NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING AGENDA

Wednesday, April 2, 2025, 6:00 P.M.

Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

The Council will not begin consideration of any item on this agenda later than 10:00 p.m. unless such consideration is approved. Any items on this agenda not considered this evening will be continued to a future meeting.

Copies of the agenda packet are available for review at the Pacific Grove Library, in the Finance Department, and electronically at www.cityofpacificgrove.org/agendas. The most effective method of communication with the City Council is by sending an email to citycouncil@cityofpacificgrove.org. In order to allow the City Council adequate time to review communication related to an agenda item, it is recommended that the communication be sent no later than 9:00 AM on the day prior to the City Council meeting. Public comments received through this email address by noon on the day of the meeting will be posted with the corresponding agenda item.

Under the Brown Act, public comment for matters on the agenda must relate to that agenda item and public comments for matters not on the agenda must relate to the subject matter jurisdiction of this legislative body. This is a warning that if a member of the public attending this meeting remotely or in-person violates the Brown Act by failing to comply with these requirements of the Brown Act, then the Mayor or Chair may request that speaker be muted. If a member of the public attending this meeting in-person engages in disruptive behavior that disturbs the orderly conduct of the meeting, they may be removed from the meeting after a warning, pursuant to Council Policy 000-17.

PACIFIC GROVE COUNCIL MEETINGS ARE CONDUCTED IN PERSON AT CITY HALL COUNCIL CHAMBER AND VIRTUALLY.

PLEASE NOTE THE MEETING WILL PROCEED AS NORMAL EVEN IF THERE ARE TECHNICAL DIFFICULTIES ACCESSING ZOOM.
THE CITY WILL DO ITS BEST TO RESOLVE ANY TECHNICAL ISSUES AS QUICKLY AS POSSIBLE.

THE PUBLIC MAY ALSO VIEW THE MEETING ON PENINSULA CHANNEL 25.

JOIN THE ZOOM WEBINAR TO PARTICIPATE LIVE AT:
https://www.cityofpacificgrove.org/Zoom_CC

Please click here for directions to dial into the meeting audio.

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE: Councilmember McDonnell

1. **APPROVAL OF AGENDA**

2. **PRESENTATIONS**

A. Mayor's Proclamation: Methodist Church **PG 7**

Reference: Nick Smith, Mayor

Recommended Action: Receive presentation.

CEQA:

B. See Monterey Updates to City of Pacific Grove **PG 9**
Reference: Lindsey Stevens, VP Marketing- See Monterey
Recommended Action: Receive presentation.
CEQA:

3. **COUNCIL AND STAFF ANNOUNCEMENTS (City-Related Items Only)**

A. Report on Closed Session by City Attorney

B. Other

4. **GENERAL PUBLIC COMMENT**

General Public Comment must deal with matters subject to the jurisdiction of the City and the Council that are not on the Regular Agenda. This is the appropriate place to comment as to items on the Consent Agenda, only if you do not wish to have the item pulled for individual consideration by the Council. Comments from the public will be limited to three minutes and will not receive Council action. Comments regarding items on the Regular Agenda shall be heard prior to Council's consideration of such items at the time such items are called. Whenever possible, written correspondence should be submitted to the Council in advance of the meeting, to provide adequate time for its consideration.

A. Written General Public Comment

CONSENT AGENDA

The Consent Agenda deals with routine and non-controversial matters, and may include action on resolutions, ordinances, or other public hearings for which testimony is not anticipated. The vote on the Consent Agenda shall apply to each item that has not been removed. Any member of Council, staff, or the public may remove an item from the Consent Agenda for individual consideration. When items are pulled for discussion, they will be automatically placed at the end of their respective section within the Regular Agenda. One motion shall be made to adopt all non-removed items on the Consent Agenda.

5. **APPROVAL OF CITY COUNCIL MEETING MINUTES**
Items pulled from this section will be placed under 12. Unfinished and Ongoing Business

6. **RESOLUTIONS**
Items pulled from this section will be placed under 12. Unfinished and Ongoing Business or 13. New Business

A. Resolution Amending Council Policy 000-19 for Records Retention and Records Management **PG 24**
Reference: Sandra Kandell, City Clerk
Recommended Action:

1. Approve a resolution amending Council Policy No. 000-19 to update the City records retention and records management schedule and reflect revisions.
2. Alternatively, discuss and take other action related to this item.

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

7. **ORDINANCES**
Items pulled from this section will be placed under 11. Public Hearings

A. Second Reading and Adoption of an Ordinance Establishing District-Based Elections for Council Members
Reference: Matt Mogensen, City Manager **PG 71**
Recommended Action: Hold second reading and adopt an Ordinance Establishing District-Based Elections for Council Members.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

B. David Avenue Street Rehabilitation – Award of Contract and Budget Modification **PG 82**
Reference: Daniel Gho, Public Works Director/Deputy City Manager
Recommended Action: Hold second reading and adopt an ordinance amending the Operating and Capital Projects Budget for FY24/25.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

8. **REPORTS – INFORMATION ONLY**
Items pulled from this section will be placed under 12. Unfinished and Ongoing Business or 13. New Business

9. **REPORTS – REQUIRING ACTION**
Items pulled from this section will be placed under 12. Unfinished and Ongoing Business or 13. New Business

A. Appointments to Boards, Commissions, and Committees **PG 87**
Reference: Nick Smith, Mayor

Recommended Action: Approve appointments to Boards, Commissions, Committees as follows:

- Architectural Review Board: Martin Sublett
- Library Board: Meganne Yeoman

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

B. 2025 Ford Police Interceptor Vehicle Purchase **PG 91**

Reference: Brian Anderson, Commander

Recommended Action: Authorize the City Manager to award a purchase order with Cypress Coast Ford of Seaside for the purchase of (1) 2025 Ford Police Interceptor Vehicle in an amount not to exceed $64,927.28.

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

C. Direction to use WorkPlan Focus Areas, Policy Statements, and Goals for the Development of the FY 25-26 / 26-27 Budget **PG 93**

Reference: Matthew Mogensen, City Manager

Recommended Action: It is recommended that the Council direct the use of the FY25-26/26-27 WorkPlan Focus Areas, Policy Statements and Goals in the Development of the Budget.

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

D. Endorse the proposed Appointment of Council Member Cynthia Garfield as City Council Liaison to the Friends of Chautauqua Hall, a committee of the Heritage Society of Pacific Grove

Reference: Nick Smith, Mayor **PG 96**

Recommended Action: Endorse the proposed Appointment of Council Member Cynthia Garfield as City Council Liaison to the Friends of Chautauqua Hall, a committee of the Heritage Society of Pacific Grove

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

10. MEETING MINUTES OF COMMISSIONS, BOARDS, AND COMMITTEES

Items pulled from this section will be placed under 13. New Business

REGULAR AGENDA

11. PUBLIC HEARINGS

For public hearings involving a quasi-judicial determination by the Council, the proponent of an item may be given 10 minutes to speak and others in support of the proponent's position may be given three minutes each. A designated spokesperson for opposition to the item may be given 10 minutes to speak and all others in opposition may be given three minutes each. Very brief rebuttal and surrebuttal may be allowed in the sole discretion of the Council. In public hearings not involving a quasi-judicial determination by the Council, all persons may be given three minutes to speak on the matter.

A. Introduction of an Ordinance Amending the City's 2024-25 Budget, removing the allocation of one Program Manager Classification in the City Manager's Office and replacing with one Deputy City Manager Classification in the City Manager's Office

Reference: Matthew Mogensen, City Manager **PG 97**

Recommended Action:

1. Request the City Attorney read the title of the ordinance.
2. Motion to waive further reading of the ordinance.
3. Introduce and hold a first reading of an ordinance to amend the City's 2024-25 Budget, removing the allocation of one Program Manager classification in the City Manager's Office and adding one Deputy City Manager classification to the allocation plan in the City Manager's Office to be funded in 2024-25 with current budget savings.
4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

12. UNFINISHED AND ONGOING BUSINESS

A. Annual Financial Reports and Audit **PG 102**

Reference: Fred Marsh, Administrative Services Director

Recommended Action: Receive the reports noted in this report.

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

B. City Council Review and Discussion of the Legacy Parklet Encroachment Permits and a Motion to Waive Fees for Sidewalk Dining Permits **PG 367**

Reference: Matthew Mogensen, City Manager

Recommended Action:

1. Review the City's legacy Parklet Encroachment Permits
2. Provide staff direction regarding the sunsetting of the legacy Encroachment Permits
3. Motion to waive permit fees for all restaurants that obtain a Sidewalk Dining Permit prior to July 1, 2025

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

13. **NEW BUSINESS**

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

ADJOURNMENT

NOTICE OF ADA COMPLIANCE: Pursuant to Title II of the Americans with Disabilities Act (Codified At 42 United States Code Section 12101 and 28 Code of Federal Regulations Part 35), and Section 504 of the Rehabilitation Act of 1973, the City of Pacific Grove does not discriminate on the basis of race, color, religion, national origin, ancestry, sex, disability, age or sexual orientation in the provision of any services, programs, or activities. The City of Pacific Grove does not discriminate against persons with disabilities. City Hall is an accessible facility. A limited number of assisted listening devices will be available at this meeting. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting or provide the requested agenda format.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Staphany Arriola, Management Analyst (Confidential)
MEETING DATE: April 02, 2025
SUBJECT: Mayor's Proclamation: Methodist Church

CEQA:

RECOMMENDATION
Receive presentation.

Attachments

Proclamation

Mayor's Proclamation

SESQUICENTENNIAL YEAR

WHEREAS, As early as 1871 Methodist Ministers and Lay Members from San Francisco began to look for a quiet place to hold summer retreats; and

WHEREAS, In 1873 the Reverend Isaac Ross, while looking for a place that would be better for his health, found a serene location of pines, butterflies, oaks and cypress; and

WHEREAS, After a visit to Reverend Ross, Bishop J.T. Peck knew that this was the perfect place for summer retreats; and

WHEREAS, He gathered the Reverends Ross, Jewell, Campbell, Clifford and Gibson and they began plans for creating a most beautiful and spiritual gathering place; and

WHEREAS, In 1875 David Jacks gave those clergy 5 acres of land for their summer retreat in order to construct wooden sided tents for the summer visitors and build an amphitheater for religious services; and

WHEREAS, On June first, 1875 those Methodist clergy signed papers creating the Pacific Grove Retreat Association thus becoming the founding church of Pacific Grove; and

WHEREAS, This Retreat Association became the incorporated city of Pacific Grove, still today a beautiful and inspiring Grove by the Pacific.

NOW, THEREFORE BE IT RESOLVED, that the City of Pacific Grove, on behalf of its citizens thereof, hereby proclaim 2025 as Sesquicentennial year in Pacific Grove.

N. S.

Nick Smith, Mayor

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Staphany Arriola, Management Analyst (Confidential)
MEETING DATE: April 02, 2025
SUBJECT: See Monterey Updates to City of Pacific Grove
CEQA:

RECOMMENDATION
Receive presentation.

