

Agenda Report

October 23, 2017

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: AMENDMENTS TO FISCAL YEAR 2018 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) 2018 Adopted Operating Budget as detailed in the "Proposed Budget Amendments" section of this report.

EXECUTIVE SUMMARY:

Throughout the fiscal year, budget amendments are necessary to account for unanticipated changes to the adopted budget. These revenue and appropriation amendments are presented to the City Council for approval. This agenda report includes proposed amendments to the FY 2018 Operating Budget as adopted by the City Council on June 19, 2017. These proposed budget amendments fall into one of the following categories:

- Carry forwards of previously approved appropriations from the FY 2017 budget that were unexpended as of June 30, 2017 and are now anticipated to be expended during FY 2018; or,
- Amendments to the FY 2018 Operating Budget based on information that was not available when the operating budget was presented to the City Council for adoption on June 19, 2017.

As detailed in Attachment C of this report, approval of the proposed budget amendments will increase FY 2018 total authorized operating appropriations across multiple funds by a net amount of \$275,667.

Proposed Budget Amendments

1. **Carryforward of FY 2017 Purchase Orders and Contracts** – The Department of Finance recommends expenditure appropriations in the amount of \$3,303,711 be carried forward from FY 2017 to FY 2018 throughout various funds. As detailed in Attachment A, the recommended appropriations represent 22 purchase orders and contracts where goods or services were ordered in FY 2017 but will not be received until FY 2018.
2. **Carryforward of FY 2017 Grants** – The Department of Finance recommends recognizing revenue and appropriating expenditures in the amount of \$1,027,695 to carry forward grants from FY 2017 to FY 2018 throughout various funds. As detailed in Attachment B, the recommended expenditures and appropriations represent the remaining balances of nine FY 2017 grants.
3. **Office of Traffic Safety (OTS) Selective Traffic Enforcement Program (STEP) Grant** – The Police Department recommends two actions for this grant. The first action appropriates expenditures of \$11,667 in the General Fund. Due to an administrative oversight during the FY 2018 Operating Budget adoption, the revenue recognition of \$341,667 did not align with the expense appropriation of \$330,000. The second action recognizes revenue and appropriates expenditures of \$73,333 in the General Fund to budget for the actual grant amount of \$415,000 received by the Police Department on August 8, 2017. The Police Department applies for and receives an OTS-STEP grant annually. These grant funds are used to conduct Driving Under the Influence checkpoints, along with speed education and enforcement programs.
4. **Proposition 56 Local Oral Health Program (LOHP) Grant** – The Pasadena Public Health Department (PPHD) recommends two actions for this grant. The first action recognizes revenue and appropriates expenditures of \$172,424 to the Public Health Fund. The second action adds an additional 1.50 limited term, Full Time Equivalents (FTEs) for partial funding of a Community Services Representative III, Management Analyst I, and Public Health Nurse to support the implementation of LOHP initiatives. In November 2016, California voters passed Proposition 56, the California Healthcare, Research and Prevention Tobacco Tax Act of 2016, in support of public health services.
5. **Proposition 56 Tobacco Control Grant** – PPHD recommends two actions for this grant. The first action recognizes revenue and appropriates expenditures of \$169,696 to the Public Health Fund. The second action adds an additional 1.00 limited term FTE for a Community Services Representative III to work directly with local community coalitions as required by the grant.

6. **Nutrition Education and Obesity Prevention (NEOP) Grant** – PPHD recommends two actions for this grant. The first action recognizes revenue and appropriates expenditures of \$114,314 to the Public Health Fund. The second action increases the FTE allocation of two existing limited term Community Service Representative IIIs from 0.25 to 0.80 FTE. The California Department of Public Health (CDPH) awarded PPHD a Nutrition Education and Obesity grant in October 2016 to support the implementation of community-based nutrition initiatives that promote healthy eating, physical activity, and food security in Northwest Pasadena. In May 2017, CDPH awarded PPHD supplemental funding through September 30, 2017 to ensure completion of critical program components within the current scope of work.
7. **California State Library – Library Services and Technology Act (LSTA) Sciences, Technology, Engineering, Arts, and Mathematics (STEAM) 18 Grant** – The Libraries and Information Services Department recommends recognizing revenue and appropriating expenditures of \$100,000 to the Library Services Fund. The California State Library LSTA awarded the Libraries and Information Services Department grant funding to plan and present a year-long series of STEAM programming for the Pasadena community and surrounding areas. Whereas the grant period ends in August 2018, the Libraries and Information Services Department will continue to provide programming in support of STEAM 18 until December 2018.
8. **Rotating Public Art Exhibition Program** – The Planning and Community Development Department recommends two actions for this program. The first action appropriates expenditures of \$95,000 from the Unappropriated Fund Balance of the Cultural Trust Fund to the Cultural Affairs Division of the Planning and Community Development Department. These funds will be used to install new art pieces at eight existing sites for approximately 36 months. A one-time appropriation of \$95,000 was budgeted in FY 2017; however, the contracts for each artist were not executed and the budget remained unspent before fiscal yearend. The second action appropriates expenditures of \$84,000 to the Cultural Trust Fund for the installation of seven new sites throughout the City.
9. **Children’s Health Outreach, Enrollment, Utilization and Retention Services (CHOEUR) Grant** – PPHD recommends recognizing revenue and appropriating expenditures of \$60,000 to the Public Health Fund. In May 2017, CHOEUR awarded PPHD grant funding to perform outreach and enrollment of eligible Los Angeles County children and their families into the Medi-Cal program. Funding was originally scheduled to end on June 30, 2017, but the renewed award will provide program support for an additional year through the end of FY 2018.
10. **Increase Personnel Appropriations** – The Department of Finance recommends appropriating expenditures of \$50,000 to the City Clerk Department within the General Fund. Due to an administrative oversight during the FY 2018 Operating Budget adoption, the funding for two Maintenance Assistance and Services to Homeowners (MASH) employees was not included in the operating budget for the City Clerk Department.

- 11. NEOP Program Healthy Retail Project Grant** – The Housing and Career Services Department recommends transferring \$35,000 from the Community Development Block Grant (CDBG) fund to award PPHD the NEOP Program Healthy Retail project grant. To complete this grant award PPHD recommends recognizing revenue of \$35,000 in the Public Health Fund to receive the NEOP Program Healthy Retail project grant from the CDBG fund. In May 2016, the Housing and Community Development CDBG program awarded a grant to enhance the NEOP Healthy Retail project. Funds will support the program’s goals of increasing access and consumption of fresh fruits and vegetables at four qualifying neighborhood stores within the CDBG Benefit Service Area by providing exterior and interior improvements, equipment, marketing materials, and technical assistance.
- 12. Zika Public Health Foundation Enterprises (PHFE) Grant** – PPHD recommends recognizing revenue and appropriating expenditures of \$32,727 to the Public Health Fund. PHFE awarded PPHD grant funding to enhance local health departments’ response to Zika, a mosquito-borne disease. The grant will be used to assist with public education to prevent mosquito breeding, to conduct outreach to medical providers related to Zika testing, and to collaborate with the San Gabriel Valley Mosquito and Vector Control District for mosquito surveillance.
- 13. National Endowment for the Arts (NEA)/Arts Midwest Big Read Grant** – The Libraries and Information Services Department recommends recognizing revenue and appropriating expenditures of \$14,000 to the Library Services Fund. The NEA, on behalf of Arts Midwest, awarded the department grant funding in support of programming and expenses incurred as part of the NEA Big Read programming. The Libraries and Information Services Department must develop and produce a dynamic community reading program designed around a single NEA Big Read selection that inspires conversation and discovery. The Big Read will last approximately one month and will be held in a variety of venues and, through effective partnerships, reach a broad audience.
- 14. MASH Program Budget** – The Housing and Career Services Department recommends transferring MASH program revenue and appropriations in the net amount of \$12,290 to the Other Housing Funds. The MASH program is currently budgeted within the CDBG Fund of the Housing and Career Services Department. The CDBG Fund must only reflect CDBG revenues and appropriations and the Other Housing Funds better reflects the operations of the MASH program.
- 15. Launch of Pasadena As An Early Learning City – Office of the Young Child/First 5 LA Grant** – The Libraries and Information Services Department recommends recognizing revenue and appropriating expenditures of \$12,000 to the Library Services Fund. First 5 LA awarded the department grant funding to reimburse costs of “Launch of Pasadena as an Early Learning City” on September 23, 2017. The launch kicked off the Young Child movement in the City of Pasadena.

16. **Pasadena Community Foundation Grant** – PPHD recommends recognizing revenue and appropriating expenditures of \$9,887 to the Public Health Fund. In May 2017, the Pasadena Community Foundation awarded PPHD a one-time grant for the purchase and installation of furniture suitable for conducting both group and one-on-one therapy sessions, and awarded office space to perform senior case management services.
17. **Employee Parking Permits** – The Department of Finance recommends transferring appropriations of \$8,280 from the City Attorney to the Human Resources Department across benefit funds to correct an administrative oversight. During the FY 2018 Operating Budget adoption, the appropriation for employee parking permits for the City Attorney and Human Resources Departments were incorrectly budgeted.
18. **Internal Service Charge Allocation Corrections** – The Department of Finance recommends appropriating internal service charges across the appropriate housing funds to align with the personnel assigned to each fund. Due to an administrative oversight during the FY 2018 Operating Budget adoption, internal service charges for the Department of Information Technology (DoIT) were budgeted in a single housing fund.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2018 Adopted Operating Budget and by implementing necessary budget amendments.

FISCAL IMPACT:

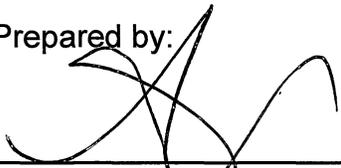
As detailed in Attachment C, approval of the proposed budget amendments will increase FY 2018 total authorized operating appropriations across multiple funds by a net amount of \$275,667. Currently the General Fund unappropriated fund balance is \$6,189,373. With the proposed net fund balance increase of \$61,667, the estimated ending unappropriated fund balance will be \$6,127,706.

The budget amendments included in this agenda report are not anticipated to impact existing FY 2018 budgeted indirect and support costs such as maintenance and DoIT support.

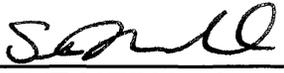
Respectfully submitted,



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Director of Finance

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Fiscal Services Administrator
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Approved by:


STEVE MERMELL
City Manager

Attachments (3)

- 1) Attachment A Listing of Carry Forward Purchase Orders and Contracts
- 2) Attachment B Listing of Carry Forward Grants
- 3) Attachment C Summary of Proposed FY 2018 Budget Amendments