

Agenda Report

June 11, 2012

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: REVISED RECOMMENDATIONS FOR ADOPTION OF FISCAL YEAR 2013 OPERATING BUDGET

REVISED RECOMMENDATIONS:

It is recommended that the City Council:

1. Close the public hearing and adopt by resolution the City's Fiscal Year (FY) 2013 Operating Budget as presented in the May 7, 2012 City Manager's Recommended Budget and including changes presented to City Council on June 4, 2012; and
2. Adopt a resolution determining the amount to be transferred from the Light and Power Fund to the General Fund for FY 2013; and
3. Direct the City Attorney, within 60 days, to complete amendments to Article VII of Title 2 of the Pasadena Municipal Code to incorporate the organizational changes required as a result of the adopted FY 2013 Budget.

BACKGROUND:

On May 7, 2012, the City Manager submitted the Recommended Fiscal Year (FY) 2013 Operating Budget in compliance with the requirements of the City charter. On June 4, 2012 staff submitted for City Council review seven revisions to the FY 2013 Recommended Budget. This budget, including the seven revisions (see Attachment B), represents the City's financial plan for the coming fiscal year and furthers the City's mission to deliver exemplary municipal services responsive to our entire community and consistent with the City's history, culture, and unique character. Adoption of the City's annual budget is required as set forth in Section 904 of the City Charter. In addition to the City's anticipated operating revenues and expenses, the FY 2013 Recommended Budget includes the appropriations

for FY 2013-2017 Capital Improvement Program (adopted by the City Council on May 14, 2012) and the City's operating companies (Rose Bowl Operating Company, Pasadena Center Operating Company, and Pasadena Community Access Corporation).

Attachment A provides a summary of city-wide FY 2013 recommended appropriations by department and affiliated agencies and estimated revenues by category. The corresponding detail budget information was delivered to the City Council, to various City facilities, and was uploaded to the City's website on May 7, 2012.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through adoption of the FY 2013 Recommended Budget.

FISCAL IMPACT:

Recommended Budget Summary

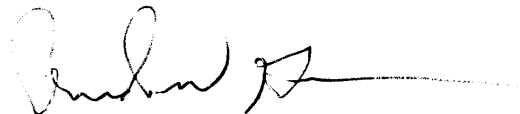
	<u>Appropriations</u>	<u>Revenues</u>
Operating Budget		
General Fund	\$215.7 Million	\$215.8 Million
All Other Funds	<u>\$402.0 Million</u>	<u>\$506.7 Million</u>
Citywide Operating Costs	\$617.7 Million	\$722.5 Million
Capital Improvement Program*	\$88.5 Million	\$88.5 Million
Operating Companies	<u>\$39.4 Million</u>	<u>\$39.4 Million</u>
Total:	<u>\$745.6 Million</u>	<u>\$850.4 Million</u>

* The FY 2013 Capital Improvement Program appropriations were previously adopted by City Council on May 14, 2012.

FTEs

General Fund 946.4
All Funds 2,125.0

Respectfully submitted,



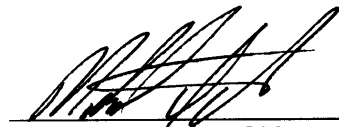
ANDREW GREEN
Director of Finance
Department of Finance

Prepared by:



Richard Davis
Budget Administrator

Approved by:



MICHAEL J. BECK
City Manager

Attachments:

- Attachment A: FY 2013 Recommended Budget-Citywide Appropriations (including Capital Improvement Program and Affiliated Agencies)
- Attachment B: June 4, 2012 Revisions to FY 2013 Recommended Budget
- Attachment C: Follow-up from May 21, 2012 Special Joint Finance Committee/City Council meeting

RESOLUTION NO. _____

**A RESOLUTION OF THE PASADENA CITY COUNCIL ADOPTING THE
OPERATING BUDGET FOR FISCAL YEAR 2013**

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 2013; and

WHEREAS, pursuant to Section 904, of the City Charter, the City Council desires to adopt the Fiscal Year 2013, Operating Budget and to appropriate certain funds therefore; and

WHEREAS, pursuant to Section 903, of the City Charter, Notice of Public Hearing on the proposed Fiscal Year 2012, Operating Budget was published in the Pasadena Journal on April 19, 2012,

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 2013 is approved and adopted, and the City Clerk is directed to file a certified copy of the approved Operating Budget in his office and to forward a certified copy thereof to the Director of Finance.

SECTION II. The specific sums of money set forth opposite the names of funds, activities, projects, programs and objects of expenditure, as shown in the City manager's Recommended Operating Budget are appropriated to these funds, activities, projects, programs and objects in order to carry out the approved Fiscal Year 2013 Operating Budget.

Adopted at the regular meeting of the City Council on the 21st day of May, 2012
by the following vote:

AYES:

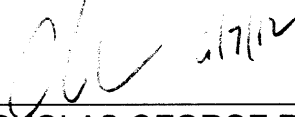
NOES:

ABSENT:

ABSTAIN:

MARK JOMSKY, City Clerk

Approved as to form:



NICHOLAS GEORGE RODRIGUEZ
Chief 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 2013**

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 2011 is \$158,974,344 and City Council desires to transfer 9.0% of this amount, or \$14,307,691.

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 \$9,586,153. In accordance with the Charter an amount equal to 75% of this sum (\$7,189,615) 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 2013, with the balance to be transferred no earlier than the receipt of the annual financial audit

of the Light and Power Fund prepared by an 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, 2013 on bonds of the City of Pasadena which is wholly payable out of moneys received from general taxes of the City and for municipal improvements included in the 2013 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 \$4,721,538. In accordance with the Charter an amount equal to 75% of this sum (\$3,541,154) 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 2012, with the balance to be transferred no earlier than the receipt of the annual financial audit of the Light and Power Fund prepared by an independent certified public accountant. This sum shall be expended for any municipal purpose.

3. It is hereby found and determined that the total amount to be transferred, representing 9.0% of the estimated Annual Gross Electric Retail Income of the electric works for fiscal year 2012 as allowed by Sections 1407 and 1408 of the City Charter, will not be detrimental to the proper functioning and administration of the power utility during fiscal year 2013.

Adopted at the regular meeting of the City Council on the 21st day of May, 2012 by the following vote:

AYES:

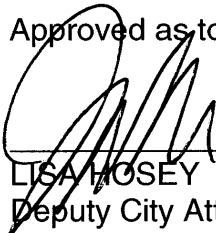
NOES:

ABSENT:

ABSTAIN:

MARK JOMSKY, City Clerk

Approved as to form:

 ASST City Atty

LISA HOSEY
Deputy City Attorney