Attachments

Presentation



Monterey County Tourism
Pacific Grove
See Monterey 4.2.25

SEE MONTEREY

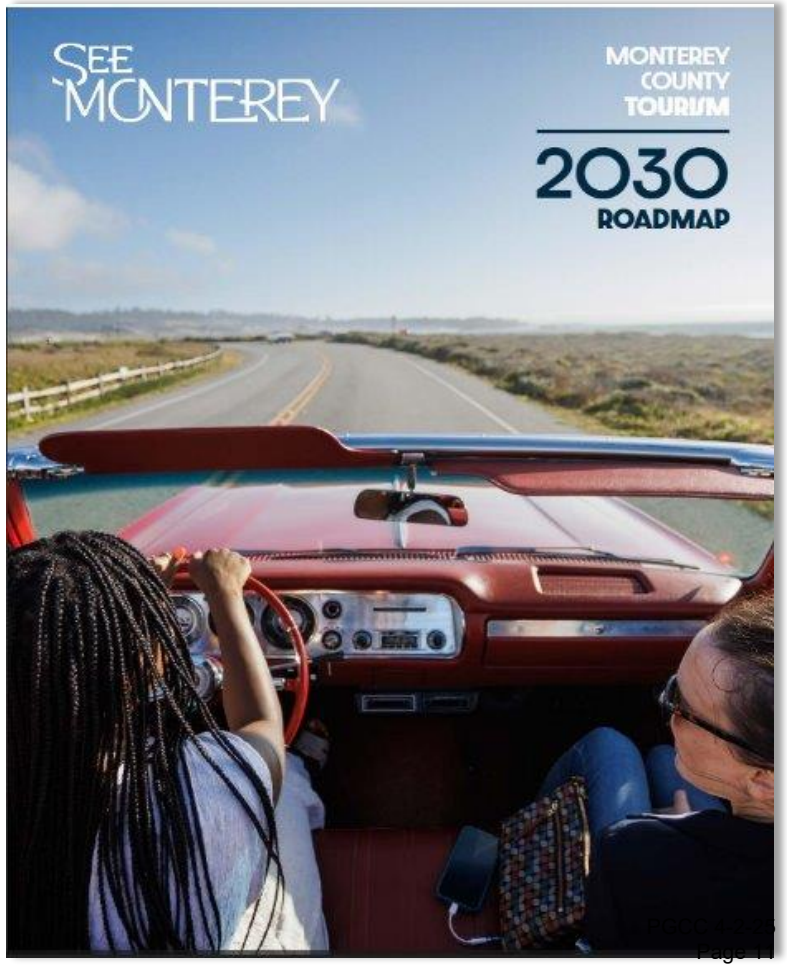
Destination Marketing Organization

VISION

A thriving tourism economy that enriches Monterey County's economic vitality and quality of life.

MISSION

To generate community prosperity for Monterey County through the responsible promotion and growth of the tourism economy



FY2024-25 Mid-Year Summary (July-December)

Leveraging the City of Pacific Grove's YTD investment of $80,750 with the combined jurisdiction and hotel investments yielded a tremendous ROI for our entire community. This report showcases how this investment generated over **$653K** in group business and contributed to reaching over 5.3 million travel-ready households and more than 400,000 ad-influenced trips to Monterey County.

City of Pacific Grove Business Development ROI

- **Economic impact: $653,599.35**
- Leads: **41**
  Potential room nights: 12,421
  Potential new business: 19 Leads
  5,802 Total Room Nights
- Booked groups: **3**
- Booked room nights: **645**

City of Pacific Grove Marketing Communications ROI

- Partner-site conversion: **18.24k clicks** from SeeMonterey.com to a local business
- Social engagements: **21,000 engagements** (likes, comments, shares, link clicks, and video views)
- Earned media impressions: **197.3 Million**
- PR ad equivalency: **$269,922**

City of Pacific Grove Business Membership

- Total members:**81 business members**
- Events promoted: **39 events published** and promoted

See Monterey website & visitor app results

- Total web sessions: **18,800 sessions**
- New downloads of app: **1,867 downloads**
- Total App users: **1,415 Monthly Average Users**

Marketing Communications

Paid Campaigns





Public Relations

NATIONAL GEOGRAPHIC

Summer doesn't have to end yet with these fall getaways

From surfing in the Great Lakes to neon-lit kayaking in Florida, these destinations offer autumn adventures without the chill.

By Molly O'Brien
September 10, 2024

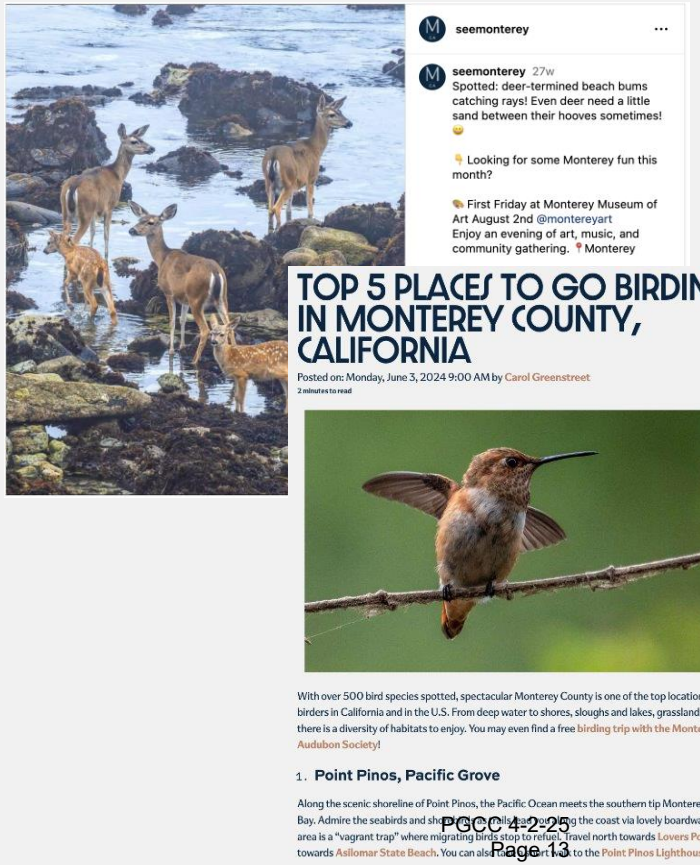
Spot epic wildlife

Spiders are for more than just a Halloween scare—this time of year means mating season for nocturnal male tarantulas. Arachnid enthusiasts can join guided "Wild Tarantula Trails Nature Hikes" at Restoration Oaks Ranch, just north of Santa Barbara, California, to observe these creatures searching for a mate.

"The wild tarantulas we introduce our guests to are wonderful ambassadors to the wilderness areas of Santa Barbara," says Ed Seaman, general manager of Restoration Oaks Ranch. "Not everyone will allow a tarantula to walk on them, but absolutely everyone has a smile on their face when we get back."

Fewer cars and clearer skies mean autumn is the best time for a road trip on California's iconic Highway 1. Make a pitstop in Pacific Grove, nicknamed "Butterfly Town, U.S.A.," an annual wintering stop for monarchs—there's even a "Butterfly Parade" here on the first Saturday of each October.

Social Media



Business Development

Client Engagement & Group Sales

- SITE (Northern CA) Meeting Planners bike riding through Pacific Grove as part of destination immersion.
- Pacific Grove promoted at IMEX America with visibility to 5,758 meeting and event planners.
- YTD 7 booked groups from across California, Northeast, and Southwest regions
- Travelers for Conference spend 158% more than leisure



Over **$2.4M in Economic Impact** driven through booked group business YTD



Clarion Hotel CHOICE HOTELS

The Wilkie's Inn

ASILOMAR CONFERENCE GROUNDS

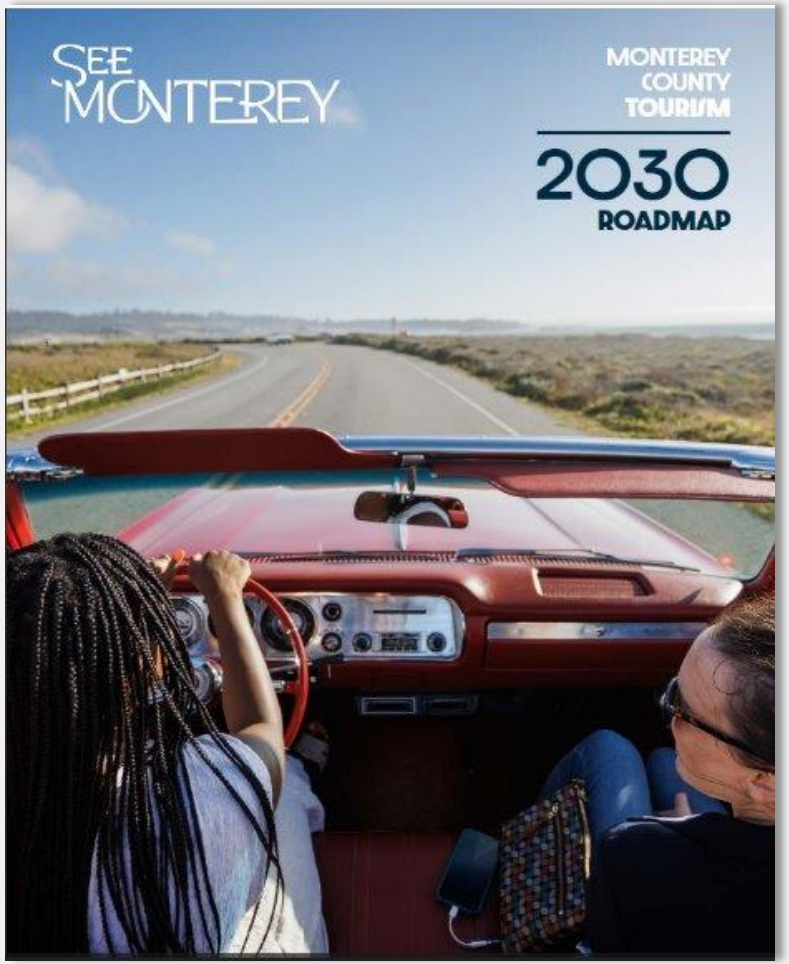
What's Next?

MCT 2030

Monterey County Tourism 2030 Roadmap

Maximizing Tourism Economy Potential

- Intended to sharpen focus over next half decade
- Includes new Resident Sentiment Study & Visitor Profile Study
- Considers major challenges and opportunities in the coming years
- Relies on community-wide collaboration, planning and implementation



CHALLENGES

Economic Uncertainty

The New York Times

Traveling Abroad? If You're Paying With Dollars, Your Trip Is on Sale.

The dollar's strength against the euro, the yen and other foreign currencies means bargains for U.S. travelers.





BUSINESS

Tariff threats and uncertainty could weigh on consumers, drag down US economy, gov't report suggests

US tourism industry faces drop-off as immigration agenda deters travellers

LOCAL NEWS

International tourists are rethinking travel to the U.S.: What this means for L.A.

