



# Agenda Report

February 26, 2024

**TO:** Honorable Mayor and City Council  
**THROUGH:** Finance Committee  
**FROM:** Department of Finance  
**SUBJECT:** **AMENDMENTS TO FISCAL YEAR 2024 ADOPTED OPERATING BUDGET**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the recommended actions in the agenda report are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061 (b)(3), the "Common-Sense" exemption that CEQA only applies to projects that may have an effect on the environment; and
2. Approve amending the Fiscal Year 2024 (FY 2024) Adopted Operating Budget as detailed in the following report by a net amount of \$952,652 and increasing the Citywide total Full-time Equivalent (FTEs) by 7.0 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 2024 Operating Budget as adopted by the City Council on June 5, 2023.

## **Proposed Budget Amendments**

1. **Fire Department Budget Adjustments** – The Fire Department recommends the following adjustments in the General Fund (101):
  - a. **Ground Emergency Medical Transport (GEMT)** – The Fire Department recommends recognizing revenue of \$464,433 and appropriating \$414,757 in the General Fund (101) from the GEMT Supplemental Reimbursement Program for cost reports associated with FY 2023.

The GEMT Supplemental Reimbursement Program provides additional funding to eligible governmental entities that provide GEMT services to Medi-Cal beneficiaries. The reimbursement payments, based on uncompensated costs for Medi-Cal fee-for-service transports, are determined by the methodology approved by the Centers for Medicare and Medicaid Services (CMS).

The Department recommends utilizing the appropriated GEMT funds to support a variety of critical operational purchases and services, including:

- \$160,000 for equipment, radios, and Mobile Data Computers (MDC) for new apparatus;
- \$123,757 for the development of a 5-Year Fire Department Strategic Plan and an updated Standards of Coverage;
- \$50,000 to update the City's Local Hazard Mitigation Plan;
- \$30,000 for secured narcotic boxes for all rescue ambulances and fire stations;
- \$30,000 for the purchase of a high-rise hose accompaniment; and
- \$21,000 to address fire station infrastructure upgrades.

In July 2023, the City Council recognized revenue of \$3,801,727 and appropriated \$3,551,400 in the General Fund (101) for GEMT Cost Reports from FY 2019 – FY 2022.

- b. **Fleet Maintenance & Equipment Internal Services** – The Fire Department recommends appropriating \$600,000 from the unappropriated fund balance in the General Fund (101) for additional fleet maintenance and equipment services. The Department is incurring more maintenance and repair costs due to delays in the delivery of replacement apparatus including six (6) fire engines, six (6) rescue ambulances, and one (1) ladder truck. Delays are due to manufacturing and supply chain shortages, and issues across the current automobile industry. Consequently, the existing fire apparatus have remained in service beyond the recommended useful lives, resulting in additional costs related to maintenance and purchasing replacement parts. Maintenance costs are likely to remain high until apparatus can be replaced. Replacement apparatus are expected to be received and placed into service in late FY 2025 and FY 2026.
2. **Heritage Square South Project** – The Housing Department recommends appropriating \$400,000 in the Low & Moderate Income Housing Asset Fund (237) pertaining to the development of the 70-unit Heritage Square South permanent supportive housing project. These funds will cover the expenses of removing, transporting, and disposal of hazardous soils from the project site to off-site landfills in compliance with state and federal environmental standards. As set forth in the City's Development, Loan and Lease Agreement dated June 24, 2020 (Agreement No 23,370) with developer BRIDGE Housing Corporation, the

City, as owner of the project site, is responsible for such costs. The project is planned to be completed in March.

