


## Attachment 5

DEPARTMENT OF FINANCE

June 16, 2014

**TO:** Honorable Mayor and City Council

**FROM:** Andrew Green, Director of Finance 

**SUBJECT:** Follow-up from June 9, 2014 Special Finance Committee/City Council Meeting and All Responses from May 12, May 19, and June 2, 2014 Meetings

This memo is follow-up to questions posed by City councilmembers at the June 9, 2014 special meeting regarding the Fiscal Year (FY) 2015 Recommended Budget. It also includes all responses from the May 12, May 19, and June 2, 2014 meetings. Except where indicated, the responses have not changed from the previous memos; they are simply included here, too, for your convenience. If you have additional questions or need more information, please let me know.

### Follow Up to June 9, 2014 Meeting

#### Rose Bowl Operating Company

1) **Information request:**

- a) **The anticipated amount to be released to the RBOC and that the funds will be placed in a capital reserve.**

Response:

It is anticipated that the RBOC will be receiving \$3 million by January, 2015 from Legacy. The dollars are earmarked for the renovation project (\$ 2 million is currently allocated through the CIP for FY15). The additional \$1 million will presumably be utilized for funding in FY16 in order to get to the \$182 million substantial completion amount.

- b) **Specific projects, if known, that the funds will be used on and an approximately date, also if known.**

Response:

The specific projects the funds will be utilized for are: concourse improvements, including the upgrades to Gates F, E, and C along with the concourse improvements adjacent to each gate. The transfer from the old 5kV electrical

system onto the new 17kV system will include all existing structures and lighting on the North and East berm. The remaining project elements to achieve substantial completion are as follows: Gates N, D, B, G, the service yard and temporary concession stand upgrade, and the cost for these remaining elements, which would enable the RBOC to attain substantial completion, is \$6 million.

**c) A discussion on the anticipated results of the 2<sup>nd</sup> Beyonce/Jay Z concert.**

Response:

The second Jay Z/Beyonce show was approved after the budget information was provided to the City Finance Department. The budget numbers should be revised as follows:

Revenue from event: \$1,722,666

Expenses from event: \$1,473,422

Projected net income: \$249,244 (it should be recognized that the numbers referenced include \$200,000 from the Promoter, and \$100,000 from the RBOC for Arroyo Seco Projects)

**Pasadena Community Access Corporation**

**2) *Do we have a legal recourse regarding cable drop i.e. Charter charging \$2,000-\$4,000 in fees?***

Response:

Staff is researching this issue and should have a response at the June 16, 2014 special Joint Finance Committee/City Council meeting.

**Pasadena Center Operating Company**

**3) *Provide a graph of Debt Service for the convention center from inception of the debt to now and Transient Occupancy Tax (TOT) revenues.***

Response:

A graph of Pasadena Convention Center Debt Service and Pasadena Center Operation Company TOT revenues is attached (see Attachment A).

## Follow Up to June 2, 2014 Meeting

### Housing and Career Services Department

#### 4) **Public Comment:**

- a) *The Housing and Career Services Department is only open to the public 40 percent of the week. What other departments have that kind of face time available?***

Response:

Housing staff has been reduced nearly 50 percent in the last four years. As a result, Housing no longer has a full-time public counter receptionist so the public counter is now open two mornings and two afternoons per week. While we acknowledge this is an inconvenience to our clients, in particular our Section 8 clients, we have taken other measures to facilitate their needs. Housing has posted downloadable electronic versions of the most commonly requested Section 8 forms on our website so clients do not need to come into the office to pick them up. Housing has been holding monthly annual recertification days and scheduling clients to come in for their required annual recertification on those days and to bring all their required documents to meet with staff. This has made the recertification process more efficient for clients and staff. Prior to these monthly recertification days, the annual recertification process was done via mail and individual appointments. The new process enables the whole process to be complete in one or two visits. We are also getting ready to launch a new online waiting list application system and have implemented a new phone voice messaging system that provides some commonly requested information, automatically, thereby reducing the need for clients to make office visits.

- b. *When are inclusionary housing, the ordinance, and the possible modifications going to be subject to discussion with the public other than EdTech Commence?***

Original Response:

Staff is researching this issue and should have a response at the June 9, 2014 special Joint Finance Committee/City Council meeting.

Update:

Housing and Career Services Department is in the process of procuring for a nexus study which will be used as a basis for recommending changes to the Inclusionary Ordinance to City Council. Once the nexus study has been

completed and reviewed, staff will hold a public housing advisory roundtable discussion to share the study and received feedback from the public. Staff will then make recommendations to EDTech based on the study and public feedback. It is anticipated the discussion will take place in the winter of 2014.

***c. Provide more information on Section 3 employment opportunities. Is there something set aside for a program for very low income Section 8 individuals?***

Response:

Section 3 is required for certain Federally funded projects, but there is no set aside specifically for Section 8 individuals. However, Section 8 individuals are able to utilize the One Stop Job Center at 1207 East Green St, Pasadena, CA 91106; 626-584-8395 to search for employment.

***d. Regarding city-owned approach for developing new affordable housing; this requires more public input; the non-profits doing this work need more money. Please comment.***

Response:

The amount of funding available for developing new affordable housing has been reduced by over 85 percent since 2006. Therefore, the City now receives very little funds each year for housing development. Developers of affordable housing, both nonprofit and for-profit, typically need funding for their new projects in amounts that far exceed what the City receives in new money each year. Due to this reality, the City has to move away for a strategy of developing new affordable housing projects to one of acquiring small individual units or small apartment buildings which is far less expensive than developing new buildings. It should be noted that, most well established affordable housing developers only want to develop projects of medium to large size and are not interested in acquiring or developing very small affordable housing projects as the lack of economies of scale make them financially unfeasible to operate, even for nonprofit developers.

***e. Regarding mixed income – concern that government monies will be put into mixed income when we don't have enough money for just very low income.***

Response:

The City only funds affordable units so if the City funds a mixed income development it only funds the affordable units in that development, not the market rate units.

### **Human Services and Recreation Department**

- 5) Regarding letter from Partnership for Children, Youth, and Families regarding early childhood education – staff needs to respond to some of the issues e.g. policy areas raised in the letter distributed at the meeting (Attachment B). Please provide a copy of the City ordinance and some background on this early childhood issue.**

**Response:**

Below is the City's Zoning Code concerning childcare centers. This is an active code within the City on regulating facilities.

From a land use perspective, the Zoning Code provides standards and regulations for **Home Based Childcare Facilities** and **Childcare Centers**. The following are the types of childcare facilities:

- **Small Home Based Childcare Facilities**, up to 8 children, are allowed by-right in Single-Family and Multi-Family zones.
- **Large Home Based Childcare Facilities**, up to 14 children, are allowed by right in Single-Family and Multi-Family zones, as long as they comply with the standards contained in Section 17.50.080.
- **Childcare Centers** are allowed in the Single-Family, Multi-Family, with a Conditional Use Permit is required and compliance with Section 17.50.080. Childcare centers are also allowed in the various Commercial zones, in some instances by-right and with a Conditional Use Permit in others depending on the specific location.

Attached you will find a copy of the City's 1994 Child Care Policy (Attachment C). School/City staff are in the process of preparing a response letter to the Partnership for Children, Family and Youth to issue the week of June 16. Below is updated information on how childcare needs are being prioritized under the School/City/Community Work Plan.

City staff, in collaboration with the School/City/Community Work Plan (Plan) team has reviewed the feedback offered in May 20, 2014 correspondence from the Partnership for Children Youth and Families and concurs that with the priorities outlined for partnerships, information and referral services, resource development and the other points. However, staff is also committed to the process put forward in the Plan when it was first approved to intentionally align work efforts, and direct focus on finding new and more effective ways to allocate existing resources that will ultimately lead to better student outcomes.