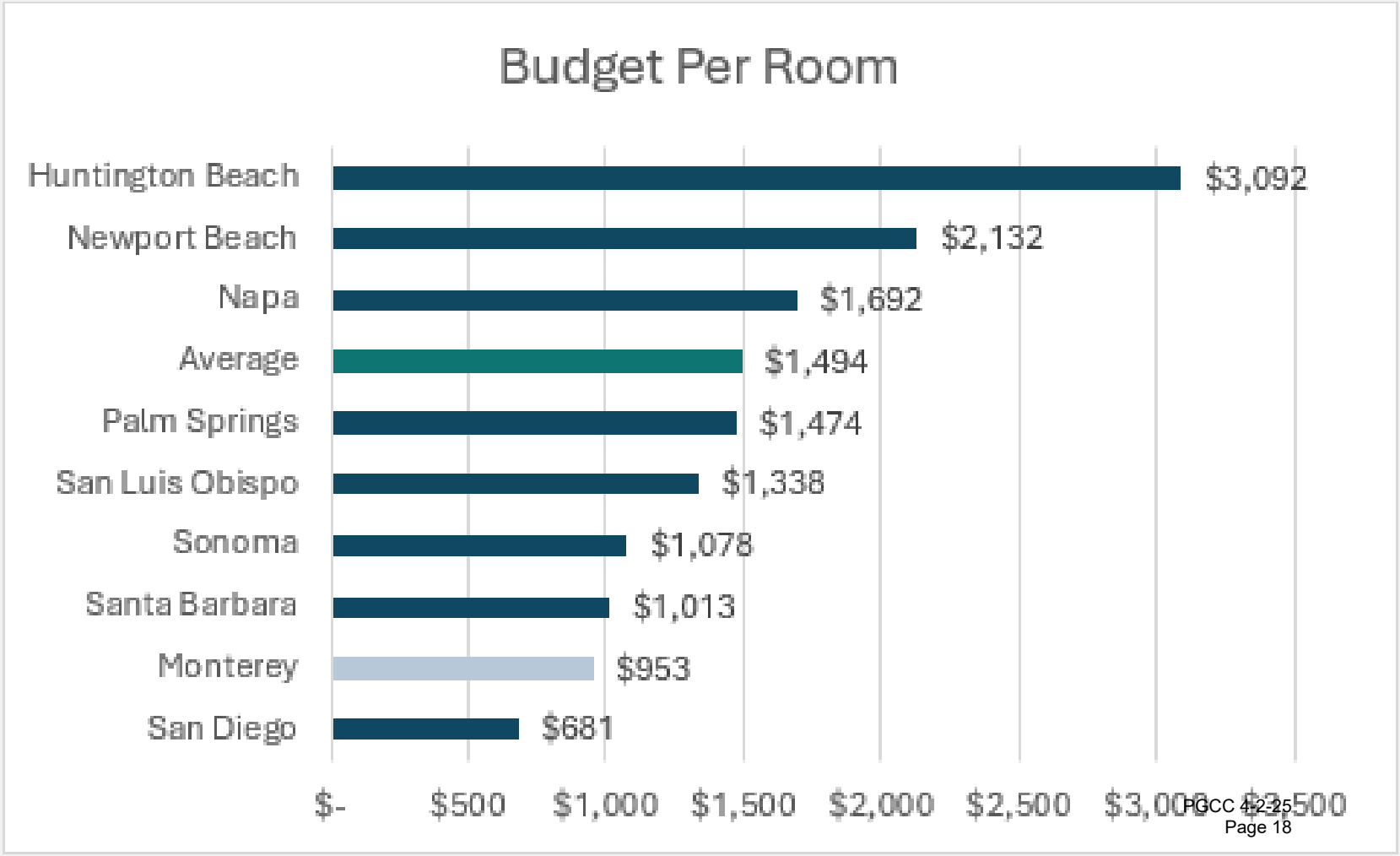
by: David Lazarus
Posted: Mar 27, 2025 / 07:44 AM PDT
Updated: Mar 27, 2025 / 07:44 AM PDT

THE CHALLENGE

Competitive Disadvantage

Tourism Competition is Fierce

Monterey County is outspent per room vs. the comp set.



THE OPPORTUNITY

1,000 New Hotel Rooms by 2030

KIMPTON® HOTELS & RESTAURANTS

GRAND | HYATT®

Holiday Inn Express

COURTYARD® BY MARRIOTT

Residence INN® BY MARRIOTT

TRIBUTE PORTFOLIO

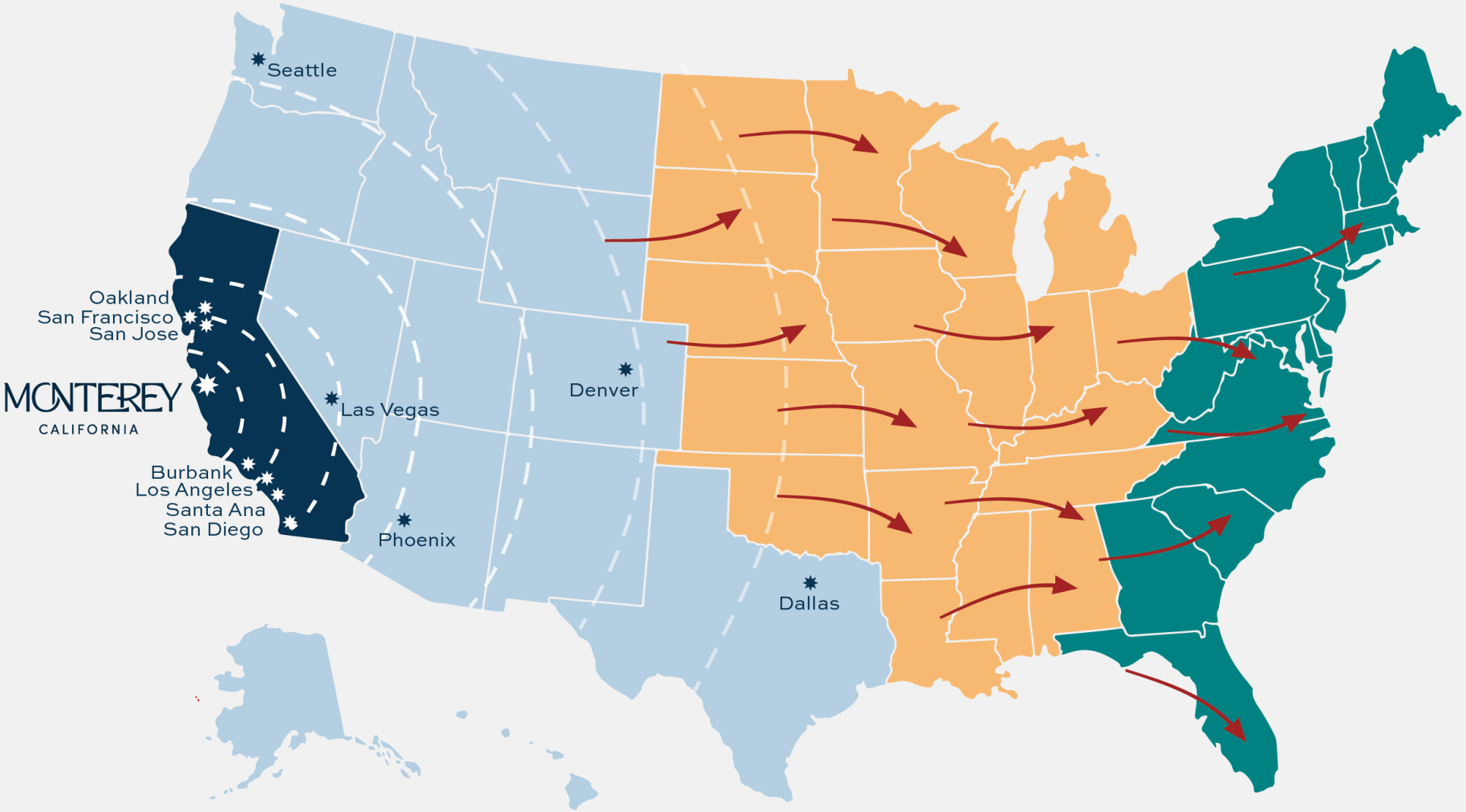
{ Stay Independent. }

HYATT house™

AC HOTELS MARRIOTT®



Marketing Reach



MCT 2030

Key Imperatives

- Raise the tide for all – grow market share
- Attract visitors from further away – tend to stay longer and spend more
- Tourism dispersion – spread travelers throughout the entire county
- Transportation Collaboration – with MRY, MST, TAMC
- Evolve Events – make current events work harder; attract new



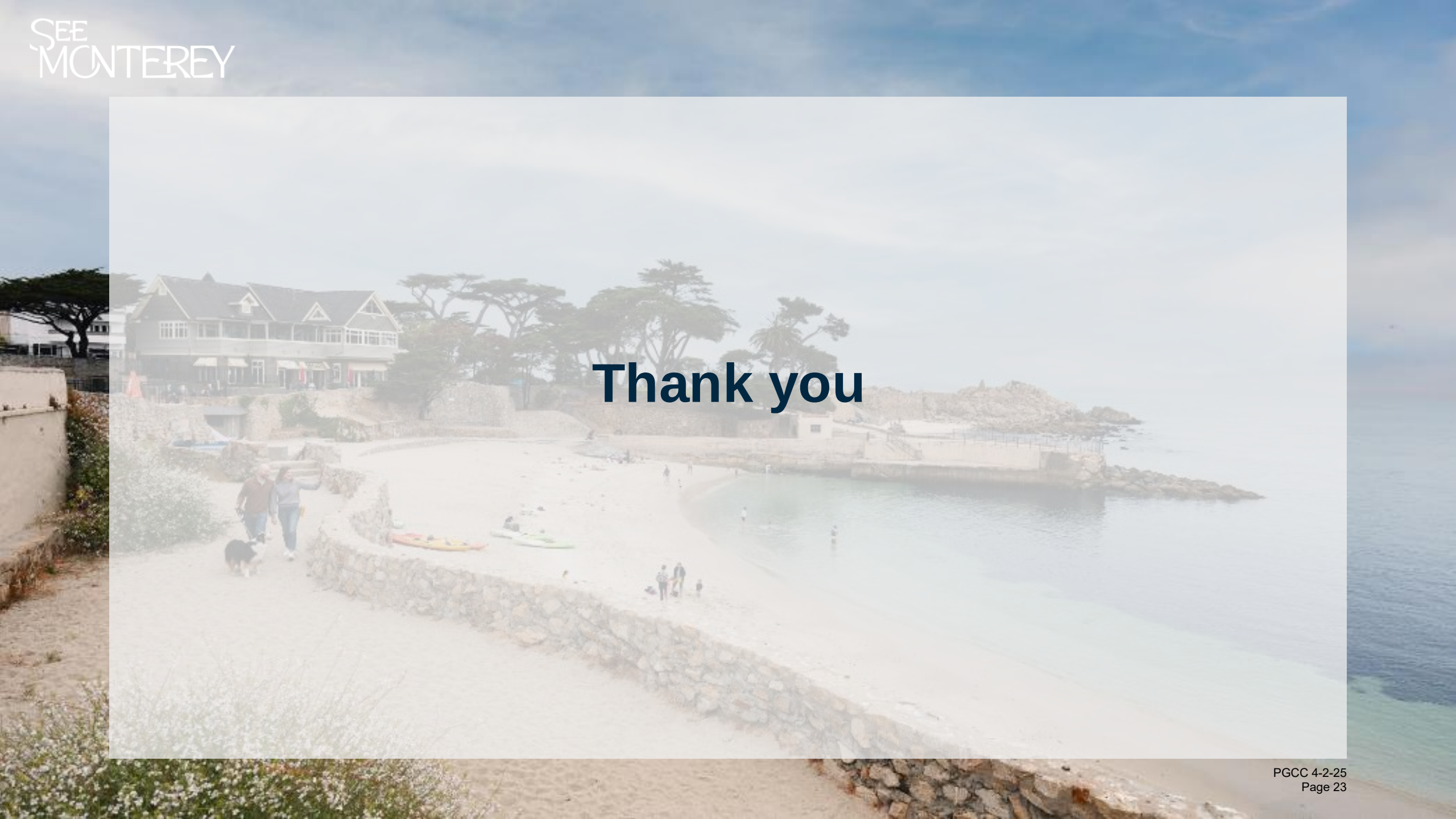
Responsible Travel

Billboard Campaign









Thank you

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Sandra Kandell, City Clerk
MEETING DATE:	April 02, 2025
SUBJECT:	Resolution Amending Council Policy 000-19 for Records Retention and Records Management
CEQA:	Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Approve a resolution amending Council Policy No. 000-19 to update the City records retention and records management schedule and reflect revisions.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

On January 18, 2012, the City Council approved a resolution adopting Council Policy No. 000-19 (Policy). The Policy established the City's Records Management and Records Retention Schedule (Schedule), and clarified the legal authority to manage records and documents. Effective records management is cost-effective, improves efficiency, and reduces the City's potential liability regarding destruction of documents.

Periodically, the City Clerk's office will conduct a review of the Records Retention Schedule and request Department Heads and key staff to review for additions or revisions. The Council reviews and approves, but may opt to provide other direction.

