



Agenda Report

January 23, 2023

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; and
2. Approve amending the Fiscal Year 2023 (FY 2023) Adopted Operating Budget as detailed in the following report by a net amount of \$2,273,455 and increasing the Citywide total Full-time Equivalents (FTEs) by 6.0 limited-term FTEs and 3.5 permanent FTEs.

BACKGROUND:

Throughout the fiscal year, budgetary adjustments 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.

Proposed Budget Amendments

1. **Heritage Square South Project and MASH Vehicle Purchase** – The Housing Department recommends appropriating \$1,523,849 in the Inclusionary Trust Fund (239) and \$112,645 in the Other Housing Fund (238) as detailed below. Both items involve re-appropriating previously approved appropriations from prior fiscal years.
 - a. **Heritage Square South Project** – The Department recommends appropriating \$1,523,849 in the Inclusionary Trust Fund (239) to continue

development of the Heritage Square South Permanent Supportive Housing project. City Council approved the appropriation on May 18, 2020; however, only a portion of the City funds were needed for escrow to close. The balance was held and periodically disbursed as construction progress payments. Construction draw requests will be fully disbursed by the end of FY 2023.

- b. **MASH Vehicle Purchase** – The Department recommends appropriating \$112,645 in the Other Housing Fund (238) to purchase a dump truck for the MASH program. City Council approved the acquisition request on May 9, 2022. It is anticipated that this purchase will be completed by the end of FY 2023.
2. **Pasadena Public Health Department (PPHD) Grants and Settlement** – The PPHD recommends the following budget amendments to the Public Health Fund (203) and increasing the Department’s personnel allocation by 6.0 limited term FTEs.
- a. **Infrastructure, Workforce, and Data Systems Grant** – The PPHD recommends recognizing revenue and appropriating \$119,384 in the Public Health Fund (203) and adding 2.0 limited term FTEs. The Los Angeles County Department of Public Health (LACDPH) awarded the PPHD a total of \$1,193,835 through November 30, 2027. The purpose of the program is to support public health infrastructure, workforce development, and accreditation by the Public Health Accreditation Board. To support the program, the Department requests a 1.0 FTE Management Analyst III and a 1.0 FTE Office Aide.
 - b. **Epidemiological and Laboratory Capacity Supplemental Grant** – The PPHD recommends recognizing revenue and appropriating \$167,575 in the Public Health Fund (203) and adding 4.0 limited term FTEs. As a pass-through from the Centers for Disease Control and Prevention, the LACDPH awarded the PPHD a total of \$8,263,037 through June 2024. The requested 4.0 limited term FTEs will be Community Services Representative III positions and will support needed COVID-19 response, including increased demand for case investigation, contact tracing of COVID-19, and the needed support in long-term care facilities through the grant term.
 - c. **Home Instruction for Parents of Preschool Youngsters (HIPPY) Grant** – The PPHD recommends recognizing revenue and appropriating \$421,086 in the Public Health Fund (203). The HIPPY grant is funded through the California Department of Public Health’s (CDPH) California Home Visiting Program (CHVP) and was awarded a State General Fund (SGF) Expansion grant through the end of FY 2023. The program’s focus is to help families with young children to prepare for kindergarten entry through home visits and providing information and guidance. The additional funding will support purchases of supplies (such as diapers and diapering supplies, formula, food,

water, hand soap, and sanitizer) and prepaid grocery cards for enrolled participants, as well as training and technology for PPHD staff.

- d. **National Opioid Settlement – Opioid Remediation** – The PPHD recommends recognizing revenue and appropriating \$80,246 in the Public Health Fund (203). The funding is supported through the State’s settlement allocation percentage as part of a \$5 billion National Opioid Settlement. The settlement funding will be used for material and supply purchases along with other contracted services to support opioid remediation through the form of treatment, naloxone distribution, education, and prevention. PPHD’s Social Mental Health Division will be leading the efforts to use the funding to support community needs in coordination with the Pasadena Outreach Response Team (PORT). Existing staffing will be used within the current fiscal year to support developing efforts.

3. **Fire Department Budget Adjustments** – The Fire Department recommends the following adjustments in the General Fund (101) and the Homeland Security Grant Fund (230):

- a. **1.0 FTE and Vehicle** – The Fire Department recommends appropriating \$140,000 from the unappropriated fund balance in the General Fund (101) and increasing the Department’s personnel allocation by 1.0 FTE for an Emergency Services Manager position. The additional appropriations will support the prorated cost of \$100,000 for the new position, as well as \$40,000 to procure a vehicle that will be utilized by the new employee. The position will manage, plan, and implement the City’s emergency management, disaster preparedness, and safety programs. Additionally, it will oversee administrative work assignments, provide project management, establish policies and procedures, provide expert and professional assistance to the City and Fire Department’s executive management team, and perform other duties as assigned. The annual maintenance, repair and replacement cost of the vehicle will be addressed in the Department’s annual operating budget.
- b. **Grant Funding** – The Fire Department recommends recognizing revenue and appropriating \$63,654 in the Homeland Security Grant Fund (230) for the FEMA 2021 Assistance to Firefighters Grant (AFG) from the U.S. Department of Homeland Security. The FEMA grant funding is critical in helping equip and train emergency personnel, enhance efficiencies, and support community resilience. The Department received AFG funding to develop a Critical Incident Stress Debriefing Program, to provide mental wellness checkups for all fire personnel, and to support backfilling and overtime costs for eight personnel to attend Live Fire Training.

