

April 29, 2019

**HONORABLE MAYOR AND CITY COUNCIL MEMBERS:**

It is my pleasure to present the Recommended Fiscal Year 2020 (FY20) Budget for the City of Pasadena. The Budget, both Operating and Capital, make possible the many services and facilities provided by the City which contribute to the high standard of living in Pasadena. Our residents choose to live in Pasadena because it offers a better quality of life than other Los Angeles County cities. The City provides a wide variety of services and programs either directly or through partnerships with local non-profits, for virtually every age and lifestyle. The budget seeks to continue the essential services that protect residents' quality of life, such as neighborhood police patrols, keeping our roads and parks in good condition, supporting local youth and senior programs, and other services that make our City a great place to live and work.

**Total Budgeted Appropriations**  
(including Affiliated Agencies and CIP)

in millions

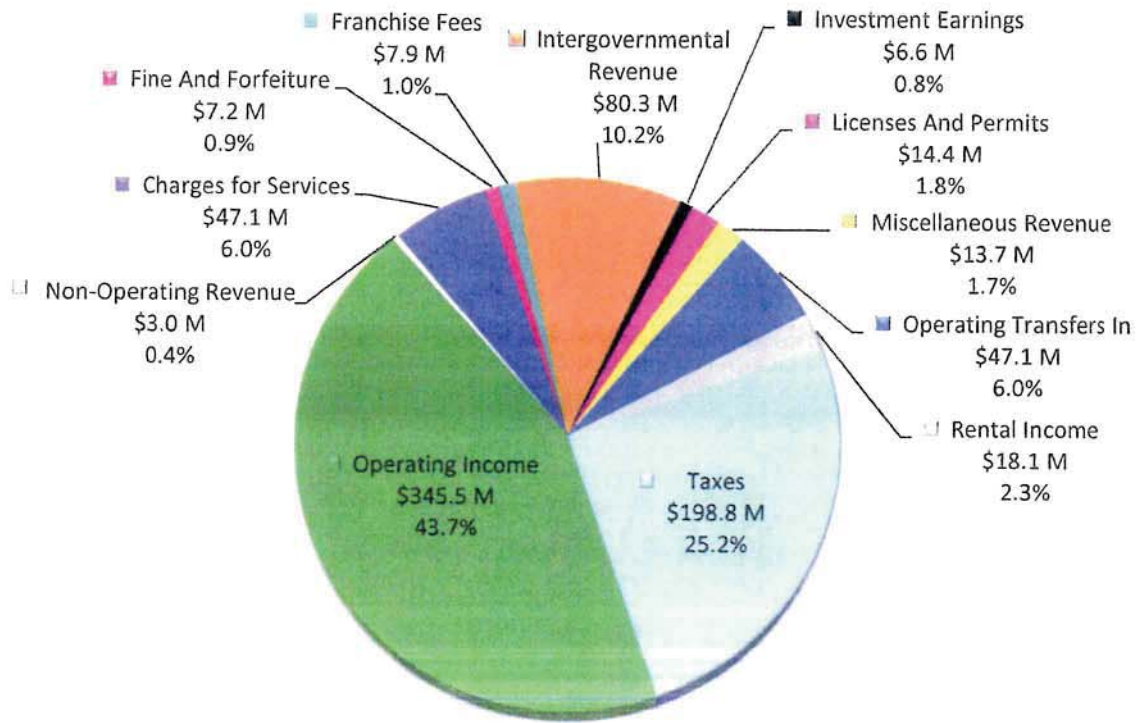
	FY 2018 Actuals	FY 2019 Adopted	FY 2020 Recommended
General Fund	\$259.1	\$246.1	\$274.4
All Funds	\$811.9	\$816.7	\$872.5

**Full-Time Equivalent Positions**  
(including Affiliated Agencies)

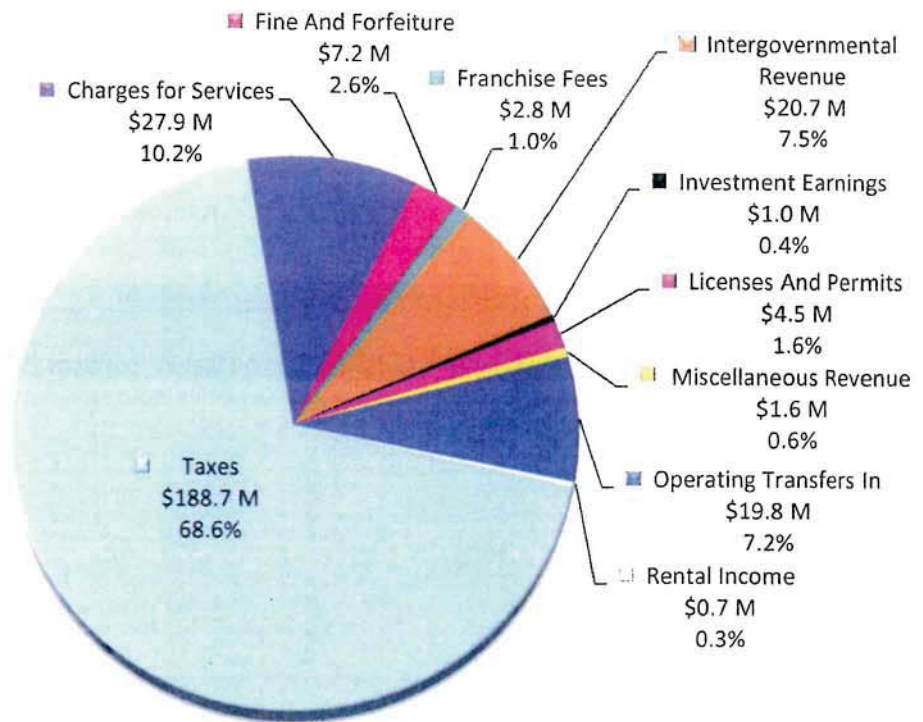
	FY 2018 Adopted	FY 2019 Adopted	FY 2020 Recommended *
General Fund	983.75	974.91	1,002.80
All Funds	2,171.26	2,181.57	2,272.70

\*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.

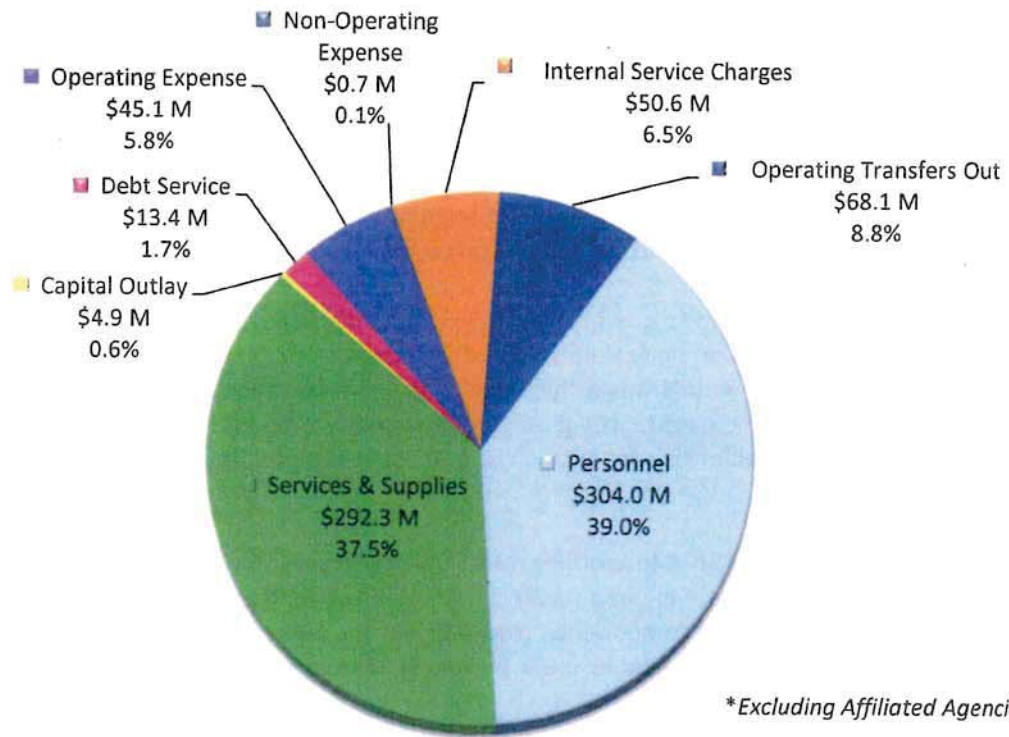
**FY 2020 OPERATING REVENUES BY CATEGORY FOR ALL FUNDS (Millions)**



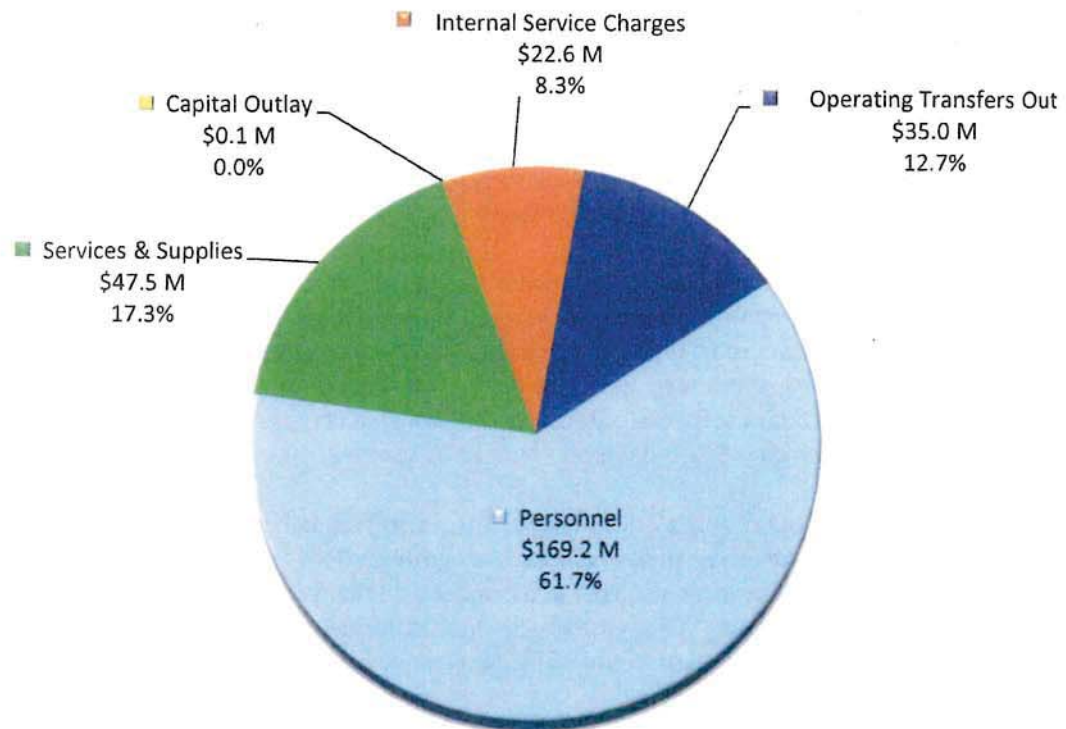
**FY 2020 OPERATING REVENUES BY CATEGORY FOR THE GENERAL FUND (Millions)**



**FY 2020 OPERATING APPROPRIATIONS BY CATEGORY FOR ALL FUNDS (Millions)**



**FY 2020 OPERATING APPROPRIATIONS BY CATEGORY FOR THE GENERAL FUND (Millions)**



## THE CURRENT ECONOMIC CLIMATE

### STATE AND FEDERAL LEVEL

As the City of Pasadena prepares to enter Fiscal Year 2020 it does so against a national economic backdrop of slow but steady growth. The real Gross Domestic Product (GDP) increased at an annual rate of 2.6% in the fourth quarter of 2018. The increase in real GDP for the fourth quarter reflected positive contributions from personal consumption expenditures, nonresidential fixed investment, exports, private inventory investment and federal government spending. Those gains were partly offset by negative contributions from residential fixed investment, and state and local government spending.

Nationally, job growth screeched to a halt in February, with nonfarm payrolls up only 20,000. This marked the worst month for job creation since September 2017, when two major hurricanes hit the employment market. Many analysts believe this was a fluke and time will tell in the coming months. In California, layoff-warning filings have increased, hitting 30% more workers compared to the prior year. While the layoffs may be adverted, California's job growth of 1.9% over the past 12 months is at its lowest since 2012.