After some review with other cities state-wide, the City Clerk's Office has made two proposed revisions to the Legal/Legislative section to improve best practices. Proposed revisions are as follows:

Legal/Legislative
Agenda Reports (Master, Subject Packet Files) CU + 10 changed to CU + 20
Tapes, Audio/Video CU + 3 mo. changed to CU + 10 (years)

Staff received additional proposed revisions to the schedule from the Police Department to the Law Enforcement section to conform to new law. The proposed revision is as follows:

Law Enforcement
Personnel Complaints/Internal Investigations with a "Sustained" finding CL + 2 changed to CL + 15

No other revisions were received.

This action does not constitute a “Project” as that term is defined under CEQA Guideline Section 15378 (b)(5), an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

OPTIONS

Provide alternative direction—the Council may choose alternative retention periods, etc.

FINANCIAL IMPACT:

There is no fiscal impact.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Proposed Reso

Redlined Policy 000-19

Redlined Retention Schedule

RESOLUTION NO. 25-XXX

MODIFYING COUNCIL POLICY NO. 000-19 REGARDING THE CITY OF PACIFIC GROVE'S RECORDS RETENTION AND RECORDS MANAGEMENT POLICY

FINDINGS

1. On January 28, 2012, the City Council approved Resolution 12-003 adopting Council Policy 000-19, which established the City of Pacific Grove's (City's) records retention and records management policy.

2. As part of the Policy 000-19, the Council approved the City's Records Management and Records Retention Schedule (Schedule).

3. Policy 000-19 and the Schedule clarify the City's legal authority to manage records and documents entrusted to its care.

4. Subsequent to adoption of Policy 000-19 and the Schedule, staff was advised of suggested revisions to the Schedule by City departments.

5. The revisions to the Schedule are necessary and appropriate.

6. This action does not constitute a "Project" as that term is defined under the California Environmental Quality Act (CEQA) Guideline Section 15378 (b)(5), as it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE:

1. The foregoing Findings are adopted as findings of the City Council as though set forth fully herein.

2. Council Policy No. 000-19 and the attached Schedule are hereby approved as attached to this Resolution, which by this reference are incorporated as set forth in their entirety.

3. This resolution shall become effective immediately following passage and adoption thereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 2nd day of April, 2025, by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:
DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

City of Pacific Grove
Council Policy

Subject	Policy Number	Effective Date
Records Management and Records Retention Schedule	**000-19**	**January 18, 2012**

Implementation
The purpose of this policy is to provide for the management of the City of Pacific Grove's records in an efficient manner, to streamline paper flow, provide for document archiving, minimize the temporary storage constraints, and remain in compliance with the California Public Records Act and the California Government Code.

This Policy establishes the practice to be followed with respect to records retention and records management.

Definitions

- **Active Records** - Records that are referred to at least once a month per cubic foot of records. Also, as a retention period for a Perpetual Record that remains "active" until some event occurs to change its status, at which time it has fulfilled its function. (See **Perpetual Record**)

- **Administrative Records** - Records commonly found in all offices and used in the conduct of daily business. These are typically retained for short time periods, i.e., fewer than five years. Examples include subject, chronological, work plans, and policy files.

- **Archival Records** - Records with enduring value because they reflect significant historical events, document the history and development of the City, or provide valuable research data.

- **Damaged Records** - Records that have been damaged by water, fire, and other forms of contamination during natural and man-made disasters. Dependent on the severity of the damage, records may be recovered or may need to be declared unrecoverable and destroyed.

- **Discovery** - The pretrial disclosure of pertinent facts or documents by one or both parties to a civil action or proceeding. Anything requested during discovery must be disclosed if it exists - even non-records and records that should have been destroyed earlier. Discovery effectively freezes selected holdings until released by the opposing attorney or the court.

- **E-mail** - The transmission of messages over communications networks. The messages can be notes entered from the keyboard or may include attachments of electronic files stored on disk.

- **Inactive Records** - Records that are accessed an average of less than once per month per cubic foot of records, but that have not completed their full retention period. These records may be stored in a separate location from active files. Also, a Perpetual Record that has fulfilled its function. (See **Perpetual Record)**

- **Local Government** - Government Code § 6252 provides: ‘‘‘Local Agency’ includes a county; city, whether general law or chartered; city and county; school district; municipal corporation; district; political subdivision; or any board, commission or agency thereof; other local public agency; or nonprofit entities that are legislative bodies of a local agency pursuant to subdivisions (c) and (d) of Government Code, Section 54952.”

- **Non-Records** - Material not usually included within the definition of records or kept in the ordinary course of business, such as transitory documents, voicemail, e-mail, unofficial copies of documents kept only for convenience or reference, working papers, appointment logs, stocks of publications and blank forms, and library or museum material intended solely for reference or exhibition. Also, documents such as rough notes, calculations or drafts assembled or created and used in the preparation or analysis of other documents. NOTE: A draft that contains substantive comments from a project applicant, an applicant’s attorney, consultant or agent, should be treated as a record of comments received from that source, and the draft or portions showing the substantive comments should ordinarily be retained accordingly. (See **Discovery)**

- **Permanent Records** - Records required to be kept in perpetuity, usually identified by statute or other written guidance. Examples include original minutes, ordinances, resolutions, land grant deeds, etc.

- **Perpetual Records** - Records retained as active files for an indefinite period of time and then stored or destroyed after some event takes place. Examples include office personnel files which are active until a person terminates employment; policy files kept until the policy is changed; contract files that are active until the contract terminates, then destroyed a fixed number of years later; current database information until it is superseded; etc.

- **Program Record** - Record that relate to the primary function of the City in response to its daily mission. Examples include lien files, recorders files, election files, probate records, medical records, etc.

- **Public Record** - For purposes of the California Public Records Act, any writing containing information relating to the conduct of the public’s business prepared, owned, used, or retained by the City regardless of physical form or characteristics.

- **Record** - A thing that constitutes an objective, lasting indication of a writing, event, or other information that is in the custody of a public officer and has been kept because it is necessary or convenient to the discharge of the public officer’s duties and was made or retained for the purpose of preserving its informational content for future reference. Substantive written communications from individuals or entities who are not City employees, officials, or contractors are ordinarily not considered records.

- **Records Retention Schedule** - A list of all records produced or maintained by the City and the actions taken with regards to those records. A retention schedule is the City’s legal authority to receive, create, retain, and dispose of official public records. It assists the City by

documenting which records require office or temporary storage, which records have historic or research value, and which records should be destroyed because they no longer have any administrative, fiscal, historical, or legal value. In the event of litigation, courts accept a retention schedule as establishing the City's "normal course of doing business." The Schedule is attached hereto and incorporated herein by reference.

- **Retention Period** - The length of time a record must be retained to fulfill its administrative, fiscal historical and/or legal function. Then a record should be disposed of as soon as possible in accordance with an approved Records Retention Schedule.

- **Software** - any system, program, application, instruction, or protocol designed to store, control or process data.

- **Vital Record** - record required for daily operations and to resume those operations after a disaster. A Vital Records program protects records from the effects of the disaster and assists in recovery from the event.

General Records Management
Official records are comprised of a collection of documentation, including legislative, historic, legal, fiscal, and administrative documents, as well as vital records. Records management entails administering various document formats such as correspondence, mail, e-mails, faxed material, historical reference, and electronic media.

Records management archiving is a conventional method of safeguarding history for the benefit of education, accessibility to research and preservation of valuable fiscal, legal and administrative information. As the records management system for the City includes a vast array of elements; it is incumbent upon each department to ensure proper safekeeping and destruction pursuant to the criteria set forth herein.

Statutory references are legal citations setting forth the retention and destruction guidelines. These guidelines ensure that the records are maintained legally and efficiently. Records that are not appropriately maintained or improperly destroyed expose the City to potential liability.

In all instances that documentation of destruction is required, an Authorization to Destroy Obsolete Records must be completed and signed by the program manager and City Attorney. This form serves as a permanent record, and would be utilized in any legal proceedings as evidence of proper destruction.

California Government Code Section 34090.5 provides that if a record series can be produced electronically and proper archival methods are set in place, the original may be destroyed, with the exception of those documents that are required to be kept permanently in their original format as outlined in the retention schedule.

It is the goal of the City to move toward an electronic imaging program. Until an electronic system is in place, a concerted effort will be made to adhere to the retention schedule and to destroy all appropriate records that are being stored in various facilities throughout the City, and prepare archival material for electronic filing. Preparation of archival material will include indexing according to the City's Filing System. Once an electronic imaging or other acceptable system has been installed, and training has been provided, all departments will manage the backlogged materials and proceed with proper archiving or destruction pursuant to the requirements in the retention schedule under the leadership of the City Clerk's Office. This process will eliminate a large number of storage boxes and release space for other uses, as well as bring our records management program into full compliance.

In most cases, records not addressed in the attached schedule should be considered routine in nature and identified as general information under a specific record series. Retention for those files would be two years unless specific laws, decisions or opinions apply to that record series. Transitory correspondence files, consisting of correspondence, routine transactions, memoranda, or e-mails holding no administrative, fiscal, historical, or legal value should not be filed in working files. Examples of transitory documents may be, but are not limited to transmittal letters, forms, e-mails (see section on e-mail below), requests for routine information or publications, announcements, and other documents not requiring action by the receiving office.

Documents that are not transitory in nature, not addressed in this schedule, and for which there are legal requirements or the record is essential either for legal, historical, fiscal, or administrative value, shall have a record series number and title assigned to them and added to the retention schedule. The retention schedule is not a permanently fixed document, but flexible in nature to accommodate legal, administrative, or fiscal policy changes. Contact the City Clerk for review of any requested changes.

E-mail Retention Policy

It is the City's policy that City e-mail and e-mail systems are intended to be a medium of communication. City e-mail systems are not intended to be and may not be used for the electronic storage or maintenance of City records. The email system, to function as intended, anticipates or requires that employees regularly delete communications from the system.

E-mail messages and attachments comparable to hard copy documents that would be retained under this policy should be retained as follows: The document must be categorized in the appropriate record series and converted to the appropriate electronic format or printed in hard copy and retained for the required time period as outlined in the City's Records Retention Schedule. No matter what form in which the record is retained, proper procedures as outlined in City's Records Retention Policy must be followed prior to the destruction of any record.

Routine e-mail messages comparable to telephonic communications are non-records. They are not intended to be retained in the ordinary course of City business, and the informational content of such communications is neither necessary nor intended to be preserved for future City use or reference. Each user will have the responsibility to remove such non-records from folders within

the City's electronic mail system on a rolling 2 year schedule. This includes items in "received" and "sent" folders as well as any folders set up by individual users. Upon removal from the City's email system, the non-records will be disposed of in the City's ordinary course of business. An e-mail is considered destroyed as soon as it has been deleted from a user's mailbox, even though it is temporarily stored in the trash folder before being purged from the e-mail system. This action is analogous to throwing a paper document into an office trashcan. Digital e-mail back-up tapes are destroyed on a regular basis.

Each e-mail user will be trained in the application and implementation of this policy.
This policy does not prohibit employees from maintaining temporary working files or folders to allow for quick reference to recent e-mails.

Retention of Other Electronic Data
With the increased use of electronic data, attention to the retention requirements for electronic records becomes extremely important. Other than Internal Revenue Service Revenue Procedure 91-59, which recognizes electronic data interchange records and specifies that these records may be retained in electronic form unless a visible record is requested by a tax auditor, no other law at this time requires an organization to maintain both the electronic and hard copy form of the same information. You may, therefore, maintain records in any form unless the law either specifies the form or restricts the forms that can be used.

Databases
Databases consist of electronic files and fields of data that provide useful information to the organization. Typically, databases are modified over time through the addition, deletion, or modification of records. Reports are periodically prepared to reflect information from the databases that may be useful for specific purposes. Due to the large volume of information maintained in databases, reports rarely reflect all the information found in the database. Backups of databases, which are stored on City servers, are performed daily and would be used to restore the databases in case of accidental erasure or disaster.

