

Agenda Report

TO: CITY COUNCIL
THROUGH: Finance Committee
DATE: JUNE 23, 2008

FROM: CITY MANAGER

SUBJECT: ADOPTION OF THE FISCAL YEAR 2009 OPERATING BUDGET

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt by resolution the City's fiscal year 2009 Operating Budget as detailed in the attached Exhibit A and as amended by the recommended modifications outlined in the Background section of this report;
2. Adopt a resolution determining the amount to be transferred from the Light and Power Fund to the General Fund for fiscal year 2009;
3. Direct the City Attorney to prepare an Ordinance and return within 30 days amending Article VII of Title 2 of the Pasadena Municipal Code to reflect the functional reorganization of Cultural Affairs to the City Manager's Office and the creation of a Department of Housing; and
4. Adopt a resolution amending the Salary Resolution to establish the title and control rate for the new classification of Director of Housing.

BACKGROUND:

On May 19, 2008 the City Manager submitted the Recommended Fiscal Year 2009 Operating Budget in compliance with the requirements of the City Charter. Since that date, joint meetings between the Finance Committee and the City Council have been held to review and discuss the recommended budget for each City department, as well as the two operating companies.

The following items are related to the first recommendation above and summarize the changes between the Recommended Operating Budget submitted by the City Manager on May 19 and the revised recommended budget.

1. Increase appropriations in the General Fund, City Manager's Office by \$51,050 and add .50 FTE, Program Coordinator, to staff the City's Arts Grants program in the Cultural Affairs Division.
2. Increase appropriations in the General Fund, City Manager's Office by \$87,780 to add six issues of the Pasadena In Focus publication in the Public Affairs Division, thereby allowing In Focus to be published monthly.
3. Increase appropriations in the General Fund, City Manager's Office by \$53,560 and reduce appropriations in the General Fund, Police Department by a like amount. This change represents the transfer of funding for gang intervention and outreach services previously budgeted in the Police Department, to the City Manager's Office where the funds will be used to support joint efforts between the City and PUSD to reduce truancy.
4. Increase appropriations in the General Fund, Human Services and Recreation Department by \$250,000 to continue the Neighborhood Outreach Worker's (NOW) program in the Neighborhood, Community and Recreation Centers Division.
5. Increase appropriations in the General Fund, Planning and Development Department, Planning Division, by \$20,000 to assist with the development of a comprehensive streetscape design for Fair Oaks/Orange Grove.
6. Increase appropriations in the General Fund, Planning and Development Department by \$60,000 for a consultant to assist with the public outreach and participation component of the Open Space/Conservation Element in the Planning Division.
7. Increase appropriations in the General Fund, Transportation Department by \$57,000 to provide for increase in the parking enforcement contract.
8. Increase appropriations in the Fleet Maintenance Fund, Public Works Department by \$400,000 to provide for increases in fuel costs in the Fleet Maintenance Division.
9. Increase appropriations and decrease budgeted reserves to the Pasadena Center Operating Company (PCOC) by \$436,939 to provide for the increase in debt service payments.

10. Reduce estimated revenues by \$334,400 and appropriations by \$21,072 to the Rose Bowl Operating Company (RBOC) for unanticipated changes due to revised estimates received from UCLA.

Regarding recommendation number two, pursuant to Pasadena Municipal Code Section 4.100.020 the maximum aggregate amount available for transfer pursuant to Sections 1407 and 1408 of the City Charter from the light and power fund to the general fund shall be calculated by multiplying the annual gross electric retail income by eight percent and comparing the amount so calculated to the accrual year's actual net income. The City Council shall by resolution transfer the lesser of the two amounts. Notwithstanding the foregoing, the City Council may transfer an amount other than eight percent by resolution if it determines that it would not be detrimental to the functioning and administration of the power utility during the budget year under consideration.

For fiscal year 2009 staff is recommending the City Council adopt a resolution transferring an amount equal to 7.5% of estimated gross revenues, or \$11,250,292. The chart on the following page illustrates the use of these funds:

Annual gross electric retail income \$ - estimated FY 08	150,003,887
Total Transfer for FY09	11,250,292
Transfer as a %	7.5%
Uses of Transfer	Amount
5% transfer General Fund for any municipal use	7,500,194
2.5% transfer for City Hall Seismic Retrofit, approved as part of original project financing plan	3,750,097

FISCAL IMPACT:

Approval of the above recommendations will establish the Fiscal Year 2009 budget as illustrated in the following tables:

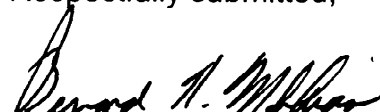
Total Appropriations

Operating Budget	Adopted Fiscal Year 2008	Revised Fiscal Year 2008	Recommended Fiscal Year 2009 – as submitted May 19	Recommended Fiscal Year 2009 – as proposed June 23
All Funds	\$561,805,997	\$565,603,649	\$613,192,094	\$614,096,852
General Fund	\$212,338,420	\$216,453,278	\$230,308,674	\$230,834,504

Total Full-Time Equivalent Positions

Operating Budget	Adopted Fiscal Year 2008	Revised Fiscal Year 2008	Recommended Fiscal Year 2009 – as submitted May 19	Recommended Fiscal Year 2009 – as proposed June 23
All Funds	2,407.245	2,417.245	2,426.045	2,426.545
General Fund	1,087.325	1,091.325	1,098.445	1,098.945


Respectfully submitted,


Bernard K. Melekian
City Manager

Approved by:


Steve Mermell
Director of Finance

Prepared by:


Paula Hanson
Budget Administrator

RESOLUTION NO. _____

**A RESOLUTION OF THE PASADENA CITY COUNCIL ADOPTING THE
OPERATING BUDGET FOR FISCAL YEAR 2009**

WHEREAS, the City Council of the City of Pasadena has received and reviewed the City Manager's recommendations for the Operating Budget for Fiscal Year 2009; and

WHEREAS, pursuant to Section 904 of the City Charter, the City Council desires to adopt the Fiscal Year 2009 Operating Budget and to appropriate certain funds therefore; and

WHEREAS, pursuant to Section 903 of the City Charter, a notice of public hearing on the proposed Fiscal Year 2009 Operating Budget was published in the Pasadena Star News on April 28, 2008, and public hearings were held on May 19th, June 2nd, June 9th, June 16th and June 23rd

WHEREAS, the City Council approved said Operating Budget by oral motion on June , 2008; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena as follows:

SECTION I. In compliance with Section 904 of the Charter of the City of Pasadena, the proposed Operating Budget for Fiscal Year 2009, as submitted by the City Manager and amended by the City Council, is approved and adopted, and the City Clerk is directed to file a certified copy of the approved Operating Budget in her office and to forward a certified copy thereof to the Director of Finance. The Fiscal Year 2009 Operating Budget is attached hereto and incorporated herein by reference as Exhibit "A".

SECTION II. The specific sums of money set forth opposite the names of funds, activities, projects, programs and objects of expenditure, as shown on Exhibit "A" are appropriated to these funds, activities, projects, programs and objects in order to carryout the approved Fiscal Year 2009 Operating Budget.

Adopted at the regular meeting of the City Council on the th day of June, 2008
by the following vote:

AYES:

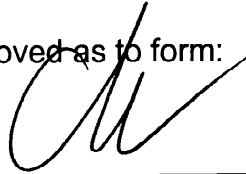
NOES:

ABSENT:

ABSTAIN:

JANE L. RODRIGUEZ, City Clerk

Approved as to form:



5/11/08

NICHOLAS GEORGE RODRIGUEZ
Assistant City Attorney

RESOLUTION NO.

A RESOLUTION OF THE CITY OF PASADENA DETERMINING AMOUNTS TO BE TRANSFERRED FROM THE LIGHT AND POWER FUND TO THE GENERAL FUND FOR FISCAL YEAR 2009

WHEREAS, Sections 1407 and 1408 of the City Charter provide for the transfer of certain amounts from the Light and Power Fund to the General Fund; and

WHEREAS, Section 4.100.020 of the Pasadena Municipal Code provides for a maximum aggregate amount available for transfer pursuant to Sections 1407 and 1408 of the City Charter and further provides that the City Council may by resolution transfer a different amount, not to exceed the net income of the power utility in the preceding fiscal year or the maximum amount allowable under the City Charter, if it determines that such additional transfer would not be detrimental to the functioning and administration of the power utility during the budget year under consideration; and

WHEREAS, the estimated Annual Gross Electric Retail Income of the power utility for fiscal year 2009 is \$150,003,887 and City Council desires to transfer 7.5% of this amount, or \$11,250,292.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena as follows:

1. The amount to be transferred from the Light and Power Fund to the General Fund of the City of Pasadena in accordance with the provisions of Section 1407 of Article XIV of the Charter of the City of Pasadena has been determined to be and hereby is fixed as the sum of \$7,500,194. In accordance with the Charter an amount equal to 75% of this sum (\$5,625,145) is hereby ordered to be advanced from the Light and Power Fund to the City's General Fund upon adoption of the Operating Budget for fiscal year 2009, with the

balance to be transferred no earlier than the receipt of the annual financial audit of the Light and Power Fund prepared by independent certified public accountant. This sum shall be expended for the payment of interest, principal or both due or to become due prior to July 1, 2009 on bonds of the City of Pasadena which are wholly payable out of moneys received from general taxes of the City and for municipal improvements included in the 2009 Budget.

2. The amount to be transferred from the Light and Power Fund to the General Fund of the City of Pasadena in accordance with the provisions of Section 1408 of Article XIV of the Charter of the City of Pasadena has been determined to be and hereby is fixed as the sum of \$3,750,097. In accordance with the Charter an amount equal to 75% of this sum (\$2,812,573) is hereby ordered to be advanced from the Light and Power Fund to the City's General Fund upon adoption of the Operating Budget for fiscal year 2009, with the balance to be transferred no earlier than the receipt of the annual financial audit of the Light and Power Fund prepared by independent certified public accountant. This sum shall be expended for any municipal purpose.

3. It is hereby found and determined that the total amounts to be transferred, representing 7.5% of the estimated Annual Gross Electric Retail Income of the electric works as allowed by Sections 1407 and 1408 of the City Charter for fiscal year 2009, will not be detrimental to the functioning and administration of the power utility.

Adopted at the regular meeting of the City Council of the City of Pasadena on the _____ day of _____, 2008, by the following vote:

AYES:


NOES:

ABSENT:

ABSTAIN:

Jane L. Rodriguez, CMC
City Clerk

APPROVED AS TO FORM:


Scott D. Rasmussen
Assistant City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA
AMENDING THE SALARY RESOLUTION TO ESTABLISH THE
CLASSIFICATION TITLE AND SALARY CONTROL RATE FOR THE
UNREPRESENTED EXECUTIVE MANAGEMENT CLASSIFICATION OF
DIRECTOR OF HOUSING

BE IT RESOLVED by the City Council of the City of Pasadena that Exhibit 3.05 of the Salary Resolution is amended to reflect the following classification title and salary control rate, effective July 1, 2008:

<u>Classification</u>	<u>Control Rate</u>
Director of Housing	\$160,601

This amendment shall be effective as of July 1, 2008.

Adopted by the following vote at the meeting of the City Council on _____,
2008:

AYES:

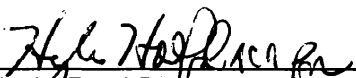
NOES:

ABSTAIN:

ABSENT:

Jane Rodriguez, City Clerk

Approved as to Form:



Michele Beal Bagneris, City Attorney