The year-over-year Consumer Price Index (CPI) rose 1.5% in February 2019, which is the third month in a row that the 12-month change has been under 2.0%. Meanwhile, the year-over-year Core CPI Index, which excludes food and energy components, rose 2.1% for the 12 months ending February 2019. Over the past year, the food index increased by 2.0%, its largest 12-month increase since April 2015 while the energy index declined 5.0%.

### THE LOCAL ECONOMY

Pasadena's local economy continues to perform well with the latest unemployment rate at 4.0% compared to Los Angeles County as a whole which was at 4.7%.

Commercial development continues to be robust. The Constance Hotel completed its final phase which includes a pool deck, dining and special event space. The 179 room Hyatt Place hotel celebrated a ribbon cutting and welcomed new guests in mid-December 2018 bringing a welcome addition to the Paseo block, just in time for New Year's. And, there are potential plans for up to as many as four other new hotels in the City. Additionally, Transient Occupancy Tax related to short-term rentals has performed slightly better than expected, with annual receipts of roughly \$700,000.

Pasadena's economic base includes many successful businesses particularly in the fields of finance, healthcare and technology. High tech company Gemalto signed a lease for 56,000 square feet at 3100 New York Drive; First Financial Credit Union is moving its headquarters into Pasadena bringing 120 jobs; GM Cruise (General Motors self-driven car subsidiary) just leased 48,000 square feet vacated by Community Bank; and Bluebeam software outgrew its office space on Lake Avenue and moved into the historic Royal Laundry building on South Raymond Avenue in March 2019.

Lincoln Properties broke ground on its first phase of the Parson's block which will include nearly 400 housing units, 200,000 sf of new office space, and ground floor retail space along Fair Oaks Avenue. Education and health services also received a boost with the start of Kaiser Permanente's School of Medicine on Los Robles Avenue. Caltech has also moved forward with significant investments on campus, the most recent being the Chen Neuroscience building which broke ground in the fall.

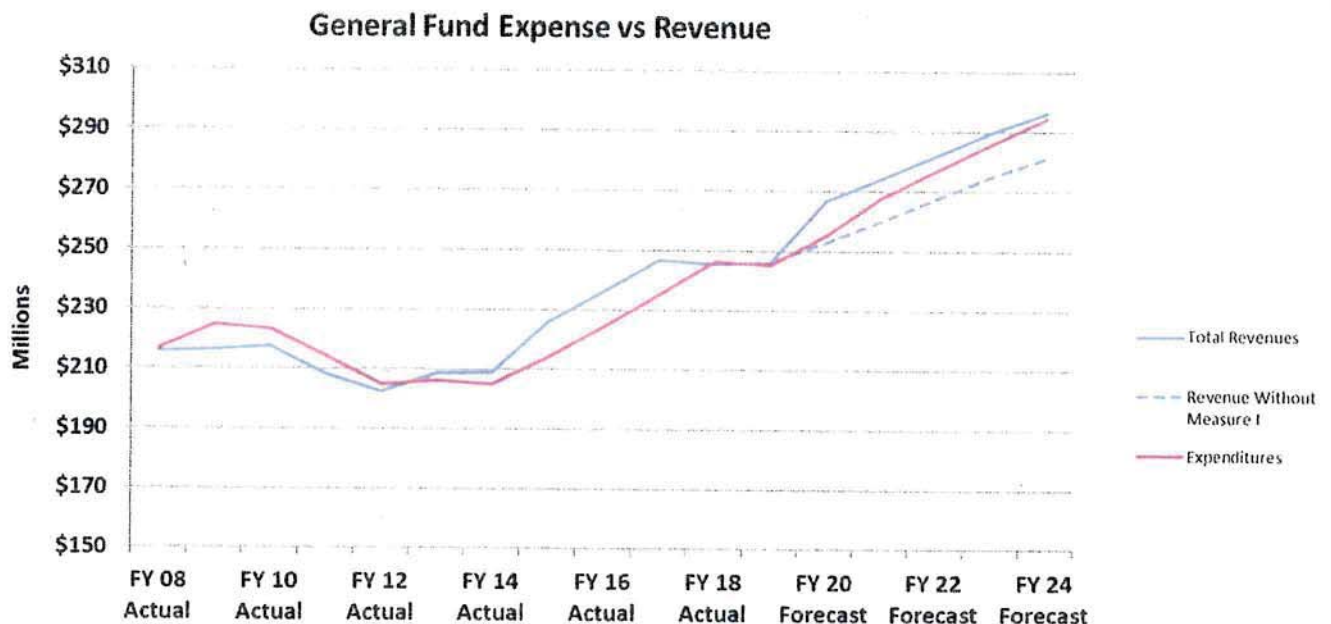
Home Depot purchased the property previously occupied by Avon Corporation and is working towards opening a store at that location within the next two years, which will generate significant local sales tax. In June, 2018 Pasadena voters approved land-use regulations to permit a number of cannabis operations as well as a related excise tax. It is anticipated that in early FY20 the City will begin to receive revenue as a result.

Several new restaurants have opened in the last year, creating an important balance to the retail sector that has remained relatively flat. Overall, with the scope of new development and continued success of local employers, Pasadena's economy remains healthy.

#### **GENERAL FUND FIVE-YEAR FINANCIAL FORECAST**

The General Fund five-year financial forecast is the mechanism by which the long-term financial health of the City's most important fund is monitored. The current Forecast for FY20 is attached as Exhibit A. By tracking and trending current and anticipated revenues and expenses, the forecast provides a tool for the City's policymakers. In recent years, the five-year projection indicated that increases in operating costs, mostly in the personnel category, coupled with overall flat revenue growth were leading the City to spend more annually than it brings in, thereby creating a structural deficit that would grow if not addressed. In such a situation, the City's fund balance i.e., its reserves would be drawn down to fill the gap. While this might be less of a concern during relatively short periods of economic downturn, it is not sustainable over the long-term.

Consequently, over the past three fiscal years, the City has successfully executed a fiscal strategy which reduced over \$6.1 million in General Fund expenses, including the elimination of 22 vacant staff positions, the de-funding of five other positions and additional reductions. Not wanting to reduce essential City services and acknowledging the need to reinvest in critical infrastructure, the City Council, in November 2018 asked Pasadena voters to approve a ¾-cent sales tax measure. Measure I, which was passed by better than a 2/3<sup>rd</sup> margin, is anticipated to generate \$21 million annually, beginning in FY20. A separate advisory measure, Measure J, asked voters whether the City Council should share 1/3 of Measure I revenues with Pasadena Public Schools, as the success of the City is tied to the success of its schools. That measure received over 72% support of voters. This past March, the City Council took action to approve a Memorandum of Understanding with the Pasadena Unified School District to operationalize the will of the voters.