Databases maintained by the City could include financial information, mailing lists, customer information, employee information, work order tracking, marketing information, records management information, etc. Since reports typically do not reflect the entire content of the database, the electronic form of the database contains different information than the visible reports. Electronic databases are often more useful than the paper reports, so visible reports are not equivalent to electronic databases.

For records retention purposes, a database is an official record of the organization. The retention period is established as 'until superseded (SUP)" to reflect that only the current version needs to be maintained. Daily digital backup tapes are destroyed after four days; weekly backup tapes are destroyed every three weeks; and monthly backup tapes are destroyed on a rolling twelve-month cycle. Periodic reports, which are produced in hard copy format from a database and used for administrative, fiscal, legal or historical purposes, may be official records. These reports must be maintained for the requisite retention period according to the particular records series they are

assigned. For example, the City's annual Budget Report is a "snapshot" of our financial position at the end of the fiscal year, and is used to inform Council (legal), staff (administrative) and citizens (legal & historical). That snapshot must be retained for its designated retention period to reflect operational needs.

Disaster Prevention and Damaged Records Recovery Policy
It is the policy of the City to ensure that its records are identified and protected as much as humanly possible from natural and man-made disasters. This policy applies to all employees who create, receive, and maintain City records. The administrative procedures described below afford the City the most efficient and cost effective method for protecting City records and recovering records when disasters occur.

Adopted: October 5, 2011 (Resolution No. 11-079)
Revised: January 18, 2012 (Resolution No. 12-003)
Revised: August 15, 2018 (Resolution No. 18-028)
Revised: October 19, 2022 (Resolution No. 22-047)
Revised: April 2, 2025 (Resolution No. 25-XXX)

City of Pacific Grove
Records Management and Records Retention Schedule

LEGEND

AC = Active L = Life

AU = Audit P = Permanent

CL = Closed/Completion S = Supersede

CU = Current year T = Termination

E = Election

CITATIONS

B&P = Business & Professions H&S = Health & Safety

CAC = California Administrative Code HUD = Housing & Urban Development

CCP = Code of Civil Procedure OSHA = Occupational Safety & Health

CCR = Code of California Regulations PC = Penal Code

CEQA = California Environmental Quality Act POST = Police Officers Standards Training

CFR = Code of Federal Regulations UFC = Uniform Fire Code

EC = Election Code USC = United States Code

FMLA = Family & Medical Leave Act WIC = Welfare & Institutions Code

GC = Government Code

City of Pacific Grove
Records Management and Records Retention Schedule

ADMINISTRATION			
Records Series	**Retention**	**Citation**	**Descriptor**
AUDIT			
Annual Financial Report	P	GC 34090	Independent auditor analysis
Bonds	CL + 10	GC 34090; CCP 337.5	Final bond documentation
Budget	P	GC 34090	Annual operating budget approved by the Legislative Body.
Budget Operating (copies)	S	GC 34090	Departmental Reference
Hearing or Review	AU + 2	GC 34090; OMB A-128	Documentation created and/or received in connection with an audit hearing or review.
Reports	AU = 4	GC 34090; OMB A-128	Internal and/or external
Reviews, Internal/External Periodic	CU	GC 34090; GC 6250	Daily, weekly, monthly, quarterly or other summary, review, evaluation, log, list, statistics, except a report.
COMMUNITY SERVICES			
Library Services	CU + 2	GC 34090	Books, art, gifts, donations, exhibits, theatre, music, special events, etc.
Museum	CU + 2		
Plaques	P		Historic value
RECREATION			
Sports Organization	S + 2		
ELECTIONS			
Affidavit Index	CL + 5	EC 17001	
Applications, Absentee Ballots and Envelopes	E + .5	EC 17505, EC 17302	From date of election

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Assisted, Challenged Voters List	E + .5	EC 17304	From date of election
Ballots	E + .5	EC 17302	From date of election; ballots submitted to precincts/City Clerk that were not used – unless contested (EC 17302(c)) retention by court order.
Ballots Prop. 218	2	GC §26202, 34090, 60201	Property related fees (Assessment Ballot Proceeding)
Calendar	E + 2	GC 34090	
Canvass	P	GC 22932; EC 17130; EC 2653	Notifications and Publication of Election; Records used to compile final election results, including tally sheets, voting machine tabulation, detailed breakdown of results, special election results
Certificates of Election	T + 4	GC 81009(a) (d)	Certificates of election; Original reports and statements
Charter Amendments/Measures	P	GC 34458-60; 34090	Chapter designations by Secretary of State following adoption of voters
Fair Political Practices			
Administration/Campaign Statements and Conflict of Interest	CU + 5		FPPC Opinions
Campaign disclosure, Elected	P	GC 81009(b)(g)	FPPC Filings
Campaign disclosure, Not Elected	E + 5	GC 81009(b)	FPPC Filings
Campaign disclosure – Unsuccessful (all other committees)	E + 7	GC 81009	FPPC Filings

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Candidate Statements	E + 4		Sample ballot retained permanently.
History	P	GC 34090	History of elections, sample ballots, certificates of destruction, other resolutions re: elections
Statement of economic interest – Elected Officials	T + 7	GC 81009 (e)	FPPC Filings
Statement of economic interest – Not Elected	E + 5	GC 81009(b)	FPPC Filings
Lobbyist Registration	P	EC 81009(b)	Statements
Maps, Precincts/Voter Information	E + 2	GC 34090; EC 17501, 17301	
Nomination Papers Successful Unsuccessful	 E + 4 E + 2	EC 17100; GC 81009(b)	
Notifications and Publications	E + 2	GC 34090	Proof of publication or posting, certification and listing of notice of posting; copy of newspaper notice and certification of offices to be voted for at forthcoming election.
Oaths of Office	T + 6	GC 34090; 29 USC 1113	Elected Officials
Petitions	.75	EC 17200, 17400; GC 7253.5; EC 14700 + GC 3756.8	From date of filing or election; Initiative, referendum, recall, Charter Amendments.
Precinct Records	E + .5	EC 17503	From date of election: precinct official material; declaration of intention, precinct board member applications, and order appointing members of precinct boards and designating polling places. Includes notice of appointment of office and record of service.

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Roster (of Voters)	E + 5	EC 17300	From date of election: Initiative, referendum recall, general municipal election, Charter Amendments
Voter Affidavits	CL + 5	EC 17000	
Voter Registration Signature Copy	CU + 5	EC 17000	Fire, special district, or school district
GENERAL SUBJECT			
Administration	P	GC 34090	
Biographies	CU + 2	GC 34090	
Classifications and Appointments	P	GC 34090; GC 12946; 29 CFR 516.6(2); 29 CFR 1602.4	Includes supplemental Personnel records. Wage rate tables, 2 years.
Correspondence/Originating Department	CU + 2	GC 34090(d)	If not attached to agreement or project file
Goals and Objectives	CU + 2	GC 34090	Departmental goals and objectives
Policies and Procedures, Departmental	S + 5	GC 34090(d)	Retain while current
Promotional Marketing External Internal	 CU + 7 2		
Reports Departmental Staff	 CU + 2 CU + 2	GC 34090	 Special or final summary, review or evaluation. Non-agenda related, includes supporting documentation.
Special Projects	CU + 2	GC 34090	

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Support Services	CU + 2	GC 34090	Reproduction; printing; postal/mailing services, other internal resources.
Travel Records	CU + 2	GC 34090	
GRANTS			
Community Block Grant and Urban Development	T + 5	GC 34090; 24 CFR 570.502; 24 CFR 85.42*	Applications, reports, contracts, supporting documents. CDBG standard agreement.*OMB Cir. A-102, A-110, A-128 (State tells us to keep everything. TS 3-6-18)
Federal and State	CL + 5	GC 34090	Refer to grant application close-out procedure
Financial Reports	CL + 5	GC 34090	Refer to grant application close-out procedure
Unsuccessful	CL + 2	GC 34090	Applications not leading to a grant award
HUMAN RESOURCES			
Benefit Plan Claims	P	GC 6250 et seq.; OMB A-129; 29 CFR 1602.30.32; Lab. Rel. 1174*	May include dental, disability, education, health, life and vision, including dependent care and Employee Assistance. *29 CFR 1637.3; 29 USC 1027; 29 CFR 1627.3; 29 USC 1113.
Benefit Plan Enrollment, Denied	CL + 4	GC 34090; OMB A-128	
Bond, Personnel Fidelity	T + 2	GC 34090	Employee Fidelity Bonds
Employee Handbook	S + 2	GC 34090	General employee information, including benefit plans
Employee Programs	CL + 2	GC 34090; GC 12946	Includes EAP and Recognition.
Employee Rights General Employees Safety (Police)	T + 2 T + 5	GC 12946; 29 CFR 1602; 29 USC 211(e); 20 (m); 207(g)	May include Arbitration, grievances, union requests, sexual harassment and Civil Rights, complaints, disciplinary actions
Hourly Employees	T + 6	GC 12946; GC 34090*	*29 CFR 1627.3, Labor Relations § 1174

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Immigrant	CU+3	Immigration Reform/Control Act 1986 Pub. L 99-603	1-9s
Medical Leave	CL + 30	FMLA 1993 US OSHA; 29 CFR 1910.20*	May include family leave; certifications; tests; W-4s *29 CFR 1602.30.32; 49 CFR 193-9
Motor Vehicle Pulls (DMV)	CL + 7	GC 23946*	*CA 91009; 8 USC 1324(a)
Negotiation	P	29 USC §§ 211(c), 203(m), 207(g)	Notes, notebooks, correspondence, contracts and Memorandums of Agreements
Non-Safety Employees	T + 3	29 CFR 1627.3; CCR § 1174; 29 CFR 1602.30.32; GC 6250 et seq.; 29 CFR; GC 12946, 34090*	Non-safety employees may include Release authorizations; Certifications; Reassignments; outside employment; commendations, disciplinary actions; terminations, oaths of office; evaluations-pre-employee medicals; fingerprints; identification cards (ID=s) *1607.4; 29 CFR 655.202; 29 CFR 516.6 et. seq.; 45 CFR 1068.6(a)
Personnel Records (copies)	CU + 2	GC 34090; GC 6250	Attendance; evaluations; drafts; worksheets; postings
PERS, Social Security, SSI	P	29 CFR 1627.392); GC 12946; 34090	EEOC/ADEA
Recruitment	CL + 3	GC 12946; GC 6250 et seq.; 29 CFR 1602 et seq.; 29 CFR 1607; 29 CFR 1627.3	Applications, resumes, alternate lists/logs, indices; ethnicity disclosures; examination materials; examination answer sheets, job bulletins; eligibility; electronic database.
Reports	CU + 2	GC 34090	Employee statistics, benefit activity; liability loss.
Safety Employees	T + 5	29 CFR 16273; LC § 1174; 29 CFR 1607.4*	Police, fire, emergency employees may include Release Authorizations; Certifications Reassignments; outside employment; commendations disciplinary actions; terminations; Oaths of Office; evaluations, pre-employment medical, background investigations, and

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

			training records.*29 CFR 1602.30.32; 29 CFR 655.202; 29 CFR 516.6 et seq.;
Surveys and Studies	CU + 2	GC 12946, 34090; 29 CFR 516.6(2); 29 CFR 1602.14	Includes classification, wage rates
Training Records Non-Safety	CU + 7	GC 6250 et seq.	Employee applications, volunteer program training, class training materials, internships
Personnel (by name)	T + 7	GC 34090	Paperwork documenting officers' internal and external training.
Safety	CU + 2	GC 34090	Certifications/designations
Vehicle Mileage Reimbursement Rates	S + 2	GC 34090	Annual mileage reimbursement rates.
INFORMATION SERVICES			
Internet, World Wide Web	S + 2	GC 34090	Management/Policies and supporting documentation
Inventory, Information Systems	S + 2	GC 34090	Hardware/Software Inventory logs; systems manuals. Backup tapes are not a record.
Network Information Systems (LAN/WAN)	CU + 4	GC 34090; CCP 337.2; 343	Configuration maps and plans
Program Files and Directories	CU + 2 CU + 2 mo. CU + 1 CU + .5	GC 34040, 34090.7	Annual backup Daily backup Monthly backup Weekly backup
Tapes Information Systems	CU + 2	GC 34090	System Generation

