



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

AGENDA REPORT

TO: Honorable Mayor and Members of City Council
FROM: Bill Peake, Council Member
MEETING DATE: July 20, 2016
SUBJECT: League of CA Cities: Advanced Leadership Workshop, June 24, 2016
CEQA STATUS: Does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

Receive report.

DISCUSSION

I attended a League of California Cities: Advanced Leadership Workshop ‘City Finances – What You Need to Know’ on June 24 in Monterey. Workshop materials can be found at: <http://www.cacities.org/Resources-Documents/Education-and-Events-Section/MCXF/2016-Handouts/City-Finances-What-You-Need-To-Know>

Key learnings:

1. Performance management in the public sector is an ongoing, systematic approach to improving results through evidence-based decision making, continuous organizational learning, and a focus on accountability for performance. Performance management could drive the budget process in way not seen in Pacific Grove. It would take a concerted effort and change in culture, but could yield a more effective city government.
2. The appropriate size of reserves should be determined by the amount of financial risk. The higher the risk, the larger reserves should be. Typical city reserves are 15-20% of the annual budget. A means to address cash flow concerns is to increase reserves.
3. Financial forecasts, to be used in financial planning, must include uncertainties and assumptions should be clearly stated. Forecasts include future scenarios.

I’d be happy to answer any questions.

RESPECTFULLY SUBMITTED:

Bill Peake, Council Member