



Agenda Report

January 22, 2018

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.

BACKGROUND:

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 based on information that was not available when the operating budget was presented to the City Council on June 19, 2017.

A discussion of each proposed budget amendment is included in the "Proposed Budget Amendments" section. As detailed in Attachment A of this report, approval of the proposed budget amendments will increase FY 2018 total authorized operating appropriations across multiples funds by a net amount of \$836,552.

Proposed Budget Amendments

1. **Joint Use Facilities Agreement Washington Middle School** – The Finance Department recommends appropriating expenditures of \$1,250,000 in the General Fund from the General Fund Reserved Fund Balance. This appropriation is for a previously approved Joint Use Facilities Agreement between the City of Pasadena and the Pasadena Unified School District (PUSD) for the construction and use of the Washington Middle School gymnasium. This action was approved on February 15, 2011. The project is complete and the City made payment to PUSD. The proposed action will amend the budget to properly reflect the expenditure.
2. **Transfer from Traffic Reduction Transportation Improvement Fees Fund (TRTIF)** – The Department of Transportation recommends removing the TRTIF transfer to the Proposition C Local Return Fund of \$1,500,000. With the recent update to the TRTIF guidelines in January 2017, the fees can no longer support current transit operations. Measure M Local Return funds will fill the TRTIF funding gap for transit operations beginning FY 2018.
3. **Correct Carryforward Purchase Order to Los Angeles County Metropolitan Transportation** – The Department of Finance recommends un-appropriating \$850,265 from the Department of Transportation's Measure R Fund. Due to administrative oversight, a purchase order and related encumbrance was carried forward into FY 2018 when the item was paid in FY 2017.
4. **Department of Information Technology (DoIT) Department Billable Costs** – DoIT recommends recognizing revenue and appropriating expenditures of \$450,000 for IT purchases made on behalf of other City departments. This action will have a neutral effect on DoIT's operating budget but will streamline the payables and billing process and will simplify tracking and recording of the transactions in the City's financial system.
5. **Debt Services Payment** - The Department of Finance recommends appropriating expenditures of \$248,333 to the Department of Public Works within the Sewer Fund. Due to an administrative oversight during the FY 2018 Operating Budget adoption, the funding for debt service payment was not included in Public Work's operating budget.
6. **Transfer from the General Fund to the Computing and Communication Services Fund** - Department of Finance recommends the transfer of \$126,000 from the General Fund to the Computing and Communications Services Fund. The Fiscal Year 2018 Operating Budget includes the permanent funding for a Business Systems Analyst position; however, the funding for the position was included in the General Fund and not in the Computing and Communications Services Fund. There will be no impact to the General Fund's fund balance from this action.

7. **Equipment Replacement** - The Department of Finance recommends appropriating expenditures of \$88,484 to the Department of Public Works within the Gas Tax Fund. Due to an administrative oversight during the FY 2018 Operating Budget adoption, the funding for equipment replacement was not included in Public Work's operating budget.
8. **Purchase a Forklift for Pasadena Water and Power Warehouse** – The Pasadena Water and Power Department (PWP) recommends two actions. The first action appropriates expenditures of \$65,000 to the Power Capital Fund. The second action appropriates expenditures of \$35,000 to the Water Capital Fund. Currently, there is a non-operational Gradall forklift that served the warehouse for 32 years. The warehouse is renting a unit to address its needs but it requires a larger capacity forklift to lift heavy reels of copper cable. With this approval, staff will proceed to procure a new forklift.
9. **Shared EV Employer Demonstrator (SEED) Program for Pasadena Employers** – The Department of Transportation recommends recognizing revenue and appropriating expenditures of \$750 in grant funds awarded by Metro for the SEED Program. The SEED program will provide selected Pasadena employers the opportunity to offer no-cost electric vehicle (EV) rentals to employees to help them gain first-hand experience with driving EVs, using workplace charging stations, and using EVs as connections to transit. In September 2016, the City received an award notification for a grant amount of \$335,000 for the SEED Program; however, in July 2017 when the City received the Memorandum of Understanding from Metro, the revised grant amount was \$335,750.

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 A, approval of the proposed budget amendments will increase FY 2018 total authorized operating appropriations across multiple funds by a net amount of \$836,552. The General Fund's unappropriated fund balance will not be impacted by the increased appropriations as the dollars were set aside in a reserved fund balance for the Facility Joint Use Agreement.

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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Approved by:



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Attachments: (1)

1) Attachment A: Summary of Proposed FY 2018 Budget Amendments