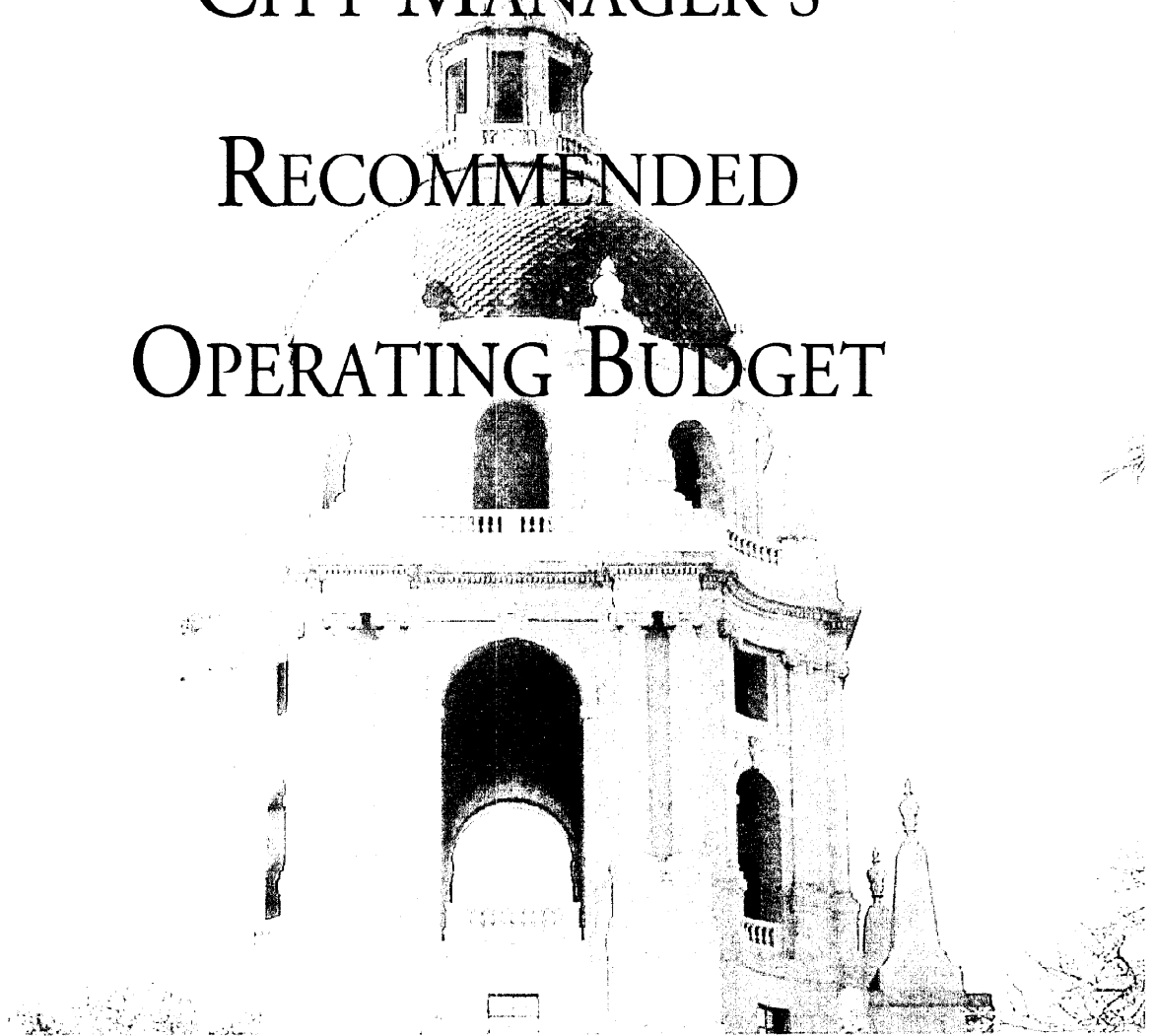


# CITY MANAGER'S RECOMMENDED OPERATING BUDGET



CITY HALL



FISCAL YEAR 2007



# CITY OF PASADENA, CALIFORNIA

## PASADENA CITY COUNCIL

Bill Bogaard, Mayor

Joyce Streater  
**District 1**

Paul Little  
**District 2**

Chris Holden  
**District 3**

Steve Haderlein  
**District 4**

Victor Gordo  
**District 5**

Steve Madison, Vice Mayor  
**District 6**

Sidney F. Tyler, Jr.  
**District 7**

Cynthia J. Kurtz  
**City Manager**

Steve Mermell  
**Acting Director of Finance**

**Prepared by the Budget Division  
Department of Finance**

# TABLE OF CONTENTS

## **CITY MANAGER'S TRANSMITTAL LETTER**

### **DEPARTMENTAL BUDGETS**

City Attorney/City Prosecutor	1.0
City Clerk	2.0
City Council	3.0
City Manager	4.0
Finance	5.0
Fire	6.0
Human Resources	7.0
Human Services and Recreation	8.0
Information Services	9.0
Planning and Development	10.0
Police Department	11.0
Public Health	12.0
Public Works	13.0
Transportation	14.0
Water and Power	15.0

### **AFFILIATED AGENCIES**

Pasadena Center Operating Company	16.0
Rose Bowl Operating Company	17.0

### **EXHIBIT A –The Budget in Brief**

Statement of Expenses by Fund	18.0
Statement of Revenue by Fund	19.0
Statement of Inter-Fund Transfers	20.0

**City Manager's  
Transmittal Letter**

## **City Manager's Transmittal Letter**

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May 8, 2006

### **To the Honorable Mayor and City Council Members of the City of Pasadena:**

#### **INTRODUCTION**

It is my pleasure to submit to you the recommended fiscal year 2007 Operating Budget for the City of Pasadena. The tables below provide a comparison of the budget for the General Fund and all City Funds, as well as a summary of full-time equivalent positions for the City. The information is provided for the adopted fiscal year 2006 budget, the revised fiscal year 2006 budget that reflects budget amendments approved by the City Council during the fiscal year, and the recommended fiscal year 2007 budget.

