



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

**AGENDA REPORT**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Tori Hannah, Administrative Services Director  
**MEETING DATE:** September 5, 2018  
**SUBJECT:** Quarterly Budget Report – Fourth Quarter Fiscal Year 2017-18  
**CEQA STATUS:** Does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines

**RECOMMENDATION**

Receive report.

**DISCUSSION**

The attached charts provide a budgetary comparison of revenues and expenditures for major funds. The amounts listed represent the “preliminary” financial records through the quarter ending June 30, 2018. Descriptions for key budgetary variances are provided for reference.

Please note that the attached charts do not reflect the final audited amounts. The City’s accounting books are open through August 31, 2018 and final reconciliations are pending. The final audited results will be presented in November or December. At this time, there are no significant differences anticipated, unless noted.

Additional details will be presented at the Council Meeting.

**FISCAL IMPACT**

There is no fiscal impact. This item is informational only.

**GOAL ALIGNMENT**

Fiscal Sustainability

**ATTACHMENTS**

1. Budgetary Review – General Fund
2. Budgetary Review – Other Major Funds

RESPECTFULLY SUBMITTED:

Tori Hannah  
Administrative Services Director

REVIEWED BY:

Ben Harvey  
City Manager

# Budgetary Review: General Fund

Preliminary Unaudited Year End Amounts: As of August 28, 2018

*(Accruals and final reconciliations may be pending)*

General Fund	Budget	Revenues	Difference	Prior Year
Revenues	\$ 22,301,100	\$ 22,902,702	\$ (601,602) (a)	\$ 21,844,203
City Council	\$ 391,800	\$ 320,344	\$ 71,456 (b)	\$ 335,543
City Attorney	382,001	407,102	(25,101)	223,922
City Manager	931,502	933,683	(2,181)	825,044
Finance	1,113,799	1,149,423	(35,624)	1,002,038
Information Services	469,999	301,307	168,692 (c)	200,256
Community & Economic Development	2,118,399	1,971,131	147,268 (d)	1,784,652
Police	7,432,397	7,400,293	32,104	7,058,312
Fire	4,081,004	4,059,396	21,608	3,687,425
Library	1,160,102	1,042,006	118,096 (e)	947,493
Museum	276,400	268,231	8,169	257,306
Recreation	612,602	669,057	(56,455) (f)	537,877
Public Works	3,937,101	4,010,820	(73,719) (g)	3,220,859
Non-Departmental Transfers (Golf Loan)	129,000	129,000	-	-
	<u>\$ 23,036,106</u>	<u>\$ 22,661,793</u>	<u>\$ 374,313</u>	<u>\$ 20,080,727</u>
Net Difference	<u>\$ (735,006)</u>	<u>\$ 240,909</u>		<u>\$ 1,763,476</u>

Notes for Differences:

Key Revenue Variances:

TOT greater than anticipated, primarily residential	\$ 345,000
Resolution on two liens for code compliance	166,800
Unanticipated true-up for prior year refuse tax fees	39,300
Department of Consumer Beverage Grant	<u>45,000</u>
(a) Combined key variances	<u>\$ 596,100</u>

Key Expenditure Variances

(b) The FY 18/19 amount was closer to prior year; \$18,000 was encumbered for a Local Coastal Advocate contract

(c) Awarded Structured Cabling Project in FY 18/19, Council approved carryforward of \$115,000

(d) Savings in various categories, approximately \$28,000 encumbered

(e) Salary savings of \$80,000 and contract savings of \$40,000

(f) Increased utility costs of \$28,400, along with an ncrease in supplies, contract services, and advertising expenses

(g) Increase in contract services of \$49,000, utilities of \$28,000, and vehicle repairs of \$17,700. These increases are offset by savings in other categories

**Budgetary Review: Other Major Funds**  
 Preliminary Unaudited Year End Amounts: As of August 28, 2018  
*(Accruals and final reconciliations may be pending)*

Local Water Project	Budget	Revenues	Difference
Revenues	\$ 2,377,000	\$ 1,615,602	\$ (761,398)
Expenditures	2,000,642	1,607,157	(393,485)
Net Difference	\$ 376,358	\$ 8,445	

Variances

The Fiscal Year 18/19 variances relate primarily to the reconciliation and close-out of the Local Water Project's construction costs. A final review of reimbursements is pending.

Cemetery	Budget	Revenues	Difference
Revenues	\$ 343,900	\$ 453,237	\$ 109,337
Expenditures	381,604	366,800	(14,804)
Net Difference	\$ (37,704)	\$ 86,437	

Variances:

In Fiscal Year 18/19, there was a planned drawdown for a small cemetery building. This project was carried forward into the next fiscal year. Revenues increased primarily due to new endowment care fees.

Sewer	Budget	Revenues	Difference
Revenues	\$ 3,434,479	\$ 3,304,277	\$ (130,202)
Expenditures	3,010,423	3,084,000	73,577
Net Difference	\$ 424,056	\$ 220,277	

Variances:

ASBS Grant revenues and expenses were originally projected to be expended from this account. There was very limited grant activity in FY 17/18. This grant was budgeted in the ASBS Fund in FY 18/19.

Golf	Budget	Revenues	Difference
Revenues	\$ 505,450	\$ 463,016	\$ (42,434)
Expenditures	370,390	337,067	(33,323)
Net Difference	\$ 135,060	\$ 125,949	