



Agenda Report

October 29, 2012

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: AMENDMENTS TO FISCAL YEAR 2013 ADOPTED BUDGET

RECOMMENDATIONS:

It is recommended that the City Council:

- 1) Amend the Fiscal Year 2013 Adopted Budget as detailed in the *Proposed Budget Amendments* section of this report.
- 2) Authorize the following contract amendment actions:
 - a. Authorize an increase to Contract #20256 with Perry C. Thomas Construction Inc. not to exceed \$8,620, to allow payment for repair of deteriorating vaults and find that this action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b), the General Rule that CEQA only applies to projects that may have an effect on the environment.
 - b. Authorize an increase to Purchase Order #49915 with Alstom Grid in an amount not to exceed \$170,000, for the purchase of four 34-kV Circuit Breakers and find that this action is exempt from CEQA pursuant to State CEQA Guidelines Section 15302, Replacement or Reconstruction.

BACKGROUND:

Routinely, each fiscal year, budget amendments are necessary to account for anticipated revenue and expenditure changes from the authorized budget are presented for City Council approval. Additionally, throughout the fiscal year it is necessary for various contracts and purchase orders to be amended to reflect changes in costs and/or scope. The budget amendments proposed in this Agenda Report are the result of information that was not available when the FY 2013 was presented to the City Council for adoption or prior year appropriations with committed funding that remain unexpended and need to be appropriated in the FY 2013 Budget. The proposed budget amendments to the FY 2013 Budget as adopted by the city Council on June 11, 2012

are detailed in the *Proposed Budget Amendments* section of this Agenda Report. Contract/Purchase order changes are discussed in the *Proposed Contract Amendments* section of this Agenda Report.

Proposed Budget Amendments:

1. Libraries and Information Systems – Appropriation for Branch Library Renovations

Appropriate \$89,440 from the unreserved Library Services Fund (212) balance to the Library and Information Systems Department (8114-212-603100) to complete branch renovation projects. These projects which include book relocation, flooring, and furniture at Hastings Ranch branch, flooring at Linda Vista branch, and restoration of steps and stonework at the Central Library were rescheduled for mid-summer to minimize public service impacts.

2. Police – Helicopter Refurbishment

Appropriate a total of \$253,544 in the General Fund (101), the Foothill Air Support Team Fund (108), and the Asset Forfeiture Fund (207) to complete the refurbishment of one helicopter. Funding for this project was originally appropriated on February 27, 2012 in the amount of \$400,000. Through FY 2012 a total of \$146,556 has been expended. The remaining balance will be expended in FY 2013. This action will recognize and appropriate \$100,000 in the General Fund (101) to the Police Department (Revenues: 7018-101-401700, Expenses: (8504-101-401700). The increase in General Fund revenues will be from the salvage sale of one older helicopter that is no longer economically viable to maintain. The expenditures in the Foothill Air Support Team Fund (8504-108-401720) in the amount of \$53,544 and the Asset Forfeiture Fund (8504-207-401500) in the amount of \$100,000 will come from unreserved fund balances in each respective fund.

3. Police – FY 2009 State Homeland Security Program Grant

Recognize and appropriate \$16,676 in the Fire Grants Fund (230) to the Police Department (Revenues: 6365-230-401000, Expenses: 8109-230-401000) for the purchase of personal protective equipment. This grant funding was originally recognized and appropriated on January 10, 2011 in the amount of \$470,000. Through FY 2012 \$453,324 has been expended. The remaining funds were expended in FY 2013 prior to the expiration of the grant on September 30, 2012.

4. Police – FY 2010 Urban Areas Security Initiative Grant

Recognize and appropriate \$198,000 in the Fire Grants Fund (230) to the Police Department (Revenues: 6367-203-401000, Expenses: 8101-230-401000: \$28,000 and 8504-230-401000: \$170,000) to provide for the purchase of detection and security equipment. This grant funding was originally recognized and appropriated on November 14, 2011 in the amount of \$323,108. Of this grant amount, \$125,108 has been reallocated to the City of Glendale for regional computer aided dispatch software and equipment. The remaining balance of grant funds will be spent in FY 2013 prior to the expiration of the grant on April 30, 2013.

5. Fire and Police Departments – FY 2011 Urban Areas Security Initiative Grant

Recognize and appropriate \$140,724 in the Fire Grants Fund (230) to the Fire Department (\$54,118 - Revenues: 6365-230-361000, Expenses: 8114-230-361000: \$36,961 and 8109-230-361000: \$17,157) and the Police Department (\$86,606 - Revenues: 6365-230-401000, Expenses: 8109-230-401000: \$37,837 and 8504-230-401000: \$48,769) for the purchase of CBRNE (chemical, biological, radioactive, nuclear, explosives) related training courses and equipment. Fire will use these funds for CBRNE and Urban Search and Rescue training courses and equipment. Police will use these funds for the purchase of optical night vision and thermal optics aviation equipment. This is a new allocation of grant funding which must be expended by April 30, 2014.

6. Police – Traffic STEP Grant

Recognize and appropriate \$23,275 in the General Fund (101) to the Police Department (Revenues: 6497-101-402200, Expenses: 8011-101-402200: \$14,275 and 8114-101-402200: \$9,000) to provide funding for overtime costs incurred in support of the driving under the influence and speed enforcement and education programs. This grant funding was originally recognized and appropriated on September 26, 2011 in the amount of \$280,000. Through FY 2012 \$192,325 has been expended and a total of \$64,400 is already included in the FY 2013 Adopted Budget. The remaining funds were expended in FY 2013 prior to the expiration of the grant on September 30, 2012.

7. Police – University of California, Berkeley, Safe Transportation Research and Education Center Grant

Recognize and appropriate \$8,318 in the General Fund (101) to the Police Department (Revenues: 6497-101-402200, Expenses: 8011-101-402200) to provide funding for overtime costs incurred in support of the driving under the influence enforcement and education programs. This grant funding was originally recognized and appropriated on December 12, 2011 in the amount of \$103,772. Through FY 2012 \$69,511 has been expended and a total of \$25,943 is already included in the FY 2013 Adopted Budget. The remaining funds were expended in FY 2013 prior to the expiration of the grant on September 4, 2012.

8. Police – Real Estate Fraud Prosecution Grant

Recognize \$35,000 and appropriate \$2,500 to the General Fund (101) in the Police Department (Revenues: 6548-101-402700, Expenses: 8127-101-402700: \$2,000 and 8607-101-402700: \$500) for a recently awarded State funded Real Estate Fraud Prosecution Grant. On June 12, 2012 Los Angeles County awarded the City with a grant to provide partial funding for three Police Corporals tasked with investigating financial crimes and real estate fraud. The grant includes funding for approximately 30 percent of one Police Corporal position, real estate fraud investigation courses and seminars, and printing costs for financial crimes handouts at community awareness meetings. No additional appropriation is necessary for the Police Corporal salary as this position is fully funded in the FY 2013 Adopted Budget.

9. Public Works – Vehicle Purchases

Appropriate \$76,663 from the Fleet Maintenance Fund (503) balance to the Public Works Department (8505-503-766300) for the purchase of vehicles ordered in FY 2012 but will not be delivered and paid for until FY 2013. Included here are two ¾ ton pick-up trucks and the associated utility truck body and a field groomer for Public Works, Parks & Natural Resources Division.

10. Public Works – Police Sedan Outfitting

Appropriate \$15,184 from the Fleet Maintenance Fund (503) balance to the Public Works Department (8101-503-766300) to pay for the costs associated with outfitting one Police Sedan. It was anticipated this work would be completed in FY 2012, but is now scheduled for FY 2013.

11. Public Works – Lease Payments for Linda Vista Park

Appropriate \$60,000 in unreserved Residential Development Impact Fund (304) balance to Public Works Department (8105-304-765000). On June 11, 2012 City Council approved a lease with the Pasadena Unified School District in the amount of \$60,000 (\$5,000 per month) for use of the Linda Vista School/Park for Fiscal Year 2013. This appropriation covers FY 2013 costs. Future fiscal year appropriations will be requested through the annual budget process.

12. Water & Power – Replace Substation Equipment

Appropriate \$12,090 from the unreserved Light and Power Fund (401/410) balance to the Water & Power Department (8114-401-843100) for the replacement of substation equipment. Specifically, funds will be used to replace some of the mission-critical substation Network Terminal Unit (NTU) and Dispatch Center Supervisory Control and Data Acquisition (SCADA) equipment. Additionally, Water & Power will use the funding to test a Human Machine Interface (HMI) at one substation.