3. **Public Health Department Budget Adjustments** – The Pasadena Public Health Department (PPHD) recommends the following adjustments in the Public Health Fund (203):
  - a. **United Mental Health Promoter (UMHP) Services** – The Department recommends recognizing \$317,450 in revenue to the Public Health Fund (203) for grant funding from the Los Angeles County Department of Mental Health. Through June 2026, the Department will receive up to \$952,348 per year. This grant will provide funding to the City for provision of UMHP services, which will include community outreach to people experiencing homelessness in the greater Pasadena area, as well as field-based delivery of support, such as food/groceries, hygiene kits, and other basic needs items. In addition to outreach, UMHP staff will provide referrals and linkages to critical services, including medical/dental services, mental health and substance use treatment, housing, employment, and case management in coordination with the Pasadena Outreach Response Team (PORT) and other community partners. UMHP staff will also deliver mental health-related trainings, such as Mental Health First Aid and Community Resiliency Model.
  - b. **California Equitable Recovery Initiative** – The Department recommends recognizing revenue and appropriating \$43,000 in the Public Health Fund (203) for contracted services. As a pass-through from the U.S. Centers for Disease Control and Prevention, the California Department of Public Health awarded PPHD a total of \$200,000 through May 2024 as part of the California Equitable Recovery Initiative. The contracted services will support the work of the Commitment to Health Equity program and will be used to support the creation of a Health Equity Action Plan. This recognition was inadvertently omitted during the budget process.
4. **Planning Department Personnel Adjustments** – The Planning Department recommends the following adjustments in the Building Services Fund (204):
  - a. **2.0 FTE Senior Building Inspector** – The Department recommends appropriating \$84,447 from the unappropriated fund balance in the Building Services Fund (204) and increasing its personnel allocation by 2.0 FTE for Senior Building Inspector positions. This appropriation request is the prorated cost for FY 2024 (annualized FTE cost of \$253,341). An assessment of building inspection services was completed by Baker Tilly in January 2024. According to this analysis, while the City has a high demand for inspections compared to surrounding cities (equivalent in size and project complexity), the City has the fewest number of inspection staff, while also conducting the highest number of inspections. However, the inspection turnaround time is currently one to two weeks, while comparable cities provide turnaround within one to two days. Adding these

two positions will help improve turnaround time and enhance service delivery. Revenues resulting from the additional work will help fund the additional personnel.

- b. **1.0 FTE Permit Technician II** – The Department recommends appropriating \$30,783 from the unappropriated fund balance in the Building Services Fund (204) and increasing its personnel allocation by 1.0 FTE for a Permit Technician II position. This appropriation request is the prorated cost for FY 2024 (annualized FTE cost of \$92,349). The Department will now be responsible for the Fire Department’s permit window at the Permit Center as current staffing levels are not sufficient to cover demand. This position is necessary to help maintain service levels at the Center, which includes processing fire permits and plan checks. Revenues resulting from the additional work will help fund the additional personnel.

5. **Transportation Department Personnel Adjustments** – The Transportation Department recommends the following adjustments in the Transportation Sales Tax Fund (208) and the Proposition C Local Transit Fund (209):

- a. **1.0 FTE Assistant Planner** – The Department recommends appropriating \$39,174 from the unappropriated fund balance in the Proposition C Local Transit Fund (209) and increasing its personnel allocation by 1.0 FTE for an Assistant Planner position. This appropriation request is the prorated cost for FY 2024 (annualized FTE cost of \$117,522). On September 11, 2023, the City Council approved a service agreement with Metro whereby the City will operate two Metro bus lines, NextGen Service, and incorporate them into the Pasadena Transit system. Metro will pay the City nearly \$26 million between FY 2025 – 2031 to operate the NextGen Service, which will increase Pasadena Transit’s service hours by nearly 40%. The department anticipates this service to continue being funded by Metro beyond this initial term. In addition, as part of this NextGen Service, Pasadena Transit will extend its service area into Los Angeles to serve the Highland Park A Line Station. This significant expansion of service for Pasadena Transit requires a new Assistant Planner to assist the current Planner with the implementation, administration, and monitoring of the service. The expanded service is expected to start as early as December 2024.
- b. **1.0 FTE Management Analyst I** – The Department recommends appropriating \$17,221 from the unappropriated fund balance in the Transportation Sales Tax Fund (208) and \$17,221 from the unappropriated fund balance in the Proposition C Local Transit Fund (209) and increasing its personnel allocation by 1.0 FTE for a Management Analyst I position. This appropriation request is the prorated cost for FY 2024 (annualized FTE cost of \$103,326). Over the next five years, the City will receive over \$30 million in Transit and Intercity Rail Capital Program grant funding to implement the Zero-Emission Rollout Plan, which the City

Council approved to provide a roadmap for transitioning the City's transit fleet to a zero-emission fleet. As part of the transition, new infrastructure is being built including the Transit Maintenance and Operations Facility and a new hydrogen fueling station. In order to implement the transition to zero-emission, the fleet will expand by over 36% within the next two years. This will require additional staff to support the administration and management tasks associated with deploying the fleet. This new position will help implement the accelerated plan that started in October 2023.

