



FY 2008/09 Budget

City Council

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May 7, 2008

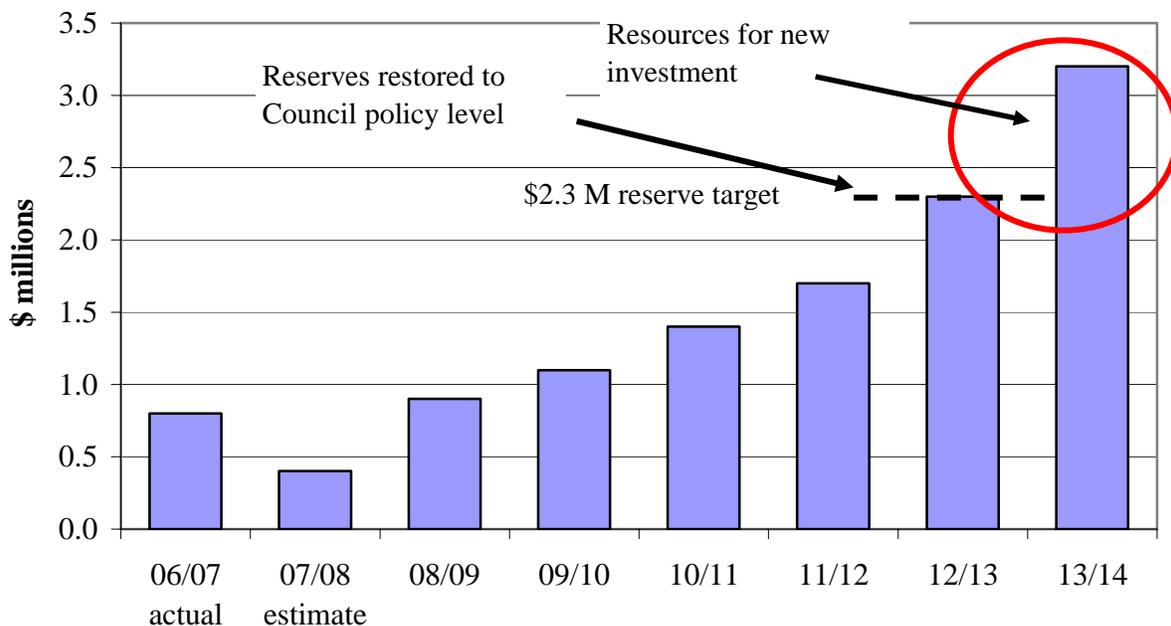
Honorable Mayor and Members of the City Council:

The Budget for Fiscal Year 2008/09, presented herewith for the City Council’s consideration, is the culmination of nearly three years of efforts to regain financial health and set a course for long-term financial sustainability. For too long, costs have exceeded revenues and reserves have been used to “balance” the budget. Additionally, funding obligations have been deferred, creating unfunded liabilities. The corrective measures associated with the FY 2008/09 budget reset service and cost baselines, providing the foundation for a multi-year plan to restore services and ensure adequate reserves within anticipated revenues.

While the budget preserves the most basic City services, restoring the City’s basic financial health requires broad-based cost and service reductions that could compromise the quality of life Pacific Grove residents and visitors have come to expect. For example, the Fire Department will have 20% fewer firefighters to respond to major emergencies. The Police Department will no longer have resources for crime prevention programs in schools or dedicated traffic enforcement. Maintenance of streets, parks, and public buildings will be further curtailed, leaving enough resources only for infrastructure safety repairs, not aesthetic improvements or maintenance. The museum and the library face reductions of approximately half of their existing budgets, prompting fewer library hours and library services.

The budget represents the first year of a five-year plan to restore the services referenced above and restore the City’s reserves within anticipated revenues. Chart #1 below shows the “balanced” five year plan to restore services and reserves.

**Chart #1: Fund Balance Forecast
General Fund**



The chart shows that each year of the five-year forecast is “balanced,” with revenues exceeding costs. To the extent they are unspent in subsequent years, the “surplus” generated each year could restore the total level of General Fund reserves to the level prescribed by City Council policies. Reserves are critical for protecting the City from the effects of sudden economic downturns, the traumatic demands of natural disasters, and state government raids on City coffers among other contingencies. In addition to restoring reserves, annual surplus revenues could be allocated to restore and improve services or make new investments in the community. Examples of potential investments could include capital improvements in parks, along the Recreation Trail, in the downtown area, or financial partnerships for economic development that also enhance community character.

The forecast also suggests that restoring reserves and/or services will take at least five years. Achieving these results faster would require significant new revenues, most likely in the form of new taxes or significant economic development that could change the character of the community.

The remainder of this section of the budget further outlines financial goals and assumptions associated with the budget and describes significant service changes in services for FY 2008/09.

Financial goals:

In February 2008, the City Council directed staff to prepare the FY 2008/09 budget with the following goals in mind:

- Live within our means: revenues exceed services costs in every year of the five-year financial forecast.
- Begin to restore reserves to levels set by City Council policy (approximately 13% of the General Fund budget).
- Plan for a preventive capital maintenance program
- Provide resources to restore services and/or make other strategic investments in the community

To achieve these goals over a multi-year period, the City Council approved a target to identify savings and new revenues of \$2.9 million annually, which is equivalent to 17.5% of the FY 2007/08 budget, in the FY 2008/09 budget.

Table #1: Target for Cost Savings and New Revenues

<u>Need</u>	<u>Amount</u>
1. Close the budget gap for current operations	\$1,900,000
2. Restore reserves (3-5 year plan to restore to levels by policy)	\$500,000
3. Eliminate deficits in funds dependent on the General Fund (transfers to other funds for 3-5 years)	\$200,000
4. Implement a preventive capital maintenance program	\$300,000
Total needed annually	\$2,900,000

1. *Close budget gap for current operations:* This is the projected difference between annual projected income and costs for existing city services. This amount, \$1.9 million, is the amount required to balance the budget for existing services on an ongoing basis. It includes \$1.6 million of costs existing in the FY 2007/08 budget plus \$0.3 million for immediate public safety needs not funded in the FY 2007/08 budget. These include: a.) funding necessary for the true long-term costs of fire incident-command services that are now being subsidized by the City of Monterey and, b) for participation in a regional purchase of emergency communication equipment to replace existing equipment that does not meet new federal mandates.
2. *Restore reserves:* The City maintains two budget reserves: 1.) The Interim Tax Reserve, which is intended to reserve \$750,000 to provide working capital throughout the year during routine cash-flow shortages caused by uneven revenue disbursements from the state; and 2.) The Contingency Reserve, which is intended to reserve an amount equal to 10% of the prior year's General Fund revenues. Based on FY 2007/08 projected revenues, reserves should total approximately \$2,300,000. Even if the budget is balanced in the current year, reserve levels at the end of the current year will be \$844,000, leaving a reserve deficit of approximately \$1,500,000. If Council decides to spend a portion of remaining balance to jump-start ongoing cost reductions, the reserve deficit could be even more. Staff estimates that contributing \$500,000 annually for three to four years will restore reserve balances to the more healthy level designated by City Council policy.

Maintaining reserves closer to the level required by City Council policy is very important, given the risks the City faces. These include natural disasters, sharp economic downturns, sudden revenue losses caused by State or Federal legislative action, or other unexpected costs. In fact the State currently faces a \$15 billion budget gap, which is larger than the gap it faced several years ago when the State raided City property tax funds to help balance its budget. Without adequate reserves, sudden service and staffing reductions could be the City Council's only viable response to sudden revenue disruption.

3. *Eliminate deficits in funds dependent on the General Fund:* The City maintains funds beyond the General Fund for various purposes. A common purpose is to receive inter-fund transfers and account for specific costs borne by all operating funds, such as workers' compensation and liability insurance. Another purpose is to account for debt service, as is the case for the Civic Center fund. Since the General Fund is by far the largest operating fund, responsibility for these funds ultimately lies with the General Fund. Many of these funds accumulated deficit fund balances several years ago. Despite progress toward curing these deficits in recent years, transfers from the General fund will continue to be necessary for a few years. Staff recommends a target of \$200,000 annually for three years to transfer to these non-General funds.
4. *Capital maintenance program:* Currently the City is mostly reactive in its maintenance efforts. For example, we only treat streets when they fail (i.e., cracks or potholes). Just as with home or auto maintenance, it is far more expensive to wait for failures to occur than to provide preventive maintenance on a routine basis. Routine, preventive

maintenance practices will ensure high quality streets, parks, and public buildings at a lower cost over time. Professional surveys of streets and facilities will be required to determine the appropriate annual amounts for individual categories of asset maintenance. Nevertheless, given the long list of deferred maintenance of which staff is aware, \$300,000 per year will begin to address the City's unfunded liability for maintaining its assets.

Budget assumptions:

The FY 2008/09 budget and the associated five-year forecast accomplish these goals. In addition to these goals, the budget is premised upon the following key assumptions:

1. The economy will endure a modest recession: Economic indicators at this time point toward a significant economic downturn, if not a recession; the effects of which will be experienced fully in FY 2008/09. These conditions are reflected in the revenue forecast, which projects aggregate, year-to-year General Fund revenues at a level 2.1% lower than estimated for FY 2007/08.
2. Potential revenues from new taxes are not included in the budget. If new taxes are approved by a public vote, the City Council would have to appropriate the funds before spending them.
3. The forecast assumes no salary increases for employees except for routine step increases and those included in a four-year plan to adjust police salaries to the market average.
4. The budget does not include plans to absorb potential State revenue takeaways. If the state takes cities' revenues to balance its budget problems, the City would have to make mid-year budget adjustments. Adjustments could include service and staffing reductions or spending fund balance to preserve budgeted service levels.
5. Commitments for all current and anticipated debt service are included.

Budget-balancing strategies

Balancing the budget and the five-year forecast is critically important and fundamental for ensuring basic financial health. However, measures required to achieve the balance have significant adverse consequences for City service levels and could compromise the quality of life for Pacific Grove residents and businesses. Budget strategies include \$2.2 million in cost reductions and \$0.3 million in new revenues. This section outlines the strategies.

General Fund Cost Reduction Strategies

Department	Amount of cost reduction	As % of FY 2007/08 General Fund budget	Positions (FTE) eliminated	Potential layoffs (FTE)
Fire	\$182,000	6%	4.50	3.00
Police	\$410,000	9%	4.75	0.00
Administration	\$296,000	15%	4.00	0.00
Public Works	\$410,000	20%	4.00	1.00
Recreation	\$325,000	34%	3.00	0.00
Library	\$473,000	50%	6.75	0.00
Museum	\$148,000	52%	3.00	0.00
Total	\$2,224,000	16%	30.00	9.00

Fire strategies: Budget reduction strategies for the Fire Department include a transition to a service model that relies heavily on overtime staffing as opposed to additional staff to fill shifts. This model, characterized as “constant staffing” enables the City to eliminate three firefighters, which is expected to result in net savings of approximately \$93,000, after the costs for additional overtime are factored in. Based on current vacancy rates, this strategy could require three firefighter lay-offs. Additionally, the department will eliminate its vacant Office Assistant position for a savings of \$54,000, a portion of its funding for the part-time (volunteer) firefighter program, and other part-time staffing resources for a total departmental reduction of \$182,000. Staff believes that relying on overtime to maintain service levels will avoid service impacts in the short-term, but will not be sustainable in the long-term. In a relatively small fire department such as Pacific Grove’s, the overtime-reliant staffing model can result in more overtime per employee than is desired. Excessive overtime can lead to employee safety concerns or burnout. Perhaps more significantly, reducing the firefighter ranks from 15 to 12 employees reduced the pool of resources upon which the City can draw in larger emergencies, thereby potentially lengthening response times to simultaneous calls for service during larger emergencies such as the January 2008 storms.

The concerns associated with the FY 2008/09 budget reductions reflect broader concerns for continued high quality fire service. Like many smaller communities, economic realities and demands for technical sophistication are challenging the cost effectiveness of maintaining an autonomous Fire Department in Pacific Grove. Recruiting and retaining the most qualified firefighters and chief officers, especially those in areas with high costs-of-living such as Pacific Grove, will grow increasingly challenging as the retirement of the baby-boomer generation accelerates.

The staffing and service model resulting from the budget reductions is not sustainable, even through FY 2008/09. The City of Monterey has notified the City of Pacific Grove that it cannot continue providing incident management services at the current, heavily subsidized rate. For about two years, the City of Pacific Grove has cooperatively explored the potential for consolidating fire services with the cities of Monterey and Carmel. Independent consultant analysis suggests that consolidating administrative services will cost less for each jurisdiction than the cost if each jurisdiction provided the *same level of service* independently. The City Council will receive much more information on consolidation before official action is requested.

The budget presented at this time departs from the plan approved conceptually in February. The Fire Department is currently experiencing an unusually high rate of firefighter unavailability due to injuries. This condition will place extraordinary pressure on the “constant staffing model” planned. Overtime costs (paid at 1.5 times the employee rate of pay) required to staff all shifts would exceed the cost of filling the shifts with regular firefighters. For this reason, the budget includes funding to retain the positions otherwise planned for layoff until the authorized staffing levels are restored. Retaining the firefighters also provides additional call-back resources and flexibility until the City Council determines the appropriate model for long-term fire service.

Police strategies: The Police Department budget will preserve basic emergency response resources, but could compromise the department’s ability to prevent and solve crime. Sworn Police officer ranks will be reduced from 26 to 23 officers. No layoffs will be necessary. With fewer officers, the emphasis will be on preserving emergency response (9-1-1) services. There will no longer be a School Resource Officer assignment to help educate children about crime and pre-empt unsafe behavior, nor will there be a dedicated traffic enforcement officer to focus on traffic safety and enforcement. Further, unless the department is fully staffed, detective services will be limited, which means that only the most severe crimes would be investigated. Other incidents would receive attention only as officers are available and not needed for patrol. Further budget reductions include eliminating one vacant Police Services Technician position, and eliminating portion of contracts, materials, and supplies funding for a total budget savings of \$410,000

Administration strategies: Budget reductions for the administrative departments -- the City Manager’s Office and Finance and Information Services – will include elimination of vacant positions that had been created in the staffing reorganization approved in the fall of 2007 to enhance customer service and ensure solid management of administrative systems. First, the City had been poised to hire its first Information Technology Administrator to plan more efficient and effective technology investments and provide support services. Without this position, the City will continue to manage technology through contract support services and ad hoc planning. The Administrative Secretary is a position, eliminated in the budget, which would have supported the City Manager and Human Resources administrative functions. The reorganization also yielded five Office Assistant positions and an Office Supervisor position to provide customer service and administrative support citywide. One of the Office Assistant positions and the Office Supervisor positions have been eliminated in the budget.

Public Works strategies: The budget eliminates two (vacant) full-time and two (filled) part-time Maintenance Worker positions, which will virtually eliminate resources for preventive maintenance, leaving in place enough staff and other resources to repair infrastructure failures and perform basic safety maintenance procedures. The budget also eliminates the Customer Service Manager position. This position provides primary customer contact in the field, addressing citizen concerns about trees, drainage, roadway hazards, and all other matters regarding public rights-of-way. The incumbent also conducts inspections for all public works permits for activities such as encroachment in the right-of-way, excavation, and sewer lateral repairs. These duties will be distributed among field crew supervisors, resulting in slower response to calls for service and delayed inspections. The remainder of reductions in the Public Works budget will be distributed among accounts funding materials and service contracts.

Eliminating maintenance worker positions and materials will reduce maintenance of streets, buildings, and parks to only essential maintenance services. Routine maintenance would be less frequent. Examples include:

- Parks will be mowed bi-weekly instead of weekly.
- Weeding and building repairs will be performed only for hazardous conditions.
- Crews will patch potholes on a monthly instead of weekly basis.
- Construction inspections will likely require one week's notice instead of one day's notice.
- City Hall building maintenance tasks will be performed 2-3 times per week instead of daily.
- Oceanview Blvd. turnouts will be maintained only for safety hazards, not aesthetics.

Recreation strategies: With exception of fewer hours of operation at the Youth Center, recreation programs available to the community remain essentially unchanged. The method for delivering services has changed significantly. The budget includes severe reductions in full-time staffing dedicated primarily to recreation programs. Recreation services will be delivered through a collaborative effort with a single manager coordinating other City staff and non-profit partners in continuing programs expected by the community, at a cost reduction in the General Fund of nearly 60%. Seventy-five percent of the remaining costs for recreation services are supported with program fees and rental charges, leaving a net General Fund cost for recreation services of only 25% of the costs. No further layoffs are required to implement the new model.

Library and Museum strategies: To achieve the necessary citywide savings, the General Fund budgets for both the Pacific Grove Public Library and the Museum of Natural History are reduced by 50%. The remaining funding will afford only the most basic operations at each facility.

The Library would remain open for approximately 30 hours per week, but on a "bare-bones" basis with very limited services. The plan approved conceptually in February reduced staffing from eight to four full-time employees. Since the February City Council discussion, the City received notice of a bequest in the amount of \$100,000 to be used for library purposes. Staff recommends that the City Council program this one-time resource for library operations. The bequest funds, added to the General Fund allocation included in the February budget plan, would enable the library to transition to the ongoing lower level of General Fund support without layoffs in FY 2008/09. The budget presented at this time would preserve five full-time positions instead of four and will enable basic functions to continue, including circulation, materials management, and administration. While all library programs face diminished offerings, program emphases will be on those for children. Reference services, periodicals management, and other library programs would be scaled back. This model would rely on a small number of part-time staff and a strong cadre of volunteers to perform shelving and book covering duties. The strategy reduces funding for contracts, materials, and supplies to a minimal level. Instead of the General Fund, purchases of new materials and library building repairs would be funded from non-General funds that exist to fund these types of expenditures.

For the Museum, the FY 2007/08 staffing reorganization yielded a service model that would provide more staff at the museum for less money than the previous model with two full-time staff. Unfortunately, the overall City budget reduction requires the elimination of all staff other than the Museum Manager position and the budget needed for basic expenses, such as utilities, insurance, and supplies, and basic part-time staffing to ensure facility security. At the budgeted level, a long-term financial partnership with another entity will be critical to ensure that the Museum can fulfill its mission in the future. The FY 2008/09 budget is presented as a placeholder, based on current circumstances. The ultimate use of the budget will be directed by the City Council, pending a strategic planning process currently underway.

During the current fiscal year, operation and management of the Museum has been enhanced through the contributions of the Monterey Bay Aquarium (MBA) and the Packard Foundation. The MBA has provided daily guest services staff to greet visitors and enrich their experience through the interpretation of the Museum's exhibits. In addition, MBA staff has been providing assistance in our efforts to develop a new strategic plan for the Museum. The Packard Foundation grant allowed the City to hire an interim Museum Manager to manage the daily operations, provide support to the Museum Board and Museum Association, and lead the strategic planning process. As we proceed into the next fiscal year, MBA staff will be training volunteer docents to assume the guest services responsibilities. The City will also be seeking additional funding from the Packard Foundation to continue our efforts in creating a more financially sustainable organization.

New revenue solutions: In addition to spending reductions, budget-balancing strategies include two significant revenue solutions: a new long-range planning fee to support related planning work, and a combination of additional time restrictions and a new \$2 surcharge for golfers paying "resident" rates to generate a total of approximately \$320,000. If approved, staff will return to the City Council with an updated master fee schedule to implement the fees.

The reorganization plan included a Senior Planner who will focus on long-range planning: updating the City's General Plan, developing a Local Coastal Plan, and updating zoning ordinances. Currently the position and other work that could be completed with contract services are to be paid for with General Fund resources. The budget includes a new long-range planning fee, which will be structured as a surcharge on development permits and/or other development charges. Based on FY 2008/09 estimated development fee revenues of \$699,000, a surcharge of 15% would generate \$105,000, which would cover a significant share of the Senior Planner position and related contract work.

New business strategies at the golf course, including city management of the pro shop and limiting resident golf discounts during times of highest demand are proving successful in FY 2007/08. The Golf Enterprise Fund budget anticipates generating a profit in FY 2008/09. Staff is recommending that the City Council establish a policy of sharing surplus golf revenue evenly between the enterprise fund and the General Fund. This approach could generate more revenue to support City services than previously projected and establish a method for restoring the enterprise fund fund balance that could be used for reinvestment in the golf course.

Plans for increasing revenue in FY 2008/09 continue balancing the interests of retaining significantly discounted golf rates for Pacific Grove residents and maximizing revenue from

players paying the full rates. In general, the strategy reserves the busiest times of the year for full-price play and restricts the time periods when cards for discounted play may be used to times when there is excess capacity on the course. Representatives of the golf clubs collaborated with staff to identify ways to expand this strategy, including further restriction of card play, as a \$2.00 surcharge on all card-play rounds, and fewer club tournaments in the summer. Based on the Golf Enterprise Fund budget, staff expects that \$320,000 additional revenue will be generated to support General Fund services.

Unresolved financial challenges: Correcting the structural budget gap is the first and most critical step toward financial health. The City continues to struggle with unfunded liabilities, specifically workers compensation (\$1.8 million as of June 30, 2007) and compensated absences (\$2.7 million as of June 30, 2007). Building General Fund reserves will provide resources to meet these obligations when they come due.

Moving forward: Goals for FY 2008/09

The staffing reorganization and budget reductions required to regain our financial footing are emotionally difficult for affected employees and temporarily disruptive to services. Nevertheless, the organization is prepared to move forward on important community goals. In August 2007, the City Council discussed City goals and objectives. The FY 2008/09 budget is based upon these goals, which include: a) effectively managing the City's business and resources; b) enhancing public trust; c) protecting the natural environment; and d) keeping Pacific Grove vibrant and economically viable. Each department's service objectives for FY 2008/09 support one or more of these goals. This section provides an overview of the goals and related objectives; a complete list of goals may be found in the department section of the budget.

Effectively managing City business and resources is fundamental to earning the public's trust. These goals will remain paramount among the City's goals for FY 2008/09. In the previous two years, we have presented more information about City services and performance indicators in the budget. In FY 2008/09, the transition to a performance-based budget will continue, with plans to begin tracking financial information and budgeting by major service activity. A new Capital Improvement Program (CIP) and equipment replacement plans will dovetail with the existing five-year General Fund forecast to form an integrated financial plan. We will continue the process begun in FY 2007/08 to transition the City's employee retirement plan from a defined-benefit plan to a defined-contribution plan. In the human resources area, we will continue updating the personnel policies to ensure consistency with the State and Federal laws, the City charter, the Municipal Code, and our goals for attracting and retaining high quality employees. Negotiating new agreements with employee bargaining units will provide opportunities for collaborating on the policy work with employees. Given the tenuous nature of the City's fire service model, as described previously, implementing a new model that guarantees reliable and high-quality service in the most efficient manner possible is also a high priority goal for next year.

The City Council's goal to keep Pacific Grove vibrant and economically viable is critical for maintaining the quality of life Pacific Grove residents enjoy. Implementing the City's responsibilities as part of a strategic plan for strengthening the local economy is a key goal for

next year. Modifying the development permit review process to prioritize business applications is an example of the City's role in the plan. Developing new ways to earn income on City assets is another. We are also eager to advance land use planning goals that will clarify development regulations and ensure protection of the City's natural and historic resources. Specific objectives for next year include updating the Housing Element of the General Plan, facilitating improvements to the Old Bath House property, and providing permit assistance to local businesses for improvements.

Public safety is another aspect of community vibrancy. As described previously, Police Department efforts will focus on maintaining core patrol and investigation duties in place with fewer resources. Although the School Resources Officer assignment has been eliminated, the Police will attempt to keep a presence in schools by continuing the Drug Awareness Resistance Education (DARE) program with the help of public donations. The Police will also teach a course at the high school about crime prevention and law enforcement careers and present safety seminars at the Sally Griffin Active Living Center. The Fire Department will continue to explore collaboration opportunities with other fire agencies to take advantage of economies of scale in providing fire service.

Finally, the City Council goal of protecting the natural environment is an overarching mandate required for ensuring the long-term health of the community and the Monterey Peninsula. In recent years, the City has taken a leadership role in the region with regard to storm water management. The City has also partnered with volunteer organizations who have donated money to restore our urban forest by planting new trees. In FY 2008/09, we will complete an inventory and management plan for trees on public property. We also plan to complete long-pending repairs and improvements to the Recreation Trail as well as the "missing link" in the Trail near Asilomar State Park.

Energy management is an increasingly vital requirement for preserving the environment and growing the local economy. The City recently received a grant from the Packard Foundation to explore the feasibility of restoring the City's reservoir for capturing storm water. If restored, the reservoir could help meet federal and state storm water management requirements and provide non-potable water for non-potable uses, thereby potentially releasing potable water credits for other uses in the City. In FY 2008/09, the City will complete an energy audit of City facilities to determine whether implementing alternative technologies could save money over time. Staff will also prepare options for incorporating "green building" considerations into the existing Building Code.

Conclusion:

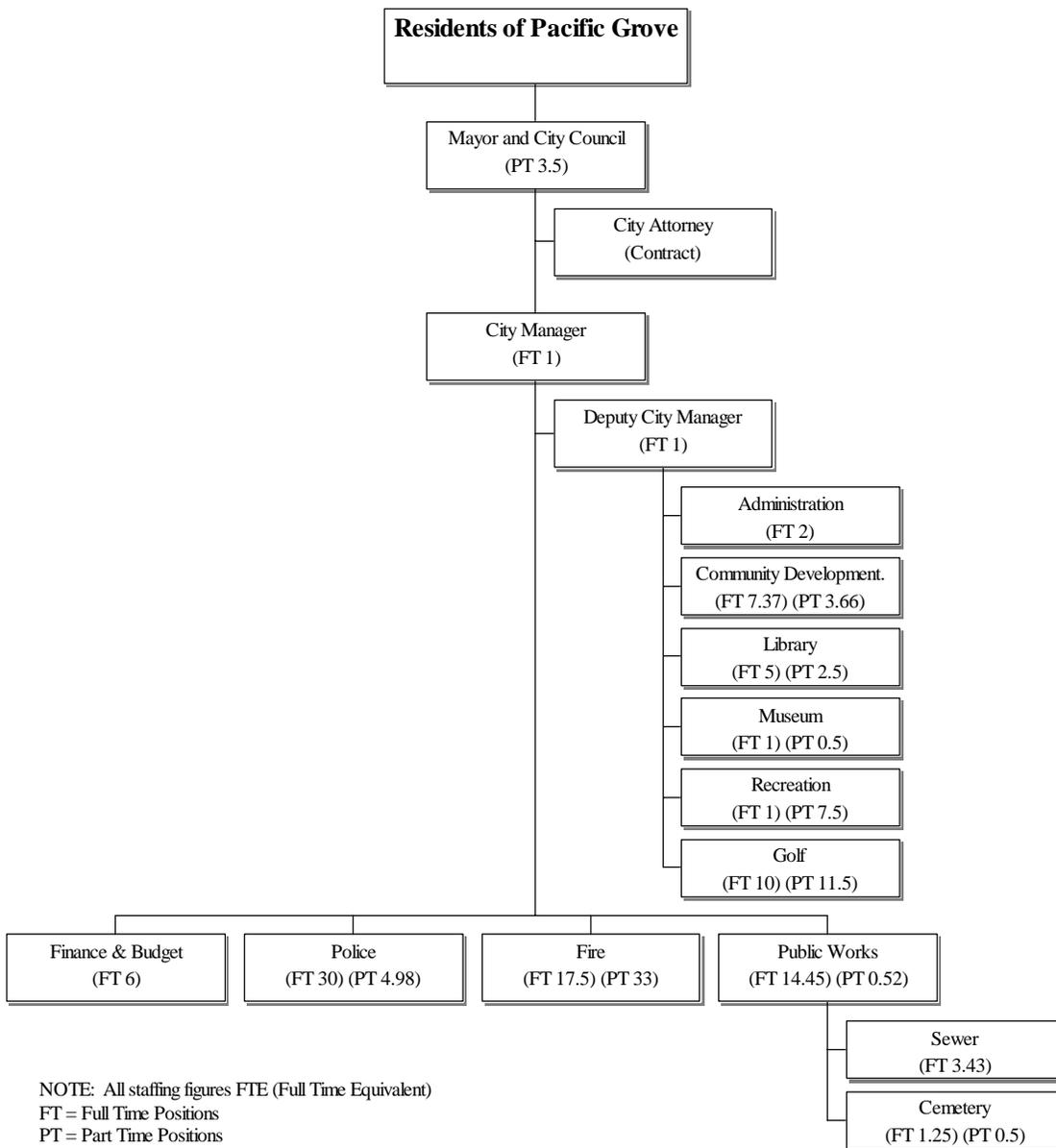
The FY 2008/09 budget represents a reshaped City organization. The year will be characterized by significant uncertainty and change. The economy is possibly entering an economic recession that presents unknown risks to the local economy, and therefore City revenues. The organization is transitioning to lower staffing levels and some areas, such as Police, Public Works and the Library, are transitioning to lower service levels that could negatively affect the quality of the community. Nevertheless, the service and staffing reductions are the short-term price for long-term financial health. The budget and the five-year forecast are balanced; we will be living within our means. Over a five-year period, with continued fiscal discipline, General Fund reserves or services can be restored. If the community approves new or increased tax revenues, or modifies its development regulations to allow for a significantly stronger economy, services and appropriate reserves could be achievable much sooner.

James J. Colangelo
City Manager

Description of Pacific Grove, California

The City of Pacific Grove, California is a primarily residential community located at the tip of the Monterey Peninsula on the Central California coast. The community was founded as a Methodist Church summer retreat, and was incorporated as a city on July 16, 1889. It was granted a charter on April 22, 1927. The city government operates with a Council-Manager form of government. The seven-member City Council appoints a City Manager, who is the administrative head of the municipal government. City amenities include a library, a natural history museum, a community center, a youth center, a senior center, an 18-hole golf course, a cemetery, a butterfly habitat preserve, five miles of shoreline, and numerous parks.

City of Pacific Grove Organization



Summary of City Council Goals, Services, and Service Objectives

Summary of Core Responsibilities and Objectives*

City Council Goal	<i>Effectively manage City business and resources</i>	<i>Vibrant and economically viable community</i>	<i>Protect the natural environment</i>	<i>Enhance public trust</i>
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CITY MANAGER'S OFFICE

Core Responsibilities:

- Supervise and coordinate all City operations
- Perform all City Clerk functions in facilitating City Council activities
- Directly manage human resources and risk management activities

Service objectives:

- 1 Craft strategic plan for strengthening local economy
- 2 Update plan for improving downtown area
- 3 Identify new roles for youth in city government
- 4 Modify development review process to prioritize business
- 5 Update personnel ordinance and policies
- 6 Implement strategies for earning income on assets
- 7 Facilitate City Council Code of Ethics
- 8 Craft marketing plan for city goals and achievements
- 9 Improve Internet website
- 10 Build relationships with the media
- 11 Facilitate Meetings with community groups about City issues
- 12 Negotiate new agreements with employee bargaining units

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COMMUNITY DEVELOPMENT

Core Responsibilities:

- Maintain and administer land use regulations
- Administer construction permit and inspection services
- Assist residents in obtaining affordable housing

Service objectives:

- 1 Begin preparing Local Coastal Program Implementing Regulations
- 2 Design the coastal recreation trail link near Asilomar State Park
- 3 Implement new code enforcement program
- 4 Process all development permits in an efficient manner
- 5 Demonstrate strong customer service ethics
- 6 Provide training for City Boards and Commissions
- 7 Increase affordable housing and complete Housing Element update
- 8 Provide housing assistance and help rehabilitate qualified housing
- 9 Update Building Code to encourage "green building" considerations
- 10 Update City's historic preservation program
- 11 Revise the Zoning Ordinance to improve clarity and useability
- 12 Review and update the Americans with Disabilities Act (ADA) Plan
- 13 Facilitate improvements to the "Old Bath House" and Lovers Point
- 14 Develop a project/permit status reporting system
- 15 Provide permit assistance to encourage local business development

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Summary of Core Responsibilities and Objectives*

City Council Goal			
Effectively manage City business and resources			
Vibrant and economically viable community			
Protect the natural environment			
Enhance public trust			

FIRE

Core Responsibilities:

Respond and assist victims of all types of emergencies
 Educate the community about fire prevention and emergency preparedness

Service objectives:

- 1 Continue the fire services merger process with the City of Monterey
- 2 Increase services collaboration with other Fire service agencies
- 3 Pursue grants to pay for emergency equipment
- 4 Update the multi-hazard plan and emergency training
- 5 Participate in regional planning efforts on communication issues
- 6 Provide training for employees that meets industry standards
- 7 Conduct safety inspections in all commercial occupancies
- 8 Provide safety presentations to all school children
- 9 Test 20% of fire hydrants annually to maintain fire flow capability
- 10 Maintain all equipment according to national standards
- 11 Review, update, and revise the fire department policy manual

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GOLF

Core Responsibilities:

Operate and maintain the Pacific Grove Municipal Golf Course

Service objectives:

- 1 Begin planning for golf course capital improvements
- 2 Increase the number of tournaments and special events
- 3 Continue implementing the multi-year Dunes Restoration Plan.

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X	X		
	X		
	X	X	

FINANCE AND INFORMATION SYSTEMS

Core Responsibilities:

Account for the City's resources
 Prepare and monitor the budget
 Provide accounts payable, receivable, and payroll functions
 Collect locally-administered revenues
 Administer licensing and permit programs

Service objectives:

- 1 Continue transition to performance-based budget
- 2 Transition to a defined contribution retirement system
- 3 Develop a multi-year, integrated financial plan
- 4 Develop a monthly budget status report for the City Council
- 5 Complete an inventory of City capital assets
- 6 Update purchasing procedures
- 7 Implement procedures to comply with national accounting standards
- 8 Develop a capital improvement program
- 9 Complete business license tax audit

X			X
X			X
X			
X			
	X		
X			X
X			X
X			X
X			
X			
X			
X	X		
	X		X

Summary of Core Responsibilities and Objectives*

City Council Goal	<i>Effectively manage City business and resources</i>	<i>Vibrant and economically viable community</i>	<i>Protect the natural environment</i>	<i>Enhance public trust</i>
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LIBRARY

Core Responsibilities:

Operate and maintain the Pacific Grove Public Library

Service objectives:

- 1 Continue existing childrens' programs
- 2 Promote the availability of library resources online
- 3 Develop a strategy for library improvements based on patron input

	X		
	X		
	X		
X	X		

MUSEUM

Core Responsibilities:

Operate the Pacific Grove Museum of Natural History

Service objectives:

- 1 Implement plans for ensuring the museum's financial future
- 2 Develop a master plan for updating museum exhibits and facilities

X	X		
X			
X			

POLICE

Core Responsibilities:

Respond to emergency calls for service and be available to the public 24-hours per day

Investigate suspected criminal activity

Enforce animal control laws and respond to calls for service regarding animals

Enforce parking regulations and the abandoned vehicle laws

Service objectives:

- 1 Recruit and hire qualified police officers
- 2 Continue the DARE program with funding from public donations
- 3 Teach a course at P.G. High School to ensure continued presence
- 4 Continue the Neighborhood Watch program
- 5 Present safety seminars at the Sally Griffin Active Living Center

	X		X
	X		X
	X		
	X	X	
X	X		
	X		
	X		X
	X		X
	X		

Summary of Core Responsibilities and Objectives*

City Council Goal	Effectively manage City business and resources	Vibrant and economically viable community	Protect the natural environment	Enhance public trust
--------------------------	---	--	--	-----------------------------

PUBLIC WORKS

Core Responsibilities:

- Maintain and repair streets, sidewalks, traffic signs, streetlights, etc.
- Maintain parks, forested areas, the Recreation Trail, and City buildings
- Implement federal and state storm water management requirements
- Maintain sewer pipes and pumps
- Maintain City vehicles and equipment
- Operate the El Carmelo Cemetery
- Assist with special event facilities set-up and clean-up

Service objectives:

- 1 Complete inventory of all trees
- 2 Plant more trees than are removed
- 3 Complete recreation trail improvements
- 4 Develop a plan to increase recycling at City facilities
- 5 Complete an energy audit of City facilities
- 6 Develop a plan for repairing restrooms at City parks
- 7 Develop a plan to replace deteriorating street signs
- 8 Ensure care and watering for newly planted trees
- 9 Continue implementing storm water management strategies
- 10 Begin Phase III of the Urban Diversion Runoff project
- 11 Complete improvements at Lighthouse Ave. and Eardley Ave.

X	X		
X			
	X		
X	X		
X			
X			
	X		
X		X	
		X	
		X	X
		X	
X		X	
X	X		
X	X		
X		X	
X		X	
		X	
	X		

RECREATION

Core Responsibilities:

- Coordinate sports leagues for adults
- Coordinate educational and recreational classes for all ages
- Coordinate rental uses of City facilities, such as: the Community Center, Chautauqua Hall, and Lovers' Point

Service objectives:

- 1 Partner with the Sally Griffin Active Living Center to expand programs
- 2 Find partnerships to ensure the financial future of the Youth Center
- 3 Expand partnerships with service agencies to expand programming

	X		
	X		
	X		
	X		
	X		
	X		

CEMETERY

Core Responsibilities:

- Manage the El Carmelo Cemetery

Service objectives:

- 1 Identify new burial sites as part of an updated cemetery business model

X			
X			

SEWER

Core Responsibilities:

- Maintain all sewer infrastructure in Pacific Grove

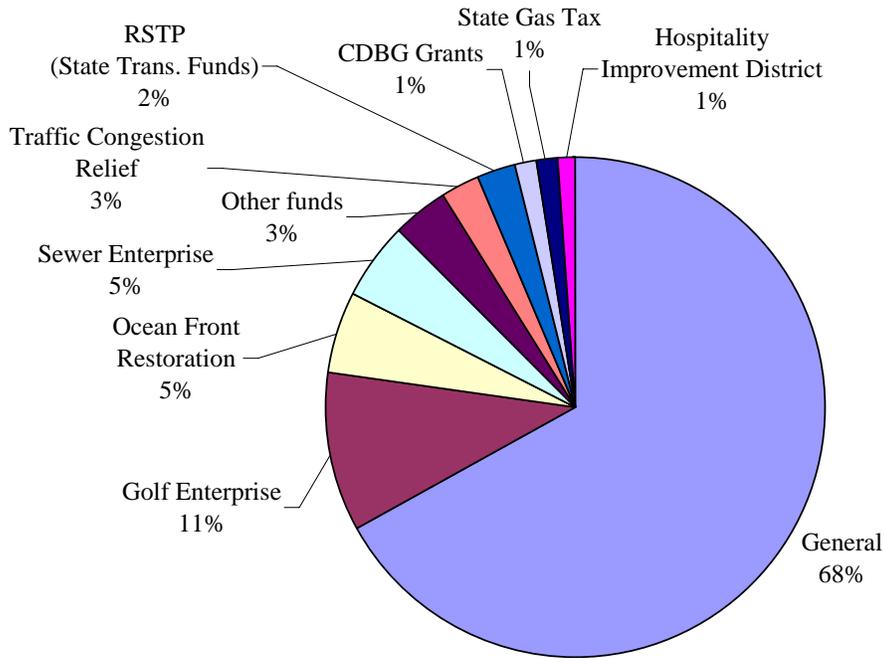
Service objectives:

- 1 Rebuild Pump Station #12
- 2 Replace 1,000 linear feet of sewer line in worst condition
- 3 Initiate 5-10 new sewer lateral repair loans

X		X	
X		X	
X		X	
X		X	

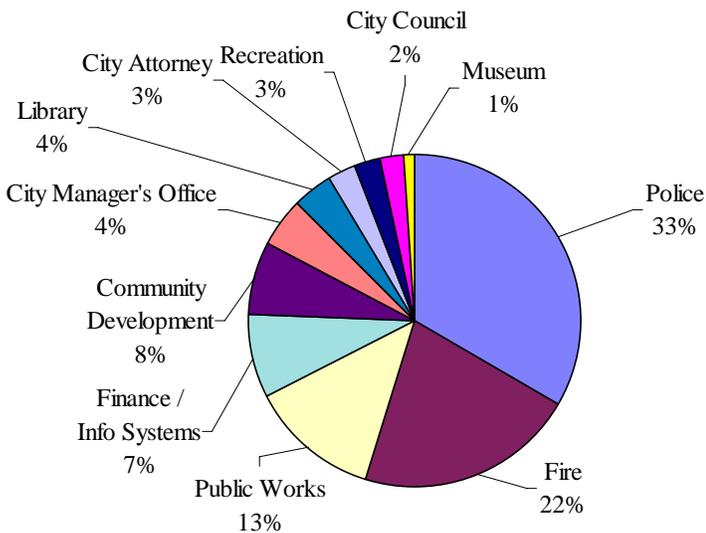
Budget Summary Charts (All Funds and General Fund)

FY 2008/09 Budget for All Funds*
Total = \$24,765,501

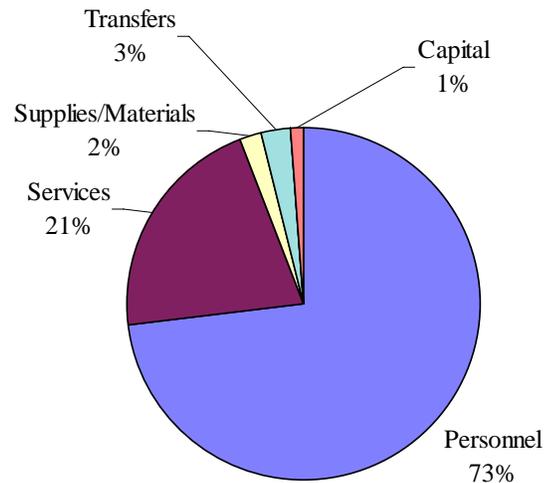


* Excludes charges and transfers among funds to avoid duplication

General Fund Expenditures by Department FY 2008/09
Total = \$ 15,237,498



General Fund by Expenditure Category
FY 2008/09 = \$ 15,237,498



FY 2008/09 Budget: Summary Flow of Funds

Important notes:

1. FY 2007/08 beginning fund balance figures reflect actual results of FY 2006/07. FY 2007/08 ending fund balance based on FY 2007/08 budget, not estimated actual results for FY 2007/08.
2. To provide the clearest picture possible of available fund balance, capital expenditures and depreciation in the enterprise funds are excluded from the all-funds display because they are reclassified for purposes of fund balance at fiscal year-end. Detailed fund budgets, which include these items, are included in other sections of the budget document.