#### **Total Appropriations**

	Adopted Fiscal Year 2006	Revised Fiscal Year 2006	Recommended Fiscal Year 2007
Operating Budget			
All Funds	\$508,538,313	\$511,271,432	\$538,633,728
General Fund	\$193,162,865	\$193,704,059	\$203,057,698

#### **Total Full-Time Equivalent Positions**

	Adopted Fiscal Year 2006	Revised Fiscal Year 2006	Recommended Fiscal Year 2007
Operating Budget			
All Funds	2,329.585	2,337.505	2,361.692
General Fund	1,053.075	1,054.995	1,069.265

Sufficient funds are available for fiscal year 2007 to support the recommended budget. In addition, the budget continues progress towards restoring funding of the eight percent General Fund Reserve as discussed later in more detail.

**THE FISCAL CLIMATE**

Locally, Pasadena's economy remains strong. The City's unemployment rate is consistently below county and state averages. The local real estate market is competitive, with home values typically above the median for California and office space vacancy rates half of the county average. Existing local companies are expanding and other important companies are relocating to Pasadena. In fact, a key challenge for the City is to assist in identifying sufficient office space for those firms wishing to locate in Pasadena as well as those existing businesses in need of additional space. The City's economic base continues to become evermore diverse further strengthening Pasadena's position as a center for technology and financial services as well as higher education.

City revenues remain stable with moderate growth. Nevertheless, the City still faces fiscal challenges as the cost of providing services to the public continues to rise. In recent years these costs have grown at a rate greater than the growth in revenues. A main contributor to this was the dramatic increase in employee pension costs brought on by changes in benefit levels, coupled with market losses for the Public Employee Retirement System (PERS). This situation has stabilized as a result of several factors. PERS introduced a new formula for calculating pension contributions that will reduce volatility, and most importantly the system's investment performance has improved considerably in recent years. Most recently a three year agreement was reached with the City's non-safety bargaining units that will improve pension benefits, while maintaining the City's overall pension contribution costs through the introduction of an employee contribution. This agreement will have to be ratified through an election involving all affected employees.

The General Fund five-year financial plan continues to be the mechanism by which the long-term financial health of the City is monitored. By tracking and trending current and anticipated revenues and expenses, the plan provides a tool for the City's policymakers. The current five-year projection indicates that revenues will not fully match expenses in fiscal year 2007. Although a cause for some concern, these projections tend to be conservative and there is every reason to believe that by continuing to monitor revenues and expenses closely, reducing costs through efficiencies, pursuing new revenues, and if necessary, making reasonable and balanced cost reductions, the overall financial health of the City will stay strong and City services will be maintained. The Recommended Operating Budget for fiscal year 2007 includes both modest reductions aimed at maintaining the City's fiscal discipline, and enhancements intended to further the goals of the City as discussed in greater detail below.

Additionally, as mentioned above, the Recommended Operating Budget includes funding towards the restoration of the eight percent General Fund Reserve. City policy calls for a reserve in the General Fund equal to eight percent of the current year's appropriations. In fiscal year 2004, as part of the response to a significant loss of revenues to the state, the City capped the reserve at its then current level of \$13.25 million, which represented 7.17 percent of then current appropriations. The fiscal year 2006 Budget including funding sufficient to bring the reserve to a level of 7.5 percent of appropriations. The

## **City Manager's Transmittal Letter**

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Recommended Operating Budget for fiscal year 2007 includes an additional \$448,633, thus bringing the reserve to 7.55 percent. It is expected that the reserve will be fully funded at eight percent by fiscal year 2012.

City revenues remain stable; however, threats to some important General Fund revenues have recently emerged. Advances in technology have brought about dramatic changes in the telecommunications industry and vastly increased customer choice. Today the lines between telephone companies and cable companies and the services they provide have blurred. Many cities such as Pasadena rely on revenue from Utility Users Taxes (UUT) applied to telecommunications (i.e., cable television, telephone, long distance, and mobile/cellular) water, electricity and natural gas, as well as franchise fees assessed on cable providers to fund critical services.

Changes in state and federal law as well as a number of legal challenges to the manner in which Utility Users Taxes are applied may reduce or eliminate local governments' ability to raise revenue through the UUT and franchise fees. Pasadena currently receives \$2.2 million in UUT and franchise fee revenue related to cable television and \$10.7 million related to other telephone, long distance and mobile/cellular services. Combined these revenues account for 7.7 percent of total General Fund revenues.

Previously the City had established a \$3 million reserve within the General Fund for the purpose of making any necessary supplemental contributions to the Fire and Police retirement system. Based on current projections, supplemental contributions to that system will be required in fiscal year 2007 and into the future, however, it is anticipated that funding for such will be available from tax increment from the City's downtown redevelopment project area. Accordingly, the \$3 million reserve is recommended to be re-designated for use in the event of a loss of UUT and/or franchise fee revenues.

### **OTHER FACTORS IMPACTING THE BUDGET**

Despite steady improvement in test scores, the Pasadena Unified School District faces significant financial challenges as a result of declining enrollment. The District has had to make a number of difficult choices including the closure of several campuses. Additionally, the District has found it necessary to disband its police and school security service.

