

Agenda Report

February 24, 2020

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: AMENDMENTS TO FISCAL YEAR 2020 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) 2020 Adopted Operating Budget as detailed in the "Proposed Budget Amendments" section of this report by a net amount of \$2,517,276.

BACKGROUND:

Throughout the fiscal year, budget amendments are necessary to account for unanticipated changes to the adopted budget. This agenda report includes proposed amendments to the FY 2020 Operating Budget based on information that was not available when the operating budget was approved by the City Council on June 17, 2019.

A discussion of each proposed budget amendment is included in the "Proposed Budget Amendments" section. As detailed in the attachment to this report, approval of the proposed budget amendments will increase FY 2020 total authorized operating appropriations across multiple funds by a net amount of \$2,517,276.

Proposed Budget Amendments

1. **Outside Legal Services for City Attorney/City Prosecutor Department** - The City Attorney/City Prosecutor Department recommends appropriating \$1,900,000 in the General Fund (101) for Outside Legal Services. The current budget is \$1,749,000, but given the number and range of legal matters required to be

processed, expenditures are forecasted to be approximately \$3,950,000 by the end of FY 2020.

2. Early Debt Payoff to Chase Bank for Lease Financing of Transit Vehicles for the Pasadena Area Rapid Transit System – The Transportation

Department recommends appropriating \$478,877 from the Transportation Sales Tax Fund (208) unappropriated fund balance to authorize the early debt payoff for the 2012 lease purchase financing of 15 transit vehicles for the City transit system. The 10-Year Lease Purchase Agreement is currently scheduled to end in FY 2022. The early debt payoff of the financing agreement will result in interest savings of \$18,548. It will also allow salvage of any buses purchased from the financing that have since exceeded their useful life.

3. Pasadena Public Health Department (PPHD) Grants – The PPHD

recommends recognizing revenue of \$201,535 and appropriating \$147,535 in the Public Health Fund (203). The details are as follows:

- The Los Angeles County Department of Public Health awarded the PPHD an HIV Counseling and Testing (HCT) grant totaling \$1,340,637 over three years. Of this amount, PPHD anticipates expending \$80,471 in FY 2020. The balance of grant funding will be budgeted in future fiscal years. In the current fiscal year, the Department requests \$65,439 in appropriations for the HCT Storefront Program and \$15,032 in appropriations for the HCT Pay for Performance Program. The majority of funding will support personnel costs but no new positions are being requested. Existing department staff will be re-assigned to each program. The remaining funds will cover supplies and other contracted services.

The Los Angeles County Department of Public Health awarded \$54,000 for Children's Health Outreach, Enrollment, Utilization and Retention (CHOEUR) services for FY 2020. The Department requests recognition of the grant revenue. The funding extends an existing program through June 30, 2020. Originally, the program was projected to sunset June 30, 2019. No new positions are being requested and existing appropriations in the FY 2020 budget will be sufficient for staffing needs. CHOEUR conducts Medi-Cal outreach and enrollment for children and their eligible family members.

- The California Department of Public Health awarded an Infectious Disease Prevention and Control Local Infrastructure grant totaling \$214,093 over four years. The Department requests appropriations of \$53,523 in FY 2020 to support an existing part-time Public Health Nurse and program supplies and services. No new positions are being requested.

The California Department of Public Health awarded a Sexually Transmitted Disease (STD) Control Branch grant totaling \$67,705 over five years. In FY 2020, the Department requests appropriations of \$13,541 for the STD Community Intervention Program, which is designed to offer educational and prevention services to reduce the rate of STD transmissions. No new

positions are being requested and if approved, existing staff will be re-assigned to this program.

The remaining balances of both grants will be budgeted in future fiscal years through the annual operating budget process.

- 4. Election Costs** – The City Clerk Department recommends appropriating \$115,000 in the General Fund (101) for election costs. Based on the revised Election Cost Estimator provided by the County of Los Angeles, the City's share of election costs will be greater than the \$600,000 currently budgeted in the FY 2020 Adopted Budget. The City Clerk Department also anticipates an increase in expenses for voter outreach and education efforts, translations of legal and educational materials, as well as transportation, parking, GIS services, facilities, and other miscellaneous expenses related to Vote Center locations at City facilities and in Pasadena.
- 5. Census Outreach and Community Engagement** – The City Manager's Department recommends appropriating \$75,000 in the General Fund (101) for Census Outreach and Community Engagement. Funds will be used to encourage participation through community events, direct mailers, advertisements, public service announcements, census kiosks, school district programming supported by the City, and other efforts. On January 27, 2020, the City Council approved an additional \$73,895 for Census 2020 Education and Outreach; however, the activities supported by this grant are more limited and specific.
- 6. Budget Correction for Decker Court House Renovation Project** – The Housing Department recommends appropriating \$50,000 in the Inclusionary Housing Fund (239) for the Decker Court House Renovation Project. On October 28, 2019, the City Council approved the allocation of \$50,000 in the HOME Fund (221) for the Decker Court House Renovation Project and budget authority was appropriated accordingly. Due to administrative oversight, this budget authority was appropriated to the incorrect fund (221) and will need to be reversed and appropriated to the correct fund (239). This proposed action does not increase the cost of the project.
- 7. 2019 PCF Capital Grant, for MASH program** – The Housing Department recommends recognizing revenue and appropriating \$25,000 in the Other Housing Fund (238). The Pasadena Community Foundation (PCF) awarded a 2019 PCF Capital Grant to the MASH program which will be used to purchase a small-sized utility truck to perform neighborhood revitalization in Pasadena.
- 8. Increased Staffing for National Day Laborer Organizing Network (NDLON) Job Center** – The Housing Department recommends appropriating \$14,900 in the Other Housing Fund (238) to NDLON to fund an existing, part-time position at the Job Center assisting with job placement and training services.
- 9. Police Foundation Donation** – The Police Department recommends recognizing revenue of \$12,500 in the General Fund (101). The Department

received a donation from the Police Foundation to lease a vehicle for one year for the Police Explorer Program. This program is for students ages 14 to 19 who are interested in exploring a possible career in law enforcement. This vehicle is driven by City staff who escort high-school students participating in the program to various competitions and volunteer opportunities. The Department has sufficient appropriations to absorb the cost of the lease.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2020 Adopted Operating Budget and by implementing necessary budget amendments.

FISCAL IMPACT:

As detailed in the attached "Summary of Proposed FY 2020 Budget Amendments," approval of the proposed budget amendments will increase FY 2020 total authorized operating appropriations across multiple funds by a net amount of \$2,517,276.

The General Fund's unappropriated fund balance will decrease by \$2,077,500.

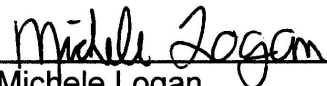
The budget amendments included in this agenda report are not anticipated to impact existing FY 2020 budgeted indirect and support costs such as maintenance and DoIT support.

Respectfully submitted,



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Approved by:



STEVE MERMELL
for City Manager

Attachments: (1)

1) Attachment: Summary of Proposed FY 2020 Budget Amendments by Fund