	Beginning fund balance (available)	Estimated Revenues	Expenses	Transfers in (-out)	Ending Fund Balance (available)
1 General					
FY 2006/07 actuals	\$1,186,125	\$14,854,243	-\$13,655,017	-\$1,552,294	833,057
FY 2007/08 budget	833,057	16,650,416	-15,438,552	-1,060,492	984,429
FY 2008/09 budget	\$984,429	\$14,958,057	-\$14,795,510	\$278,013	\$1,424,989
71 Workers Compensation					
FY 2006/07 actuals	-\$2,225,128	\$794,884	-\$773,425	\$383,935	-\$1,819,734
FY 2007/08 budget	-1,819,734	720,000	-728,503	0	-1,828,237
FY 2008/09 budget	-\$1,828,237	\$786,000	-\$785,632	\$0	-\$1,827,869
72 Liability Insurance					
FY 2006/07 actuals	-\$371,014	\$32,352	-\$196,927	\$650,000	\$114,411
FY 2007/08 budget	114,411	0	-268,566	300,000	145,845
FY 2008/09 budget	\$145,844	\$365,000	-\$364,632	\$0	\$146,212
70 Employee Health Benefits					
FY 2006/07 actuals	\$0	\$112,453	-\$141,884	\$26,000	-\$3,431
FY 2007/08 budget	-3,431	114,500	-152,700	38,200	-3,431
FY 2008/09 budget	-\$3,431	\$158,500	-\$152,700	\$0	\$2,369
42 Public Safety Augment.					
FY 2006/07 actuals	-\$237,465	\$134,342	-\$230,744	\$110,000	-\$223,867
FY 2007/08 budget	-223,867	95,000	-210,000	115,000	-223,867
FY 2008/09 budget	-\$223,867	\$480,000	-\$250,000	\$0	\$6,133
44 Storm Water Management					
FY 2006/07 actuals	-\$200,627	\$1,553,277	-\$1,331,461	\$0	\$21,189
FY 2007/08 budget	21,189	0	-250,000	250,000	21,189
FY 2008/09 budget	\$21,189	\$0	-\$191,980	\$200,000	\$29,209
32 Vehicle Replacement					
FY 2006/07 actuals	-\$21,460	\$22,755	-\$176,785	\$195,781	\$20,291
FY 2007/08 budget	20,291	0	-115,881	129,000	33,410
FY 2008/09 budget	\$33,410	\$30,000	-\$80,277	\$29,987	\$13,120
14 Civic Center					
FY 2006/07 actuals	-\$1,072	\$45,101	-\$223,966	\$190,578	\$10,641
FY 2007/08 budget	10,641	12,000	-224,292	212,292	10,641
FY 2008/09 budget	\$10,641	\$17,000	-\$223,993	\$212,000	\$15,648
TOTAL GENERAL FUND RESPONSIBILITY					
FY 2006/07 actuals	-\$1,870,641	\$17,549,407	-\$16,730,209	\$4,000	-\$1,047,443
FY 2007/08 budget	-1,047,443	17,591,916	-17,388,494	-16,000	-860,021
FY 2008/09 budget	-\$860,022	\$16,794,557	-\$16,844,724	\$720,000	-\$190,189

	Beginning fund balance (available)	Estimated Revenues	Expenses	Transfers in (-out)	Ending Fund Balance (available)
ENTERPRISE FUNDS					
75 Cemetery Enterprise					
FY 2006/07 actuals	-\$192,517	\$301,159	-\$233,561	\$0	-\$124,919
FY 2007/08 budget	-124,919	315,000	-275,375	0	-85,294
FY 2008/09 budget	-\$85,294	\$186,250	-\$196,471	\$0	-\$95,515
76 Sewer Enterprise					
FY 2006/07 actuals	\$267,193	\$2,302,661	-\$1,640,449	\$0	\$929,405
FY 2007/08 budget	929,405	2,008,000	-1,052,318	0	1,885,087
FY 2008/09 budget	\$1,885,087	\$2,175,200	-\$1,105,613	\$0	\$2,954,674
77 Golf Enterprise					
FY 2006/07 actuals	\$255,658	\$2,552,000	-\$2,606,562	\$420	\$201,516
FY 2007/08 budget	201,516	2,965,000	-2,625,803	0	540,713
FY 2008/09 budget	\$540,713	\$3,090,000	-\$2,261,102	-\$720,000	\$649,611
TOTAL ENTERPRISE FUND ACTIVITY					
FY 2006/07 actuals	\$330,334	\$5,155,820	-\$4,480,572	\$420	\$1,006,002
FY 2007/08 budget	1,006,002	5,288,000	-3,953,496	0	2,340,506
FY 2008/09 budget	\$2,340,506	\$5,451,450	-\$3,563,186	-\$720,000	\$3,508,770
OTHER FUNDS					
3 Carillon Maintenance					
FY 2006/07 actuals	\$21,529	\$0	-\$4,303	\$1,300	\$18,526
FY 2007/08 budget	18,526	600	-2,000	0	17,126
FY 2008/09 budget	\$17,126	\$600	\$0	\$0	\$17,726
4 Ocean Rescue					
FY 2006/07 actuals	\$17,191	\$28,401	-\$19,083	\$0	\$26,509
FY 2007/08 budget	26,509	10,100	-18,048	0	18,561
FY 2008/09 budget	\$18,561	\$10,700	-\$19,073	\$0	\$10,188
5 Environmental Enhancement					
FY 2006/07 actuals	\$20,469	\$0	-\$4,071	\$0	\$16,398
FY 2007/08 budget	16,398	0	0	0	16,398
FY 2008/09 budget	\$16,398	\$500	\$0	\$0	\$16,898
7 Library Building and Equip.					
FY 2006/07 actuals	\$542,671	\$665	-\$107,995	\$0	\$435,341
FY 2007/08 budget	435,341	9,000	0	0	444,341
FY 2008/09 budget	\$444,341	\$13,000	-\$20,000	\$0	\$437,341
8 Museum Improvement					
FY 2006/07 actuals	\$476,428	\$27,963	-\$171,584	\$0	\$332,807
FY 2007/08 budget	332,807	68,500	-80,000	-20,000	301,307
FY 2008/09 budget	\$301,307	\$30,000	-\$60,000	\$0	\$271,307
9 Business Improvement District					
FY 2006/07 actuals	\$0	\$0	\$0	\$0	\$0
FY 2007/08 budget	0	0	0	0	0
FY 2008/09 budget	\$0	\$29,000	-\$28,000	\$0	\$1,000

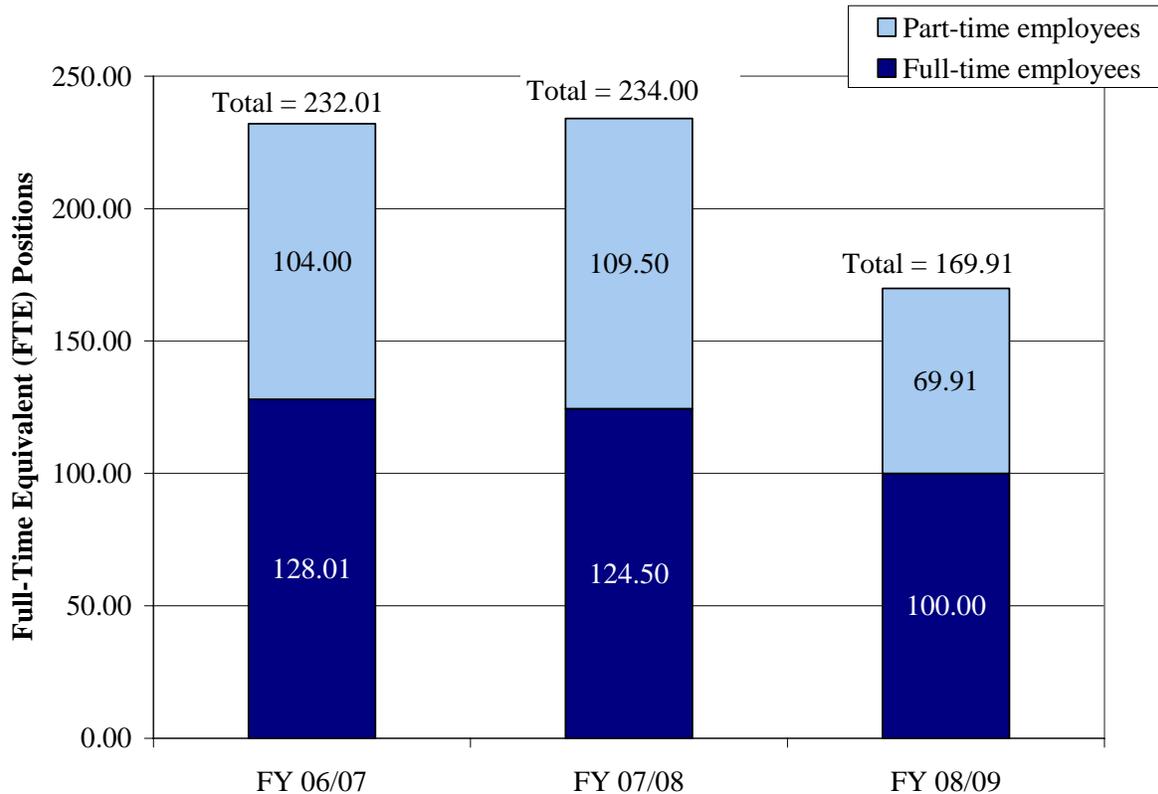
	Beginning fund balance (available)	Estimated Revenues	Expenses	Transfers in (-out)	Ending Fund Balance (available)
10 Hospitality Improvement District					
FY 2006/07 actuals	\$0	\$0	\$0	\$0	\$0
FY 2007/08 budget	0	0	0	0	0
FY 2008/09 budget	\$0	\$265,000	-\$260,000	\$0	\$5,000
11 Library Book Fund					
FY 2006/07 actuals	\$15,381	\$52,061	-\$37,350	\$0	\$30,092
FY 2007/08 budget	30,092	30,450	-39,000	0	21,542
FY 2008/09 budget	\$21,542	\$31,000	-\$50,000	\$0	\$2,542
12 Fire Dept. Emergency Equip.					
FY 2006/07 actuals	\$42,228	\$20,503	-\$39,282	\$0	\$23,449
FY 2007/08 budget	23,449	12,400	-17,500	0	18,349
FY 2008/09 budget	\$18,349	\$16,201	-\$17,500	\$0	\$17,050
15 Housing Programs					
FY 2006/07 actuals	\$307,698	\$150,729	-\$192,741	\$0	\$265,686
FY 2007/08 budget	265,686	215,300	-412,933	0	68,053
FY 2008/09 budget	\$68,053	\$63,850	-\$126,876	\$0	\$5,027
16 Traffic Congestion Relief					
FY 2006/07 actuals	\$46,271	\$134,729	-\$80,807	\$0	\$100,193
FY 2007/08 budget	100,193	60,000	-75,000	0	85,193
FY 2008/09 budget	\$85,193	\$495,000	-\$552,000	\$0	\$28,193
18 State Gas Tax					
FY 2006/07 actuals	\$112,790	\$191,685	-\$224,938	-\$4,000	\$75,537
FY 2007/08 budget	75,537	250,000	-261,689	-4,000	59,848
FY 2008/09 budget	\$63,849	\$276,500	-\$271,315	\$0	\$69,034
20 RSTP—TAMC					
FY 2006/07 actuals	-\$79,695	\$195,693	-\$159,148	\$0	-\$43,150
FY 2007/08 budget	-43,150	690,000	-527,890	0	118,960
FY 2008/09 budget	\$118,960	\$512,000	-\$552,890	\$0	\$78,070
21 Drug Awareness					
FY 2006/07 actuals	\$30,011	\$120	-\$19,608	\$0	\$10,523
FY 2007/08 budget	10,523	0	-10,000	0	523
FY 2008/09 budget	\$523	\$1,850	-\$3,000	\$0	-\$627
25 Recreation Donations					
FY 2006/07 actuals	\$5,250	\$0	-\$1,044	\$0	\$4,206
FY 2007/08 budget	4,206	0	0	0	4,206
FY 2008/09 budget	\$4,206	\$130	-\$4,000	\$0	\$336
26 Chautauqua Hall					
FY 2006/07 actuals	\$7,163	\$2,500	-\$1,762	\$0	\$7,901
FY 2007/08 budget	7,901	5,500	0	0	13,401
FY 2008/09 budget	\$7,901	\$270	-\$5,000	\$0	\$3,171
27 Lighthouse Maint. & Improv.					
FY 2006/07 actuals	\$0	\$23,891	-\$1,315	\$0	\$22,576
FY 2007/08 budget	22,576	56,000	-75,800	20,000	22,776
FY 2008/09 budget	\$22,776	\$21,000	-\$30,000	\$0	\$13,776

* The beginning and ending fund balances for FY 2008/09 are expected to be positive, contrary to figures in the table, because expenses planned for FY 2007/08 will not be incurred until FY 2008/09.

	Beginning fund balance (available)	Estimated Revenues	Expenses	Transfers in (-out)	Ending Fund Balance (available)
34 CDBG Grants *					
FY 2006/07 actuals	\$49,222	\$153,976	-\$243,325	\$0	-\$40,127
FY 2007/08 budget	-40,127	238,000	-237,359	0	-39,486
FY 2008/09 budget	-\$39,486	\$304,921	-\$329,743	\$0	-\$64,308
40 Poetry Promotion Fund					
FY 2006/07 actuals	\$163,048	\$2,425	-\$36,282	\$0	\$129,191
FY 2007/08 budget	129,191	12,200	-5,550	0	135,841
FY 2008/09 budget	\$135,841	\$11,780	-\$5,250	\$0	\$142,371
41 Yount Trust (Expendable portion)					
FY 2006/07 actuals	\$31,429	\$28,956	-\$30,606	-\$1,720	\$28,059
FY 2007/08 budget	28,059	30,000	-48,100	20,000	29,959
FY 2008/09 budget	\$9,960	\$30,750	-\$29,219	\$0	\$11,491
43 Supp. Law Enf. Serv.					
FY 2006/07 actuals	\$73,784	\$100,000	-\$142,241	\$0	\$31,543
FY 2007/08 budget	31,543	101,000	-155,620	0	-23,077
FY 2008/09 budget	-\$23,077	\$101,100	-\$100,539	\$0	-\$22,516
53 Ocean Front Restoration					
FY 2006/07 actuals	\$341,926	\$800,000	-\$95,193	\$0	\$1,046,733
FY 2007/08 budget	1,046,733	25,000	-1,229,897	0	-158,164
FY 2008/09 budget	-\$158,164	\$28,500	-\$1,210,000	\$0	-\$1,339,664
54 Butterly Hab. Debt Serv.					
FY 2006/07 actuals	\$23,342	\$114,697	-\$91,888	\$0	\$46,151
FY 2007/08 budget	46,151	92,192	-88,899	0	49,444
FY 2008/09 budget	\$49,444	\$115,500	-\$90,801	\$0	\$74,143
61 Bldg. & Facil Impr.					
FY 2006/07 actuals	404,169	21,972	-45,839	0	380,302
FY 2007/08 budget	380,302	0	0	0	380,302
FY 2008/09 budget	380,302	10,500	0	0	390,802
85 Library Trust					
FY 2006/07 actuals	\$383,756	\$0	-\$6,215	\$0	\$377,541
FY 2007/08 budget	377,541	6,600	-6,600	0	377,541
FY 2008/09 budget	\$377,541	\$9,000	-\$20,000	\$0	\$366,541

Authorized Staffing Summary

The FY 2008/09 Budget includes 169.91 full-time equivalent (FTE) positions, which marks a decrease of 60.59 FTE (26%) from the prior year. Of the eliminated positions, 24.5 are full-time positions. A detailed comparison may be found on page 153 of the document.



Authorized Full-Time Equivalent Positions FY 2006/07 – FY 2008/09

	FY 06/07	FY 07/08	FY 08/09
City Council	3.50	3.50	3.50
City Manager's Office	3.50	5.00	3.50
Finance and Budget	5.00	6.00	6.00
Community Development	12.38	12.37	11.03
Police	38.48	39.98	34.98
Fire	52.00	51.50	50.50
Library	15.25	15.25	7.50
Museum	3.00	3.00	1.50
Recreation	50.35	50.35	9.25
Public Works	21.57	19.52	14.97
Cemetery	2.00	2.75	1.75
Sewer	3.58	3.63	3.43
Golf	20.90	20.65	21.50
Non-departmental	0.50	0.50	0.50
	<u>232.01</u>	<u>234.00</u>	<u>169.91</u>

FY 2008/09 General Fund Budget and Five-Year Forecast

The forecast is a tool that helps decision-makers understand financial implications of budget decisions. The row in the table labeled "Ending Fund Balance" suggests that FY 2008/09 budget strategies will yield additional fund balance every year that could be retained as reserves or spent on services. Additional discussion of the forecast may be found on page 53 of this document.

	FY 2006/07 Actual	2007/08 Budget	2007/08 Estimated actual	FY 2008/09 Budget	2009/10 Projection	2010/11 Projection	2011/12 Projection	2012/13 Projection	2013/14 Projection
REVENUES									
Property tax	3,649,288	3,912,500	3,722,038	3,665,806	3,732,786	3,841,602	3,956,850	4,115,124	4,279,729
Transient Occupancy Tax	3,219,361	3,245,000	3,348,135	3,348,135	3,348,135	3,448,580	3,552,037	3,658,598	3,768,356
Sales and Use Tax - Total	1,750,518	1,696,000	1,681,570	1,556,726	1,556,726	1,587,861	1,619,618	1,652,010	1,685,050
Utility User Taxes	1,375,554	1,423,000	1,424,579	1,476,040	1,565,819	1,608,538	1,656,795	1,706,498	1,757,693
Motor Vehicle-in Lieu fee (VLF)	1,163,419	1,260,000	1,186,687	1,186,687	1,186,687	1,210,421	1,234,630	1,259,322	1,284,509
Franchise Taxes	691,680	849,200	711,179	884,203	941,477	965,133	984,435	1,004,124	1,024,206
Development revenues	775,865	813,000	725,600	864,320	864,320	904,536	904,536	904,536	904,536
Transfer from Golf Enterprise Fund	0	400,000	400,000	720,000	590,000	590,000	590,000	590,000	590,000
Indirect cost charges to enterprise funds	578,361	526,166	526,166	403,109	419,233	436,003	449,083	462,555	476,432
Parking revenue	359,685	889,350	326,193	337,500	330,700	356,335	359,898	363,497	367,132
Business License Tax	300,580	304,500	300,580	285,551	256,996	262,136	267,379	272,726	278,181
Recreation programs	361,580	435,600	307,600	268,760	273,565	281,664	290,114	298,817	307,782
Fire programs	184,943	203,000	153,000	178,000	179,632	180,497	180,497	180,497	180,497
Police programs	83,540	132,000	107,000	104,680	91,910	94,651	94,651	94,651	94,651
Miscellaneous revenues	197,903	205,100	122,100	100,740	104,504	104,580	109,809	115,299	121,064
Public works programs	49,616	97,000	52,000	53,800	56,140	58,597	61,527	64,603	67,833
Library programs	86,273	39,000	54,000	149,000	49,800	50,632	50,632	50,632	50,632
Real Estate Transfer Tax	78,053	90,000	55,000	40,000	32,000	33,280	34,611	35,996	37,435
Museum and Lighthouse programs	0	80,000	70,000	20,000	20,000	20,000	20,000	20,000	20,000
Interest earnings	-24,132	50,000	40,000	30,000	30,000	30,000	30,000	30,000	30,000
Revenues total	14,882,087	16,650,416	15,313,427	15,673,058	15,630,431	16,065,044	16,447,100	16,879,486	17,325,719
EXPENDITURES									
City Council	302,462	300,289	270,971	339,371	342,764	349,620	353,116	356,647	360,214
City Attorney's Office	348,431	284,350	384,350	412,542	416,667	425,001	429,251	433,543	437,879
City Manager's Office	588,910	860,446	777,603	729,848	737,146	746,713	756,595	764,161	771,802
Finance (with Information Systems)	832,767	954,146	901,060	1,081,279	1,092,092	1,105,122	1,118,493	1,129,678	1,140,975
Community Development	956,740	1,077,989	1,087,472	1,252,986	1,265,516	1,281,882	1,298,783	1,311,771	1,324,888
Police	4,019,344	4,718,643	4,627,546	5,097,128	5,288,100	5,601,428	5,674,342	5,731,085	5,788,396
Fire	2,727,986	2,956,448	2,768,728	3,239,336	3,228,729	3,270,527	3,280,695	3,313,502	3,346,637
Library	892,517	953,350	900,015	601,560	506,576	514,453	522,691	527,918	533,197
Museum	294,456	282,981	246,081	151,542	153,058	155,661	158,398	159,982	161,581
Recreation	876,534	959,631	877,345	392,925	396,855	403,441	410,356	414,459	418,604
Public Works	1,817,794	2,090,280	1,823,236	1,938,980	1,958,370	1,984,298	2,011,120	2,031,232	2,051,544
Capital maintenance program			0	0	0	0	100,000	100,000	100,000
Expenditures Total	13,657,941	15,438,552	14,664,406	15,237,498	15,385,873	15,838,147	16,113,839	16,273,978	16,435,717
Total transfers to other funds	1,552,294	1,060,492	1,030,492	0	0	0	0	0	0
TOTAL EXPEND. AND TRANS. OUT	15,210,235	16,499,044	15,694,898	15,237,498	15,385,873	15,838,147	16,113,839	16,273,978	16,435,717
NET RESULTS OF OPERATIONS	-328,148	151,372	-381,471	435,560	244,558	226,897	333,261	605,508	890,001
Beginning Fund Balance	1,167,009	959,792	838,861	457,390	892,950	1,137,509	1,364,406	1,697,666	2,303,175
Ending Fund Balance	838,861	1,111,164	457,390	892,950	1,137,509	1,364,406	1,697,666	2,303,175	3,193,176

Changes in General Fund Budget Structure: Operating Transfers and Charges for Service

The FY 2007/08 budget contained \$1,060,492 in transfers from the General Fund to other funds for operating purposes such as City Hall (Civic Center) facility debt service, vehicle replacement, liability insurance, and others listed in the table below. The FY 2008/09 budget includes many of the same expenditure items, but instead of budgeting them as transfers, they are allocated and budgeted as charges in the departments to which they relate. Budgeting in this manner provides a clearer picture of total costs for each function.

While the change may increase the budget for individual departments (column D, below), the total budget is unchanged, as the same costs would have otherwise been displayed as transfers (column C, below).

Column A:	Column B: 2007/08 Budget	Column C: FY 08/09 budget displayed with transfers	Column D: Transfers allocated to departments	Column E: FY 08/09 budget with allocated charges
<u>EXPENDITURES</u>				
City Council	300,289	310,786	28,585	339,371
City Attorney's Office	284,350	384,350	28,192	412,542
City Manager's Office	860,446	675,343	54,505	729,848
Finance (with Information Systems)	954,146	1,002,438	78,841	1,081,279
Community Development	1,077,989	1,168,430	84,556	1,252,986
Police	4,718,643	4,786,099	311,029	5,097,128
Fire	2,956,448	3,051,582	187,754	3,239,336
Library	953,350	581,891	19,669	601,560
Museum	282,981	140,419	11,123	151,542
Recreation	959,631	356,825	36,100	392,925
Public Works	2,090,280	1,718,797	220,183	1,938,980
Expenditures Total	15,438,552	14,176,961	1,060,537	15,237,498
Transfer for debt service (Civic Center)	212,292	212,000	0	0
Transfer for Vehicle Replacement/Leases	125,000	29,987	0	0
Transfer to Workers' Compensation Fund	0	0	0	0
Transfer to Liability insurance Fund	300,000	193,652	0	0
Transfer to Employee Benefits Fund	38,200	44,898	0	0
Transfer to storm water management fund	250,000	200,000	0	0
Transfer to Yount Trust Fund	20,000	0	0	0
Transfer to other funds (9-1-1 response)	115,000	380,000	0	0
Total transfers to other funds	1,060,492	1,060,537	0	0
TOTAL EXPEND. AND TRANSFERS OUT	\$16,499,044	\$15,237,498	\$1,060,537	\$15,237,498

Summary of Capital Budget Items

(Per PGMC Section 2.14.020, equipment or land exceeding \$2,500 in value must be recorded as capital assets.)

Department	Description	Funding Source	Budgeted Amount (\$)	Est. Annual maintenance cost *
<i>Police</i>	Federally mandated communications infrastructure	General Fund	80,000	Unknown
	Patrol vehicle	Vehicle Replacement Fund	30,000	\$1,000
Subtotal			110,000	
<i>Fire</i>	Federally mandated communications infrastructure	General Fund	40,000	Unknown
Subtotal			40,000	
<i>Library</i>	General Equipment: projects to be determined	Library Building & Equipment Fund	23,000	Unknown
Subtotal			23,000	
<i>Museum</i>	General Equipment: projects to be determined	Museum Improvement Fund	10,000	Unknown
	Building Improvements: projects to be determined	Museum Improvement Fund	50,000	Unknown
Subtotal			60,000	
<i>Finance / IT</i>	Citywide computer/technology replacemenent	General Fund	25,000	\$2,000
Subtotal			25,000	
<i>Public Works</i>	General Equipment	General Fund	13,500	Unknown
	Slurry seal, curb ramps, and street repair	Traffic Congestion Relief Fund	542,000	N/A
	Lighthouse Ave./Eardley Ave. improvement	RSTP (Federal and State trans. grant)	525,000	\$2,000
	Recreation Trail / Oceanfront improvements	Oceanfront Restoration Fund	1,200,000	\$5,000
Subtotal			2,280,500	
<i>Sewer</i>	Pump Station #12 replacement	Sewer Fund	1,200,000	\$10,000
	Sewer line spot repair	Sewer Fund	25,000	N/A
	Sewer Lateral Replacements (loans)	Sewer Fund	40,000	N/A
Subtotal			1,265,000	
<i>Cemetery</i>	General Equipment	Cemetery Fund	13,000	Unknown
Subtotal			13,000	
<i>Golf</i>	Dunes Restoration	Golf Fund	100,000	Unknown
	Pro Shop Inventory purchases	Golf Fund	200,000	N/A
	Golf Course Improvements: projects to be determined	Golf Fund	50,000	Unknown
<i>Lighthouse</i>	Lighthouse building improvements	LH Maint. and Imp.	30,000	3,000
Subtotal			350,000	
TOTAL			4,166,500	

* The City does not have an adopted Capital Improvement Program or "sinking funds" for capital replacement purposes. Figures are preliminary estimates for the purpose of demonstrating need for systematic capital maintenance planning and funding.

Summary of Long-Term Debt

<u>Debt Outstanding Fiscal Year (As of June 30, 2008)</u>				
	<u>Outstanding at FY</u>	<u>Original Issue</u>	<u>Original Amount</u>	<u>Year of Final</u>
<u>General Obligation Bonds, Principal & Interest</u>	<u>Ending 2008</u>	<u>Date (FY Ending)</u>		<u>Payment (FY</u>
				<u>Ending)</u>
Wastewater Series 2001-B	2,255,709	2002	2,858,295	2032
Butterfly Habitat Bonds	932,484	2004	1,300,012	2018
Pension Obligation Bonds A-1 & A-2	37,530,000	2006	38,497,099	2029
Total General Obligation Bonds	40,718,193		42,655,406	
<u>Certificates of Participation, Principal & Interest</u>				
Golf Course Construction Bonds	7,231,746	2005	8,146,730	2035
Total Certificates of Participation	7,231,746		8,146,730	
<u>Capital Lease/Purchase Obligations</u>				
Civic Center Site	1,336,759	2004	2,339,329	2014
Pierce Pumper Fire Engine	402,214	2006	502,767	2016
John Deere Back Hoe	36,964	2006	92,411	2010
TORO Groommaster Mower	27,264	2006	52,274	2011
Total Capital Lease/Purchase Obligations	1,803,201		2,986,781	
Total Long-Term Debt Outstanding	49,753,140			

<u>Annual Debt Service Requirements</u>	<u>General Obligation Bonds</u>		<u>Certificates of</u>	<u>Capital Lease/Purchase Obligations</u>	
	<u>Source of Payment:</u>	<u>Source of Payment:</u>	<u>Participation</u>	<u>Source of Payment:</u>	<u>Source of Payment:</u>
	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>	<u>General Fund</u>	<u>Enterprise Funds</u>
FY 2007-08	1,013,900	94,610	268,935	273,071	31,569
FY 2008-09	1,585,801	93,515	271,485	273,071	31,569
FY 2009-10	1,637,405	92,383	268,773	273,071	31,569
FY 2010-11	1,688,711	96,112	270,779	273,071	1,091
FY 2011-12	1,739,830	94,695	267,516	273,071	-
Total Principal & Interest	7,665,647	471,315	1,347,488	1,365,355	95,798
Less Interest	612,651	246,705	698,572	241,759	11,526
Total Principal	7,052,996	224,610	648,916	1,123,596	84,272

Indirect Service Cost Allocation

Citywide administrative services are funded directly by General Fund revenues. These services include costs for administrative departments – City Council, the City Manager’s Office, and Finance and Information Systems. To ensure that non-General Fund revenues support a proportionate share for these services provided to non-General Fund operations, the cost of these indirect services are allocated across all operational functions. The allocations for enterprise fund operations, which include golf, sewer, and cemetery, are charged to the respective funds and received as revenue in the General Fund.

The table below shows that capital expenditures and non-operating costs, such as debt service, are subtracted from total budgeted costs, to derive the “direct service” base upon which the indirect service allocation is calculated. The column labeled “indirect cost allocation” shows each department’s proportional share of citywide indirect costs.

Indirect Cost Allocation Schedule:						
Divisions	Total Budget	Capital	Other Adj	Direct Service	Indirect Service	Indirect Cost Allocation
City Council	\$339,371	\$0	\$174,500	\$0	\$164,871	\$0
City Atty	\$412,542	\$0	\$251,350	\$0	\$161,192	\$0
City Manager	\$729,848	\$2,000	\$0	\$0	\$727,848	\$0
Finance and IS	\$1,081,279	\$25,000	\$0	\$0	\$1,056,279	\$0
Comm Dev	\$1,718,239	\$2,000	\$291,000	\$1,425,239		\$213,786
Police	\$5,368,167	\$80,000	\$0	\$5,288,167		\$793,225
Fire	\$3,358,409	\$52,000	\$0	\$3,306,409		\$495,961
Library	\$696,810	\$23,000	\$0	\$673,810		\$101,071
Museum	\$211,542	\$60,000	\$0	\$151,542		\$22,731
Recreation	\$401,925	\$0	\$0	\$401,925		\$60,289
Public Works	\$4,746,391	\$2,280,500	\$0	\$2,465,891		\$369,884
Golf Course	\$3,443,453	\$350,000	\$1,493,644	\$1,599,809		\$239,971
Cemetery	\$265,240	\$13,000	\$83,488	\$168,752		\$25,313
Sewer	\$2,756,598	\$1,271,500	\$580,135	\$904,963		\$135,744
Non- Dept	\$6,111,035	\$30,000	\$5,806,765	\$0	\$274,270	\$0
TOTAL	\$31,640,848	\$4,189,000	\$8,680,882	\$16,386,507	\$2,384,460	\$2,457,976
	Column A	Column B	Column C	Column D	Column E	Column F
Indirect Cost Rate Calculation:						
Rate = Total Overhead Costs / Total Direct Service Costs = Column E / Column D = 0.14551361 = 15.0%						
Indirect Cost Charges to Enterprise Funds Programs						
Program	Direct Cost Base	Indirect charge calculation				
Cemetery	\$168,752	\$25,313				
Sewer	\$904,963	\$135,744				
Golf	\$1,599,809	\$239,971				
Total	\$2,673,524	\$401,029				

Five-year Forecast and Revenue Analysis

General Fund Five-Year Forecast

	FY 2006/07 Actual	2007/08 Budget	2007/08 Estimated actual	FY 2008/09 Budget	2009/10 Projection	2010/11 Projection	2011/12 Projection	2012/13 Projection	2013/14 Projection
REVENUES									
Property tax	3,649,288	3,912,500	3,722,038	3,665,806	3,732,786	3,841,602	3,956,850	4,115,124	4,279,729
Transient Occupancy Tax	3,219,361	3,245,000	3,348,135	3,348,135	3,348,135	3,448,580	3,552,037	3,658,598	3,768,356
Sales and Use Tax - Total	1,750,518	1,696,000	1,681,570	1,556,726	1,556,726	1,587,861	1,619,618	1,652,010	1,685,050
Utility User Taxes	1,375,554	1,423,000	1,424,579	1,476,040	1,565,819	1,608,538	1,656,795	1,706,498	1,757,693
Motor Vehicle-in Lieu fee (VLF)	1,163,419	1,260,000	1,186,687	1,186,687	1,186,687	1,210,421	1,234,630	1,259,322	1,284,509
Franchise Taxes	691,680	849,200	711,179	884,203	941,477	965,133	984,435	1,004,124	1,024,206
Development revenues	775,865	813,000	725,600	864,320	864,320	904,536	904,536	904,536	904,536
Transfer from Golf Enterprise Fund	0	400,000	400,000	720,000	590,000	590,000	590,000	590,000	590,000
Indirect cost charges to enterprise funds	578,361	526,166	526,166	403,109	419,233	436,003	449,083	462,555	476,432
Parking revenue	359,685	889,350	326,193	337,500	330,700	356,335	359,898	363,497	367,132
Business License Tax	300,580	304,500	300,580	285,551	256,996	262,136	267,379	272,726	278,181
Recreation programs	361,580	435,600	307,600	268,760	273,565	281,664	290,114	298,817	307,782
Fire programs	184,943	203,000	153,000	178,000	179,632	180,497	180,497	180,497	180,497
Police programs	83,540	132,000	107,000	104,680	91,910	94,651	94,651	94,651	94,651
Miscellaneous revenues	197,903	205,100	122,100	100,740	104,504	104,580	109,809	115,299	121,064
Public works programs	49,616	97,000	52,000	53,800	56,140	58,597	61,527	64,603	67,833
Library programs	86,273	39,000	54,000	149,000	49,800	50,632	50,632	50,632	50,632
Real Estate Transfer Tax	78,053	90,000	55,000	40,000	32,000	33,280	34,611	35,996	37,435
Museum and Lighthouse programs	0	80,000	70,000	20,000	20,000	20,000	20,000	20,000	20,000
Interest earnings	-24,132	50,000	40,000	30,000	30,000	30,000	30,000	30,000	30,000
Revenues total	14,882,087	16,650,416	15,313,427	15,673,058	15,630,431	16,065,044	16,447,100	16,879,486	17,325,719
EXPENDITURES									
City Council	302,462	300,289	270,971	339,371	342,764	349,620	353,116	356,647	360,214
City Attorney's Office	348,431	284,350	384,350	412,542	416,667	425,001	429,251	433,543	437,879
City Manager's Office	588,910	860,446	777,603	729,848	737,146	746,713	756,595	764,161	771,802
Finance (with Information Systems)	832,767	954,146	901,060	1,081,279	1,092,092	1,105,122	1,118,493	1,129,678	1,140,975
Community Development	956,740	1,077,989	1,087,472	1,252,986	1,265,516	1,281,882	1,298,783	1,311,771	1,324,888
Police	4,019,344	4,718,643	4,627,546	5,097,128	5,288,100	5,601,428	5,674,342	5,731,085	5,788,396
Fire	2,727,986	2,956,448	2,768,728	3,239,336	3,228,729	3,270,527	3,280,695	3,313,502	3,346,637
Library	892,517	953,350	900,015	601,560	506,576	514,453	522,691	527,918	533,197
Museum	294,456	282,981	246,081	151,542	153,058	155,661	158,398	159,982	161,581
Recreation	876,534	959,631	877,345	392,925	396,855	403,441	410,356	414,459	418,604
Public Works	1,817,794	2,090,280	1,823,236	1,938,980	1,958,370	1,984,298	2,011,120	2,031,232	2,051,544
Capital maintenance program			0	0	0	0	100,000	100,000	100,000
Expenditures Total	13,657,941	15,438,552	14,664,406	15,237,498	15,385,873	15,838,147	16,113,839	16,273,978	16,435,717
Total transfers to other funds	1,552,294	1,060,492	1,030,492	0	0	0	0	0	0
TOTAL EXPEND. AND TRANS. OUT	15,210,235	16,499,044	15,694,898	15,237,498	15,385,873	15,838,147	16,113,839	16,273,978	16,435,717
NET RESULTS OF OPERATIONS	-328,148	151,372	-381,471	435,560	244,558	226,897	333,261	605,508	890,001
Beginning Fund Balance	1,167,009	959,792	838,861	457,390	892,950	1,137,509	1,364,406	1,697,666	2,303,175
Ending Fund Balance	838,861	1,111,164	457,390	892,950	1,137,509	1,364,406	1,697,666	2,303,175	3,193,176

The five-year financial forecast is a tool that helps decision-makers identify important trends and understand long-term consequences of budget decisions. Importantly, the forecast is not a budget and does not represent a plan. It is a model based on cost and revenue assumptions that are updated continuously. Of these components, future cost projections are most controllable, and therefore most reliable in the forecast. Salary and benefit provisions of agreements with employee bargaining units can be modeled and updated as new agreements are adopted. Revenue forecasts, on the other hand, are based on assumptions related to future economic conditions, which are fraught with uncertainty. For example, economic forecasts regarding the real estate and tourism markets frequently swing from optimistic to pessimistic. Since the degree of revenue uncertainty increases with each successive year of the forecast (i.e., staff has much more confidence in projections for FY 2008/09 than for FY 2013/14), the forecast is a more viable framework for decision-making in the near-term, but only suggests relative financial health based on stated economic assumptions in the later years of the forecast.

Key forecast assumptions upon which the five-year forecast is based include:

- The forecast does not include any potential revenues that could be generated by tax ballot measures in FY 2007/08 or any future year.
- The economy will experience a modest recession throughout FY 2008/09 and FY 2009/10. It will begin to recover in FY 2010/11 and return to relative stability and modest revenue growth (approximately 2.5% annually) for the remaining three years of the forecast period. If the economy experiences either a deeper recession or an unexpected upturn, actual financial health will be significantly different than this forecast suggests. Total revenues are projected to grow in FY 2008/09 only because of approximately \$730,000 in “new” revenues in the budget that were not part of the base in the preceding year. Specifically, these include the franchise revenue from a new franchise with Cal-Am Water, additional revenue related to new cable franchise provisions, new development fee revenues to support long-range planning and compliance with the California Environmental Quality Act (CEQA), additional transfers of golf revenue to the General Fund to support general services, and a bequest donation for library services. **When these new revenues are excluded from the comparison with the prior year, FY 2008/09 revenues are projected to be 2.1% lower than the level estimated for FY 2007/08.** Annual rates of change projected for key revenue categories include:

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Property tax	-1.5%	1.8%	2.9%	3.0%	4.0%	4.0%
Transient occupancy tax	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%
Sales tax	-8.0%	0.0%	2.0%	2.0%	2.0%	2.0%
Utility user taxes	3.5%	6.1%	2.7%	3.0%	3.0%	3.0%
Development revenues	-5.0%	0.0%	5.0%	0.0%	0.0%	0.0%

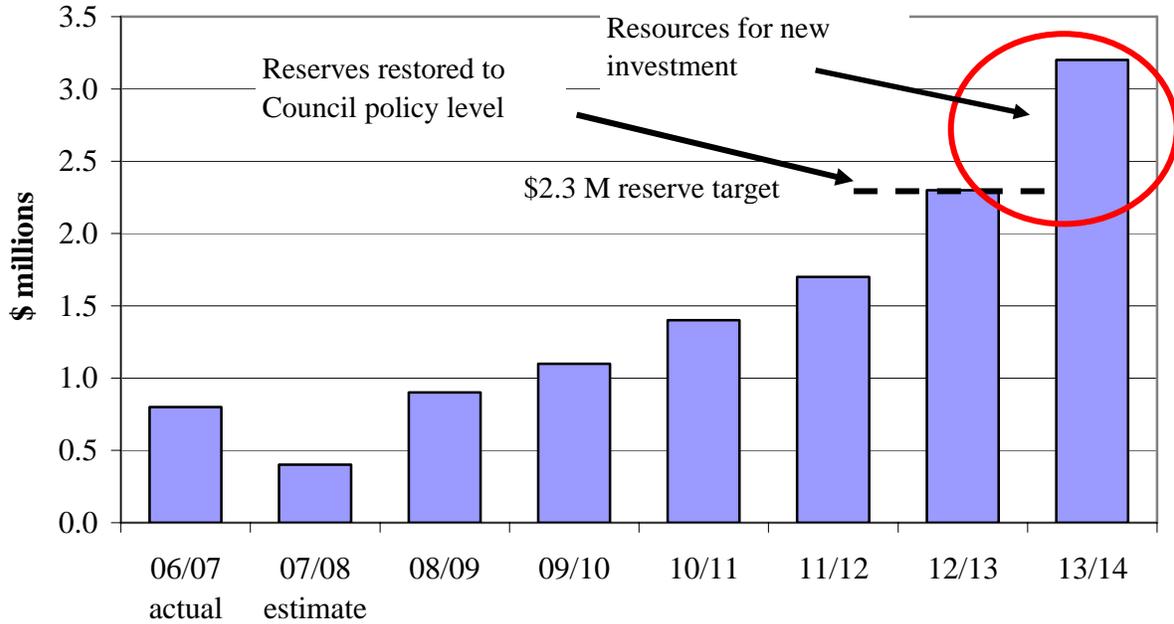
- The forecast assumes no additional services or staff beyond those adopted as part of the FY 2008/09 budget.

- The forecast assumes no salary increases for employees except for routine step increases for eligible employees and the increases included in a three-year agreement with the Police Officers Association to adjust police compensation to the market average over a four year period (beginning in FY 2006/07). The results of a January 2008 survey suggest that this pay increase could cost \$225,000 in FY 2008/09 and \$245,000 in FY 2009/10. These costs are included in the forecast.
- Costs are projected to increase each year at the following rates:
 - FY 2008/09: -8.3%
 - FY 2009/10: 1.6%
 - FY 2010/11: 3.5%
 - FY 2011/12: 1.1%
 - FY 2012/13: 1.1%
- Commitments for all current and anticipated debt service are included.

The forecast is updated continuously, and will be the subject of discussion with the City Council periodically. Given the level of revenue uncertainty in the later years, the forecast should be viewed with caution as a relative measure of financial health, with all assumptions and related uncertainty in mind. In this case, strategic decisions made in FY 2007/08 could result in a new structural balance in FY 2008/09 with a plan for long-term financial sustainability.

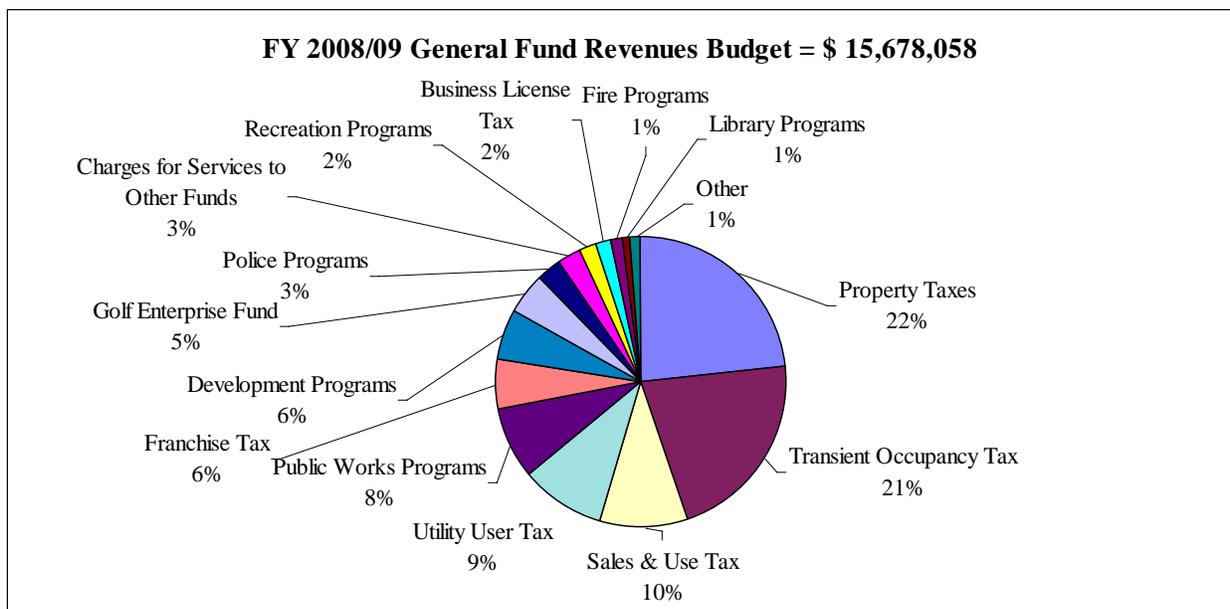
What the forecast means: The row of the forecast labeled “net results of operation” forecast shows the annual difference between revenues and expenditures. The net results of operation for FY 2008/09 total \$435,560, which represents a revenue surplus that will contribute to fund balance. Since this measure is positive in all years of the forecast period, the forecast is considered balance. As the table below shows, successive years of surplus revenue will enable reserves or services to be restored by FY 2013/14.

**Chart #1: Fund Balance Forecast
General Fund**



General Fund Revenue Background and Forecast

Total FY 2008/09 General Fund estimated revenues total \$15,673,058, which is \$404,451, or 2.6%, more than total estimated revenues for FY 2007/08. Very importantly, however, when new sources of revenue are excluded from the comparison for a clearer year-to-year comparison, revenues for next year are projected to decrease by 2.1%, which is consistent with the overarching assumption that the City will experience a moderate recession during FY 2008/09. New or non-recurring revenues include the franchise revenue from a new franchise with Cal-Am Water, additional revenue related to new cable franchise provisions, new development fee revenues to support long-range planning and compliance with the California Environmental Quality Act (CEQA), additional transfers of golf revenue to the General Fund to support general services, and a bequest donation for library services.



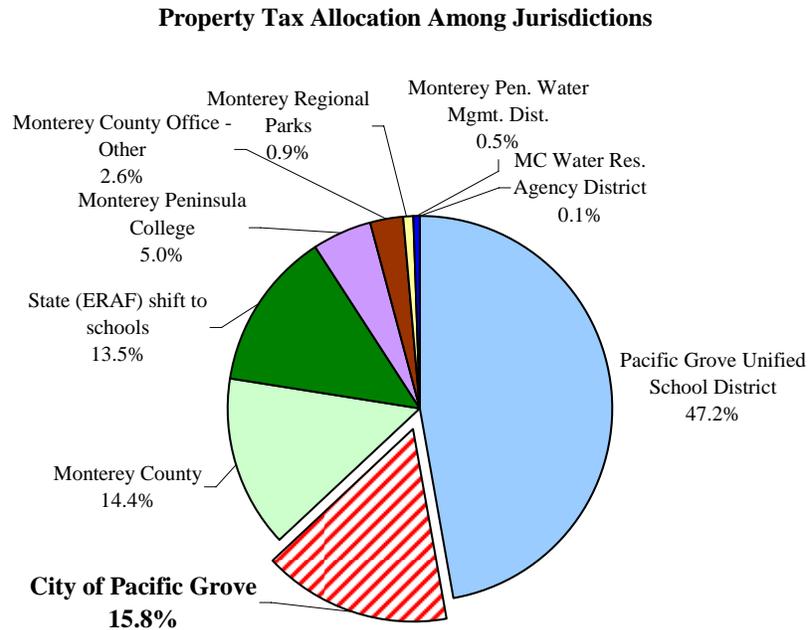
More than half of General Fund revenues (53%) comes from three sources: property taxes, transient occupancy tax, and sales taxes. This section provides additional background and forecast information for these revenues.

Property Tax

Description: Property tax is an ad valorem tax (based on value) imposed on real property (land and permanently attached improvements such as buildings) and personal (movable) property. Proposition 13, adopted by California voters on June 6, 1978, created a comprehensive system for the assessment and limitation of real property taxes. Property owners pay the tax based on their real property's adjusted assessed full value. Proposition 13 set the FY 1975-76 assessed values as the base year from which future annual inflationary assessed value increases would grow (not to exceed 2% for any given year). The County Assessor also re-appraises each real property parcel when there are purchases, construction, or other statutorily defined, "changes in

ownership.” Proposition 13 limits the property tax rate to 1% of each property’s full value plus overriding rates to pay voters’ specifically approved indebtedness. Property taxes are the City’s single largest revenue source, comprising approximately 22% of total FY 2008/09 projected revenues, or \$3.7 million.

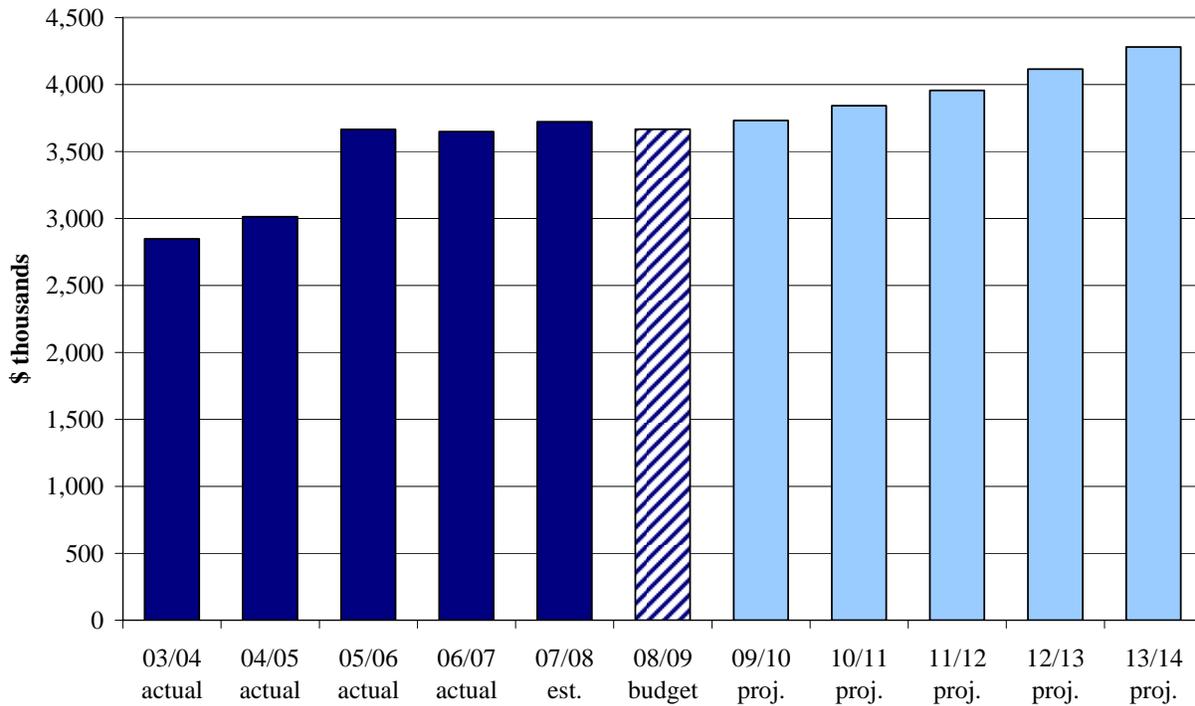
The City of Pacific Grove receives approximately 16 cents of every dollar of property tax paid (see graph below). Monterey County and the Pacific Grove Unified School District receive most of the revenue from property taxes assessed on real property located in the City.



Proposition 13 (Section 1. Article XIII A, to the State Constitution) transferred control and accountability for property tax rates from city and county government to the State Government. It allows the State legislature to apportion the property tax collections among the various cities, counties, and special districts “according to law.” In the late 1970s the State Legislature settled on an allocation method under which each local government’s percentage share of property taxes was the same as that government’s prorated share of the entire county’s property taxes in the mid-1970s. Beginning in 1992, the legislature reduced city allocations through the ERAF I and ERAF II legislation so that millions of dollars in City property taxes were transferred to the schools. In FY 2003/04, to deal with the State’s fiscal crisis the legislature adopted ERAF III, which resulted in another allocation change that caused the City of Pacific Grove to lose \$418,000 between FY 2004/05 and FY 2005/06.

California voters passed Proposition 1A on November 4, 2004 giving California cities some relief from future State tinkering with traditionally local revenues. The State Legislature can only change city property tax allocations in emergencies and by a two-thirds vote in both legislative bodies, and then for only two years before the revenue has to be repaid. While not perfect, these provisions help reduce the City’s revenue uncertainty.

Property Tax History and Forecast
FY 2003/04 - FY 2013/14 projected



Forecast: Property tax revenues are projected to total \$3,665,806 in FY 2008/09, which equates to 22% of the City’s General Fund. This amount is two percent lower than the amount estimated to be received in FY 2007/08. The projected decrease is based on the components of property tax that most closely reflect the current real estate market. These components are projected to fall by approximately one-third for FY 2008/09. Fortunately, these components comprise a small share of total property tax revenues; the overall projection remains driven by “secured” property tax, which is the portion commonly understood by taxpayers as “property tax.” After two years of projected recessionary effects of the housing market, property taxes are expected to gradually return to average historic growth rates of 4% per year.

