

City of Pacific Grove



FISCAL YEAR 17/18

MID-YEAR BUDGET MODIFICATIONS, FINANCIAL UPDATE, AND FIRST READING OF AN ORDINANCE



Financial Calendar

■ Financial Calendar

Month	Topic
January	Long-Term Financial Planning
March	Mid-Year Budget Presentation , Modifications, and First Reading of an Ordinance
April	GANN Appropriation Limit
May	Budget Workshop
May/June	First Reading of Ordinance Second Reading of Ordinance / Budget Adoption
December	Receive annual audit results



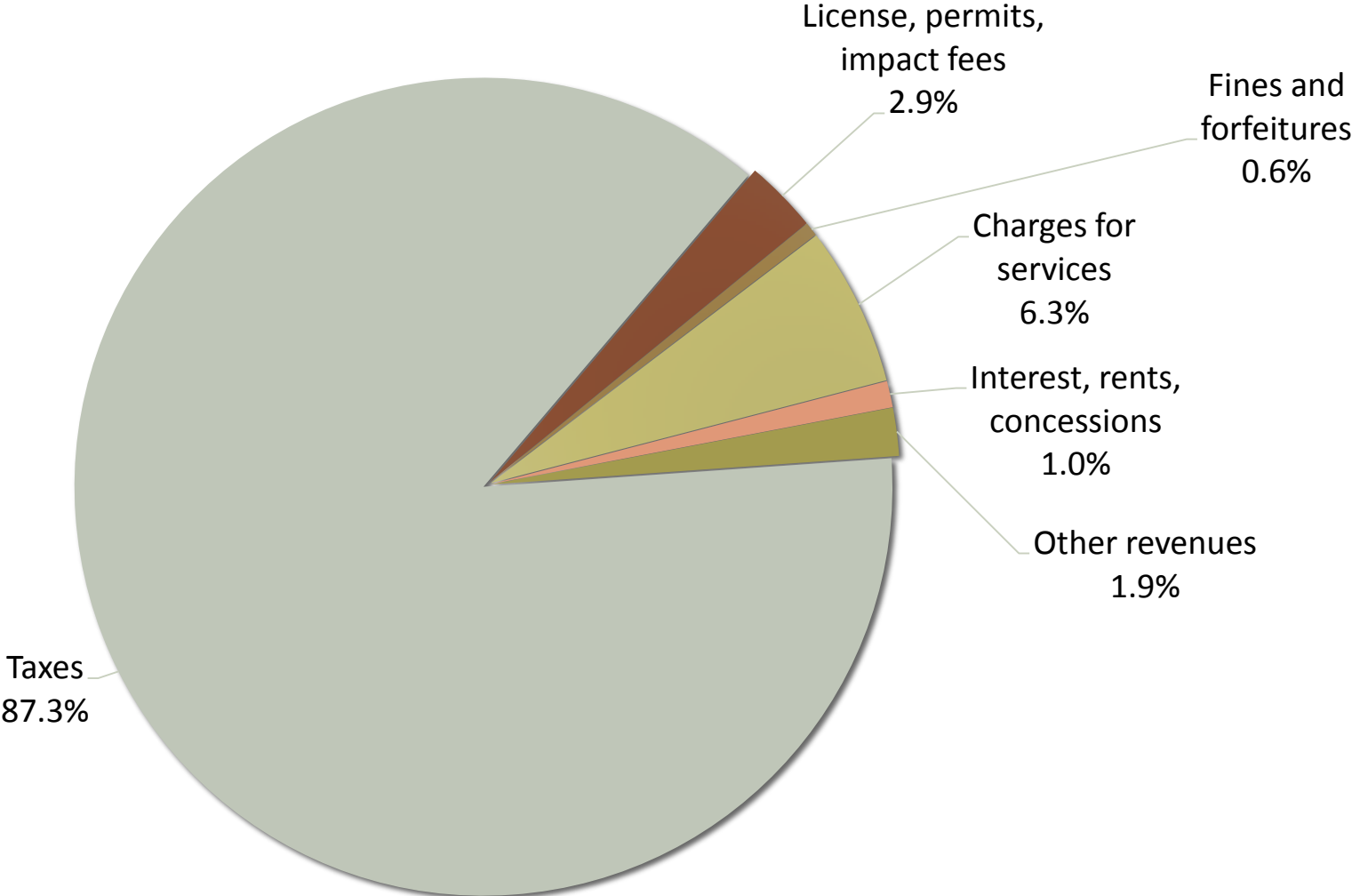
General Fund Overview

Fiscal Year 17/18	Adopted	Estimated ⁽¹⁾	Diff.
Beginning Fund Bal.	\$10,329,000	\$11,632,000	1,303,000
Revenues	22,051,000	22,299,000	248,000
Expenses	23,919,000	23,557,000	(362,000)
Net Difference	(1,868,000)	(1,258,000)	610,000
Ending Fund Bal.	\$9,071,000	\$10,374,000	\$1,910,000

(1) The Beginning Fund Balance was updated to reflect the audited financial statements