13. Water & Power – California Center for Sustainable Energy: Phase II

Appropriate \$34,166 from the unreserved Light and Power Fund (401/410) balance to the Water & Power Department (8114-410-831700: \$26,246, 8115-410-831700: \$3,478, and 8115-401-831200: \$4,442) to pay for the costs associated with the California Center for Sustainable Energy (CCSE): Phase II: Energy Efficiency and Solar Incentive Program. Portions of the CCSE were delayed to incorporate insight from the results of previously performed work. The project also impacted during FY 2012 by unanticipated management staff vacancies.

14. Water & Power – Compliance With Electric Reliability Regulations

Appropriate \$45,000 from the unreserved Light and Power Fund (401/410) balance to the Water & Power Department (8115-401-831000) for consulting services to assist with the department's compliance with the North American Electric Reliability

Corporation (NERC) electric reliability regulations and planned 2013 audit. This item was inadvertently left out of the Department's FY 2013 Budget.

15. Water & Power – Legislative Analysis Consultant

Appropriate \$20,000 from the unreserved Light and Power Fund (401/410) balance to the Water & Power Department (8114-401-831000) to retain outside services to support an increased need for technical legislative analysis and related communications. The Department is not staffed to analyze and track the higher than normal volume of water and power related legislative initiatives. It is more cost effective to utilize an outside consultant to supplement the efforts of Department staff than adding additional staff resources.

16. Planning – Lincoln Avenue Specific Plan Environmental Impact Report

Transfer \$71,446 from the unreserved General Fund Projects Fund (105) balance (8705-105-952100) to the General Fund in the Planning Department (8607-101-444100) to pay for the costs associated Lincoln Avenue Specific Plan Environmental Impact Report (8115-101-444100). On April 2, 2012 City Council authorized the transfer of \$142,526 from the General Fund Projects Fund (105) to be used to prepare an Environmental Impact Report (EIR) for the Lincoln Avenue Specific Plan. Completing the EIR and adopting this Specific Plan are considered essential to the continued development of Northwest Pasadena and specifically the Lincoln Avenue corridor. At the time the FY 2013 Budget was prepared the expectation was the City's funds would be expended during FY 2012 and therefore, no accommodation was made in the FY 2013 Budget for this expense.

17. Planning – Pasadena Historic Design Gardens

Recognize and appropriate \$11,508 to the General Fund (101) in the Planning Department (Revenues: 6279-101-444410, Expenses: 8114-101-444410) for contract services in support of the Pasadena Historic Design Gardens project. In 2011 the Planning Department applied for and was awarded funding through the State of California's Certified Local Government Program. Administered by the California Office of Historic Preservation this program uses federal funding to provide grants to local governments for historic preservation projects. The Planning Department is using these grant funds to conduct a study of historic designed gardens in Pasadena. The study, which began in FY 2012, will recognize the important historical characteristics of garden design throughout the City's history and identify properties that have significant historic gardens that should be preserved as part of the City's historic preservation efforts.

18. Non-Departmental – Rose Bowl NFL Environmental Impact Report

Transfer \$200,000 from the unreserved General Fund Projects Fund (105) balance (8705-105-952100) to the General Fund in the Non-Departmental Department (8705-101-952152) to pay for the costs associated Rose Bowl NFL Environmental Impact Report (8114-101-952152). On March 12, 2012 City Council authorized \$200,000 from the General Fund Projects Fund to be used in combination with

\$200,000 from the Rose Bowl Operating Company for the development of an EIR focused on the potential temporary use of the Rose Bowl by an NFL team. At the time the FY 2013 Budget was prepared the expectation was the City's funds would be expended during FY 2012 and therefore, no accommodation was made in the FY 2013 Budget for this expense. The Rose Bowl portion of the costs has already been incurred.

Proposed Contract Amendments

1. Water and Power – Amend Contract #20256 with Perry C. Thomas Construction, Inc.

Amend contract #20256 with Perry C. Thomas Construction Inc. to increase the amount by \$8,620. Existing funds are available in the FY2013 Capital Improvement Program (CIP) budget #3185 for Replacement and Upgrade of Electric Equipment and Facilities to cover the requested contract increase. Work had already begun on four vaults when it was determined additional work would be required as the covers were too badly damaged to be repaired and had to be replaced. It was urgent to complete work as quickly as possible since the vaults were crumbling, creating a hazard for pedestrians and were in danger of collapsing and destroying costly electrical equipment. The total amount of the contract will increase by less than 3% from \$319,385 to \$328,005.