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

LEGAL/LEGISLATIVE			
Agendas, Notices and Meetings	CU + 2	GC 34090	Original agendas and special meeting notices, including certificates of posting, original summaries, original communications and action agendas for Council, Boards and Commissions
Agenda Reports (Master, Subject Packet Files)	CU + ~~1~~2~~0~~	GC 34090(d)	Documentation received, created or submitted to Council.
Appeals, Civil	CU + 3	CCP 583.3209a)(3); GC 34090	
Applications, Boards, Commissions, Committees (Not Selected)	CL + 2	GC 34090	
Applications, Boards, Commissions, Committees (Selected)	T + 5	GC 34090; 40801	
Articles of Incorporation	P	GC 34090; CCP 337.2	
Case Log	CL + 7	CCP 337.2, 343	From Close of cases listed; Chronological listing of cases.
Case Records – High Profile	P	GC 6254	Significant cases that have importance or set legal precedent. Includes logs, complaints, police reports, court orders, motions, notes, briefs.
Case Records	CO + 7	42 USC 1983	Includes logs, complaints, police reports, court orders, motions, notes, briefs, closing statements (unless minors – 3 years after attaining 18)
Contracts and Agreements Excl. Capital Improvement	T + 5	CCP 337.2, 343; B&P 7042.5*	Includes leases, equipment, services or supplies. *PU 7685; 48 CFR 2; GC 53066
Contracts and Agreements	P	2.08.110*	Construction

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Incl. Capital Improvement			*GC 37090(a), 4004; H&S 19850
Index, Attorney Case	L	GC 6254	Including notations on activities related to case
Legal Advertising	CU + 4	CCP 343, 349 et. seq.; GC 911.2, 34090	Includes public notices, legal publications.
Logs, Attorney Service Request	CU + 2	GC 34090	Service request, summary of monthly requests
Minutes	P	GC 34090(d), 36814, 40801	Official minutes and hearing proceedings of governing body or board, commission or committee
Opinions	S + 2	GC 34090; GC 6254	Confidential
Ordinances	P	GC 34090(d), 40806	Charter amendments; municipal code
Petitions	CU + 1	GC 50115; GC 6253	Submitted to legislative bodies
Resolutions	P	GC 34090(d), 40801	Legislative bodies
Tapes, Audio/Video	CU ~~+ 3 mo.~~10	GC 34090.7	When used for minute preparation and may have historical value
MUNICIPAL CLERK			
Assessment Districts	P	GC 34090	Original documentation
Inventory, Records	CU + 2	GC 34090; 80 Ops.Atty.Gen. 106	Inventory of non-current or inactive records holdings and location, indices. Tapes may be recycled.
Municipal Code	P	GC 34090	Supplements included
Public Records Request	CL + 2	GC 34090	
Records Management Policies	CL + 2	GC 34090	Document includes retrieval, transfers - inactive
Records Management	P	GC 34090	Documentation of final disposition of records

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Disposition Certification			
Records Retention Schedules	S + 4	CCP 343	
POLICIES/PROCEDURES			
General Administrative	S + 2	GC 34090, 40801	All city policies and procedures
Policy, Council	S + 2	GC 34090	Directives rendered by council not assigned a resolution or ordinance number.
Proclamations	4		
PUBLIC INFORMATION			
Brochures, publications, newsletter, bulletins	S + 2	GC 34090	
Calendar, City	CU + 2	GC 34090	
CDBG-Public Information File	T + 5		CDBG Grant Management Manual, Chapter 18.
Media Relations	CU + 2	GC 34090	Includes cable, newspaper, radio, message boards, and presentations.

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

COMMUNITY DEVELOPMENT DEPARTMENT

Records Series	Retention	Citation	Descriptor
ADMINISTRATION			
Benchmark Data	CU + 2	GC 34090(d)	Horizontal, vertical & control
Bids & Proposals (Unsuccessful)	CL + 2	GC 34090(d)	
Bonds Development Security	 CL + 10 CL + 2	 CCP 337.5 GC 34090	 Housing; Industrial Development Documentation created or received in connection with the performance of work/services for the City, or for parcel maps and subdivision work.
Code Books	P	GC 34090(e)	National Electrical Code, Uniform Building, Fire, Mechanical, Plumbing and Supplements
Contractor	CU + 2	GC 34090(d)	Current listing
Correspondence	CU + 2	GC 34090(d)	Working documentation
Development Conditions	L	GC 34090	Mitigation measures; filed with case files
Development Agreements	P	CCP 337, 337.1(a), 337.15; GC 34090; 48 CFR 4.703	Infrastructure contracts, franchises. Original maintained for 7 years.
Development Standards	P	GC 34090(a)	Landscape mediums, parkway landscape development, public works construction. Zoning, Subdivision, and Sign Ordinance Standards
Drawings, Project Plan	CU + 2	GC 34090(d)	Does not include those usually filed with case or project.
Franchises	P	GC 65964, 65869.5, 34090*	Including subdivision agreements, contracts for sale or purchase of property, cable, grant of easements or involving construction of improvements. *CCP 337.2, 343; AC 16023

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

General Subject Files	CU + 2	GC 34090(d)	Internal working files, including correspondence
Grants, Community/Urban Development (includes CDBG)	CL + 5	24 CFR 570.502(b)(3); 241 CFR 85.42; OMB Cr. A-110, Attach. C*	Project files, contracts, proposals, statements, reports, sub-recipient dockets, Environmental review, grant documents, applications, inventory, consolidated plan, etc. Includes Section 108 loan guarantee *OMB Cir. A-102 & 128 HUD regulations. For planning grants only.
Historic Preservation Inventory	S + 2	GC 34090(d)	Historic structures and landmarks
Incident Files	2	GC 34090(d)	Emergency Call Outs
Land Uses, nonconforming	P	GC 34090(a)	Building or site usage which does not conform to current standards
Logs	CU + 5		Logs, registers or similar records listing permits, certificates of occupancy issued; may include inspection, building activity, daily, plan check, utility
Maps and Plats	P	GC 34090(a)	Engineering and field notes and profiles; cross-section of roads, streets, right-of-way, bridges; may include annexations, parks, tracts, block, storm drains, water easements, benchmarks, trees, grading, landfill, fire hydrants, base maps, etc.
Master Plans, Annual	S + 2	GC 34090	Special or long range program plan for municipalities – coordination of services; strategic planning.
Permits, Construction	P	GC 34090(a); H&S 19850; 4003, 4004	Plans, building, signs, grading, encroachment, including blueprint and specification.
Permits, Other	CL + 2	GC 34090(d)	Alterations, encroachment, excavations, road, street sidewalk and curb alterations, transportation, swimming pool draining, temporary uses, etc.
Photographs	S + 2	GC 34090(d)	Aerial photographs
Projects, Not Completed or Denied	CL + 2	GC 34090(d)	Building, engineering, planning
Reports	CU + 2	GC 34090	Activity, periodic
Seismic Retrofit Program	P	GC 34090(a)	Includes Certificates of Compliance

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Street Names and House Numbers	P	GC 34090(a)	Street dedications, closings, address assignments/changes
Studies, Special Projects & Areas	CL + 2	GC 34090(d)	Engineering, joint powers, noise, transportation.
Surveys	P	GC 34090(a)	Recording data and maps
BUILDING			
General Information	2		
Address Files	P	GC 34090d	Paper & Microfiche, address assignments
Projects in Plan Check	C + 2	GC 34090	Destroy when Plan Check expires
Final Projects	P	GC 34090	Plans, building, signs, grading. Destroy paper after scanning
Code Books	P	GC 34090e	National Electrical Code, Uniform Building, Fire, Mechanical, Plumbing & Supplements
Archive Plans	P	GC 34090d	Residential & Commercial; Large projects retained pursuant to the Reilly Act – pertains to schools and public buildings that are not exempt from the Architectural Practices Act.
Contractors	C	GC 34090	Current list-contractor database is contained within Permits Plus software
Structural Calculations	D/R	GC 34090	Destroyed when permit final
Issued Permit Documents	P	GC 34090a; H&S	

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

		19850	
RZZR	P	GC 34090	Residential property inspections
Inspection Logs	C + 2	GC 34090	Daily inspections
General Information	2		
	P	GC 34090d	Paper & Microfiche, address assignments
CODE ENFORCEMENT			
Abandoned Vehicles	CL + 2	GC 34090(d)	
Case Files	CL + 2	GC 34090(d)	Building, housing and mobile home code violation records including inspections; public nuisance rubbish and weed abatement, vehicle abatement, citations, massage parlor permits, general.
Liens & Releases, Supporting Recorded	 CL + 2 P	GC 34090	Utilities, abatement, licenses
Logs	CU + 2	GC 34090(d)	Lien recovery, citations, complaints
Regulations	S + 2	GC 34090(d)	Includes rules
Reports, Federal and State	P	GC 34090(a)	Code enforcement statistics; may contain records affecting title to real property or liens thereon.
Violations, Building, Property & Zoning	CL + 2	GC 34090(d)	Supporting code enforcement activity.

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

ENVIRONMENTAL QUALITY			
Air Quality (AQMD)	CU + 7	CCP 338(k); GC 34090	Participants/voucher logs, Total Daily Mileage Survey (TDM); various local authorities; Commute Alternative
Asbestos	P	GC 34090(a)	Documents abatement projects, public buildings
California Environmental Quality Act (CEQA)	P	GC 34090(a) + CEQA Guidelines	Exemptions, Environmental Impact Report, Mitigation monitoring, negative declaration, notices of completion and determination, comments, statements of overriding considerations
Congestion Management	CU + 2	GC 34090(d)	Ride sharing, trip reduction
Environmental Review	CL + 2	GC 34090(d)	Correspondence, consultants, issues, conservation
Pest Control	CU + 2	GC 34090(d)	Pesticide applications, inspections & sampling, documents
Soil	CL + 2	GC 34090(d)	Analysis, construction recommendations
Soil Reports	P	GC 34090(d)	Final Reports
HOUSING			
Bonds	CL + 4	CCP 337	Revenue Bond Documentation
Programs	CL + 5	24 CFR 570.502(b)(3); 24 CFR 85.42 & OMB Cir. A-110, #C	Includes comprehensive Housing Authority Strategy, Meeting Credit Certificate, Housing bond advisory, HOME, In-Lieu Housing Mitigation, Low/Moderate Housing, Rental Housing Assistance.
Redevelopment Budgets	P	GC 34090, 40802, 53901;	Includes annual audit
Bond Issues	P	GC 43900 et seq.	

