



AGENDA ITEM NO. 16

December 14, 2015

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: **AMENDMENTS TO FISCAL YEAR 2016 ADOPTED BUDGET**

RECOMMENDATION:

It is recommended that the City Council amend the Fiscal Year (FY) 2016 Adopted Budget as detailed in the *Proposed Budget Amendments* section of this report.

BACKGROUND:

Each fiscal year budget amendments are necessary to account for anticipated changes to the adopted budget. These revenue and appropriation amendments are presented to City Council for their review and approval. This agenda report includes proposed amendments to the FY 2016 budget based on information that was not available when the budget was presented to City Council for adoption on June 22, 2015.

A discussion of each proposed budget amendment is included in the *Proposed Budget Amendments* section. Additionally, Attachments A and B provide the accounting details for each recommended budget amendment by fund and department for the FY 2016 Operating Budget.

PROPOSED BUDGET AMENDMENTS:

City Attorney/City Prosecutor Department

a. Add 1.0 Full Time Equivalent (FTE) Staff Assistant III– No Fiscal Impact

The City Attorney/City Prosecutor's Department has been using temporary employees to fill a role in the office by handling multiple responsibilities, assisting in legal duties, general office duties, and finance duties. To enhance cost effectiveness and efficiencies and avoid limitations imposed by continually having to hire and train temporary employees, our experience in recent years has demonstrated that a regular, full-time employee position clearly needs to be created to fulfill these responsibilities. This position is needed to ensure that a wide variety of duties are handled and processed timely, including areas such as subpoenas, files, collection of restitution, inputting requisitions and contracts in the financial system for payment, petty cash, supplies, litigation and other legal reports. Also, by increasing staff by 1.0 FTE, this would meet the multiple administrative demands of the department (Civil, Prosecution, and Liability Divisions). This position will assist and report to the Senior Administrative Analyst. Costs for the fully burdened position will be approximately \$78,659 in FY 2017. The City Attorney/City Prosecutor's Department will use salary savings to absorb the \$39,330 of expenses incurred during the remainder of FY 2016.

City Manager – Northwest Programs

b. Create 5.365 FTE's to transition contracted part time youth workers to City Service Workers – No Fiscal Impact

The Ambassador Program was established in 2001 to provide an outlet for youth to become active in the Pasadena community and to receive work experience. Through the program, high school students from ninth to twelfth grade receive soft skill training, personal development, and paid work as docents/hosts at various city and non-profit events. The program also created Lead Ambassador positions for alumni ambassadors who are full-time college students to gain supervisory experience and mentor program participants. There are a total of 57 youth enrolled in the Ambassador Program. In September of 2015, the City evaluated the Ambassador Program and determined that the participants should be converted from Independent Contractors, paid through accounts Payable, to City employees to better reflect their working relationship with the City. Program participants are under the direct supervision of City staff and follow similar selection and recruitment processes as other City youth employment programs. By converting the program participants to City employees, the City can provide critical pre-employment screening and continued on-the-job oversight and direction. Pending the City Council's approval, Human Resources and Northwest Programs staff will provide instruction and the necessary resources to assist with the program participant's transition to City employment. The incremental cost of

\$57,287 of creating 5.365 FTE's will be offset by existing funds in the FY 2016 City Manager department operating budget.

Human Services and Recreation Department

c. Recognize Revenue and Appropriate Expenditures for a Kaiser Foundation Hospitals Grant – General Fund

Recognize revenue and appropriate expenditures in Parks After Dark program for \$10,000. Kaiser Foundation Hospitals awarded the City a grant during FY 2016 and the grant was not incorporated into the Human Services and Recreation Department's original budget that was approved by the City Council. This grant will support integration of mental health, nutrition, and fitness workshops in Human Services and Recreation's summer program, Parks After Dark. The goals of the grant are to provide wellness/mental health workshops; improve early awareness of mental health symptoms; create safe environments to explore behavioral issues; and to reduce the social stigma associated with mental health issues. Human Services and Recreation program sites are ideal for this work as they are non-stigmatizing sites to access mental health services. This program is a partnership between the Public Health Department and the Human Services and Recreation Department. Both departments will be providing in-kind human resources to manage and implement the program.

Housing Department

d. Appropriate Expenditures - Human Services Endowment Fund

Transfer remaining balance of \$1,419 from the Human Services Endowment Fund to the Pasadena Community Foundation. In October 2012, the City Council approved the transfer of the Human Services Endowment Fund to the Pasadena Community Foundation as it presented the best option to ensure the viability of this fund. Some monies were held back to cover expenses. During the FY 2015 financial reporting process, it was noted that there is still a small balance in the fund. The Housing Department would like to close out the fund and transfer the unappropriated fund balance to the Pasadena Community Foundation and permanently close out the Human Services Endowment Fund. The Pasadena Assistance Fund Endowment will still continue through the Pasadena Community Foundation, but just will not under the purview of the City of Pasadena.