2. Water and Power – Amend Purchase Order Contract #52035 with Alstom Grid

Amend the FY 2013 purchase order contract with Alstom Grid #52035 to increase the amount by \$170,000. Existing funds are available in the FY 2013 CIP Budget #3090, Switchgear Upgrades for Power System Facilities to cover the requested increase. The increase is needed due to the escalating cost of raw materials, especially copper and aluminum, and taxes. The total cost of the seven-year project to purchase replacement 34kV circuit breakers will increase from \$3,042,389 to \$3,212,389. A total of \$3,010,141 of the existing contract authority has already been spent. Approval of this action will facilitate completion of the replacement of all outdated oil-filled 34-kV circuit breakers.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through monitoring the FY 2013 Operating Budget and implementing any necessary amendments.

FISCAL IMPACT:

Approval of the proposed budget amendments will increase FY 2013 total authorized operating appropriations across multiple funds by \$1,538,472. These increased costs will be offset through increased revenues of \$793,439 and the use of unreserved available fund balances of \$777,533. The following table summarizes the fiscal impact by fund:

Fund	Available Fund Balance (as of 7/1/12)	FY 2013 Appropriation Amendments	FY 2013 Revenue Amendments	Revised Fund Balance	Use of Fund Balance
General Fund (101)	\$4,183,474	\$385,454	\$417,954	\$4,215,974	(\$32,500)
General Fund Projects Fund (105)	7,412,978	271,446	0	7,141,532	271,446
Foothill Air Support Team Fund (108)	242,571	53,544	0	189,027	53,544
Asset Forfeiture Fund (207)	855,639	100,000	0	755,639	100,000
Library Services Fund (212)	1,869,630	89,440	0	1,780,190	89,440
Fire Grants Fund (230)	0	386,993	386,993	0	0
Residential Development Impact Fund (304)	11,692,800	60,000	0	11,632,800	60,000
Light & Power Fund (401/410/411)	131,065,823	111,256	0	130,954,567	111,256
Fleet Maintenance Fund (503)	2,443,624	91,847	0	2,351,777	91,847
Fiscal Impact Total		\$1,549,980	\$804,947		

Note: FY 2013 Appropriation Amendments exceed Net New Available Resources by \$32,500 as a result of grant revenues in excess of the required new appropriations as discussed in Item #8.

Line item detail of all revenue and expense amendments is provided in *Attachment A: Detail of Proposed Budget Amendments*. Approval of the two purchase order/contract increases will have no direct fiscal impact. There are sufficient appropriations in each CIP project to support these purchase order/contract amendments.

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 Proposed Budget Amendments

Attachment A
Detail of Proposed Budget Amendments

Agenda Report Item #	Department/Fund	Account Code	Use Available Fund Balance	Revenues			Expenses		
				FY 2013 Adopted Budget	FY 2013 Proposed Amendment	FY 2013 Revised Budget	FY 2013 Adopted Budget	FY 2013 Proposed Amendment	FY 2013 Revised Budget
1	Libraries & Information Systems Library Services Fund (212)	8114-212-603100	\$89,440	-	-	-	\$244,730	\$89,440	\$334,170
2	Police General Fund (101)	7018-101-401700	-	\$100,000	\$100,000	-	-	-	-
2	General Fund (101)	8504-101-401700	-	-	-	-	-	\$100,000	\$100,000
6/7	General Fund (101)	6497-101-402200	-	\$31,593	\$121,936	-	-	-	-
6/7	General Fund (101)	8011-101-402200	-	-	-	\$117,674	\$22,593	\$9,000	\$140,267
6/7	General Fund (101)	8114-101-402200	-	-	-	\$6,100	\$9,000	-	\$15,100
8	General Fund (101)	6548-101-402700	-	\$35,000	\$35,000	-	-	-	-
8	General Fund (101)	8127-101-402700	-	-	-	\$3,850	\$2,000	\$5,850	\$5,850
8	General Fund (101)	8607-101-402700	-	-	-	-	\$500	\$500	\$500
	General Fund Subtotal			\$90,343	\$256,936	\$127,624	\$134,093	\$134,093	\$261,717
2	Foothill Air Support Team Fund (108)	8504-108-401720	\$53,544	-	-	-	\$300,000	\$53,544	\$400,000
2	Assest Forfeiture Fund (207)	8504-207-401500	\$100,000	-	-	-	-	\$100,000	\$400,000
3/5	Fire Grants Fund (230)	6365-230-401000	-	\$103,282	\$103,282	-	-	\$54,513	\$54,513
3/5	Fire Grants Fund (230)	8109-230-401000	-	-	-	-	-	-	-
4	Fire Grants Fund (230)	6367-230-401000	-	\$198,000	\$198,000	-	-	\$28,000	\$28,000
4	Fire Grants Fund (230)	8101-230-401000	-	-	-	-	-	\$218,769	\$218,769
4/5	Fire Grants Fund (230)	8504-230-401000	-	\$301,282	\$301,282	-	-	\$301,282	\$301,282
	Fire Grants Fund Subtotal			\$467,875	\$558,218	\$427,624	\$586,919	\$916,543	
	Police Subtotal		\$153,544						
5	Fire Fire Grants Fund (230)	6365-230-361000	-	\$54,118	\$54,118	-	-	-	-
5	Fire Grants Fund (230)	8114-230-361000	-	-	-	\$177,097	\$36,961	\$214,058	\$214,058
5	Fire Grants Fund (230)	8109-230-361000	-	-	-	-	\$17,157	\$17,157	\$17,157
	Fire Grants Fund Subtotal			\$54,118	\$54,118	\$177,097	\$54,118	\$231,215	
9	Public Works Fleet Maintenance Fund (503)	8505-503-766300	\$76,663	-	-	-	\$1,653,000	\$76,663	\$1,729,663
10	Fleet Maintenance Fund (503)	8101-503-766300	\$15,184	-	-	-	-	\$15,184	\$15,184
	Fleet Maintenance Fund Subtotal		\$91,847				\$1,653,000	\$91,847	\$1,744,847
11	Residential Development Impact Fund (304)	8105-304-765000	\$60,000	-	-	-	-	\$60,000	\$60,000
	Public Works Subtotal		\$151,847				\$1,653,000	\$151,847	\$1,804,847
12	Water & Power Light & Power Fund (401/410)	8114-401-843100	\$12,090	-	-	-	\$165,000	\$12,090	\$177,090
13	Light & Power Fund (401/410)	8115-410-831200	\$4,442	-	-	-	\$50,065	\$4,442	\$54,507
13	Light & Power Fund (401/410)	8114-410-831700	\$26,246	-	-	-	\$204,000	\$26,246	\$230,246
13	Light & Power Fund (401/410)	8115-410-831700	\$3,478	-	-	-	\$169,325	\$3,478	\$172,803
14	Light & Power Fund (401/410)	8115-401-831000	\$45,000	-	-	-	\$18,050	\$45,000	\$63,050
15	Light & Power Fund (401/410)	8114-401-831000	\$20,000	-	-	-	\$17,100	\$20,000	\$37,100
	Light & Power Fund Subtotal		\$111,256				\$623,540	\$111,256	\$734,796
16	Planning General Fund Projects Fund (105)	8705-105-952100	\$71,446	-	-	-	-	\$71,446	\$71,446
16	General Fund (101)	8607-101-444100	-	\$71,446	\$71,446	-	-	-	-
16	General Fund (101)	8115-101-444100	-	-	-	-	-	\$71,446	\$71,446
17	General Fund (101)	6279-101-444410	-	\$11,508	\$11,508	-	-	-	-
17	General Fund (101)	8114-101-444410	-	-	-	-	-	\$11,508	\$11,508
	Non-Departmental								
18	General Fund Projects Fund (105)	8705-105-952100	\$200,000	-	-	-	-	\$200,000	\$200,000
18	General Fund (101)	8607-101-952152	-	\$200,000	\$200,000	-	-	-	-
18	General Fund (101)	8114-101-952152	-	-	-	-	-	\$200,000	\$200,000
	Grand Total		\$777,533	\$90,343	\$695,290	\$3,125,991	\$1,549,980	\$4,475,971	