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

MUNICIPAL FACILITY			
Capital Improvements, Construction	P	2.083110; GC 34090(a), 4004; H&S 19850; GC 34090(a)	Contains records re: Planning, design, construction, conversion or modification of local government-owned facilities, structures and systems.
Facility Rentals/Use	CU + 2	GC 34090	Permits, contracts, diagrams, schedules, insurance binders
Maintenance & Operations	CU + 2	GC 34090(d)	Service requests, invoices, supporting documentation; buildings, equipment, field engineering, public facilities including work orders and graffiti removal
PLANNING			
Case files, Planning and Zoning	P	GC 34090(a); H&S 19850; 4003, 4004	Pertains to real property. May include case-tracking reports, project-related photos, approval resolutions and project-related Board/Commission meeting minutes, blueprints, drawings, maps, plans, reports, evaluations, correspondence, uses, permits, variances, studies, appeals, compliance certificates, lot line adjustments or other planning-related matters brought before legislative body.
Certificates	L	GC 34090	Retain during life of structure
Flood Records	CU + 2	GC 34090	
General Plan and Elements	P	GC 34090	Includes sphere of influence
General Plan Amendments Approved Denied	 P CU + 2	 GC 34090 GC 65103*	 *GC 50110
Interpretations	S + 2	GC 34090	
Maps, Plans, Drawings, Exhibits,	P	GC 34090; H&S	Zoning, tentative subdivision, parcel, land use map, aerial photos, specific plans

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Photos		19850; GC 34090.7	
PROPERTY			
Abandonment	P	GC 34090(a)	Buildings, Condemnation, Demolition
Acquisition/Disposition	CL + 10	GC 34090(a); GC 6254	Supporting documents re: sale, purchase, exchange, lease or rental of property by City
Annexation Case Files	P	GC 34090(a)	Reports, agreements, public notices
Appraisals	CL + 2	GC 34090, 6254(h)	Exempt until final acquisition or contract agreement obtained
Deeds & Promissory Notes	P	GC 34090(a)*	*24 CFR 570.502(b)(3); 24 CFR 8.42 & OMB Circ. SA-110
Maps, City Boundary	P	GC 34090	Recorded maps, surveys and monuments
Lot Split Cases	P	GC 34090(d)	
Relocation Files	CL + 2	GC 34090	e.g., Redevelopment

FINANCE

Records Series	Retention	Citation	Descriptor
ACCOUNTING			
Accounts Payable	AU + 5	GC 34090	Invoices, check copies, supporting documents
Accounts Receivable	AU + 5	GC 34090	
Applications	CL + 2	GC 34090	Utility connections, disconnects, registers, service
Assessment Districts	P	GC 34090	Collection information; original documentation files with City Clerk

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Bank Reconciliation	AU + 5	GC 34090; 26 CFR 16001-1	Statements; summaries for receipts, disbursements, and reconciliation
Budget	P	GC 34090	
Budget Adjustments, journal entries	AU + 5	GC 34090	Account transfers
Checks	AU + 5	GC 34090; CCP 337	Includes payroll, canceled and voided checks
Deposits, Receipts	AU + 5	GC 34090; CCP 337	Checks, coins, currency
Invoices	AU + 2	GC 34090	Copies sent for fees owed, billing, related documents
Ledger, General Voucher	P AU + 5	GC 34090* GC 34090; CCP 337	*CCP 337 Account postings with supporting documents
Taxes, Receivable	AU + 5	CCP 338	
Warrant Register	AU + 5	GC 34090.7	
ADMINISTRATIVE SERVICES			
Budget Operating (copies)	S	GC 34090	Departmental Reference
Budget Proposed Adopted	 CU + 2 P	 GC 34090	 Presented to Council

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

FIXED ASSETS			
Inventory	AU + 5	GC 34090; 26 CFR 301 65-1(F)	Reflects purchase date, cost, account number
Surplus Property Auction Disposal	 AU + 2 AU + 5	 GC 34090 GC 34090; CCP 337	 Listing of property Sealed bid sales of equipment
Vehicle Ownership & Title	L	VC 9900 et. seq.	Title transfers when vehicle sold
PAYROLL			
Adjustments	AU + 6	GC 34090; 29 CFR 516.5 – 516.6	Audit purposes
Employee Time Sheets	AU + 6	GC 34090; 20 CFR 516.2*	Signed by employee for audit and FEMA Reports *20 CFR 516.6(1); IRS Reg. 31.6001-1(e)(z); R&T 19530; LC 1174(d)
Public Employee Retirement System (PERS) Employee Deduction Reports	T + 6	GC 34090; CAC 22-1085-2	Record of deductions 26 CFR 31.6001-1; 29 CFR 516.5, 516.6, LC 1174(d)
Register	P	GC 34090, 37207	Labor costs by employee and program
Salary Records	T + 6	GC 34090; 29 CFR 516.2	Deduction authorization, beneficiary designations, unemployment claims, garnishments
PURCHASING			
Bids, RFQs, RFPs, Successful	AU + 2 AU + 5	GC 34090; CCP 337*	Requests for Qualifications; Requests for Proposals regarding goods and services. *GC 25105-1, GC 34090

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Unsuccessful	CU + 2		
Requisitions Purchase Orders Stores	 AU + 5 CU + 2	GC 34090; CCP 337	 Original documents. Completed forms for ordering.
Vendor Register	P	GC 34090	Alpha vendor listing of purchase orders, invoices, account numbers and check date.
FINANCIAL REPORTING			
Audits	P	GC 34090	
Deferred Compensation	T + 5	GC 34090; 26 CFR 16001-1*	Records of employee contributions and city payments *29 CFR 1627.3(2)
Federal and State Tax	AU + 6	GC 34090; 29 USC 436*	Forms 1096, 1099, W-4s and W-2s *26 CFR 31.6001.1-4; IRS REG 31.6001-1(e)(2); R&T 19530; 29 CFR 516.5-516.6
Financial, Annual	P	GC 34090.7	
Investment Transactions	P	GC 34090; CCP 337; GC 53607	Summary of transactions, inventory and earnings report.
RISK MANAGEMENT			
Accident Reports – City Assets	CL + 7	29 CFR 1904.2*	Reports and related records *29 CFR 1904.6
Bonds, Insurance	P	CCP 337.2, 343	Bonds and other insurance policies insuring city property and other assets.
Claims, Damage	CL + 7	GC 34090, 25105.5	Paid/denied.
Incident Reports	CL + 7	29 CFR 1904.2; 29 CFR 1904.6	Theft, arson, vandalism, property damage or similar occurrence (excluding fire/law enforcement)

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Insurance, ACCEL JT Powers Agreement	P	GC 34090	(Authority California Cities Excess Liability Insurance) B Accreditation/MOU = s/agreements/agendas
Insurance, Certificates	P	GC 34090	Insurance certificates filed separately from contracts, includes insurance filed by licensees
Insurance, Liability/Property	P	GC 34090	May include liability, property, Certificates of Participation, deferred use of facilities
Insurance, Workers Compensation	P	GC 6410; 29 CFR 1910.20	Indemnity; PERS – working files – originals with Administrator
Photographs, Negatives, Film	CL + 7	GC 34090	
Risk Management Reports	CL + 7	OMB 1220-0029; 29 CFR 1904.4; GC 34090	Federal OSHA Forms; Loss Analysis Report; Safety Reports; Actuarial Studies
TREASURER			
Bank Statements	AU + 5	FC 3368, 30210; GC 43900 et seq.	Financing authority.
Bonds			
Account Statements	CL + 10	GC 34090; CCP	Monthly statement of transactions
Administration	CL + 10	337.5; GC 53921	Supporting documents
Bonds and Coupons	CL + 2		Paid/canceled.

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

EL CARMELO CEMETERY

Record Series	Retention	Citation	Descriptor
Administration	P		Deeds, Disposition of Human Remains, Death Certificates, Letters Correspondence from families/Executor and Invoices.
Work Orders	AU+5		Work Orders for burial and maintenance around gravesite, i.e. keeping gravesite presentable and removing debris

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

City of Pacific Grove
Records Management and Records Retention Schedule

PUBLIC SAFETY

Record Series	Retention	Citation	Descriptor
EMERGENCY MANAGEMENT			
EOP, Monterey County Multijurisdictional Hazard Plan	S		
LAW ENFORCEMENT			
Administrative Police Department Records	CU + 2	GC 34090	Administrative Police Records including, but not limited to Ride-Along waivers, Subpoenas Duces Tecum, Project and Program Files, Special Event and Film Permit Files Staff Schedules, Press Releases, Shift Notes, Survey Responses, General Correspondence, Close Patrol Requests
Department Policy	S	GC 34090	Includes General Orders, Procedure Manuals, Training Bulletins, and CALEA files.
Department-Issued Equipment Radar and Breathalyzer Calibration Records	S + 2 L +2	GC 34090	Equipment inventory, manuals, audits, assigned to the department and each employee Records maintained for the life of the equipment plus 2 years.
Internal Affairs Investigations Officer Involved Shootings Personnel Complaints/ Internal Investigations Use of Force Supervisor Review	P CL + 5 CL + 15~~2~~ CL + 2	PC 832.5, EVID 1045, PC 832.18 SB 1421	Initiated by citizens' complaints; includes complaint, reports, findings. Hard copy. Initiated by the Department; includes complaint, reports, findings. Hard Copy. Internal Investigation with a "Sustained" finding.

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Asset Forfeiture	CL + 2	GC 34090	Investigations, Proceedings, Case Files, Financials, & Notifications
Homicide Investigator's File	P	PC 799	Hard copy & Electronic
Informant Files	CL		All electronic and hardcopy files.
H & S 11357(a-c) & 11360(b) arrests and convictions, occurring after Jan. 1, 1976	see statute	H & S 11361.5	Electronic
Concealed Carry Weapon Permits	CU + 2	GC 34090	
Property & Evidence Files Audits, Inspections Inventories	P CL + 5 P	GC 34090	Includes Logs, Chain of Custody, Property Destruction Records, Property Receipts, weapon and narcotic destruction records. Electronic and Hard Copy.
Subpoenas	CU + 2	GC 34090	Subpoenas received/served daily.
Registration Files		GC 68152(c)(2)	Arson, Sex, Gang, Narcotic Registrant Files. Electronic.
Case Report Files Felony, Capital Crimes Misdemeanor Infractions Non-Criminal, Informational Child Abuse/Neglect,	 P CL + 10 CL + 2 CL + 2 CL + 10	 PC 799, 800, 801, PC 802 GC 34090 GC 34090 PC 11169, 1170	Case Report Files include Narratives, Arrest Reports, Dispositions, Photographs, and other Records related to the case. Provided there are no outstanding warrants, unrecovered weapons, criminal deaths, they are not historically significant, and not classified under PC 800, 290, H&S 11850, Statute of Limitations. Electronic.

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Unsubstantiated, Inconclusive			
Traffic Collision Report Files Non-Injury, Non-Criminal Injury, Non-Criminal Fatality	 CL + 5 CL + 7 P		Electronic
NCIC Validation Reports	CU + 2	GC34090	Electronic
Animal Bite Reports	CU + 3	GC34090	Animal Bite Reports and Rabies Control Records
Range and Armory	P	GC 34090	Includes inventories, audits, weapons database, and logs.
Reporting to DOJ	CU + 2	GC 34090	NIBRS/CIBRS, Monthly Arrest & Citation Register (MACR); Death in Custody; Uniform Crime Reports (UCR); Hate Crime Incidents; Law Enforcement Officers Killed or Assaulted (LEOKA); Juvenile Detention Logs.; Originals kept by Department of Justice, or Board of State and Community Corrections. Electronic.
Reporting (Traffic)	CU + 2	GC 34090	Statewide Traffic Report System (SWTR-CHP)); Dept of Transportation (DOT) Originals kept by CHP or DOT. Electronic
Records Management System Back-Up	S		Electronic
Sealed Records Adult Found Factually Innocent	Seal for three years and then destroy.	PC 851.8	General provision: Upon petition, records of agency must be sealed and destroyed in accordance with statute.