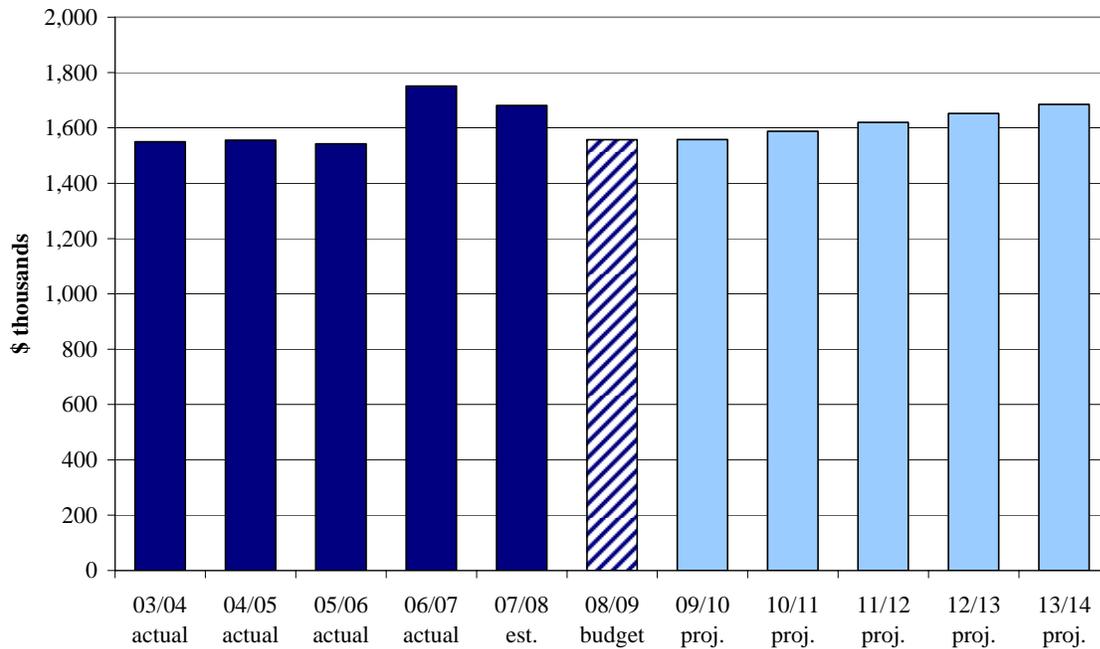
Sales and Use Tax

Description: The local Sales and Use tax rate is 7.25%. Sales tax is collected on the sale of taxable goods within Pacific Grove. Use tax is the corresponding tax on transactions involving taxable goods purchased out of state for use in Pacific Grove. Sales and Use taxes are collected by the State which then pays local government their respective share. Sales and Use taxes (collectively, “Sales Taxes” in the budget) are the City’s third-largest revenue source and comprise about 10% of FY 2008/09 projected General Fund revenues.

The City receives one cent of the 7.25 cents paid on every dollar of purchase price. Of the one cent, 75% comes directly from sales and use tax, and 25% comes from property tax “replacement” from the state. In March 2004, California voters passed Proposition 57 approving

the sale of State Economic Recovery Bonds. The bond proceeds were used to fund the State’s cash-flow deficit and avert an operational financial crisis. To issue the bonds the State needed a steady revenue source it could pledge to secure its payments – like sales taxes. To solve its problem, the State enticed cities and other local governments into an agreement known as the “triple flip.” Under the “triple flip” the State’s bonds are secured by a quarter cent increase in the State’s share of sales tax with a corresponding decrease in local governments’ share of sales tax (there was no sales tax rate change). To compensate for the loss, local governments receive additional real property taxes, that would otherwise go to the schools (who will receive State General Fund payments), until the State’s Economic Recovery Bonds are repaid. The additional property taxes replace the lost sales taxes on a dollar for dollar basis.

Sales Tax History and Forecast
FY 2003/04 - FY 2013/14 projected



Forecast: FY 2008/09 sales tax revenues, including the triple flip replacement, are projected to be \$1,556,726, which amounts to a decrease of 7.0% from the estimated revenue from FY 2007/08. For General Fund revenue projection purposes, sales tax has two components: the local retail economic base and the property tax replacement related to the triple flip. The City also receives sales tax revenue related to State Proposition 172, which is restricted to public safety purposes. These funds are received in a special revenue fund used to pay for 9-1-1 dispatch services rendered by Monterey County. The following table relates the component projections to the total General Fund projection.

Projection component	FY 2007/08 est.	FY 2008/09 proj.	Difference
“Regular” retail sales economy	\$1,289,696	\$1,160,726	-10%
“Triple flip” property tax replacement	391,874	396,000	-1%
Total	\$1,681,570	\$1,556,726	-7%

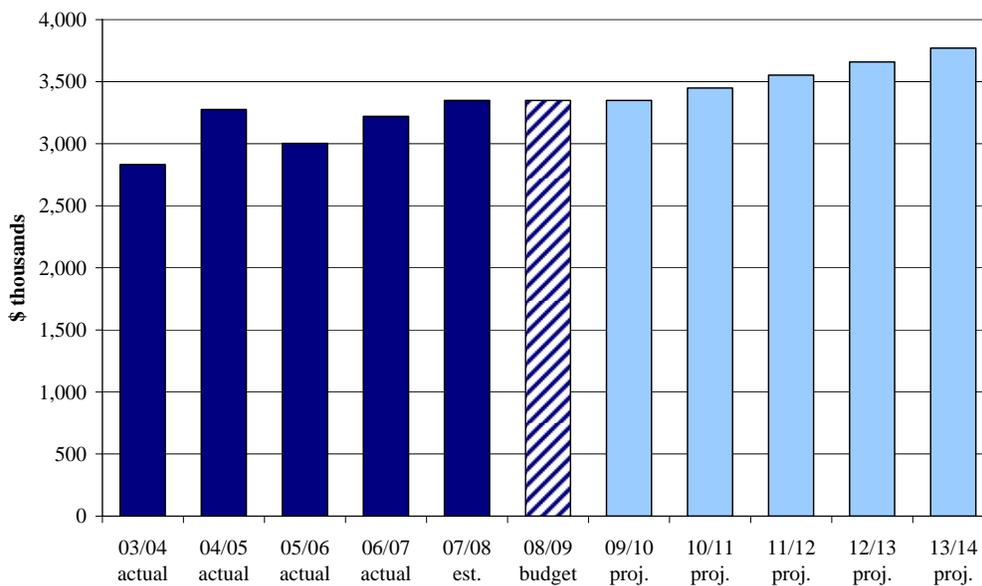
The local retail economic base is generally considered “regular” sales tax. It is the 0.75% of the price paid for taxable goods, referenced above, that is received by the City. Of the \$1.6 million projected, approximately \$1.2 million is attributable to growth in the retail base. The decrease of 10% from the FY 2007/08 level reflects staff’s assumption for moderate economic recession in FY 2008/09.

The “triple flip” property tax replacement revenue is projected to increase by \$5,000 in FY 2008/09. The amount of replacement revenue the City receives is based on the growth in “regular” sales tax revenue from the prior year. Since sales tax revenue is projected to decline slightly in FY 2007/08, the “triple flip” component of FY 2008/09 sales tax is projected to decline slightly.

Transient Occupancy Tax

Description: The Transient Occupancy Tax (TOT) is charged on hotel and motel room occupancies of fewer than 30 days. It is paid by hotel and motel customers in addition to the room rate so that visitors to Pacific Grove may contribute to the cost of the public services they enjoy during their stay. Pacific Grove’s 10% room tax rate is on par with most communities on the Monterey Peninsula. Seaside’s rate is 12% and unincorporated Monterey County’s is 10.5%.

Transient Occupancy Tax History and Forecast
FY 2003/04 - FY 2013/14 projected



Forecast: The budget assumes that TOT revenues will remain flat, with no growth, in FY 2008/09 and FY 2009/10, which would be consistent with the overarching assumption of a modest recession during FY 2008/09. The forecast projects very gradual improvement, bolstered by membership in the Monterey County Convention and Visitors Bureau, with revenue growth resuming more average growth rates of 3% per year in later years of the forecast.

General Fund Revenue Detail

Acct.	Name	FY 05/06 Actual	FY 06/07 actual	FY 07/08 estimated actual	08/09 Projection
4001	Prop. Tax - secured	3,043,275	3,187,708	3,283,339	3,349,006
4002	Prop. Tax - unsecured	133,806	140,636	142,042	120,000
4003	Prop. Tax - supplemental	326,944	223,722	200,000	125,000
4004	Prop. Tax - prior period secured	58,647	75,656	75,656	50,000
4005	Prop. Tax - prior period unsecured	1,417	1,452	1,000	1,000
4378	Homeowners' Prop. Tax Relief (HOPTR)	20,501	20,114	20,000	20,800
	Property tax - total	3,584,590	3,649,288	3,722,038	3,665,806
4312	Prop. Tax - State takeaway (ERAF III)	-208,195	0	0	0
4141	Real Estate Transfer Tax	134,565	78,053	50,000	40,000
4101	Sales and Use Tax	1,252,029	1,366,328	1,289,696	1,160,726
4102	Property Tax - ST Triple Flip replacement	362,457	384,190	391,874	396,000
	Sales and Use Tax - Total	1,614,486	1,750,518	1,681,570	1,556,726
4121	Business License Tax	281,322	300,580	300,580	285,551
4131	Franchise Tax - Gas and Electric	103,881	112,668	116,144	119,000
4132	Franchise Tax - Refuse Collection	449,202	444,253	457,581	480,000
4133	Franchise Tax - Cable TV	125,293	134,759	137,454	205,203
4134	Franchise Tax - Sewer	75,000	0	0	0
4135	Franchise Tax - Water	0	0	0	80,000
	Franchise Taxes	753,376	691,680	711,179	884,203
4151	Utility User Tax - Gas and Electric	766,988	732,551	754,528	755,000
4152	Utility User Tax - Telephone	276,420	294,133	302,957	309,000
4153	Utility User Tax - Water	144,321	158,221	164,550	206,000
4154	Utility User Tax - Cable TV	176,143	190,649	202,000	206,040
	Utility User Taxes	1,363,872	1,375,554	1,424,035	1,476,040
4161	Transient Occupancy Tax	3,002,038	3,219,361	3,348,135	3,348,135
4330	Motor Vehicle-in Lieu fee (VLF)	1,142,033	1,163,419	1,186,687	1,186,687
4426	Parking enforcement Muni Code fines	69,090	75,320	75,000	94,000
4427	DMV parking collections	17,983	21,193	21,193	25,000
4428	Parking meter fees	200,797	263,172	230,000	218,500
	Parking revenue	287,870	359,685	326,193	337,500
4203	Construction Permit Fees	454,445	435,087	410,000	389,500
4401	Use Permits and Zoning Fees	81,552	40,768	45,000	42,750
4402	Zoning Enforcement / ARB	63,307	56,355	55,000	52,250
4403	Sign Permit Fees	10,020	10,971	5,500	5,225
4404	Plan Check Fees	233,809	227,790	205,000	194,750
4405	Sales, Maps, and Publication Fees	164	101	100	95
4406	Photo Copy Fees	6,162	4,793	5,000	4,750
4407	Enviro. Review Initial Fees	6,720	0	0	10,000
TBD	Long-range planning fee	N/A	N/A	N/A	105,000
TBD	Code enforcement fines	N/A	N/A	N/A	10,000
TBD	Historic Preservation Deposit	N/A	N/A	N/A	50,000
	Development revenues	856,179	775,865	725,600	864,320

Acct.	Name	FY 05/06 Actual	FY 06/07 actual	FY 07/08 estimated actual	08/09 Projection
4310	POST reimbursement	19,255	-3,349	25,000	20,000
4313	State booking fee reimbursement	0	0	0	
4421	Police Special Services	21,605	17,146	20,000	20,000
4422	DUI Cost Recovery	0	0	0	0
4423	Registration Search Services	0	0	0	0
4501	Vehicle code fines	29,779	28,617	30,000	31,200
4502	Other fines and forfeitures	24,572	20,801	20,000	21,000
4424	Booking Fee Reimbursement	0	8,812	0	0
4204	Dog licenses	11,669	9,492	10,000	10,400
4425	Animal shelter fee and charge	2,436	2,021	2,000	2,080
	Police-related revenues	109,316	83,540	107,000	104,680
4351	Fire aid reimbursement	18,508	71,158	20,000	20,800
4435	Fire response fees	50	4	0	0
4436	Fire inspection/permit/alarm fees	23,012	11,383	15,000	15,000
4437	Fire plan check fees	4,991	7,925	8,000	7,200
4440	Fire service to Carmel fees	65,626	94,473	110,000	135,000
	Fire-related revenues	112,187	184,943	153,000	178,000
4445	Public works fees and charges	33,196	44,898	45,000	46,800
4337	Highway Maintenance Reimbursement	7,075	4,718	7,000	7,000
4605	Trees for PG donations		4,820	3,500	0
	Public works-related revenues	40,271	49,616	52,000	53,800
4450	Museum fees and charges	97	0	70,000	20,000
4451	Lighthouse admission fees	22,119	0	0	0
4614	Museum Association donations	1,058	0	0	0
	Museum and Lighthouse-related revenues	23,274	0	70,000	20,000
4317	California Library Services Act	22,150	57,283	30,000	20,000
4455	Library fines and fees	29,468	28,990	24,000	29,000
4335	State library grant	6,079	0	0	0
	Library donations				100,000
	Library-related revenues	57,697	86,273	54,000	149,000
4462	Recreation program fees and charges	233,466	221,885	150,000	105,000
4464	Tennis fees	525	1,050	3,600	3,600
4465	Special event fees	29,829	44,982	44,000	45,760
4670	Recreation facility rents	79,113	88,663	110,000	114,400
4635	Recreation program donations	4,000	5,000	0	0
	Recreation-related revenues	346,933	361,580	307,600	268,760
	Transfer from Golf Fund (greens fees)	0	0	364,000	648,000
	Transfer from Golf Fund (pro shop)	0	0	36,000	72,000
	Total transfers from Golf Fund	0	0	400,000	720,000

Acct.	Name	FY 05/06 Actual	FY 06/07 actual	FY 07/08 estimated actual	08/09 Projection
4311	SB 90 reimbursement	0	108,944	42,000	20,000
4201	Misc. licenses and permits	18,593	20,966	15,000	15,300
4513	Misc. revenues	15,859	16,869	12,000	12,000
4516	Fuel sales to district	3,618	3,742	5,000	5,200
4521	Tree damage assessment	0	100	0	0
4631	Monarch habitat donations	50	0	0	0
4634	Tennis rentals	0	0	0	0
4636	ADA donations	0	2,000	0	0
4637	Donations	0	5,050	7,000	7,000
4663	Misc. reimbursements / rents	1	1	0	0
4665	Bath House restaurant concessions	-3,730	0	0	0
4667	Beach snack bar concession	12,084	13,588	15,000	15,000
4666	Golf snack bar concession	18,500	0	0	0
4668	Golf pro concession	73,152	0	0	0
4669	Adventures by the sea concessions	10,264	11,039	12,000	12,000
4672	Comm site lease	7,244	7,748	6,000	6,240
4674	City hall facilities	140	100	100	0
4751	Refunds and rebates	47,926	0	0	0
4921	Sales of used equipment	5,243	2,756	3,000	3,000
4314	Dept. of conserv. beverage	5,000	5,000	5,000	5,000
	Miscellaneous revenues	213,944	197,903	122,100	100,740
4651	Interest earnings TRAN offset displayed)	30,504	-24,132	-2,776	30,000
4702	Mechanical dept. fees and charges	7,013	7,761	2,000	2,080
4706	Indirect cost reimbursement	538,000	570,600	524,166	401,029
4931	Interfund operating transfers	4,000	0	0	0
	Transfers in from other funds	549,013	578,361	526,166	403,109
	GRAND TOTAL	14,295,275	14,882,087	15,265,107	15,673,058
	Grand total, excluding new or non-recurring revenues				14,943,058
	Annual change in revenue base				-2.1%

Guide to the Department Budgets

Department budgets are presented with an emphasis on each department’s purpose and objectives for FY 2008/09. To the extent applicable, departments’ budgets include the following information:

Mission: The fundamental purpose for the department; answers the question, “why does the City have this department?”

Services and responsibilities: Describes the functions performed by the department to fulfill the mission; answers the question, “what does the department do?”

Resources: Graphic display of the distribution of funds providing resources for the department.

Appropriations summary: Displays the budgeted expenditure level for the department in FY 2007/08 compared with FY 2006/07 and FY 2005/06 levels, summarized by expenditure categories: personnel, services/contracts, materials/supplies, non-operating transfers, debt service (including lease payments), and capital.

Staffing summary: Illustrates the change in full-time equivalent (FTE) positions from previous years.

Major budget changes: Describes significant changes in the budget, department’s organization, or staffing level, compared with the prior year’s budget.

Service objectives: Specific goals and initiatives that will be completed in the budget year.

Performance indicators: Performance indicators are objective, quantitative measures that can help clarify the relationship between resources and services. Over time, with a series of high-quality performance measures and explanatory management information, budget decisions can be made with a clearer understanding of budget consequences. Budgets for departments that provide direct services to the public include a sampling of performance information currently available; mostly of the “output” type of indicator. During FY 2008/09, staff will continue to develop this information, with the goal of providing more robust performance information in coming years.

Department budgets may be found on the following pages (in alphabetical order following the City Council):

City Council	p. 47	Library	p. 89
City Attorney’s Office	p. 50	Museum	p. 96
City Manager’s Office	p. 53	Police	p. 101
Community Development	p. 57	Public Works	p. 110
Finance and Budget	p. 68	Recreation	p. 125
Fire	p. 73	Cemetery Enterprise Fund	p. 131
Golf	p. 83	Sewer Enterprise Fund	p. 136

City Council

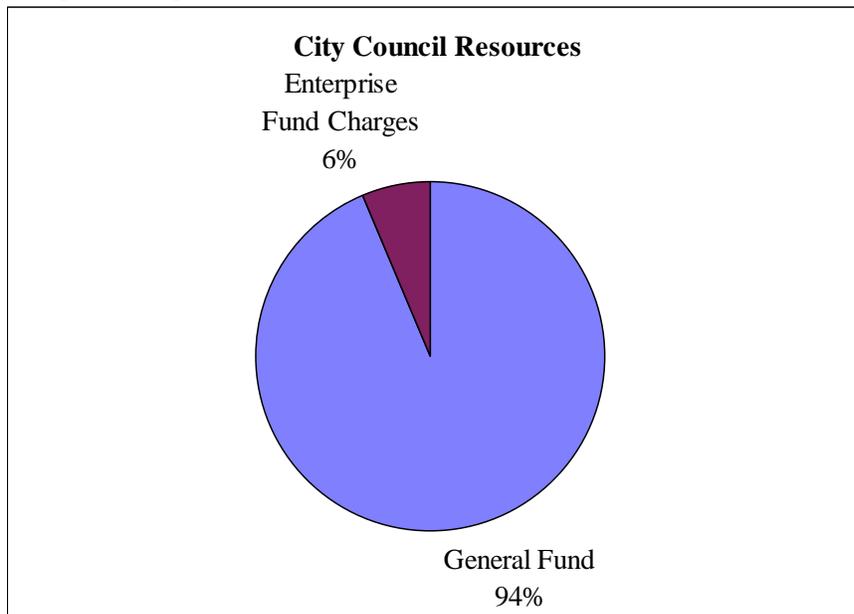
Mission:

Lead the City of Pacific Grove by setting policy according to the provisions of the City's Charter.

Strategic Goals:

1. Effectively manage the City's business and resources
2. Enhance public trust
3. Protect the natural environment
4. Keep Pacific Grove vibrant and economically viable

Budget at-a-glance:



City Council Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	40,368	40,947	40,889	41,386
Services/Contracts	216,151	260,376	256,900	277,599
Materials Supplies	296	979	2,500	2,500
Non-Operating Transfers	-	-	-	17,886
Debt Service	-	-	-	-
Capital	-	160	-	-
Total Expenditures	256,815	302,462	300,289	339,371

Major Budget Changes

The City Council budget for contract services is increasing by \$20,000 in anticipation of higher election costs charged by Monterey County for the November 2008 election. The City has been informed that election management costs for Pacific Grove will increase from approximately \$25,000 to \$45,000.

The budget also includes a portion of the City's membership dues for the Monterey County Convention and Visitors Bureau. This allocation, anticipated to be approximately \$108,000 in FY 2008/09, replaces the \$115,000 allocation in recent years for economic development programs recommended by the Economic Advisory Committee.

Additionally, the budget contains a share of the City's overhead costs, specifically \$17,886 for debt service on the Civic Center shown in the "non-operating transfers" line in the table above, and \$11,000 for liability insurance costs. These costs were previously budgeted as operating transfers from the General Fund to other funds. Charging them directly to departments' budgets provides a clearer picture of the costs for specific City services. Changing the location in the budget where these costs are displayed has a neutral effect on the total General Fund budget.

City Council Budget Detail

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
EXPENDITURES					
5101	BASE SALARY	36,682	38,447	38,460	38,640
5121	FICA-MEDICARE BENEFITS	576	557	560	560
5122	RETIREMENT (PERS)	2,810	1,653	1,580	1,849
5124	UNEMPLOYMENT COST	14	14	14	14
5126	WORKERS' COMPENSATION	286	276	275	322
5129	FLEXIBLE HEALTH BENEFIT	-	-	-	-
	Staffing subtotal	40,368	40,947	40,889	41,386
5201	CONTRACT SERVICES	45,567	75,202	53,400	73,400
5215	MEETING/TRAINING/TRAVE	3,283	4,138	8,000	8,000
5217	TRAVEL, MEAL COSTS	-	1,078	-	-
5230	INTERNAL SERVICE CHARG	-	-	-	10,699
5261	SUBSCRIPTIONS, MEMB	49,893	54,398	69,500	174,500
5291	SPECIAL DEPT EXPENSE	1,621	9,079	10,000	10,000
	Services subtotal	100,363	143,895	140,900	276,599
5301	OFFICE SUPPLIES	296	979	2,500	2,500
	Materials/supplies subtotal	296	979	2,500	2,500
5401	FUND TRANSFERS	-	-	-	17,886
	Transfers Subtotal	-	-	-	17,886
5471	CONTRIBUTIONS	1,000	1,500	1,000	1,000
	Other Subtotal	1,000	1,500	1,000	1,000
6001	EQUIPMENT	-	160	-	-
	Capital Subtotal	-	160	-	-
	Staffing Subtotal	40,368	40,947	40,889	41,386
	Non-Staffing Subtotal	101,659	146,534	144,400	297,985
	Section Subtotal	142,027	187,481	185,289	339,371
Economic Advisory Commission					
5261	SUBSCRIPTIONS, MEMB	-	-	-	-
5471	CONTRIBUTIONS	114,788	114,981	115,000	-
	Section subtotal	114,788	114,981	115,000	-
	Department total	256,815	302,462	300,289	339,371

City Attorney

Mission Statement:

Provide timely legal advice and support to the City through its officials, commissions and committees, to represent the City's interests and positions before judicial and administrative agencies in civil proceedings, and to enforce misdemeanor and civil violations of the Municipal Code.

Services and Responsibilities:

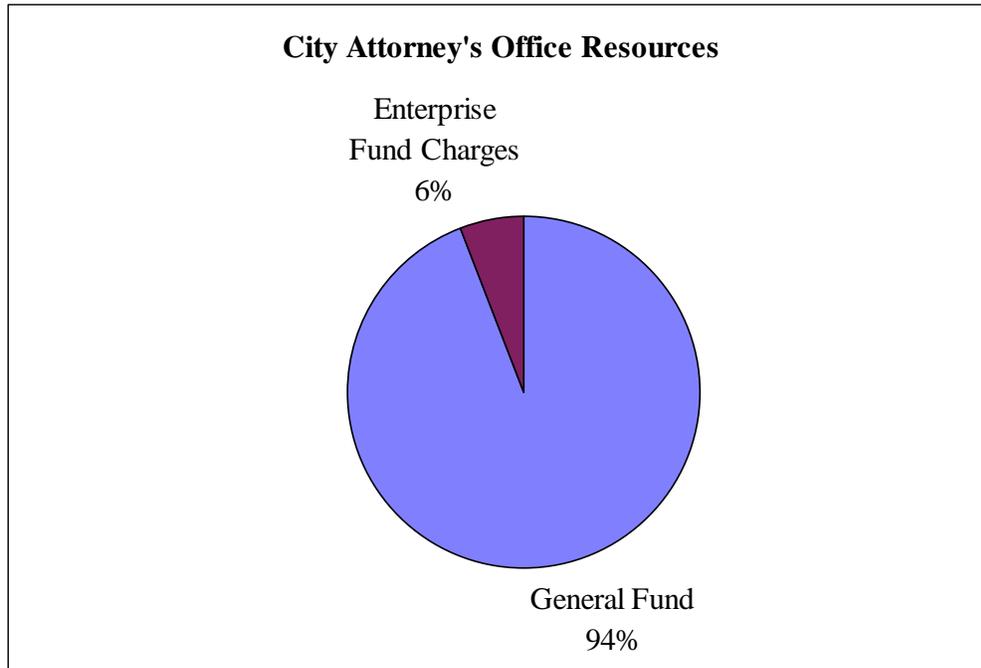
The City Charter requires appointment of a City Attorney by the City Council, and sets qualifications and duties for the incumbent. The City Attorney is required to attend all meetings of the City Council, provide advice and legal services for the benefit of the City, and draft all ordinances, resolutions, contracts, and other legal documents for the City, including the preparation of a title and summary for initiatives and an impartial analysis of ballot measures.

The City Attorney exercises independent discretion to charge and prosecute any Charter or ordinance violation as either a misdemeanor or an infraction under California law. The City Attorney supervises his assistants and any special counsel retained on behalf of the City, and is lead counsel for all civil actions filed by or against the City. The City Attorney holds a fiduciary responsibility to represent the City as a client within the mandates of the State Bar Rules of Professional Conduct, not individual officers or employees. The City Attorney provides general advice to commissions, committees, individual officers, and employees, but may not represent their interests if in opposition to the interests of the City.

The City Attorney's duties include:

- Furnish legal advice and opinions.
- Draft and review contracts and other legal documents.
- Prepare ordinances, resolutions, orders, and other council documents.
- Represent and defend the City before courts and agencies.
- Initiate legal actions for the City.
- Interpret law and documents.
- Manage and coordinate risk management.
- Review, analyze and minimize the City's exposure to loss.

Budget at-a-glance:



City Attorney Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	1,350	-	-	-
Services/Contracts	257,328	348,151	284,350	395,049
Materials Supplies	-	171	-	-
Non-Operating Transfers	-	-	-	17,493
Debt Service	-	-	-	-
Capital	-	109	-	-
Total Expenditures	258,678	348,431	284,350	412,542

Major Budget Changes:

The City Attorney’s budget for litigation services is increasing based on experience from the prior two years and the City Attorney’s projections for litigation during FY 2008/09. Much of these costs are typically paid to other law firms for specialized services as individual cases warrant. Additionally, the budget contains a share of the City’s overhead costs, specifically \$17,493 for debt service on the Civic Center shown in the “non-operating transfers” line in the table above, and \$11,000 for liability insurance costs. These costs were previously budgeted as operating transfers from the General Fund to other funds. Charging them directly to departments’ budgets provides a clearer picture of the costs for specific City services. Changing the location in the budget where these costs are displayed has a neutral effect on the total General Fund budget.

City Attorney Budget Detail:

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
EXPENDITURES					
5123	HEALTH INSURANCE COST	1,350	-	-	-
5129	FLEXIBLE HEALTH BENEFIT	-	-	-	-
	Staffing subtotal	1,350	-	-	-
5201	CONTRACT SERVICES	165,726	217,041	151,350	251,350
5203	ADMIN/RETAINER SERVICES	90,020	130,000	130,000	130,000
5215	MEETING/TRAINING/TRAVEL	150	-	2,000	2,000
5224	EQUIP REPAIR, MAINT	1,432	1,110	1,000	1,000
5230	INTERNAL SERVICE CHARGES	-	-	-	10,699
	Services subtotal	257,328	348,151	284,350	395,049
5303	BOOKS, PRINTED MATL	-	171	-	-
	Material/supplies subtotal	-	171	-	-
5401	FUND TRANSFERS	-	-	-	17,493
	Transfers Subtotal	-	-	-	17,493
6001	Equipment	-	109	-	-
	Capital subtotal	-	109	-	-
	Department total	258,678	348,431	284,350	412,542

City Manager's Office

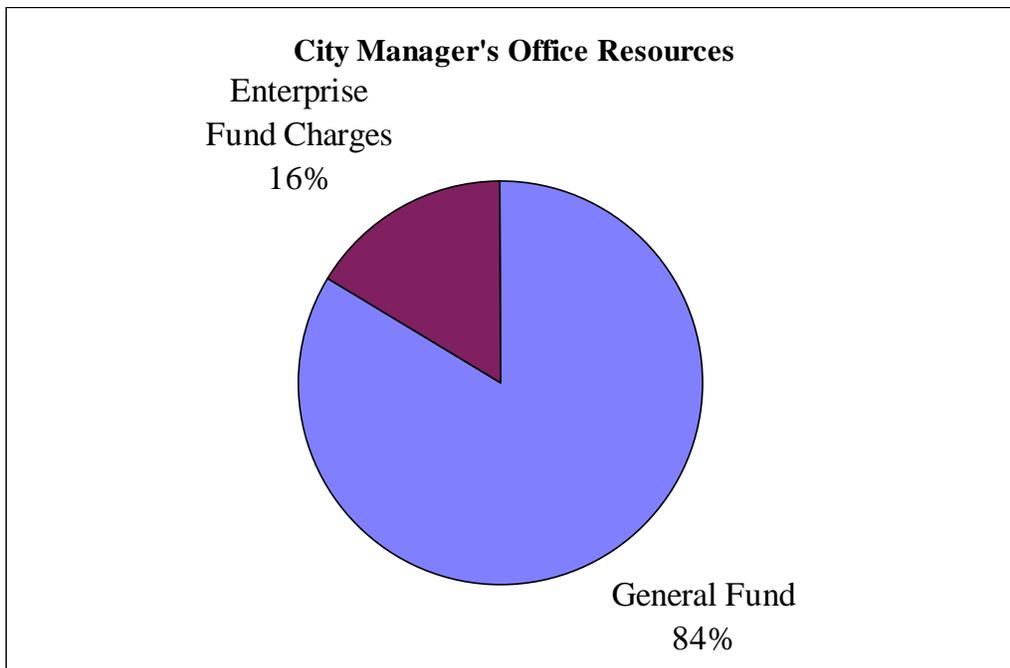
Mission:

Assist the City Council in achieving its goals for the community by providing policy recommendations and organizational leadership for implementing City Council decisions.

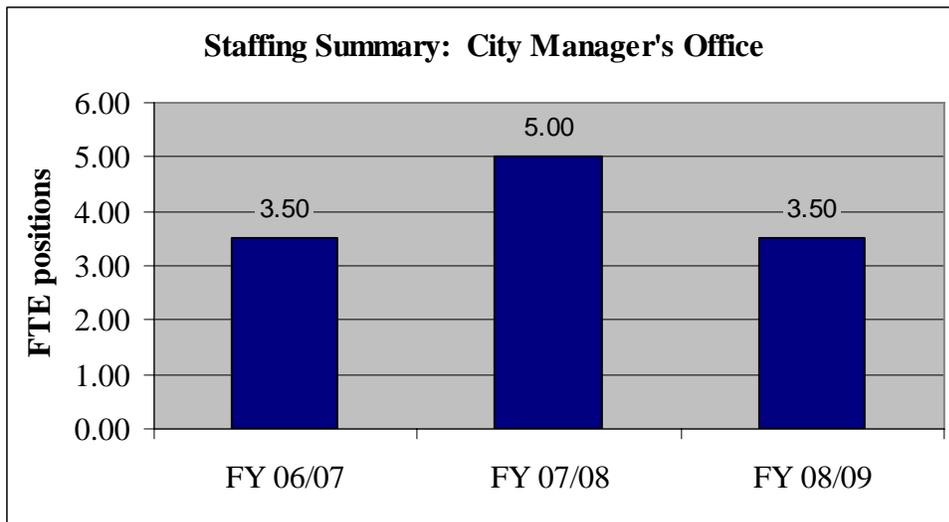
Services and Responsibilities:

The City Manager's Office provides leadership and management for all city operations. The Department is directly responsible for providing information to the City Council and managing requests for service and information from the City Council. The Department performs all City Clerk functions, including noticing of public meetings, response to Public Records Act Requests, and city elections management. The Department also houses the City's human resources, risk management, and cemetery administrative operations.

Budget at-a-glance:



City Manager Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	305,159	475,512	727,446	542,343
Services/Contracts	81,060	106,084	123,000	134,740
Materials Supplies	6,248	6,459	8,000	9,000
Non-Operating Transfers	-	-	-	41,765
Debt Service	-	-	-	-
Capital	303	856	2,000	2,000
Total Expenditures	392,769	588,911	860,446	729,848



Major Budget Changes:

The staffing reorganization that occurred mid-year FY 2007/08 created several administrative positions that would have enabled the department to strengthen administrative systems, such as Human Resources and Risk Management. The positions would also have enabled the City Manager's Office staff to respond more promptly to requests for information and communication from citizens. Given the financial circumstances prompting citywide budget reductions, these positions are not included in the FY 2008/09 budget. Efforts to update administrative systems and provide high quality response to citizen requests will continue, but at a much slower pace.

Compared with FY 2007/08, the budget for personnel services is decreasing by \$186,000 because the Principal Analyst and the Executive Assistant positions have been eliminated.

The savings from reduced staffing costs is partially offset by contract services charges for a share of the City's insurance costs and a \$41,765 share of the debt service owed on the City Hall facility, displayed in the "non-operating transfers" line in the table above. These costs were previously budgeted as operating transfers from the General Fund to other funds. Charging them directly to departments' budgets provides a clearer picture of the costs for specific City services.

Changing the location in the budget where these costs are displayed has a neutral effect on the total General Fund budget.

Service Objectives:

1. Work collaboratively with the business community to develop a strategic plan for the appropriate City role in strengthening the local economy.
2. Update the City's plan for improving the downtown area: identify a focal point, develop a plan for consistent streetscapes, and plan for additional housing downtown.
3. Identify new roles for youth involvement in City government.
4. Implement a development review process that prioritizes business applications in order to build a stronger economy and enhance City revenues.
5. Update the City's personnel ordinance and policies to ensure compliance with applicable laws, prevailing employment practices, and community values.
6. Develop additional strategies for earning income on City assets.
7. Facilitate the development of a City Council Code of Ethics.
8. Develop a marketing plan for City goals and achievements
9. Improve service convenience and access to city information through the City's Internet website.
10. Improve public information by building relationships with the media.
11. Facilitate meetings of City Council members and/or staff with ideologically diverse groups to foster an improved political climate.
12. Successfully negotiate Memoranda of Understanding (MOU) with employee bargaining units with the goal of paying employees competitively for high-quality performance.

City Manager's Office Budget Detail:

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
01 - General Fund					
EXPENDITURES					
5101	BASE SALARY	238,235	400,547	580,428	425,179
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	601	-	-	-
5121	FICA-MEDICARE BENEFITS	3,540	4,784	8,206	6,044
5122	RETIREMENT (PERS)	53,553	47,547	72,205	38,338
5123	HEALTH INSURANCE COST	4,562	6,057	4,425	2,532
5124	UNEMPLOYMENT COST	100	144	204	150
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	2,015	3,243	4,075	3,476
5128	OTHER EMPLOYEE BENEFITS	2,554	11,459	9,120	6,767
5129	FLEXIBLE HEALTH BENEFIT	-	1,731	6,000	4,200
5130	POB DEBT SERVICE	-	-	42,784	55,656
	Staffing subtotal	305,159	475,512	727,446	542,343
5201	CONTRACT SERVICES	-	-	30,000	30,000
5202	PROF/CONSULTANT SERVICES	41,929	60,331	50,900	50,000
5211	POSTAGE	64	28	10,000	2,000
5212	TELEPHONE	1,037	2,250	2,500	2,500
5215	MEETING/TRAINING/TRAVEL	5,308	4,403	2,000	2,000
5216	ATTENDANCE COSTS	-	-	10,000	8,000
5217	TRAVEL, MEAL COSTS	58	27	8,000	7,000
5219	POST TRAINING	647	291	1,200	500
5221	ADVERTISING	3,430	4,796	1,000	5,000
5224	EQUIP REPAIR, MAINT	6,602	3,538	4,000	4,000
5230	INTERNAL SERVICE CHARGES	-	-	-	12,740
5261	SUBSCRIPTIONS, MEMB	2,263	2,263	1,400	6,000
5291	SPECIAL DEPT EXPENSE	19,721	28,157	2,000	5,000
	Services subtotal	81,060	106,084	123,000	134,740
5301	OFFICE SUPPLIES	5,747	6,235	3,500	5,000
5303	BOOKS, PRINTED MATL	447	224	3,000	3,000
5309	OTHER SUPPLIES	54	-	1,500	1,000
5322	SMALL TOOLS	-	-	-	-
	Materials/supplies subtotal	6,248	6,459	8,000	9,000
5401	FUND TRANSFERS	-	-	-	41,765
	Transfers Subtotal	-	-	-	41,765
6001	EQUIPMENT	303	856	2,000	2,000
	Capital subtotal	303	856	2,000	2,000
	Staffing Budget	305,159	475,512	727,446	542,343
	Non-Staffing Budget	87,610	113,399	133,000	187,505
	Section total	392,769	588,911	860,446	729,848
	General Fund Total	392,769	588,911	860,446	729,848

Community Development

Mission:

Work in partnership with the community to protect the beauty, sustainability and integrity of Pacific Grove. Preserve, produce and support affordable housing in order to help meet the housing needs of Pacific Grove residents. Consistently pursue high quality, structurally sound development that is in keeping with the community's land use and design goals.

Services and Responsibilities:

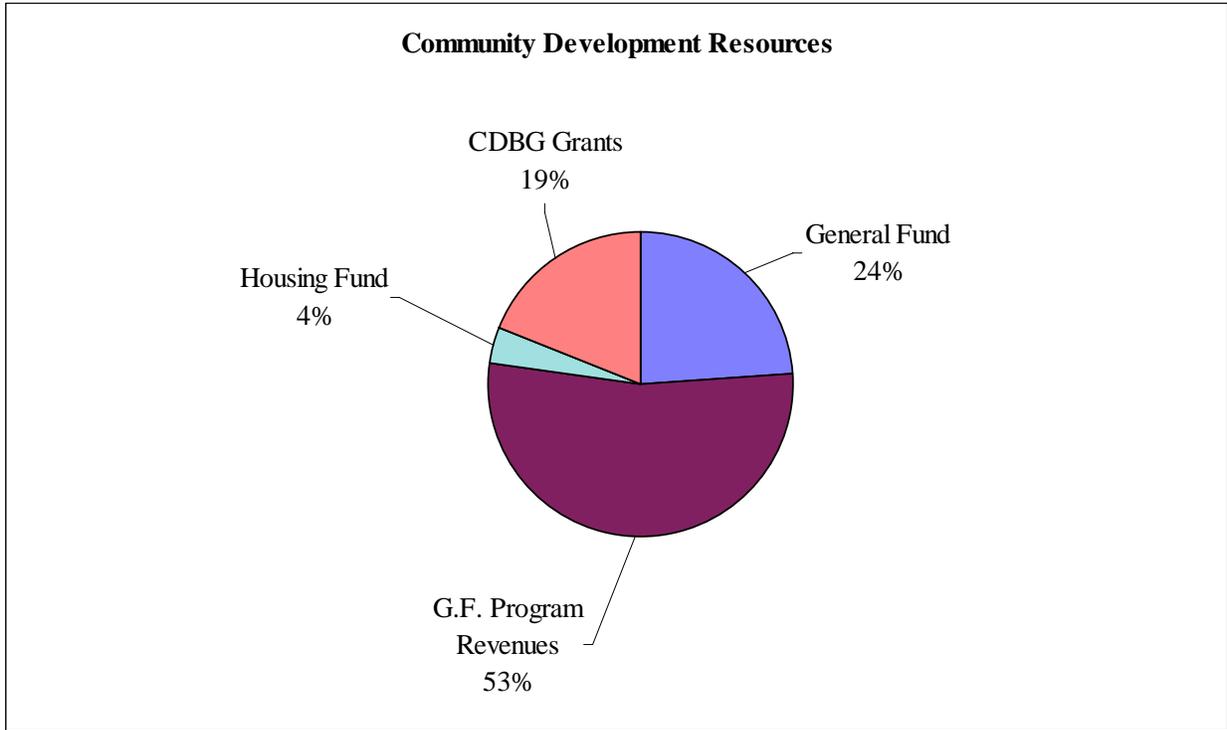
The Community Development Department is organized into three work units: building, planning, and housing that collaborate to achieve the department's mission. The Building Division administers permit and inspection services for all residential and commercial construction activity in the community to ensure compliance with municipal ordinances and state building codes. With the reorganization of the department in the Fall of 2007, a new position was formed to focus on code enforcement and, in early 2008, the City Council adopted a new administrative enforcement ordinance to streamline the code compliance procedures.

The Planning Division is responsible for long-range and current planning. Long-range planning involves proactive maintenance of the City's General Plan, Local Coastal Program and other documents that guide the City's growth and development and that provide a framework for all other regulations. With the reorganization of the department in the Fall of 2007, more emphasis is being placed on long-range planning in FY 2008/09. Current planning involves processing a variety of planning permits to ensure compliance with the City's zoning ordinance, historic preservation ordinance, and architectural design guidelines.

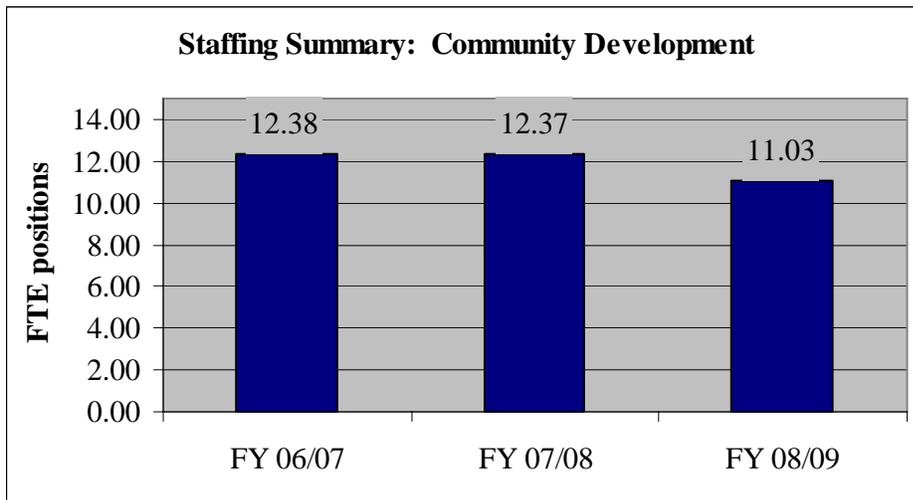
The Housing Division administers programs that provide affordable housing for low-income households and help to rehabilitate aging or deteriorating housing stock in the community. The programs include the Housing Rehabilitation Loan Program, the Rental Assistance Program, the Private Sewer Lateral Loan Program, and the certification and monitoring of affordable housing units in the community. The division also applies for and administers housing assistance grants, serves on the Local Homeless Assistance Coalition and staffs the City's Housing Committee.

Achieving the community's goals for development requires effective public participation. The department staffs the following City Boards and Commissions on a regular basis: Planning Commission, Architectural Review Board, Historic Resources Committee, Housing Committee, ADA Compliance Advisory Committee, Housing Advisory Appeals Board, Uniform Building Code Board of Appeals, and Uniform Fire Code Board.

Budget at-glance:



Community Development Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	951,215	909,835	1,022,534	861,284
Services/Contracts	65,176	162,560	364,700	458,880
Materials Supplies	175,469	128,481	335,550	326,300
Non-Operating Transfers	-	-	-	69,775
Capital	1,800	-	5,500	2,000
Total Expenditures	1,193,660	1,200,876	1,728,284	1,718,239



Major Budget Changes:

The department budget reflects a series of changes in organizational structure and approaches to delivering services. The \$165,000 savings in the personnel cost category in the table above shows the net effects of eliminating the Community Development Director position, three full-time positions previously dedicated to building and safety services, and an Administrative Secretary II position, and adding a Chief Planner position, a Senior Planner position, and two Office Assistant positions.

This savings derived from reduced staffing costs is offset by the \$250,000 budget increase for Building and Safety services to be delivered by contract. Additionally, the budget contains a share of the City's overhead costs, specifically \$70,000 for debt service on the Civic Center shown in the "non-operating transfers" line in the table above, \$11,000 for liability insurance, and \$4,082 for employee health insurance claims. These costs were previously budgeted as operating transfers from the General Fund to other funds. Charging them directly to departments' budgets provides a clearer picture of the costs for specific City services. Changing the location in the budget where these costs are displayed has a neutral effect on the total General Fund budget.

Service Objectives:

1. Begin the process of bringing the City of Pacific Grove into compliance with the State Coastal Act through community discussion and preparation of the Local Coastal Program Implementing Regulations in order to assure protection of coastal resources.
2. Coordinate with other city departments to design the coastal recreation trail link near Asilomar State Park.
3. Develop implementing procedures for the new Administrative Enforcement Ordinance and improve the City's turnaround response to code violation complaints.
4. Process all development permits in a timely and efficient manner, consistent with the City's policies, regulations and design guidelines.
5. Maintain a strong customer service ethic in all interactions with the public, and seek early and continuous public participation in the planning and permit processes.
6. Provide ongoing training opportunities for staff and the City Boards and Commissions served by the Community Development Department.
7. Work with the community to increase affordable housing opportunities while taking into account current water constraints, and complete the update to the State-mandated Housing Element. Once the Element is certified, prepare grant applications to assist with affordable housing opportunities.

8. Provide continued affordable housing assistance to low income households and help in rehabilitating aging or deteriorating housing stock in the community. Manage the use of CDBG grant funds to implement these programs.
9. Review and revise City Building Codes to include provisions that would encourage “green building” considerations and improve water and energy conservation for homeowners and businesses.
10. Review and update the City’s historic preservation program to ensure protection of historical buildings and compliance with the California Environmental Quality Act (CEQA) while also providing flexibility for property owners to make needed improvements.
11. Review and revise the City’s Zoning Ordinance to improve its clarity and usability.
12. Review and update the City’s Americans with Disabilities Act (ADA) Plan in coordination with other city departments and the ADA Compliance Advisory Committee, and provide ongoing staff resources to fulfill federally mandated ADA requirements.
13. Facilitate a public/private partnership to improve the city-owned Old Bath House building and Lover’s Point Park, in coordination with the Public Works Department. Manage the use of State Parks Bond monies to improve ADA accessibility, public access to the coast, and historic interpretation throughout the park.
14. Develop and improve a project status reporting system and an online permit assistance program to enable potential applicants and others to easily obtain planning and building information. Begin the development of an online user-friendly Geographic Information System (GIS) to provide mapped information on Pacific Grove attributes.
15. Provide permit assistance to encourage local business development and retention.

Performance Indicators:

- Number of Planning Permits Processed in 2007:
 - Use permits: 21
 - Use permit amendments: 1
 - Variances: 7
 - Architectural approvals: 99
 - Architectural approval amendments: 15
 - Architectural approval call-ups: 5
 - Historic preservation permits: 16
 - Tree permits: 12
 - Sign permits: 6
- Number of Building Permits Issued:
 - 2007: 807 applications
 - 2006: 910 applications

- 2005: 955 applications
- Value of Construction:
 - 2007: \$19,292,959
 - 2006: \$19,980,659
 - 2005: \$20,504,398

In future years, the Community Development Department will measure its performance in meeting the following service standards:

- Building permit plan checks: 20 working days for large construction, 15 working days for all others
- Building inspections: Next day turnaround for inspection requests submitted by 3:00pm
- Code enforcement: 3 working days from receipt of complaint to site visit
- Use Permits, Variances, Subdivisions: 30 working days from date deemed complete to public hearing (if no EIR required)
- Other planning permits: 20 working days from date deemed complete to public hearing (if no EIR required)

- Housing Rehabilitation Loans in 2007:
 - Number of loans: 4
 - Value of loans: \$246,000
- Private Sewer Lateral Loans in 2007:
 - Number of loans: 6
 - Value of loans: \$40,000
- Rental Assistance Program in 2007:
 - Number of households receiving subsidies: 15
 - Value of rent subsidies: \$45,000
- Housing Grants in 2007:
 - Value of new housing grants: \$188,000
 - Number of State housing grant reports filed accurately and on time: 20
- Affordable Housing Units Monitored in 2007:
 - Number of units monitored: 77

Community Development Budget Detail:

		FY 05/06	FY 06/07	FY 07/08	FY 08/09
		Actual	Actual	budget	budget
01 - General Fund					
PROGRAM REVENUES					
4203	CONSTRUCTION PERMITS	454,445	435,087	400,000	389,500
4401	USE PERMITS/ZONING FEES	81,552	40,768	70,000	42,750
4402	ZONING ENFORCEMENT/ARB	63,307	56,355	50,000	52,250
4403	SIGN PERMIT FEES-CDD	10,021	10,971	5,500	5,225
4404	PLAN CHECK FEES	233,809	227,790	275,000	194,750
4405	SALES, MAPS & PUBLICATION	164	101	500	95
4406	PHOTO COPY FEES	6,162	4,793	6,000	4,750
4407	ENVIRO REVIEW INITIAL	6,720	-	6,000	10,000
44XX	LONG RANGE PLANNING FEE	-	-	-	105,000
45XX	CODE ENFORCEMENT	-	-	-	10,000
47XX	HISTORIC PRESERVATION DEPOSIT	-	-	-	50,000
	Program revenues total	856,181	775,865	813,000	864,320
EXPENDITURES					
<i>201 - Planning & Building</i>					
5101	BASE SALARY	641,132	644,180	669,000	494,956
5102	OVERTIME	-	667	-	3,000
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	42,251	53,601	72,000	72,000
5111	PART-TIME SALARIES	-	-	-	-
5121	FICA-MEDICARE BENEFITS	8,663	8,413	9,700	8,191
5122	RETIREMENT (PERS)	122,284	77,573	85,996	45,422
5123	HEALTH INSURANCE COST	4,849	4,913	5,616	6,927
5124	UNEMPLOYMENT COST	263	250	-	203
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	11,070	10,854	4,817	4,709
5128	OTHER EMPLOYEE BENEFITS	7,879	8,012	11,127	8,377
5129	FLEXIBLE HEALTH BENEFIT	-	3,161	9,756	8,556
5130	POB DEBT SERVICE	-	-	50,576	64,790
	Staffing subtotal	838,391	811,624	918,589	717,131
5201	CONTRACT SERVICES	17,430	95,150	92,000	253,799
5202	PROF/CONSULTANT SERVICES	50	-	-	138,200
5208	CONTRACT PERSONNEL	-	-	-	-
5211	POSTAGE	6,183	4,484	6,500	5,000
5212	TELEPHONE	341	1,400	600	2,000
5215	MEETING/TRAINING/TRAVEL	1,036	1,990	5,000	5,000
5216	ATTENDANCE COSTS	94	176	-	-
5218	EDUCATION INCENTIVE	509	-	1,000	1,000
5221	ADVERTISING	7,071	7,493	7,500	7,000
5222	UTILITIES	9,224	9,726	8,500	9,500
5224	EQUIP REPAIR, MAINT	10,800	8,183	11,700	10,000
5226	EQUIPMENT REPAIR	-	-	-	-
5227	VEHICLE REPAIR	-	308	500	500
5231	INTERNAL SERVICE CHARGES	-	-	-	14,781
5261	SUBSCRIPTIONS, MEMB	1,550	1,740	1,800	1,800
	Services subtotal	54,285	130,650	135,100	448,580

		FY 05/06	FY 06/07	FY 07/08	FY 08/09
		Actual	Actual	budget	budget
5301	OFFICE SUPPLIES	8,960	7,783	8,500	8,500
5303	BOOKS, PRINTED MATL	1,979	1,159	2,500	2,500
5309	OTHER SUPPLIES	4,711	4,045	6,500	3,000
5311	VEHICLE FUEL	1,517	1,478	1,300	1,500
	Materials/supplies subtotal	17,167	14,465	18,800	15,500
5401	FUND TRANSFERS	-	-	-	69,775
	Transfers Subtotal	-	-	-	69,775
6001	EQUIPMENT	1,800	-	5,500	2,000
	Capital subtotal	1,800	-	5,500	2,000
	Non-staffing budget total	73,253	145,115	159,400	535,855
	Department total	911,643	956,739	1,077,989	1,252,986
Net General Fund cost		55,463	180,874	264,989	388,666
% program revenues		93.9%	81.1%	75.4%	69.0%

15 - Housing Fund

Beginning Fund Balance		1,170,589	1,034,892	1,025,827	828,191
PROGRAM REVENUES					
4320	CDBG GRANT	-	13,372	191,100	-
4321	CDBG SR HOUSING GRANT	14,090	20,910	-	-
4409	LOAN REPAYMENTS AMORTIZED	51,371	125,895	20,000	57,000
4410	CDBG LOAN REPAY TO BANK	25,185	15,331	-	-
4411	MISC. HOUSING REVENUES	2,840	48	-	1,050
4601	DONATIONS	-	5,000	-	-
4651	INTEREST EARNED	5,511	1	3,000	5,800
4701	REIMBURSEMENTS	1,753	3,118	1,200	-
4931	INTERFUND OPERATING TRANS	-	-	-	-
	Program Revenues Total	100,750	183,675	215,300	63,850
EXPENDITURES					
<i>202 - Housing Rehabilitation</i>					
5101	BASE SALARY	27,679	16,565	26,896	28,240
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	2,663	1,134	-	-
5121	FICA-MEDICARE BENEFITS	490	253	390	409
5122	RETIREMENT (PERS)	5,681	1,501	2,828	2,599
5123	HEALTH INSURANCE COST	-	-	-	290
5124	UNEMPLOYMENT COST	12	6	10	10
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	158	127	194	236
5128	OTHER EMPLOYEE BENEFITS	506	233	445	465
5129	FLEXIBLE HEALTH BENEFIT	-	31	372	372
5132	PERS P.O.B. PAYMENT	-	-	2,033	3,697
	Staffing Subtotal	37,189	19,850	33,168	36,318

		FY 05/06 Actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5201	CONTRACT SERVICES	123	234	200	-
5215	MEETING/TRAINING/TRAVEL	-	-	2,000	-
5216	ATTENDANCE COSTS	345	-	-	-
5221	ADVERTISING	2,548	113	300	-
5291	SPECIAL DEPT EXPENSE	6,216	1,892	20,000	-
	Services Subtotal	9,232	2,239	22,500	-
5309	OTHER SUPPLIES	290	358	500	-
	Supplies/Materials Subtotal	290	358	500	-
5421	LOANS	78,442	-	75,000	-
	Program Subtotal	78,442	-	75,000	-
5801	INTEREST PMTS	-	-	-	-
	Debt Service Subtotal	-	-	-	-
6603	INTEREST EXPENSE	-	39,535	-	-
	Investment Subtotal	-	39,535	-	-
	Staffing Costs	37,189	19,850	33,168	36,318
	Non-Staffing Costs	87,964	42,132	98,000	-
	Division Subtotal	125,153	61,982	131,168	36,318
204 - Housing Services					
5101	BASE SALARY	32,724	26,189	26,896	28,240
5105	PART-TIME SALARIES	1,467	6,495	-	7,760
5111	PART-TIME SALARIES	-	-	-	-
5121	FICA-MEDICARE BENEFITS	552	470	390	522
5122	RETIREMENT (PERS)	5,567	2,340	2,828	2,599
5123	HEALTH INSURANCE COST	-	-	-	290
5124	UNEMPLOYMENT COST	14	12	10	13
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	322	235	194	300
5128	OTHER EMPLOYEE BENEFITS	399	483	445	465
5129	FLEXIBLE HEALTH BENEFIT	-	57	372	372
5132	PERS P.O.B. PAYMENT	-	-	2,033	3,697
	Staffing Subtotal	41,045	36,281	33,168	44,258
5215	MEETING/TRAINING/TRAVEL	295	392	800	300
5216	ATTENDANCE COSTS	165	463	-	-
5221	ADVERTISING	-	-	200	200
5261	SUBSCRIPTIONS, MEMB	-	120	-	-
5291	SPECIAL DEPT EXPENSE	207	714	600	300
	Services Subtotal	667	1,689	1,600	800
5301	OFFICE SUPPLIES	329	675	1,000	500
5309	OTHER SUPPLIES	-	6	-	-
	Materials/Supplies Subtotal	329	681	1,000	500
5431	RENT SUBSIDIES	47,075	45,000	51,000	45,000
	Program Subtotal	47,075	45,000	51,000	45,000
6603	INTEREST EXPENSE	-	5,709	-	-
	Investment Subtotal	-	5,709	-	-
	Staffing Costs	41,045	36,281	33,168	44,258
	Non-Staffing Costs	48,071	53,079	53,600	46,300
	Division Subtotal	89,116	89,360	86,768	90,558

	FY 05/06 Actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
208 - CDBG Grant - 05-STBG-1573				
5101	-	-	-	
5105	-	-	-	
5111	-	-	-	
5121	-	-	-	
5122	-	-	-	
5123	-	-	-	
5124	-	-	-	
5125	-	-	-	
5126	-	-	-	
5127	-	-	-	
5128	-	-	-	
5129	-	-	-	
5132	-	-	-	
Staffing Subtotal	-	-	-	-
5201	-	15,445	195,000	
5216	-		-	
5221	-	339	-	
5291	-		-	
Services Subtotal	-	15,784	195,000	-
5301	-	-	-	
Materials/Supplies Subtotal	-	-	-	-
6603	-	5,709	-	
Investment Subtotal	-	5,709	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	-	21,493	195,000	-
Division Subtotal	-	21,493	195,000	-
Expenditure Total	236,447	192,740	412,936	126,876
Net Results of Operations	(135,697)	(9,065)	(197,636)	(63,026)
Ending Fund Balance	1,034,892	1,025,827	828,191	765,165

	FY 05/06 Actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
34 - CDBG				
Beginning Fund Balance	514,449	479,636	588,081	588,722
PROGRAM REVENUES				
4320 CDBG GRANT	-	144,971	163,000	181,818
4409 LOAN REPAYMENTS AMORTIZED	10,520	1,352	75,000	117,103
4601 DONATIONS	-	-	-	-
4651 INTEREST EARNED	237	7,652	-	-
4701	-	-	-	6,000
4931 INTERFUND OPERATING TRANS	-	-	-	-
Program Revenue Total	10,757	153,975	238,000	304,921
EXPENDITURES				
<i>206 - Housing Revolving Fund</i>				
5101 BASE SALARY	-	-	-	-
5104 SALARIES RETROACTIVE PAY	-	-	-	-
5105 PART-TIME SALARIES	5,853	-	-	20,822
5121 FICA-MEDICARE BENEFITS	85	-	-	302
5122 RETIREMENT (PERS)	-	-	-	-
5123 HEALTH INSURANCE COST	-	-	-	-
5124 UNEMPLOYMENT COST	2	-	-	7
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	211	-	-	173
5128 OTHER EMPLOYEE BENEFITS	-	-	-	-
5132 PERS P.O.B. PAYMENT	-	-	-	-
Staffing Subtotal	6,151	-	-	21,304
5211 POSTAGE	-	-	-	500
5215 MEETING/TRAINING/TRAVEL	-	-	-	4,000
5221 ADVERTISING	-	-	-	3,000
5291 SPECIAL DEPT EXPENSE	-	-	-	-
Services Subtotal	-	-	-	7,500
5306 OFFICE EQUIPMENT	-	-	-	2,000
5309 OTHER SUPPLIES	-	-	-	5,000
53XX RELOCATION EXPENSE	-	-	-	-
53XX PRELOAN EXPENSE	-	-	-	-
Materials/Supplies Subtotal	-	-	-	7,000
5401 FUND TRANSFERS	-	-	-	-
5421 LOANS	-	-	75,000	106,000
5422 WF LOAN SHARE	28,762	-	-	-
Program Subtotal	28,762	-	75,000	106,000
6603 INTEREST EXPENSE	-	4,071	-	650
Investment Subtotal	-	4,071	-	650
Staffing Costs	6,151	-	-	21,304
Non-Staffing Costs	28,762	4,071	75,000	121,150
Division Subtotal	34,913	4,071	75,000	134,954

		FY 05/06 Actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
209 - CDBG Grant - 06-STBG					
5101	BASE SALARY	5,632	15,003	10,411	10,932
5105	PART-TIME SALARIES	2,971	15,377	24,770	27,575
5121	FICA-MEDICARE BENEFITS	137	439	151	558
5122	RETIREMENT (PERS)	911	1,403	1,095	1,006
5123	HEALTH INSURANCE COST	-	-	-	122
5124	UNEMPLOYMENT COST	2	11	4	4
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	62	218	75	320
5127	LIFE/DISABILITY INSURANCE	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	-	383	172	180
5129	FLEXIBLE HEALTH BENEFIT	-	41	144	144
5132	PERS P.O.B. PAYMENT	-	-	787	1,431
	Staffing Subtotal	9,715	32,875	37,609	42,272
5201	CONTRACT SERVICES	-	239	3,500	500
5215	MEETING/TRAINING/TRAVEL	-	234	-	1,000
5216	ATTENDANCE COSTS	-	1,195	-	-
5221	ADVERTISING	382	2,527	3,000	500
5291	SPECIAL DEPT EXPENSE	560	3,012	4,000	-
	Services Subtotal	942	7,207	10,500	2,000
5306	OFFICE EQUIPMENT	-	-	-	2,000
5309	OTHER SUPPLIES	-	1,377	4,000	1,000
53XX	RELOCATION EXPENSE	-	-	-	2,000
53XX	PRELOAN EXPENSE	-	-	-	6,000
	Materials/Supplies Subtotal	-	1,377	4,000	11,000
5421	LOANS	-	-	110,250	140,000
	Program Subtotal	-	-	110,250	140,000
6603	INTEREST EXPENSE	-	-	-	650
	Investment Subtotal	-	-	-	650
	Staffing Costs	9,715	32,875	37,609	42,272
	Non-Staffing Costs	942	8,584	124,750	153,650
	Division Subtotal	10,657	41,459	162,359	195,922
	Expenditure Total	45,570	45,530	237,359	330,877
	Net Results of Operations	(34,813)	108,445	641	(25,956)
Ending Fund Balance		479,636	588,081	588,722	562,766

Finance and Budget

Mission:

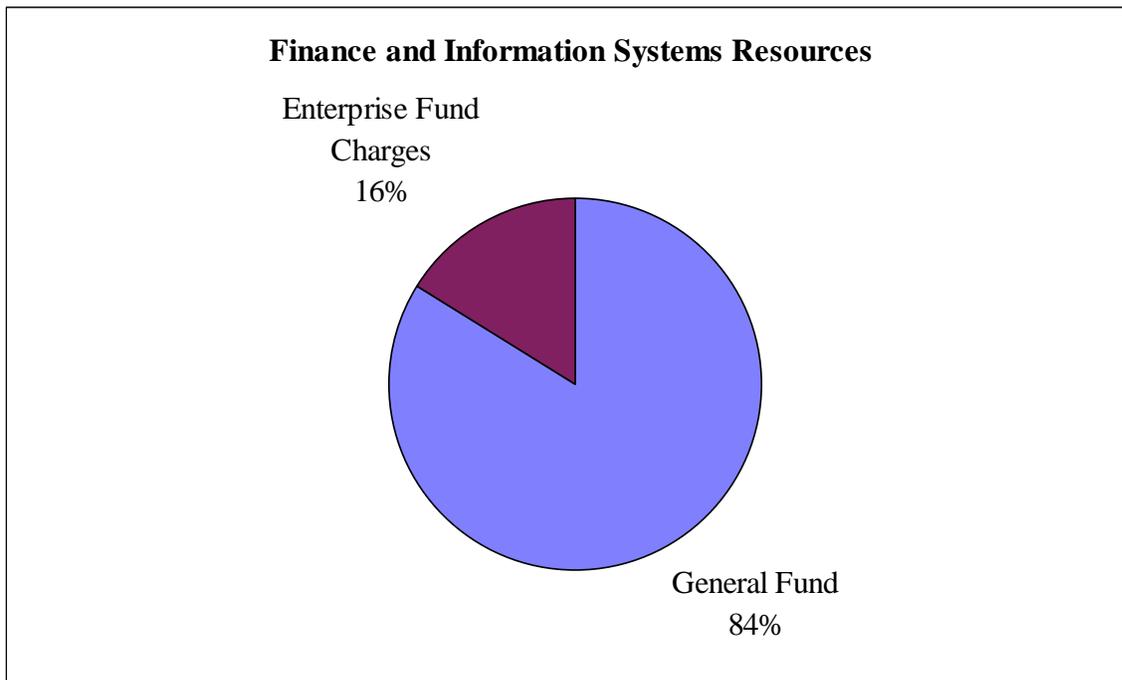
Assist the City Council, City Manager and operating departments in prudently managing financial resources and planning for the future by providing high-quality information and financial management services.

Services and Responsibilities:

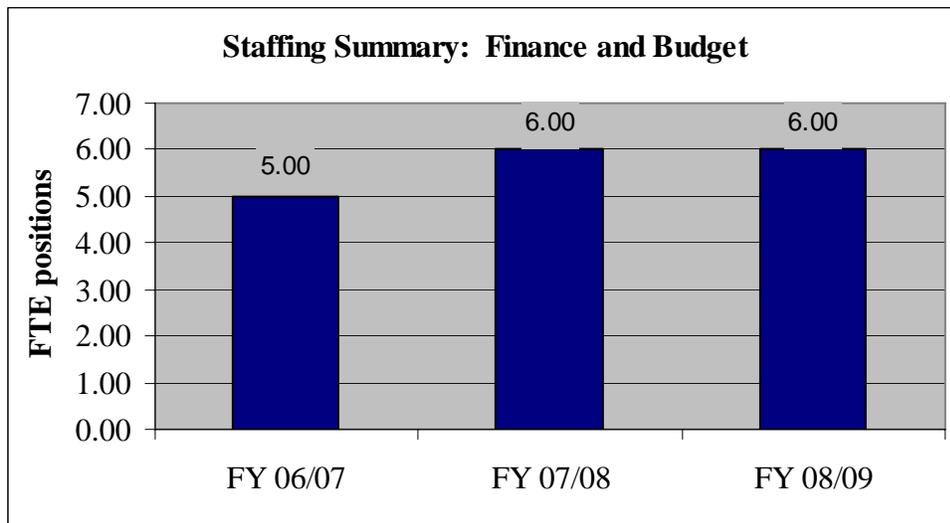
The department achieves its mission through its core functions, including:

- Accounting for the City's resources and disclosing the financial condition of the City and results of its operations in the year-end Comprehensive Annual Financial Report (CAFR).
- Preparing and monitoring the annual operating budget.
- Providing accounts payable, receivable, and payroll functions.
- Collecting and auditing all locally controlled revenues, including taxes, fees, charges and fines.
- Administering various license and permit programs, including business license, parking, and pet permits.
- Managing the City's debt, investment, and banking functions.

Budget at-a-glance:



Finance & Info. Systems Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	489,241	492,554	677,046	620,938
Services/Contracts	134,245	265,390	186,500	360,760
Materials Supplies	5,471	4,336	11,500	9,500
Non-Operating Transfers	-	-	-	65,081
Debt Service	29,034	42,099	29,100	-
Capital	58,069	112,586	108,200	25,000
Total Expenditures	716,060	916,965	1,012,346	1,081,279



Major Budget Changes:

Personnel costs are decreasing due to the elimination of the Information Technology Administrator position that had been created in FY 2007/08. The contracts and services budget is increasing to meet efficiency and system improvement goals. First, the budget includes approximately \$27,000 for a contract payroll service. The service is expected to provide more robust payroll services and make existing payroll staff available to improve accounts payable services. The budget also includes approximately \$15,000 for a courier service to transport parking meter revenue from City Hall to the bank. Third, it includes \$40,000 for professional services costs associated with the transition from a defined-benefit retirement system to a defined contribution system. Finally, the budget includes \$70,000 for information technology support services that will be necessary in the absence of a full-time staff position for this position.

Additionally, the budget contains a share of the City's overhead costs, specifically \$65,081 for debt service on the Civic Center shown in the "non-operating transfers" line in the table above, \$11,000 for liability insurance, and \$3,061 for employee health insurance claims. These costs were previously budgeted as operating transfers from the General Fund to other funds. Charging them directly to departments' budgets provides a clearer picture of the costs for specific City

services. Changing the location in the budget where these costs are displayed has a neutral effect on the total General Fund budget.

Service Objectives:

1. Continue transitioning the City's budget to a performance-based model, in which resources may be matched to specific service outcomes and presented for City Council consideration during the budget process.
2. Complete the transition from a defined-benefit retirement plan (CalPERS) to a defined contribution plan for new employees to reduce the potential for unfunded liabilities and align the retirement plan with community values for fairness.
3. Develop a multi-year, integrated management plan to include a financial forecast, Capital Improvement Plan (CIP) and fund deficit reduction plans.
4. Develop a monthly budget status report for presentation/submittal to the City Council.
5. Complete an inventory of all City assets to gain compliance with Governmental Accounting Standards Board (GASB) standards and provide information for decision makers regarding potential liquidation of assets.
6. Revise purchasing procedures to ensure compliance with all relevant regulations and increase efficiency for operations.
7. Implement procedures to ensure all financial operations comply with Generally Accepted Accounting Principles (GAAP) so that the financial statements are accurately presented and may be produced systematically.
8. Develop a capital improvement budget that addresses long-term needs for construction, replacement, and maintenance of City facilities and equipment.
9. Complete an audit of business license holders to ensure fairness in the obligation to pay for all businesses and additional revenue for the City.

Finance and Budget Detail:

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
131 - Finance					
EXPENDITURES					
5101	BASE SALARY	385,046	400,040	438,537	471,508
5102	OVERTIME	867	2,423	3,000	15,000
5104	SALARIES RETROACTIVE PAY	0	0	0	-
5121	FICA-MEDICARE BENEFITS	4,310	5,262	6,211	6,689
5122	RETIREMENT (PERS)	84,597	66,070	76,911	42,517
5123	HEALTH INSURANCE COST	7,102	7,783	3,978	4,914
5124	UNEMPLOYMENT COST	152	145	154	166
5125	DEFERRED COMPENSATION	0	0	0	-
5126	WORKERS' COMPENSATION	3,041	2,907	3,084	3,814
5128	OTHER EMPLOYEE BENEFITS	4,127	4,786	7,092	7,411
5129	FLEXIBLE HEALTH BENEFIT		3,138	6,000	7,200
5130	POB DEBT SERVICE	0	0	32,382	61,720
	Staffing subtotal	489,241 F	492,554	577,349	620,938
5201	CONTRACT SERVICES	17,187	106,834	50,000	77,000
5202	PROF/CONSULTANT SERVICES	5,900	18,003	10,000	58,000
5206	DATA, COMMUNICATION SVCS	0	0	0	-
5207	MAINTENANCE SERVICES	0	0	0	-
5211	POSTAGE	5,303	8,483	0	9,000
5212	TELEPHONE	0	741	0	1,000
5215	MEETING/TRAINING/TRAVEL	576	5,946	1,000	2,000
5216	ATTENDANCE COSTS	0	0	4,000	3,000
5217	TRAVEL, MEAL COSTS	0	0	4,000	4,000
5221	ADVERTISING	2,502	917	1,000	1,000
5222	UTILITIES	10,768	12,705	10,000	14,000
5224	EQUIP REPAIR, MAINT	20,030	41,131	42,500	45,000
5226	EQUIPMENT REPAIR	478	111	0	-
5230	INTERNAL SERVICE CHARGES	0	0	0	13,760
5261	SUBSCRIPTIONS, MEMB	220	973	2,000	2,000
5291	SPECIAL DEPT EXPENSE	248	26	0	-
	Services subtotal	63,210 F	195,870	124,500	229,760
5301	OFFICE SUPPLIES	4,601	3,932	8,500	7,000
5303	BOOKS, PRINTED MATL	0	0	2,000	1,500
5309	OTHER SUPPLIES	870	404	1,000	1,000
	Materials/supplies subtotal	5,471 F	4,336	11,500	9,500
5401	FUND TRANSFERS	0	0	0	65,081
	Transfers Subtotal	0	0	0	65,081
5801	INTEREST PMTS	29,034	0	29,100	-
5803	BOND - INTEREST PMTS	0	2,099	0	-
5805	P.O.B. PRINCIPAL PAYMENT	0	40,000	0	-
	Debt Service	29,034	42,099	29,100	-
6001	EQUIPMENT	0	273	0	-
	Capital subtotal	58,069 U	84,471	58,200	-
	Staffing Budget	489,241	492,554	577,349	620,938
	Non-Staffing Budget	155,785	326,776	223,300	304,341
	Section total	615,991 F	777,231	771,549	860,198

		FY 05/06	FY 06/07	FY 07/08	FY 08/09
		actual	actual	budget	budget
133 - Information Systems					
EXPENDITURES					
5101	BASE SALARY	0	0	80,000	-
5102	OVERTIME	0	0	0	-
5104	SALARIES RETROACTIVE PAY	0	0	0	-
5105	PART-TIME SALARIES	0	0	0	-
5121	FICA-MEDICARE BENEFITS	0	0	1,160	-
5122	RETIREMENT (PERS)	0	0	8,413	-
5123	HEALTH INSURANCE COST	0	0	936	-
5124	UNEMPLOYMENT COST	0	0	29	-
5125	DEFERRED COMPENSATION	0	0	0	-
5126	WORKERS' COMPENSATION	0	0	576	-
5128	OTHER EMPLOYEE BENEFITS	0	0	1,335	-
5129	FLEXIBLE HEALTH BENEFIT	0	0	1,200	-
5130	POB DEBT SERVICE	0	0	6,048	-
	Staffing subtotal	0 F	0	99,697	-
5201	CONTRACT SERVICES	0	5,082	0	70,000
5206	DATA, COMMUNICATION SVCS	5,590	4,483	10,000	10,000
5207	MAINTENANCE SERVICES	26,381	15,955	9,000	9,000
5212	TELEPHONE	18,331	21,769	21,000	22,000
5217	TRAVEL, MEAL COSTS	0	0	2,000	-
5224	EQUIP REPAIR, MAINT	20,733	22,231	20,000	20,000
	Services subtotal	71,034 U	69,520	62,000	131,000
5303	BOOKS, PRINTED MATL	0	0	0	-
	Materials/supplies subtotal	0	0	0	-
6001	EQUIPMENT	0	28,115	50,000	25,000
	Capital subtotal	0 U	28,115	50,000	25,000
	Staffing Budget	0	0	99,697	0
	Non-Staffing Budget	71,034	97,635	112,000	156,000
	Section total	71,034 F	97,635	211,697	156,000
	Staffing Budget	489,241	492,554	677,046	620,938
	Non-Staffing Budget	226,819	424,411	335,300	460,341
	Department total	716,060 F	916,965	1,012,346	1,081,279

Fire

Mission:

Protect life, property and the environment from the adverse effects of fire, medical emergencies, accidents, the release of hazardous materials, natural and man-made disasters and exposure to hazardous conditions.

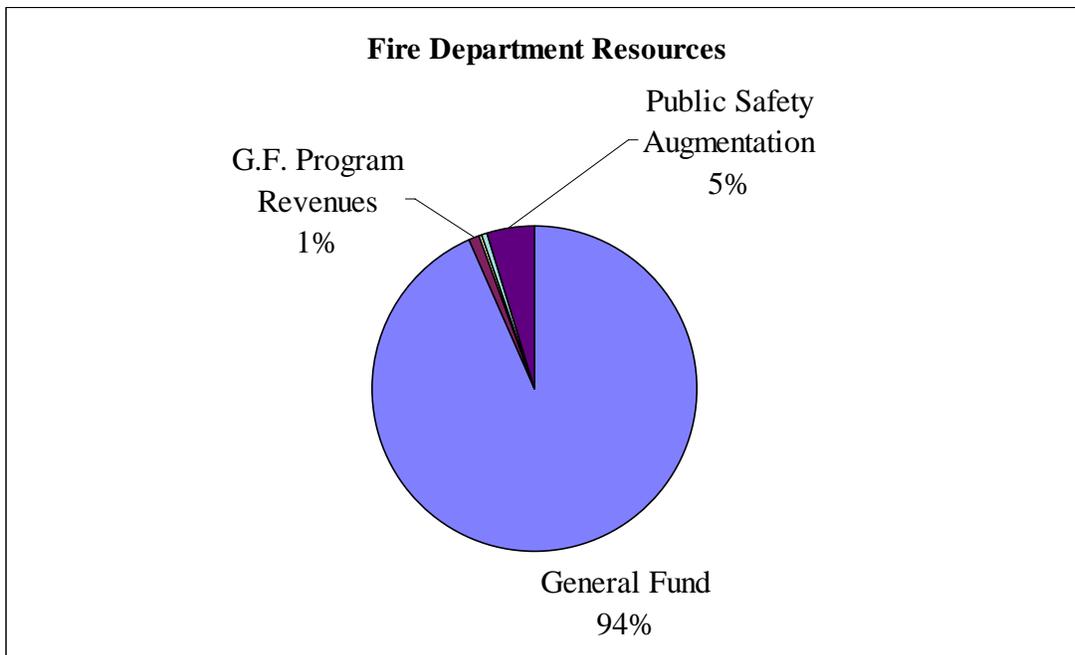
Services and Responsibilities:

The Fire Department provides a broad range of emergency response, preparedness, and loss prevention services. In addition to fires, medical emergencies and hazardous material spills, the City provides ocean rescue response services for all cities in Monterey County, and hyperbaric chamber emergency treatment for central and northern California.

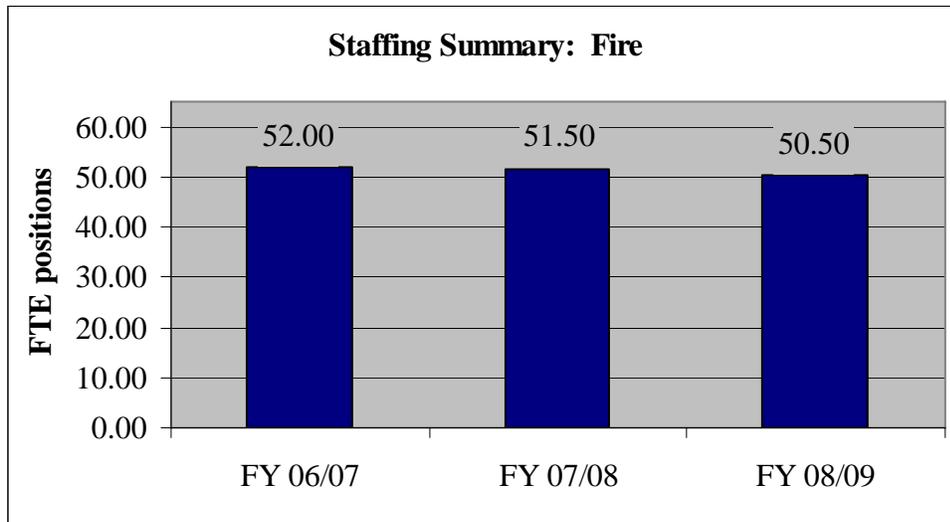
Fire Department prevention services include community education initiatives, business inspection, and construction plan review for fire code compliance. Community education initiatives include: Community Emergency Response Team (CERT) program coordination, the Fire Explorer Scout program, CPR and lifeguard first-aid training. The City also provides smoke detector/battery installation assistance.

The Department is exploring regional approaches, in partnership with Monterey, to provide higher quality and more efficient services. The City of Pacific Grove provides fire administration services to the City of Carmel through a contractual relationship. Both cities receive incident command services from the City of Monterey through a contractual relationship.

Budget at-a-glance:



Fire Department Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	2,702,937	2,544,749	2,741,672	2,757,942
Services/Contracts	148,079	172,404	194,863	487,017
Materials Supplies	30,953	37,502	43,463	43,463
Transfers	-	-	-	17,987
Capital	9,233	31,695	12,000	52,000
Total Expenditures	2,891,202	2,786,350	2,991,998	3,358,409



Major Budget Changes:

Budget reduction strategies for the Fire Department include a transition to a service model that relies heavily on overtime staffing as opposed to additional staff to fill shifts. This model, characterized as “constant staffing” enables the City to eliminate three firefighter positions, which is expected to result in net savings of approximately \$93,000, after the costs for additional overtime are factored in. Based on current vacancy rates, this strategy could require three firefighter lay-offs. *(Plans notwithstanding, these positions are budgeted, as the layoffs have been temporarily delayed in light of unusually high rates of employee disability that would otherwise require significantly more resources in overtime.)* Additionally, the department will eliminate its vacant Office Assistant position for a savings of \$54,000, a portion of its funding for the part-time (volunteer) firefighter program, and other part-time staffing resources for a total departmental savings from the FY 2007/08 services and staffing level of \$182,000.

The City is currently negotiating with the City of Monterey regarding terms for a merged fire department. The outcome of the negotiations will affect costs for FY 2008/09. Problematically, the budget adopted for July 1st is likely unrealistic. The City currently receives incident management services from the City of Monterey for \$40,000 per year, which is a much lower cost than the services would cost through any other arrangement. Staff has been informed that

should the merger not occur, the City of Monterey will discontinue providing its services at such heavily subsidized rates.

This savings derived from reduced staffing levels is offset by increasing fixed costs and costs that were displayed elsewhere in previous years' budgets. The department's share of citywide debt service for pension obligation bonds issued in 2006 is increasing by approximately \$105,000. Additionally, the FY 2008/09 department budgets contain costs attributable to department services that were previously budgeted as operating transfers from the General Fund to other funds. Largest among these for the Fire Department is the cost for 9-1-1 communications (dispatch) services provided by Monterey County. The department's share of FY 2008/09 costs are anticipated to be approximately \$50,000. Pursuant to an accounting correction from FY 2006/07, an additional year's costs (\$40,000 in this case) will be charged to the department. Other costs charged directly to the department for the first time include liability insurance (\$35,183), employee benefit claims (\$9,000), and vehicle replacement costs (\$17,987). These cost categories, mostly contained in the contract services budget accounts, were previously budgeted elsewhere in the General Fund. Displaying them in the department budgets has a neutral effect on the total General Fund budget.

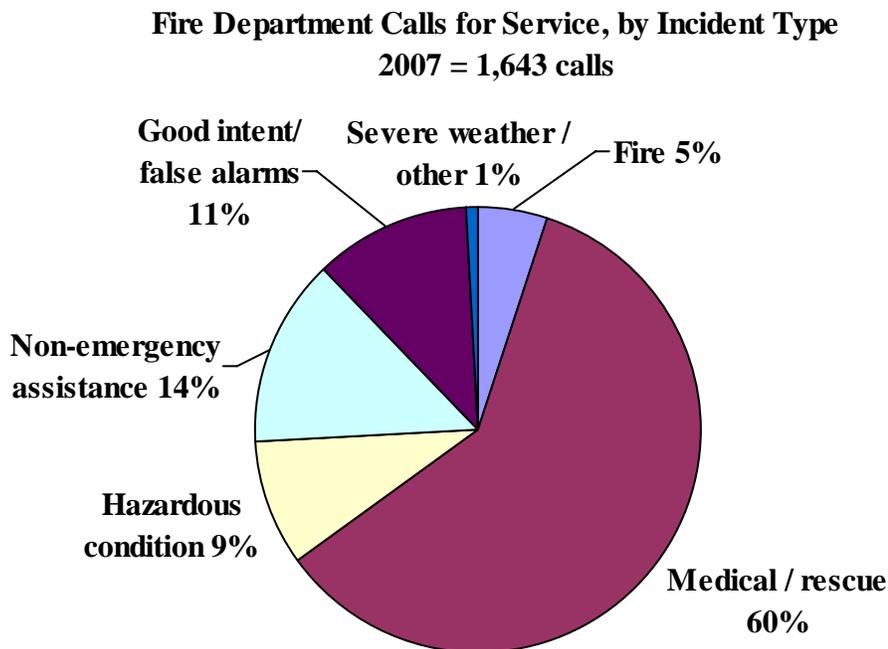
The capital budget is increasing by \$40,000 for the initial payment for federally mandated radio communications infrastructure purchased through a regional collaborative with other cities and Monterey County.

Service Objectives:

1. Continue the fire services merger process with the City of Monterey to provide high quality, more flexible services to residents of both cities at costs lower than would be required in the long-term for residents of Pacific Grove and Monterey.
2. Build upon the City's relationship with surrounding Fire Departments. Specific goals include implementing enhanced automatic-aid contracts, developing joint training and performance standards, and exploring opportunities for cooperative purchasing and equipment standardization.
3. Aggressively pursue grants that could pay for necessary emergency equipment, training, and community education.
4. Update the City's Multi-Hazard Plan, provide annual Emergency Operations Center (EOC) training and facilitate exercises for all assigned City personnel.
5. Continue to work with the Monterey County Operational Area Communications System (NGEN) Task Force. The objective is to find solutions for existing communications issues and planning for future needs with respect to the mandated narrow banding and Project 25 compliance.

6. Maintain a highly-trained work force by providing comprehensive training that meets local, state and federal training standards and mandates.
7. Conduct fire and life safety inspections in all commercial occupancies to include residential care facilities, apartment complexes, motels, hotels and all educational facilities.
8. Provide comprehensive fire and life safety presentations to all PGUSD children grades K-5. This will include utilization of the Fire Safety Trailer for all 3rd grade students. In all we will strive to educate over 1,000 children.
9. Ensure that the Fire Prevention Division will start the plan review process within three working days from receipt from the Building Department.
10. Flow test 20% of fire hydrants (20% per year) to verify / maintain fire flow capabilities.
11. Test all fire hose, self-contained breathing apparatus and fire pumps per NFPA specifications.
12. Review, update and revise the fire department policy manual.

Performance Indicators:



- Average emergency response time
 - Fire emergencies:
 - 2006: 3 minutes, 51 seconds
 - 2007: 4 minutes
 - Medical emergencies:
 - 2006: 3 minutes, 40 seconds
 - 2007: 3 minutes, 40 seconds

(National Fire Protection Association response standard: 5 minutes)

- Estimated value of property loss from fire:
 - 2006: \$309,150
 - 2007: \$535,600

Fire Budget Detail:

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
01 - General Fund					
PROGRAM REVENUES					
4351	FIRE AID REIMB.	18,508	71,158	30,000	20,800
4435	FIRE RESPONSE FEES	50	4	-	-
4436	FIRE INSPECT/PERMIT/ALRM	23,012	11,383	15,000	15,000
4437	FIRE PLAN CHECK	4,991	7,925	8,000	7,200
4440	FIRE SERV.TO CARMEL	65,626	94,474	150,000	135,000
	Program revenues total	112,186	184,944	203,000	178,000
EXPENDITURES					
<i>351 - Fire Operations</i>					
5101	BASE SALARY	1,643,515	1,730,181	1,699,058	1,515,211
5102	OVERTIME	72,699	92,846	75,000	225,000
5103	STAND-BY PAY/FLSA PAY	33,143	33,305	35,894	32,332
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	5,492	20,780	55,000	40,000
5106	UNIFORM ALLOWANCE PAY	14,024	13,955	13,210	12,340
5107	VOLUNTEER FIREFIGHTERS	36,910	41,122	40,000	20,000
5108	OES REIMBURSEMENTS	8,848	45,387	30,000	30,000
5121	FICA-MEDICARE BENEFITS	12,392	12,625	23,459	21,519
5122	RETIREMENT (PERS)	655,195	336,167	344,488	274,362
5123	HEALTH INSURANCE COST	14,306	14,952	8,764	9,658
5124	UNEMPLOYMENT COST	699	696	582	534
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	190,822	189,117	158,530	173,940
5127	LIFE/DISBILITY INSURANCE	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	7,743	6,941	7,082	5,916
5129	FLEXIBLE HEALTH BENEFIT	-	1,338	3,600	2,400
5130	POB DEBT SERVICE	-	-	236,655	383,357
	Staffing subtotal	2,695,789	2,539,412	2,731,322	2,746,569
5201	CONTRACT SERVICES	26,731	66,034	63,750	229,150
5211	POSTAGE	1,034	583	1,000	1,000
5212	TELEPHONE	2,205	3,986	3,000	3,000
5215	MEETING/TRAINING/TRAVEL	337	717	1,000	1,000
5216	ATTENDANCE COSTS	99	6	-	-
5218	EDUCATION INCENTIVE	1,439	625	2,500	2,500
5220	TRAINING	6,768	5,860	8,100	8,100
5222	UTILITIES	18,345	16,680	17,113	17,000
5223	BLDG REPAIR, MAINT	7,664	3,768	8,500	8,500
5224	EQUIP REPAIR, MAINT	4,141	4,155	5,000	5,000
5226	EQUIPMENT REPAIR	9,335	6,528	13,650	13,650
5227	VEHICLE REPAIR	13,461	13,792	13,000	13,000
5230	INTERNAL SERVICE CHARGES	-	-	-	44,367
5261	SUBSCRIPTIONS, MEMB	2,040	1,537	4,200	4,200
5275	SAFETY EQUIP	26,713	20,602	22,000	25,000
5276	FUEL SYSTEM REPAIR	-	-	-	-
5277	VOLUNTEER EXPENSE	10,590	8,928	11,250	8,250
5291	SPECIAL DEPT EXPENSE	7,833	6,674	8,400	8,400
5295	FIRE PREVENTION	3,103	1,945	3,300	3,300
	Services subtotal	141,839	162,420	185,763	395,417

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
5301	OFFICE SUPPLIES	3,886	1,598	5,800	5,800
5302	PRINTING SUPPLIES	855	412	1,500	1,500
5305	JANITORIAL SUPPLIES	1,858	1,430	2,400	2,400
5309	OTHER SUPPLIES	4,052	1,795	3,700	3,700
5311	VEHICLE FUEL	12,852	14,978	13,613	13,613
5312	VEHICLE TIRES	348	2,793	3,000	3,000
5322	SMALL TOOLS	856	841	1,900	1,900
5352	CHEMICAL SUPPLIES	1,829	925	4,450	4,450
5371	DISASTER SUPPLIES	229	466	1,000	1,000
	Materials/supplies subtotal	26,764	25,238	37,363	37,363
5401	FUND TRANSFERS	-	-	-	17,987
	Transfers Subtotal	-	-	-	17,987
6001	EQUIPMENT	2,000	917	2,000	42,000
	Capital subtotal	2,000	917	2,000	42,000
	Non-staffing budget total	170,603	188,575	225,126	492,767
	Department total	2,866,392	2,727,987	2,956,448	3,239,336
	Net General Fund cost	2,754,206	2,543,043	2,753,448	3,061,336
	% program revenues	3.9%	6.8%	6.9%	5.5%

04 - Ocean Rescue

Beginning Fund Balance		17,359	17,191	26,511	18,561
PROGRAM REVENUES					
4601	DONATIONS	-	-	-	-
4609	HYPER CHAMBER REVENUE	13,915	28,401	10,000	10,000
4651	INTEREST EARNED	276	-	100	700
	Program Revenue Total	14,191	28,401	10,100	10,700
EXPENDITURES					
352 - Ocean Rescue Patrol					
5102	OVERTIME	524	250	1,000	1,000
5105	PART-TIME SALARIES	5,775	4,532	8,000	8,000
5111	PART-TIME SALARIES	-	-	-	-
5121	FICA-MEDICARE BENEFITS	88	67	100	216
5122	RETIREMENT (PERS)	168	38	200	200
5123	HEALTH INSURANCE COST	-	1	-	-
5124	UNEMPLOYMENT COST	2	2	50	53
5126	WORKERS' COMPENSATION	591	447	1,000	1,904
5129	FLEXIBLE HEALTH BENEFIT	-	-	-	-
5132	PERS P.O.B. PAYMENT	-	-	-	-
	Staffing Subtotal	7,148	5,337	10,350	11,373

		FY 05/06	FY 06/07	FY 07/08	FY 08/09
		actual	actual	budget	budget
5301	OFFICE SUPPLIES	3,886	1,598	5,800	5,800
5302	PRINTING SUPPLIES	855	412	1,500	1,500
5305	JANITORIAL SUPPLIES	1,858	1,430	2,400	2,400
5309	OTHER SUPPLIES	4,052	1,795	3,700	3,700
5311	VEHICLE FUEL	12,852	14,978	13,613	13,613
5312	VEHICLE TIRES	348	2,793	3,000	3,000
5322	SMALL TOOLS	856	841	1,900	1,900
5352	CHEMICAL SUPPLIES	1,829	925	4,450	4,450
5371	DISASTER SUPPLIES	229	466	1,000	1,000
	Materials/supplies subtotal	26,764	25,238	37,363	37,363
5401	FUND TRANSFERS	-	-	-	17,987
	Transfers Subtotal	-	-	-	17,987
6001	EQUIPMENT	2,000	917	2,000	42,000
	Capital subtotal	2,000	917	2,000	42,000
	Non-staffing budget total	170,603	188,575	225,126	492,767
	Department total	2,866,392	2,727,987	2,956,448	3,239,336
	Net General Fund cost	2,754,206	2,543,043	2,753,448	3,061,336
	% program revenues	3.9%	6.8%	6.9%	5.5%

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
<i>12 - Emergency Response Equipment</i>				
Beginning Fund Balance	38,229	42,228	23,450	18,350
PROGRAM REVENUES				
4383 COUNTY-CERT PROGRAM	-	-	-	-
4491 MPC FIREFIGHT.UDPT/TRAIN	7,642	8,865	10,000	8,000
4524 SMOKE DETECTOR RECEIPTS	5	350	200	250
4525 CSA/COUNTY MEDICAL	4,685	5,251	-	5,251
4526 SAFETY TRAILER REVENUE	571	938	1,000	1,000
4608 FIRE EMERG MED DONATIONS	750	5,100	1,000	1,000
4651 INTEREST EARNED	797	-	200	700
Program Revenue Total	14,450	20,504	12,400	16,201
EXPENDITURES				
<i>353 - Emergency Response Equipment</i>				
5102 OVERTIME	-	-	-	-
5121 FICA-MEDICARE BENEFITS	-	-	-	-
5122 RETIREMENT (PERS)	-	-	-	-
5123 HEALTH INSURANCE COST	-	-	-	-
5124 UNEMPLOYMENT COST	-	-	-	-
5126 WORKERS' COMPENSATION	-	-	-	-
5128 OTHER EMPLOYEE BENEFITS	-	-	-	-
5129 FLEXIBLE HEALTH BENEFIT	-	-	-	-
Staffing Subtotal	-	-	-	-
5291 SPECIAL DEPT EXPENSE	231	745	2,500	2,500
Services Subtotal	231	745	2,500	2,500
5309 OTHER SUPPLIES	2,987	3,147	5,000	5,000
Materials/Supplies Subtotal	2,987	3,147	5,000	5,000
6001 EQUIPMENT	7,233	30,778	10,000	10,000
Capital Subtotal	7,233	30,778	10,000	10,000
6603 INTEREST EXPENSE	-	4,612	-	-
Investment Subtotal	-	4,612	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	10,451	39,282	17,500	17,500
Division Total	10,451	39,282	17,500	17,500
Net Result of Operations	3,999	(18,778)	(5,100)	(1,299)
Ending Fund Balance	42,228	23,450	18,350	17,051

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
42 - Public Safety Augmentation Fund				
Beginning Fund Balance	(15,004)	(19,156)	(223,866)	(73,876)
PROGRAM REVENUES				
4305 PUBLIC SFTY AUGMNT FUND	84,581	111,662	95,000	33,000
4439 EMERGENCY RESPONSE COST	-	-	-	125,400
4651 INTEREST EARNED	-	22,680	-	-
4931 INTERFUND OPERATING TRANS	110,058	110,000	115,000	-
Program Revenue Total	194,639	244,342	210,000	158,400
EXPENDITURE				
303 - Public Safety Augmentation				
5101 BASE SALARY	-	-	-	-
Staffing Subtotal	-	-	-	-
5201 CONTRACT SERVICES	198,791	230,744	210,000	82,500
Services Subtotal	198,791	230,744	210,000	82,500
6603 INTEREST EXPENSE	-	-	-	-
Investment Subtotal	-	-	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	198,791	230,744	210,000	82,500
Division Total	198,791	230,744	210,000	82,500
Net Result of Operations	(4,152)	13,598	-	75,900
Prior Period Adjustment		218,308		
Ending Fund Balance	(19,156)	(223,866)	(223,866)	2,024

Golf

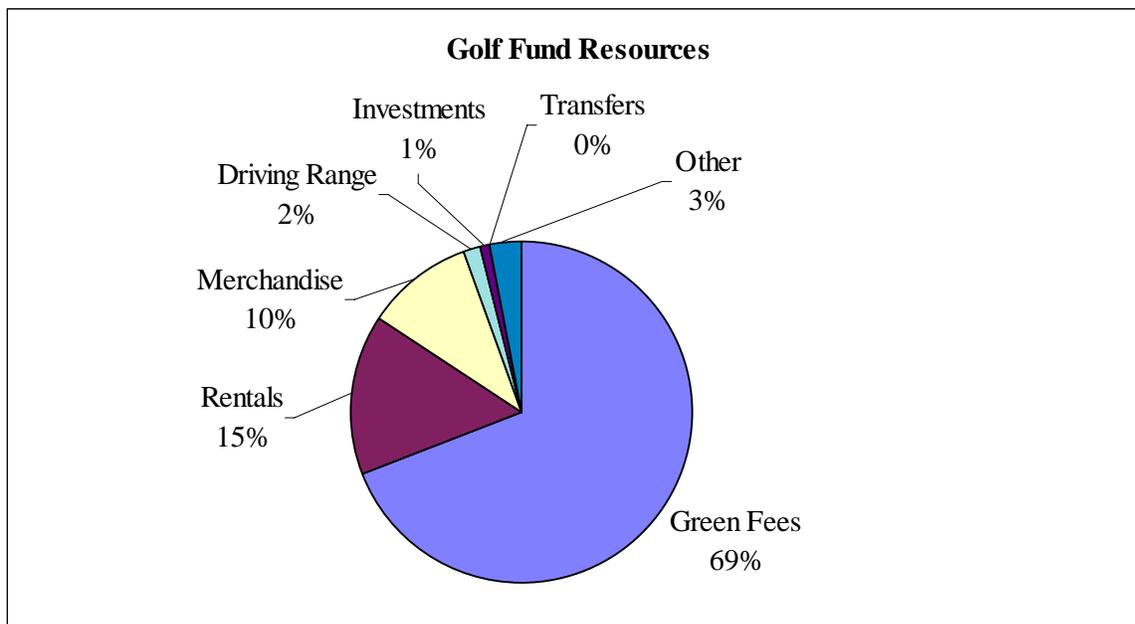
Mission:

Provide outstanding and memorable golf experiences for Pacific Grove residents and visitors with a business model that provides discounted golf for residents and a direct economic benefit to the community in the form of revenue for general City services.

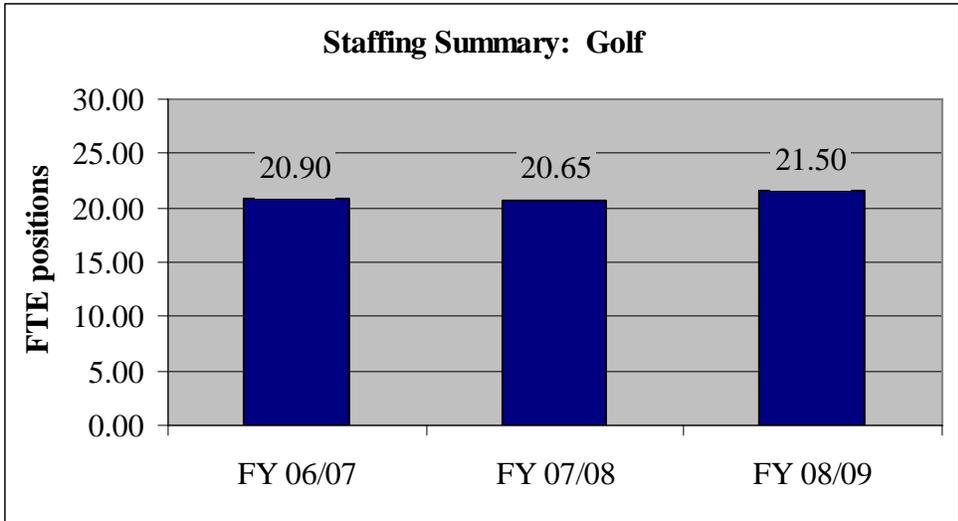
Services and Responsibilities:

The Department manages an 18-hole golf course, driving range, putting greens, golf shop, and clubhouse. In 2006, the City took ownership of the Point Pinos Lighthouse, which is located adjacent to the golf course, along with the land associated with holes 10-18 of the course. As part of the transfer, the City assumed responsibility for restoring the dunes adjacent to the golf course. The Golf Department is responsible for managing this multi-year project.

Budget at-a-glance:



Golf Fund Appropriations Summary (All Divisions)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	836,486	1,005,970	1,130,809	1,052,280
Services/Contracts	297,965	514,789	433,500	461,016
Materials Supplies	96,079	102,226	82,400	83,900
Transfers/Depreciation	333,684	611,550	950,064	1,227,322
Debt Service	266,913	252,537	270,072	268,935
Capital	2,477,249	276,406	350,000	350,000
Total Expenditures	4,308,376	2,763,478	3,216,845	3,443,453



Major Budget Changes:

The most significant changes in the budget are: 1) the elimination of the Golf Director position, which is reflected in the “Personnel” row in the table above; and 2) an additional \$190,000 transfer to the General Fund to support general City services, shown in the “transfers/depreciation” row.

Other changes in the expenditure budget strengthen the alignment of the City’s budgeting practices with accounting practices. For example, capital depreciation, which must be charged annually but had not been budgeted in recent years, is included in the amount of \$240,000 in the “transfers/depreciation” budget. This category also includes charges for administrative services provided by the General Fund, budgeted to be \$21,371 lower in FY 2008/09 than in FY 2007/08.

Service Objectives:

1. Begin planning for golf course capital improvements, which will include sand bunker renovation, additional new bunkers, and underground utilities.
2. Increase the number of tournaments and special events at the golf course and clubhouse.
3. Continue implementing the multi-year Dunes Restoration Plan.

Performance Indicators:

	Total rounds played	Daily fee (full price) rounds as % of rounds	Daily fee (full price) revenue as % of total revenue
FY 2007/08 (est.)	75,000	72%	90%
FY 2006/07 (est.)	77,242	60%	85%
FY 2005/06 (est.)	73,530	57%	83%
FY 2004/05 (est.)	77,296	52%	84%

Golf Budget Detail:

	FY 05/06 actual	FY 06/07 budget	FY 07/08 budget	FY08/09 budget
77 - Golf Fund				
INVESTED IN CAPITAL, NET OF DEBT SERVICE UNRESTRICTED			3,020,358	2,729,916
			278,870	288,870
			201,516	530,713
Beginning Fund Balance	3,446,479	3,031,491	3,500,744	3,550,499
PROGRAM REVENUES				
4011 BOND PROCEEDS	-	-	-	-
4490 GOLF COURSE GREEN FEES	1,607,907	1,680,000	2,135,000	2,135,000
4493 GOLF CART RENTALS	-	-	330,000	400,000
4494 GOLF LESSONS	-	-	-	-
4495 GOLF MERCHANDISE	-	-	300,000	315,000
4496 MISC RENTALS	-	-	60,000	70,000
4497 GIFT CERTIFICATE SOLD	-	-	20,000	20,000
4498 CREDIT BOOK DEPOSIT	-	-	10,000	30,000
4499 DRIVING RANGE FEES	-	-	50,000	50,000
4513 MISCELLANEOUS REVENUES	3,690	-	-	-
4518 OVERDUE/UNDER REPORTED	-	-	-	-
4530 UTILITY REIMBURSEMENTS	9,555	9,000	-	-
4601 DONATIONS	72	1,000	-	-
4651 INTEREST EARNED	34,718	10,000	15,000	25,000
4666 GOLF SNACK BAR CONCESSION	-	24,000	45,000	45,000
4668 GOLF PRO CONCESSION	-	425,000	-	-
4751 REFUNDS & REBATES	70,478	-	-	-
4931 INTERFUND OPERATING TRANS	1,567	420	-	-
4941 CAPITAL CONTRIB - LAND	-	-	-	-
Program Revenues Total	1,727,987	2,149,420	2,965,000	3,090,000
EXPENDITURES				
621 - Golf Course operations				
5101 BASE SALARY	631,931	619,730	594,063	496,629
5102 OVERTIME	5,720	7,500	7,500	7,500
5103 STAND-BY PAY/FLSA PAY	-	-	-	-
5104 SALARIES RETROACTIVE PAY	-	-	-	-
5105 PART-TIME SALARIES	13,597	28,000	28,000	28,000
5106 UNIFORM ALLOWANCE PAY	-	-	-	-
5111 PART-TIME SALARIES	-	-	-	-
5121 FICA-MEDICARE BENEFITS	8,207	8,960	8,493	7,521
5122 RETIREMENT (PERS)	99,790	52,621	61,642	45,242
5123 HEALTH INSURANCE COST	3,373	2,176	4,084	4,062
5124 UNEMPLOYMENT COST	243	254	211	187
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	65,574	66,101	21,671	22,251
5127 LIFE/DISABILITY INSURANCE	-	-	-	-
5128 OTHER EMPLOYEE BENEFITS	8,051	12,614	10,036	8,479
5129 FLEXIBLE HEALTH BENEFIT	-	-	10,800	9,600
5130 POB DEBT SERVICE	-	-	44,280	65,009
Staffing Subtotal	836,486	797,956	790,780	694,480

	FY 05/06 actual	FY 06/07 budget	FY 07/08 budget	FY08/09 budget
5201 CONTRACT SERVICES	43,650	40,000	50,000	50,000
5202 PROF/CONSULTANT SERVICES	-	3,000	3,000	3,000
5204 ENGINEERING/DESIGN SVCS	-	2,000	2,000	2,000
5206 DATA, COMMUNICATION SVCS	1,500	5,000	5,000	5,000
5211 POSTAGE	-	200	200	200
5212 TELEPHONE	4,830	5,000	5,000	5,000
5215 MEETING/TRAINING/TRAVEL	1,850	3,000	2,000	2,000
5216 ATTENDANCE COSTS	-	-	-	-
5217 TRAVEL, MEAL COSTS	-	-	-	-
5221 ADVERTISING	4,992	6,000	6,000	6,000
5222 UTILITIES	159,023	170,000	180,000	180,000
5223 BLDG REPAIR, MAINT	4,339	5,000	5,000	5,000
5224 EQUIP REPAIR, MAINT	786	4,000	4,000	4,000
5226 EQUIPMENT REPAIR	9,459	14,000	13,000	13,000
5227 VEHICLE REPAIR	402	3,000	3,000	3,000
5231 INSURANCE	56,700	56,700	56,700	83,814
5233 GOLF DAMAGE CLAIMS	10,399	10,000	10,000	10,000
5234 DENTAL CLAIMS	-	-	-	5,102
5241 EQUIP RENTAL	-	1,000	1,000	1,000
5261 SUBSCRIPTIONS, MEMB	35	1,000	1,000	1,000
Services Subtotal	297,965	328,900	346,900	379,116
5301 OFFICE SUPPLIES	1,706	2,000	2,000	2,000
5302 PRINTING SUPPLIES	-	500	500	500
5303 BOOKS, PRINTED MATL	-	300	300	300
5304 ELECTRONIC MATLS	-	300	300	300
5305 JANITORIAL SUPPLIES	4,090	4,000	4,000	4,000
5309 OTHER SUPPLIES	24,565	17,000	17,000	17,000
5311 VEHICLE FUEL	14,872	10,000	12,000	13,000
5312 VEHICLE TIRES	1,188	1,500	1,500	1,500
5322 SMALL TOOLS	1,691	1,500	1,500	1,500
5324 CONSTRUCTION SUPPLIES	10,732	10,000	1,000	1,000
5325 HAZ WASTE DISPOSAL	734	500	500	500
5351 AGRICULTURAL SUPPLIES	30,781	28,000	35,000	35,000
5352 CHEMICAL SUPPLIES	5,720	5,000	5,000	5,000
Materials/Supplies Subtotal	96,079	80,600	80,600	81,600
5401 FUND TRANSFERS	-	-	400,000	720,000
5491 INDIRECT COST ALLOCATION	-	275,400	216,194	182,378
Transfers Subtotal	-	275,400	616,194	902,378
6603 INTEREST EXPENSE	-	-	-	-
Investment Subtotal	-	-	-	-
Staffing Costs	836,486	797,956	790,780	694,480
Non-Staffing Costs	394,044	684,900	1,043,694	1,363,094
Division Subtotal	1,230,530	1,482,856	1,834,474	2,057,574

	FY 05/06 actual	FY 06/07 budget	FY 07/08 budget	FY08/09 budget
622 - Golf Course Capital Improvement				
5201 CONTRACT SERVICES	-	-	-	-
Services Subtotal	-	-	-	-
5411 BLDG DEPRECIATION	8,908	-	74,622	74,461
5412 IMPROVEMENTS DEPR	230,417	-	163,760	162,231
5413 EQUIP DEPRECIATION	94,359	-	48,447	28,046
Depreciation Subtotal	333,684	-	286,829	264,738
5801 INTEREST PMTS	201,913	206,756	205,072	203,935
5802 PRINCIPAL PMTS	65,000	65,000	65,000	65,000
Debt Service Subtotal	266,913	271,756	270,072	268,935
6001 EQUIPMENT	45,247	75,000	-	-
6021 GENERAL BLDG IMP	44,685	-	-	-
6031 PARK, OPEN SPACE IMP	79,435	100,000	100,000	100,000
6061 GOLF COURSE IMP	79,105	70,000	50,000	50,000
6062 LAND ACQUISITION	-	-	-	-
Capital Subtotal	248,472	245,000	150,000	150,000
Staffing Costs	-	-	-	-
Non-Staffing Costs	849,069	516,756	706,901	683,673
Division Subtotal	849,069	516,756	706,901	683,673
623 - Golf Course Clubhouse Construction				
6061 GOLF COURSE IMP	2,228,777	-	-	-
Capital Subtotal	2,228,777	-	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	2,228,777	-	-	-
Division Subtotal	2,228,777	-	-	-
624 - Golf Course Pro Shop				
5101 BASE SALARY	-	173,600	78,591	78,591
5102 OVERTIME	-	-	-	-
5104 SALARIES RETROACTIVE PAY	-	-	-	-
5105 PART-TIME SALARIES	-	9,100	240,000	240,000
5121 FICA-MEDICARE BENEFITS	-	2,600	1,117	4,597
5122 RETIREMENT (PERS)	-	14,700	8,104	7,097
5123 HEALTH INSURANCE COST	-	600	1,021	1,021
5124 UNEMPLOYMENT COST	-	100	28	114
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	-	2,100	2,851	13,601
5128 OTHER EMPLOYEE BENEFITS	-	4,200	1,292	1,292
5129 FLEX HEALTH BENEFIT	-	-	1,200	1,200
5130 POB DEBT SERVICE	-	-	5,825	10,288
Staffing Subtotal	-	207,000	340,029	357,800

	FY 05/06 actual	FY 06/07 budget	FY 07/08 budget	FY08/09 budget
5201 CONTRACT SERVICES	-	27,400	55,000	50,000
5211 POSTAGE	-	-	300	300
5212 TELEPHONE	-	-	-	-
5215 MEETING/TRAINING/TRAVEL	-	600	1,500	1,500
5221 ADVERTISING	-	600	1,200	1,500
5222 UTILITIES	-	11,700	23,400	23,400
5223 BLDG REPAIR, MAINT	-	600	1,200	1,200
5226 EQUIPMENT REPAIR	-	-	4,000	4,000
5291 SPECIAL DEPT EXPENSE	-	-	-	-
Services Subtotal	-	40,900	86,600	81,900
5301 OFFICE SUPPLIES	-	-	-	-
5305 JANITORIAL SUPPLIES	-	900	1,800	500
5309 OTHER SUPPLIES	-	-	-	1,800
5310 DRIVING RANGE SUPPLIES	-	-	-	-
Materials/Supplies Subtotal	-	900	1,800	2,300
5411 BLDG DEPRECIATION	-	-	-	-
5412 IMPROVEMENTS DEPR	-	-	-	-
5413 EQUIP DEPRCIATION	-	-	2,613	2,613
Depreciation Subtotal	-	-	2,613	2,613
5491 INDIRECT COST ALLOCATION	-	47,800	44,428	57,593
Transfer Subtotal	-	47,800	44,428	57,593
5501 GC MERCHANDISE INVENTORY	-	-	200,000	200,000
6001 EQUIPMENT	-	-	-	-
Capital Subtotal	-	-	200,000	200,000
Staffing Costs	-	207,000	340,029	357,800
Non-Staffing Costs	-	48,700	248,841	344,406
Division Subtotal	-	255,700	588,870	702,206
Fund Total	4,308,376	2,255,312	3,130,245	3,443,453
Budgeted Change in Fund Balance			(165,245)	(353,453)
Reconciliation to Change in Unrestricted Fund Balance				
Capital/Debt Service Payments			215,000	215,000
Depreciation			289,442	267,351
Debt Service Interest Income			(10,000)	(10,000)
Net Change in Unrestricted FB	(2,580,389)	(105,892)	329,197	118,898
Capitalization/Prior Period Adj	2,165,401		215,000	215,000
Net Expenditures			2,915,245	3,228,453
Ending Fund Balance	3,031,491	2,925,599	3,550,499	3,412,046

Library

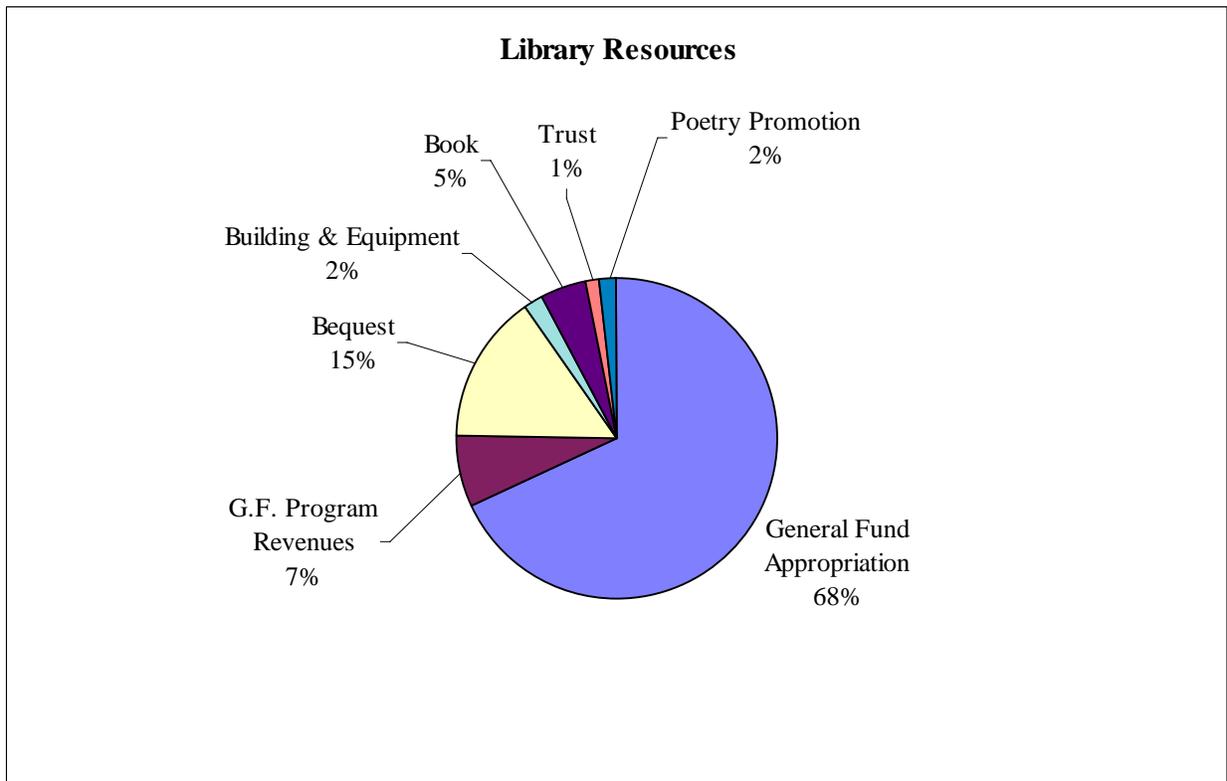
Mission:

The Library seeks to inform, educate and foster cultural enrichment and recreational pursuits by providing books and other library resources for all who use it.

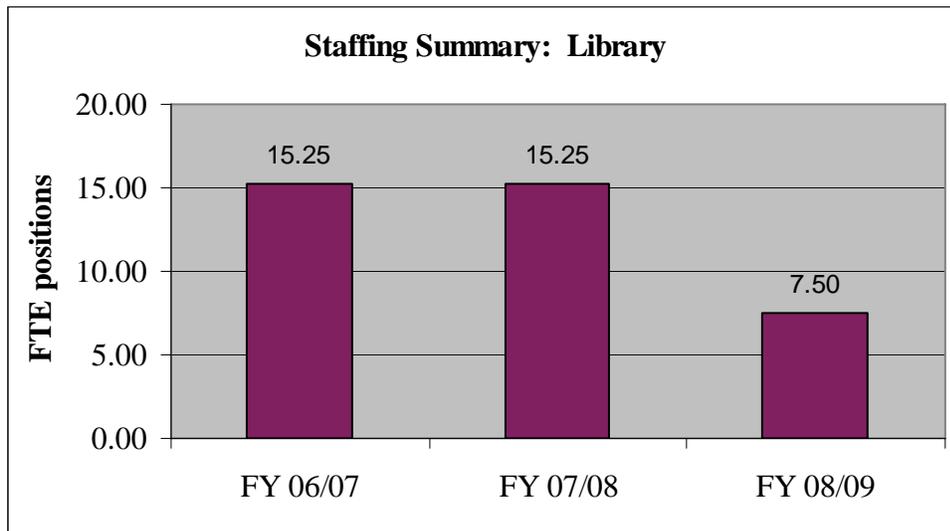
Services and Responsibilities:

The Library Department is responsible for all services available to library patrons. Collection development and circulation of materials are fundamental for making materials available. The Library also offers reference services, children’s programs, and outreach to homebound patrons and area schools, and cooperates with other libraries’ requests for materials and information. The Library offers ten internet access computers for residents and guests to use. Word processing, Excel and PowerPoint programs are available on some of the computers for residents, guests, and school students. The Library also offers space for many community members to meet and for tutors to meet with students.

Budget at-a-glance:



Library Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	703,217	682,251	701,943	486,515
Services/Contracts	135,840	124,752	149,515	106,045
Materials Supplies	127,950	270,329	145,042	81,250
Non-Operating Transfers	-	-	-	-
Debt Service	-	-	-	-
Capital	6,051	3,029	8,000	23,000
Total Expenditures	973,058	1,080,361	1,004,500	696,810



Major Budget Changes:

The General Fund budget, excluding the proceeds of a \$100,000 bequest, is approximately 50% lower than the previous year's budget. This would have been enough funding for four full-time positions and two part-time employees (one FTE). With the bequest proceeds, the budget contains funding for five full-time employees and five part-time employees (2.5 FTE) in FY 2008/09. Since these are "one-time" resources, the five-year forecast reflects the lower staffing level that could be supported with ongoing General Fund resources.

With the FY 2008/09 budget, the Library will remain open for 30 hours per week, but on a "bare-bones" basis with very limited services. For example, the reduced budget will enable basic functions to continue, including circulation, materials management, and administration. To the extent possible, the program emphasis will be on programs for children. Reference services, periodicals management, and other library programs would be scaled back. This model would rely on a small number of part-time staff and a strong cadre of volunteers to perform shelving and book covering duties. The strategy reduces funding for contracts, materials, and supplies to a minimal level, which is \$107,000 lower than the previous year's level. Instead of the General Fund, purchases of new materials and library building repairs would be funded from non-General funds that exist to fund these types of expenditures.

The budget contains a share of the City's overhead costs, primarily \$18,000 for liability insurance, which was previously budgeted as an operating transfer from the General Fund to the liability insurance fund. Charging it directly to departments' budgets provides a clearer picture of the costs for specific City services. Changing the location in the budget where these costs are displayed has a neutral effect on the total General Fund budget.

Service Objectives:

1. Ensure that Pacific Grove's young people have needed materials for their educational and recreational needs, and that preschool children and parents obtain materials and services that enrich and contribute to their future success in school and life by:
 - A. Conducting two to three story times per week for children aged 8 years old and younger.
 - B. Hosting one program per week for children in grades 4-8 to be held during the school year.
 - C. Hosting at least three special programs per year for different age groups.
 - D. Conducting a Summer Reading Program for children ages 2 to 15.
 - E. Conducting an average of two class visits per month, both in the library and at the schools.
2. Enhance Pacific Grove's presence/profile in the virtual world by promoting library services that are available online when the library is closed.
 - A. Create flyers and/or instructional sheets on the library's databases.
 - B. Actively communicate and educate library users about the availability of services from their home internet connection including the ability to search the new materials list, place holds online, do research using library research databases and internet link suggestions, read the library's blog to find out about upcoming programs, and email reference questions to the reference desk.
3. Research, investigate, and identify library users' satisfaction with library services and change any work processes that will lead to more efficient and effective provision of library services.
 - A. Conduct a survey or surveys to identify patrons' satisfaction with library reference service, the collection, interlibrary loan, and circulation of materials.
 - B. Discuss the results with library stakeholders and develop a strategy to make needed changes that will lead to better library service.

Performance Indicators:

Average daily visitors to the Library:

2007: 488

2006: 484

2005: 483

Items checked out of the Library:

2007: 256,561

2006: 245,213

2005: 239,698

Internet Users at the Library:

2007: 8,784

2006: 7,525

2005: 8,296

Library Budget Detail:

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
PROGRAM REVENUES					
4317	CALIFORNIA LIBRARY SERVICES /	22,150	57,283	10,000	20,000
4455	LIBRARY FINES & FEES	29,468	28,990	29,000	29,000
4335	STATE LIBRARY GRANT	6,079	-	-	-
4637	DONATIONS	-	-	-	100,000
	Program revenues total	57,697	86,273	39,000	149,000
EXPENDITURES					
5101	BASE SALARY	537,651	546,197	518,099	324,147
5102	OVERTIME	-	-	-	-
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	54,917	52,829	57,900	69,002
5121	FICA-MEDICARE BENEFITS	6,638	6,121	7,401	5,677
5122	RETIREMENT (PERS)	85,612	52,747	53,723	29,728
5123	HEALTH INSURANCE COST	6,996	8,216	5,935	3,055
5124	UNEMPLOYMENT COST	221	216	184	141
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	4,454	4,591	3,675	3,188
5127	LIFE/DISABILITY INSURANCE	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	6,726	7,088	8,037	5,533
5129	FLEXIBLE HEALTH BENEFIT	-	4,246	8,400	3,600
5130	POB DEBT SERVICE	-	-	38,588	42,444
	Staffing subtotal	703,217	682,251	701,943	486,515
5201	CONTRACT SERVICES	31,722	34,383	21,000	41,376
5211	POSTAGE	5,023	3,377	4,300	5,000
5212	TELEPHONE	9,550	9,604	10,000	10,000
5215	MEETING/TRAINING/TRAVEL	219	248	750	1,000
5217	TRAVEL, MEAL COSTS	-	-	-	-
5218	EDUCATION INCENTIVE	-	-	-	-
5222	UTILITIES	21,955	21,101	20,000	20,000
5223	BLDG REPAIR, MAINT	12,600	13,897	47,000	5,000
5224	EQUIP REPAIR, MAINT	34,318	37,182	37,165	-
5226	EQUIPMENT REPAIR	30	-	500	-
5230	INTERNAL SERVICE CHARGES	-	-	-	19,669
5291	SPECIAL DEPT EXPENSE	1,092	1,182	2,500	-
	Services subtotal	116,509	120,974	143,215	102,045
5301	OFFICE SUPPLIES	14,621	13,261	14,700	10,000
5303	BOOKS, PRINTED MATL	69,574	60,629	73,000	-
5304	ELECTRONIC MATLS	6,606	12,374	12,492	-
	Materials/supplies subtotal	90,802	86,264	100,192	10,000
6001	EQUIPMENT	-	3,029	8,000	3,000
	Capital subtotal	-	3,029	8,000	3,000
	Non-staffing budget total	207,311	210,267	251,407	115,045
	Department total	910,528	892,518	953,350	601,560
Net General Fund cost					
		852,831	806,245	914,350	452,560
% program revenues					
		6.3%	9.7%	4.1%	24.8%

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
<i>07 - Library Building & Equipment Fund</i>				
Beginning Fund Balance	544,469	542,672	435,342	444,342
PROGRAM REVENUES				
4610 LIBRARY BLDG & EQUIP DONATIC	9,431	665	-	-
4651 INTEREST EARNED	9,429	-	9,000	13,000
Program Revenue Total	18,860	665	9,000	13,000
EXPENDITURES				
<i>402 - Building & Equipment</i>				
5204 ENGINEERING/DESIGN SVCS	14,606	-	-	-
Services Subtotal	14,606	-	-	-
6001 EQUIPMENT	6,051	-	-	20,000
6021 GENERAL BLDG IMP	-	-	-	-
Capital Subtotal	6,051	-	-	20,000
6603 INTEREST EXPENSE	-	107,995	-	-
Investment Subtotal	-	107,995	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	20,657	107,995	-	20,000
Division Total	20,657	107,995	-	20,000
Net Result of Operations	(1,797)	(107,330)	9,000	(7,000)
Ending Fund Balance	542,672	435,342	444,342	437,342
<i>11 - Library Book Fund</i>				
Beginning Fund Balance	16,688	15,381	30,092	21,542
PROGRAM REVENUES				
4318 STATE LIBRARY GRANT	-	-	-	-
4611 LIBRARY BOOK FUND DONA	31,104	52,061	30,000	30,000
4651 INTEREST EARNED	320	-	450	1,000
Program Revenues Subtotal	31,424	52,061	30,450	31,000
EXPENDITURES				
<i>403 - Library Book</i>				
5291 SPECIAL DEPT EXPENSE	2,382	-	1,000	-
Services Subtotal	2,382	-	1,000	-
5303 BOOKS, PRINTED MATL	30,349	31,091	38,000	50,000
Materials/Supplies Subtotal	30,349	31,091	38,000	50,000
6603 INTEREST EXPENSE	-	6,259	-	-
Investment Subtotal	-	6,259	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	32,731	37,350	39,000	50,000
Division Total	32,731	37,350	39,000	50,000
Net Result of Operations	(1,307)	14,711	(8,550)	(19,000)
Ending Fund Balance	15,381	30,092	21,542	2,542

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
85 - Library Trust Fund				
Beginning Fund Balance	383,801	383,756	377,541	377,541
PROGRAM REVENUES				
4612 LIBRARY TRUST DONATIONS	-	-	-	-
4651 INTEREST EARNED	6,719	-	6,600	9,000
Program Revenues Total	6,719	-	6,600	9,000
EXPENDITURES				
404 - Library Trust				
5303 BOOKS, PRINTED MATL	6,764	6,215	6,600	20,000
Materials/Supplies Subtotal	6,764	6,215	6,600	20,000
5481 REFUND DONATIONS	-	-	-	-
Miscellaneous Subtotal	-	-	-	-
6603 INTEREST EXPENSE	-	-	-	-
Investment Subtotal	-	-	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	6,764	6,215	6,600	20,000
Division Total	6,764	6,215	6,600	20,000
Net Result of Operations	(45)	(6,215)	-	(11,000)
Ending Fund Balance	383,756	377,541	377,541	366,541
40 - Poetry Promotion Fund				
Beginning Fund Balance	158,826	163,048	129,190	135,840
PROGRAM REVENUES				
4618 POETRY PROMO DONATIONS	-	-	-	-
4651 INTEREST EARNED	-	-	5,000	5,000
4663 MISC REIMBURSEMENT/RENTS	6,600	2,425	7,200	6,780
Program Revenue Total	6,600	2,425	12,200	11,780
EXPENDITURES				
405 - Poetry Promotion				
5221 ADVERTISING	-	-	300	2,000
5222 UTILITIES	-	369	-	800
5223 BLDG REPAIR, MAINT	-	1,053	2,000	1,200
5291 SPECIAL DEPT EXPENSE	2,343	2,356	3,000	-
Services Subtotal	2,343	3,778	5,300	4,000
5303 BOOKS, PRINTED MATL	35	-	250	250
5309 OTHER SUPPLIES	-	-	-	1,000
Materials/Supplies Subtotal	35	-	250	1,250
6603 INTEREST EXPENSE	-	32,505	-	-
Investment Subtotal	-	32,505	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	2,378	36,283	5,550	5,250
Division Total	2,378	36,283	5,550	5,250
Net Result of Operations	4,222	(33,858)	6,650	6,530
Ending Fund Balance	163,048	129,190	135,840	142,370

Museum

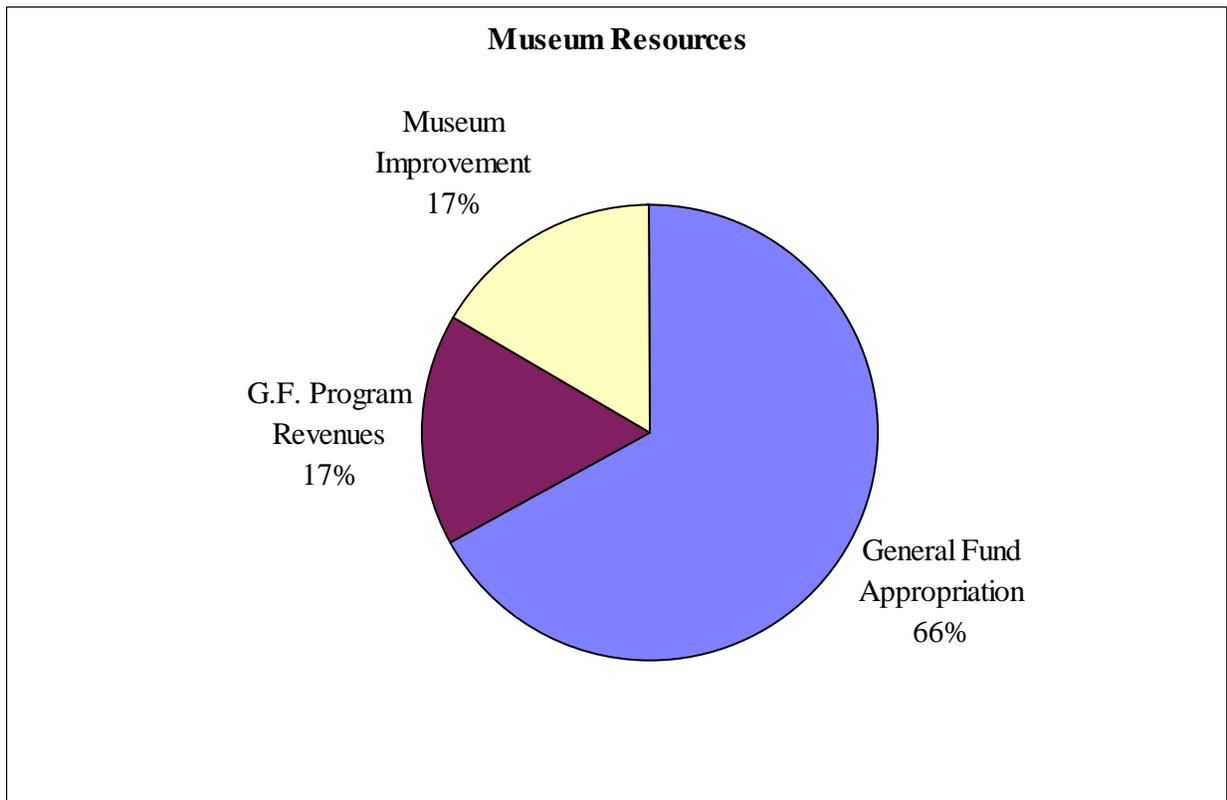
Mission:

Preserve, study, interpret, and exhibit the natural history and aboriginal human inhabitants of Monterey County, with special emphasis on the Monterey Peninsula region.

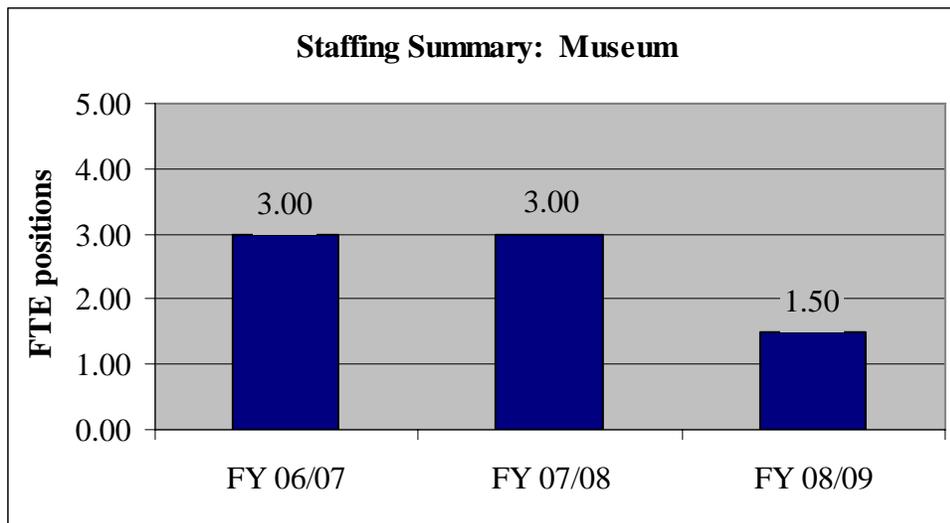
Services and Responsibilities:

The Museum Department operates the Pacific Grove Museum of Natural History. Additionally, the department works cooperatively with other City departments and community organizations to operate the Monarch Butterfly Sanctuary, the Point Pinos Lighthouse, and the Shoreline Stewardship Program.

Budget at-a-glance:



Museum Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	240,804	267,313	243,086	96,519
Services/Contracts	25,321	24,922	34,695	51,623
Materials Supplies	2,170	92,320	5,200	3,400
Non-Operating Transfers	-	-	20,000	-
Debt Service	-	-	-	-
Capital	68,203	81,485	80,000	60,000
Total Expenditures	336,498	466,040	382,981	211,542



Major Budget Changes:

The General Fund budget is approximately 50% lower than the previous year's budget. Staffing levels would be reduced from two to one full-time employee, which results in a personnel budget reduction, shown in the table above, of \$147,000, or 61%. The budget also contains enough resources for the most basic operating expenses, such as utilities, insurance, and supplies, and basic part-time staffing to ensure facility security.

During the current fiscal year, operation and management of the Museum has been enhanced through the contributions of the Monterey Bay Aquarium (MBA) and the Packard Foundation. The MBA has provided daily guest services staff to greet visitors and enrich their experience through the interpretation of the Museum's exhibits. In addition, MBA staff has been providing assistance in our efforts to develop a new strategic plan for the Museum. The Packard Foundation grant allowed the City to hire an interim Museum Manager to manage the daily operations, provide support to the Museum Board and Museum Association, and lead the strategic planning process. As we proceed into the next fiscal year, MBA staff will be training volunteer docents to assume the guest services responsibilities. The City will also be seeking

additional funding from the Packard Foundation to continue our efforts in creating a more financially sustainable organization.

The budget also contains a share of the City's overhead costs, primarily \$11,000 for liability insurance, which was previously budgeted as an operating transfer from the General Fund to the liability insurance fund. Charging it directly to departments' budgets provides a clearer picture of the costs for specific City services. Changing the location in the budget where these costs are displayed has a neutral effect on the total General Fund budget.

At the budgeted level, a long-term financial partnership with another entity will be critical to ensure that the Museum can fulfill its mission in the future. The FY 2008/09 budget is presented as a placeholder, based on current circumstances. The ultimate use of the budget will be directed by the City Council, pending a strategic planning process currently underway.

Service Objectives:

1. Implement plans for ensuring a sustainable financial future for the museum.
2. Develop and begin implementing a master plan for updating museum exhibits and exhibit facilities.

Museum Budget Detail:

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
PROGRAM REVENUES					
4450	MUSEUM FEES & CHARGES	97	-	60,000	20,000
4451	LIGHTHOUSE ADMISSION	22,119	-	18,000	-
4614	MUSEUM ASSOCIATION DONA	1,058	-	2,000	-
4631	MONARCH HABITAT DONATIONS	50	-	-	-
	Program revenues total	23,324	-	80,000	20,000
EXPENDITURES					
5101	BASE SALARY	178,631	200,362	165,812	60,230
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	20,941	16,438	18,000	18,000
5121	FICA-MEDICARE BENEFITS	2,887	2,916	2,345	1,109
5122	RETIREMENT (PERS)	29,492	37,018	36,384	5,393
5123	HEALTH INSURANCE COST	3,407	3,747	1,999	1,021
5124	UNEMPLOYMENT COST	77	78	58	28
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	3,169	3,198	1,164	637
5127	LIFE/DISBILITY INSURANCE	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	2,201	2,264	2,695	1,018
5129	FLEXIBLE HEALTH BENEFIT	-	1,292	2,400	1,200
5130	POB DEBT SERVICE	-	-	12,227	7,884
	Staffing subtotal	240,804	267,313	243,086	96,519
5202	PROF/CONSULTANT SERVICES	1,368	-	1,000	15,000
5206	DATA, COMMUNICATION SVCS	-	-	-	-
5207	MAINTENANCE SERVICES	-	-	-	-
5211	POSTAGE	207	183	500	-
5212	TELEPHONE	2,407	2,919	3,000	3,000
5215	MEETING/TRAINING/TRAVEL	-	-	-	-
5217	TRAVEL, MEAL COSTS	-	-	-	-
5221	ADVERTISING	553	282	695	1,000
5222	UTILITIES	11,258	12,437	14,000	12,000
5223	BLDG REPAIR, MAINT	2,851	3,862	3,500	4,000
5224	EQUIP REPAIR, MAINT	5,248	3,888	4,000	4,000
5226	EQUIPMENT REPAIR	-	-	-	-
5230	INTERNAL SERVICE CHARGES	-	-	6,500	11,123
5261	SUBSCRIPTIONS, MEMB	1,428	1,351	1,500	1,500
	Services subtotal	25,321	24,922	34,695	51,623
5301	OFFICE SUPPLIES	659	332	1,000	1,000
5305	JANITORIAL SUPPLIES	1,397	1,336	1,200	1,400
5309	OTHER SUPPLIES	114	553	3,000	1,000
	Materials/supplies subtotal	2,170	2,221	5,200	3,400
	Capital subtotal	-	-	-	-
	Non-staffing budget total	27,491	27,143	39,895	55,023
	Department total	268,295	294,456	282,981	151,542
Net General Fund cost		244,971	294,456	202,981	131,542
% program revenues		8.7%	0.0%	28.3%	13.2%

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY 08/09 budget
08 - Museum Improvement Fund					
Beginning Fund Balance		509,579	476,428	332,807	301,307
PROGRAM REVENUES					
4615	MUSEUM IMPROVMT FUND DON	26,377	27,963	60,000	20,000
4651	INTEREST EARNED	8,675	-	8,500	10,000
	Program Revenue Total	35,052	27,963	68,500	30,000
EXPENDITURES					
<i>412 - Museum Improvement</i>					
5129	FLEXIBLE HEALTH BENEFIT	-	-	-	-
	Staffing Subtotal	-	-	-	-
5401	FUND TRANSFERS	-	-	20,000	-
	Transfers Subtotal	-	-	20,000	-
6001	EQUIPMENT	68,203	81,485	5,000	10,000
6021	GENERAL BLDG IMP	-	-	75,000	50,000
	Capital Subtotal	68,203	81,485	80,000	60,000
6603	INTEREST EXPENSE	-	90,099	-	-
	Investment Subtotal	-	90,099	-	-
	Staffing Costs	-	-	-	-
	Non-Staffing Costs	68,203	171,584	100,000	60,000
	Division Total	68,203	171,584	100,000	60,000
	Net Result of Operations	(33,151)	(143,621)	(31,500)	(30,000)
Ending Fund Balance		476,428	332,807	301,307	271,307

Police

Mission:

The Pacific Grove Police Department's Mission is to defend and protect the Constitutions of the United States and California, to maintain the public peace, safeguard lives and property, and to provide for a quality of life whereby people within the City of Pacific Grove have a sense of security and freedom in their daily activities.

Services and Responsibilities:

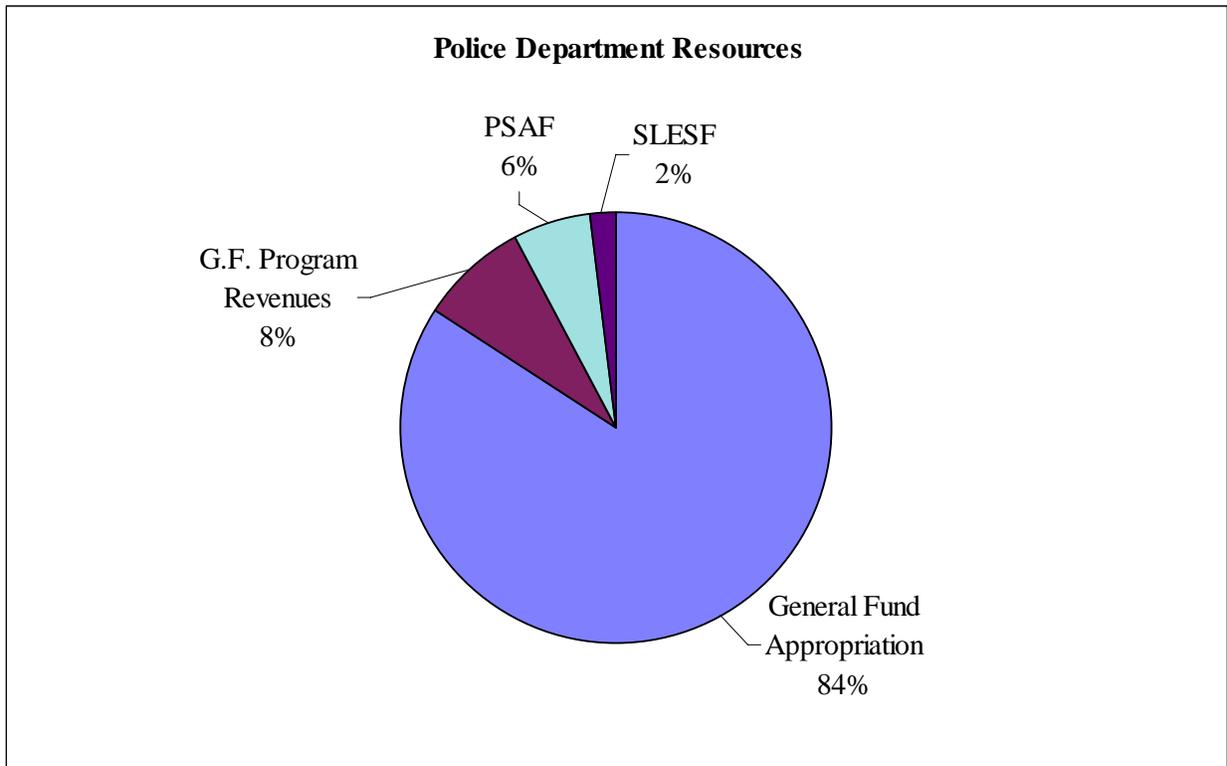
The Police Department embraces the philosophy of "community policing" which assumes an open-minded partnership with citizens to identify problems and develop strategies to prevent crime before it occurs. This approach is integrated with all facets of the department's services:

- *Patrol:* The Police Department responds to emergency and non-emergency calls for service 24 hours per day, 365 days per year. Officers also conduct criminal investigations on all but the most serious crimes, which are referred to the Detective Division. With current staffing levels, patrol officer activity is limited to these highest priority activities. When available, officers engage citizens proactively to better understand potential future crime risks and enforce traffic laws. The department currently does not have a dedicated traffic enforcement officer or a school resource officer.
- *Investigations:* The Detective Unit, comprised of a Detective Sergeant and two detectives, coordinates major investigations and special enforcement activities, including: general investigations, property crimes and crimes against persons, narcotic investigations, auto theft investigations, search warrant preparation and service, crime analysis and crime prevention.
- *Animal control:* The City employs one, non-sworn Animal Control Officer (ACO). The ACO is responsible for the enforcement of animal control provisions mandated by State Law and local ordinances for the City of Pacific Grove. ACO duties include the capture and care for animals that pose a risk to the public, with occasional quarantine and monitoring of animals involving bites. The ACO actively patrols city streets and will perform welfare checks on domestic and wild animals, pick up deceased animals on public and private property, conduct permit inspections, transport domestic and wildlife to SPCA or city holding facilities, investigate reports of abuse or cruelty to animals, return animals to owners, and disseminate information about public safety threats to the public.
- *Parking enforcement:* The FY 2008/09 Budget funds one full-time non-sworn Parking Enforcement Officer (PEO) and one part-time PEO who patrol the regulated parking zones throughout the City, and cite violations. In addition, PEOs enforce the abandoned vehicle ordinances, which involves citations, notification letters, towing, collections

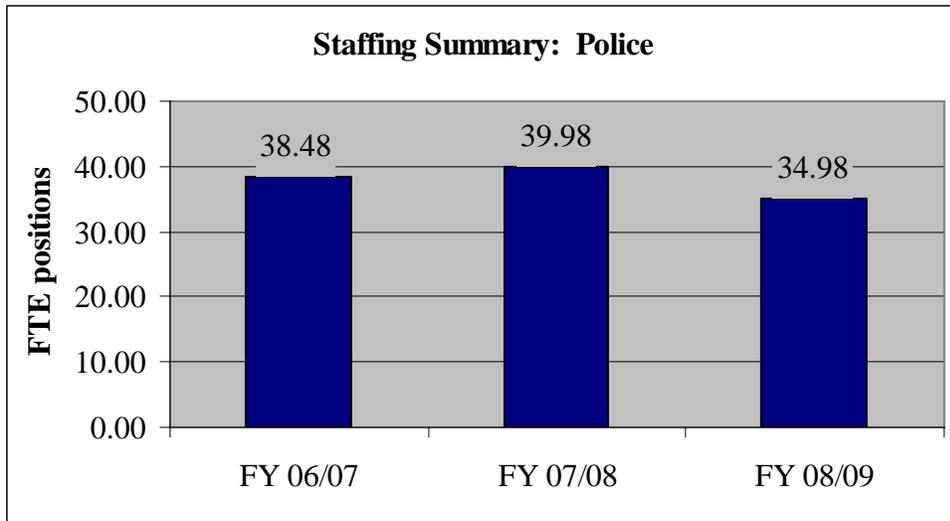
administration, and annual reporting to Monterey County. PEOs also coordinate parking meter maintenance and revenue collection.

