



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of City Council
FROM: Patty Maitland, Finance Director
MEETING DATE: October 5, 2016
SUBJECT: Second Reading of an Ordinance Amending the Fiscal Year 2016-17 Budget and Establishing a Special Revenue Fund and Budget for the Coastal Conservancy Grant
CEQA: Does not Constitute a “Project” per California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

Hold second reading and adopt an ordinance amending the Fiscal Year 2016-17 Budget and establishing a special revenue fund and budget for the Coastal Conservancy Grant.

DISCUSSION

No changes have been made to the ordinance following its approval of the first reading on September 21, 2016. This ordinance was published on October 2, 2016 as required by City Charter.

Pursuant to Council Policy 400-2, the creation of special funds requires approval of the Council upon review of the purpose, revenues, and expenditures associated with such a fund.

Purpose of Establishing the Fund

On March 16, 2016, the Council approved the receipt of [grant funds from the State Coastal Conservancy](#) for the construction of the trail system at the Great Tide Pool Site, and for additional public access improvements at the Point Pinos Trail/Esplanade Park Site. The grant is for \$250,000 with a matching requirement from the City of \$175,000.

Both the Great Tide Pool and Point Pinos Trail/Esplanade Park projects were included in the Fiscal Year 2016-17 Operating and Capital Improvement Budget which Council adopted on June 15, 2016 ([see page 16, Item 10 of the FY 2016-17 Adopted Capital Improvement Budget](#)). The matching funds were designated from the Reiko Koo Bequest which the City received in November 2013.

	Great Tide Pool Trail	Point Pinos Trail	Total Funding
Coastal Conservancy Grant	\$ 100,000.00	\$ 150,000.00	\$ 250,000.00
Reiko Koo Bequest	\$ 127,000.00	\$ 48,000.00	\$ 175,000.00
	\$ 227,000.00	\$ 198,000.00	\$ 425,000.00

Revenues and Expenditures of the Special Revenue Fund

Financial transactions of the Coastal Conservancy Grant fund will be reported using governmental fund accounting standards. Revenues, in the form of grant reimbursements and an interfund transfer, will be recognized when earned. Expenditures related to both the Great Tide Pool and Point Pinos Trail/Esplanade Park projects will be recognized when incurred. At year-end, the Coastal Conservancy Grant fund will be reported in the same manner as other special revenue funds the City employs.

Establishing a special revenue fund for the Coastal Conservancy Grant creates separate accounting and financial mechanisms for the administration of the funds. Establishing the special revenue fund does not create a separate or autonomous entity from rest of the City's operations, but facilitates internal tracking and external reporting/reimbursement processes.

Revenues and expenditures for the Coastal Conservancy Grant fund will be established as follows:

	Revenue	Expenditure
Coastal Conservancy Grant	\$ 250,000	
Reiko Koo Bequest (City match)	\$ 175,000	
Trail People Contract		\$ 198,000
Great Tide Pool Trail Construction		\$ 227,000
	\$ 425,000	\$ 425,000

OPTIONS

1. Do nothing.
2. Make modifications to the ordinance

FISCAL IMPACT

An interfund transfer in the amount of \$175,000 from the Reiko Koo Bequest Fund 93 will be made to the Coastal Conservancy Grant fund. The revenue and expenditures for the Coastal Conservancy Grant fund will be set at \$425,000.

ATTACHMENTS


1. Ordinance

RESPECTFULLY SUBMITTED:



Patty Maitland
Finance Director

REVIEWED BY:



Ben Harvey
City Manager

ORDINANCE NO. 16-____

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE
AMENDING THE FISCAL YEAR 2016-17 BUDGET AND ESTABLISHING A SPECIAL
REVENUE FUND AND BUDGET FOR THE COASTAL CONSERVANCY GRANT**

WHEREAS, the City Council approved the Fiscal Year 2016-17 Budget on June 15, 2016; and

WHEREAS, pursuant to Council Policy 400-2, the creation of special funds requires approval of the Council upon review of the purpose, revenues, and expenditures associated with such a fund; and

WHEREAS, establishing a special revenue fund for the Coastal Conservancy Grant creates separate accounting and financial mechanisms for the administration of the funds; and

WHEREAS, the revenues for the Coastal Conservancy Grant in FY 2016-17 are anticipated to be \$425,000 comprised of \$250,000 in grant funds and a \$175,000 interfund transfer from the Reiko Koo Bequest fund 93; and

WHEREAS, the expenditures for the Coastal Conservancy Grant in FY 2016-17 are anticipated to be \$425,000 comprised of \$198,000 for the Great Tide Pool Trail and Point Pinos Trail/Esplanade Park projects; and

WHEREAS, in the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq. Enactment of this ordinance action does not constitute a “project” as defined by California Environmental Quality Act (CEQA) because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment pursuant to the California Quality Act (CEQA), CEQA Guideline Section 15378.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
PACIFIC GROVE:**

SECTION 1. The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.

SECTION 2. A revenue and expenditure budget for the Coastal Conservancy Grant is established as follows:

EXPENDITURE			
FUND-DIV	BUDGETED	INCREASE/ (DECREASE)	AMENDED
Fund # to Be Assigned	\$ -	\$425,000	\$ 425,000
REVENUE			
FUND-DIV	BUDGETED	INCREASE/ (DECREASE)	AMENDED
Fund # to Be Assigned	\$ -	\$425,000	\$ 425,000

SECTION 3. The City Manager is directed to execute all documents and to perform all other necessary City acts to implement this Ordinance.

SECTION 4. In accord with Article 15 of the City Charter, this ordinance shall become effective upon adoption hereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
this ____ day of _____, 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

BILL KAMPE, Mayor

ATTEST:

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney