

Agenda Report

November 14, 2011

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: AMENDMENTS TO FISCAL YEAR 2012 ADOPTED BUDGET

RECOMMENDATIONS:

It is recommended that the City Council amend the Fiscal Year 2012 Adopted Budget as detailed in the Proposed Budget Amendments section of this report and as detailed in Attachment A – Detail of Budget Amendments Items.

BACKGROUND:

Routinely, each fiscal year, budget amendments necessary to account for anticipated revenue and expenditure changes from the authorized budget are presented for City Council approval. This agenda report details proposed changes to the Fiscal Year (FY) 2012 operating budget and one item to the Capital Improvement Project as adopted by the City Council on June 27, 2011. The proposed budget amendments are detailed in the following section and with additional transaction level detail in Attachment A.

Proposed Budget Amendments:

1. Various Departments FY 2011 Carry Forward Revenues and Appropriations

Appropriate \$8,103,818 and recognize \$1,444,465 in revenues for the carry forward of expenditures and revenues budgeted, but not realized, in FY 2011. With the exception of four items, the carry forwards do not impact the General Fund. The General Fund carry forward will be partially funded through the California Gang Reduction Intervention and Prevention Program grant revenues. All the non-General Fund FY 2011 expenses will be funded through revenues, grant funds, or available fund balances.

2. Fire and Police Department – Homeland Security Program Grants (HSPG)

Recognize and appropriate \$968,344 in 2009 and 2010 Federal Homeland Security grants as summarized in items A through D below and detailed in Attachment A. The Homeland Security Program includes funding from both the State Homeland Security Program (SHSP) grant and the Urban Area Security Initiative (UASI) grant. These grants are administered by Los Angeles County and Los Angeles City, respectively. The Pasadena Fire Department is the City's lead to administer the grants which fund activities for both the Fire and Police departments.

A – Recognize and appropriate \$85,954 from the 2009 UASI grant to the Fire Department. These funds will be used for ongoing specialized training of operations staff in the areas of Terrorism Liaison Officer (TLO), Chemical, Biological, Radioactive, Nuclear and Explosive (CBRNE), and Urban Search and Rescue (USAR).

B – Recognize and appropriate \$445,455 from the 2010 UASI grant to the Fire Department (\$122,347) and Police Department (\$323,108). These funds will be used for TLO and USAR ongoing training for Fire Department staff as well as CAD software, detection equipment, and security equipment.

C – Recognize \$12,185 from the SHSP grant to the Fire Department that was not fully appropriated in the FY2012 budget. The City Council approved the 2009 SHSP grant in the amount of \$470,000 on January 10, 2011, but the actual grant award was \$482,185. These funds will also be used for TLO and CBRNE training.

D – Recognize and appropriate \$424,750 from the 2010 SHSP grant to the Fire Department (\$54,750) and Police Department (\$370,000). These funds will be used to upgrade interoperable communications equipment for the Fire Department and CBRNE aviation equipment for the Police Department.

3. Police Department – Real Estate Fraud Prosecution Grant

Recognize \$35,000 and appropriate \$3,500 from a state-funded Real Estate Fraud Prosecution Grant (REFPG) that was recently awarded to the Police Department. Los Angeles County awarded \$35,000 to the Police Department on June 2, 2011 to provide partial funding for two police corporals tasked with investigating financial crimes including real estate fraud. The grant includes funding for approximately 20 percent of a police corporal salary, a computer, monitor, Adobe software, conferences and training, and printing costs for financial crimes handouts at community awareness meetings and conference

seminars. The appropriation request of \$3,500 is for the non-labor costs. The police corporal salary is already included in the Police Department's FY 2012 General Fund budget.

4. Department of Information Technology – FTE Transfers from Transportation and Water and Power Departments

Transfer 1.0 FTE, Information Technology Analyst III (PCN5777) from the Transportation Department to the Department of Information Technology (DoIT). This position does not require additional budget authority as it will direct charge to existing appropriations for various capital improvement and program projects. This position will work primarily on transportation capital projects that have a technology component requiring expertise in transportation systems, as well as experience managing complex technology projects.