- Police services are supported by Records Personnel or Police Services Technicians (PST), who maintain records, manage evidence and property, take “counter reports” and provide information to the public via the public counter or telephone. They prepare information for local, county, and state systems as required. PSTs staff the front counter of the Police Department which is accessible to the public 24 hours a day. The PSTs also play a critical role in supplying information to officers in the field and assist the officers in the preparation of their documents for the District Attorney’s Office or court.

Budget at-a-glance:



Police Department Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	4,028,959	3,690,197	4,329,347	4,476,039
Services/Contracts	460,921	546,985	487,350	745,628
Materials Supplies	59,408	84,717	53,000	54,500
Non-Operating Transfers	-	-	-	12,000
Debt Service	-	-	-	-
Capital	81,837	90,049	224,566	80,000
Total Expenditures	4,631,124	4,411,948	5,094,263	5,368,167



Major Budget Changes:

The budget will preserve basic emergency response resources, but could compromise the department’s ability to prevent and solve crime. Sworn Police officer ranks will be reduced from 26 to 23 officers (22 funded by the General Fund, one with grant funding), saving approximately \$332,000. No layoffs will be necessary. With fewer officers, the emphasis will be on preserving emergency response (9-1-1) services. There will no longer be a School Resource Officer assignment to help educate children about crime and pre-empt unsafe behavior, nor will there be a dedicated traffic enforcement officer to focus on traffic safety and enforcement. Further, unless the department is fully staffed, detective services will be limited, which means that only the most severe crimes would be investigated. Other incidents would receive attention only as officers are available and not needed for patrol. Further budget reductions include eliminating one vacant Police Services Technician position, and eliminating some contracts, materials, and supplies funding for a total budget savings of \$410,000 from the FY 2007/08 service and staffing level.

This savings is offset by increasing fixed costs and costs that were displayed elsewhere in previous years’ budgets. The department’s share of citywide debt service for pension obligation bonds issued in 2006 is increasing by approximately \$250,000. Salary-related costs are also budgeted to increase by \$220,000 based on a multi-year contract with the Police Officers Association to increase compensation to the average level among area agencies with whom the City competes for high-quality officers.

FY 2008/09 department budgets contain costs attributable to department services that were previously budgeted as operating transfers from the General Fund to other funds. Largest among these for the Police Department is the cost for 9-1-1 communications (dispatch) services provided by Monterey County. The Police Department’s share of FY 2008/09 costs are anticipated to be approximately \$100,000. Pursuant to an accounting correction from FY 2006/07, an additional year’s costs (\$90,000, in this case) will be charged to the department. Other costs charged directly to the department for the first time include liability insurance (\$31,000), employee benefit claims (\$13,000), and vehicle replacement costs (\$12,000). These

cost categories, mostly contained in the contract services budget accounts, were previously budgeted elsewhere in the General Fund. Displaying them in the department budgets has a neutral effect on the total General Fund budget.

The capital budget is increasing by \$80,000 for the initial payment for federally mandated radio communications infrastructure purchased through a regional collaborative with other cities and Monterey County. This cost is masked in the table above because the capital accounts category also reflects a decrease in the capital budget due to planned costs for expanded parking meter costs in FY 2007/08 that are not planned for FY 2008/09.

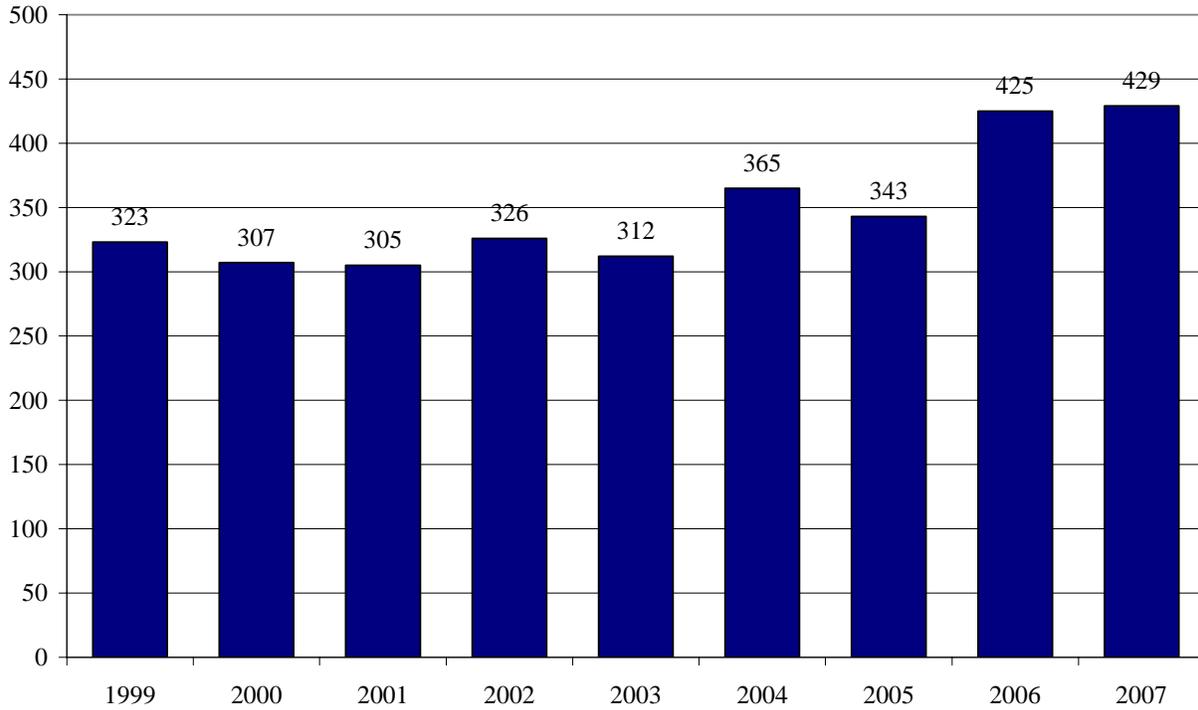
Service Objectives:

1. Recruit and hire qualified police officers to achieve the fully authorized staffing level of 23 officers.
2. Continue the D.A.R.E. program (drug prevention in schools) by assigning two officers to teach the program at the elementary schools and funding the program through public donations.
3. In the absence of a full-time school resource officer, ensure a presence at the high school by teaching in a course to students entitled “Introduction to Fire and Police.”
4. In partnership with the Citizens Police Academy Alumni, continue the Neighborhood Watch Program under the philosophy of community policing.
5. Introduce quarterly “Safety Seminars” at the Sally Griffin Senior Center. These seminars will deal with a host of topics regarding the safety of our citizens.

Performance Indicators:

- Number of police events (calls for service or “on-view” responses by police) in 2007: Approx 15,000 (i.e., average of 42 events per day)
- Number of Part 1 crimes (violent personal crimes) in 2007: 429

**Part One (Violent) Crimes
1999-2007**



Year	Murder	Rape	Robberies	Assaults	Burglaries	Thefts	Auto Thefts	Arsons
1999	0	0	2	45	89	170	17	0
2000	0	6	3	38	74	173	12	1
2001	0	5	4	18	62	204	11	1
2002	1	7	2	18	91	198	8	1
2003	0	3	6	14	61	212	16	0
2004	0	3	3	12	89	237	15	6
2005	0	0	5	13	75	243	7	0
2006	0	2	6	10	83	311	9	4
2007	1	4	4	47	140	214	19	0

* Source: FBI /Uniform Crime Reporting data, U.S. Department of Justice

Police Budget Detail:

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget	
01 - General Fund					
PROGRAM REVENUES					
4204	DOG LICENSES & FEES	11,669	9,492	10,000	10,400
4310	P.O.S.T. REIMBURSEMENT	19,255	(3,349)	15,000	20,000
4313	STATE BOOKING FEE REIMBURSEMENT	-	-	-	-
4314	DEPT. OF CONSER. BEVERAGE	5,000	5,000	5,000	5,000
4421	POLICE SPECIAL SERVICES	21,605	17,146	15,000	20,000
4422	DUI COST RECOVERY	-	-	-	-
4423	REGISTRATION SEARCH SRVC	-	-	-	-
4424	BOOKING FEE REIMBURSEMENT	-	8,813	12,000	-
4501	VEHICLE CODE FINES	29,779	28,617	52,500	31,200
4502	OTHER FINES AND FORFEITURES	24,572	20,801	25,000	21,000
4425	ANIMAL SHELTER FEE & CHRG	2,436	2,021	2,500	2,080
4426	PARKING ENFORC MUNI CODE	69,090	75,320	118,450	94,000
4427	DMV PARKING COLLECTIONS	17,983	21,193	18,900	25,000
4428	PARKING METERS	200,797	263,172	752,000	218,500
	Program Revenues total	402,186	448,226	1,026,350	447,180
EXPENDITURES					
301 - Police Operations					
5101	BASE SALARY	2,462,334	2,528,459	2,698,269	2,603,430
5102	OVERTIME	156,370	208,387	160,000	160,000
5103	STAND-BY PAY/FLSA PAY	-	-	-	-
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	32,987	44,840	45,000	45,000
5106	UNIFORM ALLOWANCE PAY	27,992	28,572	27,840	25,230
5111	PART-TIME SALARIES	-	-	-	-
5121	FICA-MEDICARE BENEFITS	30,947	31,541	38,860	37,900
5122	RETIREMENT (PERS)	901,515	441,622	578,042	446,381
5123	HEALTH INSURANCE COST	15,471	16,996	17,783	16,762
5124	UNEMPLOYMENT COST	1,055	1,004	965	941
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	359,331	336,690	273,363	418,407
5128	OTHER EMPLOYEE BENEFITS	19,824	19,557	12,480	11,310
5129	FLEXIBLE HEALTH BENEFIT	-	3,415	3,600	3,600
5130	POB DEBT SERVICE	-	-	362,091	606,539
	Staffing subtotal	4,007,827	3,661,083	4,218,293	4,375,500
5201	CONTRACT SERVICES	98,500	155,269	86,000	350,600
5211	POSTAGE	2,323	2,299	2,350	2,300
5212	TELEPHONE	14,072	13,333	14,500	14,000
5215	MEETING/TRAINING/TRAVEL	6,898	4,534	6,000	6,000
5216	ATTENDANCE COSTS	-	-	-	-
5218	EDUCATION INCENTIVE	4,844	8,166	12,000	12,000
5219	POST TRAINING	13,898	26,817	30,000	30,000
5220	TRAINING	9,658	3,509	10,000	9,000
5222	UTILITIES	31,025	27,750	27,500	28,500
5223	BLDG REPAIR, MAINT	7,573	3,795	9,500	9,000
5224	EQUIP REPAIR, MAINT	14,350	20,080	21,000	20,000
5226	EQUIPMENT REPAIR	15,742	9,709	12,500	13,000
5227	VEHICLE REPAIR	19,550	12,673	17,000	17,000
5230	INTERNAL SERVICE CHARGES	-	-	-	44,428
5251	PRISONER EXPENSES	11,126	6,467	11,000	11,000
5261	SUBSCRIPTIONS, MEMB	1,777	1,459	1,800	1,800
5291	SPECIAL DEPT EXPENSE	6,826	5,670	6,200	6,500
	Services subtotal	258,161	301,530	267,350	575,128

		FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5301	OFFICE SUPPLIES	6,863	6,137	6,000	6,000
5302	PRINTING SUPPLIES	7,989	7,457	8,000	8,000
5309	OTHER SUPPLIES	-	-	-	-
5311	VEHICLE FUEL	39,566	38,537	33,000	35,000
5312	VEHICLE TIRES	1,523	1,161	2,500	2,500
5352	CHEMICAL SUPPLIES	3,467	3,437	3,500	3,000
	Materials/supplies subtotal	59,408	56,729	53,000	54,500
5401	FUND TRANSFERS	-	-	-	12,000
	Transfers Subtotal	-	-	-	12,000
5801	INTEREST PMTS	57,051	-	180,000	-
5802	PRINCIPAL PMTS	-	-	-	-
6001	EQUIPMENT	109	-	-	80,000
	Capital subtotal	57,161	-	180,000	80,000
	Non-staffing budget total	374,730	358,259	500,350	709,628
	Department total	4,382,556	4,019,342	4,718,643	5,097,128
Net General Fund cost		4,382,556	3,571,116	3,692,293	4,649,948
% program revenues		0.0%	125.1%	205.1%	63%

21 - DARE *

Beginning Fund Balance		22,996	30,011	10,523	523
PROGRAM REVENUES					
4302	OTS TRAFFIC SFTY PROJ GNT	7,322	-	-	-
4604	D.A.R.E. DONATIONS	4,045	120	-	1,500
4623	COMMUNITY POLICE ACADEMY	-	-	-	-
4651	INTEREST EARNED	-	-	-	350
	Program Revenues Total	11,367	120	-	1,850
EXPENDITURES					
<i>302 - Dare</i>					
5102	OVERTIME	383	-	-	-
5129	FLEXIBLE HEALTH BENEFIT	-	-	-	-
	Staffing Subtotal	383	-	-	-
5220	TRAINING	-	-	-	-
5291	SPECIAL DEPT EXPENSE	3,969	14,711	10,000	3,000
	Services Subtotal	3,969	14,711	10,000	3,000
6603	INTEREST EXPENSE	-	4,897	-	-
	Investment Subtotal	-	4,897	-	-
	Staffing Costs	383	-	-	-
	Non-Staffing Costs	3,969	19,608	10,000	3,000
	Division Total	4,352	19,608	10,000	3,000
	Net Result of Operations	7,015	(19,488)	(10,000)	(1,150)
Ending Fund Balance		30,011	10,523	523	(627)

* The beginning and ending fund balances for FY 2008/09 are expected to be positive, contrary to figures in the table, because expenses planned for FY 2007/08 will not be incurred until FY 2008/09.

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
42 - Public Safety Augmentation Fund				
Beginning Fund Balance	(15,004)	(19,156)	(223,866)	(149,990)
PROGRAM REVENUES				
4305 PUBLIC SFTY AUGMNT FUND	84,581	111,662	95,000	67,000
4439 EMERGENCY RESPONSE COST	-	-	-	254,600
4651 INTEREST EARNED	-	22,680	-	-
4931 INTERFUND OPERATING TRANS	110,058	110,000	115,000	-
Program Revenue Total	194,639	244,342	210,000	321,600
EXPENDITURE				
303 - Public Safety Augmentation				
5101 BASE SALARY	-	-	-	-
Staffing Subtotal	-	-	-	-
5201 CONTRACT SERVICES	198,791	230,744	210,000	167,500
Services Subtotal	198,791	230,744	210,000	167,500
6603 INTEREST EXPENSE	-	-	-	-
Investment Subtotal	-	-	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	198,791	230,744	210,000	167,500
Division Total	198,791	230,744	210,000	167,500
Net Result of Operations	(4,152)	13,598	-	154,100
Prior Period Adjustment		218,308		
Ending Fund Balance	(19,156)	(223,866)	(223,866)	4,110

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
43 - Supplemental Law Enforcement Support Fund *				
Beginning Fund Balance	17,738	73,783	31,542	(23,078)
PROGRAM REVENUES				
4303 CA LAW ENFMT EQUIP-CLEEP	-	-	-	-
4351 FIRE AID REIMB.	-	-	-	-
4377 COUNTY OF MONTEREY-COPS	100,000	100,000	100,000	100,000
4651 INTEREST EARNED	1,470	-	1,000	1,100
4652 INTEREST-CLEEP	-	-	-	-
Program Revenue Total	101,470	100,000	101,000	101,100
EXPENDITURES				
304 - SLESF				
5101 BASE SALARY	12,356	21,316	72,380	60,610
5102 OVERTIME	-	-	-	-
5105 PART-TIME SALARIES	-	-	-	-
5106 UNIFORM ALLOWANCE PAY	-	271	870	653
5121 FICA-MEDICARE BENEFITS	290	309	1,050	879
5122 RETIREMENT (PERS)	4,960	3,826	14,563	11,610
5123 HEALTH INSURANCE COST	133	301	936	702
5124 UNEMPLOYMENT COST	7	8	26	22
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	2,905	2,952	10,025	9,752
5128 OTHER EMPLOYEE BENEFITS	98	131	390	293
5132 PERS P.O.B. PAYMENT	-	-	10,814	16,019
Staffing Subtotal	20,749	29,114	111,054	100,539
5206 DATA, COMMUNICATION SVCS	-	-	-	-
5220 TRAINING	-	-	-	-
Services Subtotal	-	-	-	-
5401 FUND TRANSFERS	-	-	-	-
Operating Transfers Subtotal	-	-	-	-
6001 EQUIPMENT	24,676	90,049	14,566	-
6009 CLEEP EQUIP	-	-	-	-
6011 POLICE VEHICLES-PRINCIPAL	-	-	30,000	-
Capital Subtotal	24,676	90,049	44,566	-
6603 INTEREST EXPENSE	-	23,078	-	-
Investment Subtotal	-	23,078	-	-
Staffing Costs	20,749	29,114	111,054	100,539
Non-Staffing Costs	24,676	113,127	44,566	-
Division Total	45,425	142,241	155,620	100,539
Net Result of Operations	56,045	(42,241)	(54,620)	561
Ending Fund Balance	73,783	31,542	(23,078)	(22,517)

* The beginning and ending fund balances for FY 2008/09 are expected to be positive, contrary to figures in the table, because expenses planned for FY 2007/08 will not be incurred until FY 2008/09.

Public Works

Mission:

Ensure stewardship and maintenance for the City's natural and constructed environment, including streets, parks, open space, forested areas, storm water facilities, public buildings, sanitary sewer system, and El Carmelo Cemetery.

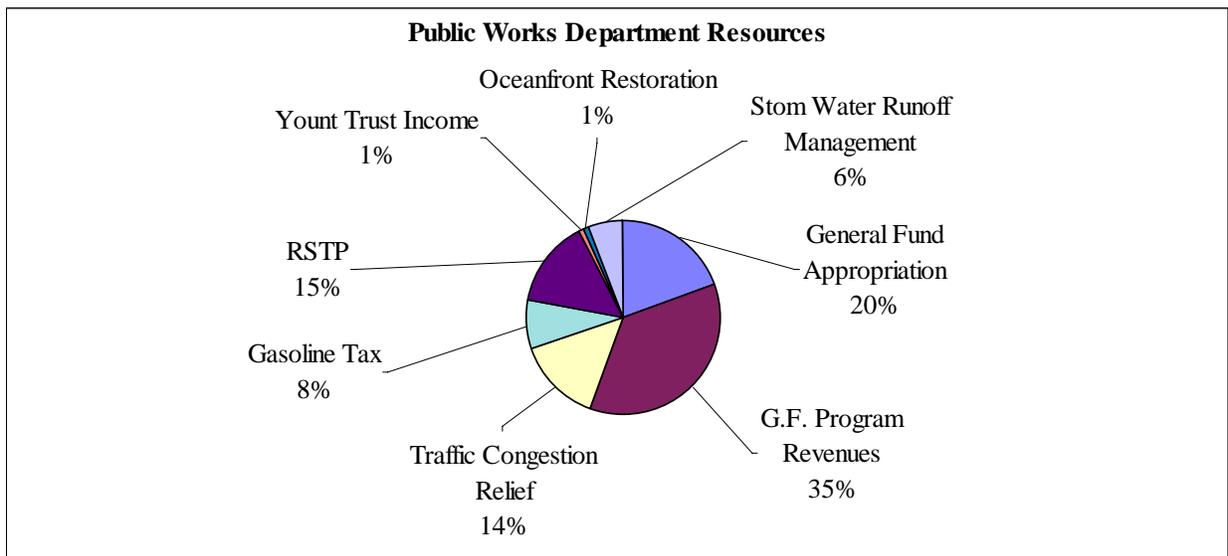
Services and Responsibilities:

The Public Works Department is responsible for all activity in public rights-of-way and administers all related permit processes required by the Municipal Code. To achieve its mission, the department provides the following services:

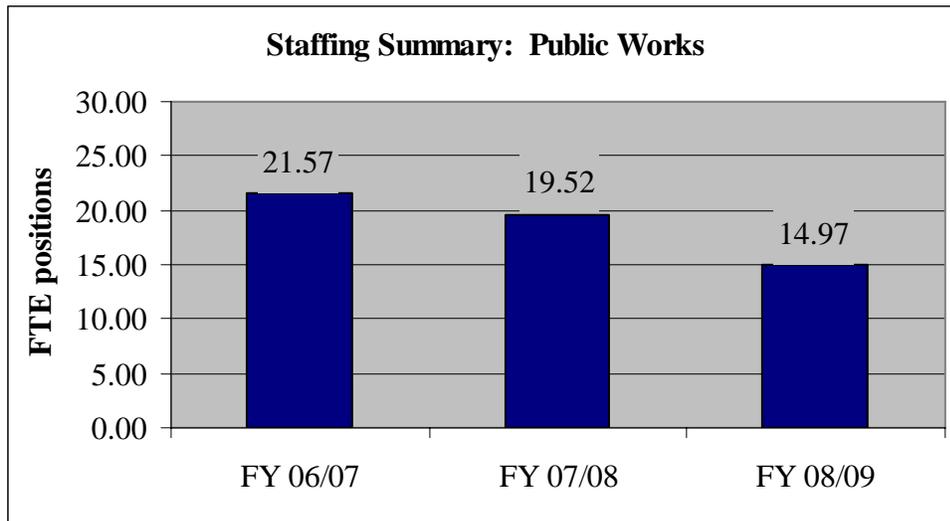
- Maintenance of streets, city-owned streetlights, traffic signs, pavement markings, trees on city property, and street and directional signs.
- Maintenance of parks, forested areas, open spaces areas including the coastal recreation trail, and City buildings.
- Storm water management related to City compliance with Federal and State laws and storm water discharge permits.
- Maintenance of sewer and wastewater infrastructure.
- Maintenance of City vehicles and equipment.
- Operation of the City-owned El Carmelo Cemetery.
- Special event facilities set-up and clean-up.

For budget purposes, the sewer and cemetery operations are funded in enterprise funds, and are not included in the Public Works Department budget.

Budget at-a-glance:



Public Works Department Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	1,578,377	1,645,458	1,617,106	1,404,108
Services/Contracts	466,251	384,790	888,400	711,883
Materials Supplies	115,076	238,420	152,850	149,900
Non-Operating Transfers	209,057	5,720	-	200,000
Debt Service	-	-	-	-
Capital	120,407	1,471,284	1,824,500	2,280,500
Total Expenditures	2,489,167	3,745,672	4,482,856	4,746,391



Major Budget Changes:

The budget eliminates two full-time and two part-time Maintenance Worker positions, which will virtually eliminate resources for preventive maintenance, leaving in place enough staff and other resources to repair infrastructure failures and perform basic safety maintenance procedures. The budget also eliminates the Customer Service Manager position. This position provides primary customer contact in the field, addressing citizen concerns about trees, drainage, roadway hazards, and all other matters regarding public rights-of-way. The incumbent also conducts inspections for all public works permits for activities such as encroachment in the right-of-way, excavation, and sewer lateral repairs. These duties will be distributed among field crew supervisors, resulting in slower response to calls for service and delayed inspections. The remainder of reductions in the Public Works budget will be distributed among accounts funding materials and service contracts.

Eliminating maintenance worker positions and materials will reduce maintenance of streets, buildings, and parks to only essential maintenance services. Routine maintenance would be less frequent. These staffing reductions will result in savings of approximately \$260,000. Other major budget reductions appear in the contracts/services category, where \$150,000 of reductions are distributed primarily among the storm water and forestry division budgets. The reductions

will result in foregoing activities such as painting curbs, refreshing pavement markings, replacing building fixtures, and painting buildings.

This savings derived from reduced staffing levels and materials is offset by increasing fixed costs and costs that were displayed elsewhere in previous years' budgets. The department's share of citywide debt service for pension obligation bonds issued in 2006 is increasing by approximately \$59,000. Additionally, the FY 2008/09 department budgets contain costs attributable to department services that were previously budgeted as operating transfers from the General Fund to other funds. Largest among these for the Public Works Department is a \$200,000 operating transfer to the storm water management fund. Other costs charged directly to the department for the first time include liability insurance (\$10,000) and employee benefit claims (\$10,000). These cost categories, mostly contained in the contract services budget accounts, were previously budgeted elsewhere in the General Fund. Displaying them in the department budgets has a neutral effect on the total General Fund budget.

The capital budget category shows an increase of \$456,000, primarily due to the additional \$400,000 expected in State Proposition 1B grant funds for transportation maintenance work.

Service Objectives:

1. Complete the assessment and inventory of all trees on city-owned property and city-maintained tree wells. The inventory will provide the basis for a prioritized, multi-year plan for tree-planting and dead tree removal plan.
2. Plan for increased tree planting and identify ways to ensure appropriate care and watering for new trees.
3. Complete Recreation Trail improvements, which will rehabilitate 18 sites along the Recreation trail; improvements range from construction of new sea walls to repairing sink-holes.
4. Develop and implement a plan to increase recycling at City facilities and measure progress toward recycling goals.
5. Complete an energy audit of City facilities, which will provide baseline information for potential energy- and costs-saving facility improvements.
6. Develop a plan and cost information for potential City Council action to repair/replace restrooms at Crespi Pond and George Washington Park. Coordinate with the Community Development Department on restrooms at Lovers Point Park and the Old Bathhouse Building.
7. Develop a plan that conforms to new state laws to replace regulatory signs and deteriorating street signs.

8. Identify ways to fund or otherwise ensure appropriate care and watering for new tree plantings.
9. Continue to implement comprehensive measures required to comply with the City's National Pollution Discharge Elimination System (NPDES) Phase II permit. Measures include continued testing at various points along the coast, street sweeping and testing of sweepings, increased municipal housekeeping requirements, education regarding low-impact development, increased enforcement with regard to wastewater discharges including car washing and pressure washing activities.
10. Apply for State funding and begin phase III of the Urban Diversion Runoff project, an underground collection system that will deliver dry-weather run-off for pollution control treatment via the sanitary sewer system.
11. Complete improvements at the intersection of Lighthouse Ave. and Eardley Ave., including resurfacing and upgrading access for the disabled.

Performance Indicators:

- Number of miles of streets maintained: 55 lane-miles
- Number of potholes patched:
 - 2006: 200
 - 2007: 225
- Number streetlights for which City is responsible to maintain: 699
- Number of bulb replacements/streetlight repairs:
 - 2006: 60/40
 - 2007: 50/30
- Number of vehicles (rolling stock) in City fleet: 119
- Linear feet/miles of sewer line in Pacific Grove: 58
- Number of sewer failures:
 - 2006: 5
 - 2007: 6
- Number of storm drains: 332
- Number of storm drains lines replaced in 2007: 2, includes curb to curb, new pipe, new grates, and new curb cuts per ADA guidelines.

		FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
01 - General Fund					
PROGRAM REVENUES					
4445	PUBLIC WORKS FEE & CHARGE	33,196	44,898	75,000	46,800
4330	MOTOR VEHICLE IN LIEU FEE	112,883	97,392	1,260,000	1,186,687
4336	PROP TAX IN LIEU OF MVLF	1,029,150	1,066,090	-	-
4337	HIGHWAY MAINTENANCE REIMBURSEME	7,075	4,718	7,000	7,000
4516	FUEL SALES TO DISTRICT	3,618	3,743	5,000	5,200
4521	TREE DAMAGE ASSESSMENTS	-	100	-	-
4605	TREES FOR PG	-	4,820	0	5,000
4702	MECHANICAL DEPT.FEES	7,013	7,761	2,000	2,080
	Program revenues total	1,192,935	1,229,522	1,349,000	1,252,767
EXPENDITURES					
501 - Public Works Admin					
5101	BASE SALARY	229,227	219,798	174,699	71,651
5102	OVERTIME	-	318	1,000	1,000
5103	STAND-BY PAY/FLSA PAY	-	-	-	-
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	23,136	1,984	20,000	20,000
5106	UNIFORM ALLOWANCE PAY	-	-	-	-
5121	FICA-MEDICARE BENEFITS	3,340	3,122	2,502	1,309
5122	RETIREMENT (PERS)	32,239	19,421	18,146	6,462
5123	HEALTH INSURANCE COST	775	1,053	553	-
5124	UNEMPLOYMENT COST	85	76	62	32
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	2,384	2,631	1,242	752
5128	OTHER EMPLOYEE BENEFITS	2,081	2,205	2,878	1,095
5129	FLEXIBLE HEALTH BENEFIT	-	831	2,580	780
5130	POB DEBT SERVICE	-	-	13,045	9,379
	Staffing subtotal	293,267	251,439	236,708	112,460
5201	CONTRACT SERVICES	64,693	54,724	22,000	22,500
5202	PROF/CONSULTANT SERVICES	3,707	3,060	4,000	4,000
5204	ENGINEERING/DESIGN SVCS	8,611	-	1,000	2,000
5206	DATA, COMMUNICATION SVCS	6,581	650	3,000	2,000
5207	MAINTENANCE SERVICES	817	1,662	2,000	2,500
5208	CONTRACT PERSONNEL	5,070	2,944	4,500	4,500
5212	TELEPHONE	3,476	4,677	4,500	5,000
5215	MEETING/TRAINING/TRAVEL	2,340	1,097	3,500	2,500
5217	TRAVEL, MEAL COSTS	2,116	1,289	1,000	1,000
5222	UTILITIES	30,122	30,485	25,000	35,000
5224	EQUIP REPAIR, MAINT	573	549	1,000	1,000
5226	EQUIPMENT REPAIR	850	75	1,000	1,000
5227	VEHICLE REPAIR	1,015	814	1,000	1,000
5231	INSURANCE	-	-	-	9,979
5234	DENTAL CLAIMS	-	-	-	10,204
5261	SUBSCRIPTIONS, MEMB	1,077	1,866	1,000	1,000
5263	COMMITTEE EXPENSES	-	-	500	500
5275	SAFETY EQUIP	466	292	300	500
5276	FUEL SYSTEM REPAIR	-	-	-	-
5291	SPECIAL DEPT EXPENSE	5,245	5,435	10,000	10,000
	Services subtotal	136,760	109,619	85,300	116,183

		FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5301	OFFICE SUPPLIES	5,279	4,278	4,000	3,500
5309	OTHER SUPPLIES	4,183	2,312	3,000	3,000
5311	VEHICLE FUEL	409	833	1,000	1,000
5312	VEHICLE TIRES	158	-	500	800
5322	SMALL TOOLS	6	-	-	-
5331	STREET SUPPLIES	73	-	-	-
5351	AGRICULTURAL SUPPLIES	-	-	-	-
5352	CHEMICAL SUPPLIES	-	-	-	-
	Materials/supplies subtotal	10,108	7,423	8,500	8,300
5401	FUND TRANSFERS	-	-	-	200,000
	Transfers Subtotal	-	-	-	200,000
5801	INTEREST PMTS	3,333	-	5,000	-
6001	EQUIPMENT	12,500	1,155	4,000	4,000
	Capital subtotal	15,833	1,155	9,000	4,000
	Non-staffing budget total	162,702	118,197	102,800	328,483
	Section total	455,968	369,636	339,508	440,943
502 - Mechanical					
5101	BASE SALARY	191,440	222,141	226,729	132,911
5102	OVERTIME	-	60	-	-
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5106	UNIFORM ALLOWANCE PAY	-	-	-	-
5121	FICA-MEDICARE BENEFITS	1,790	3,134	3,208	1,927
5122	RETIREMENT (PERS)	22,540	19,704	23,272	12,250
5123	HEALTH INSURANCE COST	2,280	2,753	979	-
5124	UNEMPLOYMENT COST	75	80	80	48
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	20,450	21,852	17,698	14,966
5127	LIFE/DISABILITY INSURANCE	7,589	-	-	-
5128	OTHER EMPLOYEE BENEFITS	2,162	2,786	3,728	2,271
5129	FLEXIBLE HEALTH BENEFIT	-	969	3,600	2,400
5130	POB DEBT SERVICE	-	-	16,725	17,398
	Staffing subtotal	248,324	273,479	296,019	184,170
5201	CONTRACT SERVICES	16,873	1,092	2,000	2,200
5207	MAINTENANCE SERVICES	-	-	-	-
5215	MEETING/TRAINING/TRAVEL	8,883	-	500	500
5217	TRAVEL, MEAL COSTS	-	-	200	200
5223	BLDG REPAIR, MAINT	290	62	1,000	1,000
5226	EQUIPMENT REPAIR	1,690	-	1,000	1,000
5227	VEHICLE REPAIR	1,143	1,376	2,000	2,000
5261	SUBSCRIPTIONS, MEMB	-	140	800	800
	Services subtotal	28,880	2,670	7,500	7,700

		FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5303	BOOKS, PRINTED MATL	-	-	250	250
5309	OTHER SUPPLIES	3,930	2,392	2,500	2,500
5311	VEHICLE FUEL	4,560	6,641	6,000	6,300
5312	VEHICLE TIRES	-	-	300	250
5322	SMALL TOOLS	950	613	1,000	500
5337	INVENTORY	3,182	841	2,500	2,500
	Materials/supplies subtotal	12,621	10,487	12,550	12,300
6001	EQUIPMENT	2,000	-	-	-
	Capital subtotal	2,000	-	-	-
	Non-staffing budget total	43,501	13,157	20,050	20,000
	Section total	291,825	286,636	316,069	204,170
503 - Buildings & Grounds					
5101	BASE SALARY	443,316	475,755	426,020	417,485
5102	OVERTIME	8,168	16,820	-	-
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	30,634	28,205	-	-
5106	UNIFORM ALLOWANCE PAY	-	-	-	-
5111	PART-TIME SALARIES	-	-	-	-
5121	FICA-MEDICARE BENEFITS	5,237	5,430	6,133	6,010
5122	RETIREMENT (PERS)	71,118	42,164	44,529	38,231
5123	HEALTH INSURANCE COST	4,348	5,051	3,297	2,254
5124	UNEMPLOYMENT COST	182	187	152	149
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	46,402	46,650	33,837	41,110
5127	LIFE/DISABILITY INSURANCE	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	5,910	6,387	7,325	6,884
5129	FLEXIBLE HEALTH BENEFIT	-	2,769	8,400	8,100
5130	POB DEBT SERVICE	-	-	31,976	54,649
	Staffing subtotal	615,316	629,418	561,669	574,873
5201	CONTRACT SERVICES	9,307	22,551	15,000	5,000
5207	MAINTENANCE SERVICES	15,942	4,270	7,500	3,000
5208	CONTRACT PERSONNEL	-	-	-	2,000
5215	MEETING/TRAINING/TRAVEL	408	443	2,500	1,500
5222	UTILITIES	34,903	37,300	30,000	35,000
5223	BLDG REPAIR, MAINT	10,079	12,570	12,000	10,000
5226	EQUIPMENT REPAIR	1,571	2,928	2,000	2,000
5227	VEHICLE REPAIR	5,364	3,471	5,000	5,000
5261	SUBSCRIPTIONS, MEMB	-	-	100	100
5291	SPECIAL DEPT EXPENSE	3,342	3,377	-	-
	Services subtotal	80,915	86,910	74,100	63,600

		FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5305	JANITORIAL SUPPLIES	24,423	25,570	24,000	24,000
5309	OTHER SUPPLIES	15,368	20,145	25,000	12,000
5311	VEHICLE FUEL	8,421	5,101	7,500	10,000
5312	VEHICLE TIRES	591	-	500	550
5324	CONSTRUCTION SUPPLIES	2,849	1,892	3,000	2,500
5331	STREET SUPPLIES	-	-	-	-
5351	AGRICULTURAL SUPPLIES	3,501	1,376	3,000	2,500
	Materials/supplies subtotal	55,153	54,084	63,000	51,550
6001	EQUIPMENT	1,473	3,104	5,000	4,000
	Capital subtotal	1,473	3,104	5,000	4,000
	Non-staffing budget total	137,541	144,098	142,100	119,150
	Section total	752,857	773,516	703,769	694,023
504 - Street Cleaning					
5101	BASE SALARY	-	-	-	-
5102	OVERTIME	-	-	-	-
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5121	FICA-MEDICARE BENEFITS	-	-	-	-
5122	RETIREMENT (PERS)	-	-	-	-
5123	HEALTH INSURANCE COST	(7,589)	-	-	-
5124	UNEMPLOYMENT COST	(15,228)	-	-	-
5125	DEFERRED COMPENSATION	(8,883)	-	-	-
5126	WORKERS' COMPENSATION	-	-	-	-
5127	LIFE/DISABILITY INSURANCE	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	-	-	-	-
5129	FLEXIBLE HEALTH BENEFIT	-	-	-	-
	Staffing subtotal	(31,699)	-	-	-
	Section total	(31,699)	-	-	-
505 - Street Maintenance					
5101	BASE SALARY	229,862	277,796	206,931	184,711
5102	OVERTIME	1,983	7,227	6,500	6,500
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	-	-	-	-
5106	UNIFORM ALLOWANCE PAY	-	-	-	-
5121	FICA-MEDICARE BENEFITS	(4,493)	1,393	2,960	2,645
5122	RETIREMENT (PERS)	69,166	24,550	21,484	16,840
5123	HEALTH INSURANCE COST	2,694	3,089	1,229	1,942
5124	UNEMPLOYMENT COST	90	102	73	66
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	24,751	28,165	14,565	20,540
5127	LIFE/DISABILITY INSURANCE	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	3,051	3,753	3,492	3,228
5129	FLEXIBLE HEALTH BENEFIT	-	2,626	3,720	4,440
5130	POB DEBT SERVICE	-	-	15,434	24,179
	Staffing subtotal	327,104	348,701	276,389	265,090

		FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5201	CONTRACT SERVICES	-	5,075	5,500	4,500
5204	ENGINEERING/DESIGN SVCS	6,128	4,500	5,000	5,000
5207	MAINTENANCE SERVICES	-	-	-	-
5208	CONTRACT PERSONNEL	-	-	-	-
5215	MEETING/TRAINING/TRAVEL	442	334	600	500
5217	TRAVEL, MEAL COSTS	-	-	150	150
5226	EQUIPMENT REPAIR	3,778	1,409	5,000	5,000
5227	VEHICLE REPAIR	4,307	1,987	5,000	6,000
5275	SAFETY EQUIP	5,521	3,883	3,500	3,000
5291	SPECIAL DEPT EXPENSE	-	75	-	-
	Services subtotal	20,177	17,263	24,750	24,150
5311	VEHICLE FUEL	4,984	4,075	4,100	4,500
5312	VEHICLE TIRES	291	563	750	750
5325	HAZ WASTE DISPOSAL	-	1,469	2,000	3,500
5331	STREET SUPPLIES	17,159	15,464	23,000	19,000
	Materials/supplies subtotal	22,434	21,571	29,850	27,750
6001	EQUIPMENT	-	475	5,000	3,500
6041	STREET, SIDEWALK IMP	4,400	-	7,000	-
	Capital subtotal	4,400	475	12,000	3,500
	Non-staffing budget total	47,011	39,309	66,600	55,400
	Section total	374,115	388,010	342,989	320,490

513 - Forestry

5101	BASE SALARY	-	-	74,688	78,423
5102	OVERTIME	-	-	-	-
5104	SALARIES RETROACTIVE PAY	-	-	-	-
5105	PART-TIME SALARIES	-	-	-	-
5106	UNIFORM ALLOWANCE PAY	-	-	-	-
5121	FICA-MEDICARE BENEFITS	-	-	1,083	1,137
5122	RETIREMENT (PERS)	-	-	7,856	7,223
5123	HEALTH INSURANCE COST	-	-	936	936
5124	UNEMPLOYMENT COST	-	-	27	28
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	-	-	5,252	8,830
5127	LIFE/DISABILITY INSURANCE	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	-	-	1,257	1,312
5129	FLEXIBLE HEALTH BENEFIT	-	-	1,200	1,200
5130	POB DEBT SERVICE	-	-	5,646	10,266
	Staffing subtotal	-	-	97,945	109,355
5201	CONTRACT SERVICES	-	-	290,000	160,000
5204	ENGINEERING/DESIGN SVCS	-	-	-	2,000
5207	MAINTENANCE SERVICES	-	-	-	-
5208	CONTRACT PERSONNEL	-	-	-	-
5215	MEETING/TRAINING/TRAVEL	-	-	-	250
5217	TRAVEL, MEAL COSTS	-	-	-	250
5226	EQUIPMENT REPAIR	-	-	-	500
5227	VEHICLE REPAIR	-	-	-	1,000
5275	SAFETY EQUIP	-	-	-	500
5291	SPECIAL DEPT EXPENSE	-	-	-	-
	Services subtotal	-	-	290,000	164,500

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5311 VEHICLE FUEL		-	-	1,000
5312 VEHICLE TIRES		-	-	500
5325 HAZ WASTE DISPOSAL		-	-	500
5331 STREET SUPPLIES		-	-	1,500
Materials/supplies subtotal	-	-	-	3,500
6001 EQUIPMENT		-	-	2,000
6041 STREET, SIDEWALK IMP		-	-	-
Capital subtotal	-	-	-	2,000
Non-Staffing Budget Total			290,000	170,000
Non-Staffing Budget Target			290,000	
Section total	-	-	387,945	279,355
Department total	1,843,066	1,817,798	2,090,280	1,938,980
Staffing Budget Total	1,452,312	1,503,037	1,468,730	1,245,947
Net General Fund cost	650,131	588,276	741,280	686,213
% program revenues	64.7%	67.6%	64.5%	64.6%

16 - Traffic Congestion Relief Fund

Beginning Fund Balance	-	46,273	100,194	85,194
PROGRAM REVENUES				
4315 TRAFFIC CONGESTION RELIEF	49,944	134,728	60,000	492,000
4651 INTEREST EARNED	-	-	-	3,000
Program Revenue Total	49,944	134,728	60,000	495,000
EXPENDITURES				
<i>507 - Traffic Congestion Relief</i>				
5204 ENGINEERING/DESIGN SVCS	-	-	-	10,000
Services Total	-	-	-	10,000
6041 STREET, SIDEWALK IMP	3,672	56,000	75,000	542,000
Capital Total	3,672	56,000	75,000	542,000
6603 INTEREST EXPENSE	-	24,807	-	-
Investment Total	-	24,807	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	3,672	80,807	75,000	552,000
Division Total	3,672	80,807	75,000	552,000
Net Result of Operations	46,272	53,921	(15,000)	(57,000)
Ending Fund Balance	46,273	100,194	85,194	28,194

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
18 - Gasoline Tax Fund				
Beginning Fund Balance	97,884	112,790	75,538	63,849
PROGRAM REVENUES				
4331 STATE GAS TAX 2105	95,024	36,458	89,000	95,000
4332 STATE GAS TAX 2106	43,727	40,222	42,000	45,000
4333 STATE GAS TAX 2107	126,733	115,005	114,000	130,000
4334 STATE GAS TAX 2107.5	4,000	-	4,500	4,000
4651 INTEREST EARNED	396	-	500	2,500
Program Revenue Total	269,880	191,685	250,000	276,500
EXPENDITURES				
508 - Gas Tax				
5101 BASE SALARY	78,188	68,533	78,075	78,522
5102 OVERTIME	732	1,632	-	-
5104 SALARIES RETROACTIVE PAY	-	-	-	-
5105 PART-TIME SALARIES	-	-	-	-
5106 UNIFORM ALLOWANCE PAY	-	-	-	-
5121 FICA-MEDICARE BENEFITS	560	(814)	1,118	1,124
5122 RETIREMENT (PERS)	13,239	6,109	8,114	7,180
5123 HEALTH INSURANCE COST	678	301	396	1,440
5124 UNEMPLOYMENT COST	32	25	28	28
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	8,761	6,802	6,167	8,731
5128 OTHER EMPLOYEE BENEFITS	1,094	833	1,323	1,501
5129 FLEXIBLE HEALTH BENEFIT	-	508	1,440	2,760
5130 POB DEBT SERVICE	-	-	5,828	10,279
Staffing Subtotal	103,284	83,929	102,489	111,565
5201 CONTRACT SERVICES	24,695	10,692	25,000	10,000
5202 PROF/CONSULTANT SERVICES	-	-	-	3,000
5204 ENGINEERING/DESIGN SVCS	2,000	-	-	2,000
5206 DATA, COMMUNICATION SVCS	-	-	1,000	2,000
5208 CONTRACT PERSONNEL	-	-	-	5,000
5212 TELEPHONE	-	-	-	-
5215 MEETING/TRAINING/TRAVEL	-	-	500	500
5216 ATTENDANCE COSTS	-	-	500	-
5217 TRAVEL, MEAL COSTS	-	160	250	250
5222 UTILITIES	95,129	90,356	85,000	90,000
5223 BLDG REPAIR, MAINT	497	1,696	3,000	1,000
5224 EQUIP REPAIR, MAINT	-	-	3,000	-
5226 EQUIPMENT REPAIR	850	609	2,500	1,500
5227 VEHICLE REPAIR	1,828	1,093	3,000	2,000
5275 SAFETY EQUIP	-	-	500	500
5276 FUEL SYSTEM REPAIR	977	5,613	3,000	5,000
5291 SPECIAL DEPT EXPENSE	-	-	-	-
Services Subtotal	125,976	110,219	127,250	122,750

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5301 OFFICE SUPPLIES	-	-	250	-
5311 VEHICLE FUEL	4,969	10,075	4,000	4,500
5312 VEHICLE TIRES	-	-	200	-
5325 HAZ WASTE DISPOSAL	-	94	2,500	2,500
5331 STREET SUPPLIES	9,505	4,565	10,000	30,000
5337 INVENTORY	-	-	-	-
Material/Supplies Subtotal	14,474	14,734	16,950	37,000
5401 FUND TRANSFERS	2,000	4,000	-	-
Transfers Subtotal	2,000	4,000	-	-
6041 STREET, SIDEWALK IMP	9,240	2,049	15,000	-
Capital Subtotal	9,240	2,049	15,000	-
6603 INTEREST EXPENSE	-	14,006	-	-
Investment Subtotal	-	14,006	-	-
Staffing Costs	103,284	83,929	102,489	111,565
Non-Staffing Costs	151,690	145,008	159,200	159,750
Division Total	254,974	228,937	261,689	271,315
Net Result of Operations	14,906	(37,252)	(11,689)	5,185
Ending Fund Balance	112,790	75,538	63,849	69,034