General Fund Revenues: \$22.3 Million

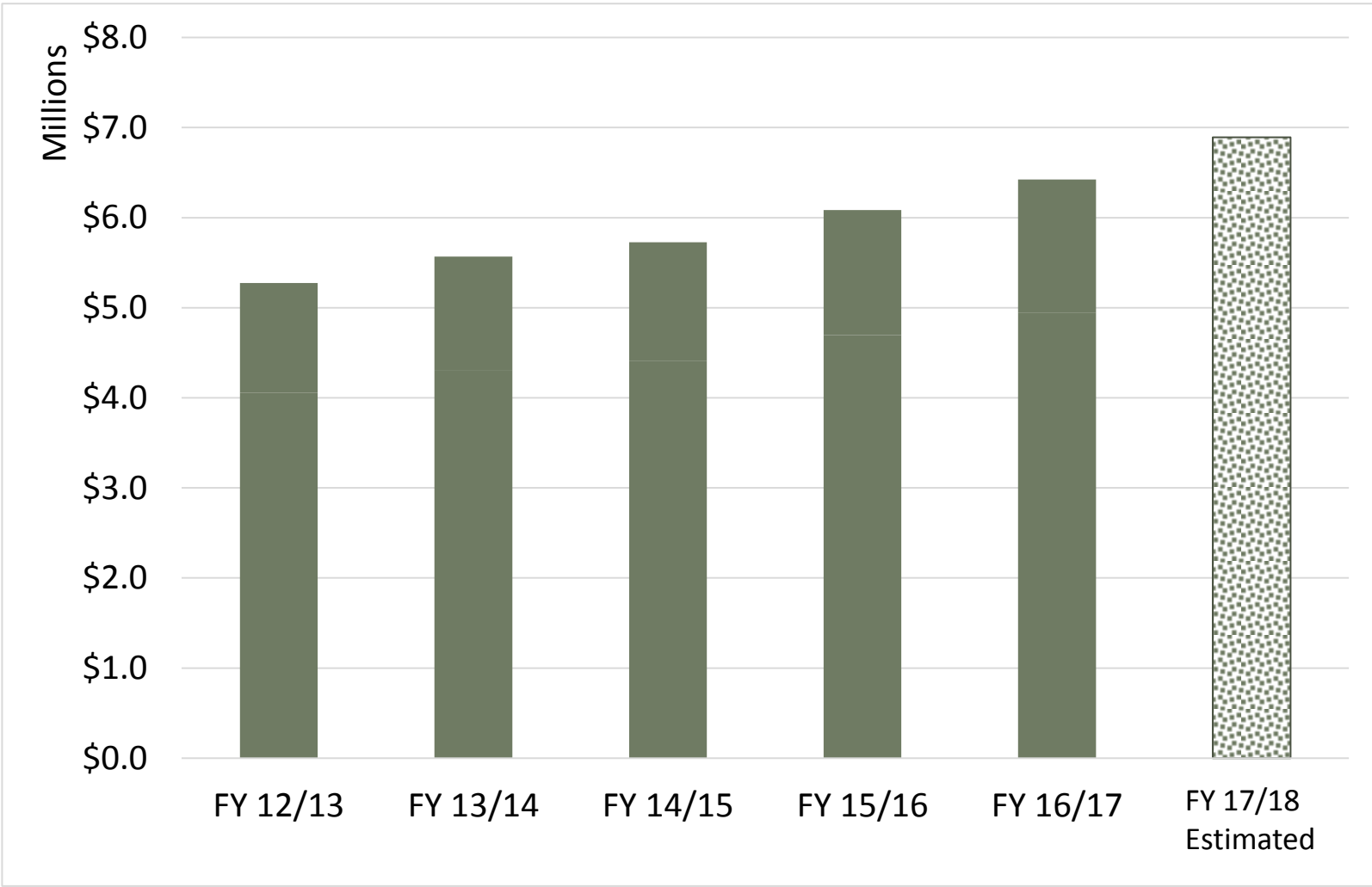


General Fund Revenues

Source	Adopted	Estimated	Diff.	Prior Year
Property Taxes	\$6,573,000	\$6,892,000	319,000	\$6,447,000
Sales & Use Tax	3,460,000	3,636,000	176,000	4,075,000
Franchise Tax	1,015,000	834,000	(181,000)	858,000
TOT Tax	5,173,000	5,774,000	601,000	5,351,000
Utility Users Tax	1,675,000	1,837,000	162,000	1,594,000
Business licenses	332,000	344,000	12,000	355,000
Other Taxes	156,000	156,000	-	125,000
Intergovernmental	244,000	-	(244,000)	111,000
License,permits,imp fee	511,000	642,000	131,000	577,000
Fines, Forfeiture	136,000	123,000	(13,000)	111,000
Charges for Services	1,451,000	1,406,000	(45,000)	1,546,000
Interest, rents, conc.	377,000	232,000	(145,000)	266,000
Other revenues	948,000	423,000	(525,000)	562,000
Total	\$22,051,000	\$22,299,000	\$248,000	\$21,978,000

