

Agenda Report

April 29, 2019

TO: Honorable Mayor and City Council

FROM: Department of Finance

SUBJECT: PUBLIC HEARING: CITY MANAGER'S RECOMMENDED FISCAL YEAR 2020 OPERATING BUDGET AND THE FISCAL YEAR 2020 - 2024 CAPITAL IMPROVEMENT PROGRAM BUDGET

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing on the City Manager's Recommended Fiscal Year (FY) 2020 Operating Budget and the FY 2020 - 2024 Capital Improvement Program (CIP) Budget; and
2. Continue the public hearing to May 6, 2019 at 7:00 p.m. and thereafter at each subsequent meeting of the City Council until the City Council determines that the public hearing may close and then formally adopt the FY 2020 Operating Budget and FY 2020 - 2024 CIP Budget.

BACKGROUND:

The City of Pasadena Charter, Section 902, requires that the annual operating and CIP budgets for the upcoming fiscal year be submitted to the City Council on or before the third Monday in May. As part of the process of adoption, the City Council is requested to open the public hearing on the recommended operating and CIP budgets and continue the public hearing until the recommendation to adopt the FY 2020 Operating and CIP budgets are presented to the City Council.

The Recommended FY 2020 Operating Budget represents the City's financial plan for FY 2020 and furthers the City's mission to deliver exemplary municipal services responsive to our entire community and consistent with the City's history, culture and unique character. In addition to the City's anticipated operating revenues and expenses, the recommended budget includes the appropriations for the FY 2020 – 2024 CIP and the City's affiliated agencies (Rose Bowl Operating Company, Pasadena Center Operating Company, and Pasadena Community Access Corporation).

The Recommended FY 2020 Operating Budget has a total recommended appropriation of \$274,407,283 in General Funds and \$872,495,950 in all Funds, which is detailed by department and affiliated agencies in Attachment A. The full time equivalent (FTE) positions (including affiliated agencies) funded by the General Fund are 1,002.80 FTEs and funded by all Funds are 2,272.70 FTEs. The table below summarizes this information and compares the numbers to the last two fiscal years.

Total Budgeted Appropriations
(including Affiliated Agencies and CIP)

in millions

	FY 2018 Actuals	FY 2019 Adopted	FY 2020 Recommended
General Fund	\$259.1	\$246.1	\$274.4
All Funds	\$811.9	\$816.7	\$872.5

Full-Time Equivalent Positions
(including Affiliated Agencies)

	FY 2018 Adopted	FY 2019 Adopted	FY 2020 Recommended *
General Fund	983.75	974.91	1,002.80
All Funds	2,171.26	2,181.57	2,272.70

*As of FY 2020, the City's FTE total now includes previously "non-budgeted" positions (56.00 FTE MASH trainees, 8.00 FTE Firefighter trainees, 12.42 FTE Retirees). There are no appropriations budgeted for these positions – only the FTE authorization to meet ERP system requirements.

The Recommended FY 2020 – 2024 CIP Budget contains 200 active capital improvement projects with a total estimated cost of \$903,807,976 and a total recommended appropriation of \$87,982,228 to 139 projects as detailed in Attachments B and C. Twenty-seven new projects have been added. In addition, the CIP Budget contains a "Future Projects" section which identifies an additional 58 unfunded projects with a total estimated cost of \$306 million.

Copies of the Recommended FY 2020 Operating and CIP Budgets have been placed in the Pasadena Central Library and in the City Clerk's Office. In addition, the documents are available on the City's website. The Operating and CIP budget presentations to the joint City Council/Finance Committee begin on May 6, 2019 at 2:30 p.m. and continue each consecutive Monday until the budgets are recommended for adoption. The complete budget presentation schedule is outlined on Attachment D. Following the review by the joint City Council/Finance Committee, the final Recommended Operating and CIP Budgets are scheduled to be presented to the City Council for adoption on June 17, 2019 at 7:00 p.m. or thereafter.

The City Manager's Transmittal Letter for the Operating Budget is Attachment E, and the City Manager's Transmittal Letter for the Capital Improvement Program Budget is Attachment F.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through the adoption of the FY 2020 Recommended Operating and CIP Budgets. In addition, all projects in the Recommended FY 2020 – 2024 CIP Budget have been found to be consistent with the General Plan.

ENVIRONMENTAL ANALYSIS:

This action proposed herein is not a project subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Section 15060 (c)(2), 15060 (c)(3), and 15378. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

Recommended appropriations (including affiliated agencies and CIP) in the Recommended FY 2020 Operating Budget is \$274,407,283 in General Fund and \$872,495,950 in all Funds.

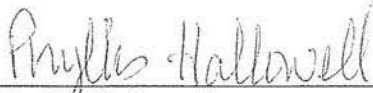
Recommended appropriations in the Recommended FY 2020 - 2024 Capital Improvement Program total \$87,982,228. Details regarding the sources of funding are included in Attachment B.

Respectfully submitted,



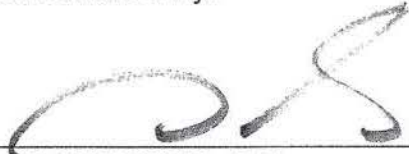
MATTHEW E. HAWKESWORTH
Director of Finance

Prepared by:



Phyllis Hallowell
Management Analyst V

Concurrence by:



ARA MALOYAN, P.E.
Director of Public Works

Approved by:



STEVE MERMELL
City Manager

Attachments:

1. Attachment A – Summary of Appropriations by Department
2. Attachment B – Recommended FY 2020–2024 CIP Totals by Category
3. Attachment C – Recommended FY 2020–2024 CIP Appropriations
4. Attachment D – Operating and CIP Budget Presentations to the Joint City Council/Finance Committee Schedule
5. Attachment E – City Manager's Operating Budget Transmittal Letter
6. Attachment F – City Manager's CIP Budget Transmittal Letter