6. **Human Resources Department Personnel Adjustment** – The Human Resources Department recommends appropriating \$45,219 from the unappropriated fund balance in the General Fund (101) and increasing its personnel allocation by 1.0 FTE for a Human Resources Analyst position. This appropriation request is the prorated cost for FY 2024 (annualized FTE cost of \$135,657). The new position will provide professional staff support by conducting classification and compensation studies, desk audits, special projects, and salary studies. Currently, the City maintains four consultants on contract for classification and compensation work, with approximately \$200,000 encumbered in FY 2024. The Department anticipates reducing its budget and reliance on outside vendors as the current backlog of work orders is reduced. However, the need for at least one dedicated staff for classification and compensation work will remain (due to the size and complexity of the City).
7. **City Manager's Office Personnel Adjustment** – The Office of the City Manager recommends appropriating \$35,713 from the unappropriated fund balance in the General Fund (101) and increasing its personnel allocation by 1.0 FTE for a Program Coordinator III position, which will serve as a Sustainability Coordinator. This appropriation request is the prorated cost for FY 2024 (annualized FTE cost of \$157,243). The City currently has many sustainability oriented and environmental programs across several departments and divisions. In order to improve communication and coordination of these various programs as well as to assist the City Council-appointed Environmental Advisory Commission, a new position is necessary to advance the various sustainability efforts underway in a holistic and coordinated manner.
8. **2021 Urban Area Security Initiative (UASI) Grant** – The Fire and Pasadena Public Health Departments recommend the following adjustments in the Homeland Security Grant Fund (230), to re-budget unused grant funding from FY 2023 to FY 2024, which were inadvertently excluded from the previous clean-up report:
  - a. **Fire Department Funding** – The Fire Department recommends recognizing revenue and appropriating funds in the amount of \$100,000 in the Homeland Security Grant Fund (230). The Department will use \$79,277 for a range of urban search and rescue (US&R) equipment, including hand tools, power tools, and air cushions, and \$20,723 for US&R related training. All purchases related to this grant will be made in

accordance with the City's applicable procurement policies and procedures.

- b. **Pasadena Public Health Department Funding** – The Public Health Department recommends recognizing revenue and appropriating funds in the amount of \$15,000 in the Homeland Security Grant Fund (230). In FY 2024, the Department will contract with a consultant to conduct a bioterrorism tabletop exercise with the City of Pasadena Emergency Operations Center Policy Group.
9. **Emergency Retaining Wall Repairs** – The Public Works Department recommends transferring \$50,000 from the unappropriated fund balance in the Residential Development Impact Fund (304) to the Parks, Recreation and Neighborhood Services Department in the General Fund (101). This will cover costs for emergency retaining wall repairs at Villa Parke due to severe rainstorm damage in 2023.

**COUNCIL POLICY CONSIDERATION:**

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2024 Adopted Operating Budget and by implementing necessary budget amendments.

**FISCAL IMPACT:**

As detailed in *Attachment A* of this report, approval of the proposed budget amendments will increase FY 2024 total authorized operating appropriations across multiple funds by \$1,942,535, which will be offset through increased revenues of \$989,883.

The General Fund's unappropriated fund balance will decrease by a net amount of \$631,256.

Full-Time Equivalents will increase overall by 7.0 permanent positions (2.0 FTE in the General Fund and 5.0 FTE in other funds).

Respectfully submitted,

  
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Attachment:

A) Summary of Proposed 2<sup>nd</sup> Quarter FY 2024 Budget Amendments