

Agenda Report

October 3, 2022

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Department of Finance
SUBJECT: AMENDMENTS TO FISCAL YEAR 2023 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 2023 (FY 2023) Adopted Operating Budget as detailed in the following report and increasing the Citywide total Full-time Equivalents (FTEs) by 1.0 limited-term FTE and 9.0 permanent FTE; and
3. Authorize the City Manager to enter into an agreement with the State of California Office of Traffic Safety for acceptance of the Selective Traffic Enforcement Program (STEP) and the Pedestrian and Bicycle Safety Program Grant funds (in connection with Item #7).

EXECUTIVE SUMMARY:

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 2023 Operating Budget as adopted by the City Council on June 20, 2022. The proposed budget amendments fall into one of the following categories:

- Re-appropriations or "carry-forwards" of previously approved appropriations from the FY 2022 budget that were unexpended as of June 30, 2022 (purchase orders, contracts, and grants), where sufficient funding was available in the account and are now anticipated to be expended during FY 2023. As detailed in *Attachments A and B* of this report, approval of the proposed carry-forwards will

increase FY 2023 total authorized operating appropriations across multiple funds by a net amount of \$12,984,998; or

- Amendments to the FY 2023 Operating Budget that are based on information that was not available when the Operating Budget was presented to the City Council for adoption on June 20, 2022. As detailed in *Attachment C* of this report, approval of the proposed budget amendments will decrease FY 2023 total authorized operating appropriations across multiple funds by a net amount of \$1,514,002 and will authorize an increase of 1.0 limited-term and 9.0 permanent FTEs.

Proposed Carry-Forward Items

1. **Carry-Forward of FY 2022 Purchase Orders and Contracts** – The Department of Finance recommends appropriations in the amount of \$12,984,998 be carried forward from FY 2022 to FY 2023 throughout various funds. As detailed in *Attachment A*, the recommended appropriations represent 27 contractual obligations where goods or services were ordered in FY 2022, but will not be received until FY 2023. Delays were primarily caused by supply chain issues affecting production and delivery of goods or services.
2. **Carry-Forward of FY 2022 Grants** – The Department of Finance recommends recognizing revenue of \$570,733 and appropriations of \$570,733, to carry forward grants from FY 2022 to FY 2023 across two funds. As detailed in *Attachment B*, the recommended revenue and appropriations represent four grants. The multi-year grants will continue to fund a variety of programming, some of which includes purchases for the prevention of terrorist threats and the securing of high-profile areas, mental health awareness and wellness, including police training in the peer support team, employee wellness for officer support and families and Office of Traffic Safety programs.

Proposed Budget Amendments

3. **Transportation Department Budget Adjustments** – The Transportation Department recommends recognizing revenue of \$5,000,000 and appropriating \$455,298 in the funds as outlined below.
 - a. The Department recommends recognizing revenue in the amount of \$5,000,000 in the General Fund (101) for the payment from CalTrans to the City regarding the relinquishment of the State Route 710 Northern Stub. In May 2022, the City Council authorized the relinquishment agreement between the State of California and the City. Thereafter, the agreement and corresponding funding was subject to final approval by the California Transportation Commission.

In addition to this, the Department recommends appropriating \$300,000 in the General Fund (101) for as-needed maintenance costs in the relinquished area. Per the maintenance agreement authorized by City

Council on May 23, 2022, CalTrans will be responsible for maintaining the area on behalf of the City.

- b. The Department recommends appropriating \$155,298 from the unappropriated fund balance of the South Lake Parking Operating Fund (217) for legal fees regarding a property tax settlement related to Shopper's Lane. The property tax refunds were received in FY 2022, meanwhile the Attorney's fees will be paid in FY 2023.
4. **Housing Department Budget Adjustments** – The Housing Department recommends appropriating \$1,056,082 in the Low and Moderate Income Housing Asset Fund (237) and \$817,721 in the Inclusionary Housing Trust Fund (239) as detailed below. These budget amounts involve re-appropriating previously approved appropriations from prior fiscal years (a-d below).
- a. The Department recommends appropriating \$1,056,082 in the Low and Moderate Income Housing Asset Fund for loan funding associated with the development of the Heritage Square South Permanent Supportive project. On March 14, 2022, the City Council approved a City loan of \$2.0 million for the project that was partially disbursed in FY 2022. As a result, the remaining balance of \$1,056,082 needs to be re-appropriated for final disbursement in FY 2023.
 - b. The Department recommends appropriating \$450,000 in the Inclusionary Housing Trust Fund to continue the housing acquisition loan agreement with Heritage Housing Partners (HHP) into FY 2023, to acquire an affordable deed-restricted housing unit. The City Council approved the loan agreement in FY 2022 (January 24, 2022); however, the acquisition was completed at the start of the new fiscal year.
 - c. The Department recommends appropriating \$275,700 in the Inclusionary Housing Trust Fund for the City acquisition of an affordable deed-restricted condominium unit. On June 20, 2022, the City Council authorized the purchase of an affordable deed-restricted condo unit at 65 N. Allen Ave. The acquisition was completed in FY 2023, requiring an appropriation of said amount.
 - d. The Department recommends appropriating \$92,021 in the Inclusionary Housing Trust Fund for the remainder of the second phase of the Centennial Place interior rehabilitation project. On February 11, 2019, the City Council appropriated \$314,200 for the second phase rehabilitation, of which the majority was disbursed in FY 2022. The remaining balance of \$92,021 needs to be re-appropriated as the project is scheduled for completion by the end of FY 2023.
5. **Pasadena Public Health Department (PPHD) Budget Adjustments** – The PPHD recommends recognizing and appropriating \$1,264,336 in the Public Health Fund (203) for five grants. This will support an additional 1.0 limited-term

