



Agenda Report

October 19, 2020

TO: Honorable Mayor and City Council
THROUGH: Finance Committee (October 8, 2020)
FROM: Department of Finance
SUBJECT: AMENDMENTS TO FISCAL YEAR 2021 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; and
2. Approve amending the Fiscal Year 2021 (FY 2021) Adopted Operating Budget as detailed in the following report and increasing the citywide total Full-time Equivalent (FTE) by 4.00 limited term 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 2021 Operating Budget as adopted by the City Council on June 15, 2020. The proposed budget amendments fall into one of the following categories:

- Re-appropriations or "carry-forwards" of previously approved appropriations from the Fiscal Year 2020 (FY 2020) budget that were unexpended as of June 30, 2020 (purchase orders, contracts, and grants), where sufficient funding was available in the account, and are now anticipated to be expended during FY 2021. As detailed in *Attachments A and B* of this report, approval of the

proposed carry-forwards will increase FY 2021 total authorized operating appropriations across multiple funds by a net amount of \$5,626,084; or

- Amendments to the FY 2021 Operating Budget based on information that was not available when the operating budget was presented to the City Council for adoption on June 15, 2020. As detailed in *Attachment C* of this report, approval of the proposed budget amendments will increase FY 2021 total authorized operating appropriations across multiple funds by a net amount of \$941,181 and will authorize an increase of 4.00 FTEs.

Proposed Carry-Forward Items

1. **Carry-Forward of FY 2020 Purchase Orders and Contracts** – The Department of Finance recommends appropriations in the amount of \$5,487,457 be carried forward from FY 2020 to FY 2021 throughout various funds. As detailed in *Attachment A*, the recommended appropriations represent 26 contractual obligations where goods or services were ordered in FY 2020, but will not be received until FY 2021. The majority are related to delays caused by the COVID-19 pandemic shutdown.
2. **Carry-Forward of FY 2020 Grants** – The Department of Finance recommends recognizing revenue of \$2,444,590 and appropriations of \$2,583,217, to carry forward grants from FY 2020 to FY 2021 across five funds. As detailed in *Attachment B*, the recommended revenue and appropriations represent 16 grants. The 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. Grants received for COVID-19 responses extend into FY 2021.

Proposed Budget Amendments

3. **Housing Department Grants** – The Housing Department recommends recognizing revenue and appropriating expenditures for two action items as outlined below:
 - The Department recommends recognizing revenue and appropriating \$1,840,831 for two Housing grants. City Council approved amendments to the Annual Action Plan (2019-2020) on May 4, 2020 which included the approval of a grant application for the Community Development Block Grant (CDBG) Program in the amount of \$1,232,562 (Fund 219) and the Emergency Solutions Grant in the amount of \$608,269 (Fund 224). This proposed amendment will increase the FY 2021 total authorization and the appropriation by the aforementioned amounts to continue housing, community development and homeless prevention activities.
 - The Department recommends recognizing revenue and appropriating \$676,595 in the Rental Assistance Programs Fund (220). On May 7, 2020

and August 10, 2020, the Housing Choice Voucher Program (HCVP, commonly known as Section 8) administered by the Housing Department was allocated \$305,550 and \$371,045, respectively in CARES Act-funded administrative fee payments by the US Department of Housing and Urban Development (HUD), for a total of \$676,595. These funds augment the existing administrative fee funding that is received monthly in order to operate the HCVP.

Under the CARES Act, this supplemental administrative fee funding may be used only for two purposes: (1) any currently eligible HCVP administrative costs, which include staffing, office lease cost, and general administrative expenses, during the period of April 5, 2020 - December 31, 2021; and (2) coronavirus-related activities specific to HCVP, including activities to support or maintain the health and safety of assisted individuals and families, such as the purchase of cleaning supplies or additional janitorial services, and costs related to the retention and support of participating owners. Currently, eligible HCV administrative costs include necessary upgrades to information technology or computer systems to enhance telework capacities and overtime pay for staff to carry-out HCV Program responsibilities.

This administrative fee funding allocated under the CARES Act must be spent by December 31, 2021. Any unspent funds must be returned to HUD.

4. **Pasadena Public Health Department (PPHD) Grants** – The PPHD recommends recognizing revenue and appropriating \$410,403 in the Public Health Fund (203). This will support an additional 4.0 limited-term FTEs and program related expenses. The details are as follows:
- The PPHD recommends recognizing revenue and appropriations of \$115,000 to the Public Health Fund. Secondly, PPHD recommends adding a limited term 1.0 FTE Program Coordinator I to support implementation of disaster mental health planning and training to ensure availability of mental health services in the event of terrorist attacks. A special property assessment was passed by voters of Los Angeles County on November 3, 2002 in order to provide funding for the Countywide System of Trauma Centers, Emergency Medical Services, and Bioterrorism Response. This funding is available through June 30, 2021.
 - The PPHD recommends recognizing revenue and appropriations of \$258,995 to the Public Health Fund for the Lead Free Homes Grant awarded by the Los Angeles County Development Authority (LACDA). Secondly, PPHD recommends adding three limited-term, grant funded positions; two Community Services Representative II positions (each at 1.0 FTE) and a 1.0 FTE Program Coordinator I. The Lead Free Homes Grant will fund outreach and enrollment of owners and tenants in a lead remediation program for residential structures built before 1951 that are home to children under age 6, pregnant women, or properties frequently visited by pregnant women. The

grant will fund outreach and enrollment activities in Northwest Pasadena, segments of Altadena, East Pasadena, and Monrovia.

- The PPHD recommends recognizing revenue and appropriations of \$36,408 to the Public Health Fund for the Immunization Action Program Grant, a program designed to address immunization and control. To support the grant's scope of work, the appropriations will fund temporary City personnel.
5. **Pasadena Police Department Grants** – The Police Department recommends recognizing revenue and appropriating \$345,500 in the General Fund (101) for two grants as outlined below:
- The Police Department recommends authorizing the City Manager to enter into an agreement with the State of California for acceptance of the Selective Traffic Enforcement Program (STEP) Grant Funds. In addition, the Department recommends recognizing revenue and appropriating expenditures of \$333,500 in the General Fund for the STEP Grant. This grant is used for directed enforcement of DUI Checkpoints, Bicycle Safety and other traffic enforcement programs. The grant period runs from October 2020 to September 2021.
 - The Department recommends recognizing revenue and appropriating \$12,000 in grant funds in the General Fund. Los Angeles County awarded funds to provide funding for work related to real estate fraud. The grant will support costs related to travel, training, and supplies and will partially fund four existing police officer positions whose responsibilities include investigation of fraud-type crimes and real estate fraud cases on a citywide basis.
6. **Public Works Department Vehicle** – The Public Works Department recommends appropriating \$238,703 from the unappropriated fund balance of the Refuse Collection Fund (406) for the purchase of a CNG Dump Truck from Los Angeles Truck Centers, LLC. City Council approved the purchase on May 20, 2019. The vehicle was ordered in FY 2019 and scheduled for delivery in FY 2020. However due to impacts from COVID-19, the delivery of the vehicle is expected in FY 2021.
7. **Library and Information Services Grant and Revenue Adjustment** – The Library and Information Services Department recommends recognizing revenue and appropriating \$32,500 in grant funds in the Library Services Fund (212). Los Angeles County awarded funds from their First 5 LA grant to support early childhood and kindergarten readiness programs and services. Additionally, the Department recommends decreasing the Library Special Tax revenue by \$84,178 in Fund 212 as recommended by the Library Special Tax Consultant who revised the forecast of the expected levied amount.

8. **Transportation Department Revenue Adjustment** – The Transportation Department recommends reducing revenue in the Off-Street Parking Facilities Fund (407) by \$618,300. The monthly parking permit revenue was overstated, due to an administrative oversight.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2021 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 2021 total authorized operating appropriations across multiple funds by \$8,070,674 which will be offset through increased revenues of \$2,444,590.

As detailed in *Attachment C*, approval of the proposed budget amendments will increase FY 2021 total authorized operating appropriations across multiple funds by \$3,544,532 which will be offset through increased revenues of \$2,603,351 resulting in a net increase of \$941,181.

The unassigned fund balance of the General Fund will decrease by \$664,512.

Full-Time Equivalents will increase overall by 4.0 limited term FTEs.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
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STEVE MERMELL
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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 2021 Budget Amendments