20 - RSTP Projects Fund

Beginning Fund Balance	(79,695)	(79,695)	(43,151)	118,959
PROGRAM REVENUES				
4371 RSTP ALLOCATIONS	95,561	182,579	131,000	-
4373 TEA GRANT	-	-	75,000	28,000
4381 STIP1 ALLOC	-	-	484,000	484,000
4382 STIP2 ALLOC	-	-	-	-
4651 INTEREST EARNED	-	13,114	-	-
Program Revenues Total	95,561	195,693	690,000	512,000
EXPENDITURES				
509 - RSTP Projects				
5101 BASE SALARY	-	5,810	18,000	18,000
5105 PART-TIME SALARIES	22,290	17,202	-	-
5121 FICA-MEDICARE BENEFITS	323	1,555	250	250
5122 RETIREMENT (PERS)	-	496	-	-
5123 HEALTH INSURANCE COST	-	49	-	-
5124 UNEMPLOYMENT COST	8	9	15	15
5126 WORKERS' COMPENSATION	160	820	125	125
5128 OTHER EMPLOYEE BENEFITS	-	190	-	-
5129 FLEXIBLE HEALTH BENEFIT	-	-	-	-
5130 POB DEBT SERVICE	-	-	-	-
Staffing Subtotal	22,781	26,131	18,390	18,390
5202 PROF/CONSULTANT SERVICES	-	12,024	1,000	5,000
5204 ENGINEERING/DESIGN SVCS	4,030	10,305	-	1,000
Services Subtotal	4,030	22,329	1,000	6,000
5331 STREET SUPPLIES	-	8,191	-	-

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
6041 STREET, SIDEWALK IMP	-	10,950	-	-
6046 STREET RECON (RSTP2)	-	4,045	477,000	500,000
6047 STREET RECON (RSTP2)	68,750	87,503	31,500	25,000
6048 CONG/FOREST OVERLAY STIP1	-	-	-	-
Capital Subtotal	68,750	102,498	508,500	525,000
6603 INTEREST EXPENSE	-	-	-	3,500
Investment Subtotal	-	-	-	3,500
Staffing Costs	22,781	26,131	18,390	18,390
Non-Staffing Costs	72,780	133,018	509,500	534,500
Division Total	95,561	159,149	527,890	552,890
Net Result of Operations	-	36,544	162,110	(40,890)
Ending Fund Balance	(79,695)	(43,151)	118,959	78,069

41 - Yount Trust Income Fund

Beginning Fund Balance	13,824	31,430	28,060	9,960
PROGRAM REVENUES				
4651 INTEREST EARNED	30,075	28,957	30,000	30,750
4351 INTERFUND TRANSFER	-	-	-	-
Program Revenue Total	30,075	28,957	30,000	30,750
EXPENDITURES				
510 - Yount Trust				
5101 BASE SALARY	-	20,980	-	15,293
5102 OVERTIME	-	122	300	-
5105 PART-TIME SALARIES	-	-	21,000	-
5121 FICA-MEDICARE BENEFITS	-	306	350	222
5122 RETIREMENT (PERS)	-	-	-	1,410
5123 HEALTH INSURANCE COST	-	-	-	-
5124 UNEMPLOYMENT COST	-	8	-	6
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	-	777	950	1,722
5128 OTHER EMPLOYEE BENEFITS	-	-	-	264
5129 FLEXIBLE HEALTH BENEFIT	-	-	-	300
5132 PERS P.O.B. PAYMENT	-	-	-	2,002
Staffing Subtotal	-	22,193	22,600	21,219
5201 CONTRACT SERVICES	1,771	-	-	-
5222 UTILITIES	-	-	-	-
5291 SPECIAL DEPT EXPENSE	3,935	4,828	3,500	2,000
Services Subtotal	5,706	4,828	3,500	2,000
5309 OTHER SUPPLIES	285	3,586	21,000	4,000
5331 STREET SUPPLIES	-	-	1,000	2,000
Supplies/Materials Subtotal	285	3,586	22,000	6,000

		FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5401	FUND TRANSFERS	6,478	1,720	-	-
	Transfers Subtotal	6,478	1,720	-	-
6603	INTEREST EXPENSE	-	-	-	-
	Investments Subtotal	-	-	-	-
	Staffing Costs	-	22,193	22,600	21,219
	Non-Staffing Costs	12,469	10,134	25,500	8,000
	Division Total	12,469	32,327	48,100	29,219
	Net Result of Operations	17,606	(3,370)	(18,100)	1,531
Ending Fund Balance		31,430	28,060	9,960	11,491

53 - Oceanfront Restoration Fund

Beginning Fund Balance		270,724	341,926	1,046,734	(158,163)
PROGRAM REVENUES					
4339	CLEAN BEACHES INIT. GRANT	-	-	-	-
4340	STATE-DPT.BOATING&WATERWY	100,000	800,000	-	-
4651	INTEREST EARNED	-	-	-	28,500
4638	PROJECT MATCH	-	-	25,000	-
4931	INTERFUND OPERATING TRANS	-	-	-	-
	Program Revenue Total	100,000	800,000	25,000	28,500
EXPENDITURE					
511 - Oceanfront Resoration					
5101	BASE SALARY	-	8,378	4,000	-
5105	PART-TIME SALARIES	-	-	-	-
5121	FICA-MEDICARE BENEFITS	-	121	60	-
5122	RETIREMENT (PERS)	-	748	325	-
5123	HEALTH INSURANCE COST	-	-	-	-
5124	UNEMPLOYMENT COST	-	3	2	-
5126	WORKERS' COMPENSATION	-	820	420	-
5128	OTHER EMPLOYEE BENEFITS	-	98	90	-
5129	FLEXIBLE HEALTH BENEFIT	-	-	-	-
	Staffing Subtotal	-	10,168	4,897	-
5201	CONTRACT SERVICES	13,760	4,875	-	10,000
5291	SPECIAL DEPT EXPENSE	-	-	25,000	-
	Services Subtotal	13,760	4,875	25,000	10,000
6031	PARK, OPEN SPACE IMP	15,038	618	1,200,000	1,200,000
6051	SEWER SYSTEM IMP	-	-	-	-
	Capital Subtotal	15,038	618	1,200,000	1,200,000
6603	INTEREST EXPENSE	-	79,531	-	-
	Investment Subtotal	-	79,531	-	-
	Staffing Costs	-	10,168	4,897	-
	Non-Staffing Costs	28,798	85,024	1,225,000	1,210,000
	Division Total	28,798	95,192	1,229,897	1,210,000
	Net Result of Operations	71,202	704,808	(1,204,897)	(1,181,500)
Ending Fund Balance		341,926	1,046,734	(158,163)	(1,339,663)

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
44 - Storm Water Fund				
Beginning Fund Balance	-	(200,627)	21,188	21,188
PROGRAM REVENUES				
4339 CLEAN BEACHES INIT. GRANT	50,000	1,453,279	-	-
4651 INTEREST EARNED	-	99,810	-	-
4750 REFUNDS & REBATES	-	188	-	-
4931 INTERFUND OPERATING TRANS	-	-	250,000	200,000
Program Revenue Total	50,000	1,553,277	250,000	200,000
EXPENDITURES				
512 - Storm Water Diversion				
5101 BASE SALARY	-	-	-	5,512
5102 OVERTIME	-	-	-	-
5104 SALARIES RETROACTIVE PAY	-	-	-	-
5121 FICA-MEDICARE BENEFITS	-	-	-	78
5122 RETIREMENT (PERS)	-	-	-	497
5123 HEALTH INSURANCE COST	-	-	-	-
5124 UNEMPLOYMENT COST	-	-	-	2
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	-	-	-	45
5128 OTHER EMPLOYEE BENEFITS	-	-	-	84
5129 FLEXIBLE HEALTH BENEFIT	-	-	-	60
5132 PERS P.O.B. PAYMENT	-	-	-	708
Staffing Subtotal	-	-	-	6,987
5201 CONTRACT SERVICES	50,048	26,077	225,000	185,000
5222 UTILITIES	-	-	-	-
5291 SPECIAL DEPT EXPENSE	-	-	25,000	-
Services Subtotal	50,048	26,077	250,000	185,000
5206 OFFICE EQUIPMENT	-	-	-	-
Materials/Supplies Subtotal	-	-	-	-
5401 FUND TRANSFERS	200,579	-	-	-
Transfers Subtotal	200,579	-	-	-
6026 URBAN RUNOFF DIVERSION II	-	1,305,385	-	-
6051 SEWER SYSTEM IMP	-	-	-	-
Capital Subtotal	-	1,305,385	-	-
6603 INTEREST EXPENSE	-	-	-	-
Investment subtotal	-	-	-	-
Staffing Costs	-	-	-	6,987
Non-Staffing Costs	250,627	1,331,462	250,000	185,000
Division Total	250,627	1,331,462	250,000	191,987
Net Result of Operations	(200,627)	221,815	-	8,013
Ending Fund Balance	(200,627)	21,188	21,188	29,201

Recreation

Mission:

Make Pacific Grove the best possible place to live, by providing high-quality recreational programs that keep people active and engaged in our community, while increasing their quality of life.

Services and Responsibilities:

The department provides a broad range of recreational services through programs, contract instructors and collaboration with outside agencies. Citizens are offered sports leagues for youth and adults, leisure and educational programs for all ages, programs and services for teens, management of the historic Chautauqua Hall and Community Center, rental of City parks and facilities, a range of summer camps and programs for children and teens, and involvement with large range of special events in the City.

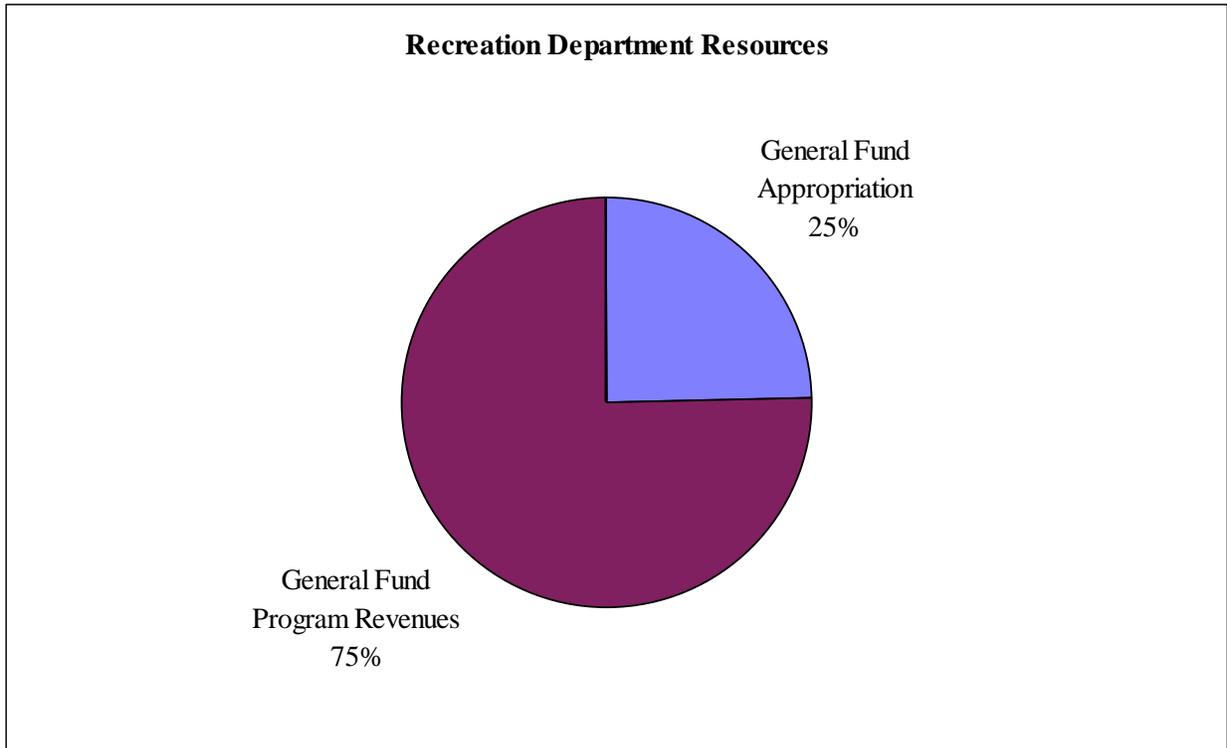
Sports leagues include soccer, basketball leagues (presently with the Y.M.C.A), and a track program for youth participants. Adult leagues in softball are offered in the Spring and Fall. Our adult basketball league is offered in the Winter. The department has a variety of professional providers who teach a wide assortment of leisure programs mainly for adults, ranging from Jazzercise and Yoga to Brazilian drumming and dancing. Youth providers offer Martial Arts, Soccer and Dance. The department also offers many summer programs, from the Dinosaur Days preschool program, and Lovers Point “tot” swim lessons to our drop-in Playground program at Caledonia Park. The department either runs or oversees a variety of camps and day programs, such as sports camps, a month-long Musical Theatre Camp and (with the Y.M.C.A.), and a weekly day camp.

The department operates the City’s Youth Center, historic Chautauqua Hall, and the Community Center. The Youth Center is open to middle school and high school students six afternoons a week for students to play, study, make friends and have fun. Youth Center staff coordinate many events for teens, including pizza parties, movie specials, and tournaments. Chautauqua Hall is home to most of the leisure classes offered by the Department, in addition to the meeting site for Boy Scout Troop 90 and the Saturday night Chautauqua Hall Dance Club. The Community Center facility is rented for private meetings, parties, and receptions. It is also home to the popular, City-run preschool, which has an enrollment of 35 students, aged three to five. Although not a City facility, the department manages rentals of private parties for the Sally Griffin Senior Center.

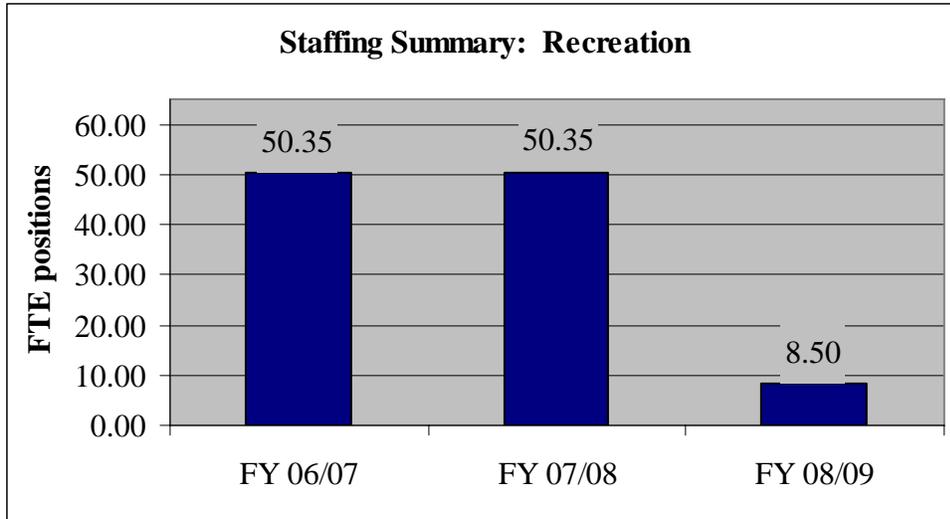
The department is responsible for rental of Lovers Point Park, Berwick Park, Jewell Park and Elmarie Dyke Open Space for weddings. During the course of a year, the Department schedules between 200-300 weddings at these parks. The department also handles the field preparation of baseball and softball fields for approximately 100 games played by the PG PONY Baseball League and Pacific Grove High School.

Finally, the Recreation Department is involved with many of the special events held yearly in the City, from the small and simple ones, such as the Peace Lantern ceremony, to the very large and complicated ones, such as the Good Old Days, Feast of Lanterns and Triathlon.

Budget at-a-glance:



Recreation Department Appropriations Summary (ALL FUNDS)	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	709,421	679,114	731,840	239,125
Services/Contracts	176,762	132,372	147,441	143,700
Materials Supplies	58,265	67,854	80,350	19,100
Total Expenditures	944,448	879,340	959,631	401,925



Major Budget Changes

The budget includes a reduction in full-time staffing from 6.85 full-time positions dedicated primarily to recreation programs in FY 2007/08 to 1.5 positions in FY 2008/09. This change is reflected in the personnel expenditure category in the table above, which shows a \$492,715 budget reduction. This change in the model for delivering services enables a similarly large reduction of \$61,250 (79%) in the materials and supplies expenditure category. Recreation services will be delivered through a collaborative effort with a single manager coordinating other City staff and non-profit partners in continuing programs expected by the community.

The budget contains a share of the City's overhead costs, primarily \$36,000 for liability insurance, which was previously budgeted as an operating transfer from the General Fund to the liability insurance fund. Charging it directly to departments' budgets provides a clearer picture of the costs for specific City services. Changing the location in the budget where these costs are displayed has a neutral effect on the total General Fund budget.

Service Objectives:

1. Expand recreational offerings through partnerships with the Sally Griffin Active Living Center on programs, classes and services targeted at the area's growing older-adult population.
2. Identify and implement partnerships with local nonprofit organizations to ensure the financial future of the Youth Center through partnerships.
3. Develop and expand partnerships with service agencies (such as the Y.M.C.A.) in providing programming to Pacific Grove citizens.

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
01 - General Fund					
PROGRAM REVENUES					
4462	RECREATION PRGM FEE/CHRG	233,466	221,885	280,000	105,000
4464	TENNIS PRO CONTRACT FEES	525	1,050	3,600	3,600
4465	SPECIAL EVENT FEES	29,829	44,982	44,000	45,760
4635	RECREATION DONATIONS		5,000	5,000	-
4667	BEACH SNACK BAR CONCESS	12,084	13,588	12,000	15,000
4669	ADVENTURES BY THE SEA CON	10,264	11,039	12,000	12,000
4670	RECREATION FACILITY RENTS	79,113	88,663	108,000	114,400
	Program revenues total	365,281 U	386,207	464,600	295,760
EXPENDITURES					
421 - Recreation Operations					
5101	BASE SALARY	441,264	469,192	455,306	111,508
5102	OVERTIME	723	526		-
5104	SALARIES RETROACTIVE PAY	-	-		-
5105	PART-TIME SALARIES	138,100	116,470	145,000	94,000
5111	PART-TIME SALARIES	-	-		-
5121	FICA-MEDICARE BENEFITS	8,736	8,048	6,495	1,273
5122	RETIREMENT (PERS)	82,930	45,344	47,118	10,096
5123	HEALTH INSURANCE COST	2,550	3,326	3,088	1,021
5124	UNEMPLOYMENT COST	227	210	161	32
5125	DEFERRED COMPENSATION	-	-	-	-
5126	WORKERS' COMPENSATION	29,144	27,577	26,070	3,950
5127	LIFE/DISABILITY INSURANCE	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	5,746	5,606	7,537	1,450
5129	FLEXIBLE HEALTH BENEFIT		2,815	7,200	1,200
5130	POB DEBT SERVICE	-	-	33,864	14,596
	Staffing subtotal	709,421 F	679,114	731,840	239,125
5201	CONTRACT SERVICES	13,862	8,531	15,320	5,500
5208	CONTRACT PERSONNEL	-	1,001	-	-
5211	POSTAGE	752	1,851	1,800	500
5212	TELEPHONE	7,673	8,257	10,500	5,000
5215	MEETING/TRAINING/TRAVEL	-	-	-	-
5216	ATTENDANCE COSTS	-	-	-	-
5217	TRAVEL, MEAL COSTS	75	150	2,500	500
5221	ADVERTISING	21,740	18,307	23,000	23,000
5222	UTILITIES	54,724	65,155	55,000	55,000
5223	BLDG REPAIR, MAINT	10,423	5,382	12,500	7,000
5224	EQUIP REPAIR, MAINT	4,373	4,824	7,900	1,000
5226	EQUIPMENT REPAIR	1,607	4,851	2,400	500
5227	VEHICLE REPAIR	1,104	903	1,500	500
5230	INTERNAL SERVICE CHARGES	11,014	10,953	10,450	36,100
5261	SUBSCRIPTIONS, MEMB	2,799	1,302	2,800	1,600
5291	SPECIAL DEPT EXPENSE	1,033	905	1,771	500
	Services subtotal	131,178 F	132,372	147,441	136,700

		FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
5301	OFFICE SUPPLIES	4,261	2,751	3,650	500
5305	JANITORIAL SUPPLIES	4,582	3,008	4,500	500
5309	OTHER SUPPLIES	-	-	-	-
5311	VEHICLE FUEL	2,203	2,121	2,000	500
5312	VEHICLE TIRES	471	-	600	-
5352	CHEMICAL SUPPLIES	945	130	600	600
5361	RECREATION SUPPLIES	28,635	38,428	41,000	14,000
5362	SPECIAL EVENT SUPPLIES	17,168	18,610	28,000	1,000
5363	ARTS PROMOTION EXP	-	-	-	-
	Materials/supplies subtotal	58,265 F	65,048	80,350	17,100
6001	EQUIPMENT	-	-	-	-
	Capital subtotal	-	-	-	-
	Non-staffing budget total	189,443 F	197,420	227,791 0	153,800
	Department total	898,864 F	876,534	959,631 0	392,925
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Net General Fund cost		533,583 F	490,327	495,031	97,165
% program revenues		40.6%	44.1%	48.4%	75.3%

25 - Recreation Donations

Beginning Fund Balance		5,250	5,250	4,206	4,206
PROGRAM REVENUES					
4464	TENNIS PRO CONTRACT FEES	-	-	-	-
4601	DONATIONS	-	-	-	-
4651	INTEREST EARNED	-	-	-	130
	Program Revenues Total	-	-	-	130
EXPENDITURES					
<i>422 - Recreation Donations</i>					
5101	BASE SALARY	-	-	-	-
5105	PART-TIME SALARIES	-	-	-	-
5121	FICA-MEDICARE BENEFITS	-	-	-	-
5122	RETIREMENT (PERS)	-	-	-	-
5124	UNEMPLOYMENT COST	-	-	-	-
5126	WORKERS' COMPENSATION	-	-	-	-
5128	OTHER EMPLOYEE BENEFITS	-	-	-	-
	Staffing Subtotal	-	-	-	-
5201	CONTRACT SERVICES	-	-	-	2,000
5291	SPECIAL DEPT EXPENSE	-	-	-	-
	Services Subtotal	-	-	-	2,000
5309	OTHER SUPPLIES	-	-	-	-
5361	RECREATION SUPPLIES	-	-	-	2,000
	Materials/Supplies Subtotal	-	-	-	2,000

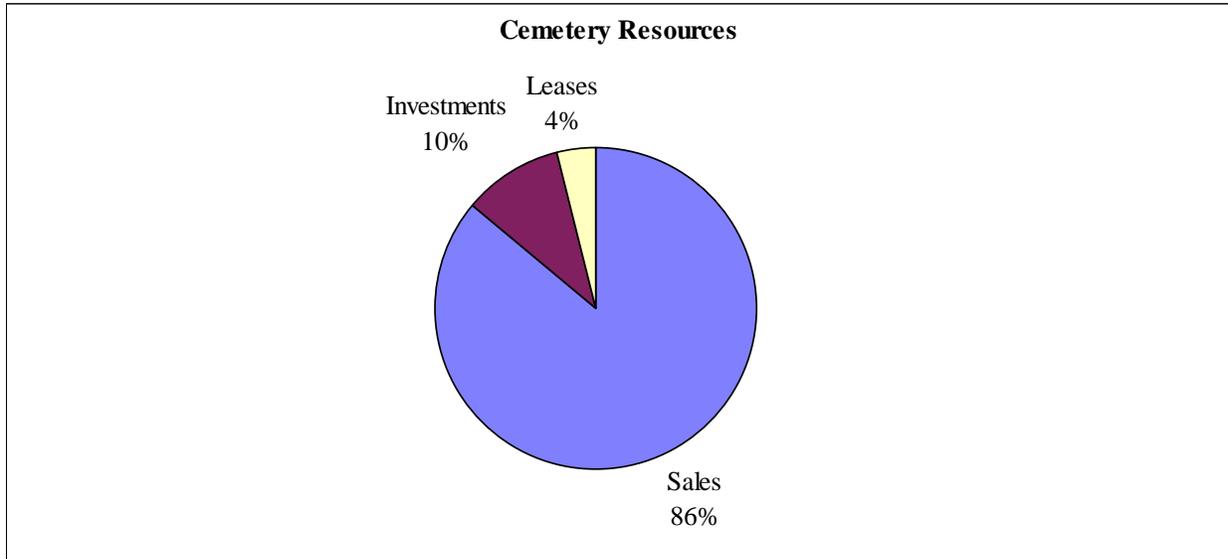
	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
6603 INTEREST EXPENSE	-	1,044	-	-
Investment Subtotal	-	1,044	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	-	1,044	-	4,000
Division Subtotal	-	1,044	-	4,000
Net Results of Operations	-	(1,044)	-	(3,870)
Ending Fund Balance	5,250	4,206	4,206	336
26 - Chautauqua Hall				
Beginning Fund Balance	52,747	7,163	7,901	7,901
PROGRAM REVENUES				
4385 REC BOND ACT 2000	-	-	-	-
4603 CHAUTAUQUA HALL PRESERVE	-	2,500	-	-
4651 INTEREST EARNED	-	-	-	270
4931 INTERFUND OPERATING TRANS	-	-	-	-
Program Revenues Total	-	2,500	-	270
EXPENDITURES				
423 - Chautauqua Hall				
5223 BLDG REPAIR, MAINT	45,584	-	-	5,000
Services Subtotal	45,584	-	-	5,000
6603 INTEREST EXPENSE	-	1,762	-	-
Investment Subtotal	-	1,762	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	45,584	1,762	-	5,000
Division Subtotal	45,584	1,762	-	5,000
Net Results of Operations	(45,584)	738	-	(4,730)
Ending Fund Balance	7,163	7,901	7,901	3,171

Cemetery Function

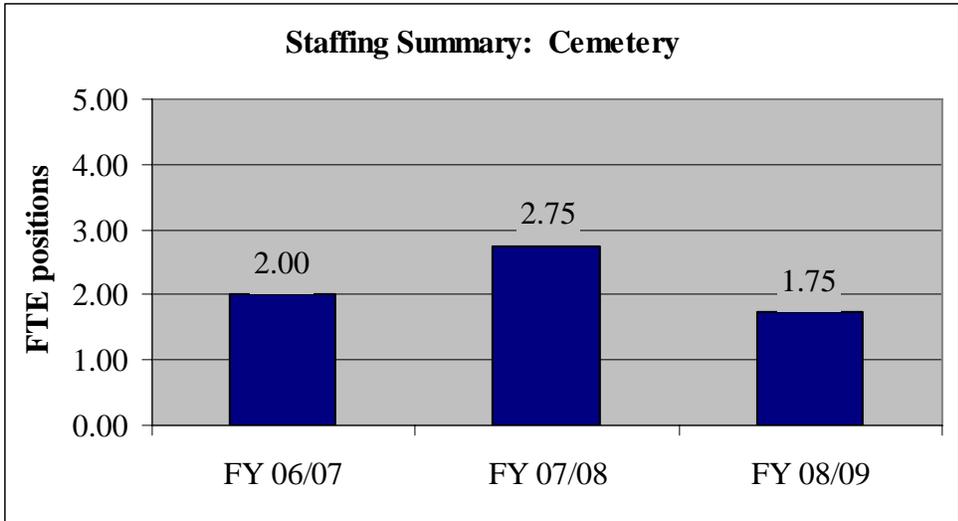
Services and Responsibilities:

The City operates and maintains El Carmelo Cemetery. The City coordinates with area mortuaries and individuals from around the country for services at the cemetery.

Budget at-a-glance:



Cemetery Fund Appropriations Summary	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	70,792	133,524	174,161	131,200
Services/Contracts	64,083	38,341	44,127	27,002
Materials Supplies	11,298	16,046	12,950	10,550
Transfers/Depreciation	60,700	93,048	93,243	70,400
Debt Service	-	-	13,088	13,088
Capital	1,572	(293,219)	15,000	13,000
Total Expenditures	208,445	(12,260)	352,569	265,240



Major Budget Changes:

Personnel costs will change as a result of FY2007/08 reorganization. In FY 2008/09 an Office Assistant II will assist Public Works in administration of the cemetery. Half of this position will (\$26,837 includes benefits) will be funded by the cemetery enterprise fund.

Service Objective:

Identify new burial sites, such as a memorial wall, that could provide revenue for a more sustainable cemetery business model.

Cemetery Budget Detail:

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
75 - Cemetery Fund				
INVESTED IN CAPITAL ASSETS, NET OF DEBT			779,088	740,664
DEBT SERVICE			-	-
UNRESTRICTED			(124,919)	(85,294)
Beginning Fund Balance	(304,706)	(192,517)	654,169	655,370
PROGRAM REVENUES				
4481 SITE SALES & SERVICE	160,307	187,140	190,000	90,000
4482 CEMETERY MAUSOLEUM SALES	62,518	41,106	35,000	15,000
4483 CEMETERY TAXABLE SALES	-	-	-	350
4484 CEMETERY LABOR CHARGES	75,606	65,712	75,000	55,000
4651 INTEREST EARNED	14,403	-	10,000	18,700
4662 CREMATORIUM LEASE	7,800	7,200	5,000	7,200
Program Revenue Total	320,634	301,158	315,000	186,250
EXPENDITURES				
601 - Cemetery Operations				
5101 BASE SALARY	43,553	100,011	127,303	98,781
5102 OVERTIME	402	1,194	500	-
5104 SALARIES RETROACTIVE PAY	-	-	-	-
5105 PART-TIME SALARIES	12,375	11,453	13,000	-
5106 UNIFORM ALLOWANCE PAY	-	-	-	-
5121 FICA-MEDICARE BENEFITS	836	1,630	1,845	1,114
5122 RETIREMENT (PERS)	6,872	8,902	13,393	9,104
5123 HEALTH INSURANCE COST	1,800	1,805	-	-
5124 UNEMPLOYMENT COST	21	40	32	28
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	4,352	7,082	5,052	7,042
5127 LIFE/DISABILITY INSURANCE	-	-	-	-
5128 OTHER EMPLOYEE BENEFITS	581	1,384	1,617	999
5129 FLEXIBLE HEALTH BENEFIT	-	23	1,800	1,200
5132 PERS P.O.B. PAYMENT	-	-	9,619	12,930
Staffing Subtotal	70,792	133,524	174,161	131,200
5201 CONTRACT SERVICES	571	45	6,912	-
5202 PROF/CONSULTANT SERVICES	540	8,326	2,000	-
5204 ENGINEERING/DESIGN SVCS	6,634	(1,676)	3,000	-
5207 MAINTENANCE SERVICES	32,943	224	3,000	-
5211 POSTAGE	244	134	415	200
5212 TELEPHONE	170	711	300	600
5217 TRAVEL, MEAL COSTS	-	-	400	200
5222 UTILITIES	14,717	17,476	12,600	10,000
5226 EQUIPMENT REPAIR	967	764	1,500	1,500
5227 VEHICLE REPAIR	4,297	6,337	5,000	3,000
5231 INSURANCE	3,000	6,000	9,000	11,502
Services Subtotal	64,083	38,341	44,127	27,002

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5301 OFFICE SUPPLIES	602	386	500	200
5309 OTHER SUPPLIES	4,176	5,479	5,000	3,500
5311 VEHICLE FUEL	1,714	2,097	1,500	1,500
5312 VEHICLE TIRES	-	-	200	250
5337 INVENTORY	4,367	3,693	5,000	4,500
5351 AGRICULTURAL SUPPLIES	439	645	750	600
Materials/Supplies Subtotal	11,298	12,300	12,950	10,550
5411 BLDG DEPRECIATION	7,589	51,458	8,201	8,812
5412 IMPROVEMENTS DEPR	15,228	15,662	17,161	19,034
5413 EQUIP DEPRECIATION	8,883	(3,378)	13,062	17,241
5491 INDIRECT COST ALLOCATION	29,000	29,306	54,819	25,313
Non-Operating Subtotal	60,700	93,048	93,243	70,400
5801 INTEREST PMTS	-	-	2,406	2,406
5802 PRINCIPAL PMTS	-	-	10,682	10,682
Debt Service Total	-	-	13,088	13,088
6001 EQUIPMENT	1,572	12,718	15,000	13,000
6021 GENERAL BLDG IMP	-	(305,937)	-	-
6023 PUB WKS FAC IMP	-	-	-	-
Capital Subtotal	1,572	(293,219)	15,000	13,000
6603 INTEREST EXPENSE	-	3,746	-	-
Investment Subtotal	-	3,746	-	-
Staffing Costs	70,792	133,524	174,161	131,200
Non-Staffing Costs	137,653	(145,784)	165,320	134,040
Fund Total	208,445	(12,260)	339,481	265,240
Budgeted Change in Fund Balance			(24,481)	(78,990)
Reconciliation to Change in Unrestricted Fund Balance				
Capital/Debt Service Payments			25,682	23,682
Depreciation			38,424	45,087
Net Change in Unrestricted Fund Balance	112,189	313,418	39,625	68,769
Capitalization/Prior Period Adjustments	-	(245,820)	25,682	23,682
Net Expenditures			313,799	241,558
Ending Fund Balance	(192,517)	(124,919)	655,370	600,062

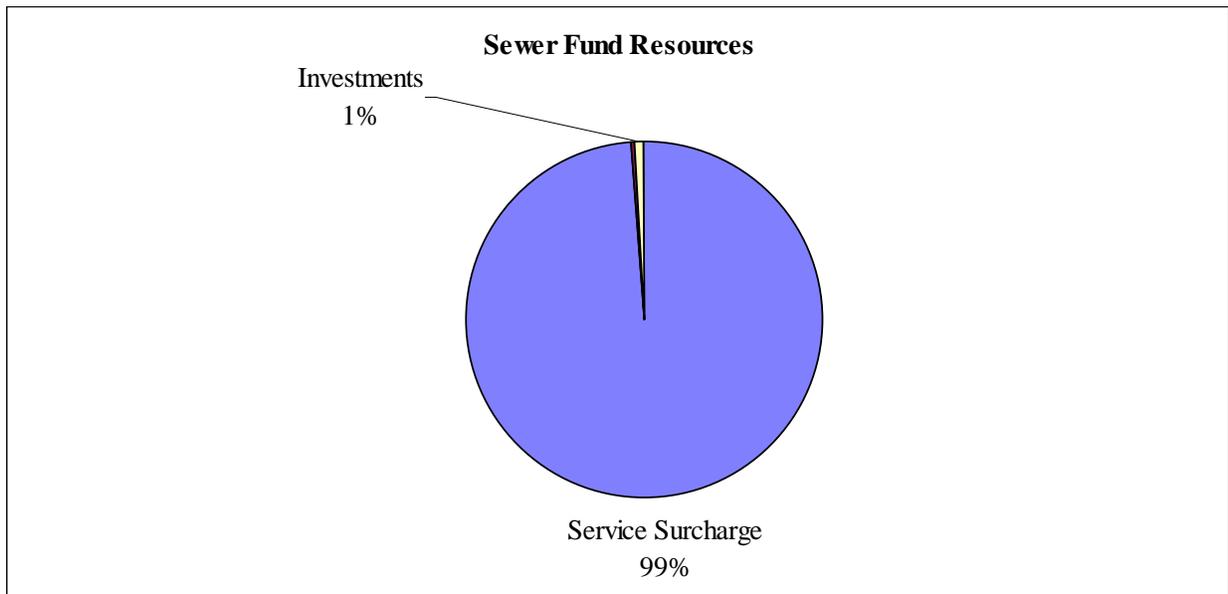
	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
86 - Cemetery Endowment Fund				
Beginning Fund Balance	791,544	840,579	901,478	901,478
PROGRAM REVENUES				
4480 CEMETERY ENDOWMENT CARE	49,035	60,899	-	-
Program Revenue Total	49,035	60,899	-	-
EXPENDITURES				
<i>603 - Cemetery Endowment</i>				
5471 CONTRIBUTIONS	-	-	-	-
Transfers Subtotal	-	-	-	-
6603 INTEREST EXPENSE	-	-	-	-
Investment Subtotal	-	-	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	-	-	-	-
Division Total	-	-	-	-
Net Result of Operations	49,035	60,899	-	-
Ending Fund Balance	840,579	901,478	901,478	901,478

Sewer Function

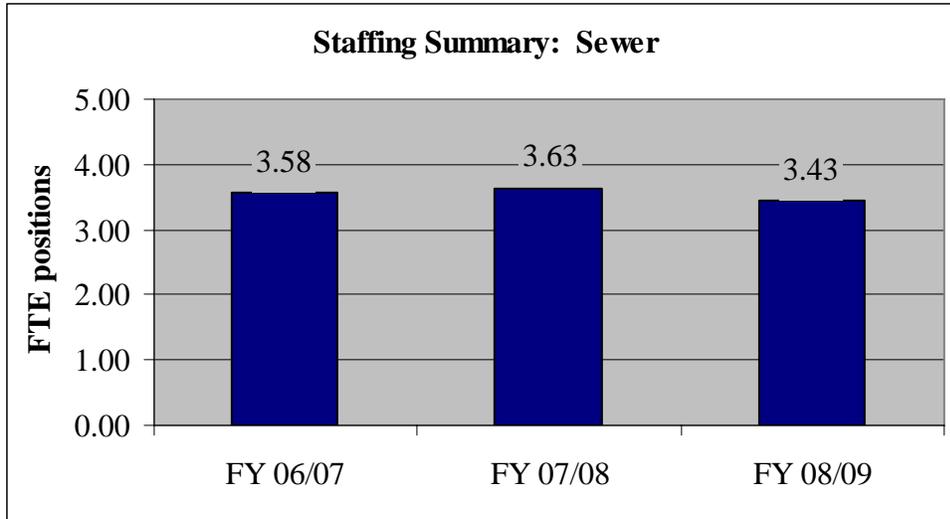
Services and Responsibilities:

The City owns and maintains the sanitary sewer system that collects and delivers sewage to the Monterey Regional Water Pollution Control Agency (MRWPCA) processing facility. In addition to performing maintenance activities, the City also manages the Sewer Lateral Loan Program that provides low-interest loans up to \$10,000 to repair or replace private sewer lateral facilities.

Budget at-a-glance:



Sewer Fund Appropriations Summary	FY 2005/06 Actual	FY 2006/07 Actual	FY 2007/08 Budget	FY 2008/09 Budget
Expenditures				
Personnel	273,230	309,929	303,333	319,531
Services/Contracts	624,566	396,543	464,231	547,032
Materials Supplies	22,631	71,151	24,900	38,400
Transfers/Depreciation	873,880	229,799	438,745	467,096
Debt Service	96,491	94,036	81,917	113,039
Capital	510,979	392,194	590,000	1,271,500
Total Expenditures	2,401,777	1,493,652	1,903,126	2,756,598



Major Budget Changes:

The most significant change in the Sewer function budget is the increase of \$680,500 in the capital expenditure category. Virtually all of the capital budget will be spent on the replacement of Pump Station #12.

Service Objective:

1. Complete a rebuild of one of the city’s seven (7) PUMP stations: Station #12, 9th Street Pump Station.
2. Replace 1,000 linear feet of sewer line, based on system priority data collected by video.
3. Continue the sewer lateral loan program; initiate 5-10 loans to continue improvement of citywide sewer lateral system.

Performance Indicators:

FY 2007/08

- Number of manhole rehabilitations: 2
- Feet of new sewer line: 1450
- Feet of repaired sewer line: 350

Sewer Budget Detail:

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
76 - Sewer Fund				
INVESTED IN CAPITAL ASSETS, NET OF DEBT			2,911,013	2,696,610
DEBT SERVICE			81	130
UNRESTRICTED			929,405	1,885,087
Beginning Fund Balance	(231,901)	(267,193)	3,840,499	4,581,827
PROGRAM REVENUES				
4011 BOND PROCEEDS	-	-	-	-
4339 CLEAN BEACHES INIT. GRANT	-	-	-	-
4470 SEWER CONNECTION FEES	11,794	2,408	8,000	7,000
4471 SEWER SERVICE SURCHARGE	2,122,979	2,196,055	2,000,000	2,150,000
4517 GREASE TRAP REIMBURSEMENT	67	-	-	-
4651 INTEREST EARNED	-	-	-	18,300
4704 SEWER DEBT EQUALIZATION	-	-	-	-
4753 SEWER LAT.LOAN REPAYMENTS	-	-	-	-
4931 INTERFUND OPERATING TRANS	200,579	-	-	-
Program Revenue Total	2,335,419	2,198,463	2,008,000	2,175,300
EXPENDITURES				
611 - Sewer Operations				
5101 BASE SALARY	209,099	252,330	230,822	230,148
5102 OVERTIME	1,350	3,564	5,000	5,000
5104 SALARIES RETROACTIVE PAY	-	-	-	-
5105 PART-TIME SALARIES	-	-	-	-
5106 UNIFORM ALLOWANCE PAY	-	-	-	-
5111 PART-TIME SALARIES	-	-	-	-
5121 FICA-MEDICARE BENEFITS	3,127	3,513	3,289	3,283
5122 RETIREMENT (PERS)	34,187	22,463	23,872	20,870
5123 HEALTH INSURANCE COST	241	266	311	228
5124 UNEMPLOYMENT COST	81	92	82	82
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	22,347	23,840	14,720	20,882
5127 LIFE/DISABILITY INSURANCE	-	-	-	-
5128 OTHER EMPLOYEE BENEFITS	2,798	3,372	3,889	3,955
5129 FLEXIBLE HEALTH BENEFIT	-	489	4,200	4,956
5132 PERS P.O.B. PAYMENT	-	-	17,148	30,126
Staffing Subtotal	273,230	309,929	303,333	319,531
5201 CONTRACT SERVICES	298,136	272,118	350,000	275,000
5202 PROF/CONSULTANT SERVICES	165,813	33,900	50,000	15,000
5204 ENGINEERING/DESIGN SVCS	4,500	4,500	4,500	4,500
5207 MAINTENANCE SERVICES	980	1,201	1,500	2,500
5212 TELEPHONE	4,435	4,926	4,000	5,000
5215 MEETING/TRAINING/TRAVEL	1,187	608	5,000	5,000
5216 ATTENDANCE COSTS	90	357	-	-
5222 UTILITIES	12,548	11,964	12,000	12,000
5223 BLDG REPAIR, MAINT	41	45	3,000	3,000
5226 EQUIPMENT REPAIR	595	523	10,000	5,000
5227 VEHICLE REPAIR	21,168	6,965	10,000	11,000
5231 INSURANCE	56,000	56,000	5,231	71,032
5232 INSURANCE CLAIMS	-	-	-	2,000
5234 DENTAL CLAIMS	-	-	-	5,000
5261 SUBSCRIPTIONS, MEMB	434	1,363	1,500	1,000
5291 SPECIAL DEPT EXPENSE	872	-	-	-
Services Subtotal	566,799	394,470	456,731	417,032

	FY 05/06 actual	FY 06/07 Actual	FY 07/08 budget	FY 08/09 budget
5309 OTHER SUPPLIES	14,266	17,379	15,000	25,000
5311 VEHICLE FUEL	8,365	9,083	8,500	10,000
5312 VEHICLE TIRES	-	1,120	1,400	1,400
5352 CHEMICAL SUPPLIES	-	-	-	2,000
Materials/Supplies Subtotal	22,631	27,582	24,900	38,400
5411 BLDG DEPRECIATION	-	-	-	-
5412 IMPROVEMENTS DEPR	553,682	-	-	-
5413 EQUIP DEPRECIATION	31,198	-	-	-
5491 INDIRECT COST ALLOCATION	214,000	218,100	225,205	135,744
Non-Operating Subtotal	798,880	218,100	225,205	135,744
6001 EQUIPMENT	13,865	107,261	100,000	6,500
Capital Subtotal	13,865	107,261		6,500
6603 INTEREST EXPENSE	-	43,569	-	-
Investment Subtotal	-	43,569	-	-
Staffing Costs	273,230	309,929	303,333	319,531
Non - Staffing Costs	1,402,175	790,982	706,836	597,676
Division Total	1,675,405	1,100,911	1,010,169	917,207
612 - Sewer Capital Improvement				
5201 CONTRACT SERVICES	81,257	2,073	7,500	5,000
5202 PROF/CONSULTANT SERVICES	(29,153)	-	-	-
5204 ENGINEERING/DESIGN SVCS	5,663	-	-	125,000
5205 LEGAL SERVICES	-	-	-	-
Services Subtotal	57,767	2,073	7,500	130,000
5413 EQUIP DEPRECIATION	-	(1,764)	47,780	95,412
5415 SEWER DEPRECIATION	-	13,463	165,760	235,940
5441 FRANCHISE TAXES	75,000	-	-	-
Non-Operating Subtotal	75,000	11,699	213,540	331,352
5801 INTEREST PMTS	-	25,163	2,028	1,391
5802 PRINCIPAL PMTS	30,000	-	46,454	47,269
5803 BOND - INTEREST PMTS	66,491	65,982	32,571	63,515
5804 AMORTIZATION EXPENSES	-	2,891	864	864
Debt Service Subtotal	96,491	94,036	81,917	113,039
6012 PW VEHICLES-PRINCIPAL	18,482	-	25,000	-
6051 SEWER SYSTEM IMP	416,855	284,933	500,000	1,200,000
6052 PUMP STA IMPROVEMENTS	-	-	25,000	25,000
6053 SEWER LATERALS REPLCMT.	61,777	-	40,000	40,000
Capital Subtotal	497,114	284,933	590,000	1,265,000
Staffing Costs	-	-	-	-
Non-Staffing Costs	726,372	392,741	892,957	1,839,391
Division Total	726,372	392,741	892,957	1,839,391
Fund Total			1,903,126	2,756,598
Budgeted Change in Fund Balance			104,874	(581,298)
Reconciliation to Change in Unrestricted Fund Balance				
Capital/Debt Service Payments			636,454	1,318,769
Depreciation			214,404	332,216
Debt Service Income			(50)	(100)
Net Change in Fund Balance	(66,358)	704,811	955,682	1,069,587
Capitalization/Prior Period Adjustment	31,066	491,787	636,454	1,318,769
Net Expenditures			1,266,672	1,437,829
Ending Fund Balance	(267,193)	929,405	4,581,827	5,319,298

Non-Departmental Fund Budgets

Internal Service Funds:

The City maintains internal service funds to manage costs for workers compensation insurance, liability insurance, and employee benefits cost activities. Costs are allocated and charged to departments and received as revenue in the internal service funds. Obligations are then paid from the internal service funds.

