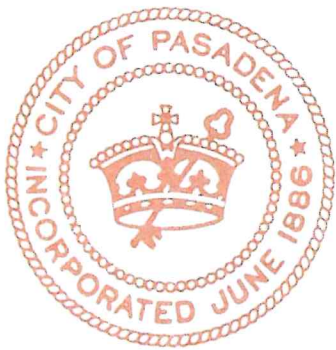




Agenda Report

October 27, 2025

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: **APPROVE AMENDMENTS TO FISCAL YEAR 2026 ADOPTED OPERATING BUDGET**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action herein is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 21065 and within the meaning of Section 15378(b); and
2. Approve amending the Fiscal Year (FY) 2026 Adopted Operating Budget as detailed in the following report.

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 2026 Operating Budget as adopted by the City Council on June 16, 2025. The proposed budget amendments fall into one of the following categories:

- Re-appropriations or "carry-forwards" of previously approved appropriations from the FY 2025 budget that were unexpended as of June 30, 2025; (purchase orders, contracts, and grants), where sufficient funding was available in the account and are now anticipated to be expended during FY 2026. As detailed in *Attachments A and B* of this report, approval of the proposed carry-forwards will increase FY 2026 total authorized operating appropriations across multiple funds by a net amount of \$13,600,754; or
- Amendments to the FY 2026 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 16, 2025. As detailed in *Attachment C* of this report, approval of

the proposed budget amendments will increase FY 2026 total authorized operating appropriations across multiple funds by a net amount of \$3,389,295.

Proposed Carry-Forward Items

1. **Carry-Forward of FY 2025 Purchase Orders and Contracts** – The Department of Finance recommends appropriations in the amount of \$13,067,693 be carried forward from FY 2025 to FY 2026 throughout various funds. As detailed in *Attachment A*, the recommended appropriations represent 28 contractual obligations where goods or services were ordered in FY 2025, but will not be received until FY 2026. Delays were primarily caused by supply chain issues affecting production and delivery of goods or services.
2. **Carry-Forward of FY 2025 Grants** – The Department of Finance recommends recognizing revenue of \$100,000 and appropriating \$633,061, to carry forward grants from FY 2025 to FY 2026 across two different funds. As detailed in *Attachment B*, the recommended revenue and appropriations represent two grants. The multi-year grants will continue to fund the Dine Out Pasadena program, as well as the acquisition of specialized equipment related to emergency response for the Fire Department.

Proposed Budget Amendments

3. **Fire Department Additional Funding** – The Fire Department recommends appropriating \$533,690 in the General Fund (101) and recognizing revenue and appropriating \$77,250 in the Fire Grants Fund (230) for an additional funding award as detailed below.
 - a. **Strike Team Residual Revenue** – The Department recommends appropriating \$533,690 in the General Fund (101) to use residual Strike Team revenue to purchase and upfit a rapid extraction module support vehicle, which will be deployed as additional mutual aid resources to send qualified personnel to statewide wildland incidents. The funds will also be used to complete facility improvement projects at Fire Station 33 and 38, and for the upfit of a Battalion Chief Incident Command Vehicle. Funding comes from surplus residual revenue from the California Governor's Office of Emergency Services (Cal OES) for the Department's mutual aid responses that were provided throughout FY 2023. This revenue was received at year end in FY 2025 and will now be expended in FY 2026.
 - b. **2024 Regional Urban Search and Rescue (US&R) Response Training Reimbursement for Regional US&R Task Force Four (RTF-4)** – The Department recommends recognizing revenue and appropriating \$77,250 in the Fire Grants Fund (230) for additional funding awarded by Cal OES via the 2024 Regional US&R Response Training Reimbursement Agreement. This amount is in addition to the \$169,950 that was previously awarded in FY 2025 under the same Agreement, which allows Fire Agency staff to attend and

successfully complete US&R response training and/or Mobilization Exercise (MOBEX) required by Cal OES.