Planning and Community Development Department

e. Recognize Revenues from the National Endowment for the Arts – Capital Public Art Fund

Recognize \$100,000 in revenues from the National Endowment for the Arts Our Town matching grant to the Civic Center Capital Public Art project. The revenue was budgeted in the FY 2015 Operating Budget; however, the revenue will not be recognized until FY 2016. This grant requires a match and the expenses were appropriated in the FY 2016 Operating Budget via \$80,000 in Capital Public Art Funds (hard match) and the remainder from existing budget appropriations for personnel costs associated with project management (soft match).

Public Works Department

f. Appropriate Expenditures – Refuse Fund

Appropriate \$740,000 of unappropriated fund balance from the Refuse Collection Fund to replace two vehicles that are part of the City’s in-house street sweeping program. As illustrated below, it is no longer cost-efficient to retain the vehicles given the high cost of maintenance and repairs that have accumulated to date. It was originally anticipated the vehicles would be replaced several years from now, but given the vehicles’ condition it is cost effective to replace them this fiscal year.

Vehicle #	Year / Age / Mileage	Lifetime Vehicle Costs	Department	Comments
1958	2004 / 12 yrs. / 85,999	\$301,493	Public Works - Street Cleaning	Exceeded useful lifecycle
1650	1999 / 16 yrs. / 62,475	\$246,524	Public Works - Street Cleaning	Exceeded useful lifecycle

g. Recognize Revenue and Appropriate Expenditures – Building Maintenance Fund and General Fund

Transfer \$28,766 from the General Fund unappropriated fund balance to the Building Maintenance Fund for security services at the City Yards. During the FY 2016 budget process, 4.0 FTE’s Security Rangers were transferred from the Public Works Department to the Police Department. This left 2.0 FTE’s Security Rangers remaining in Public Works. These FTE’s are budgeted in the Building Maintenance Fund. Historically, a portion of the Security Ranger program has been supported by the General Fund and the revenue is recognized in the Building Maintenance Fund. The revenue received from the General Fund was eliminated as part of the FY 2016 Adopted Budget in connection with the FTE’s transferred to the Police Department. This was an administrative oversight as there are still 2.0 FTE’s Security Rangers stationed at the City Yards that service facilities/personnel with a General Fund nexus.

Water and Power Department

h. Appropriate Expenditures – Water Operating Fund

Appropriate \$230,000 from unappropriated fund balance in the Water Operating Fund to provide funding for additional cost of Water Conservation programs for the procurement and/or installation of 26,000 showerheads, kitchen aerators, and bathroom aerators for the Multi-family retrofit requirement. On June 1, 2015, the City Council approved a Level 2 Water Supply Shortage Plan with these additional program requirements and enhancements in response to the current drought. The City Council required all multi-family properties with 4 units or more install water efficient shower heads and aerators. The City Council required the department to purchase the efficient shower heads and aerators to provide to the property owners.

i. Appropriate Expenditures – Water Operating Fund

Appropriate \$177,000 from unappropriated fund balance in the Water Operating Fund to increase other contract services. This funding will be used to pay for the services of the Maintenance Assistance and Services to Homeowners (MASH). The MASH program will be providing services to the Water Conservation Team for the implementation of various new programs such as, the Multi-family Retrofit Program, Water Waste Enforcement, Fire Station Drought Tolerant Demonstration Gardens, Water Use Surveys and Greywater Laundry-To-Landscape Program, in response to the drought. On June 1, 2015, the City Council approved a Level 2 Water Supply Shortage Plan with these additional program requirements and enhancements. It was explained to City Council, this mandate would also require additional temporary staffing. During this meeting, the City Council approved increased temporary staffing for water waste enforcement.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through monitoring the FY 2016 Adopted Budget and implementing any necessary amendments.

FISCAL IMPACT:

Approval of the proposed budget amendments will increase FY 2016 total authorized operating appropriations across multiple funds by **\$1,187,185**, increase revenues across multiple funds by **\$138,766** and the use of the unappropriated fund balance across all funds by **\$1,048,419** as detailed in *Attachment A: Summary of Proposed Amendments*. Specifically, the General Fund unappropriated fund balance is **\$6,813,946** and with the proposed net budget appropriations of **\$28,766**, the unappropriated fund balance will be **\$6,785,180**.

Line item detail of all revenue and expense amendments is provided in *Attachment B, Detail of Proposed Budget Amendments*. The budget amendments included in this agenda report are not anticipated to impact existing FY 2016 budgeted indirect and support costs such as maintenance and IT support.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
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Approved by:



MICHAEL J. BECK
City Manager

Attachments: (3)
Attachment A: Summary of Proposed Budget Amendments
Attachment B: Detail of Proposed Budget Amendments
Attachment C: Executed Kaiser Foundation Hospital Letter of Agreement