Workers Compensation Fund:

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
<i>71 - Workers' Compensation Fund</i>				
Beginning Fund Balance	(2,080,497)	(2,225,127)	(1,819,733)	(1,828,236)
PROGRAM REVENUES				
4515 WORKERS COMP. MISC. REVENUE	743,296	785,697	720,000	786,000
4651 INTEREST EARNED	-	9,187	-	-
4931 INTERFUND OPERATING TRANS	-	383,935	-	-
Program Revenues Total	743,296	1,178,819	720,000	786,000
EXPENDITURES				
<i>701 - Workers' Compensation</i>				
5101 BASE SALARY	28,402	24,573	24,186	19,080
5104 SALARIES RETROACTIVE PAY	-	-	-	-
5121 FICA-MEDICARE BENEFITS	-	-	259	277
5122 RETIREMENT (PERS)	4,601	2,156	1,878	1,757
5123 HEALTH INSURANCE COST	316	232	176	234
5124 UNEMPLOYMENT COST	11	9	6	7
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	221	177	129	159
5128 OTHER EMPLOYEE BENEFITS	352	293	293	320
5129 FLEXIBLE HEALTH BENEFIT	-	150	225	300
5130 POB DEBT SERVICE	-	-	1,351	2,498
Staffing Subtotal	33,903	27,590	28,503	24,632
5203 ADMIN/RETAINER SERVICES	59,750	56,750	75,000	60,000
5231 INSURANCE	298,736	246,408	300,000	275,000
5232 INSURANCE CLAIMS	406,989	442,677	325,000	425,000
5291 SPECIAL DEPT EXPENSE	6,975	-	-	-
Services Subtotal	772,450	745,835	700,000	760,000
5301 OFFICE SUPPLIES	-	-	-	-
Materials/Supplies Subtotal	-	-	-	-
6603 INTEREST EXPENSE (audit adjustment)	- 81,573	-	-	1,000 -
Investment Subtotal	81,573	-	-	1,000
Expenditure Total	887,926	773,425	728,503	785,632
Net Results of Operations	(144,630)	405,394	(8,503)	368
Ending Fund Balance	(2,225,127)	(1,819,733)	(1,828,236)	(1,827,868)

Liability Insurance Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
72 - Liability Insurance Fund				
Beginning Fund Balance	(991,278)	(371,013)	114,315	145,748
PROGRAM REVENUES				
4531 LIABILITY INS MISC REVENUE	-	-	-	360,000
4651 INTEREST EARNED	-	32,256	-	5,000
4751 REFUNDS & REBATES	623,891	-	-	-
4931 INTERFUND OPERATING	257,900	650,000	300,000	-
Program Revenues Total	881,791	682,256	300,000	365,000
EXPENDITURES				
702 - Risk Management				
5101 BASE SALARY	28,435	24,573	18,171	19,080
5104 SALARIES RETROACTIVE PAY	-	-	-	-
5121 FICA-MEDICARE BENEFITS	-	-	198	277
5122 RETIREMENT (PERS)	4,601	2,156	1,434	1,757
5123 HEALTH INSURANCE COST	235	232	176	234
5124 UNEMPLOYMENT COST	11	9	5	7
5125 DEFERRED COMPENSATION	-	-	-	-
5126 WORKERS' COMPENSATION	221	177	98	159
5128 OTHER EMPLOYEE BENEFITS	352	293	230	320
5129 FLEXIBLE HEALTH BENEFIT	-	150	225	300
5130 POB DEBT SERVICE	-	-	1,030	2,498
Staffing Subtotal	33,855	27,590	21,567	24,632
5231 INSURANCE	221,837	228,600	235,000	320,000
5232 INSURANCE CLAIMS	5,834	(59,262)	12,000	20,000
5291 SPECIAL DEPT EXPENSE	-	-	-	-
Services Subtotal	227,671	169,338	247,000	340,000
5303 BOOKS, PRINTED MATL	-	-	-	-
Materials/Supplies Subtotal	-	-	-	-
6603 INTEREST EXPENSE	-	-	-	-
Investment Subtotal	-	-	-	-
Expenditure Total	261,526	196,928	268,567	364,632
Net Results of Operations	620,265	485,328	31,433	368
Ending Fund Balance	(371,013)	114,315	145,748	146,116

Employee Benefits Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
70 - Employee Benefit Fund				
Beginning Fund Balance	(188,412)	-	(3,432)	(3,432)
PROGRAM REVENUES				
4512 HEALTH BENEFITS MISC. REV	58,174	60,536	70,000	120,000
4519 UNEMPLOYMENT CHARGES	3,413	3,692	3,500	3,500
4651 INTEREST EARNED	-	3,123	-	-
4703 HEALTH CARE SPENDING ACCT	36,360	45,102	35,000	35,000
4705 DEPENDENT CARE SPENDING	1,640	-	6,000	-
4931 INTERFUND OPERATING TRANS	227,067	26,000	38,200	-
Program Revenues Total	326,654	138,453	152,700	158,500
EXPENDITURES				
703 - Employee Benefits				
5123 HEALTH INSURANCE COST	31,526	52,281	60,000	60,000
5141 PARS SOC.SEC. REPLACEMENT	3,331	3,645	3,700	3,700
5142 HEALTH BENF. REIMBRMST.	37,301	34,739	36,000	36,000
Staffing Subtotal	72,158	90,665	99,700	99,700
5234 DENTAL CLAIMS	64,354	50,819	50,000	50,000
5235 UNEMPLOYMENT CLAIMS	1,730	401	3,000	3,000
Services Subtotal	66,084	51,220	53,000	53,000
Expenditure Total	138,242	141,885	152,700	152,700
Net Results of Operations	188,412	(3,432)	-	5,800
Ending Fund Balance	-	(3,432)	(3,432)	2,368

Debt Service Funds:

The City maintains debt service funds to manage long and short-term debt obligations. Debt service costs are allocated and charged to applicable departments and received as revenue in the debt service funds. Obligations are then paid from the debt service funds.

Civic Center Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
<i>14 Civic Center Fund</i>				
Beginning Fund Balance	10,510	(1,072)	10,642	10,641
PROGRAM REVENUES				
4601 DONATIONS	14,000	-	-	-
4651 INTEREST EARNED	-	28,601	-	-
4661 CIVIC CNTR SITE PROP.RENT	18,000	16,500	12,000	17,000
4921 SALE OF USED EQUIPMENT	-	-	-	-
4931 INTERFUND OPERATING TRANS	180,500	190,578	212,292	212,000
Program Revenues Total	212,500	235,679	224,292	229,000
EXPENDITURES				
<i>704 - Civic Center</i>				
5201 CONTRACT SERVICES	1,289	1,171	1,500	1,200
5204 ENGINEERING/DESIGN SVCS	-	-	-	-
5206 DATA, COMMUNICATION SVCS	-	-	-	-
5207 MAINTENANCE SERVICES	-	-	-	-
Services Subtotal	1,289	1,171	1,500	1,200
5801 INTEREST PMTS	222,793	56,999	50,554	43,859
5802 PRINCIPAL PMTS	-	165,795	172,239	178,934
Debt Service Subtotal	222,793	222,794	222,793	222,793
6021 GENERAL BLDG IMP	-	-	-	-
Capital Subtotal	-	-	-	-
Expenditure Total	224,082	223,965	224,293	223,993
Net Results of Operations	(11,582)	11,714	(1)	5,007
Ending Fund Balance	(1,072)	10,642	10,641	15,648

Vehicle Replacement Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
32 - Vehicle Replacement Fund				
Beginning Fund Balance	294	(21,460)	20,290	20,290
PROGRAM REVENUES				
4601 DONATIONS	-	-	-	-
4651 INTEREST EARNED	-	22,754	-	-
4801 PROCEEDS FROM FINANC. LEAS	-	410,134	-	30,000
4931 INTERFUND OPERATING	126,250	195,781	115,881	29,987
Program Revenues Total	126,250	628,669	115,881	59,987
EXPENDITURES				
<i>705 - Vehicle Replacement</i>				
5801 INTEREST PMTS	-	21,829	-	13,213
5802 PRINCIPAL PMTS	-	565,090	-	37,064
Debt Service Subtotal	-	586,919	-	50,277
6011 POLICE VEHICLES	72,212	-	46,951	30,000
6012 PUB WKS VEHICLES	13,893	-	18,654	-
6013 FIRE VEHICLES	61,899	-	50,276	-
Capital Subtotal	148,004	-	115,881	30,000
6603 INTEREST EXPENSE	-	-	-	-
Investment Subtotal	-	-	-	-
Expenditure Total	148,004	586,919	115,881	80,277
Net Results of Operations	(21,754)	41,750	-	(20,290)
Ending Fund Balance	(21,460)	20,290	20,290	-

Butterfly Bond Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
<i>54 - Butterfly Bond Debt Service Fund</i>				
Beginning Fund Balance	47,751	23,341	46,150	49,443
PROGRAM REVENUES				
4001 PROPERTY TAXES SECURED	58,344	106,248	87,000	110,000
4002 UNSECURED PROPERTY TAXES	1,073	1,200	1,600	1,000
4003 SUPPLEMENTAL ROLL TAX	4,065	4,229	2,200	2,300
4004 PRIOR PERIOD SECURED TAX	1,423	1,298	1,176	1,200
4005 PRIOR PERIOD UNSECURED TX	11	18	16	-
4378 HOMEOWNERS' PROP. TAX REL	363	915	200	500
4651 INTEREST EARNED	-	789	-	500
Program Revenues Total	65,279	114,697	92,192	115,500
EXPENDITURES				
<i>706 - Butterfly Bond Debt Service</i>				
5203 ADMIN/RETAINER SERVICES	-	-	-	-
Services Subtotal	-	-	-	-
5802 PRINCIPAL PMTS	50,753	55,312	54,773	59,210
5803 BOND - INTEREST PMTS	38,936	36,576	34,126	31,591
Debt Service Subtotal	89,689	91,888	88,899	90,801
Expenditure Total	89,689	91,888	88,899	90,801
Net Results of Operations	(24,410)	22,809	3,293	24,699
Ending Fund Balance	23,341	46,150	49,443	74,142

Pension Obligation Bond Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
<i>98 Pension Obligation Fund Debt Service</i>				
Beginning Fund Balance	-	-	-	-
PROGRAM REVENUES				
45XX PAYROLL CHARGES	-	-	925,000	1,495,000
Program Revenues Total	-	-	925,000	1,495,000
EXPENDITURES				
<i>804 - Pension Obligation Bond</i>				
5801 INTEREST PMTS	-	-	94,258	226,806
5802 PRINCIPAL PMTS	-	-	830,742	1,268,194
Debt Service Subtotal	-	-	925,000	1,495,000
Expenditure Total	-	-	925,000	1,495,000
Net Results of Operations	-	-	-	-
Ending Fund Balance	-	-	-	-

Other Funds

Building and Facilities Improvement Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
61 - Building & Facility Fund				
Beginning Fund Balance	488,217	404,169	380,302	380,302
PROGRAM REVENUES				
4385 REC BOND ACT 2000	-	21,972	-	-
4651 INTEREST EARNED	4,596	-	-	10,500
4751 REFUNDS & REBATES	-	-	-	-
4931 INTERFUND OPERATING TRANS	-	-	-	-
Program Revenues Total	4,596	21,972	-	10,500
EXPENDITURES				
707 - Building & Facility Improvements				
5411 BLDG DEPRECIATION	-	-	-	-
5412 IMPROVEMENTS DEPR	-	-	-	-
5413 EQUIP DEPRECIATION	-	-	-	-
Depreciation Subtotal	-	-	-	-
6021 GENERAL BLDG IMP	-	-	-	-
6022 FIRE BLDG IMP	-	-	-	-
6023 PUB WKS FAC IMP	-	-	-	-
6024 REC FACILITY IMP	88,644	-	-	-
6025 POLICE BLDG IMP	-	-	-	-
6031 PARK, OPEN SPACE IMP	-	-	-	-
6041 STREET, SIDEWALK IMP	-	-	-	-
Capital	88,644	-	-	-
6603 INTEREST EXPENSE	-	45,839	-	-
Investment Subtotal	-	45,839	-	-
Expenditure Total	88,644	45,839	-	-
Net Results of Operations	(84,048)	(23,867)	-	10,500
Ending Fund Balance	404,169	380,302	380,302	390,802

Carillon Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
03 - Carrillon Fund				
Beginning Fund Balance	17,190	21,529	18,526	17,126
PROGRAM REVENUES				
4651 INTEREST EARNED	-	-	600	600
4931 INTERFUND OPERATING	4,911	1,300	-	-
Program Revenues Total	4,911	1,300	600	600
EXPENDITURES				
5224 EQUIP REPAIR, MAINT	572	4,303	2,000	-
Services Subtotal	572	4,303	2,000	-
Expenditure Total	572	4,303	2,000	-
Net Results of Operations	4,339	(3,003)	(1,400)	600
Ending Fund Balance	21,529	18,526	17,126	17,726

Business Improvement District (BID) Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
09 - Business Improvement District				
Beginning Fund Balance	-	-	-	-
PROGRAM REVENUES				
4122 DOWNTOWN BUSINESS DIST.	-	-	-	28,000
4651 INTEREST EARNED	-	-	-	1,000
Program Revenues Total	-	-	-	29,000
EXPENDITURES				
103 - Business Improvement District				
5201 CONTRACT SERVICES	-	-	-	28,000
Services Subtotal	-	-	-	28,000
Expenditure Total	-	-	-	28,000
Net Result of Operations	-	-	-	1,000
Ending Fund Balance	-	-	-	1,000

Hospitality Improvement District (PGHID) Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
<i>10 - Hospitality Improvement District</i>				
Beginning Fund Balance	-	-	-	-
PROGRAM REVENUES				
4123 HOSPITALITY DIST.	-	-	-	260,000
4651 INTEREST EARNED	-	-	-	5,000
Program Revenues Total	-	-	-	265,000
EXPENDITURES				
104 - Hospitality Improvement District				
5201 CONTRACT SERVICES	-	-	-	260,000
Services Subtotal	-	-	-	260,000
Expenditure Total	-	-	-	260,000
Net Results of Operations	-	-	-	5,000
Ending Fund Balance	-	-	-	5,000

Lighthouse Maintenance Improvement Fund

	FY 05/06 actual	FY 06/07 actual	FY 07/08 budget	FY08/09 budget
<i>27 - Lighthouse Maintenance & Improvement Fund</i>				
Beginning Fund Balance	-	-	22,576	22,776
PROGRAM REVENUES				
4451 LIGHTHOUSE ADMISSION	-	23,891	30,000	20,000
4601 DONATIONS	-	-	26,000	-
4651 INTEREST EARNED	-	-	-	1,000
4931 INTERFUND OPERATING TRANS	-	-	20,000	-
Program Revenue Total	-	23,891	76,000	21,000
EXPENDITURES				
<i>413 - Lighthouse Maintenance & Improvement</i>				
5201 CONTRACT SERVICES	-	-	5,000	-
5204 ENGINEERING/DESIGN SVCS	-	-	-	-
Services Subtotal	-	-	5,000	-
6001 EQUIPMENT	-	-	-	-
6021 GENERAL BLDG IMP	-	-	70,800	-
Capital Subtotal	-	-	70,800	30,000
6603 INTEREST EXPENSE	-	1,315	-	-
Investment Subtotal	-	1,315	-	-
Staffing Costs	-	-	-	-
Non-Staffing Costs	-	1,315	75,800	30,000
Division Total	-	1,315	75,800	30,000
Net Result of Operations	-	22,576	200	(9,000)
Ending Fund Balance	-	22,576	22,776	13,776

Tax and Revenue Anticipation Notes (TRAN) Fund

<i>97 - Tax Revenue Anticipation Note</i>				
Beginning Fund Balance	-	-	197	197
PROGRAM REVENUES				
4001 PROPERTY TAXES SECURED	-	1,840,800	3,106,500	2,600,000
Program Revenues Total	-	1,840,800	3,106,500	2,600,000
EXPENDITURES				
<i>806 - TRAN Debt Service</i>				
5203 ADMIN/RETAINER SERVICES	-	-	-	-
Services Subtotal	-	-	-	-
5802 PRINCIPAL PMTS	-	1,770,000	3,000,000	2,500,000
5803 BOND - INTEREST PMTS	-	70,603	106,500	100,000
Debt Service Subtotal	-	1,840,603	3,106,500	2,600,000
Expenditure Total	-	1,840,603	3,106,500	2,600,000
Net Results of Operations	-	197	-	-
Ending Fund Balance	-	197	197	197

Authorized Staffing Allocation

			FY 2006/07	FY 2007/08	FY 2008/09
Dpt	Division	Positions	FTE %	FTE%	FTE%
10	101	COUNCILMEMBER	3.00	3.00	3.00
		MAYOR	0.50	0.50	0.50
		Part-time	3.50	3.50	3.50
TOTAL: CITY COUNCIL*			3.50	3.50	3.50
12	121	ADMINISTRATIVE ASSISTANT	0.50	0.00	0.00
		ADMINISTRATIVE SERVICES DIRECTOR	1.00	0.00	0.00
		CITY MANAGER	1.00	1.00	1.00
		DEPUTY CITY MANAGER	0.00	1.00	1.00
		EXECUTIVE ASSISTANT	0.00	1.00	0.00
		MANAGEMENT ANALYST	0.00	0.75	0.50
		PRINICIPAL ANALYST	0.00	0.75	0.00
		DEPUTY CITY CLERK	0.00	0.50	1.00
		SECRETARY TO THE CITY MANAGER	1.00	0.00	0.00
Full-Time			3.50	5.00	3.50
TOTAL: CITY MANAGER'S OFFICE			3.50	5.00	3.50
13	131	ACCOUNTING ASSISTANT II	2.00	1.00	2.00
		ASSISTANT FINANCE OFFICER	1.00	1.00	1.00
		DIRECTOR OF MANAGEMENT AND BUDGET	1.00	1.00	1.00
		PAYROLL TECHICIAN	1.00	1.00	0.00
		SENIOR ACCOUNTANT	0.00	1.00	1.00
		OFFICE ASSISTANT II	0.00	0.00	1.00
		Full-Time			5.00
	133	INFORMATION SYSTEMS ANALYST	0.00	1.00	0.00
Full-Time			0.00	1.00	0.00
TOTAL: FINANCE OFFICE			5.00	6.00	6.00

			FY 2006/07	FY 2007/08	FY 2008/09	
Dpt	Division	Positions	FTE %	FTE%	FTE%	
20	201	ADMIN SECRETARY II - CDD	1.00	1.00	0.00	
		ASSOCIATE PLANNER	1.00	1.00	1.00	
		BLDG INSPECTOR OFFICE TECH	1.00	1.00	0.00	
		BUILDING INSPECTOR	1.00	1.00	0.00	
		CHIEF BUILDING INSPECTOR	1.00	1.00	0.00	
		COMMUNITY DEVELOPMENT DIRECTOR	1.00	1.00	0.00	
		PLANNING TECHNICIAN	1.00	1.00	0.00	
		CHIEF PLANNER	0.00	0.00	1.00	
		CODE COMPLIANCE OFFICER	0.00	0.00	1.00	
		OFFICE ASSISTANT II	0.00	0.00	1.50	
		SENIOR PLANNER	1.00	1.00	2.00	
		SENIOR PLANNER- HOUSING	0.13	0.13	0.13	
		202	SENIOR PLANNER- HOUSING	0.17	0.31	0.31
		203	SENIOR PLANNER- HOUSING	0.05	0.00	0.00
204	SENIOR PLANNER- HOUSING	0.31	0.31	0.31		
209	SENIOR PLANNER- HOUSING	0.22	0.12	0.12		
Full-Time			8.88	8.87	7.37	
201	201	BUILDING INSPECTOR	0.50	0.50	0.50	
		BUILDING INSPECTOR P/T	0.50	0.50	0.00	
		STUDENT INTERN	0.00	0.00	0.50	
		OFFICE ASSISTANT I- CDD	0.50	0.50	0.00	
		202	HOUSING REHABILITATION INSPECTOR	0.20	0.20	0.20
		203	PLANNING AID -HOUSING	0.34	0.34	0.34
		204	PLANNING AID -HOUSING	0.66	0.66	0.66
		206	PLANNING AID -HOUSING	0.00	0.00	0.66
209	HOUSING REHABILITATION INSPECTOR	0.80	0.80	0.80		
Part-Time			3.50	3.50	3.66	
TOTAL: COMMUNITY DEVELOPMENT DEPT.			12.38	12.37	11.03	

			FY 2006/07	FY 2007/08	FY 2008/09
Dpt	Division	Positions	FTE %	FTE%	FTE%
30	301	ANIMAL CONTROL OFFICER	1.00	1.00	1.00
		PARKING ENFORCER OFFICER	1.00	2.00	2.00
		POLICE CHIEF	0.50	1.00	1.00
		POLICE COMMANDER	2.00	2.00	2.00
		POLICE CORPORALS	4.00	4.00	4.00
		POLICE OFFICER	12.00	12.00	9.00
		POLICE SERGEANT	6.00	6.00	5.00
		POLICE SERVICES TECHICIAN II	2.00	2.00	1.00
		POLICE SERVICES TECHNICIAN I	3.00	3.00	3.00
		SECRETARY TO POLICE CHIEF	1.00	1.00	0.00
		RECORDS SUPERVISOR	0.00	0.00	1.00
		304	POLICE OFFICER- SLESF	1.00	1.00
Full-Time			33.50	35.00	30.00
	301	CROSSING GUARD	0.50	0.50	0.50
		PARKING ENFORCEMENT OFFICER P/T	0.50	0.50	0.50
		POLICE RESERVE OFFICER	2.50	2.50	2.50
		POLICE SERVICES TECHNICIAN I -PT	0.50	0.50	0.50
		STUDENT INTERN	0.50	0.50	0.50
		TRAFFIC ENGINEER	0.48	0.48	0.48
Part-Time			4.98	4.98	4.98
TOTAL: POLICE DEPARTMENT			38.48	39.98	34.98
35	351	ADMINISTRATIVE SECRETARY II - FIRE	1.00	1.00	0.00
		OFFICE ASSISTANT II	0.00	0.00	0.50
		ASSISTANT FIRE CHIEF	1.00	1.00	1.00
		ENGINE CAPTAIN	3.00	3.00	3.00
		FIRE CHIEF	1.00	1.00	1.00
		FIRE ENGINEER	9.00	7.00	7.00
		FIRE MARSHAL/DIVISION CHIEF	1.00	0.00	0.00
		FIRE STATION CAPTAIN	3.00	3.00	3.00
		FIREFIGHTER	0.00	2.00	2.00
	Full-Time			19.00	18.00
	351	FIRE CLERK I	0.50	0.50	0.00
		FIRE PREVENTION OFFICER	0.00	0.50	0.50
	352	OCEAN RESCUE VOLUNTEER	15.00	15.00	15.00
Part-Time			15.50	16.00	15.50
	351	PAID ON-CALLFIREFIGHTER	17.50	17.50	17.50
Part-Time			17.50	17.50	17.50
TOTAL: FIRE DEPARTMENT			52.00	51.50	50.50

			FY 2006/07	FY 2007/08	FY 2008/09
Dpt	Division	Positions	FTE %	FTE%	FTE%
40	401	ADMINISTRATIVE SECRETARY I -LIB	1.00	0.00	0.00
		LIBRARIAN I >30H.	0.75	0.75	0.00
		LIBRARIAN II	2.00	2.00	1.00
		LIBRARY ASSISTANT I	1.00	1.00	1.00
		LIBRARY ASSISTANT II	1.00	2.00	1.00
		LIBRARY DIRECTOR	1.00	0.00	0.00
		SENIOR LIBRARIAN	0.00	1.00	0.00
		SENIOR LIBRARY ASSISTANT	2.00	2.00	2.00
Full-Time			8.75	8.75	5.00
401	401	LIBRARIAN I	0.50	0.50	0.00
		ADMINISTRATIVE SECRETARY I	0.00	0.00	0.00
		LIBRARIAN II	0.50	0.50	0.50
		LIBRARY ASSISTANT I	2.50	2.50	1.00
		LIBRARY ASSISTANT II	1.00	1.00	0.50
		SENIOR LIBRARY ASSISTANT	0.50	0.50	0.00
		SHELVER	1.50	1.50	0.50
Part-Time			6.50	6.50	2.50
TOTAL: LIBRARY DEPARTMENT			15.25	15.25	7.50
41	411	ASSISTANT MUSEUM CURATOR	1.00	1.00	0.00
		MUSEUM DIRECTOR	1.00	1.00	0.00
		MUSEUM MANAGER/EXHIBITS COORDINATOR	0.00	0.00	1.00
Full-Time			2.00	2.00	1.00
		MAINT WORKER I - MUSEUM	0.50	0.50	0.00
		PROGRAM COORDINATOR - MUSUEM	0.50	0.50	0.50
Part-Time			1.00	1.00	0.50
TOTAL MUSEUM DEPARTMENT			3.00	3.00	1.50

			FY 2006/07	FY 2007/08	FY 2008/09
Dpt	Division	Positions	FTE %	FTE%	FTE%
42	421	ADMIN SECRETARY II	1.00	1.00	0.00
		MAINTENANCE WORKER II -REC	1.00	1.00	0.00
		OFFICE ASSISTANT II REC	0.85	0.85	0.00
		RECREATION COORDINATOR I	2.00	2.00	0.00
		RECREATION DIRECTOR	1.00	1.00	0.00
		SENIOR RECREATION COORDINATOR	1.00	1.00	1.00
Full-Time			6.85	6.85	1.00
421	421	ASSISTANT PROGRAM COORDINATOR	3.50	3.50	0.50
		COMMUNITY CENTER ATTENDANT	1.00	1.00	0.00
		DESK ATTENDANT	0.50	0.50	0.00
		PLAYGROUND LEADER	5.00	5.00	0.50
		POOL INSTRUCTOR/LIFEGUARD	5.00	5.00	3.00
		POOL MANAGER	1.50	1.50	0.00
		PRE-SCHOOL AID	0.50	0.50	0.50
		PRE-SCHOOL DIRECTOR	0.50	0.50	0.50
		PRE-SCHOOL TEACHER	0.50	0.50	1.00
		PROGRAM COORDINATOR- REC	4.50	4.50	0.00
		PROGRAM SPECIALIST -REC	3.00	3.00	0.00
		SENIOR PLAYGROUND LEADER	3.50	3.50	1.00
		SENIOR RECREATION LEADER	1.50	1.50	0.00
		SLOW PITCH UMPIRES	0.50	0.50	0.00
		SOCKO UMPIRES/YOUTH SPORTS	2.50	2.50	0.50
		YOUTH SPORTS REFEREE	7.50	7.50	0.00
YOUTH SPORTS REFEREE -REC	2.50	2.50	0.00		
Part-Time			43.50	43.50	7.50
TOTAL: RECREATION			50.35	50.35	8.50

			FY 2006/07	FY 2007/08	FY 2008/09
Dpt	Division	Positions	FTE %	FTE%	FTE%
50	501	ADMIN SECRETARY I	1.00	1.00	0.00
		ASSISTANT TO THE PUBLIC WORKS DIRECTOR	0.00	0.50	0.00
		PUBLIC WORKS BUSINESS MANAGER	0.00	0.65	0.65
		PUBLIC WORKS DIRECTOR	1.00	0.00	0.00
	502	EQUIPMENT MECHANIC I	1.00	1.00	1.00
		EQUIPMENT MECHANIC II	1.00	1.00	1.00
		MECHANICAL SUPERVISOR	1.00	1.00	0.00
	503	MAINT FIELD SUPERVISOR - BLDG & GROUNDS	1.00	1.00	1.00
		MAINT WORKER II - BLDG & GROUNDS	5.00	5.00	5.75
		MAINTENANCE WORKER I BLDG & GROUNDS	1.00	1.00	0.00
		PUBLIC WORKS SUPERVISOR	0.60	0.00	0.00
	505	ASSIST TO THE DIRECTOR OF PW	0.85	0.30	0.00
		MAINT FIELD SUPERVISOR - STREETS	1.00	0.70	0.70
		MAINT WORKER II - STREETS	0.50	1.40	1.40
		MAINTENANCE WORKER II - STREETS	1.00	0.00	0.00
		SENIOR MAINTENANCE WORKER - STREETS	0.50	0.70	0.70
	513	ARBORIST	1.00	1.00	1.00
	508	MAINT WORKER II - STREETS	0.50	0.60	0.60
		MAINT FIELD SUPERVISOR - STREETS	1.00	0.30	0.30
SENIOR MAINTENANCE WORKER - STREETS		0.50	0.30	0.30	
511	PUBLIC WORKS SUPERVISOR	0.10	0.00	0.00	
512	PUBLIC WORKS BUSINESS MANAGER	0.00	0.05	0.05	
Full-Time			19.55	17.50	14.45
503	MAINTENANCE WORKER I - PT BULD&GRNDS		0.00	0.00	0.00
	MAINTENANCE WORKER I -B&G		1.50	1.50	0.00
509	TRAFFIC ENGINEER		0.52	0.52	0.52
Part-Time			2.02	2.02	0.52
TOTAL: PUBLIC WORKS DEPARTMENT			21.57	19.52	14.97
60	DEPUTY CITY CLERK		0.00	0.50	0.25
601	MAINT WORKER I - CEMETERY		1.00	0.75	0.00
	MAINT. WORKER II - CEMETERY		0.00	1.00	1.00
Full-Time			1.00	2.25	1.25
601	CEMETERY OFFICE ASSISTANT		0.50	0.00	0.00
	LABORER - CEMETERY				0.00
	MAINTENANCE WORKER I - CEMETERY		0.50	0.50	0.50
Part-Time			1.00	0.50	0.50
TOTAL: CEMETERY FUNCTION			2.00	2.75	1.75
61	611	ASSIST TO THE DIRECTOR OF PW	0.15	0.20	0.00
		MAINT FIELD SUPERVISOR - SEWER	1.00	1.00	1.00
		MAINT WORKER I - SEWER	1.00	1.00	1.00
		MAINTENANCE WORKER II-SEWER	1.00	1.00	1.00
		PUBLIC WORKS SUPERVISOR	0.30	0.00	0.00
		PUBLIC WORKS BUSINESS MANAGER	0.00	0.30	0.30
		SENIOR PLANNER- HOUSING	0.13	0.13	0.13
		Full-Time			3.58
TOTAL: SEWER FUNCTION			3.58	3.63	3.43

			FY 2006/07	FY 2007/08	FY 2008/09	
Dpt	Division	Positions	FTE %	FTE%	FTE%	
62	621	ASST. TO DIRECTOR OF GOLF OPERATIONS	1.00	1.00	0.00	
		EQUIPMENT MECHANIC II- GOLF/SEWER	0.00	0.00	0.00	
		GOLF DIRECTOR	1.00	1.00	0.00	
		GOLF COURSE SUPERINTENDENT	0.00	0.00	1.00	
		LABORER-GOLF	0.75	0.00	0.00	
		MAINT FIELD SUPERVISOR - GOLF	0.00	0.00	0.00	
		MAINT WORKER I - GOLF	3.00	3.00	1.00	
		MAINT WORKER II - GOLF	4.00	4.00	6.00	
		OFFICE ASSISTANT II REC	0.15	0.15	0.00	
		GOLF COURSE SUPERVISOR	0.00	0.00	1.00	
	624	GOLF ASSISTANT	1.00	0.00	0.00	
		GOLF SERVICES ASSISTANT	1.00	0.00	0.00	
		GOLF SHOP SUPERVISOR/PRO	1.00	1.00	1.00	
		GOLF STARTER @ 0.75	3.00	0.00	0.00	
	Full-Time			15.90	10.15	10.00
	621	GOLF STARTER @ 0.50	0.00	5.00	5.00	
		GOLF COURSE MARSHAL	3.00	3.00	3.00	
		LABORER - GOLF	0.50	0.00	0.00	
		MAINTENANCE WORKER I- PT GOLF	0.50	0.50	0.50	
624	RANGE/CART SERVICES ATTENDANTS	1.00	2.00	3.00		
Part-Time			5.00	10.50	11.50	
TOTAL: GOLF DEPARTMENT			20.90	20.65	21.50	
70	701	PRINCIPAL ANALYST	0.25	0.25	0.25	
	702	MANAGEMENT ANALYST	0.25	0.25	0.25	
Full-Time			0.50	0.50	0.50	
TOTAL NON-DEPARTMENTAL			0.50	0.50	0.50	
Total Full-Time Employees			128.01	124.50	101.00	
Total Part-Time Employees			104.00	109.50	68.91	
Grand Total All Departments			232.01	234.00	169.91	

* In previous years' budget documents, the positions of "Mayor" and "City Council Member" have been characterized as full-time positions, although the positions meet legal and technical criteria for part-time positions. The FY 2008/09 budget displays them as part-time positions. The position totals for previous years have been updated to reflect this change.

Fund Descriptions

CARILLON ACQUISITION AND MAINTENANCE FUND

This fund accounts for donations designated for the maintenance of the tower clock and chimes system at City Hall.

OCEAN RESCUE FUND

This fund accounts for donations to the Ocean Rescue program and fees generated by the use of the hyperbaric chamber at the Fire Department.

LIBRARY BUILDING & EQUIPMENT FUND

This fund accounts for donations designated for improvements to the City Library.

MUSEUM IMPROVEMENT FUND

This fund accounts for donations designated for improvements to the Museum facility and Museum exhibits.

LIBRARY BOOK FUND

This fund accounts for donations designated for the purchase of books for the City Library.

FIRE DEPARTMENT EMERGENCY EQUIPMENT FUND

This fund accounts for grants, fees and donations in support of Fire Department safety programs.

TRANSPORTATION DEVELOPMENT ACT FUND

This fund accounts for revenues associated with the Transportation Development Act.

CIVIC CENTER SITE FUND

This fund accounts for funds dedicated to the maintenance and improvement of City Hall and surrounding property, and revenues derived from the use of City owned buildings in that area.

RSTP (TAMC) FUND

This fund accounts for allocations from the Regional Surface Transportation Program designated for street and sidewalk improvements.

DRUG AWARENESS (DARE) FUND

This fund accounts for revenues designated for the Drug Awareness and Resistance Program directed by the Police Department.

RECREATION DONATION FUND

This fund accounts for donations in support of youth programs through the Recreation Department.

CHAUTAUQUA HALL PRESERVATION FUND

This fund accounts for revenues designated for the maintenance and improvement of the historic Chautauqua Hall building.

VEHICLE REPLACEMENT FUND

This fund accounts for the purchase of City vehicles.

HOUSING REHABILITATION LOANS (DPRL) FUND

This fund accounts for the revolving loan funds used in the City's Housing Rehabilitation Loan Program managed by the Community Development Department.

YOUNT TRUST INCOME FUND

This fund accounts for income from the expendable portion of the Yount Trust.

PUBLIC SAFETY AUGMENTATION FUND

This fund accounts for revenue resulting from the passage of Proposition 172, designated for Public Safety related programs.

SUPPLEMENTAL LAW ENFORCEMENT SERVICES (SLESF) FUND

This fund receives Prop. 172 special sales tax revenues which must be spent on law enforcement programs.

OCEAN FRONT RESTORATION FUND

This fund accounts for donations designated for maintenance and improvements to the City's coastline area.

POETRY PROMOTION FUND

This fund accounts for income from a bequest to the City designated for the promotion of poetry in the community.

BUTTERFLY HABITAT BOND DEBT FUND

This fund accounts for payment of City bonds issued for the purchase of the property known as the Butterfly Habitat.

BUILDINGS & FACILITIES IMPROVEMENT CAPITAL PROJECTS FUND

This fund accounts for funds used for the acquisition, construction and improvement of City facilities, with the exception of those assets financed with proprietary funds.

LIBRARY ENDOWMENT TRUST FUND

This fund accounts for the principal corpus of this endowment.

CEMETERY ENDOWMENT TRUST FUND

This fund accounts for the principal corpus of this endowment.

YOUNT TRUST FUND

This fund accounts for the principal corpus of this endowment

PENSION OBLIGATION BOND FUND

This fund receives the proceeds of charges to departments for debt service on pension obligation bonds. The debt service is paid from this fund.

BUSINESS IMPROVEMENT DISTRICT FUND

This fund accounts for the proceeds of the Downtown Business Improvement District assessments.

PACIFIC GROVE HOSPITALITY IMPROVEMENT DISTRICT FUND

This fund accounts for the proceeds of the Pacific Grove Hospitality Improvement District.

Budget and Financial Policies

The City of Pacific Grove recognizes that budgetary compliance is an important component of its government's accountability. Its citizens, regardless of their profession, participate in the process of establishing the City's original annual operating budget. The annual budget becomes the City's fiscal statement of goals and priorities for the upcoming fiscal year. In order for the budget to be used as a strategic document, mid-year changes should be limited to minor adjustments and responses to unforeseen emergencies. Major program changes should only be considered as part of the annual budget process.

Generally accepted accounting principles ("GAAP"), including those pronouncements issued by the Government Accounting Standards Board ("GASB") require the City to provide budgetary comparative information and written analysis in its annual reports including a comparison of its original budget and revised budget to actual spending. The City of Pacific Grove may revise its original budget over the course of the year for a variety of reasons. With its annual reporting, the City will publish its original budget in addition to a revised budget which will add an additional analytical dimension and increases the usefulness of the budgetary comparison.

On an annual basis, the City Manager and Administrative Services Director will prepare their insights in a Management's Discussion and Analysis ("MD&A") informing the citizens with an objective and readable analysis of the City's financial performance for the year based on current known facts, decisions and conditions. This analysis, when read in combination with the City's financial statements and required supplemental information, will provide the citizens information useful in assessing whether the City's financial position has improved or deteriorated as a result of the year's operations.

Annual Budget Process Overview

The annual budget process is initiated by the City Manager through meetings and discussions with the City Council, Mayor and Staff to develop an overall plan of identifying the needs and priorities of the city's residents and developing a strategy of fulfilling these needs with resources the City is expected to receive. Concurrently, the City Manager will incorporate the annual capital spending plan into the annual budget. This in part is developed through a the City's development of a five-year General Fund operating revenue, expenditure and available reserve schedule and a five-year capital improvement program.

Following this, a series of meetings of key budget team members (The Finance and Budget Committee, the City Manager, and the Director of Management and Budget) (collectively known as the "Budget Team") meet to discuss underlying fiscal policies, goals and objectives of the Council, personal service proposals, material changes in anticipated revenue/income and expenditures/expenses. The process continues with the distribution of a budget request package to all department heads. This package includes a brief message from the Director of Management and Budget or City Manager along with general instructions for completing the budget template documents which when completed include proposed expenditures, capital outlays, departmental descriptions, activity accomplishments and future objectives, and other budget data.

Departmental requests are analyzed by the City Manager and the Director of Management and Budget who then discuss each departmental request with the applicable department manager. Adjustments are made as appropriate and required to meet the City Council's goals and objectives.

The Director of Management and Budget prepares the final proposed revenue and expenditure for each department covering all funds and other supplemental material as well as combining all funds appropriately to present a comprehensive annual budget. The City Manager prepares a narrative budget overview. The proposed budget is submitted to the Council by the first meeting in May. Several Council study sessions are held before the required public meetings. The budget is scheduled for adoption in June.

With the adoption of the annual budget the City Council recognizes that appropriations for the many operating activities and capital budgets are based upon estimates of municipal needs for the fiscal year. In order to establish reasonable flexibility in the administration of the budget, the following policies have been adopted. These policies are intended to provide the authority necessary for the City Manager to administer the budget during the course of the fiscal year in light of varying conditions which may occur.

Operating Budget Policies

- The City Council will adopt and maintain a balanced annual operating budget and an integrated five-year capital improvement budget.
- Current annual revenues will be equal to or greater than current expenditures. The City will maintain a long-range fiscal perspective by annually preparing and maintaining a five-year General Fund operating revenue, expenditure and available reserve schedule and a five-year capital improvement plan.
- Any normal existing revenue inflation will be used to pay for normal existing expenditure inflation. The identification of funding sources will be required for any new or expanded programs.
- The City will provide for adequate maintenance and the orderly replacement of fixed assets and equipment.
- As resource allocation plans are developed, consideration for citywide public safety shall be given high priority.
- The City will comply with all the requirements of Generally Accepted Accounting Principles (GAAP).

The City will annually retain the services of an independent Certified Public Accounting firm to audit the City's financial statements and conduct any tests of the City's records deemed necessary to render an opinion on the City's compliance with Generally Accepted Accounting Principles (GAAP).

The City of Pacific Grove will apply its Financial Policies (below) in developing and preparing its budgets

Budget Timeline - Annual Budget Schedule for Fiscal Year Ending June 30

No specific dates are included below; however, the months in which these meetings would occur are as follows:

➤ January

Council meeting entirely devoted to setting goals and priorities and ensuring City decisions are made in an efficient and effective manner with optimum public input and understanding.

➤ February

Agenda item during regular Council meeting will present information on the City's revenues and expenditures through the first half of the fiscal year, and a projection of revenues and expenditures for the remainder of the fiscal year.

Budget Workshop; Council Meeting to consider mid-year adjustments to the Budget.

➤ March

Budget Town Hall Meeting; Convened by the Budget and Finance Committee, this meeting would be an opportunity for the public to provide input into the development of the Budget.

➤ May

Proposed Budget presented to City Council; Agenda item during regular Council meeting in which staff presents proposed Fiscal Year Budget

➤ May

Budget Workshop; Budget and Finance Committee meet with City Council to discuss proposed budget and give direction for changes to be incorporated into Final Budget

➤ June - Council adopts final budget

➤ September

Council approves revisions to prior year final budget based on information provided by staff on final year-end revenue and expenditure figures.

Periodic Budget Review and Guidance:

Budgetary control is maintained through monthly reports of all revenue and expenditure accounts. The City Manager, Administrative Services Director and each department head review

the monthly reports. The City Manager and/or the Administrative Director is to provide the Finance and Budget Committee with the monthly budget reports along with explanations for any material variances. The City Manager and/or a representative of the Finance and Budget Committee are to report to the City Council at the next Council meeting any material variances affecting the veracity of the budget. A mid-year budget review and adjustment process is completed each January and submitted to Council for review and approval at the first meeting in February.

Projections of revenues and expenditures through the end of the fiscal year will be prepared and reviewed by the Administrative Services Director with a report to the City Council. Budgetary adjustments are only considered within the framework of the adopted budget and work plan. New work programs and new appropriations are discouraged during the mid-year budget review.

Financial Policies

Revenue Policies

- The City will set fees and user charges for each enterprise fund at a level that fully supports the total direct and indirect program costs including any debt service associated with capital projects. Indirect costs will include the cost of annual depreciation of fixed assets.
- The City Council will establish fees for non-enterprise funds based upon an awareness of the total direct and indirect costs of offering a service. It is recognized that certain services may be subsidized by general taxes based upon a level of subsidy determined by the Council.
- The City will aggressively pursue collection of all revenues when due.
- The Budget will be developed following the same accounting policies utilized for Financial Reporting

The accounts of the City are reported and organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. These various funds are grouped as follows, in the general-purpose financial statements:

- *General Fund* - is the general operating fund of the City. It is used to account for all resources except those required to be accounted for in another fund.
- *Special Revenue Funds* - are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. The City maintains twenty-seven Special Revenue Funds.

- *Debt Service Funds* - are used to account for financial resources to be used for the payment of principal and interest on long-term obligations. The City maintains two Debt Service Funds.
- *Capital Projects Funds* - are used to account for financial resources segregated for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types). The City maintains one Capital Projects Fund.
- *Enterprise Funds* - are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis by financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains three Enterprise Funds.
- *Internal Service Funds* - are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City maintains three Internal Services Funds.
- *Nonexpendable Trust* - are used to account for assets held by the City as a trustee for individuals, private organizations, other governments and/or other funds. Nonexpendable trust funds are accounted for in the same manner as proprietary funds except that the principal of the trust may not be spent. The City maintains three Nonexpendable Trust Funds.

Basis of Accounting: All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt, which is recognized when due. Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Such amounts are not current liabilities of the debt service fund as their settlement will not require expenditure of existing fund assets.

All proprietary fund types and nonexpendable trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Capital Improvement Policies

- All estimated construction, maintenance and operating costs and potential funding sources for each proposed capital improvement and neighborhood improvement will be identified before it is submitted to the City Council for approval.

- The City will finance only those capital improvement are consistent with the adopted capital improvement plan and City priorities. All capital improvement operating and maintenance costs will be included in operating budget forecasts.

Debt Policies

- Only capital improvements that cannot be financed from current revenues will be financed with debt borrowing except for enterprise funds. The City will determine and use the least costly financing method for all new capital improvement projects.
- The term for repayment of long-term financing for capital improvements will not exceed the expected useful life of the project.

Reserve Policies

- The City goal will be to maintain a reserve for emergencies and economic uncertainty equivalent to 10% of the General Fund annual operating budget.
- The City will maintain appropriate reserves in the Self-Insurance Funds based on statutory requirements and actuarially projected needs.

Property Management

- Acquisition of real property shall be tied to a specific objective, with the source of adequate funds identified and considerations given for the long-term fiscal and policy impacts.
- Disposition of real property shall be considered for those properties without specific deed restrictions and which are unused, under-utilized, economically not viable, or which were acquired for an outdated plan or purpose.

Glossary of Budget and Financial Terms

Appropriation

An authorization by the City Council to make expenditures and to incur obligations for a specific purpose within a specific time frame.

Assessed Valuation

A dollar value placed on real estate or other property by Monterey County as a basis for levying property taxes.

Audit

Scrutiny of the City's accounts by an independent auditing firm to determine whether the City's financial statements are fairly presented in accordance with generally accepted accounting principles.

Balanced Budget

The budget for a fund is balanced when total budgeted resources, including revenues, transfers in from other funds, and unrestricted fund balance from previous years meet or exceed total budgeted use of resources, including expenditures and transfers out to other funds.

Base Budget

Under traditional budgeting, the base budget is that amount carried over from one year to the next. Each year, approved amounts may be added to the base budget.

Beginning Fund Balance

Unencumbered resources available in a fund from the prior fiscal year after payment of prior fiscal year expenditures.

Bond

Capital raised by issuing a written promise to pay a specified sum of money, called the face value or principal amount, with interest at predetermined intervals.

Budget

A fiscal plan of financial operation listing an estimate of proposed applications or expenditures and the proposed means of financing them. The budget must be approved by the City Council prior to the beginning of the fiscal year.

California Public Employees' Retirement System (CalPERS)

The retirement system, administered by the State of California, to which all permanent City employees belong.

Capital Asset/Capital Outlay

Land, infrastructure, and equipment used in operations that have initial useful lives greater than one year. The City, by provision of the Municipal Code (Section 2.14.020) has set the capitalization threshold for reporting capital assets at \$2,500. Expenditures made for Capital Assets are commonly referred to as “Capital Outlay,” and are shown in each fund (or at the department level, where applicable).

Capital Improvement Program (CIP)**Certificates of Participation (COPs)**

A lending agreement secured by a lease on the acquired asset or other assets of the City.

Debt Service

Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes, or certificates of participation (COPs).

Deficit

An excess of expenditures over revenues (resources).

Department

An organizational unit comprised of divisions or functions. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

Designated Fund Balance

The portion of fund balance segregated to reflect the City Council’s intended use of resources.

Encumbrances

A legal obligation to pay funds for expenses yet to occur, such as when a purchase order has been issued but the related goods or services have not yet been received. They cease to be encumbrances when the obligations are paid or terminated.

Enterprise Fund

A type of fund established for the total costs of those governmental facilities and services which are operated in a manner similar to private enterprise.

These programs are entirely or predominantly self-supporting. The City has three enterprises, including the Golf Enterprise Fund, the Sewer Enterprise Fund, and the Cemetery Enterprise Fund. Also referred to as Proprietary Funds.

Expenditure

The actual spending of governmental funds.

Fiscal Year

A twelve-month period of time to which a budget applies. In Pacific Grove, the fiscal year is July 1 through June 30.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts, used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance

The difference between fund assets and fund liabilities.

Gann Limit

State of California legislation that limits a City's appropriations growth rate to changes in population and either the change in California per capita income or the change in the local assessment roll due to non-residential new construction.

General Fund

The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to accumulate the cost of the City's general operations.

General Obligation Bond

Bonds backed by the full faith and credit of the City, used for various purposes and repaid by the regular revenue raising powers (generally property taxes) of the City.

Grant

Contributions or gifts of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity, or facility. An example is the Community Development Block Grant provided by the federal government.

Indirect Cost Allocation

Citywide administrative services are funded directly by General Fund revenues. These services include costs for administrative departments – City Council, the City Manager's Office, and Finance and Information Systems. To ensure that non-General Fund revenues support a proportionate share for these services provided to non-General Fund operations, the cost of these indirect services are allocated across all operational costs. The allocations for enterprise fund operations, which include golf, sewer, and cemetery, are charged to the respective funds and received as revenue in the General Fund.

Infrastructure

Facilities on which the continuance and growth of the community depend on, such as roads, sidewalks, parks, public buildings, sewer lines, etc.

Interfund Transfers

Moneys transferred from one fund to another, such as from a fund receiving revenue to the fund through which the resources are to be expended.

Internal Services Fund

An Internal Service Fund provides services to other City departments and bills the various other funds for services rendered, just as would private business. Internal Services Funds are self-supporting and only the expense by an Internal Services Fund is counted in budget totals. The City maintains internal services funds to manage costs for workers compensation, liability insurance, and vehicle replacement.

Materials, Supplies and Services

Expenditures for operating items which are ordinarily consumed within a fiscal year.

Memoranda of Understanding (MOUs)

The result of labor negotiations between the City of Fremont and its various bargaining units.

Multi-year Forecast

The Finance Department's five-year forecast of revenues and expenditures. The Finance Department updates the forecast three times a year.

Non-departmental

Appropriations of the General Fund not directly associated with a specific department. Expenditure items and certain types of anticipated general savings are included.

Object Code

The line item where a revenue or expenditure is recorded.

Ordinance

A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries.

Reserved Fund Balance

Accounts used to record a portion of the fund balance as legally segregated for a specific use or not available for appropriation.

Resolution

A special order of the City Council, which has a subordinate legal standing than an ordinance.

Special Revenue Fund

This fund type is used to account for City revenues from sources that, by law or administrative action, are designated to finance particular functions or activities of government.

Unrestricted Fund Balance

Accounts used to record a portion of the fund balance not legally segregated for a specific use and are available for appropriation.