Over the past year, School/City staffers, in partnership with the Pasadena Educational Foundation (PEF), have worked to maximize existing resources to meet the priorities outlined in the Child Care Policy, along with the new and emerging needs of today. Within year 1 of the Plan's implementation, the PUSD, City, and UCLA jointly coordinated the administration of Early Development Instrument (EDI) to all PUSD Kindergarten students with supports from First 5 LA; the YMCA helped support a 40 Development Asset survey to 8<sup>th</sup> grade students; we worked to collaboratively plan for a preschool/community service hub in Northwest Pasadena; facilitated professional development by Frostig Center for PUSD teachers; helped 15 staff from the Human Services Department graduate with 12 units in Child Development from Pacific Oaks College and more. Looking forward, the Human Services Commission will host a discussion on Child Care Needs on Wednesday, June 11 at 6 pm at Pacific Oaks College. These and other efforts are consistent with the priorities identified in the Child Care Policy.

Staff continues to actively monitoring grant funding opportunities and the City has invested funds with PEF. Through the City's efforts combined with this arrangement, over \$10 million raised in FY2013-14 to date to support priority areas including early learning, after school, summer camps, community gardens, health, nutrition, physical activity, college and career readiness, 21<sup>st</sup> century learning and innovation and more.

The recent recommendations identified by the Partnership will be forwarded to the School/City/Community Work Plan Governance Ad Hoc to incorporate into their future discussions on needed staffing to support the Plan. The efforts of the Partnership, including State of the Kids, Youth Master Plan, and the ongoing sharing of information through the Steering Committee have already proven to be extremely valuable to the Plan.

### **Police Department**

**6) *Are two HOPE teams adequate, and if not, please provide input.***

#### **Response:**

Historically the Pasadena Police Department has staffed three HOPE Teams. However, during FY 2012 one team was eliminated. Any increase in staffing would be helpful to mitigate issues associated with chronic homeless population, mental illness, or other individuals engaged in anti-social behavior. Based on current resources the Pasadena Police Department is only able to staff two HOPE Teams (1 PPD Officer + Mental Health Representative on each team). Due to budget concerns and/or cutbacks it is not known if the Los Angeles County Department of Mental Health could (or would) provide an additional social worker (FTE) if the department was able to identify an additional HOPE officer. Contributing to the dynamic of homelessness is the lack of affordable housing, mental health resources, and an

adequate number of social workers (case managers) to ensure the at-risk population receives the necessary resources.

**7) *Regarding the School Safety Team being spread so thin (six officers on each team) what would be the ideal number of officers for each team?***

**Response:**

The Pasadena Police Department currently assigns 1 sergeant and 6 police officers to the School Safe Team. Officers are assigned to the high and middle school campuses; however, based on the number of schools and the mandates on the SST officers they do not have enough meaningful interaction with PUSD students. While the team is effective (working collaboratively with PUSD) additional officers would increase the team's capacity to engage in additional proactive policing/programs (for example, PPD SST officers help teach a law enforcement & security course at Pasadena High School).

**8) *AB 109 – Early Release – annual cost to be compliant is \$431,000 plus \$900,000 - have you assessed what future the financial impact to the City of Pasadena might be? Has the department assessed what it would cost to have a vigorous and aggressive approach to monitoring these individuals? Please provide more information.***

**Response:**

Fortunately, the Pasadena Police Department formed the West San Gabriel Anti-Crime Team in 2012 to address the anticipated impact of the issues associated with AB109. The team is comprised of six different police departments from throughout the West San Gabriel and is responsible for conducting AB109 compliance checks to ensure formally incarcerated individuals remain within their probation and/or parole conditions. The team is also responsible for conducting compliance checks for another five San Gabriel Valley police agency who do not participate on the taskforce. The team is supported by a Los Angeles County Probation Officer, who assist with compliance checks in addition to maintaining a probation case load. The resources necessary to replace the West San Gabriel Anti-Crime Team would include:

- 1 FTE Police Sergeant (fully burdened cost \$197,155)
- 6 FTE Police Officers (fully burdened total cost \$1,159,554)
- 3 FTE Police Specialists as Case Managers (fully burdened total cost \$272,280)

**9) *Public Comment.***

- a. **Does the budget include anything for drones or mechanisms to survey (I think she meant servile) the public?**

Response:

The Pasadena Police Department did not request funds for drones and does not currently have a line item budget for them. However, the department maintains in-car and jail video systems for lawful surveillances.

- b. Would the Office of Investigative Review continue to look at any officer involved shooting and whether these kinds of funds are included in the budget?**

Response:

Effective immediately when a Pasadena police officer is involved in an Officer Involved Shooting (OIS), the Los Angeles County Sheriff's Department, Homicide Division, will be asked to conduct an independent investigation of the incident. The Pasadena Police Department will maintain the responsibility of the Administrative Review. Based on the circumstances of the incident, the chief of police and/or the city manager may request other reviews by independent agencies (for example, the FBI). There are no identified funds in the Pasadena Police Department's Budget for independent reviews at this time (the Los Angeles County Sheriff's Department does not charge the Pasadena Police Department for OIS investigations).

- c. Claims against the City are reported on at the Council meetings but, what monies are set aside for claims against the Police department or jails in this budget.**

Original Response:

There are currently no identified funds in the Pasadena Police Department's Budget for claims.

Update:

Liability reserves are established based on filed claims only after analysis of the claim.

- d. As the FBI becomes one of the community outreach partners, what involvement will the FBI have with the Police Department and what budgetary implications are there?**

Response:

The FBI has a formal community outreach program, which is federally funded; however, the program relies on community volunteers and resources from business/nonprofit contributions. The direct cost associated with the Pasadena Police Department is mostly related to personnel. The actual costs would



depend on the number of police officers/employees participating in the outreach program.

**Fire Department**

**10) Research FY14 Actuals on the Performance Measures 2a, 4a, 5a, and 6a.**

Response:

See updated Performance Measures below.

PERFORMANCE MEASURES		FY 2013	FY 2014	FY 2014	FY 2015
		Actual	Target	Mid-Yr Actual	Target
<b>Council Goal: Ensure Public Safety</b>					
Objective C. Minimize Fire & Life Safety Hazards in Buildings					
2.a	Number of total institutional, educational and residential care facilities inspected.	255	248	169	265
4.a	Number of total public assembly occupancies inspected.	620	415	129	415
5.a	Number of total business and mercantile occupancies inspected.	1,500	1,310	541	1,310
6.a	Number of total multi-family residential structures inspected.	2,230	1,316	1,245	1,316

**Follow Up to May 19, 2014 Meeting**

**Water and Power Department**

**11) When is the High Efficiency Toilet Rebate Program sunsetting? What is the deadline?**

Response:

In light of the California drought, PWP has increased the High Efficiency Toilet rebates to \$200 and does not have plans to discontinue the program at this time.

**12) Explain the \$39,500 increase in account 8125, Special Civic Events.**

Response:

The funding in the Special Civic Events budget covers the cost of all community events, sponsorships, and education programs. The \$39,500 increase is due to increasing PWP's partnership with PUSD including: enhancing the Green Living Curriculum program, and providing PUSD students more field trips through PWP's partnership with the Armory Center for the Art's *Children Investigate the Environment* program.

**13) What is the status of the turf replacement rebate program?**

Original Response

MWD is offering a \$1 per square foot program.

Update:

Councilmember Masuda inquired about the level of turf replacement rebate program, and PWP replied that it was holding at \$1 per square foot. In fact, MWD is now offering a \$2 per square foot program and PWP will be switching to that in June of 2014.

