



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

AGENDA REPORT

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: Director of Management and Budget James L. Becklenberg
MEETING DATE: May 7, 2008

SUBJECT: Consider the First Reading of an Ordinance to approve the City Manager's recommended budget for FY 2008/09.
Staff will present the recommended FY 2009/09 budget. The City Council will discuss the budget, but will not take any action at this meeting. Staff recommends, the City Council hold a public hearing at this meeting, and introduce an ordinance adopting the budget. This action would enable a second reading of the ordinance on May 21st, which, if adopted, would make the budget effective before July 1, 2008 without the need for a special meeting of the City Council.

RECOMMENDATION:

1. Discuss the recommended budget and provide direction to staff regarding any desired changes.
2. Hold a public hearing on the budget.
3. Introduce an ordinance adopting the FY 2008/09 budget.

DISCUSSION:

The recommended budget for FY 2008/09 reflects the goals discussed by the City Council in August 2007 and the strategies for balancing the budget Council approved conceptually in February 2008. The budget closes the General Fund budget gap between ongoing revenues and costs for services over the five-year forecast period and, pending economic circumstances, generates annual surpluses that could restore General Fund reserves or rebuild services over the forecast period. The balanced budget comes at the cost of City service levels, however, which in many ways are reduced and may not be restored in the near term without significant new revenues. The City also continues to face unfunded liabilities for long-term obligations such as liability insurance and accrued employee leave costs.

The City Council received copies of the recommended budget on May 1, 2008. The recommended budget is available on the City's website, <http://www.ci.pg.ca.us>. Copies are also available for public viewing at the Pacific Grove Public Library, the Pacific Grove Police Station, the City Manager's Office, and Finance Department lobby, located at Pacific Grove City Hall, 300 Forest Ave.

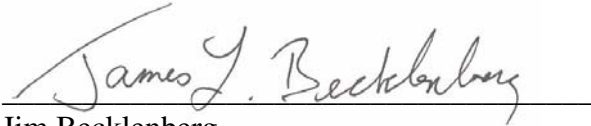
FISCAL IMPACT:

The budget will have a positive outcome on the City’s overall financial condition.

ATTACHMENTS:

Copies of the recommended budget were distributed to the City Council and made available to the public on May 1, 2008.

RESPECTFULLY SUBMITTED:



Jim Becklenberg
DIRECTOR OF MANAGEMENT AND BUDGET

REVIEWED BY:

James J. Colangelo

Digitally signed: I have reviewed this document

James J. Colangelo
CITY MANAGER

ORDINANCE NO.____

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE
APPROVING AND ADOPTING A RECOMMENDED BUDGET OF THE CITY OF
PACIFIC GROVE FOR THE FISCAL YEAR 2008/09**

WHEREAS, the City Manager has duly submitted to the City Council estimates of revenues and proposed expenditures of the City departments for the Fiscal Year 2008/09, which have been compiled from detailed information obtained from the departments and assembled into the document titled “Recommended Budget Fiscal Year 2008/09;” and

WHEREAS, the Recommended Budget Fiscal Year 2008/09 has been reviewed by the public and duly considered by the City Council, who have made some changes to the draft budget as reported in a public City Council meeting,

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF PACIFIC GROVE DOES
ORDAIN AS FOLLOWS:**

SECTION 1. The document submitted to the City Council by the City Manager entitled “Recommended Budget Fiscal Year 2008/09” (copies on file in City Hall and available at the Pacific Grove Library for public review), as modified by the City Council at duly noticed public meetings, is hereby approved and adopted as the Budget of the City of Pacific Grove for the fiscal year beginning July 1, 2008.

SECTION 2. The revenues of the City for the Fiscal Year 2008/09 are hereby apportioned as set forth and segregated in the budget, and all annual salaries, compensations, and allowances are hereby fixed and established as therein specified, and shall be payable in the manner prescribed by the Charter and ordinances of the City of Pacific Grove.

SECTION 3. All funds mentioned in the budget for Fiscal Year 2008/09 are hereby established and designated as set forth in the budget.

SECTION 4. A policy is hereby established by which 50% of the annual growth in unrestricted fund balance, as of June 30th of each fiscal year, in the Golf Enterprise Fund shall be transferred to the General Fund for general purposes.

SECTION 5. All ordinances and parts of ordinances insofar as they conflict with this ordinance are hereby repealed.

**PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC
GROVE this ___ day of ___, 2008, by the following vote:**

AYES:

NOES:

ABSENT:

APPROVED:

DANIEL E. CORT, Mayor

ATTEST:

CHARLENE WISEMAN, City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney