

Agenda Report

TO: CITY COUNCIL **DATE:** JUNE 15, 2009
THROUGH: Finance Committee

FROM: CITY MANAGER

SUBJECT: ADOPTION OF THE FISCAL YEAR 2010 OPERATING
BUDGET AND FISCAL YEAR 2010-2014 CAPITAL
IMPROVEMENT PROGRAM

RECOMMENDATION:

It is recommended that the City Council:

- A. Adopt by resolution the City's fiscal year 2010 Operating Budget and Fiscal Year 2010-2014 Capital Improvement Program as detailed in the attached Exhibit A and B and as amended by the recommended modifications outlined in the Background section of this report;
- B. Adopt a resolution determining the amount to be transferred from the Light and Power Fund to the General Fund for fiscal year 2010;
- C. 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 Planning and Development Department.

BACKGROUND:

On April 13, 2009 the City Manager submitted the Recommended Fiscal Year 2010 Operating Budget and Fiscal Year 2010-2014 Capital Improvement Program 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 budgets for each City department, as well as the two operating companies.

Budget Hearing Summary

The following items are related to recommendation A above and summarize the changes between the Fiscal Year 2010 Recommended Operating Budget submitted by the City Manager on April 13 and the revised Fiscal Year 2010 Recommended Operating Budget:

1. **Planning and Development Department** - Transfer \$500,000 from the Building Fund Reserve for Technology to Building Fund balance to support appropriated amounts for operations.
2. **Planning and Development Department** - Reinstate 1.0 Senior Building Inspector to the Planning and Development Department funded by the Building Fund at an annual amount of \$101,135. This FTE was inadvertently eliminated during the budget preparation process.
3. **Public Health Department (PPHD)** - Add 5.75 FTE's (1.0 Nutritionist, 1.0 Staff Assistant III, .25 Community Service Representative III, 1.75 Community Service Representative II, 1.0 Management Analyst I and .75 Graduate Management Intern) to the Public Health Department (PPHD). Additional funding has been received for Maternal Child Health, Administration and Communicable Disease Divisions. Recognize additional grant monies of \$149,892 from grant funding and appropriate it to the PPHD. Reduce appropriations to the PPHD Services and Supplies line items by \$189,693 in support of 2.25 FTEs listed above.
4. **Public Health Department (PPHD)** - Appropriate \$130,000 from General Fund unappropriated fund balance to the PPHD in support of environmental inspection programs for the first year of the new environmental fee schedule. Reduce estimated environmental health fee revenues by \$130,000. These fees will be increased over a two year period.
5. **Police and Finance Departments** - Revise debt service schedule payments and appropriate funds from General Fund (\$88,006) and Printing Services Fund (152,150) to reflect actual department amounts owed on the 2005 Equipment Lease Financing debt as follows:

Police Department (General Fund)	\$ 88,006
Printing Services (Printing Fund)	\$ 152,150
6. **Finance Department** - Reinstate 1.0 Accountant position and eliminate 1.0 Principal Operations Specialist to the Finance Department. This will have a net impact to the General Fund of \$18,015. It was recommended that these FTEs be exchanged during

the budget preparation process to reflect the current needs of this function in the Treasury Division.

- 7. Public Works Department** - Add 1.0 Work Experience Aide and appropriate Fleet Maintenance Fund balance to the Public Works Fleet Maintenance Division in the amount of \$30,238. A Garage Mechanic was eliminated in the budget preparation process and was to be replaced with a Work Experience Aide. This FTE was inadvertently omitted.
- 8. Public Works Department** - Appropriate \$541,700 from the Building Maintenance Fund for increased water and electric charges to Public Works Building Maintenance Division as follows: water - \$61,151 and electric - \$480,546. The internal service rates include these amounts for recovery from departments.
- 9. Human Services and Recreation Department** - Recognize and appropriate \$215,000 to Workforce Investment Act Fund for the Human Services and Recreation Department. The City received notice on May 27, 2009 of an additional federal economic stimulus package award for the Foothill Workforce Investment Board.
- 10. Housing Department** - Reduce appropriations of \$414,541 and eliminate 4.0 FTEs from the Housing Department budget and adjust a Project Planner to a program Coordinator III, \$11,428. (The FTEs include: 1.0 Project Manager, 1.0 Program Coordinator II, 1.0 Staff Assistant III and 1.0 Housing Assistant I.)
- 11. Housing Department** - Adjust \$104,769 in American Recovery and Reinvestment Act (ARRA) funds in the Housing Department to agree with the HUD award guidelines for program to administration ratios. This action corrects amounts as follows for administration costs: \$59,349 for CDBG and \$45,420 for the Homeless Prevention. Additionally it corrects the following for program costs: \$862,975 for Homeless Prevention and \$534,147 for CDBG programs.
- 12. Transportation Department** – Appropriate \$150,000 from General Fund unappropriated fund balance to the Transportation Department for the General Plan Mobility Element. These funds are needed for outreach and travel demand modeling and were inadvertently omitted.