**Public Works Department**

**14) Has the department given any thought of mapping the City with regard to sidewalk repair as it pertains to the disabled community?**

Response:

The Department of Public Works addresses accessibility concerns related to damaged sidewalks. The Street Maintenance and Integrated Waste Management Division (SMIWM) staff makes temporary repairs. Engineering Division staff then contacts the adjacent property owner and works towards a permanent repair solution. With respect to identifying problematic conditions in high pedestrian corridors, the Department has initiated a new sidewalk survey throughout the City using summer engineering interns. The survey will take approximately 18 months to complete. The Department will be able to provide an update on conditions in the high pedestrian corridors at the end of the summer once the first portion of the sidewalk survey has been completed and a complete report will be available at the end of 2015.

By late summer the department will initiate a sidewalk repair project using CDBG funding. On September 16, 2013, the City Council approved \$40,000 of CDBG funding for SMIWM personnel to repair sidewalks in two high pedestrian corridors in the Benefit Service Area. The target areas are Lake Avenue from Maple Street to Orange Grove Boulevard and Los Robles Avenue from Mountain Street to Woodbury Road. Public Works will complete as much work as possible with the allocated funding. The work on Lake Avenue will be the first priority and it is uncertain if the funding will be enough to complete all the work along Los Robles Avenue. In addition, Public Works will add two MASH Workers to its sidewalk crew to assist with the project.

**15) Provide a summary of current City funding for Arlington Garden.**

Response:

List of current funding may be found on Attachment D.

**Transportation Department**

**16) Explain changes in FTE distribution (refer to page 6 of 12 in department narrative.)**

Response:

The changes in FTE distribution are the result of three separate changes in the Transportation Department as illustrated in the chart below. The Complete Streets changes are a rearrangement of existing positions to better align reporting relations with the modified mission of the Complete Streets Division (changes affected a Transportation Administrator, a Senior Planner, an Associate Planner, and an Associate Engineer). The Parking Citations changes involved the acquisition/transfer of four positions from the Finance Department to the Transportation Department as a result of consolidation of citation processing activities into the Parking Division. The Prideshare changes involved the loss/transfer of two positions as a result of the transfer of the Prideshare employee transportation coordinators to the Human Resources Department.

Division	FY 2014 revised	Changes Resulting from			FY2015 Recommended
		Complete Streets	Parking Citations	Prideshare	
Administration Services	5.05	0.30			5.35
Complete Streets	2.40	1.17			3.57
Traffic Engineering & Operations	12.10	-1.27			10.83
Parking Enforcement	16.10	0.00	4.00		20.10
Transit Planning & Operations	12.35	-0.20		-2.00	10.15
<b>Transportation Total</b>	<b>48.00</b>	<b>0.00</b>	<b>4.00</b>	<b>-2.00</b>	<b>50.00</b>

**17) Provide status on name change of ARTS buses.**

Original Response:

As requested by the Municipal Services Committee, staff presented a proposal for changing the name of the City's fixed-route transit system to Council as an information item on November 4, 2013. Council requested that the item return with a recommendation at a future meeting. The transit brand recommendation is ready to return to City Council for consideration and will be scheduled as time permits in June or July 2014.

Update:

This item will return first to MSC and then to City Council sometime in July 2014.

**18) Regarding parklets and reverse parking in the Playhouse District – organize community meetings to provide information to businesses and residents.**

Response:

The Transportation Department will coordinate with the Council Offices in Districts 3 and 4 to present information about the Colorado Boulevard road diet concept to the community.

**Public Health Department**

**19) Why are we pursuing FQHC status when CHAP already has this status? Provide more information.**

Response:

At this time staff is not pursuing FQHC status, however, changes brought on by the Affordable Care Act are expected to impact the Department's clinical programs. Over the course of the next fiscal year, staff intends to study these potential impacts and bring forward recommendations which may include pursuing FQHC or look-alike status, merging with other partners or modifying programs to adjust to new realities in service delivery and payer reimbursements.