Additionally, the Department identified an inadvertent budget duplication in Fund 230 and recommends a correcting entry to reduce revenue and appropriations by \$191,491, which will correct the UASI 2020 grant funds.

- c. **Water Usage Savings Reimbursement** – The Department recommends recognizing revenue and appropriating \$30,596 in the General Fund (101) for a reimbursement from the Metropolitan Water District (MWD) resulting from water usage savings through the Pump Pod program. In 2021, the Department successfully applied for a customized conservation incentive and rebate program with MWD to improve water use efficiency. Through the program and collaboration with the California Fire Fighter Joint Apprenticeship Committee (Cal-JAC), a pump pod was procured for the Department. The pump pod is a water recirculating machine that allows firefighters to conserve the water they use during training exercises, resulting in a rebate for water usage savings.
4. **1.0 FTE Assistant City Manager Position for City Manager’s Office** – The Office of the City Manager recommends appropriating \$168,154 from the unappropriated fund balance in the General Fund (101) and increasing the Office’s personnel allocation by 1.0 FTE for an additional Assistant City Manager position. This is the prorated cost for FY 2023. The structure and resources of the City Manager’s Office have remained largely static over the last several years; however, the volume and complexity of demands that have been placed on the Office have increased at a dramatic pace. The City Manager’s Office has begun the process of planning for the many opportunities and challenges that lie ahead. Some of these issues are one-time or project type challenges, while others may be on-going. Below is a list of some of the issues that will necessitate executive, inter-departmental leadership from a third Assistant City Manager. The list of opportunities and challenges below is not meant to be an exhaustive list, but rather is intended to highlight some of the issues that are anticipated to require significant leadership from the City Manager’s Office.
- 710 Stub – Vision, Planning, and Implementation
 - Library Retrofit – Structure and Programming
 - Rent Control – Support and Implementation
 - Affordable Housing – Production and Support
 - Homelessness – Expansion of Programs
 - Public Safety – Enhancing Community Safety Through Conflict De-escalation
 - Enterprise Risk Management – Program Development
 - Charter Reform – Support Process with Staff Reports
 - Career Technical Education – Support Program Implementation
 - Early Childhood Education – Support Program Implementation
5. **1.0 FTE Senior Project Manager Position for City Manager’s Office** – The Office of the City Manager recommends appropriating \$67,030 from the unappropriated fund balance in the General Fund (101) and increasing the Office’s personnel allocation by 1.0 FTE for a Senior Project Manager position. This is the prorated cost for FY 2023. The position will provide day-to-day project management of the former 710 Freeway Stub planning efforts. When not directly engaged in 710 related

planning efforts, this position will support a variety of functions across the City Manager's Office, which will be determined as capacity is evaluated.

6. **Additional Parking Enforcement** – The Transportation Department recommends appropriating \$175,000 from the unappropriated fund balance in the General Fund (101) to support additional contract costs related to parking enforcement. As the demand for parking has gradually increased across the City as COVID-19 restrictions have expired, there is a demonstrated need to restore the budget for contract parking enforcement officers. The additional funding would allow for an increase in parking enforcement hours from 1,300 hours to 2,500 hours per month, which is in line with pre-pandemic operations. These costs will be offset by increased enforcement revenue.
7. **Graduate Interns for Transportation Department** – The Transportation Department recommends appropriating \$37,500 in the Prop C Local Transit Fund (209) to hire two graduate interns to work up to 30 hours per week. This amount is prorated for FY 2023. They will assist the Transit Division with transit planning and administrative duties. The Department demonstrated success in the past with employing interns.
8. **0.50 FTE Reclassification of City Attorney Investigator Position for City Attorney Department** – The City Attorney Department recommends appropriating \$49,276 from the unappropriated fund balance in the General Fund (101) and adding 0.50 FTE to increase the City Attorney Investigator position from 0.50 to 1.0 FTE. Due to the position's part-time status and reduced work hours, the investigator is often unable to find and personally serve subpoenas on victims and witnesses for trial. Without victims and witnesses being personally served with subpoenas, some cases must be dismissed as the Prosecution Division is unable to proceed with the case. Expanding the investigator's position from part-time to full-time would allow additional time for the investigator to contact victims and witnesses, which is critical. Furthermore, it would provide additional time to use background resources to conduct more extensive inquiries and complete other assignments. The workload is too significant for one part-time investigator to be able to fully handle the requests of the prosecuting attorneys, who assign investigation requests on the thousands of cases they handle each year.

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 the attached "Summary of Proposed 2nd Quarter FY 2023 Budget Amendments," approval of the proposed budget amendments will increase FY 2023 total authorized operating appropriations across multiple funds by \$2,964,505. These additional costs will be offset through increased revenue of \$691,050.

The General Fund's unappropriated fund balance will decrease by a net amount of \$599,461.

Full-Time Equivalents will increase overall by 6.0 limited-term and 3.5 permanent positions.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
Director of Finance

Prepared by:



Flora Karmiryan
Principal Administrative Analyst

Approved by:



MIGUEL MÁRQUEZ
City Manager

Attachment:

A) Summary of Proposed 2nd Quarter FY 2023 Budget Amendments