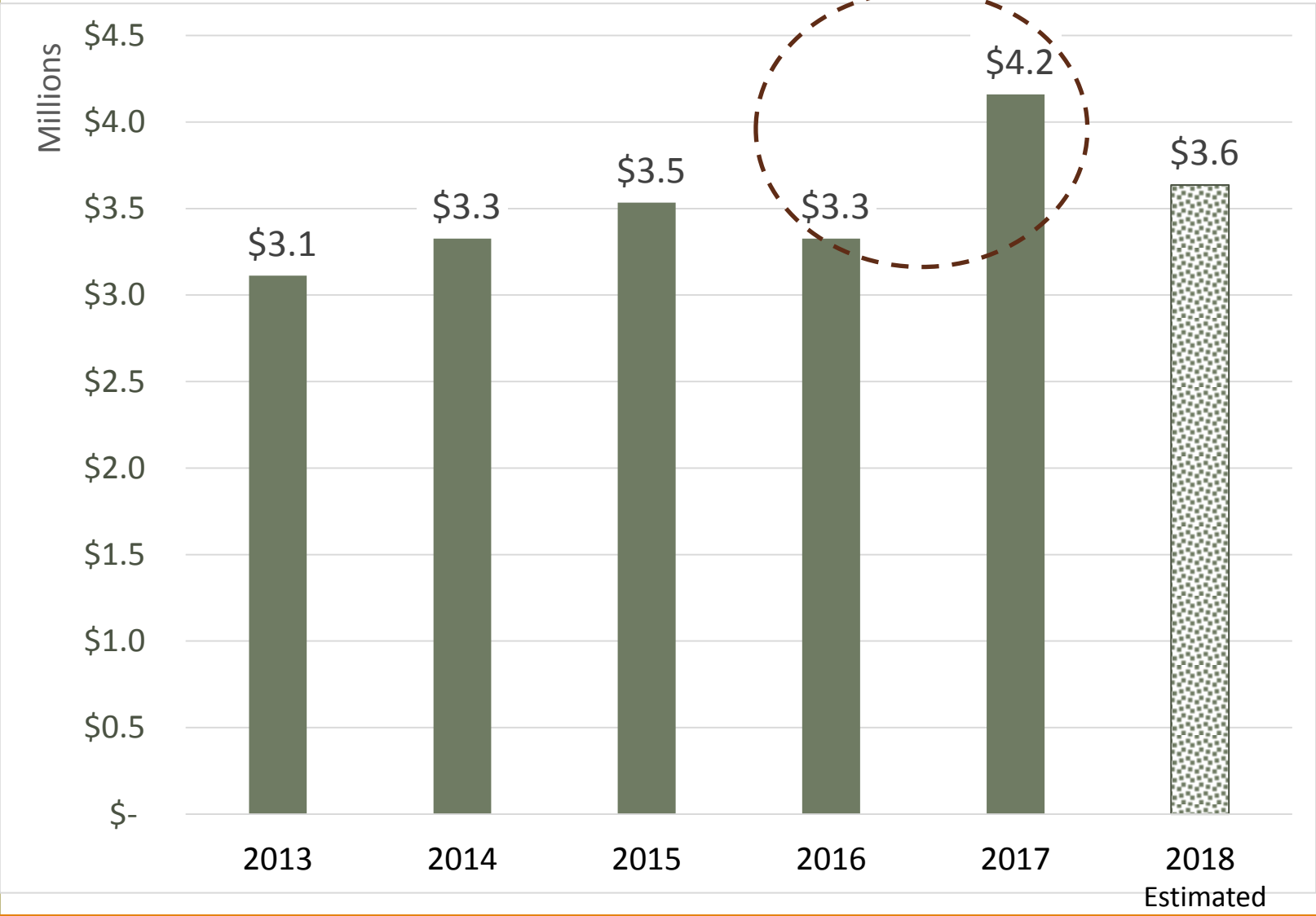


Property Taxes



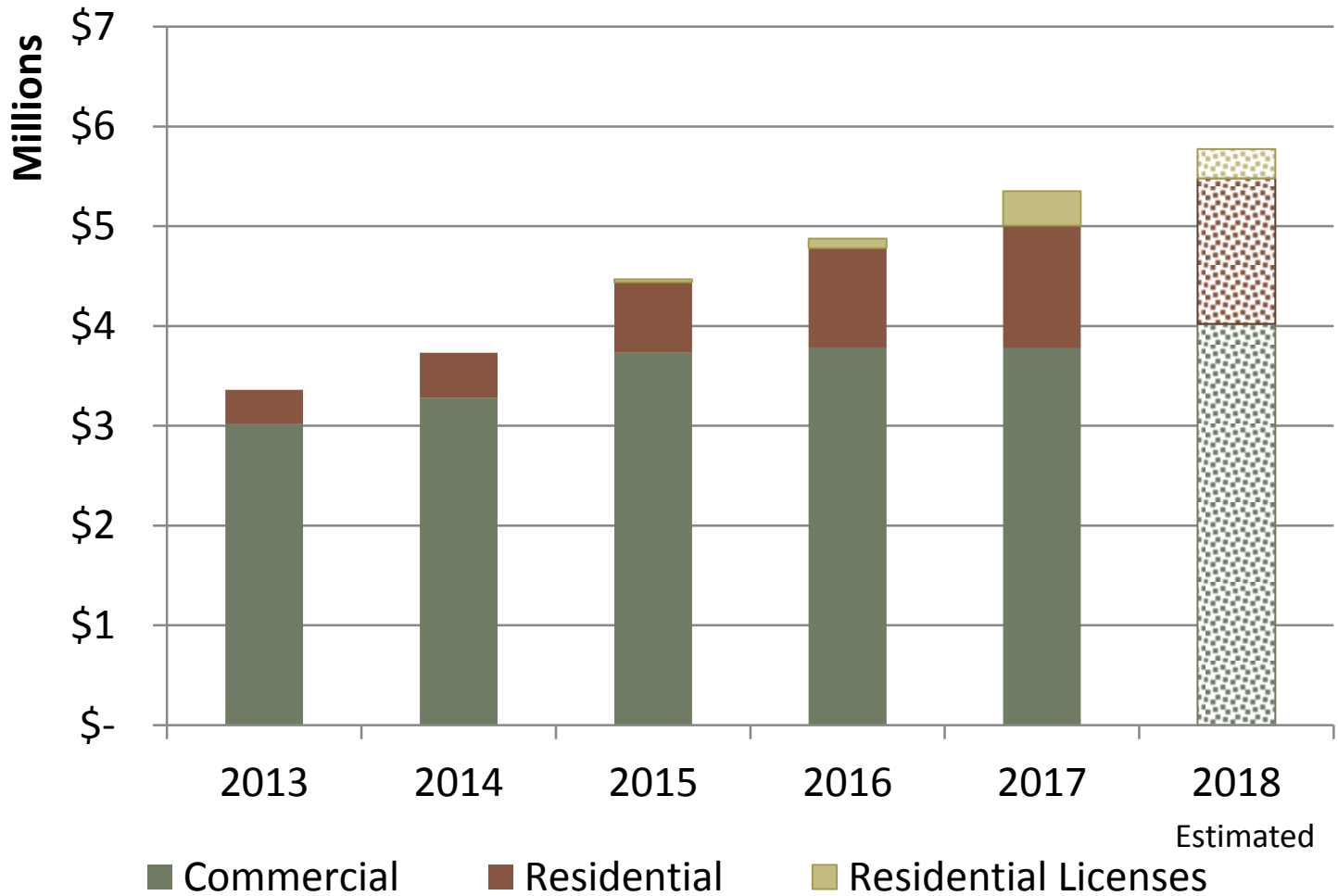


Sales and Use Tax Trends





Transient Occupancy Taxes & Licenses



General Fund Department Expenditures

Combined Department
FY 16/17 actuals: \$20.1 Million

Departments	Adopted	Estimated	Variance
City Council	\$394,000	\$392,000	(\$2,000)
City Attorney	298,000	382,000	84,000
City Manager	922,000	932,000	10,000
Finance	1,088,000	1,114,000	26,000
Information Systems	623,000	510,000	(113,000)
Comm. & Econ. Dev.	2,119,000	2,208,000	90,000
Police	8,086,000	7,432,000	(654,000)
Fire	4,155,000	4,081,000	(74,000)
Public Works	4,214,000	4,457,000	243,000
Library	1,155,000	1,160,000	5,000
Museum	269,000	276,000	8,000
Recreation	596,000	613,000	16,000
Total	\$23,919,000	\$20,557,000	\$361,000



Capital Improvements and Other Funds

- Reallocate \$279,000 to the Recreation Trail Coastal Access Project
 - Transfer approximately \$101,000 in savings from other projects
 - Postpone construction of a restroom at the Monarch Sanctuary
 - Defer oil/grease separator project at the Corp. Yard

- Other Funds
 - Details for amendments provided in agenda packet
 - Key changes:
 - Adjust funding for the Local Water Project to reflect final construction and related reimbursement costs
 - Recognize FY 17/18 grant revenue and related expenditures for the Monterey ASBS Wet-Dry Weather Stormwater Capture and Diversion Project



Planning Considerations

■ Challenges

- Rising PERS Employer Contribution Rates
 - Actuarial reports indicate unfunded liability could almost double by 2024/25
 - New 20 year amortization policy for new bases, previously at 30
 - Becomes effective for City budgets in FY 2021/22
- Deferred Maintenance and Capital Improvements
 - Streets, shorelines, forests
- Technology Projects