The RTF-4 is comprised of 30 people across seven fire departments in the region who are specially trained and equipped for large or complex US&R operations. The multi-disciplinary organization provides eight functional elements that include Supervision, Search, Rescue, Medical, Planning, Safety, Haz-Mat and Tool/Equipment Support. The reimbursement agreement with Cal OES will allow participating fire agencies to maintain regular staffing to avoid degradation of services or reduction in emergency response capabilities to the local community during the training.

4. **Housing Department Budget Adjustments** – The Housing Department recommends recognizing revenue of \$3,190,242 and appropriating \$5,733,647 in multiple funds as detailed below.
 - a. **Affordable Housing Sustainable Communities (AHSC) Grant** – The Department recommends recognizing revenue and appropriating \$1,530,329 in the Other Housing Fund (238) for the remaining balance of the AHSC state grant. On May 24, 2021, the City Council authorized the Department to apply for the AHSC program of \$5.0 million – of which \$3,469,671 has been disbursed to date. The remaining funds will be utilized to provide loans to the Heritage Housing Partners (HHP) project.
 - b. **Caltrans Home Acquisitions** – The Department recommends appropriating the remaining balance of \$1,565,963 from the original appropriation of \$3.0 million for Caltrans home acquisitions. This will be utilized for the acquisition and maintenance costs of the second tranche of properties. The acquisition of the first tranche of properties was completed in FY 2025.
 - c. **Inter-Fund Transfer** – The Department recommends transferring \$1.0 million from the unappropriated fund balance of the Inclusionary Housing Trust Fund (239) to the Home Investment Partnership Fund (HOME) Fund (221). On June 3, 2024, the City Council approved a \$2.0 million loan agreement with HHP of which \$1.0 million was funded from the HOME Fund and \$1.0 million from the Other Housing Fund. By transferring the recommended \$1.0 million from Fund 239 to Fund 221, the HOME fund could utilize those funds to provide rental assistance for clients who will be losing their Emergency Housing Vouchers due to federal funding cuts.
 - d. **Revised Measure A Funding** – The Department recommends recognizing revenue and appropriating \$491,913 in the Other Housing Fund (238) for additional Measure A funding from the County of Los Angeles. During the FY 2026 budget process, the Department originally estimated an appropriation of \$1.7 million in Measure A. However, as a result of revised Measure A funding provided by the County estimates, the City Council then authorized the Department to enter into a contract with the County of Los Angeles for

Measure A CoC Funds in the amount of \$867,473 on May 19, 2025, and in the amount of \$1,324,440 on June 2, 2025, totaling \$2,191,913.

- e. **Transfer funding to Pasadena Public Health Department (PPHD)** – The Department recommends transferring \$168,000 of Round 5 Homeless Housing Assistance and Prevention Program (HHAP-5) grant funds to the PPHD so that the Pasadena Outreach Response Team can provide motel vouchers for those experiencing homelessness.
 - f. **Budget Corrections** – The Department recommends unappropriating \$120,000 in the General Fund (101) to remove a duplication of appropriations for weather-activated motel vouchers within both the Housing and Public Health Departments' operating budgets.
 - g. **MASH Electric Vehicle Purchases** – The Department recommends re-appropriating \$97,442 for the acquisition of electric vehicles for the MASH program. On May 9, 2022, the City Council approved the acquisitions; however, due to supply chain delays the vehicles could not be delivered. It is anticipated that the purchases will be completed in FY 2026.
5. **Purchase and/or Lease of Clean Air Vehicles/Equipment** – The Human Resources Department recommends appropriating \$312,200 from the unappropriated fund balance in the Air Quality Improvement Fund (216) to purchase and/or lease clean-air vehicles/equipment for four departments. This allocation of Air Quality Management District funding supports the City's ongoing commitment to sustainability and clean air initiatives.
- a. \$200,000 will be allocated to the Parks, Recreation and Community Services department to purchase mowers, tractors, and vehicles.
 - b. \$55,000 will be allocated to the Public Works department to purchase a vehicle for the code enforcement division.
 - c. \$50,000 will be allocated to the Risk Management Safety division to purchase a vehicle for the Water and Power section.
 - d. \$7,200 will be allocated to the Finance Department to lease a vehicle for the Business License Inspectors.
6. **Urban Area Security Initiative (UASI) Grant Funds** – The Fire Department and the Pasadena Public Health Department recommend recognizing revenue and appropriating \$110,000 in the Fire Grants Fund (230) for two UASI grants.
- a. The Fire Department recommends recognizing revenue and appropriating \$50,000 in the Fire Grants Fund (230) for additional 2024 UASI Grant funds from the City of Los Angeles. As a subrecipient, the City of Pasadena is eligible to receive annual grant funding through UASI as part of a nationwide program to improve and enhance emergency response capability for terrorist-related activity. On August 25, 2025, the City Council authorized the Department to recognize and appropriate \$200,185 in UASI 2024 funding.