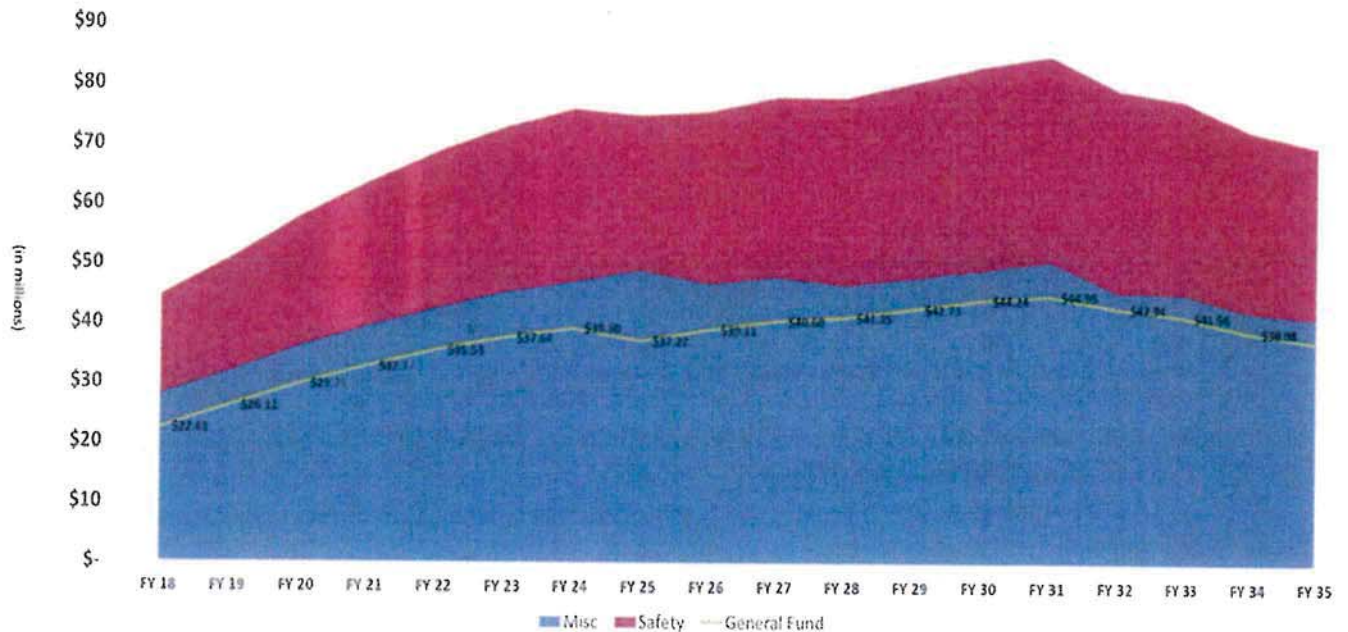


As indicated by the chart above, without the additional revenues provided by Measure I, the Recommended Operating Budget for FY20 would require reductions exceeding \$3.6 million to be balanced without the use of reserves. Thankfully, due to the passage of Measure I, not only is the recommended operating budget for FY20 balanced, revenues are expected to exceed expenses by \$10 million.

Nevertheless, given current revenue and expense trends, there is a risk that in a few years, and not accounting for an economic recession, expenses will once again begin to outpace revenues. This is because despite a local economy that continues to expand, the growth in overall City revenues, even with Measure I, is not projected to keep pace with increases in the cost of providing City services. Particularly as it relates to personnel costs which accounts for 62% of overall General Fund spending for FY20.

Most significant in the personnel cost category has been the dramatic increase in payments to the Public Employee Retirement System (CalPERS), which provides pension benefits to former City employees. The City's total Unfunded Accrued Liability (UAL) stood at \$460 million dollars as of the most recent valuation, as of June 30, 2017. This amount represents the amortized dollar amount needed to fund benefits already earned by current and former City employees. From a budgetary perspective, the City has seen its PERS contributions rise from \$29.3 million in FY14 to over \$57.8 million for FY20. As indicated by the following chart, the issue will become even more pronounced over the next decade or so.

At the state-level there have been pension reforms. In 2013, the Public Employees' Pension Reform Act (PEPRA) went into effect. As a result of this act, persons hired after January 1, 2013 receive a less generous pension formula and will have to contribute to the cost of their pensions. Currently, 30% of the City's workforce are covered by PEPRA. Unfortunately, it will take many years before these changes make a dent in the City's UAL. In addition, in Pasadena 100% of current CalPERS eligible City employees are contributing a combined \$14 million towards their pensions in FY19.



Recognizing the significance of the pension issue, in June 2017 the City Council allocated \$12.5 million towards the establishment of an IRS Section 115 Trust. A 115 Trust is an investment vehicle that allows the City to invest funds to pay for future pension and benefit liabilities. Given the size of the City’s UAL, \$12.5 million represents merely a fraction of a single fiscal year’s PERS payment; however, if additional dollars are added to the Trust, through the use of one-time revenues and surplus funds at the end of each fiscal year, over the course of the next few years, the City can build up reserves sufficient to reduce the impacts of future General Fund pension contributions. This spring, staff will review various options for maximizing the value of the Trust with the City Council Finance Committee.

Past prudent fiscal management on the part of the City Council has allowed Pasadena to maintain a AAA credit rating on its General Obligation bonds by Standard and Poor’s and a AA+ rating from Fitch ratings. Moreover, the City’s current General Fund emergency and operating reserve is funded at a combined 20%, which equals \$47 million. Consequently, Pasadena’s fiscal position is strong.

To maintain this strength, the key fiscal challenge going forward is to ensure that expenses do not exceed revenues and that there are sufficient funds to reinvest in critical infrastructure; something that has been lacking over the past decade or so. With this in mind, proposed enhancements to the Recommended FY20 Operating Budget are very limited totaling \$505,000 (of which \$357,000 are one-time expenditures), as discussed below, with the vast majority of available funds (\$9.375 million) being recommended to address a number of the City’s pressing capital needs.