■ Opportunities

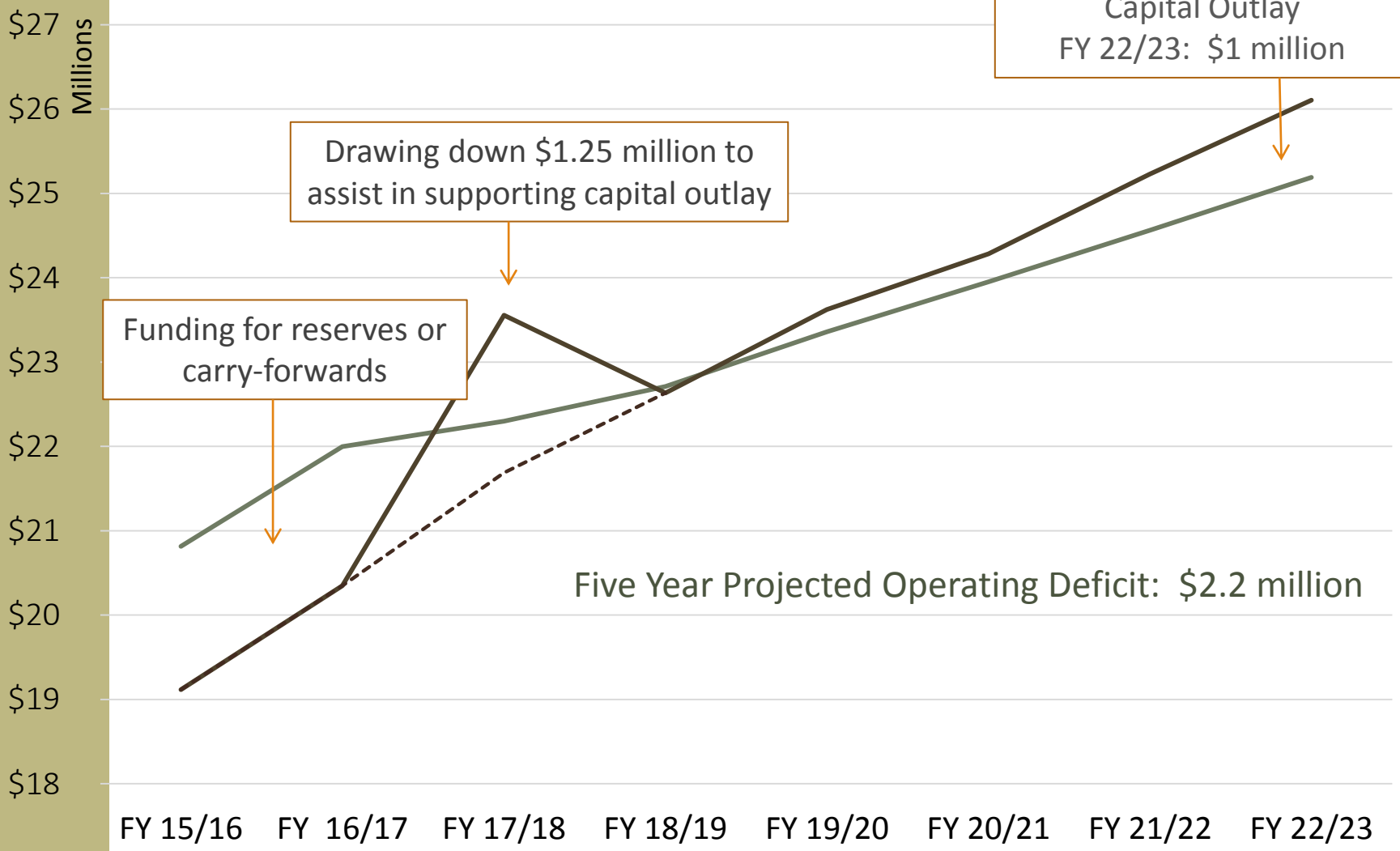
- Continue to evaluate multi-year projections
- Evaluate alternate revenue sources
- Review results of comprehensive fee study
- Evaluate new reserve policy levels