and 8.50 permanent FTEs and program related expenses. PPDH also recommends recognizing revenue of \$224,000 that was inadvertently omitted from its FY 2023 Operating Budget. The details of these grants and revenue adjustment are outlined below.

- a. The Department recommends recognizing revenue and appropriating \$1,033,025 in the Public Health Fund and increasing the Department's personnel allocation by 8.50 FTE. The State of California's 2022-2023 Budget included ongoing public health workforce and infrastructure funding through the California Department of Public Health (CDPH) initiative. The purpose of the program is to support long-term public health infrastructure through opportunities and initiatives found within the Community Health Assessment (CHA)/Community Health Improvement plan (CHIP) and Strategic plan goals. To support the program, the Department requests 1.0 FTE Public Information Specialist, 1.50 FTE Program Coordinators, 1.0 FTE Environmental Health Program Manager, 2.0 FTE Senior Public Health Nurses, 1.0 FTE Office Assistant, and 2.0 FTE Public Health Nurses. This additional staffing will continue to be supported by the state budget annually per the CDPH approved allocation letter, with PPHD meeting the required terms of the ongoing funding.
- b. The Department recommends recognizing revenue and appropriating \$110,925 in the Public Health Fund and increasing the Department's personnel allocation by 1.0 FTE for the Nutrition Education and Obesity Prevention (NEOP) Program. CDPH increased the existing grant award by \$249,595 from \$748,785 to a new total of \$998,380 (through September 2023), a portion of which is recommended for FY 2023. The grant program provides nutrition education, promotes physical activity, implements the CalFresh Healthy Living Program, provides direct education services for CalFresh Healthy Living eligible residents, and supports partnerships and coalitions to increase healthy eating and physical activity opportunities for Pasadena residents. The program recommends an additional limited-term, grant-funded 1.0 FTE Management Analyst I for programmatic support and initiatives.
- c. The Department recommends recognizing revenue and appropriating \$74,128 in the Public Health Fund for the Nutrition Education and Diabetes Prevention Program. Kaiser Permanente awarded the PPHD a total of \$111,100 in grant funding to develop a Diabetes Prevention Program through December 30, 2023, a portion of which is recommended for FY 2023. The grant will support contracted Promotoras community health workers, supplies, communication materials, and travel expenses. The program will train community health workers to deliver nutrition education, chronic disease prevention, and diabetes prevention through health advocacy, outreach, health system, and resource navigation.
- d. The Department recommends recognizing revenue and appropriating \$25,558 in the Public Health Fund for the Children & Youth with Special

Health Care Needs (CYSHCN) Grant. CDPH increased the existing grant award by \$50,000 from \$242,405 to \$292,405 (through June 2025), a portion of which is recommended for FY 2023. The CYSHCN grant is intended to improve support for children and youth with special health care needs and their families in the Greater Pasadena area. This grant will provide system navigation support and linkages to services, mentoring, other peer-to-peer support, transition of youth into the adult health care system and promote family health information networks that increase collaboration between agencies and parents.

- e. The Department recommends recognizing revenue and appropriating \$20,700 in the Public Health Fund for the ArtCenter College of Design Vaccine Outreach grant program. This funding will be used for a COVID-19 Vaccine Outreach project, the purpose of which is to collaborate with the ArtCenter Design Matters course to create three marketable community prototypes, which will help increase knowledge and awareness of COVID-19 vaccines for youth, and will be implemented to support the Pasadena Equitably Advancing Children's Health (PEACH) Collaborative. The budget will cover Promotoras, a media campaign, survey incentives, and evaluation costs. The grant award will use existing PPHD staffing to complete program objectives and is anticipated to be fully spent within FY 2023.
 - f. The Department recommends recognizing revenue of \$224,000 in the Public Health Fund to keep the first Pasadena Outreach Response Team (PORT) fully funded. In lieu of the previous grant funding, which concluded in September 2022, the General Fund is partially supporting PORT 1 in FY 2023. This revenue recognition was inadvertently omitted during the budget process.
6. **Public Works Department Budget Adjustments** – The Public Works Department recommends appropriating \$630,000 in the Measure W Local Return Dollars Fund (243) and \$150,000 in the Building Maintenance Fund (502) as detailed below.
- a. The Department recommends appropriating \$630,000 from the unappropriated fund balance of the Measure W Local Return Dollars Fund to utilize funding and align with specific operations. With the passage of Measure W in 2018, Los Angeles County imposed a special parcel tax to fund safe, clean water resources programs and projects to increase urban and stormwater capture, and reduce urban and stormwater pollution. The Department will now utilize Measure W funding for expenses that were previously supported by the Sewer Fund. Some of these expenses include catch basin maintenance, the City's Safe Clean Water Program, stormwater and National Pollutant Discharge Elimination System permits, and Enhanced Watershed Management Program monitoring.

