

Agenda Report

May 20, 2002

TO: CITY COUNCIL
THROUGH: Finance Committee
FROM: CITY MANAGER
SUBJECT: Fiscal Year 2002 Operating Budget Amendments

RECOMMENDATION

It is recommended that the City Council approve a journal voucher implementing certain amendments to the fiscal year 2002 Operating Budget as detailed herein:

- Increase General Fund appropriations by \$12,500
- Decrease Water and Power Fund appropriations by \$19,609,046
- Decrease Local Law Enforcement Block Grant revenues by \$318,309
- Decrease Supplemental Law Enforcement Fund revenues by \$312,216
- Increase Health Fund revenues by \$409,451 and appropriations by \$573,047

BACKGROUND

On June 11, 2001 the City Council approved and adopted the Operating Budget for fiscal year 2002. Subsequent to the adoption of the City's annual operating budget, there is often a need to make various budgetary adjustments as the result of changes in revenues, expenditures and operational priorities. As has been the historical practice, staff respectfully requests that the City Council approve the following adjustments and amendments:

1. Appropriate \$78,000 from the Light and Power Fund balance and \$42,000 from the Water Fund balance to account number 833400 to provide for the repair of the doors on the Water and Power warehouse freight elevator as well as to provide electrical, flooring and cabinetry upgrades to the building.
2. Reduce the Light and Power Fund appropriations by \$19,729,046 in the Power Fund in recognition of lower wholesale revenues. The "ECF Revenue Credit and

Extra-ordinary Expense” mechanism was created in fiscal year 2001 to allow the City to apply the net income generated from Wholesale Operations to reduce its total retail energy cost. This was implemented by recognizing a “revenue credit” within the ECAC Fund and booking a corresponding extra-ordinary expense in the Finance and Administration Business Unit - Power Fund. The Light and Power Fund will not generate any significant incremental revenue from its wholesale operations in fiscal year 2002 and as such it is recommended that the ECF Revenue Credit (8278-401-841910) budget amount be reduced.

3. Reduce the revenue estimates for the Local Law Enforcement Block Grant account 6225-107 by \$318,309 and the Supplemental Law Enforcement account 6407-201 by \$312,216. This is to correct duplications that occurred in the recognition of the estimated revenues for these two accounts for fiscal year 2002.
4. Recognize a net increase in revenues and appropriations in the amount of \$409,451 in the Health Department as detailed in the attached list. The services and activities of the Pasadena Public Health Department are supported largely by categorical State, Federal and private grants. Receipt of grant funding is contingent upon the execution of agreements that are issued throughout the fiscal year according to the program and fiscal calendars and administrative procedures of the funding agencies. This recommendation includes twenty-three such contracts and amendments that cover personnel and operating costs for various programs. These agreements reflect ongoing contracts for services or amendments to contracts with various funding agencies.
5. Transfer \$163,596 to the Pasadena/Altadena Health Partnership program (8005 through 8624 –203-565511) from the Health Fund unappropriated fund balance (fund 203) to cover unfunded personnel and operating costs. Anticipated private grant funding was not received for the current fiscal year, while the programmatic goal of developing and publishing Pasadena’s *Quality of Life Index* was met, and related priorities were implemented. Approval of this request will reduce the Health Fund balance from \$474,433 to \$310,837.
6. Appropriate \$12,500 from the unappropriated General Fund balance to budget account 8124-101-141000 for additional membership fees associated with the League of California Cities new grassroots initiative program. The membership fees for this new program cover an 18-month period because the schedule for payment changed from a fiscal year to a calendar year basis.
7. Establish a number of regular positions (Full Time Equivalent (FTEs)) in various departments. A review of City operations has determined that there are a number of jobs being performed by contract services, which due to their ongoing nature, should more appropriately be permanent positions within the City’s workforce.

Consequently, staff is requesting City Council authorization to create a number of FTEs in several departments. As the requested action represents a shift in costs

currently charged to the Services and Supplies portion of departmental budgets to the Personnel portion, the respective departments will absorb any associated costs for the balance of fiscal year 2002. For fiscal year 2003, Health, Finance and Planning and Development departments will absorb the cost of these positions; however, Public Works, City Clerk and the City Manager's Office will require additional appropriations of \$115,600. These appropriations are requested in the FY2003 budget but approval of the FTEs will allow recruitment to begin now.

Department	# of FTEs	Classification
City Clerk	1.00	Staff Assistant III
City Clerk (mail)	0.50	Staff Assistant I (.35)
City Manager's Office	1.00	Staff Assistant I
Finance	1.00	Staff Assistant II
Health	2.00	Registered Nurse
Health	1.00	IT Technician I
Health	1.00	Staff Assistant II
Health	1.00	Community Service Representative I
Planning & Development	4.00	Staff Assistant III
Planning & Development	1.00	Technical Specialist
Planning & Development	1.00	Senior Planner
Planning & Development	2.00	Housing Assistant I
Public Works	1.00	Maintenance Repairer
Public Works	1.00	Program Coordinator I
Public Works	1.00	Staff Assistant IV
Public Works	1.00	Staff Assistant II
Water & Power	2.00	Engineering Aide
Water & Power	2.00	Staff Assistant I
Water & Power	1.00	Technical Specialist
Water & Power	8.00	Customer Service Representative I
Water & Power	1.00	Staff Assistant II
Total FTEs	34.50	

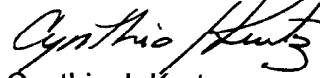
FISCAL IMPACT

The proposed action will change budgeted appropriations and revenues as follows:

- Increase General Fund appropriations by \$12,500
- Decrease Water and Power Fund appropriations by \$19,609,046
- Decrease Local Law Enforcement Block Grant revenues by \$318,309
- Decrease Supplemental Law Enforcement Fund revenues by \$312,216
- Increase Health Fund revenues by \$409,451 and appropriations by \$573,047

Attached to this report is the updated recap of the appropriations approved by the City Council against the General Fund Unappropriated fund balance.

Respectfully submitted,



Cynthia J. Kurtz
City Manager

Approved by:



Jay M. Goldstone
Director of Finance

Prepared by:



Steve Mermell
Budget Administrator