Five Year Overview

Five Year Overview Prior to Capital Outlay



Funding gap prior to Capital Outlay
FY 22/23: \$1 million

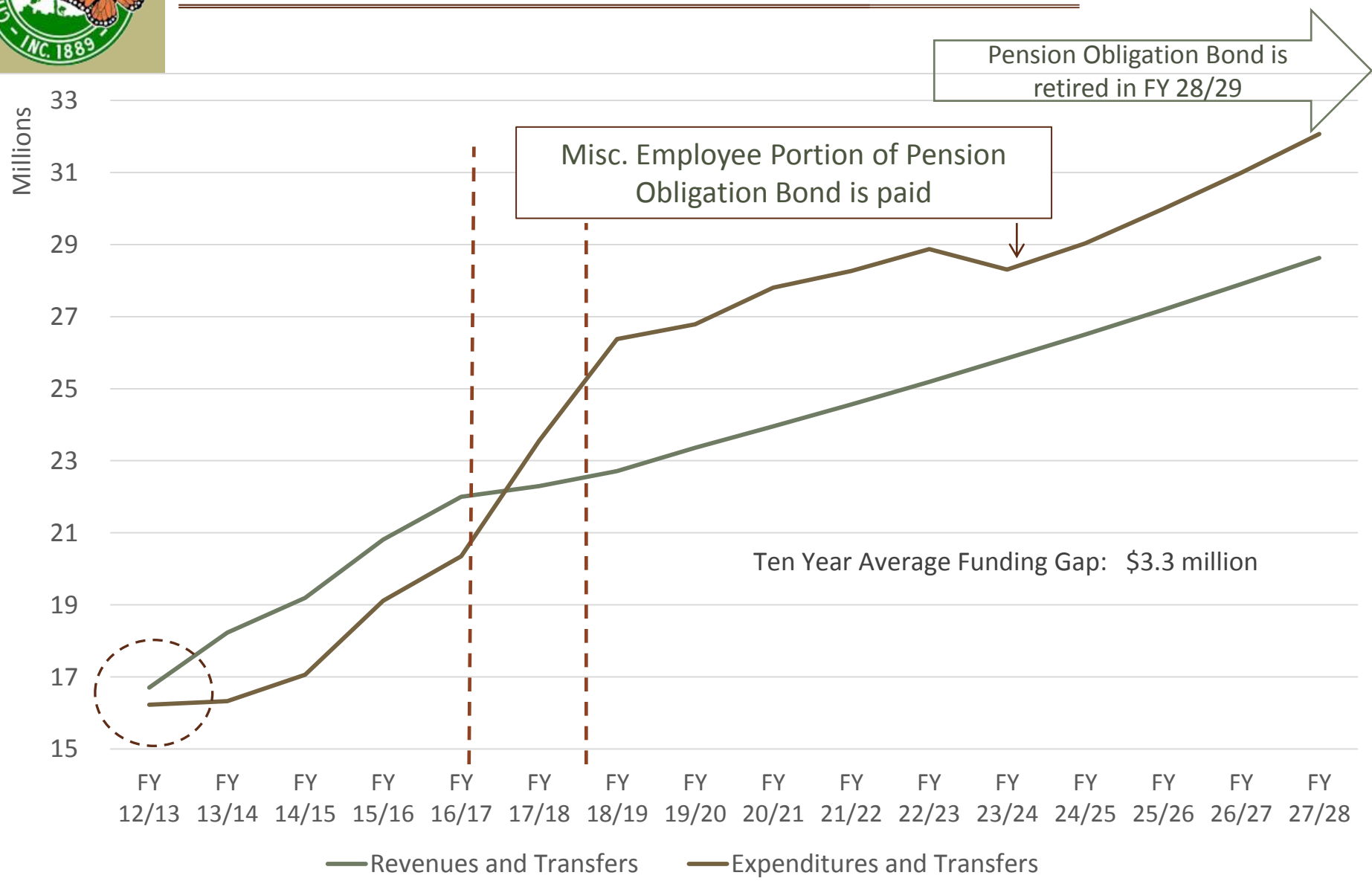
Drawing down \$1.25 million to assist in supporting capital outlay

Funding for reserves or carry-forwards

Five Year Projected Operating Deficit: \$2.2 million



Multi-Year Forecast (1)



(1) Includes forecasted annual capital outlay contributions of approximately \$2.8 million



Questions