The City has always had a strong commitment to the District, providing an estimated \$3 million in annual support to PUSD students and programs, and is committed to assisting during this difficult period. A number of working groups consisting of District and City staff have formed to examine various opportunities for joint-efforts aimed at reducing costs and creating efficiencies.

Most significantly, the recommended operating budget includes funding for six additional police officers and one sergeant. These officers will provide services at schools within the City limits formerly patrolled by the PUSD police and security services. Additionally, these officers will increase the overall amount of resources dedicated to patrol throughout the community as a whole. Other areas where the City is directly

## **City Manager's Transmittal Letter**

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contributing to the District include contributing \$45,000 towards the renovation of the tennis courts at Muir High School, which will be available for greater public use, contracting with the District at a cost of \$25,000 per year for the use of District buses in the event of an emergency, and \$25,000 to rent ARTS bus parking.

As discussed below, the City's highest priority is assuring the safety and security of the community. This includes ensuring that highly-qualified emergency medical response from the City's Fire Department is available to those who need it in a timely fashion. Pasadena prides itself on an average response time to emergency medical calls of five minutes and 10 seconds. The closure of area emergency rooms over the past few years and the resulting overcrowding at remaining facilities has negatively impacted response rates as Fire Fighters are forced to wait longer with patients until they are admitted. Nevertheless, the City's response rates remains better than the State standard of responding in eight minutes or less, 90 percent of the time – Pasadena responds in eight minutes or less 92 per of the time. However, the trend is not positive and increasingly the City must call on mutual aid from surrounding jurisdictions or private ambulance companies. These outside responders have an average response time of eight minutes and 17 seconds. Last year the City required assistance from outside agencies approximately 400 times. By contrast City staff responded to calls for help outside the City approximately 100 times. The Recommended Operating Budget includes funding to hire six new Fire Fighters, purchase and equip a new rescue ambulance and place it in service for 24-hour operation by the final quarter of the fiscal year.

### **CITY GOALS**

The City Council has established the following goals for the City Manager to pursue. The Recommended Operating Budget is prepared with these goals in mind.

- Assure a Safe and Secure Community
- Foster Economic Prosperity
- Protect and Enhance Neighborhood Vitality and Livability
- Focus on Planning, Programming and Reinvesting in Pasadena's Parks and Open Space
- Maintain and Reinvest in the City's Physical Assets to Assure Their Availability for Future Generations
- Operate an Effective and Cost Efficient Government
- Protect and Enhance Pasadena's Economic, Ethnic and Cultural Diversity

Below are highlights of how the Recommended Operating Budget addresses each goal, with particular emphasis placed on new initiatives for this year. Additional information regarding how the programs of each City department relate to and support the goals is provided in greater detail in the budget document.



## **City Manager's Transmittal Letter**

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### **Assure a Safe and Secure Community**

The most important service local government provides is the safety and security of its citizens and visitors. In Pasadena, public safety is of the highest priority and the City even broadens the definition to include public health and youth services.

In addition to the expansion of police patrol and the new rescue ambulance discussed above, the Recommended Operating Budget continues to invest in fire and police services and will stress the importance of disaster preparedness of the community. In the wake of catastrophic events that have occurred throughout our nation and the world, Pasadena seeks to prepare its staff and citizens to be prepared and to assist and save lives and property. The Fire Department has created and will provide training to 1,000 area residents through a program entitled Pasadena Emergency Response Training (PERT).

Traffic safety is always a concern and a third intersection will be equipped with photo red light cameras. Data has shown that when placed at appropriate locations, broad side accidents decrease with the installation of these cameras.

### **Foster Economic Prosperity**

The City's economic viability and vitality are crucial to its success. As such, the City Council wishes to create and maintain an environment which fosters economic prosperity.

The City has a number of specific initiatives which further the goal of fostering economic prosperity.

- **Business Development.** This includes continued outreach to existing Pasadena businesses and potential new businesses through Valued Pasadena Partners events, Small Business Workshops and industry-specific sponsorships to advance Pasadena's profile. Also, the Storefront Improvement Program will be implemented in key target areas of the City and regular recruitment and surveys will be conducted in the Old Pasadena, Playhouse, and South Lake Districts.
- **Marketing/Advertising.** Pasadena's marketing strategy will continue to be implemented through advertisement placement and event sponsorship. Also, the City will participate in the International Council of Shopping Centers "Meet the Municipalities" Program and other like events.
- **Business Improvement Districts.** The City will continue to partner with the Old Pasadena, Playhouse, and South Lake Avenue Business Improvement Districts and the North Lake Association on opportunities for marketing and promotion within the individual areas. With potential large-scale projects proposed in nearby cities, these partnerships are critical in developing strategies for retaining district uniqueness and customer service.

## **City Manager's Transmittal Letter**

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- **Project Implementation.** Several high profile projects are in negotiations which should lead to agreements for their implementation. These include: 1) YWCA/ Morgan Building Rehabilitation; 2) Art Center College of Design South Campus and Innovation Corridor development; 3) Old Pasadena MTA Right of Way Pedestrian Walkway Improvements; 4) "A Noise Within" Community Theater in East Pasadena; and 5) Washington Theater Project in the Lake/Washington area.

### **Protect and Enhance Neighborhood Vitality and Livability**

Through the Lookin' Good Pasadena effort, issues that negatively impact how our neighborhoods look are being addressed. Specific examples include the highly successful shopping cart retrieval program, the graffiti hotline and the bulky item pick-up program. Recent increases in graffiti have prompted staff to recommend adding additional graffiti removal services so response times don't increase. Effective code enforcement continues to be a priority with emphasis on unkempt and blighted properties.