In the Operating Budget, staff is recommending the following enhancements:

- Paramedic training for Fire Fighter staff. The City’s fleet of five Advanced Life Support Ambulances are staffed by Fire Fighter Paramedics. Additionally, it is our goal to have at least one Fire Fighter Paramedic on each Fire Engine and Fire Truck. In order to maintain this level of service additional Fire Fighters need to be trained as Paramedics - \$317,000

- Addition of a Case Manager to further the City's existing Homeless Outreach efforts - \$80,000. Homelessness is arguably the most difficult issue facing the City today as its causes are several, the problem regional and permanent solutions difficult to implement. The City operates a number of effective programs, but given the scale of the problem additional resources are needed
- Addition of 1.0 Recreation Site Coordinator at Washington Park. The neighborhood surrounding this heavily used park in the north-central area of the City would benefit greatly from additional programming - \$68,000
- To ensure the most complete count of Pasadena residents, funds are being recommended for Census outreach - \$40,000

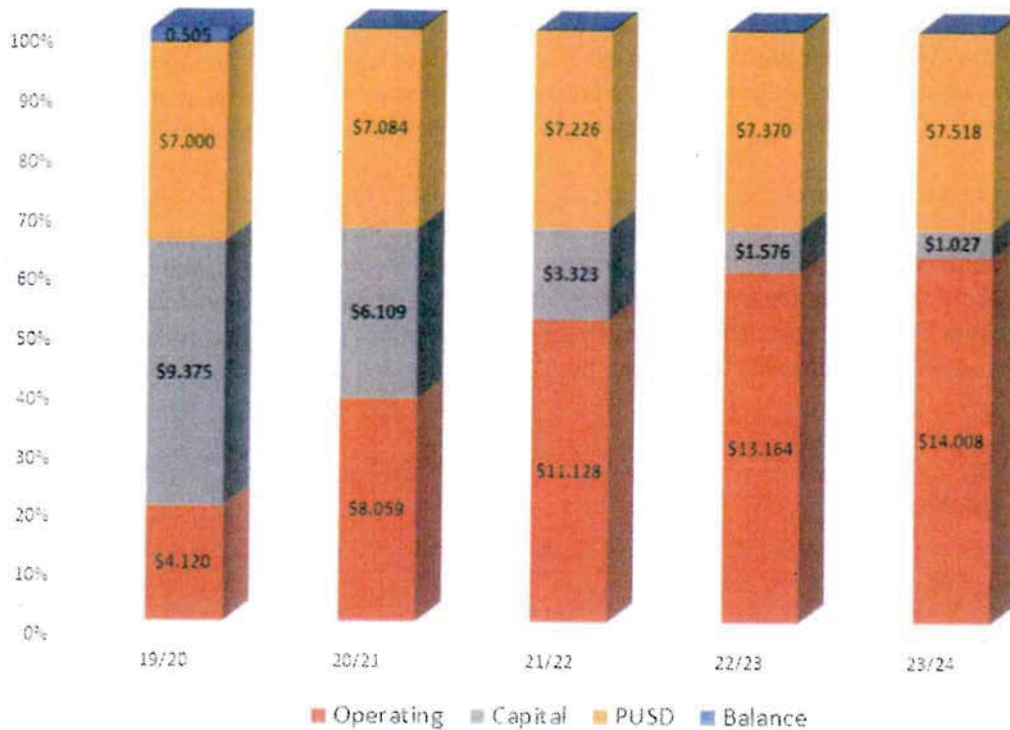
In the Capital Improvement Program Budget staff is recommending the following priorities:

- Replacement of 9-1-1 emergency communications equipment - \$2 million recommended, total project cost estimate \$8 million
- Replacement of Fire Station #37 - \$1.5 million recommended, total project cost estimate \$21.3 million
- Fire Station renovations and improvements - \$1.5 million recommended, total project estimate cost \$3 million
- Citywide facility improvements (Jackie Robinson Community Center and La Pintoresca Library) - \$1 million
- High-voltage street light replacement/conversion - \$1 million, total project cost estimate \$11.5 million
- Colorado Street Bridge suicide prevention barriers - \$750,000, total project cost estimate \$3 million
- City Hall building security management - \$625,000, total project cost estimate \$1 million
- Fire alarm and sprinkler system for Central Library - \$500,000, total project cost estimate \$1,050,000
- ADA sidewalk improvements/replacement - \$500,000 additional funding to be added to \$1 million annual General Fund contribution and \$500,000 in Community Development Block Grant funding.

Given that the City's capital needs exceed \$300 million in identified but yet funded projects, coupled with the reality that over time more proceeds from Measure I will be needed to balance the operating budget, the City will likely need to consider a new debt issuance in two or three years, supported with Measure I funds, to continue re-investment in its capital infrastructure.



Measure I Funds  
(in millions)



While the focus of this Transmittal Letter is largely on the General Fund, the fiscal health of many of the City's special revenue and enterprise funds continue to be challenged, and the adopted budget includes the use of fund balance (i.e., reserves) for programs supported by some of these funds. The Library and Information Services Department, which is primarily supported by a mandatory General Fund contribution of more than \$11.8 million in order to continue collecting the Library Special Tax, which itself expires in 2023, is using \$204,000 of fund balance to continue existing operations. The five-year forecast for the Library Fund shows that future and substantive reductions will be required to bring expenditures in line with revenues.

The City's Off-Street Parking Garages have historically been self-funding with revenues covering the expenses of operating the garages. However, as operating costs have increased over time and the facilities have aged (most are 30–40 years old) the Off-Street Parking Fund has been expending its reserves on both operational and maintenance expenses. While expenses have grown, revenues have not kept up because the rates charged for parking have not changed in 15-20 years. Moreover, recent trends in travel and retailing are affecting parking demand and are beginning to reduce parking revenues. The five-year forecast for the Off-Street Parking Fund indicates that serious consideration as early as FY20 should be given to updating the rates charged for parking. Without an increase in revenue, which should include shortening or eliminating free periods for parking, it is likely that General Fund support will be needed for the garage system in the next five years.

The City's Rose Bowl Operating Company (RBOC), with an annual budget that exceeds \$50 million, is facing increased competition from smaller venues in the region and the soon to be opened professional football stadium in Inglewood. Additionally, the decline in the popularity of golf has significantly impacted what had traditionally been a significant revenue source for the RBOC. To its credit, by hosting concerts and other special events as well as building a strong relationship with the Legacy Foundation, the RBOC has been able to maintain its operations and manage the debt service on the \$231.7 million in bonds issued by the City in support of the Stadium's 2010 renovation project and past projects, without support from the General Fund. Unfortunately, given the many challenges, this may not always remain the case.

Nevertheless, taken as a whole, the City's financial position looks much better moving into FY20 than it did on the cusp of FY19. The successful passage of Measure I will balance the General Fund Operating Budget in the near-term, provide funds to begin addressing many longstanding capital needs, and afford the City time to think strategically about the services it provides and its various delivery models to ensure sustainability over the long-term. This, coupled with the City Council's continuing commitment to fiscal discipline and sound management, will enable the City of Pasadena to maintain its exceptionally high quality of life.

Respectfully submitted,



Steve Mermell  
City Manager

## EXHIBIT A

## General Fund Five-Year Forecast

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	Projected	Budget	Forecast	Forecast	Forecast	Forecast
<b>Beginning Amount Available for Appropriations</b>	<b>11,162,617</b>	<b>8,864,788</b>	<b>7,087,478</b>	<b>7,087,478</b>	<b>7,087,478</b>	<b>7,087,478</b>
<b>Revenues</b>						
Tax Revenues	184,271,100	210,238,000	215,754,889	221,404,579	227,596,061	234,425,553
Other Revenues	45,279,498	44,921,058	46,020,667	47,148,600	48,305,603	49,492,439
Contributions/Svs. From Other Funds	19,990,592	19,757,388	20,719,244	20,719,244	20,719,244	20,719,244
<b>Total Revenues</b>	<b>249,541,190</b>	<b>274,916,446</b>	<b>282,494,800</b>	<b>289,272,423</b>	<b>296,620,908</b>	<b>304,637,236</b>
<b>Expenses</b>						
Personnel	157,633,190	169,180,369	179,279,598	186,487,848	193,088,543	199,324,074
Debt Service	13,598,271	10,744,034	10,601,562	10,756,679	10,989,133	10,991,972
Contributions To Other Funds	15,591,987	24,222,920	14,507,378	14,797,526	15,093,476	15,395,346
Other Expenses	62,844,988	70,259,960	72,117,221	74,029,709	75,999,253	78,027,746
<b>Total Expenses</b>	<b>249,668,436</b>	<b>274,407,283</b>	<b>276,505,759</b>	<b>286,071,762</b>	<b>295,170,405</b>	<b>303,739,138</b>
<b>Operating Income/(Loss)</b>	<b>(127,246)</b>	<b>509,163</b>	<b>5,989,041</b>	<b>3,200,661</b>	<b>1,450,502</b>	<b>898,098</b>
<b>Ending Amount Available for Appropriations</b>	<b>11,035,371</b>	<b>9,373,951</b>	<b>13,076,519</b>	<b>10,288,139</b>	<b>8,537,981</b>	<b>7,985,576</b>
Reserve for Capital	-	-	5,989,041	3,200,661	1,450,502	898,098
Contribution to Policy Reserve	2,170,583	2,286,473				
<b>Net Income/(Loss) with Reserve Contribution</b>	<b>(2,297,830)</b>	<b>(1,777,310)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



April 29, 2019

**TO:** The Honorable Mayor and City Council Members of the City of Pasadena

**FROM:** Steve Mermell, City Manager

**SUBJECT:** Recommended Fiscal Year 2020 to 2024 Capital Improvement Program

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It is my privilege to submit the Recommended Fiscal Year (FY) 2020 to 2024 Capital Improvement Program (CIP) Budget. The CIP is a compilation of infrastructure and major maintenance projects designed to expand, enhance and/or preserve the foundation of this great City. The FY 2020 CIP Budget addresses and furthers the following City Council's Strategic Plan Goals:

- Maintain fiscal responsibility and stability;
- Improve, maintain and enhance public facilities and infrastructure;
- Increase conservation and sustainability;
- Improve mobility and accessibility throughout the City;
- Support and promote the quality of life and local economy; and
- Ensure public safety.

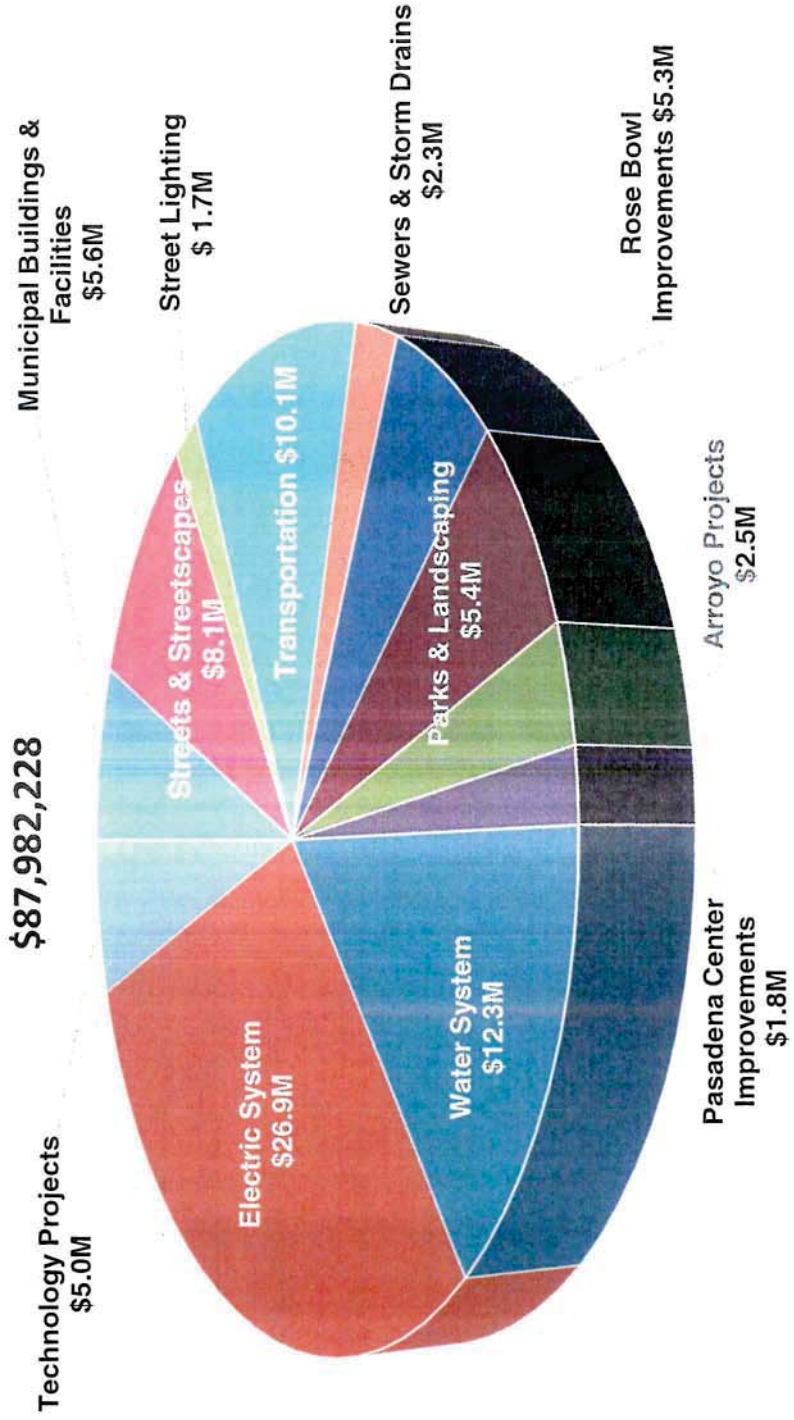
In addition, project managers consider the following when they evaluate, identify and create CIP projects and recommend funding:

- Is the project needed to address a particular safety concern?

- Is the project necessary because existing maintenance efforts are no longer satisfactory and repair costs exceed replacement costs?
- Is the existing facility or system no longer adequate to meet the demand?
- Does the project cost exceed \$75,000?

This five-year CIP contains 200 active projects with a total estimated cost of \$903.8 million. The FY 2020 CIP Budget contains 27 new projects, and appropriates \$87,982,228 to 139 projects in the categories shown below:

### FY 2020 Appropriations by Category



Addressing major deferred maintenance and upgrades of infrastructure is one of the City's basic and core responsibilities. While the \$87.9 million adopted for appropriation this year represents a major investment by the City; unfortunately, this level of investment is not sufficient to keep pace with the growing maintenance requirements of the City's extensive infrastructure. Identifying funding to meet these requirements is a significant challenge. Pasadena's capital projects are primarily funded through local revenues, long-term debt financing, pay-as-you-go spending from special revenue sources, and when available, grants from the State and Federal governments. As a result, the funding options available for CIP projects are limited to the type of funding available. This presents a challenge in funding some of the larger CIP projects like fire station replacements or larger scale improvements because these types of projects do not have a dedicated funding source available.

Fortunately, in November 2018 Pasadena voters approved Measure I, a 3/4-cent sales tax that is anticipated to generate \$21 million annually, beginning in FY 2020. A separate advisory measure, Measure J, asked voters whether the City Council should share 1/3 of Measure I revenues with Pasadena Public Schools, as the success of the City is tied to the success of its schools. That measure received over 72% support of voters. This past March, the City Council took action to approve a Memorandum of Understanding with the Pasadena Unified School District to operationalize the will of the voters. This will leave the City with approximately \$14 million annually for operating and capital improvements. Due to the passage of Measure I, an additional \$9.4 million in General Fund are recommended for appropriation to various high priority capital improvement projects as part of the FY 2020 CIP Budget. These projects include fire station renovations and improvements; design for the replacement of Fire Station 37; design of the Colorado Street Bridge suicide mitigation enhancements; enhanced levels of sidewalk improvements; the conversion of high-voltage series street lights on Arroyo Boulevard and Marianna Road; 911 emergency radio communication equipment for the Police Department; roof and HVAC system replacements at La Pintoresca Library and Jackie Robinson Center; and the design of an upgraded sprinkler and fire alarm system at Central Library.

In addition, City staff is continually identifying and applying for grants for various capital needs. A part of the FY 2020 CIP Budget, nine projects are being awarded grant funding totaling \$9.4 million for various transportation and park projects. In addition, the City has received preliminary notice that approximately \$2.8 million of Measure M - Multi-year Sub-regional Program funding may be awarded to the City later this fiscal year for two complete street projects: Avenue 64 from Colorado Boulevard to South City Limits and North Hill Avenue from North City Limit to Villa Street (design phase), and for the purchase of replacement transit vehicles.

The additional funding for CIP projects will assist with meeting capital needs, however, it is still not enough. The FY 2020 CIP Budget identifies future funding needs of \$783 million. While a funding plan for approximately \$340 million of this future need has been identified, \$443 million is still unidentified. Some of the more significant unfunded needs are: \$119 million for the replacement and/or expansion of seven fire stations; \$33 million to construct a new Transit Operations Maintenance

Facility; \$34.4 million for the implementation of public improvements identified in specific plans; and, \$69.2 million to fully implement park master plans. Pasadena must strategically develop a funding plan to address these unfunded capital deficiencies as the needs only continue to expand.

The City is in the process of updating existing master plans and developing new ones that identify optimal funding levels and work-plans for improving and maintaining street lights, traffic signals, sewers, storm drains, the water system, and the electric distribution system. As the City's infrastructure ages and exceeds its useful life, master plans become critical planning tools. There are six master plan projects included in the FY 2020 CIP Budget that will be completed over the next two fiscal years. The Water and Power Department has initiated a thorough review and overhaul based on the master plans for the City's water supply resources as well as water and power delivery infrastructure within the City. Completion of these master plans may significantly shift capital investment and operational priorities after their adoption, which is expected toward the end of FY 2020.

Consequently, FY 2020 is a pivotal year for the Water System capital projects. The Water System and related infrastructure is an important contributor to the City's long term economic stability, public safety, and reliability of the public water supply. To this end, the capital projects for the Water System are now divided into in four categories: distribution, production, storage and miscellaneous facilities. This shift is a result of a life cycle and risk analysis that mandates the priorities shift beyond repairing distribution infrastructure to include implementation of new operations and management strategies that focus on resiliency and sustainability. The resulting effort will develop new sources of clean water; improved treatment of local water supply; replacement of failing distribution lines; replacement of aged water storage facilities; and provide facilities to safely perform the work necessary to ensure a reliable public water supply. However, while the strategies and priorities have been broadened, the overall level of funding also needs to increase over time to address the Water System's critical infrastructure needs.

The Electric System capital projects reflect an increased focus on strengthening infrastructure to ensure electric service reliability. The City continues to work towards the repair of critical local generation capacity to ensure reliability, and the utilization of Underground Surtax revenues (Fund 206) for the construction and repair of new and existing underground electric distribution and fiber optic communications systems. While design and development of new underground utility districts has been deferred for the last few years, as the City Council reconsidered the future of the underground districts program in FY 2020 work on established districts will ramp up utilizing existing and recommended new CIP appropriations.

