



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

**AGENDA REPORT**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Patty Maitland, Finance Director  
**MEETING DATE:** November 4, 2015  
**SUBJECT:** Quarterly Budget Report – 1<sup>st</sup> Quarter FY 2015-16  
**CEQA:** Does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines  
**RECOMMENDATION**  
 Receive the report.

**DISCUSSION**

The City’s independent auditors, Chavan & Associates, LLP have recommended that the Council receive a quarterly budget status report. The following charts provide an overview of the revenues and expenditures for the 1<sup>st</sup> quarter of the FY 2015-16 budget (major funds), and a departmental status of expenditures through the reporting period ending September 30, 2015. As this is the first budget status report presented, Council may wish to request that additional information or future charts be included in the quarterly reports.

**Overall Fund Revenues and Expenditures.** The County distributes property tax revenues twice a year, in December and April. The 2<sup>nd</sup> quarter budget report, which will be delivered to the Council in February, will reflect those revenues. Sales taxes and sewer fees also lag, as the State processes sales taxes before dispersing and the Pollution Control Agency bills bi-monthly. (By end of the first quarter, 33% of the year has passed).

<b>Quarterly Budget Status 1Q FY 2015-16 - Major Funds</b>				
		<b>Budget</b>	<b>Revenues</b>	<b>% Budget</b>
01	General Fund	\$ 18,486,900	\$ 3,104,687	16.79%
76	Sewer Fund	\$ 2,100,000	\$ 154,937	7.38%
77	Golf	\$ 300,000	\$ 101,653	33.88%
75	Cemetery	\$ 266,000	\$ 74,329	27.94%
			<b>Expenditures/ Encumbrances</b>	
01	General Fund	\$ 18,484,698	\$ 5,753,617	31.13%
76	Sewer Fund	\$ 4,805,277	\$ 621,783	12.94%
77	Golf	\$ 293,000	\$ 183,113	62.50%
75	Cemetery	\$ 247,839	\$ 82,947	33.47%

General Fund expenditures reflect the interfund transfers that occur at the beginning of the fiscal year to fund internal service funds and to cover indirect service charges as set forth in the adopted budget. Similarly, the Cemetery expenditures are slightly higher than anticipated because the indirect service charges for that enterprise fund are included in the first quarter report.

The Golf Course Fund's largest expenditure is payment of the Golf Course Refinancing. Those payments are made biannually in August and February. The first payment for FY 2015-16 is reflected in the 1<sup>st</sup> quarter expenditures.

**Departmental and Program Expenditures.**

1st Quarter 2015-16 Budget Status - Departmental Status				
Department	Budget	Expenditures	Under/(Over) Budget	% of Budget
CITY COUNCIL	\$ 397,211	\$ 85,363	\$ 311,848	21.49%
CITY ATTORNEY	\$ 291,838	\$ 21,830	\$ 270,008	7.48%
CITY MANAGER	\$ 726,845	\$ 174,362	\$ 552,483	23.99%
FINANCE	\$ 997,982	\$ 231,169	\$ 766,813	23.16%
INFORMATION SERVICES	\$ 171,700	\$ 43,305	\$ 128,395	25.22%
COMMUNITY & ECONOMIC DEVELOPMENT	\$ 1,207,269	\$ 268,470	\$ 938,799	22.24%
POLICE	\$ 6,401,340	\$ 1,987,705	\$ 4,413,635	31.05%
FIRE	\$ 3,144,840	\$ 1,466,276	\$ 1,678,564	46.62%
LIBRARY	\$ 931,441	\$ 231,142	\$ 700,299	24.82%
MUSEUM	\$ 200,032	\$ 57,614	\$ 142,418	28.80%
RECREATION	\$ 487,840	\$ 131,224	\$ 356,616	26.90%
PUBLIC WORKS	\$ 3,231,360	\$ 977,205	\$ 230,064	30.24%
Local Water Project*	\$ 295,000	\$ 77,951	\$ 6,323,389	26.42%
	\$ 18,484,698	\$ 5,753,617	\$ 12,731,081	31.13%

\*Pursuant to Council action on October 21, 2015, beginning in November 2015, the Local Water Project will be reported in an enterprise fund

Fire appears high, as this budget was significantly reduced in anticipation of negotiated reductions in the City of Monterey contract. However, the City of Monterey has indicated that it is currently unable to reduce its contract price for providing fire protection services to the City of Pacific Grove.

**FISCAL IMPACT**

None.

RESPECTFULLY SUBMITTED:

*Patty Maitland*

REVIEWED BY:

*Thomas Frutchey*

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Patty Maitland  
Finance Director

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Thomas Frutchey  
City Manager