The following items are related to recommendation A above and summarize the changes between the Fiscal Year 2010-2014 Capital Improvement Program portion of the recommended budget submitted by the City Manager on April 13 and the revised recommended budget:

- 13. Preventive Maintenance – Asphalt Streets (73580) – Staff**
recommends appropriating \$4,331,000 in American Recovery and Reinvestment Act (ARRA) funds (Federal stimulus dollars) to this project to resurface approximately 10 miles of selected streets in the City and unappropriating \$271,250 in Sewer Maintenance and Construction Funds. This appropriation is being reduced to reflect decreased revenues collected in the fund. This project was selected to receive this ARRA funding as guidelines mandated only 75 days to receive projects approved and necessitating funding going to “shovel ready” projects.
- 14. Intelligent Transportation System Project – Phase II (75910) – Staff**
recommends appropriating \$300,000 in Private Capital to this project. This money was collected as a condition of development on the Huntington Hospital expansion project and was based on the development’s fair share trip calculation.
- 15. Preventative Maintenance – Curb and Gutters (76358) – Staff**
recommends appropriating \$149,373 in Private Capital received from property owners as part of their fair share contribution for repairs to damaged sidewalks abutting their properties.
- 16. Sewer Capacity Upgrades at Various Locations (76999) – Staff**
recommends appropriating \$100,000 in Sewer Facility Charge funds and unappropriating \$100,000 in Sewer Maintenance and Construction Funds. The Sewer Facility Charge was established in 2008 as a one-time charge on new development for current and future sewer capacity upgrade projects. The Sewer Facility Charge is the primary funding source for this project.
- 17. Gold Line Phase I Project Enhancements – Information Kiosks (75515) – Staff**
recommends appropriating \$10,000 in Private Capital to this project. This money was received from the Rotary Club of Pasadena for the work on the information kiosks.
- 18. Resurfacing of Jackie Robinson Center Parking Lot (NEW) – Staff**
recommends appropriating \$60,000 from the Charter Capital Project Fund to this project. This funding will allow this project to be completed in FY 2010.
- 19. School Park Site Improvements (78801) – Staff**
recommends unappropriating \$270,000 in Residential Impact Fees (West) from this project, leaving an appropriation of \$30,000. Due to community concerns about the scope of this project, staff will work with the councilmember and community members in designing this project in FY 2010.

20. Gold Line Phase I – Project Enhancements – Pasadena Light Rail Train Tracking and Network Monitoring System (75517) – Staff recommends expanding the scope of this project to include the deployment of adaptive traffic controls and the installation of serial communication between the light rail grade crossing equipment and the traffic signal control equipment to enhance the safety and mobility at the intersections of Del Mar Boulevard, California Avenue and Glenarm Street. This will increase the total project cost by \$1,476,800. Staff has applied for funding for this portion of the project in the 2009 MTA Call for Projects.

21. Intelligent Transportation System Project – Phase I – Parking and Traffic (75701) - Staff recommends combining the scope and funding of the *Intelligent Transportation System (ITS) project – Phase I – Transit Vehicle Arrival Information (75521)* project with this project to form one project called *Intelligent Transportation System Project – Phase I (75701)*. Project 75521 will be closed. The new project's description will now match the description as earmarked in the Federal SAFETEA-LU Reauthorization Bill. This action will allow the City to list the project in the same manner as was approved by the granting agency.

In addition, staff recommends expanding the scope of this project to include enhanced passenger information program to supplement the ARTS Vehicle Arrival Information System with interactive voice response and wayside signs. This will increase the total project cost by \$850,000. Staff has applied for funding for this portion of the project in the 2009 MTA Call for Projects.

Power Fund Transfer

Regarding recommendation B, 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 2010 staff is recommending the City Council adopt a resolution transferring an amount equal to 8.0% of estimated gross revenues, or \$13,543,355. The chart on the following page illustrates the use of these funds:

Annual gross electric retail income \$ - estimated FY 09	169,291,944
Total Transfer for FY10	13,543,355
Transfer as a %	8.0%
Uses of Transfer	Amount
5.5% transfer General Fund for any municipal use	9,028,903
2.5% transfer for City Hall Seismic Retrofit, approved as part of original project financing plan	4,514,452

FISCAL IMPACT:

Approval of the above recommendations will establish the Fiscal Year 2010 Operating Budget and 2010-2014 Capital Improvement Program as illustrated in the following tables:

Total Appropriations

	Adopted Fiscal Year 2009	Revised Fiscal Year 2009	Recommended Fiscal Year 2010 – as submitted Apr 13	Recommended Fiscal Year 2010 – as proposed June 15
Operating Budget				
All Funds	\$614.1	\$616.3	\$614.2	\$616.4
General Fund	\$230.8	\$231.0	\$224.8	\$226.0
Capital Improvement Program				\$64.4
Total	\$614.1	\$616.3	\$614.2	\$680.8
In millions				

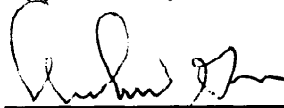
Total Full-Time Equivalent Positions

	Adopted Fiscal Year 2009	Revised Fiscal Year 2009	Recommended Fiscal Year 2010 – as submitted Apr 13	Recommended Fiscal Year 2010 – as proposed June 15
Operating Budget				
All Funds	2,427	2,427	2,362.5	2,359.2
General Fund	1,099	1,099	1,067.5	1,050.1

Respectfully submitted,


 Michael J. Beck
 City Manager

Approved by:



Andrew Green
 Director of Finance

Concurred by:



Martin Pastucha
 Director of Public Works

Prepared by:



Paula Hanson
 Budget Administrator