Traffic continues to impact neighborhoods and the Transportation Department continues to place emphasis on projects and programs to address problem areas. This budget contains funding for the first annual citywide Transportation Report Card. This Report Card will assess the City's transportation system performance.

The ongoing practice of designating historical properties and expanding historical districts continues as a means of recognizing and protecting the unique character of Pasadena neighborhoods.

### **Focus on Planning, Programming and Reinvesting in Pasadena's Parks and Open Space**

In April 2006, Pasadena's newest park, Vina Vieja opened. This 7.5 acre park contains not only traditional green space and play equipment amenities, but also a two-acre fenced section for dogs to roam off-leash. With this first new park in over 30 years, additional funding is being requested for the park's maintenance and upkeep.

Also in fiscal year 2006, the City acquired 30 acres of parkland in the upper Arroyo Seco adjacent to Hahamongna Watershed Park. This budget recommends funding for the maintenance of this natural area.

Recreation programs continue to be a priority and funding for additional staff for the after school program; summer day camp; and youth sports is included. In response to the demand, the creation of a summer day camp for 13 to 16 year olds is planned for summer 2007.

In addition, the City has chosen to invest in school sites that can also serve as additional public park space during non-school hours. The City Council approved funding for the installation of playground equipment at Madison Elementary School during fiscal year

## **City Manager's Transmittal Letter**

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2006. In fiscal year 2007 the City proposes sharing the cost of improvements to the tennis courts at Muir High School

### **Maintain and Reinvest in the City's Physical Assets to Assure Their Availability for Future Generations**

The City is committed to maintain its physical treasures for future generations. The seismic upgrade and exterior renovation of City Hall continues as planned and is scheduled to be completed in the summer of 2007. The City's two other well known landmarks – the Rose Bowl and the Pasadena Center are also in need of repair and improvement.

The Rose Bowl, with its current tenants, does not generate enough revenue to support its operations. As a result, revenue from the Brookside Golf Course subsidizes it. This recommended operating budget provides funding to support the development of a plan for the future use of and improvements to the Rose Bowl. Plans are also underway to for a needed expansion of the Pasadena Conference Center.

Implementation of the Water System Master Plan continues at a steady pace. Already, approximately 20 miles of aging water mains have been replaced. In 2005 the City Council approved the Power System Distribution Master Plan which is a 20 year plan to replace and upgrade infrastructure to maintain service reliability, safety and efficiency. Funding for implementing both the Water System and Power System master plans is provided in the Capital Improvement Program Budget.

Finally, in early fiscal year 2007 the City Council will be presented with the Sewer Master Plan, which will address needed repairs to the City's 311 miles of sewer pipe. This infrastructure, some of which is 100 years old, will be systematically rehabilitated so that it will continue to serve the City's residents and businesses.

### **Operate an Effective and Cost Efficient Government**

As an organization, the City continually seeks to improve the way in which it delivers service in order to reduce costs, increase effectiveness and enhance efficiency. Cost cutting measures during the last several years have led to greater efficiencies as the staff has managed to maintain existing service levels.

Some new initiatives included in the fiscal year 2007 budget which further this goal include:

- Purchase of mobile license plate reading equipment for the Parking Enforcement program. This equipment is mounted on a vehicle and is capable of reading 1,000 license plates per hour. This will allow staff to more quickly and accurately perform their job.
- Purchase and implementation of a field data entry system for paramedic billing for immediate and accurate Emergency Medical Services data collection. The

## **City Manager's Transmittal Letter**

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system will capture incident information, patient information, and billing information which can then be immediately downloaded to five main collection points for use (local hospitals for patient registration, Finance Department for billing, Fire Administration for permanent storage, EMS coordinator for quality assurance measures, and the Department of Health Services for mandatory reporting).

- Purchase of an easement machine to more efficiently and effectively maintain the City's sewer collection system. This machine allows hard to reach manholes to be flushed and cleared with a smaller piece of equipment than the jet flushing truck. Without this machine, lines are cleared manually which is time consuming and difficult and puts employees at greater risk of injury.

### **Protect and Enhance Pasadena's Economic, Ethnic and Cultural Diversity**

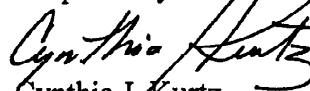
Pasadena's unique blend of commerce and culture makes it a desirable place to visit and do business. In July 2005 the City Council adopted the City's Cultural Nexus. This operating budget contains funding for implementing this plan and maintaining the City's reputation as a cultural leader. Elements of the plan scheduled for fiscal year 2007 include: the development of technical assistance for cultural organizations and artists for the delivery of standards-based arts education services; implementation of cultural equity standards in Cultural Affairs programming and services; development of an Arts Resource Directory; development of a neighborhood arts advocates program; research and development of artist-friendly regulations; and preliminary research and development of two cultural districts - one in Northwest Pasadena and the other in the southern portion of the city.

Finally, Pasadena seeks to assist residents in obtaining employment opportunities through the use of First Source Local Hiring agreements. These agreements require certain projects using City funds to employ local residents. There is also a database of local employees available to work on construction projects.

### **CONCLUSION**

The fiscal year 2007 Recommended Operating Budget represents a carefully crafted approach to furthering City Council goals and maintaining quality service to the community. The energy invested by City staff in bringing together the information and working through the budget decision process demonstrates the high level of competence and commitment of our city employees. The fiscal year 2007 budget is a testament to our continuous effort to improve the way city government does business and to assure that we continue to keep Pasadena a World Class City.

Respectfully Submitted



Cynthia J. Kurtz  
City Manager



**DEPARTMENT  
SUMMARY**  
City Attorney/City Prosecutor

**Mission Statement**

The mission of the City Attorney/City Prosecutor's Department is to represent the City of Pasadena with the utmost professionalism and provide the highest quality legal service. The offices work to arrive at creative solutions, which effectively address issues affecting residents and businesses in the City and assure that the public interest is well served in the areas of civil and criminal representation.

**Program Description**

Provide legal support to the City Council and City departments and represent and advise the City in all civil matters. Prosecute misdemeanor offenses that arise out of violation of State or City laws. Coordinate with City departments, other governmental agencies and community organizations on programs and activities that inform the public, enhance crime prevention and neighborhood improvement. Commencing in fiscal year 2007, programs will also include managing the City's risks with respect to liability and insurance.

**Departmental Relationship to City Council Goals** See description in Division discussion.

**Major Accomplishments**

The City's lawyers have successfully handled large caseloads in both civil and criminal courts and effectively worked with and advised other City departments. They have also been very active in enhancing the City by effectively pursuing code enforcement violations and eliminating nuisances.

**Summary of Appropriations and Revenues**

	FY 2004 Actual	FY 2005 Actual	FY 2006 Adopted	FY 2006 Revised	FY 2007 Recommended
FTEs	29.750	32.250	31.250	31.250	34.000
Appropriations	5,117,996	4,585,436	5,579,344	5,579,344	6,082,243
Sources By Fund:					
General Fund	4,801,401	4,257,760	5,241,838	5,241,838	5,509,196
Light and Power Fund	85,612	88,608	91,266	91,266	94,918
Services to PCDC	131,711	136,321	140,410	140,410	146,027
Water Fund	46,100	47,714	49,146	49,146	51,110
Services to RBOC	53,172	55,033	56,684	56,684	58,951
Liability Insurance	0	0	0	0	222,041
Total Sources	5,117,996	4,585,436	5,579,344	5,579,344	6,082,243

**Departmental Results Statements**

**Result 1: Provide high quality, responsive and timely legal advice.**

		FY 2005			FY 2006	FY 2007
		Actual	Target	% Target	Target	Target
<b>Measure 1.1 Provision of responsive and timely legal advice.</b>						
	A. Meet or exceed all statutory and other legal deadlines.	100%	100%	100%	100%	100%
	B. Respond within the agreed upon time to requests from City Council, departments, boards and commissions	100%	100%	100%	100%	100%

**Result 2: Ensure that the City complies with all laws.**

<b>Measure 2.1 Effective training to City officials, employees, commissions, and boards</b>						
	A. Provide training or educational sessions to City officials, etc. 6 times per year	22	6	367%	6	6
	B. Provide in-house training seminars for the City's lawyers 6 times per year	7	6	100%	6	6

**Result 3: A Safe community for those who live, work and play in Pasadena.**

<b>Measure 3.1 Disposition of all non-code enforcement misdemeanor offenses</b>						
	A. Reach disposition of 85% of all non-code enforcement misdemeanor offenses within 120 days of court filing	78%	85%	92%	85%	85%
<b>Measure 3.2 File or abate 100% of Code Enforcement cases referred</b>						
	A. File or abate 100% of Code Enforcement cases referred	100%	100%	100%	100%	100%

**Fiscal Year 2007 Budget Highlights**

- **Cost Changes:** The change from the fiscal year 2006 Revised Budget is primarily due to higher personnel costs related to approved and anticipated salary and benefit increases. The budget was increased \$17,808 to increase a Staff Assistant I position from part-time to full-time, with \$10,000 reallocated from Contract Services, \$13,985 was added to cover increases in the Westlaw subscription and \$4,200 to lease a new copier.
- **Organizational/Program Changes:** The General Liability Division with a budget of \$222,041 was transferred from the Department of Finance to the City Attorney's Office. This is an administrative issue and has no impact on the overall budget.

## **City Attorney/City Prosecutor**

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- **FTE Changes:** The department has transferred 2.0 FTEs from the Department of Finance – General Liability Division. One part-time .25 Staff Assistant I position was increased to a full-time 1.00 FTE.

### **Future Outlook**

The Department will be aggressive in providing appropriate representation, both civilly and criminally, to achieve desired results in the best interests of City departments, residents and businesses.



**DIVISION  
SUMMARY**  
City Attorney – Civil Division

**Mission Statement**

To provide the City, including the City Council and City departments with excellent legal representation in all transactional and civil matters and proceedings in a cost-effective manner. The Division strives to arrive at creative solutions to appropriately address issues affecting residents and businesses in the City.

**Program Description**

The City Attorney's Office provides legal support to the City Council and all City departments; prepares all legal documents, contracts, opinions, ordinances, resolutions; conducts legal research and represents the City in court in civil litigation matters.

**Departmental Relationship to City Council Goals**

• **Operate an Effective and Cost Efficient Government**

The City Attorney's Office provides necessary legal advice to assist departments in achieving goals established by the City Council. In doing so most matters are handled by in-house lawyers and efforts are made to keep costs down.

**Major Accomplishments**

The City Attorney's Office has maintained control of outside legal expenditures handling and managing more than 100 pending lawsuits at any time, by using outside legal counsel more efficiently. The Office has been very successful in representing the City in the large number of lawsuits. As part of its mission, the Office provided legal advice to City departments, commissions and committees on business and litigation matters. The Office significantly increased the training provided to City staff and City boards and commissions to assist in reducing City liability in a number of areas. The Office also provided legal support for major additional projects such as those related to energy, telecommunications and land use issues. The Office has been very involved in major land use projects and critical code enforcement actions, and has drafted major ordinances adopted by the City Council. The Office continued to advise other City agencies, such as the Rose Bowl Operating Company and the Pasadena Center Operating Company, on major issues affecting those entities.

**Summary of Appropriations and Revenues**

	FY 2004 Actual	FY 2005 Actual	FY 2006 Adopted	FY 2006 Revised	FY 2007 Recommended
FTEs	17.0	19.0	18.0	18.0	18.0
Appropriations	3,617,026	3,007,231	3,720,953	3,720,953	3,884,406
Sources By Fund:					
General Fund	3,300,431	2,679,555	3,383,447	3,383,447	3,533,400
Light and Power Fund	85,612	88,608	91,266	91,266	94,918
Services to PCDC	131,711	136,321	140,410	140,410	146,027
Water Fund	46,100	47,714	49,146	49,146	51,110
Services to RBOC	53,172	55,033	56,684	56,684	58,951
Total Sources	3,617,026	3,007,231	3,720,953	3,720,953	3,884,406

**Fiscal Year 2007 Budget Highlights**

- **Cost Changes:** The change from the fiscal year 2006 Revised Budget is primarily due to higher personnel costs related to approved and anticipated salary and benefit increases.

**Future Outlook**

The City Attorney's Office – Civil Division will continue to provide the City of Pasadena with excellent legal representation in the most cost-effective manner. Lawyers will continue to provide training to those within the City to inform them of applicable laws and to encourage compliance with those laws. Also, outside legal expenditures and services will continue to be closely monitored and evaluated in an effort to control costs and ensure continued provision of the highest quality legal services. It is anticipated that recent modifications to the organizational structure of the office will ensure maximum effectiveness in operations. The City Attorney's Office will enhance involvement in community activities.

**DIVISION  
SUMMARY**

**City Attorney – Prosecution Division**

**Mission Statement**

To carry out the charter-imposed mandate to enforce the laws of the State of California and the Pasadena Municipal Code through the prosecution of misdemeanor criminal offenses and to promote safety, crime prevention and education in the city.

**Program Description**

The City Prosecutor's Office prosecutes adult misdemeanants who commit violations of State or city law within the city. The recently created community prosecution program, "Safe Communities Pasadena", also engages in crime evaluation and prevention through its partnerships with local agencies and city departments, inspection of substandard properties and quality of life violations in the city.

**Departmental Relationship to City Council Goals:**

• **Assure A Safe and Secure Community**

The Office works with local law enforcement agencies and the city's code enforcement division, and health, fire, and other departments to address criminal and nuisance activity, substandard properties and quality of life crimes.

• **Protect and Enhance Neighborhood Vitality and Livability**

Prosecutors engage the community in activism to improve their neighborhoods identify nascent criminal activity and learn ways to combat crime and avoid victimization.

**Major Accomplishments**

The prosecutor's office received 7,147 matters for filing consideration in the calendar year 2005, a slight decrease from the previous year. Eighty-nine percent of these matters were filed in Superior Court as misdemeanor cases seeking jail, probation, fines and community service as well as other conditions. Nine of these matters were taken to trial before a magistrate or jury. More than 4000 cases resulted in a conviction of the offender while in another 228 matters defendants completed a rehabilitation program to keep their record clear.

Near the end of fiscal year 2006, the office of the prosecutor instituted a new community prosecution program, "Safe Communities Pasadena." The office celebrated thirteen years of the City Resources Against Slum Housing (CRASH) by recognizing that the needs and abilities of the city now require a new and multi-pronged approach: "Neighborhood Enhancement Network" will address the most egregious of code and health violations in the city's properties; "Community Action Program" will be a consortium of law enforcement, neighborhood services and other city departments along with community partners such as Day One and the HUD section 8 program to meet with neighborhood groups and address criminal nuisance activity.

The division also worked with the civil division to produce training session for city departments and engaged in training law enforcement both in the city and in outside agencies.

**Summary of Appropriations and Revenues**

	FY 2004 Actual	FY 2005 Actual	FY 2006 Adopted	FY 2006 Revised	FY 2007 Recommended
FTEs	12.750	13.250	13.250	13.250	14.000
Appropriations	1,500,970	1,578,205	1,858,391	1,858,391	1,975,796
Source					
General Fund	1,500,970	1,578,205	1,858,391	1,858,391	1,975,796

**Fiscal Year 2007 Budget Highlights**

- *Cost Changes:* The change from the fiscal year 2006 Revised Budget is primarily due to higher personnel costs related to approved and anticipated salary and benefit increases. The budget was increased \$17,808 to increase a Staff Assistant I position from part-time to full-time, with \$10,000 reallocated from Contract Services, \$13,985 was added to cover increases in the Westlaw subscription and \$4,200 to lease a new copier.
- *FTE Changes:* One part-time .25 Staff Assistant I position was increased to a full-time 1.00 FTE.

**Future Outlook**

The prosecution division anticipates a vibrant year in fiscal year 2007. Our full-time Safe Communities Pasadena program, while continuing to address current needs will also focus on new areas of concern such as the motels at the east end of town, the special needs of the aging property owner and updating the city's website to include interactive complaint cards.

**DIVISION  
SUMMARY**  
Liability Claims and Insurance

**Mission Statement**

To protect the City's resources from risks of accidental loss, not including workers compensation losses or deliberately assumed costs of employee benefits.

**Program Description**

This program is responsible for: 1) identification and measurement of risks of accidental loss, and, 2) recommendation of appropriate Risk Management Techniques to mitigate, avoid, transfer or accept risk of damage caused by accidents. This Division coordinates the transfer of risk to others by: 1) the purchase of property insurance on corporate assets, 2) purchase of policies of insurance for specific, separately funded enterprise liabilities, 3) purchase of crime insurance, and 4) coordinating risk management/insurance requirements for persons dealing with the City, such as vendors, permit tees, licensees, and contractors. This Division coordinates risk retention by administering the City's self-insured liability claims program, including pre-litigation claims processing.

**Major Accomplishments**

The Liability Claims and Insurance Division (formerly referred to as the General Liability Division) continued to maintain a database of claims settlements, expense payments, and outstanding reserves on claims by third parties against the City, the investigation of claims and incidents in the pre-litigation stage, assistance to the City Attorney in preparation of the City's defense on litigated cases, the marketing of the City's insurance programs through municipal purchasing groups in order to obtain premium savings, and the coordination of liability investigation and evaluation with the Departments, Workers' Compensation and Safety Division, Accounts Receivable Section, and the City Attorney.

**Summary of Appropriations and Revenues**

	FY 2004 Actual	FY 2005 Actual	FY 2006 Adopted	FY 2006 Revised	FY 2007 Recommended
FTEs	0	0	0	0	2.000
Appropriations	0	0	0	0	222,041
GL Payments (Memo)*	0	0	0	0	3,000,000
Sources by Fund					
General Liability Fund	0	0	0	0	222,041
General Liability (Memo)*	0	0	0	0	3,000,000
Total Sources	0	0	0	0	222,041

\* For information only, the amount is not included in the total.

**Changes From Prior Year**

- **Organizational/Program Changes:** The General Liability Division was transferred from the Department of Finance to the City Attorney's Office. This is an administrative issue and has no impact on the overall budget.

- *FTE Changes:* The department has transferred 2.0 FTEs from the Department of Finance – General Liability Division.

**Future Outlook**

The insurance market conditions are deteriorating. Premiums remain high and coverage tends to be less than in past years. Property premiums are expected to increase because of: 1) an increase in costs of material and labor for building repair; 2) an increase in insured values; and 3) capacity impaired by catastrophes, especially on the Gulf Coast. The past three years, the City declined excess liability and excess workers' compensation insurance from Municipality Insurance Purchasing Groups because of huge increases in premiums with less coverage, choosing to go without and handle risk through self-insurance until market conditions improve. Although insurance company loss ratios are low, the savings are not being passed on to consumers and the City does not intend to re-enter the market this year. The Liability Claims and Insurance Division will continue to advise departments on risk transfer mechanisms by reviewing contract terms, providing assistance in the enforcement of insurance requirements, and recommending risk reduction techniques on the City's retained risk. Data will continue to be shared so departments can decide where the greatest efforts toward risk reduction should be made. The number of liability claims against cities seems to be increasing. The cost of vehicle repair has significantly increased, as has the cost of medical care, both of which will work to increase the value of damages claimed against the City. Liability claims will continue to be paid when liability for claimed damages is clearly adverse, and claims will continue to be resisted where liability for claimed damages does not clearly exist.

GRAIL ANALYSIS

MSI:

DEPARTMENT: City Attorney

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ADOPTED	FY 2006 REVISED	FY 2007 RECOMMENDED	\$ CHANGE	%
<b>EMPLOYEES</b>							
REGULAR	29,750	32,250	31,250	31,250	34,000	2,750	
NON-REGULAR	0.000	0.000	0.000	0.000	0.000	0.000	
<b>TOTAL EMPLOYEES</b>	<b>29,750</b>	<b>32,250</b>	<b>31,250</b>	<b>31,250</b>	<b>34,000</b>	<b>2,750</b>	
<b>PERSONNEL</b>							
8005 Regular Pay - PERS	2,240,506	2,173,930	3,052,585	3,052,585	3,366,224	313,639	10.2
8011 Overtime Pay	9,662	1,093	4,361	4,361	4,537	176	4.0
8018 PST-Part Time Employees - PARS	234	409	0	0	0	0	0.0
8020 Management Benefit	4,955	0	0	0	0	0	0.0
8023 Auto Allowance	29,555	26,130	30,768	30,768	33,024	2,256	7.3
8024 Personal Dvlpmt Allowance	14,000	14,688	15,500	15,500	16,000	500	3.2
8027 Workers' Compensation	26,079	16,381	22,254	22,254	58,730	36,476	163.9
8031 General Liability	15,287	0	0	0	433	433	0.0
8038 PERS-Employee Portion	163,125	166,842	213,681	213,681	235,636	21,955	10.2
8040 PERS-City Portion	0	57,185	162,092	162,092	247,081	84,989	52.4
8041 PARS-City Portion	563	16	0	0	0	0	0.0
8044 Life Insurance	2,534	2,414	3,053	3,053	3,366	313	10.2
8045 Dental Insurance	13,262	12,521	14,249	14,249	15,503	1,254	8.8
8046 Medicare-City Contributn	29,783	30,660	35,155	35,155	48,876	13,721	39.0
8047 Long Term Disability	35,301	36,037	48,231	48,231	5,049	-43,182	-89.5
8049 Emp Opt Ben Fd (EOBF)	198,717	211,434	268,750	268,750	275,400	6,650	2.4
8050 Benefits (VHS)	482,880	410,208	0	0	0	0	0.0
8054 Vision Care	0	11	0	0	0	0	0.0
8056 Accrued payroll	33,959	16,669	0	0	0	0	0.0
8058 Benefits Administration	0	58,281	0	0	0	0	0.0
<b>*** TOTAL PERSONNEL</b>	<b>3,300,402</b>	<b>3,234,909</b>	<b>3,870,679</b>	<b>3,870,679</b>	<b>4,309,859</b>	<b>439,180</b>	<b>11.3</b>
<b>SERVICES AND SUPPLIES</b>							
8101 Materials & Supplies	24,067	24,556	26,677	26,677	27,877	1,200	4.4
8105 Lease Payments	139,717	123,034	135,291	135,291	142,056	6,765	5.0
8107 Equipment Lease Payments	0	0	0	0	14,679	14,679	0.0
8108 Computer Related Supplies	5,348	470	9,855	9,855	9,855	0	0.0
8109 Equipt Purchases Under \$10,000	1,639	9,418	0	0	0	0	0.0
8110 Outside Printing and Duplicating	0	212	350	350	200	-150	-42.8
8112 Legal Advertising	167	0	0	0	0	0	0.0
8113 Photo Copy Machine Maint	119	420	4,500	4,500	2,500	-2,000	-44.4
8114 Other Contract Services	28,859	85,939	88,955	88,955	86,805	-2,150	-2.4
8115 Consultant Services	60	0	0	0	0	0	0.0
8117 Data Processing Operations	11,892	12,487	13,111	13,111	13,611	500	3.8
8118 Outside Legal Services	1,264,114	747,110	1,046,071	1,046,071	1,046,071	0	0.0
8121 Computer(PC) Maint/Repair	0	0	800	800	800	0	0.0
8124 Dues and Memberships	10,433	8,945	11,915	11,915	12,415	500	4.1
8125 Special Civic Events	920	68	0	0	0	0	0.0
8127 Conferences & Meetings	5,091	6,976	10,388	10,388	14,623	4,235	40.7
8128 Mileage	1,266	469	3,195	3,195	1,195	-2,000	-62.5

