

Agenda Report

ATTENTION: Finance Committee

TO: City Council

DATE: April 26, 1999

FROM: City Manager

SUBJECT: Fiscal Year 1999 Administrative Budget Amendments

RECOMMENDATION

It is recommended that the City Council approve journal vouchers implementing certain administrative amendments to the FY 1999 Operating Budgets as detailed in the Background section of this report.

BACKGROUND

Periodically the Department of Finance submits reports to the City Council recommending various amendments to the Adopted Operating Budget related to events that have transpired since adoption of the current year budgets. Some of these recommendations are being made to "clean-up" various revenue and expenditure issues, while other administrative changes include the recognition of additional revenues and transfer of funds to closely reflect expenditure patterns.

The following outlines the journal voucher actions that are being recommended:

1. **Contribution towards the Reserve for Future Projects :**

On July 31, 1995 the City Council approved the establishment of a Reserve for Future Projects in both the Proposition A and Proposition C Funds. Annually, a total of 20 percent of the total Proposition A and C allotments are transferred to the Reserve to be used for betterments in connection with the Pasadena Blue Line. These funds are reserved after the close of the previous fiscal year when the final Proposition A and C revenues have been received.

A. Proposition A Funds: Transfer \$304,228 from the Proposition A Sales Tax Fund Uncommitted Fund Balance to the Proposition A Reserve for Future

Projects. This transfer sets aside the fiscal year 1998 annual Proposition A contribution towards the reserve for future capital projects. In fiscal year 1998 the Proposition A local return totaled \$1,428,036. Twenty percent of this total equals \$304,228.

- B. Proposition C Funds: Transfer \$252,326 from the Proposition C Local Return Fund Uncommitted Fund Balance to the Proposition C Reserve for Future Projects. This transfer sets aside the fiscal year 1998 annual Proposition C contribution towards the reserve for future capital projects. In fiscal year 1998 the Proposition C local return totaled \$1,261,630. Twenty percent of this amount equals \$252,326.

2. Reduction of Abatement of Various Public Works and Transportation Department Funds:

A Public Works Supervisor position has been transferred within the department from Administration to Solid Waste. This position was funded through the abatement of various Public Works and Transportation funds. Since this position will now be fully funded through the Solid Waste fund, the abatements associated with this position are no longer needed and should be reduced to reflect the vacancy. The following abatement amounts should be returned to the funds as listed below:

Prop A	\$2,885
Prop C	\$2,885
Plaza Las Fuentes	\$4,808
Parking Meter – Old Pas	\$ 240
Parking Meter – Civic	\$4,808
Old Pas. – Structures	\$ 853
Refuse	\$7,213
Sewer	\$5,156
Hahamongna	\$1,923
Building Maintenance	\$1,442
Fleet Maintenance	\$1,442

3. Solid Waste Abatement Reduction

During the budget process, an error occurred that resulted in an overcharging to the Refuse Fund from the General Fund. To correct this error, the transfer from the Refuse Fund to the General Fund will be reduced by \$294,760.

4. Various Safety Personnel Adjustments

During the adoption of the FY 1999 Operating Budget, all four major safety employee bargaining unions had not reached a final salary agreement. In anticipation that there would be some increase, a lump sum amount was set aside in the Operating Budget under the Personnel Reserve. However, final costs for the Pasadena Fire Fighters Association were higher than anticipated. For budgeting

purposes, a 3% was estimated. Final increases for the various positions within PPFAs ranged from 4.4% to 7.2%. . In the Fire Department, there was other unanticipated cost resulting from the special premium pays that are given to employees based on meeting certain criterias. The combination of both these expenses totals approximately \$1.0 million.

For the Police Department, an additional \$618,000 is also needed to fund higher than anticipated expenses in personnel costs. Staff has reviewed the overages and has determined that an adjustment is required in the vacancy factor so that the actual staffing levels and the budget are consistent. Also, a review of the premium pays for the department needed to be increased to reflect changes that have occurred in the memorandums of understanding.

5. **City Attorney's Office**

It is anticipated that the City Attorney's Office will exceed the fiscal year 1999 budget by a total of \$150,000. Outside legal cost within the City Attorney's budget will exceed appropriation in the amount of \$90,000. Additionally, when the fiscal year 1999 operating budget was prepared, it was the intention of the City Council to retain the current contract City Attorney for the first four months of the fiscal year. This would provide City Council sufficient time to search for an in-house City Attorney. Given that the decision to recruit for an in-house City Attorney was delayed, there is an incremental cost to maintain the contract City Attorney. For fiscal year 1999, the additional cost is \$60,000. Funds to cover this cost will come from the anticipated ending fund balance in the General Fund.

6. **City Hall Air Condition**

Included in the capital project for seismic retrofitting of City Hall is a plan to replace and upgrade the current Heating, Ventilation, and Air Conditioning (HVAC) units. There are currently 54 pieces of HVAC equipment located in City Hall. The area that is currently down has (2) chillers that are located on the south east roof. These chillers house (2) twenty-ton compressors and (2) evaporator condensers. They service the west side of City Hall, 2nd, 3rd and 4th floors, plus the entire north side of the third floor. One of the evaporator condensers is completely inoperable and needs replacing. The remaining equipment is also crippled and barely working. The system was already overloaded, when the 4th floor was added years ago. This is the reason that it has been difficult to cool during the hottest times of the year. One condenser can be replaced at a cost of \$35,000. But because of the age and condition of the entire system it is highly likely that there will be other failures. To replace the entire chiller system would cost between \$70,000 and \$75,000. Given that the seismic project may go forward in fiscal year 2000 and this equipment would be totally replaced, staff is recommending that instead \$5,000 be used this fiscal year. The funds would be used to purchase fans and rent office furniture to place in conference room and training rooms for temporary use during exceptionally hot summer periods.

FISCAL IMPACT

The net effect of the actions recommended in this report is an increase in Citywide appropriations of \$2,001,139. Specifically, General Fund appropriations would increase by a net amount of \$1,773,000 and Non-General Fund appropriations would increase by an amount of \$228,139. Sufficient funds are available in the fund balances for the respective funds identified in the report.

Respectfully submitted,



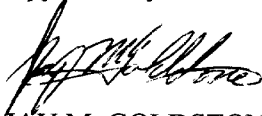
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