

Agenda Report

June 10, 2013

TO: Honorable Mayor and City Council

Through: Finance Committee (June 10, 2013)

FROM: Department of Finance

SUBJECT: AMENDMENTS TO FISCAL YEAR 2013 OPERATING BUDGET

RECOMMENDATIONS:

It is recommended that the City Council amend the Fiscal Year 2013 Adopted Operating Budget as detailed in the Proposed Budget Amendments section of this report.

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. The auditors use the budget numbers formally adopted and adjusted by City Council for budget-to-actual comparison in the City's Comprehensive Annual Financial Report (CAFR). Therefore, staff typically presents a final set of budget adjustment recommendations to City Council at their last meeting of the fiscal year so the revised numbers will be reflected in the CAFR. This agenda report details proposed changes to the Fiscal Year (FY) 2013 Operating Budget as adopted by the City Council on June 11, 2012 and revised by City Council throughout the fiscal year. The proposed amendments are detailed in the following section.

PROPOSED BUDGET AMENDMENTS:

1. Non-Departmental – FPRS Transfer to Debt Service

Reduce both revenues and appropriations in Non-Departmental in the General Fund by \$18,500,000 (Revenues: 6928-101-952100 - \$18,500,000; Expenses: 8722-101-951900 - \$11,692,300; 8722-101-951007 - \$6,807,700). With the dissolution of the Pasadena Community Development Corporation (PCDC) in FY 2012, certain revenues and expenses totaling \$18.5 million, previously reported in the General Fund are being moved to the PCDC Successor Agency, consistent with the

provisions of state law. Because both revenues and expenses are affected, there is no net impact to the General Fund.

2. Water & Power – Climate Change Revenue and Expenses Reductions

Reduce revenues (7127-401-841910: \$4,300,000) and appropriations (8283-401-841910: \$7,600,000) in the Light and Power Fund of the Pasadena Water and Power Department (PWP). As a result of recent Federal Energy Regulatory Commission (FERC) rulings the City's required participation in the California Air Resources Board (CARB) auctions is more limited than would have been the case under the ruling in place at the time the budget was prepared. The proposed amendments bring the PWP budget in line with anticipated FY 2013 revenues and expenses.

3. Water & Power – Utility Rebates

Appropriate \$800,000 from the unreserved Light and Power Fund balance to fully fund utility customer rebate expenses incurred during FY 2013 (8176-410-831700). PWP offers various rebate programs as incentives to customers to help meet the City's energy efficiency and solar program goals. Rebate expenses are based on customer demand. The Light and Power Fund has a sufficient unreserved fund balance to support these additional operating expenditures.

4. Transportation Department – Old Pasadena Parking Fund

Appropriate \$89,024 from the unreserved Old Pasadena Parking Fund balance to fully fund the City's annual contribution to the Old Pasadena Management District (OPMD) Property-based Business Improvement District (PBID) of \$545,000 (8114-407-774500). Prior to FY 2013, \$89,024 of the City's OPMD PBID contribution was paid for using PCDC tax increment funding. With the dissolution of PCDC, the Old Pasadena Parking Fund must now assume responsibility for the contribution previously provided by PCDC.

5. Transportation Department – Revenue adjustment for the Old Pasadena Parking Fund

Reduce revenues in the Old Pasadena Parking Fund in the amount of \$940,981 (6542-407-774510). With the dissolution of PCDC the funding previously provided by the PCDC is no longer available. This revenue was inadvertently included in the FY 2013 budget. Notwithstanding this adjustment, the fund is sufficiently supported for the remainder of the fiscal year.

6. Transportation Department – Appropriations for South Lake Parking Meter Operations Fund

Appropriate \$24,507 from the unreserved South Lake Parking Meter Operations fund balance to the Transportation Department. This additional appropriation is needed to support \$7,000 of higher than anticipated parking meter customer credit card usage fees (8149-232-774313), \$11,679 for the payment for the Mobile License Plate Reading System (8505-232-774313), and \$5,828 of internal service charges related to DoIT program management basic services (8631-232-774313), which were inadvertently excluded from the FY2013 budget.

7. Pasadena Center Operating Company

Recognize revenues totaling \$1,233,200 and increase appropriations by \$639,800 for the Pasadena Center Operating Company (PCOC). The revenue increase is the net result of Convention Center, Ice Skating Center and Transient Occupancy Tax revenues tracking higher than originally forecast. Similarly, expenditures have also been tracking over budget. Expenditure increases include: \$213,700 in non-payroll operating expenses for the Convention Center; \$91,700 in additional payroll costs for the Ice Skating Center that produced the noted increase in revenues; \$31,600 for the Convention Visitors Bureau; and, \$302,800 for Convention Center debt. These budget amendments have been reviewed and approved by the PCOC Board of Directors.


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 and Capital Budgets and implementing any necessary amendments.

FISCAL IMPACT:

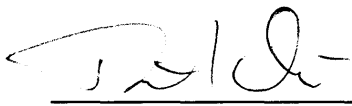
Approval of the proposed FY 2013 Operating Budget amendments will decrease total authorized Citywide revenues by \$23,740,981 and appropriations by \$25,186,469 and increase PCOC revenues by \$1,233,200 and appropriations by \$639,800. See Attachment 1 for additional details.

Respectfully submitted,



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Department of Finance

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Approved by:



MICHAEL J. BECK
City Manager

Attachment A - Detail of Proposed Budget Amendments

Agenda Report Item #	Department/Fund	Use Available Fund Balance	Account Code	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	Non-Departmental General Fund (101)	-	6928-101-952100	\$18,500,000	(\$18,500,000)	-	\$11,692,300	(\$11,692,300)	-
	Item #1 Subtotal			\$18,500,000	(\$18,500,000)		\$18,500,000	(\$18,500,000)	
2	Water & Power Light & Power Fund (401)	-	7127-401-841910	\$5,760,750	(\$4,300,000)	\$1,460,750	\$9,605,155	(\$7,600,000)	\$2,005,155
	Item #2 Subtotal			\$5,760,750	(\$4,300,000)	\$1,460,750	\$9,605,155	(\$7,600,000)	\$2,005,155
3	Water & Power Light & Power Fund (401/410)	\$800,000	-	-	-	-	\$3,743,788	\$800,000	\$4,543,788
	Item #3 Subtotal	\$800,000					\$3,743,788	\$800,000	\$4,543,788
4	Transportation Old Pasadena Parking Fund (407)	\$89,024	-	-	-	-	\$400,004	\$89,024	\$489,028
	Item #4 Subtotal	\$89,024					\$400,004	\$89,024	\$489,028
5	Transportation Old Pasadena Parking Fund (407)	-	6542-407-774510	\$940,981	(\$940,981)	-	-	-	-
	Item #5 Subtotal			\$940,981	(\$940,981)				
6	Transportation South Lake Parking Meter Operations Fund (232) South Lake Parking Meter Operations Fund (232) South Lake Parking Meter Operations Fund (232)	\$24,507	-	-	-	-	\$14,000	\$7,000	\$21,000
	Item #6 Subtotal	\$24,507					\$14,340	\$24,507	\$38,847
	Citywide Total	\$913,531		\$25,201,731	(\$23,740,981)	\$1,460,750	\$32,263,287	(\$25,186,469)	\$7,076,818
	PCOC Total	(\$593,400)		\$16,198,900	\$1,233,200	\$16,838,700	\$16,198,800	\$639,800	\$16,838,600