Transfer 1.0 IT Analyst II FTE (PCN825) and \$116,800 in salary and benefit costs from the Water and Power Department to DoIT.

This item is included as part of the ongoing consolidation of citywide IT resources and to perform work outlined in the IT Strategic Plan. In order to increase DOIT's capacity to develop online capabilities and to add new customer service channels for Pasadena residents and businesses. The position will work on developing online payment capabilities and self-service online applications for Water and Power and other City departments.

5. City Manager Department - Transfer Funds to South Lake Avenue Business Improvement District

Authorize the transfer of \$105,000 held by the City on behalf of the South Lake Avenue Business Improvement District. This is a balance sheet transaction that will not impact the FY 2012 operating budget. The City is currently holding approximately \$105,000 in Fund 672 (South Lake Business Improvement District Fund). These funds represent fees and penalties associated with the South Lake Avenue Business Improvement District (BID) which were collected or due from businesses for distribution to the BID by the City prior to the establishment of the current property-based BID. Under the new property-based BID, the annual fees are collected by the county tax assessor, transferred to the City, and remitted to the South Lake BID. The subject funds are both residual from the time of conversion to the property-based BID and subsequent collections. Staff recommends transferring the full amount of the funds to the South Lake BID and closing Fund 672 since billing is now administered through County of Los Angeles Tax Assessor's Office.

6. Water and Power Department - Additional Appropriation for Specialized Technical Training and Consultant Services

Appropriate \$165,000 from the available Power Fund balance to the Water and Power Department for Electrical Testers and Engineering staff training in

electrical vaults inspection, substation testing, safety and reliability, and outside services to assist with the department's compliance with the North American Electric Reliability Corporation (NERC) regulations.

7. Water and Power Department – FTE transfer from Water Fund to Power Fund

Transfer 1.5 FTES (0.75 FTE Utility Services Planning Supervisor [PCN 5820] and 0.75 FTE Senior Utility Services Planner [PCN 5821]) from the Water Fund to Power Fund and reduce Water Fund appropriations by \$179,147 and increase Power Fund appropriations by a like amount. The increase in Power Fund appropriations will be funded through available fund balance. This change continues department efforts to simplify business processes and improve customer services. Currently residents who want to order new or amend their existing water and power services have to go to two separate locations. The consolidation will place both Water and Power service planning under the same location.

8. City Council Department – Additional Appropriation for Miscellaneous Expenses

Appropriate \$1,560 from the unreserved General Fund balance to the City Council Department for councilmember expenses incurred in Fiscal Year 2011 but not reimbursed until Fiscal Year 2012.

9. Public Health Department – Budget Adjustment

Decrease Health Department revenues and appropriations by \$150,263 in association with the FY 2007 Sub Grantee Homeland Security Grant Program (SHSGP) from accounts 6365-230-561000-91132 (HSGP) and 8114-230-561000-91132 (Other Contract Services), respectively, and authorize staff to make necessary adjustments to the budget. This grant expired in Fiscal Year 2011; however, revenues and expenses were inadvertently budgeted in Fiscal Year 2012.

10. Public Health Department – Providing Effective Resources for Favorable Outcomes through Robust Multi-jurisdictional Systems (PERFORMS) Grant

Recognize and appropriate \$49,189 from a county funded PERFORMS grant that was recently awarded to the Public Health Department. Los Angeles County awarded \$49,189 to the Public Health Department on June 11, 2011 to provide funding to strengthen Public Health infrastructure for improved health outcomes projects of which a portion of these funds has been designated to conduct a pilot project focused on the following: assessing health, developing and implementing a strategic plan, evaluating outcomes and developing health policies. The grant includes funding for approximately 50 percent of a graduate management intern's salary, basic office supplies, travel reimbursement, and a stipend.

11. Public Works Department – Additional Appropriation For Building Maintenance Internal Services

Recognize \$233,377 to the Public Works Department Building Maintenance Fund (Fund 502) and appropriate the same amount to various departments and funds as outlined in Attachment A for the increased allocation of Building Maintenance internal services costs. The internal service rates used to allocate costs to City departments from the Building Maintenance Fund have not changed for the last several years despite inflation driven cost increases and providing services to three new buildings (Urgent Care, La Pintoresca Teen Center, and Water and Power building at the yards). This has resulted in annual shortfalls in the Building Maintenance Fund that have been covered through the use of available fund balances. A recent analysis by Public Works staff indicates the fund can no longer absorb these additional costs. This action will benefit the General Fund as appropriations will be reduced by \$34,605 while other funds (primarily Power and Water Funds) will be increased by a net of \$267,982.

12. Planning Department (Cultural Affairs Division) – Additional Appropriation for Cultural Trust Fund

Appropriate \$61,409 from available Cultural Trust Fund balance to the Planning Department for contract services. This appropriation was previously budgeted in the General Fund. For FY 2012 the Planning Department had intended to transfer the budget authority to the Cultural Affairs Fund as part of the effort to reduce General Fund costs. The budget appropriation was removed from the General Fund budget; however, the related increase to the Cultural Affairs budget was inadvertently omitted. This action will correct this error and provide the Cultural Affairs Division with the appropriate budget authority.

13. Public Works Department – Amend Capital Improvement Program Budget Project 71806, Renovation and/or Replacement of Fire Station #32

Appropriate \$400,000 from Designated General Fund Balance to Capital Improvement Program (CIP) Project 71806, Renovation and/or Replacement of Fire Station #32. As part of the adopted Fiscal Year 2012 CIP, \$500,000 was appropriated to this project for the temporary shear wall retrofit to address seismic issues related to this facility. Originally it was contemplated that the fire personnel could continue to live/work at the fire station during construction, however after further assessment, it was determined that this was not feasible. The additional funds will allow for a temporary site located at the former Shakey's Restaurant, which the City owns. It is anticipated that plan check work will be completed by January 2012 and the fire staff will be relocated to the temporary site in February 2012. Construction is estimated to be completed on Fire Station #32 in July 2012 and in August 2012 the fire staff can move back into the fire station.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through monitoring of the FY 2012 Operating Budget and implementing any necessary amendments.

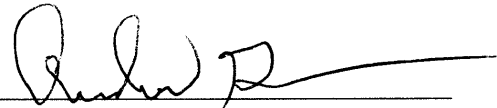
FISCAL IMPACT:

Approval of the proposed budget amendments will increase FY 2012 total authorized appropriations by \$9,952,735 including \$9,552,735 in the Operating Budget and \$400,000 in the Capital Improvement Program Budget. This amount includes General Fund increases of \$853,264 and \$9,099,470 in various other funds that will be fully offset by revenues of \$2,696,912 (General Fund \$404,309) and available fund balances of \$7,255,823.

Attachment A – Detail of Budget Amendment Items, includes detail of all proposed budget amendments at the line item level.

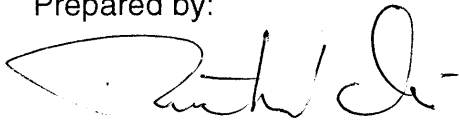
<u>FTE Changes:</u>	<u>All Funds</u>	<u>General Funds</u>
Computer & Comm (Item 4)	1.00	0.00
Power Fund 401 (Items 4 & 7)	0.75	0.00
Water Fund 402 (Items 4 & 7)	(1.75)	0.00
Information Tech Capital (Item 4)	1.00	0.00
Transportation Capital (Item 4)	(1.00)	0.00

Respectfully submitted,



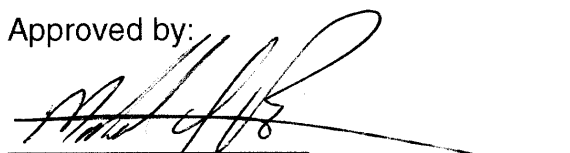
ANDREW GREEN
Director of Finance
Department of Finance

Prepared by:



Richard Davis
Budget Administrator

Approved by:



MICHAEL J. BECK
City Manager