



Agenda Report

April 2, 2012

TO: Honorable Mayor and City Council

THROUGH: Finance Committee (April 2, 2012)

FROM: Department of Finance

SUBJECT: AMENDMENTS TO FISCAL YEAR 2012 ADOPTED BUDGET AND GENERAL FEE SCHEDULE

RECOMMENDATIONS:

It is recommended that the City Council:

- 1) 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.
- 2) Amend Purchase Order No. 49292, with GP Petroleum to increase the contract by \$715,537 for a total not to exceed \$2,855,241.
- 3) Amend the General Fee Schedule for the Enterprise Zone Employment Vouchers (Fee# 444) from \$104 to \$102.
- 4) Authorize the Fire Chief to sign agreement with California Environmental Protection Agency for Electronic Reporting Grant.

BACKGROUND:

Routinely, each fiscal year, budget and fee 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 the FY 2012 General Fee Schedule as adopted by the City Council on June 27, 2011. The proposed amendments are detailed in the following section. Additional transaction level detail is included in Attachment A.

Proposed Budget Amendments

1. Public Works Department - Fleet Maintenance Fuel Budget Amendment

Recognize and appropriate \$715,537 to the Public Works Fleet Maintenance and Repair program fuel line-item (Revenue: 7148-503-766200; Expenditures: 8137-503-766200). The FY 2012 Adopted Budget amount of \$2,139,704 was based on an average diesel fuel price of \$2.37 per gallon and \$2.76 per gallon for unleaded fuel. The requested additional amount of \$715,537 is based on fuel prices averaging \$4.25 per gallon for the remainder of FY 2012. As fuel is a billable expense paid by each department, the revenue collected offsets this expense. This increase in program expenses does not increase the fleet maintenance billing rate charged to departments and ensures that the budget is in line with the higher than anticipated fuel costs.

Additionally, as a result of the higher than anticipated fuel prices, staff requests authorization for the City Manager to amend Purchase Order No. 49292, with GP Petroleum, to increase the contract by \$715,537 for a total not to exceed \$2,855,241. Due to the increase in fuel prices as outlined above, this increase will insure sufficient contract authority is available for the purchase of fuel through the end of the fiscal year.

2. Police Department – Transfer 1 Full Time Employee to DoIT

Transfer 1.0 FTE, Police Specialist II (Position Control Number 468) from the Police Department to the Department of Information Technology. This item is included as part of the ongoing consolidation of citywide IT resources. This position will be reclassified to an Information Technology Analyst III and will perform the capacity of a Public Safety Systems Specialist to coordinate and lead the design, analysis, development, and implementation of the City's public safety information technology systems. There is minimum fiscal impact to the FY 2012 budget since the position is currently vacant, and DoIT has sufficient budget authority to absorb costs if the position is filled during the remainder of FY 2012.

3. City Manager Department - Additional Appropriation for Economic Development Division

Recognize \$47,000 in additional film permit fee revenues (7006-101-148110) and appropriate \$41,200 to City Manager's Office, Economic Division (8114-101-148110) to supplement the cost of providing film monitors. Due to the increase in filming permits issued for FY 2012, the Economic Development Division needs to employ additional film monitors to oversee film locations throughout the City of Pasadena. Economic Development charges a filming permit fee that supplements the cost of providing film monitors and generates revenue for the General Fund. For the last two Fiscal Years, the Film Permit Fee has generated an average of \$721,573. Revenue for FY 2012 is estimated at \$750,000. To date Economic Development has generated \$515,136 in revenue through the film permit fees. Through the approval of this action, it is estimated that film permit fee revenue will increase by approximately \$47,000.

4. Transportation Department – Appropriation for South Lake Avenue Business Improvement District

Appropriate \$50,000 from the unreserved South Lake Parking Fund balance to the Transportation Department (8114-217-774212). On July 28, 2011, South Lake Parking Place Commission voted on an increased appropriation for streetscape maintenance and Ambassador guides in the South Lake Parking District. City Council must appropriate these funds to make them available to the South Lake Parking Place Commission.

5. Transportation Department – Appropriation for Plaza Las Fuentes

Appropriate \$109,771 from the unreserved Plaza Las Fuentes Fund balance to the Transportation Department (8114-405-774213). This additional appropriation is needed to support increased operational costs incurred by the Plaza Las Fuentes parking garage operator Maguire Partners. The increased operational costs experienced by Maguire Partners are the result of garage improvements such as replacing fan motors, upgrading radio communications, fire repairs, and drains for the entire garage. The pass-through of these increased operating costs and is consistent with the City's contract with Maguire Partners.

6. Pasadena Community Development Commission – Revise General Fund Transfer

With the State's elimination of redevelopment agencies on February 1, 2012, the following actions are requested to reflect the transfer and appropriations of funds from the Pasadena Community Development Commission (PCDC) to the General Fund:

- a. Unappropriate the remaining balance of the budgeted transfer from the General Fund (\$333,335) in account 6807-801-452110. Transfer the appropriation of expenditures previously budgeted in PCDC in the amount of \$333,335 to the General Fund's Economic Development Division of the City Manager's Office (8114-101-148140). The FY 2012 Adopted Budget includes an \$800,000 transfer from the General Fund to the PCDC to support administration and program costs not funded through Tax Increment revenues. Consistent with the elimination of the City's redevelopment agency the balance of the budgeted transfer (\$333,335) should remain in the General Fund. This action will allow for the continuation of the necessary administrative and programmatic support previously budgeted in PCDC.
- b. Recognize and appropriate revenues (6977-101-148140) and expenditures (8114-101-148140) in the amount of \$679,690. These revenues are received through the collection of rental income from completed development projects. Similar to the action noted above, these are City revenues previously allocated to PCDC. With the elimination of the City's redevelopment agency these revenues will now be budgeted in the City's General Fund to support continuing administrative and programmatic activities.

7. Pasadena Community Access Corporation (PCAC) – Appropriation of PEG Funding

Pasadena Community Access Corporation's (PCAC) is an operating company of the City whose purpose is to perform the community access function of the Pasadena telecommunications system. PCAC is organized exclusively for charitable, scientific, literary and educational purposes. As part of these responsibilities PCAC serves as the receiving, holding and disbursing entity for moneys intended to promote noncommercial uses of the cable telecommunications system.

PCAC is requesting an increased budget appropriation of \$50,000 of unappropriated fund balance to fund a grant request by Pasadena City College (PCC) -TV for new telecommunications equipment. This equipment will be used to create content to inform and educate Pasadena City College students and the community as a whole. Programming will include features about PCC programs and services, educator and student success, distance education, and spotlight student content. Curriculum is being developed to give students college credit as they use the requested equipment to gain valuable experience in the field of telecommunication.

8. Fire Department – Appropriation of California Environmental Agency (Cal/EPA) Grant

Recognize and appropriate \$20,000 to the Fire Department's Hazardous Materials Program (Revenue – 6512-101-362100-91156; Expenses – 8011 [\$1,500], 8101 [\$3,000], and 8117 [\$15,500]-101-362100-91156). In 2008 the State of California enacted a requirement that all hazardous materials-related disclosure and reporting to local agencies be completed electronically beginning on January 1, 2013. Any businesses using hazardous materials, such as automotive businesses, dry cleaners, manufactures, and research facilities, will be required to file reports through the State's new electronic system. The grant funds being awarded to the City will be used to implement business outreach and training for affected business, as well as the purchase of updated computer hardware to support electronic filing.

9. Planning Department – Appropriation for Lincoln Avenue Specific Plan

Appropriate \$142,526 from the unreserved fund balance of the General Fund Projects Fund (Fund 105) to the Planning Department (8115-101-444100). On June 20, 2011 the Pasadena Community Development Commission awarded a contract to the Planning Center in an amount not to exceed \$142,526 for preparation of an Environmental Impact Report (EIR) for the Lincoln Avenue Specific Plan. The funds for this contract were to come from the Lincoln Avenue Redevelopment Project Area Fund.

Subsequent to this action, the State of California enacted AB26 which effectively eliminated redevelopment agencies throughout California. As part of that action, redevelopment agencies were barred from entering into new contracts after June 28, 2011 (effective date of AB26). Under AB26, former redevelopment agencies will receive funds, and be allowed to pay contracts, that were executed before June 28, 2011. Recently, the State Department of Finance indicated the contract for Lincoln Avenue Specific Plan EIR would not be eligible for redevelopment funding as the contract was executed after June 28, 2011. Completing the EIR and adopting this Specific Plan are considered essential to the continued development of Northwest Pasadena and specifically the Lincoln Avenue corridor.

Proposed General Fee Schedule Amendment

Amendment to Enterprise Zone Fee #444

The State Enterprise Zone is a 15-year state designated program that provides state tax incentives to businesses located within state approved geographic areas. To administer the Program, the City of Pasadena charges a flat fee of \$102 to process each voucher application under the Hiring Credit Program. In FY 2012, the adopted fee schedule included a Consumer Price Index increase of \$2 to the processing fee. It is recommended that the Enterprise Zone Fee (Fee# 444) be lowered back to \$102 per voucher which is consistent with previous years. This adjustment will not have any fiscal impact since actual revenues were anticipated at the \$102 per voucher level.

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 \$1,808,724. As summarized in the table below, this amount includes General Fund increases of \$1,216,751 and \$591,973 in various other funds that will be fully offset by revenues that are anticipated to be received in FY 2012 or unreserved fund balances.

	Use of Available Fund Balance	Revenues	Expenses	Net Impact
General Fund	475,861	746,690	1,216,751	5,800
Fleet Maintenance Fund	-	715,537	715,537	-
South Lake Parking Fund	50,000	-	50,000	-
Plaza Las Fuentes Parking Fund	109,771	-	109,771	-
Downtown Projects Fund	-	(333,335)	(333,335)	-
Pasadena Community Access Corporation	50,000	-	50,000	-
	<u>685,632</u>	<u>1,128,892</u>	<u>1,808,724</u>	<u>5,800</u>

FTE Change By Funds

- General Fund: (1.00)
- Computer & Communications Fund: 1.00

Respectfully submitted,



ANDREW GREEN
Director of Finance
Department of Finance

Prepared by:



Richard Davis
Budget Administrator

Approved by:



MICHAEL J. BECK
City Manager

Attachment: (1)

Attachment A - Detail of Budget Amendment Items

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Item #	BUDGET AMENDMENT ITEMS	REVENUES			EXPENSES			FTE'S		
		Use of Available Fund Balance	Revenue Entities	FY 2012 Adopted Budget	FY 2012 Proposed Amendment	FY 2012 Revised Budget	Expense Entities	FY 2012 Adopted Budget	FY 2012 Proposed Amendment	FY 2012 Revised Budget
	Department Budget Amendments									
	Public Works Departments									
	Fleet Maintenance Fund									
1	Increase Fuel Revenues and Appropriations	-	7148-503-766200	2,139,704	715,537	2,855,241	8137-503-766220	2,139,704	715,537	2,855,241
	Subtotal - Fleet Maintenance Fund	-		2,139,704	715,537	2,855,241		2,139,704	715,537	2,855,241
	Police Department									
	General Fund (101) - Transfer 1 FTE Police Specialist II from Police Dept to DoIT									
2	Transfer 1.00 FTE Police Specialist (PCN468) and Budget from Police Dept to DoIT									
	Subtotal - General Fund									
	Department of Information Technology									
	Crypt & Comm Fund (601) - Transfer 1 FTE Police Specialist II from Police Dept to DoIT									
2	Transfer 1.00 FTE Police Specialist (PCN468) and Budget from Police Dept to DoIT									
	Sub-Total - Computer & Communications Fund									
	City Manager Department - Economic Development									
	Film Monitor Appropriation									
3	Film Monitor Appropriation	-	7006-101-148110	750,000	47,000	797,000	8114-101-148110	60,000	41,200	101,200
	Sub-Total - General Fund	-		750,000.00	47,000	797,000		60,000.00	41,200	101,200
	Transportation Department									
	S. Lake Parking (Fund 217)									
4	S. Lake Parking Streetscape Maintenance	50,000	Unreserved Fund Balance	-	-	-	8114-217-774212	55,611	50,000	105,611
	Sub-Total - S. Lake Parking Fund (405)	50,000		-	-	-		55,611.00	50,000	105,611
	Transportation Department									
	Plaza Las Fuentes Parking Fund (405)									
5	Plaza Las Fuentes Operational Costs and Wage Increase	109,771	Unreserved Fund Balance	-	-	-	8114-405-774213	1,485,655	109,771	1,595,426
	Subtotal - Plaza Fuentes Fund	109,771		-	-	-		1,485,655	109,771	1,595,426
	Pasadena Community Development Commission									
	Downtown Capital Projects Fund (801)									
6a	Unappropriate Transfer From General Fund (101) to Downtown Projects Fund (801)	-	6807-801-452110	800,000	(333,335)	466,665	8114-801-452110	-	(333,335)	(333,335)
	Subtotal - Downtown Capital Projects Fund and General Fund	333,335.00		800,000	(333,335)	466,665		-	(333,335)	(333,335)
6b	Recognize and Appropriate Rental Income	-	6977-101-148140	-	679,690	679,690	8114-101-148140	-	679,690	679,690
	Subtotal - Downtown Capital Projects Fund (PCAC)	333,335		-	346,355	679,690		-	679,690	679,690
	Pasadena Community Access Corporation (PCAC)									
	Appropriation of PEG Funding									
7	Grant to Pasadena City College (PCC) - TV	50,000	Unreserved Fund Balance	-	-	-	PCAC Budget	-	50,000	50,000
	Subtotal - PCAC	50,000		-	-	-		-	50,000	50,000
	Fire Department									
	Appropriation of Grant Funds									
8	Appropriate Grant from California Environmental Protection Agency (CalEPA)	-	6512-101-362101	-	20,000	20,000	8011-101-362100	24,620	1,500	1,500
	Subtotal - General Fund	-		-	20,000	20,000	8117-101-362100	24,620	15,500	15,500
	Planning Department									
	Appropriation for Lincoln Avenue Specific Plan									
9	Contract for Lincoln Avenue Specific Plan	142,526	Unreserved Fund Balance	-	-	-	8115-101-444100	-	142,526	142,526
	Subtotal - General Fund	142,526		-	-	-		-	142,526	142,526
	GENERAL FUND REQUEST - OPERATING BUDGET	476,861			746,690				1,216,751	
	OTHER FUNDS REQUEST - OPERATING BUDGET	289,771			382,402				591,973	
	GRAND TOTAL - CLEAN UP REPORT - OPERATING BUDGET	686,632			1,128,692				1,808,724	