue and appropriating \$342,000 in the General Fund (101). The California Office of Traffic Safety (OTS) awarded a Selective Traffic Enforcement Program (STEP) grant of \$330,000 to provide directed enforcement at Driving Under the Influence checkpoints, as well as to conduct Bicycle Safety and other enforcement programs. The grant period runs from October 1, 2019 to September 30, 2020, which necessitates the City Council to authorize the City Manager to enter into an agreement with OTS for acceptance of STEP grant funds.

The Department also received Los Angeles County Real Estate Fraud Prosecution grant funding of \$12,000 for work related to investigating fraud-type crimes and real estate fraud cases on a citywide basis. The grant will continue to support costs related to travel, training, and supplies, and will partially fund four existing police officer positions.

6. **Library and Information Services Department Grants** – The Library and Information Services Department recommends recognizing revenue and appropriating \$324,500 to the Library Services Fund (212). The California State

Library awarded a First Connections/Primeras Conexiones grant of \$230,000 to establish seven early childhood hubs that will serve as “one-stop” locations for families with young children (ages 0-5) to receive child development and parenting resources. The grant stipulates working in partnership with regional providers to help strengthen and leverage existing programs/resources. The Office of the Young Child identified seven, well-established community organizations presently serving families to host the hubs. The California State Library also awarded a Citizenship Corners and Immigrant Services grant of \$62,000 to train library staff to assist with the needs of the immigrant population of Pasadena and surrounding communities by connecting them with library resources and educational workshops. Additionally, the Department was awarded \$32,500 from the First 5 LA Kindergarten Assessment grant to continue its work with the Kindergarten Readiness Assessment project.

7. **Playhouse Pasadena Business Improvement District (PBID)** – The Transportation Department recommends appropriating \$180,000 from the unappropriated fund balance in the Playhouse Parking Fund (229) for a one-time payment for Playhouse PBID expenses, which are contractually obligated by the City. Due to administrative oversight this item was not included in the FY 2020 Adopted Operating Budget.
8. **Rotating Public Art Exhibition Program Phase IV** – The Planning and Community Development Department recommends appropriating \$96,300 from the unappropriated fund balance in the Cultural Trust Fund (613). These funds will be used for the contractor and construction costs associated with installing seven new sites throughout the City. As a result of a delayed bid process and resolving insurance requirements, the contract was not executed with the selected contractor in FY 2019. The current FY 2020 budget of \$79,200 combined with this additional appropriation will result in a total budget of \$175,500 for Phase IV. This represents an increase of approximately \$10,000 as constructing new concrete pads and installing electrical at new sites is costlier than doing so at existing artwork sites.
9. **Purchase Ion Chromatograph** – The Pasadena Water and Power Department recommends appropriating \$80,000 from the unappropriated fund balance in the Water Capital Fund (412) to purchase an Ion Chromatograph. Appropriations for this purchase were authorized in FY 2019; however, the procurement process was not completed before fiscal year end. The existing equipment that needs to be replaced is 13 years old and has exceeded its useful life. The equipment is a necessary tool used in the Water Laboratory operations and further delay will require contracting with an outside testing lab which is not cost-effective.
10. **Interdepartmental Transfer of Homeless Emergency Aid Program (HEAP) Grant Funds** – The Department of Housing recommends transferring \$75,000 of HEAP grant funds to the PPHD - from the Other Housing Fund (238) to the Public Health Fund (203). PPHD will provide emergency shelter services for people experiencing homelessness through a motel voucher program. Staff from PPHD’s homeless services programs will meet regularly to prioritize clients for

vouchers according to the level of need and vulnerability to adverse outcomes that result from continued unsheltered living conditions.

11. **New Recreation Services Specialist** – The Human Services and Recreation Department recommends authorizing a new 1.0 FTE Recreation Services Specialist to provide year-round recreation programming at La Pintoresca Park and additional programming at La Pintoresca Teen Education Center. The position will lead community engagement efforts, teen outreach, and coordinate special events at the park. The prorated cost of this new position is approximately \$63,533, which will be supported by the elimination of three part-time Recreation Site Coordinator positions (totaling 1.43 FTEs). Additional appropriations will not be necessary. Duties of the eliminated positions will be absorbed by existing department personnel. This action will result in a net decrease of 0.43 FTE to both the Department's FTE total and the citywide General Fund FTE total.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2020 Adopted Operating Budget and by implementing necessary budget amendments.

FISCAL IMPACT:

As detailed in *Attachments A and B* of this report, approval of the proposed carry-forward items will increase FY 2020 total authorized operating appropriations across multiple funds by \$8,280,856 which will be offset through increased revenues of \$1,490,115.

As detailed in *Attachment C*, approval of the proposed budget amendments will increase FY 2020 total authorized operating appropriations across multiple funds by \$2,414,926 which will be offset through increased revenues of \$2,058,626, resulting in a net increase of \$356,300.

The unappropriated fund balance of the General Fund will decrease by \$251,111.

Full-Time Equivalents will increase overall by 4.57 FTEs.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
Director of Finance

Prepared by:



TIMOTHY PARK
Budget Administrator

Approved by:



STEVE MERMELL
City Manager

Attachments: (3)

- 1) Attachment A: Listing of Carry-Forward Purchase Orders and Contracts
- 2) Attachment B: Listing of Carry-Forward Grants
- 3) Attachment C: Summary of Proposed Q1 FY 2020 Budget Amendments