

# Agenda Report

**TO:** CITY COUNCIL  
**THROUGH:** Finance Committee

**DATE:** May 16, 2005

**FROM:** CITY MANAGER

**SUBJECT:** FISCAL YEAR 2005 OPERATING BUDGET AMENDMENTS

## RECOMMENDATION

It is recommended that the City Council approve a journal voucher implementing certain amendments to the fiscal year 2005 Operating Budget as detailed in the Background Section of this report.

## BACKGROUND

On June 28, 2004 the City Council adopted the Operating Budget for fiscal year 2005. Subsequent to the adoption of the budget, as is often the case, several items have been identified that necessitate amendments to the adopted budget. Accordingly, the following amendments are recommended for adoption:

1. Recognize \$40 million from the 2004 Pension Obligation Bonds Fund (6840-101-951007) and appropriate it to Budget Account 8043-101-951007, 2004 Pension Obligation Bonds. On July 19, 2004 the Council adopted a resolution authorizing the issuance of \$40 million of Pension Obligation Bonds in order to fund the necessary contributions to the Fire and Police Retirement System. The bonds have been issued and the contribution paid to the System. A journal voucher needs to be approved in order to properly record the transaction.
2. Appropriate \$1,307,806 from the unappropriated General Fund balance to the Police Department budget (\$654,459) and to the Fire Department budget (\$653,347) to cover increases in PERS retirement contribution rates. Subsequent to the adoption of the operating budget, the City received notice from CalPERS that the contribution rate for safety personnel would be revised upward from 19.96% to 23.36%. The adopted budget does not contain sufficient appropriations to cover this increase.

3. Recognize \$6,471,000 in revenue in the Power Fund (accounts 7095-401-841920 and 7094-401-841920) and appropriate \$2,480,000 to Water and Power Department operating budget (accounts 8295-401-841920-0555 and 8294-401-841920-0565). On October 4, 2004 the City Council adopted Pasadena's Transmission Owner Tariff and authorized a Transmission Control Agreement with the California Independent System Operator (CA-ISO). As a result of this action a number of new revenues will be received and expenses incurred. The revenues represent payment for the value of the City's transmission assets turned over to the CA-ISO. The expenses correspond to new charges the City must pay to the CA-ISO for 'wheeling' the City's electricity through the transmission system as well as related grid management charges.
4. Recognize \$264,000 from Proposition 12 Safe Parks Bond Act of 2000 per capita allocation and appropriate it, as well as \$173,000 from the Bank of America Settlement Reserve, to Budget Account 8114-101-952133-91096, PUSD Sports Field Improvements. On October 10, 2000 the Council reserved \$173,000 of the money received from the Bank of America litigation settlement for future improvements to Pasadena Unified School District sports fields. On July 20, 2003 the Council approved a contract between the City and the PUSD for \$437,000 to improve eight selected school playing fields. Council approved an amendment to this agreement on August 23, 2004, to allow the City of Pasadena to receive \$264,000 from State of California, Proposition 12 Safe Parks Bond Act of 2000 per capita allocation. Although funds for the PUSD Sports Field Improvements have been identified they now need to be recognized and appropriated.
5. Appropriate \$20,000 from the General Fund unappropriated fund balance to the Public Works Parks and Natural Resources budget (101-765400-8114) to provide for the renovation of a median island near the intersection of Howard and Chester Avenue (Howard Triangle). This renovation will include irrigation improvements, purchase and installation of plants and electrical improvements. Installing the irrigation equipment and landscaping in the spring time helps to ensure that the plants are sufficiently established to last through the warmer summer season.

**FISCAL IMPACT**

The proposed recommendation will change fiscal year 2005 appropriations and revenues as follows:

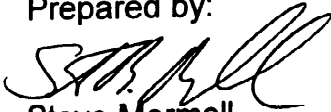
- Increase revenues in the General Fund by \$40,437,000 and appropriations by \$41,764,806.
- Increase revenues in the Power Fund by \$6,471,000 and appropriations by \$2,480,000.

Respectfully submitted,



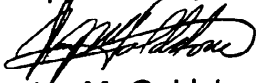
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