## **Follow Up to May 12, 2014 Meeting**

**FY 2015 Recommended Operating Budget**

**20) Provide FY 2015 Recommended Operating Budget PowerPoint presentation to councilmembers and post on line.**

Response:

See updated PowerPoint presentation (Attachment E) for the FY 2015 Recommended Operating Budget. This presentation is also posted on the City's website. (Note that Slide 11 has been corrected and Slide 22, which was inadvertently omitted from the presentation, has been added back.)

**21) Provide a list of unfunded projects.**

Response:

See FY 2015 Decision Package Tracking List (Attachment F.)

**22) Provide 10-Year All Funds handout.**

Response:

See 10-Year All Funds handout (Attachment G.)

**Planning and Community Development Department**

**23) What are the total fees e.g. permits and inspections a homeowner would have to pay, for example, for a \$25,000 kitchen remodel?**

**Response:**

The General Plan Maintenance Fee and Technology Fee are collected only on Building Permits. The City also issues Minor Building Permits as well as Plumbing, Mechanical and Electrical Permits - all of which are excluded from the fees. These minor permits represent 63% off all permits that are issued and include work such as swimming pools, solar panels, roofing, windows, water heaters, new piping, air conditioning and heating, re-wiring, etc.

The General Plan Maintenance Fee and Technology Fee are collected on the remaining 37% of permits issued. The fee is based on the valuation of the work being performed under the permit. We have taken a look at the past four calendar years and found that the building permits being issued fall within one of the four valuation categories:

<b><u>Permit Valuation Range</u></b>	<b><u>Percentage of Building Permits</u></b>
\$0-\$5,000	37%
\$5,001-\$20,000	31%
\$20,001-\$35,000	10%
Over \$35,000	22%

The following represents the fee collection for sample permit valuations within each of the four ranges:

PERMIT VALUATION	TECH FEE (Current)	GM FEE (Current)	TOTAL PERMIT FEES (Current)	% OF TOTAL PERMIT FEE (Current)	REVISED TECH FEE (at 0.5%)	REVISED GM FEE (at 0.5%)	TOTAL PERMIT FEE (at 0.5%)	% OF TOTAL PERMIT FEE (Proposed Fee)
\$ 2,500.00	\$ 6.25	\$ 6.25	\$ 410.55	3%	\$12.50	\$12.50	\$423.05	6%
\$ 7,500.00	\$ 18.75	\$ 18.75	\$ 578.97	6%	\$37.50	\$37.50	\$616.47	12%
\$ 25,000.00	\$ 62.50	\$ 62.50	\$ 1,876.58	7%	\$125.00	\$125.00	\$2,001.58	10%
\$ 200,000.00	\$ 500.00	\$ 500.00	\$ 20,922.52	5%	\$1,000.00	\$1,000.00	\$21,922.52	9%

**General Fee Schedule**

**24) Food Carts and Food Trucks at Community Events – If the City has a city-sponsored event or a community-based event, perhaps the fees for them to participate could be lowered or waived if the event is to benefit the schools or the community.**

**Response:**

To be discussed when the FY 2015 Recommended General Fee Schedule is presented again.

**25) Provide updated General Fee Schedule to include Environmental Health Fees that were approved May 12, 2014 and any other revised fees since May 12, 2014 posting.**

Response:

The fee schedule is updated and will be presented at the June 16, 2014 Special Finance Committee/City Council meeting.

Attachments: (7)

Attachment A – Debt Service/TOT Revenue Graph

Attachment B - Partnership for Children, Youth, and Families Letter

Attachment C - Child Care Policy

Attachment D - Arlington Garden – Current City Funding

Attachment E - FY 2015 Recommended Operating Budget PowerPoint Presentation

Attachment F - FY 2015 Decision Package Tracking List

Attachment G - 10-Year All Funds Handout