



Agenda Report

February 22, 2021

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (February 17, 2021)

FROM: Department of Finance

**SUBJECT: QUARTERLY CLEAN-UP REPORT – FISCAL YEAR 2021
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. Amend the Fiscal Year (FY) 2021 Adopted Operating Budget as detailed in the following report by a net amount of \$288,512 and increase the citywide total Full-time Equivalents (FTE) by 4.0 limited-term FTEs; and
3. Authorize the City Manager to enter into a contract with the California Department of Public Health (CDPH), Maternal, Child and Adolescent Health (MCAH) Division, California Home Visiting Program (CHVP) to accept and administer grant funds on behalf of the City of Pasadena (in connection with Item #2).

BACKGROUND:

Throughout the fiscal year, budget amendments are necessary to account for unanticipated changes to the adopted budget. This agenda report includes proposed amendments to the FY 2021 Operating Budget based on information that was not available when the operating budget was approved by the City Council on June 15, 2020.

A brief explanation of each proposed 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 2021 total authorized operating appropriations across multiple funds by a net amount of \$288,512 and authorize an increase of 4.0 limited-term FTEs.

Proposed Budget Amendments

- 1. Purchase City-deed Restricted Affordable Homeownership Units –**
The Housing Department recommends appropriating \$350,000 from the unappropriated fund balance of the Inclusionary Housing Fund (239) to purchase three City-deed restricted, affordable homeownership units. The aggregate purchase price of the three-units is approximately \$1.2 million, which exceeds the \$850,000 currently budgeted for housing acquisition in the FY 2021 Operating Budget. The City Council previously provided authorization to negotiate and transact the purchase of three-units at the following locations: i) 1142 N. Allen Avenue (approved on 8/8/20); ii) 640 N. Summit Avenue (approved on 10/12/20); and iii) 217 S. Marengo Avenue (approved 11/9/20).
- 2. CDPH California Home Visiting Program Grant –** The Pasadena Public Health Department (PPHD) was awarded a grant totaling \$1,260,726 over three years to implement a peer-based home visiting program that will help families prepare children for kindergarten entry. The Department recommends authorizing the City Manager to enter into a contract with the California Department of Public Health for acceptance and administration of the California Home Visiting Program Grant.

Of the total grant award, PPHD recommends recognizing revenue and appropriating \$158,548 in the Public Health Fund (203) for the remainder of FY 2021. To ensure effective program delivery, the Department also requests an additional 4.0 limited-term FTEs – Program Coordinator I (1.0), Public Health Nurse (0.5), Community Service Representative I (2.0), and Licensed Clinical Social Worker (0.5) – that will be fully supported by the grant. The balance of grant funding will be budgeted in future fiscal years through the annual operating budget process.

The home visiting program, Home Instruction for Parents of Preschool Youngsters (HIPPY), supports parents of children three to five-years of age with 30 weeks of home instruction and six group meetings. HIPPY is structured to support parents in their role as their children's primary teacher and also includes nurse home visits and mental health services.

- 3. Transfer 1.0 FTE Position –** The Parks, Recreation and Community Services (PR&CS) Department recommends transferring 1.0 FTE and prorated appropriations of \$46,000 from the Public Works Department. The prorated amount will be transferred between the two departments, resulting in a net-zero impact to the General Fund (101). The position originally served as a Landscape Architect (PCN 2206) in the Public Works Department and was vacated in December 2020 following the incumbent's retirement. In anticipation of transferring to the Parks Division within PR&CS, the position was recently reclassified to a Parks Superintendent to oversee the management and maintenance of the entire Arroyo Seco (Hahamongna, Brookside, and Lower Arroyo parks). Additionally, the Parks Superintendent will work with related outside agencies and manage all contracts and operating agreements. The

annualized cost of a Parks Superintendent is nearly the same as a Landscape Architect – approximately \$1,200 more.

- 4. Donation from Pasadena Community Foundation** – The Libraries and Information Services Department recommends recognizing revenue of \$61,488 in the Library Services Fund (212). The Pasadena Community Foundation provides donations every year to help fund various Library projects. The current donation will specifically support elevator and auditorium seat renovations.
- 5. Transfer Balance of Urban Area Security Initiative (UASI) Grant** – The Fire Department recommends transferring a remaining balance of \$25,000 from the 2018 UASI grant, which was originally awarded to the Pasadena Public Health Department. The grant funding was initially budgeted and will remain in the Homeland Security Grant Fund (230), but the balance will be transferred from PPHD to the Fire Department. PPHD originally received \$40,000 to contract for law enforcement/anti-terrorism planning, as well as to develop and enhance protocols/systems for the Public Health Operations Plan. PPHD is unable to expend all the funds due to the limited number of contractors available as a result of COVID-19 restrictions. The Fire Department and PPHD worked successfully with the City of Los Angeles Mayor's Office of Public Safety to modify the current 2018 UASI allocation between the departments. No amendments are necessary to the existing 2018 UASI Subaward Agreement between the City of Los Angeles and the City of Pasadena. The Fire Department will utilize the unexpended funds by purchasing ballistic vests for protection during Active Shooter/Hostile Event Responses (ASHER) and during domestic and assault calls.
- 6. Transfer Internal Service Charges** – The City Manager's Office recommends transferring appropriations of \$20,872 from the Successor Agency Administration Fund (820) to the General Fund (101). Based on the annual review process by the California Department of Finance, it was determined the Successor Agency would not receive an annual allowance for administrative costs in FY 2021. For the past several years the allowance in Fund 820 had supported overhead costs related to technology support, building security and housekeeping. Due to administrative oversight, these internal service charges were not transferred to the City Manager's Economic Development Division in Fund 101.

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 the attached "Summary of Proposed 2nd Quarter FY 2021 Budget Amendments," approval of the proposed budget amendments will increase FY 2021 total authorized operating appropriations across multiple funds by a net amount of \$288,512. Full-Time Equivalents will increase overall by 4.0 limited-term FTEs.

The General Fund's unappropriated fund balance will decrease by \$20,872.

The budget amendments included in this agenda report are not anticipated to impact existing FY 2021 budgeted indirect and support costs such as maintenance and DoIT support.

Respectfully submitted,



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for Timothy Park
Budget Administrator

Approved by:



STEVE MERMELL
City Manager

Attachments: (1) .

1) Attachment: Summary of Proposed 2nd Quarter FY 2021 Budget Amendments by Fund