

Agenda Report

January 24, 2022

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: AMENDMENTS TO FISCAL YEAR 2022 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;
2. Approve amending the Fiscal Year 2022 (FY 2022) Adopted Operating Budget as detailed in the following report by a net amount of \$1,227,872 and increasing the citywide total Full-time Equivalents (FTE) by 1.0 FTE; and
3. Authorize the City Manager to execute any necessary contracts or agreements with the Los Angeles County Metropolitan Transportation Authority (Metro) for acceptance of COVID-19 related funding (in connection with Item #2).

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 consideration. This agenda report includes proposed amendments to the FY 2022 Operating Budget as adopted by the City Council on June 21, 2021.

Proposed Budget Amendments

1. **Housing Department Budget Adjustments** – The Housing Department recommends transferring \$70,000 from the General Fund to the Other Housing Fund (238) and appropriating \$2,602,428 in the Inclusionary Housing Trust Fund (239) as detailed below. The budget amendments for the Inclusionary Housing

Trust Fund involve re-appropriating previously approved appropriations from prior fiscal years (a-d below).

- a. The Department recommends transferring \$70,000 from the General Fund to the Other Housing Fund for increased encampment clean-ups, expanded encampment, areas and larger amounts of debris and dumping.
- b. The Department recommends appropriating \$1,540,000 in the Inclusionary Trust Fund for the Heritage Housing Partners (HHP) acquisition project. On June 21, 2021, the City Council approved an allocation of \$1,540,000 for a loan agreement with HHP to acquire and rehab the property at 1421 N. Fair Oaks Avenue. To date, \$1.4M has been disbursed and the remainder will be disbursed by March 31, 2022. As a result, the full \$1.54m needs to be re-appropriated in FY 2022.
- c. The Department recommends appropriating \$580,000 in the Inclusionary Trust Fund for loan assistance in connection with the La Villa Lake rehabilitation project. On October 28, 2019, the City Council approved City funding of \$580,000 towards the project. Due to pandemic related delays, funds were recently disbursed on December 13, 2021. As a result, the full \$580k needs to be re-appropriated in FY 2022.
- d. The Department recommends appropriating \$143,228 to reclassify expenditures to the Inclusionary Trust Fund from the Home Investment Partnership Act ("HOME") Fund for costs incurred during the first phase of the Centennial Place interior rehabilitation project. On September 16, 2013, the City Council approved the use of HOME funding (Fund 221) to implement the rehabilitation project in compliance with HUD HOME regulations. Per HUD monitoring in FY 2019, the first phase HOME subsidy amount did not meet HUD's cost allocation criteria. As a result, the incurred costs will need to be reclassified to the Inclusionary Trust Fund, which has a sufficient fund balance. This action will officially close out the first phase of the project, which was completed in FY 2019.

The Department recommends appropriating \$314,200 in the Inclusionary Trust Fund for the second phase of the Centennial Place rehabilitation project. On February 11, 2019, the City Council approved the original appropriation of \$314,200. Due to pandemic related delays, \$76,934 was disbursed on September 14, 2021. The second phase is scheduled for completion by the end of FY 2022. As a result, the full \$314,200 needs to be re-appropriated in FY 2022.

- e. The Department recommends appropriating \$25,000 in the Inclusionary Trust Fund for affordable housing projects, including landscaping for the City-owned property at 268 Waverly Drive, which consists of a single-family dwelling unit and a newly-constructed accessory dwelling unit.

2. **Transportation Department Budget Adjustments** – The Transportation Department recommends recognizing revenue of \$814,819 in the Prop A Local Transit Fund (208), \$1,219,737 in the Prop C Local Transit Fund (209) and appropriating \$25,000 in the Parking Operations Fund (102). Additionally, the Department recommends authorizing the City Manager to execute any necessary contracts or agreements with Metro for acceptance of COVID-19 related funding for Pasadena Transit services. The details are as follows:
 - a. The Department recommends recognizing revenue of \$312,533 in the Prop A Local Transit Fund and \$468,898 in the Prop C Local Transit Fund for acceptance of Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding passed through Metro. The one-time enhancement to the base level funding, which Metro approved on June 24, 2021, is for Transit services and agencies impacted by COVID-19.
 - b. The Department recommends recognizing revenue of \$502,286 in the Prop A Local Transit Fund and \$750,839 in the Prop C Local Transit Fund for acceptance of American Rescue Plan Act (ARPA) funding passed through Metro. The one-time enhancement to the base level funding, which Metro approved on July 22, 2021, is for Transit services and agencies impacted by COVID-19.
 - c. The Department recommends appropriating \$25,000 from the unappropriated fund balance of the Parking Operations Fund for lighting enhancements to the Block 5 parking lot located at Lake Avenue and Washington Boulevard. The improved lighting will help address neighborhood complaints of loitering and other illegal activities, typically taking place in the parking lot during late night hours. Improving lighting will help deter these activities and bring the added benefit of improving energy efficiency by switching to more efficient lighting fixtures.
3. **Pasadena Fire Department Purchase of Currently Leased Prevention Electric Vehicles and Training Truck with Equipment** – The Fire Department recommends transferring \$200,000 from the Billables Projects Fund (105) to the General Fund (101) to purchase four electric vehicles and a truck equipped with emergency lighting and electrical equipment. Funding comes from surplus residual revenue received in the Billable Projects Fund from the California Governor's Office of Emergency Services for the Department's mutual aid responses that were provided throughout FY 2022. To date, \$277k of surplus revenue has been received and will be transferred to the General Fund at fiscal year end.

The truck will be used for annual recruit academies by the training cadre. The truck can also be deployed as an additional mutual aid resource to send qualified personnel to statewide wildland incidents. Additionally, appropriated funds will be used to purchase four electric vehicles used by Fire Prevention staff, which are currently leased through a citywide contract expiring on June 30, 2022. The

four vehicles are not part of the City's Vehicle Replacement Fund, but are necessary for Fire Inspectors to perform inspections.

4. **Libraries and Information Services Department Grants** – The Libraries and Information Services Department recommends recognizing revenue and appropriating \$114,500 in the Library Services Fund (212) for two grants:
 - a. The Department recommends recognizing revenue and appropriating \$74,500 in the Library Services Fund. The California State Library Act (LSTA) awarded funds for the Way to Well-Being project, which will be used for workshops and programs to empower youth to gain the tools they need to manage everyday stresses and better equip them to deal with all the anxieties of life. The grant term is July 30, 2021 through June 30, 2022.
 - b. The Department recommends recognizing revenue and appropriating \$40,000 into the Library Services Fund from the Francis Bacon Foundation to support technology, such as hot spots, for Pasadena community members.
5. **Public Health Department Grant** – The Pasadena Public Health Department (PPHD) recommends recognizing revenue and appropriating \$62,500 in the Public Health Fund (203) for the Blue Shield of California COVID-19 Vaccine Incentive Grant. The purpose of this grant is to increase COVID-19 vaccinations for Blue Shield members living in Pasadena, prioritizing communities that have disproportionately been affected by COVID-19 and have lower vaccinations, such as African American and Hispanic community members. Outreach strategies include print and social media ads, promotoras (community health worker) canvassing, and vaccine incentives for outreach activities. The grant funding term is through February 28, 2022.
6. **Pasadena Police Department Equipment Purchases** – The Police Department recommends appropriating \$200,000 in the Asset Forfeiture Fund (207) and \$95,000 in the General Fund (101) for the purchase of equipment as detailed below.
 - a. The Department recommends appropriating \$200,000 from the unappropriated fund balance of the Asset Forfeiture Fund for the purchase of cell phones and related accessories that will be used to collect Police Officer Stop Data, which will be collected via a cell phone application as required by the Racial Identity Profiling Act AB953 of 2015. Agencies need to begin reporting data collection to the Department of Justice. The Pasadena Police Department is required to begin reporting the data in January 2022. The associated monthly data charges will be funded by the Department's existing FY 2022 operating budget.
 - b. The Department recommends appropriating \$95,000 from the unappropriated fund balance of the General Fund for the purchase of both the Signal Sidearm equipment and the additional Performance software modules. This budget item is in accord with the direction of Council in its action on December 13,

item is in accord with the direction of Council in its action on December 13, 2021, and that budgetary approval affirms its direction to proceed with Performance and Signal Sidearm product.

7. **Transfer CARES Act Grant** – The Housing Department recommends transferring \$86,272 of CARES Act funding within the Emergency Solutions Grant (ESG-CV) Fund (224) to the Pasadena Public Health Department (PPHD) Fund (203). These funds will support the continued provision of motel vouchers, including weather-activated motel vouchers during the winter season, to people experiencing homelessness through programs such as the Pasadena Outreach Response Team (PORT), the Geriatric Empowerment Model (GEM Link) and the Transitional Age Youth (TAY Link). Up to ten percent of the funds can be used for administrative costs and up to ninety percent may be used for motel vouchers and related costs such as transportation to motels and food for program participants. These funds are required to be expended by September 30, 2022.
8. **1.0 FTE for City Manager Department** – The City Manager Department requests a 1.0 FTE for an Assistant to the City Manager in the Administration Division. The prorated cost of \$84,400 for FY 2022 will be funded by salary savings and not require additional appropriations; thereby, the recommended action is for the FTE authorization only as the department has sufficient appropriations. The position carries over duties from the Economic Development Division which are more appropriately located within the City Manager's Office itself. It provides professional-level administrative and analytical support to the City Manager regarding citywide issues, programs and operations. In addition to coordinating special events, this position conducts legislative analysis, develops programs, works with commissions on agenda review, and ensures compliance with public information requests. This position manages the City Manager's operating budget as well as payroll, personnel, and purchasing functions.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2022 Adopted Operating Budget and by implementing necessary budget amendments.

FISCAL IMPACT:

As detailed in the attached "Summary of Proposed 2nd Quarter FY 2022 Budget Amendments," approval of the proposed budget amendments will increase FY 2022 total authorized operating appropriations across multiple funds by a net amount of \$1,227,872.

The General Fund's unappropriated fund balance will decrease by \$165,000.

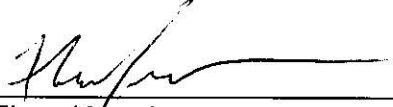
The budget amendments included in this agenda report are not anticipated to impact existing FY 2022 budgeted indirect and support costs such as maintenance and DoIT support.

Respectfully submitted,



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Attachments: (1)

A) Summary of Proposed 2nd Quarter FY 2022 Budget Amendments