GRATIL ANALYSIS

MSI:

DEPARTMENT: City Attorney

	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ADOPTED	FY 2006 REVISED	FY 2007 RECOMMENDED	\$ CHANGE	%
8129 Education	1,879	4,721	9,275	9,275	10,275	1,000	10.7
8135 Reference Mats Subscriptions	31,093	37,602	33,879	33,879	46,065	12,186	35.9
8136 Library Books	2,738	505	0	0	0	0	0.0
8138 Gas	278	0	0	0	0	0	0.0
8140 Telephone	629	266	6,500	6,500	3,000	-3,500	-53.8
8144 Postage	3,718	2,588	5,347	5,347	4,497	-850	-15.8
8188 Grants-Subcontractors	11,961	0	0	0	0	0	0.0
8217 Litigation Expenses	100,072	90,646	100,000	100,000	100,000	0	0.0
8218 Vehicle Rental	133	127	0	0	105	105	0.0
8219	50	0	0	0	0	0	0.0
8290 Cell Phone Reimbsmnt	-390	-168	0	0	0	0	0.0
*** TOTAL SERVICES AND SUPPLIES	1,645,853	1,156,391	1,506,109	1,506,109	1,536,629	30,520	2.0
<b>EQUIPMENT</b>							
8506 Computer Equipment	0	0	16,000	16,000	16,000	0	0.0
*** TOTAL EQUIPMENT	0	0	16,000	16,000	16,000	0	0.0
*** SUBTOTAL	4,946,255	4,391,300	5,392,788	5,392,788	5,862,488	469,700	8.7
<b>INTERNAL SERVICE CHARGES</b>							
8601 IS-Structural Maintenance	17,052	17,025	17,617	17,617	21,713	4,096	23.2
8602 IS-Tenant Improvements	324	259	0	0	0	0	0.0
8603 IS-Lockshop	8	138	174	174	174	0	0.0
8604 IS-Utilities & Insurance - HSEKPING	10,092	10,092	10,139	10,139	11,477	1,338	13.1
8605 IS-Housekeeping Serv	14,316	14,688	13,816	13,816	16,195	2,379	17.2
8606 IS-Floors and Windows	0	0	0	0	147	147	0.0
8607 IS-Printing	20,605	19,391	19,999	19,999	21,938	1,939	9.6
8608 IS-Mail Services	3,948	3,957	4,373	4,373	5,520	1,147	26.2
8609 IS-Telephones	35,446	27,879	21,754	21,754	26,664	4,910	22.5
8610 IS-System Management HP3000-HP957	948	1,188	0	0	0	0	0.0
8611 IS-Application Devel & Support	0	2,700	1,884	1,884	1,884	0	0.0
8612 IS-PC&Net Desktop Services	16,284	38,598	23,117	23,117	29,086	5,969	25.8
8613 IS-Radio and Data Communicatn	564	785	0	0	0	0	0.0
8620 Bldg Preventive Maintenanc e	4,920	6,123	6,150	6,150	6,916	766	12.4
8622 IS-Telephone - Usage	6,674	6,545	11,680	11,680	14,153	2,473	21.1
8623 IS-PC Training	300	800	4,587	4,587	4,659	72	1.5
8624 IS-Enterprise Network	30,672	30,914	35,887	35,887	39,654	3,767	10.4
8625 IS-Telephone Additions	0	0	4,066	4,066	4,066	0	0.0
8632 IS-GIS (Geographic Info)	3,384	6,683	0	0	2,531	2,531	0.0
8634 IS-Security Srvc City Ha ll	6,204	6,371	7,865	7,865	9,232	1,367	17.3
8641 IS-MS Licensing	0	0	3,448	3,448	3,746	298	8.6
*** TOTAL INTERNAL SERVICE CHARGES	171,741	194,136	186,556	186,556	219,755	33,199	17.7