

# Agenda Report

December 12, 2016

**TO:** Honorable Mayor and City Council  
**THROUGH:** Finance Committee  
**FROM:** Department of Finance  
**SUBJECT:** **AMENDMENTS TO FISCAL YEAR 2017 ADOPTED OPERATING BUDGET**

## **RECOMMENDATION:**

It is recommended that the City Council

- 1 Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") in accordance with Section 15061(b)(3), the General Rule that CEQA only applies to projects that may have an effect on the environment and,
- 2 Amend the Fiscal Year (FY) 2017 Adopted Operating Budget as detailed in the *Proposed Budget Amendments* section of this report

## **BACKGROUND:**

Throughout the fiscal year, budget amendments are necessary to account for changes to the adopted budget. These revenue and appropriation amendments are presented to the City Council for its consideration. This agenda report includes proposed amendments to the FY 2017 Operating Budget based on information that was not available when the budget was presented to the City Council for adoption on June 27, 2016.

A discussion of each proposed budget amendment is included in the *Proposed Budget Amendments* section. Additionally, Attachments A and B provide accounting details for each recommended budget amendment by fund and department for the FY 2017 Operating Budget.

## **PROPOSED BUDGET AMENDMENTS**

### **Housing and Career Services Department**

#### **A Community Arms Security Project Reduction – HOME Investment Partnerships Program Fund**

Reduce revenues and appropriations by \$420,000 for the Community Arms Security upgrades project. On August 15, 2016, the City Council approved and appropriated \$420,000 for the Community Arms Security Upgrades project. On August 31, 2016, the Community Bible Community Development Corporation informed the City it did not want to proceed with the project. Unfortunately, there was no opportunity for the City to reallocate the HOME funds to another activity and fulfill the commitment stage requirements by the August 31, 2016 deadline. As a result, the funds are subject to de-obligation by the federal government. The proposed action will allow the reduction to City revenues and appropriations.

#### **B Reduce Revenues and Appropriations – Workforce Investment Act Fund**

Reduce revenues and appropriations by \$418,112 for the Workforce Investment Act Fund. After further review and analysis, the revenue and expense budget should be reduced to accurately reflect the monies historically received from the State of California.

### **Human Resources Department**

#### **C AdminSure Contract – Workers' Compensation Fund**

Appropriate \$132,227 from the Workers' Compensation Fund unappropriated fund balance for the new contract with AdminSure. On May 11, 2016, the City Council approved a contract with AdminSure to serve as the City's new third party administrator for workers' compensation claims. AdminSure will provide more enhanced case management which will ultimately result in lower claims costs to the City. The contract was awarded near the end of the budget cycle, and due to timing, the full amount was not included in the FY 2017 Adopted Budget. As a result, the Department was advised to request additional appropriations through the budget amendment process.

**Human Services and Recreation Department**

**D After School Program Revenue Reduction – General Fund**

Reduce revenues of \$101,000 from the After School Program’s projected revenue During the budget development process, revenues were inadvertently increased beyond the projected amount for the After School Program After further review and analysis, the revenue needs to be adjusted to better reflect the actual revenue generated by the After School Program (please see revenue trend below) The program will not be impacted by this administrative correction

	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Projected
After School Program Fee Revenue	\$194,474	\$290,114	\$379,925	\$430,000

**Police Department**

**E Carry Forward Purchase Orders – Supplemental Law Enforcement Fund**

Increase appropriations by \$67,172 from the Supplemental Law Enforcement Fund’s unappropriated fund balance for two carry forward purchase orders The delivery of patrol lockers and document management software was not rendered until the new fiscal year As a result of administrative oversight, the two purchase orders were not included in the carry forward report that was presented to City Council on October 10, 2016

**F Selective Traffic Enforcement Program (STEP) Grant – General Fund**

Reduce revenues of \$354,009 for STEP grant revenue which was inadvertently entered into the FY 2017 budget twice Increase appropriations of \$23,074 to align with the actual amount of the STEP grant award Due to administrative oversight the appropriations did not correctly match the grant award

## **Public Health Department**

### **G Tobacco Control Program and Racial and Ethnic Approaches to Community Health (REACH) Program – Public Health Fund**

Increase a limited-term position from 0 50 FTE to 1 0 FTE in conjunction with recognizing revenues and additional appropriations of \$152,730 for the Tobacco Control (\$81,082) and REACH (\$71,648) programs. The Tobacco Control Program receives Proposition 99 grant funds through the California Department of Public Health, while the REACH Program receives funding from the Centers for Disease Control (CDC). In FY 2016, both programs had funding that remained unspent due to staff vacancies and reduced expenditures. The California Department of Public Health and CDC approved the carry forward of unspent funds in August 2016 and October 2016, respectively. The Public Health Department is proposing to increase a limited-term Community Service Representative I from 0 50 FTE to 1 0 FTE (\$36,835) in support of both programs. In addition, the Department is requesting an increase in services and supplies to help achieve Tobacco Control and REACH objectives through media campaigns (\$70,582), program evaluation services (\$29,587), professional conferences (\$6,572), program materials (\$6,689), and youth outreach (\$2,465).

### **H Transfer California Tobacco Control Grant Funding to City Manager's Youth Ambassador Program – Public Health Fund and General Fund**

Transfer \$19,465 from the Public Health Department's Tobacco Control Program to the City Manager's Youth Ambassador Program to provide youth coalition and outreach services known as Pasadena Cigarette Stompers. This collaboration between the Public Health Department and the Office of the City Manager is funded by the California Tobacco Control Program, which aims to prevent tobacco use among youth and to educate the public about the dangers of second hand smoke.

### **I Increase Public Health Nurse from 0 90 FTE to 1 0 FTE – Public Health Fund**

Recognize revenues and appropriations of \$13,323 to increase a Public Health Nurse from 0 90 FTE to 1 0 FTE. In July 2016, the State of California STD Control Branch awarded the Public Health Department a grant to implement evidence-based public health activities to proactively address sexually transmitted diseases.

## **Public Works Department**

### **J Pasadena Humane Society (PHS) Contract – General Fund**

Recognize \$153,000 of animal licensing and impounding revenues from PHS and appropriate \$153,000 in the General Fund to pay for the animal licensing and canvassing program. In March 2016, the City Council approved an amendment to the PHS contract to modify the remittance process for animal licensing revenue. The amendment requires PHS to remit all licensing revenue to the City each month and in turn the City pays PHS \$80,000 of the licensing revenue plus 50 percent of any amount exceeding \$80,000. In order to comply with the contract amendment, staff recommends recognizing and appropriating \$153,000 which is an estimate of the increased contract costs the Public Works Department will need to pay PHS for operating the City's licensing and canvassing program.

### **K Fire and Alarm Monitoring – Building Maintenance Fund**

Appropriate \$90,000 from the Building Maintenance Fund balance to support the cost of fire and alarm monitoring, which should have been adopted as part of the FY 2017 Operating Budget. Due to an administrative oversight the budget was not updated in the budget system. The revenue to offset this expense was already built into the FY 2017 rates for the Building Maintenance Electrical Program.

### **L Pool Maintenance – Building Maintenance Fund**

Appropriate \$75,000 from the Building Maintenance Fund balance to maintain Villa Park and Robinson park pools. This should have been adopted as part of the FY 2017 Operating Budget, however, due to an administrative oversight it was not updated in the budget system. The revenue to offset this expense to the Plumbing Program was already budgeted as a General Fund transfer in the FY 2017 Adopted Budget.

## **Transportation Department**

### **M Reduce Transfer between Transportation and Public Works – Transportation Sales Tax (Proposition A) Fund and General Fund**

Reduce the transfer of \$8,598 from Transportation's Proposition A Fund to Public Works' Engineering Services General Fund budget. In the past, the Proposition A Fund would transfer an annual amount of \$8,598 to the General Fund for transit and circulation engineering services provided by the Public Works Department. In an effort to improve the reconciliation of actual personnel costs and as recommended by Los Angeles County Metropolitan Transportation Authority's auditor, Public Works staff is now charging directly to transit-related capital projects. As a result, the budgeted transfer of \$8,598 is no longer necessary.

### **N Master Lease Purchase Agreement – Old Pasadena Parking Meter Fund and Civic Center Parking Meter Fund**

Transfer \$9,864 from the unappropriated fund balance in the Old Pasadena Parking Meter Fund to the Civic Center Parking Meter Fund for the annual payment of the Master Lease Purchase Agreement for six meters that were paid by the Civic Center Parking Meter Fund but were installed in the Old Pasadena Meter District. The Master Lease Purchase Agreement is a five year lease paid bi-annually with the final payment scheduled for FY 2019.

## **Rose Bowl Operating Company (RBOC)**

### **O Increased Safety Measures**

Recognize revenues in the amount of \$335,000 and appropriate \$734,000 in additional expenses to the RBOC FY 2017 budget. The appropriations are for increased security costs related to implementing a new standard operating procedure whereby magnetometers are deployed at all major events. This change in procedure provides more efficient and adequate facility screening. The additional revenue is associated with the reimbursable security costs that RBOC's tenants and promoters pay for the enhanced safety measures at major events.

## **COUNCIL POLICY CONSIDERATION:**

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through monitoring of the FY 2017 Adopted Budget and by implementing necessary amendments.

**FISCAL IMPACT:**


Approval of the proposed budget amendments will increase FY 2017 total authorized operating appropriations across multiple funds by \$623,145, will decrease revenues across multiple funds by \$618,337, and will decrease unappropriated fund balance across all funds by \$1,241,482 as detailed in *Attachment A Summary of Proposed FY 2017 Budget Amendments*. Currently the General Fund unappropriated fund balance is \$12,096,782, with the proposed net decrease of \$486,681 the estimated ending fund balance will be \$11,610,101.

Line item detail of all revenue and expense amendments is provided in *Attachment B Detail of Proposed FY 2017 Budget Amendments*. The budget amendments included in this agenda report are not anticipated to impact existing FY 2017 budgeted indirect costs and support costs such as maintenance and IT support.

Respectfully submitted,

  
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