This additional funding of \$50,000, is the result of contingency funds that have been identified through the City of Los Angeles.

- b. The Pasadena Public Health Department recommends recognizing revenue and appropriating \$60,000 in the Fire Grants Fund (230) from the UASI grant. The UASI program provides financial assistance to address the planning, organization, equipment, training, and exercise needs of high-threat, high-density Urban Areas, and to assist these areas in building and sustaining capabilities to prevent, protect against, mitigate, respond to, and recover from threats or acts of terrorism using the Whole Community approach. As a passthrough from Cal OES, the City of Los Angeles awarded the PPHD a total of \$60,000 through January 31, 2026. The funding will be used to purchase portable Powered Air Purifying Respirator (PAPR) kits for incident response for trained personnel during terrorist attacks or other emergencies and for a vendor to develop and deliver a Continuity of Operations Plan training workshop for PPHD staff.
7. **Pasadena Public Health Department Grant** – The Pasadena Public Health Department (PPHD) recommends recognizing revenue and appropriating \$20,000 in the Public Health Fund (203) for the Pasadena Child Health Foundation Grant. The Pasadena Community Foundation awarded the PPHD a total of \$20,000 through June 30, 2026, to purchase and distribute child passenger seats, cribs, safe sleep education items, and essential baby supplies for families. Additionally, this grant will support education workshops on safe sleep, child passenger safety, social and emotional wellbeing, and child development.

COUNCIL POLICY CONSIDERATION:

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by monitoring the FY 2026 Adopted Operating Budget and by implementing necessary budget amendments.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Guidelines Section 21065 and within the meaning of Section 15378(b). Sections 21065 and 15378(b) define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The actions proposed herein, amending the City's FY 2026 Operating Budget, are governmental fiscal activities that do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

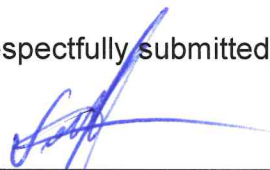
FISCAL IMPACT:

As detailed in *Attachments A and B* of this report, approval of the proposed carry-forward items will increase FY 2026 total authorized operating appropriations across multiple funds by \$13,700,754, which will be offset through increased revenues of \$100,000.

As detailed in *Attachment C*, approval of the proposed budget amendments will increase FY 2026 total authorized operating appropriations across multiple funds by \$6,786,787, which will be offset through increased revenues of \$3,397,492, resulting in a net increase of \$3,389,295.

The General Fund's unappropriated fund balance will decrease by a net amount of \$2,594,729.

Respectfully submitted,



VICKEN (VIC) ERGANIAN
Acting Director of Finance

Prepared by:



for Flora Karmiryan
Principal Administrative Analyst

Approved by:



MIGUEL MÁRQUEZ
City Manager

Attachment: (3)

- A) Attachment A: Listing of Carry-Forward Purchase Orders and Contracts
- B) Attachment B: Listing of Carry-Forward Grants
- C) Attachment C: Summary of Proposed Q1 FY 2026 Budget Amendments