Over the past several years staff has identified deficiencies in the street lighting system. The City has 23 obsolete high voltage series circuits with a total of 1,226 street lights that need to be updated to modern circuitry. Unlike new systems, in a high voltage series circuit, when one light goes out, all the lights on that circuit go out as well. The total estimated cost of this upgrade is \$21 million. As previously mentioned, funding from Measure I in the amount of \$1.0 million is being appropriated

to convert two series circuits along Arroyo Boulevard and Marianna Road, and to complete design of the *High Voltage Series Street Light Conversion – Phase II* project.

The City recently completed a Pavement Management Plan which assessed the pavement condition of City streets. The City's average Pavement Condition Index (PCI) score has fallen from 63 to 60 out of 100 which is considered "Good" on the rating scale but low for Pasadena's standard. Realizing the importance of having well maintained streets, the City has been allocating an average of \$1.5 million towards street resurfacing. With the recently voter approved SB1, an additional \$2.3 million is allocated annually. In FY 2020, this program will receive a total of \$5.4 million due to an additional appropriation of \$1.3 million in Surface Transportation Program funds. With this timely intervention of additional funding, street deterioration will be minimized and we can avoid expensive reconstruction, which typically costs five times more than resurfacing of pavement.

The City recognizes the extensive repair needs of sidewalks and curb ramps. To address this, the City Council annually commits \$1.0 million of General Fund support. Currently over 500,000 square feet of sidewalks have been repaired since FY 2016. While this is considerable progress, new locations are continuously being identified and added to the list of needs. Based on an FY 2015 inventory, an investment of approximately \$8.0 million remains to repair the balance of 600,000 square feet of identified damage. Through Measure I and Community Development Block Grant funding, the sidewalk program has an increased recommended appropriation of \$2.0 million in FY 2020. Although the City is also making strides in upgrading its curb ramps to meet the current Americans with Disabilities Act (ADA) standards, approximately 4,000 of the City's 5,000 corners remain non-compliant. Upgrading these ramps is estimated to cost over \$20 million.

The CIP budget demonstrates the City's ongoing efforts to prioritize transportation projects based on safety needs. Staff reviews traffic collision history for motorists, bicyclists and pedestrians during the CIP development process. High collision intersections are evaluated and safety enhancements are identified for inclusion into the CIP Budget. In addition to identifying potential candidate locations based on collision history, staff also takes into consideration the potential risk for vulnerable pedestrians and bicyclists at high volume locations. It is important to note that while many safety enhancements are implemented outside of the capital budget process through operational modifications, larger capital investments or large scale outreach are included as part of the Recommended CIP Budget. The FY 2020 CIP Budget contains safety enhancement projects at several of the top 10 high-collision intersections in the City. The safety enhancement projects include: installation of left turn arrows at the intersection of San Gabriel Boulevard and California Boulevard; and, upgrades to traffic signals at the intersections of Marengo Avenue and Union Street, Lake Avenue at Orange Grove Boulevard, and Lake Avenue at Corson Street and Maple Street. In addition to these intersections, work will also be done at the intersection of Lincoln Avenue at Mountain Street and Seco Street; installation of new traffic signals at the intersections of Green Street and Holliston Avenue, and Fair Oaks Avenue and Bellefontaine Street; installation of rapid rectangular flashing beacons for uncontrolled crosswalks; and installation of speed feedback signs at various locations. Finally, this budget includes the



Concept Study for Lake Avenue Traffic and Pedestrian Safety Enhancements from Mountain Street to Maple Street which will provide for community outreach to identify safety concerns along this high collision corridor and proposes short and long term measures to address safety.

Pedestrian and bicycle connectivity and access continue to be a high priority in capital infrastructure planning. This is demonstrated in the FY 2020 CIP through projects such as the Pedestrian Crossing Enhancements Program, the Union Street Cycle Track, the Cordova Street Complete Streets Project, the South Lake Avenue Pedestrian Access Improvements Project, and the new traffic signal at Fair Oaks Avenue and Bellefontaine Street. These projects collectively appropriate approximately \$6.8 million as part of the FY 2020 CIP Budget.

In addition to the multitude of various capital improvement efforts described above, this budget also demonstrates the City's commitment to improving and expanding its parks infrastructure. Over the past few years, the City has received an influx of Residential Impact Fees (RIF) as a result of increasing residential development throughout the City. In FY 2020 approximately \$5.5 million in RIF is being appropriated to seven park projects: *Villa Parke Community Center Improvements, La Pintoresca Park Improvements, Washington Park Community House and Restroom – Design Phase, Restroom Building Replacement at Victory Park, Central Park Improvements, Hamilton Park – Various Projects, and Lamanda Park Library Pocket Park – Construction*. Furthermore, work will continue on the four projects that received \$6.7 million in RIF as a part of the February 4, 2019 CIP Budget Amendments approved by City Council: *Robinson Park – Pool and Pool Renovations; Citywide Sports Facilities Improvements at Robinson and Brenner Park; Installation of Restroom Building at Desiderio Park; and Annandale Canyon Open Space Trail Access, Improvements and Park Expansion*.

One of the most notable park projects is the *Playhouse District Park and Parking Lot*, which is the first new park to be constructed in the underserved portion of the Central Park District in over two decades. This project will address current park space deficiencies and provide residents in this area walkable access to parkland (i.e., within 0.5 miles). In the FY 2019 CIP budget, this project was previously two: *Neighborhood Park Development – Union/El Molino Concept Study and Union St/Oak Knoll Avenue Pocket Park – Concept Study*. On March 11, 2019, City Council acquired the Union/El Molino parking lot from the Off-Street Parking Facilities Fund to combine these two efforts into one. By doing this, the City is able to establish a new park as well as maintain much needed parking in this area.

ATTACHMENT F

While there is no doubt that the needs outlined above are great, the FY 2020 CIP Budget is a step in the right direction. With the successful passage of Measure I, this budget begins addressing the many longstanding capital needs by appropriating roughly \$10 million of newly available General Fund towards capital projects. This, along with the leadership of the City Council and the City's careful financial planning and analysis, will enable the City of Pasadena to continue to enhance public infrastructure and maintain a high quality of life.

Respectfully Submitted,



STEVE MERMELL  
City Manager