- b. The Department recommends appropriating \$150,000 from the unappropriated fund balance of the Building Maintenance Fund to support one-time emergency repair work at various City buildings. As a result of General Fund savings realized in FY 2022, a one-time transfer of \$150,000 was made from the General Fund to the Building Maintenance Fund at the end FY 2022. The repair work will be performed in FY 2023.
7. **Pasadena Police Department Grants** – The Police Department recommends recognizing revenue and appropriating \$551,514 in the General Fund (101) for two grants and authorizing the City Manager to enter into an agreement with the State of California for acceptance of the Selective Traffic Enforcement Program (STEP) and Pedestrian and Bicycle Safety Program Grant funds as outlined below.
- a. The Department recommends recognizing revenue and appropriating \$515,000 in the General Fund for the STEP Grant. This grant is used for directed enforcement of driving under the influence checkpoints, bicycle safety, and other traffic enforcement programs. The grant period is from October 2022 to September 2023.
 - b. The Department recommends recognizing revenue and appropriating \$36,514 in the General Fund for the Pedestrian and Bicycle Safety Program Grant. This grant will help reduce the number of persons killed and injured in collisions involving pedestrians and bicyclists. The funded strategies may include classroom education, bicycle rodeos, community events, presentations, and workshops. The grant period is from October 2022 to September 2023.
8. **Public Art Projects** – The Planning and Community Development Department recommends appropriating \$536,000 from the unappropriated fund balance of the Capital Public Art Fund (310) to support three distinct public art projects.

A permanent artwork will be created at the Robinson Park Recreation Center (\$186,000), while a second art piece will be developed at a location to be determined shortly (\$200,000). With the ongoing improvements to the Robinson Park Recreation Center, there is a unique opportunity to develop two public art pieces by awarding contracts to both the Primary Artist and the Alternate Artist. In addition, the City can work on the contracts with these artists to ensure that local, less experienced artists are afforded an opportunity to enhance their skills through direct interaction with the selected artists as this project moves forward. Details and opportunities for this type of direct interaction along with the location of the second art piece are still being explored and will be presented to the City Council upon contract approval. The City Manager's Office carefully reviewed the artist selection process for the Robinson Park Recreation Center. That process was implemented in accordance with all of the City's Capital Public Art Guidelines.

Lastly, the current recommendation will also support the installation of the Rotating Public Art Exhibition Program Series IV project (\$150,000) at different sites throughout the City.

9. **FTE Reclassification** – The City Manager's Office recommends appropriating \$64,897 in the General Fund to support the reclassification of an existing 0.5 FTE Administrative Intern in the Public Affairs Division to a full-time 1.0 FTE Public Information Specialist. The Public Information Specialist assists the day-to-day tasks of the division, such as creating graphic/visual materials, planning special events, managing content of the departmental website, and other related duties.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2023 Adopted Operating Budget and by implementing necessary budget amendments.

FISCAL IMPACT:

As detailed in *Attachments A and B* of this report, approval of the proposed carry-forward items will increase FY 2023 total authorized operating appropriations across multiple funds by \$13,555,731, which will be offset through increased revenues of \$570,733.

As detailed in *Attachment C*, approval of the proposed budget amendments will increase FY 2023 total authorized operating appropriations across multiple funds by \$5,525,848, which will be offset through increased revenues of \$7,039,850 resulting in a net decrease of \$1,514,002.

Full-Time Equivalents will increase overall by 1.0 limited-term and 9.0 permanent positions.

Respectfully submitted,



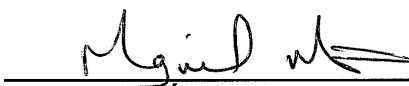
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Prepared by:



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MIGUEL MÁRQUEZ
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Attachments: (3)

- 1) Attachment A: Listing of Carry-Forward Purchase Orders and Contracts
- 2) Attachment B: Listing of Carry-Forward Grants
- 3) Attachment C: Summary of Proposed Q1 FY 2023 Budget Amendments