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Juvenile	Mandatory destruction upon and pursuant to court order	WIC 826(a) & (b) WIC 781 (a)	Upon petition, local laws enforcement records within WIC 826(b) may be destroyed as ordered by the court if related probation and juvenile court records have been destroyed by the probation officer. Records involving arrests, detention and/or petitioning juvenile before juvenile court.
Audio, Telephone and Radio Communications	CU + 180 days	GC 34090.6	Exception: Recordings used as evidence in a criminal prosecution or claim filed or litigation or potential claims and litigation shall be preserved for 100 days after conclusion of the court action.
Automated License Plate Recognition System Non-Evidentiary Parking Citation	 60 hours CL + 2	GC 34090	Includes images, data and video. Exception: Recordings used as evidence in a criminal prosecution or claim filed or litigation or potential claims and litigation shall be preserved for 100 days after conclusion of the court action.
Surveillance/Security Video	30 Days	GC 34090.6	Exception: Recordings used as evidence in a criminal prosecution or claim filed or litigation or potential claims and litigation shall be preserved for 100 days after conclusion of the court action.
Body Worn & In-Car Camera Video Non-Evidentiary Evidentiary, Use of Force, Arrest/Detention Access Logs	 60 Days 2 Years P	PC 832.18	Retain for the same length of time as other evidence relevant to a criminal prosecution, or at least for 2 years under any of the following circumstances: Use of Force Incident, incident that leads to the detention or arrest of an individual or relevant to a formal or informal complaint.
Warrants, Unserved	Until served, or recalled		Electronic and on clipboard
Field Interview Cards	CU + 2	GC 34090	Electronic

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Citations Administrative, Infractions Parking Traffic, Non-Criminal	 CL + 5 CL + 2 CL + 2	GC 34090	Electronic Includes Administrative Hearing and Appeal Records. Includes Administrative Reviews, Hearing and Appeal Records. Originals forwarded to court.
Repossession/Private Impounds	CU + 2	GC 34090	Private vehicle repossessions/impounds
Permits and Licenses	CU + 2	GC 34090	Alarm, Bicycle, Parking, Sound, Dumpster, Film, Garage, Dog, Alcohol Beverage Control, Massage and others issued by the Police Department. Electronic.
Restraining Orders	CU + 2	PC 273.5; PC 273.6; PC 646.9; PC 12028.5; PC 13700; FC 6380-6383.	Emergency Protective Orders, Temporary Restraining Orders, Legal Stipulations, Orders After Hearing. Electronic.

Note 1: The destruction of felony, misdemeanor and infraction Crimes/Supplemental Reports is permitted providing all of the following conditions are met:

1. They do not relate to an unadjudicated arrest except for H&S 11357 or H&S 11360 violations;
2. They do not relate to unserved warrants;
3. They do not involve identifiable items that have not been recovered;
4. They do not relate to PC 290, PC 457.1, or H&S 11590 registrants;
5. They do not relate to violations listed in PC Sections 799 and 800; and
6. The cases are not presently involved in either a civil or criminal litigation.

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

City of Pacific Grove
Records Management and Records Retention Schedule

PUBLIC WORKS

Record Series	Retention	Citation	Descriptor
ENGINEERING			
Capital Improvement Projects	CL + 10	CC 337.15	Supporting documents including bidders list, specifications, reports, plans, work orders, schedules, etc.
Construction Tracking, Daily	P	CC 337.15	Assesses value of real property
Drawings, Traffic Control Plan	P	GC 34090(a)	Signs, signing and striping, road construction.
Flood Control	CL + 2	GC 34090(d)	Storm drains
Special Districts	P	GC 34090(a)	Supporting documents re: improvement, lighting, underground utility; bonds, taxes & construction
Street/Alley (Abandonment/Vacation)	CL + 2	GC 34090(d)	Relinquishment of rights and fee title
Traffic Signals	CL + 2	GC 34090(d)	Counts, collisions, accidents
PARKS			
Agenda, Board	CU + 2	GC 34090	
Grants (refer to Admin.)			
Inventory, Equipment	AU + 2	GC 34090	Warranties, Purchase Orders
Landscape	CU + 2	GC 34090	Drawings, contracts, complaints, specifications, photos, reports
Maintenance/Operations	C + 2	GC 34090	Includes work orders, inspection, repairs, cleaning, reports, complaints
Maps	P	GC 34090	Irrigation, plot plans
Minutes, Board	P	GC 34090	
Photographs	S + 2	GC 34090	

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Plans, Proposed	CU + 2	GC 34090	Future plans, new sites, expansions
Policies and Procedures	S + 2	GC 34090	Includes rules and regulations
Railroad Right-of-way	CL + 3	36 CFR 64.11	Land acquisitions, correspondence, improvements, statutory records
Reports			
Accidents	CL + 2	GC 34090	Patrons, employees
Others	CL + 2	GC 34090	
Studies	CL + 2	GC 34090	Future sites, expansions
Resolutions, Boards	P	GC 34090	
Schedules, Class & Events	CU + 2	GC 34090	Enrollment, liability releases, evaluations, attendance, flyers
			Electronic files
SANITATION, SOLID WASTE, WASTEWATER			
Maintenance and Operations	CU + 2	GC 34090	Includes work orders, inspection, repairs, cleaning, reports, complaints
Maps, Septic Tank	P	GC 34090	Location maps
Rates	CU + 2	GC 34090	
Recycling Programs	S + 2	GC 34090	
Regulations	S + 2	GC 34090	Includes legislation
Reports			
Studies	CL + 2	GC 34090	
Tonnage	CU + 2	GC 34090	
STREETS/ALLEYS			
Abandonment/Vacations	P	GC 34090	

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Closures	P	GC 34090	
Easements, Dedications, Rights-of-Way	P	GC 34090	
Field Books	P	GC 34090	
Grants (see Admin.)			
Intersection Records	CU + 2	GC 34090	Includes correspondence, volume counts, accident history
Inventory, Traffic Control Device	S + 2	GC 34090	Signs, lights
Landscaping	CU + 2	GC 34090	Plants, tree maintenance, work orders
Lighting	CU + 2	GC 34090	Maintenance, work orders
Maintenance/Operations	CU + 2	GC 34090	Includes work orders, inspection, repairs, cleaning, reports, complaints, signals, striping
Maps	P	GC 34090	Fire hydrants, lighting districts, wheelchair ramps, storm drains, streets, sidewalks, sewers
Master Plans	CU + 2	GC 34090	Copies
Parking			
Lots	CU + 2	GC 34090	
Regulations	S + 2	GC 34090	
Reports/Studies	CL + 2	GC 34090	
Permits			
Encroachment	P	GC 34090	
Improvement	CL + 2	GC 34090	May include curbs, sidewalks; Applications for excavation, fill, alterations
Paving	CL + 2	GC 34090	
Use (Temporary)	CU + 2	GC 34090	Includes Special Events
Photographs	S + 2	GC 34090	Includes aerials

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Plans, Capital Improvement, Projects	P	GC 34090	Streets, curbs, gutters, sidewalks, storm drains
Policies and Procedures	S + 2	GC 34090	Includes rules, regulations, standards
Naming and Numbering	P	GC 34090	
Speed Limits	S + 2	GC 34090	
Programs			
Federal Aid Urban	CL + 2	23 CFR 633 (a), (c)	
Traffic Safety	S + 2	GC 34090	Drivers Education, Pedestrian Safety, Bicycle Lanes
Reports			
Inspection	CU + 2	GC 34090	Includes intersection, sidewalks. Bridges and Overpasses, keep life of structure
Studies	CL + 2	GC 34090	Traffic volume, accident history, requests, statistics, drawings supporting traffic devices
Traffic Count	CL + 2	GC 34090	Evaluation of traffic volume
Vehicle Accident	CL + 2	GC 34090	
Routes, School Bus & Truck	S + 2	GC 34090	Truck routes, access ramps, rest areas
Signage	L + 2	GC 34090	Logbooks, index register cards, inventory lists, records of traffic signs
Traffic Signals	L		Logs, drawings, wiring diagrams, codes, circuit numbers, installation records, testing and maintenance
UTILITIES			
Facilities	T + 2	GC 34090	If city owned
Gas & Electric Rates	S + 2	GC 34090	

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Underground	P	GC 34090	GC 4003, 4004; H&S 19850
WATER			
Connection Records	P	GC 34090	Maps, water line connections
Flood Control			
Drainage Facilities	P	GC 34090	Includes dams, lakes, basins, creeks
Flood Zones	P	GC 34090	Includes flood maps
Insurance Programs	S + 2	GC 34090	Includes copies of policies, rules, programs
Policies/Procedures	S + 2	GC 34090	Rules and Regulations
Reports/Studies	CL + 2	GC 34090	
Grants (see Admin.)			
Inventory, Equipment	CU + 2	GC 34090	
Locations	P	GC 34090	Mains, valves, hydrants, wells
Maintenance and Operations	CU + 2	GC 34090	Includes work orders, inspection, repairs, cleaning, reports, complaints
Service	CU + 2	GC 34090	Includes work orders, entry cards, manholes, service to property owners
Well & Pumping	CU + 2	GC 34090	Times operational, power used and quantity
Maps	P	GC 34090	Line location; easements
Master Plans	CU + 2	GC 34090	Copies
Meter Operations	CU + 2	GC 34090	Reader reports, orders, tests, Maintenance Reports
Permits			
National Pollutant Discharge Elimination System (NPDES)	P	40 CFR 122.28	Municipalities of 100,000 or more, compliance with Clean Water Act re: pollutants
Others	CU + 2	GC 34090	May depend on terms of state or federal agency
Policies and Procedures	S + 2	GC 34090	Includes rules and regulations

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Rates	S + 2	GC 34090	
Reclamation	CU + 5	GC 34090	Daily operations including sewage flow, grit removal, chlorine usage, lab analysis results, etc.
Reports			
Conservation	CU + 2	GC 34090	
Consumption	CU + 2	GC 34090	
Corrosion Control	CU + 12	40 CFR 141.91	Compliance documentation
Discharge Monitoring	CU + 5	40 CFR 122.41	Average amount of pollution discharged into waters of municipality
Drinking Water Corrections	CU + 10	40 CFR 141.33	
Hydrograph	P	GC 34090	Daily flow of streams
Lead Service Line	CU + 12	40 CFR 141.91	Compliance documentation
Public Education	CU + 12	40 CFR 141.91	Compliance documentation
Quality Parameters	CU + 12	40 CFR 141.91	Compliance documentation
Sanitary Surveys	CU + 10	40 CFR 141.33	Statistics, reports, correspondence
Source Water	CU + 12	40 CFR 141.91	Compliance documentation, e.g., lead and copper
State Certification	CU + 12	40 CFR 141.91	Compliance documentation
Variances, Water System	CU + 5	40 CFR 141.33	
Well Level	CU + 2	GC 34090	
Sources	CU + 2	GC 34090	May include wells, rivers, lakes, districts
Surveyor Field Notes	P	GC 34090	Notes preparatory to maps of water installations
Surveys, Water System Sanitary	CU + 10	40 CFR 141.33	Statistics, reports, correspondence
Tests			
Bacteriological Analysis	CU + 5	40 CFR 141.33	Compliance records include location, date, method and results; corrections, analysis of bacterial content

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Chemical Analysis		40 CFR 141.33	Compliance records include location, date, method used and results; corrections, analysis of chemical content
Quality		40 CFR 141.91	Compliance documentation including sampling data, analysis, reports, surveys, documents, evaluations, schedules, valves, etc.
Valve and Main Records	P	GC 34090	
Violations, Drinking Water	CU + 3	40 CFR 141.33	Retention applies to each violation.

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

City of Pacific Grove
Records Management and Records Retention Schedule

TRANSPORTATION

Record Series	Retention	Citation	Descriptor
ADMINISTRATION			
Agreements	T + 4	CCP 337	Including concessionaire, slip rental, facility storage
Special Events	CU + 2	GC 34090	Permits, correspondence, related documents re use of rights of way
Fueling	AU + 3	CCP 337	Meter readings, fuel consumption reports, invoices, receipts and records pertaining to refueling operations
Hazardous Waste Disposal	CU + 10	CAL OSHA; 40 CFR 122.21	Documentation re: the handling and disposal of hazardous waste
Inventory, Equipment, Parts & Supplies	L + 2		Includes vehicles, aircraft, vessels and related documents re repairs
Inventory, Vehicle Ownership and Title	L + 2		Owner's manual, warranty documents, DMV title and registration, and related documents
Licenses, Permits	CU + 2		Forms, related documentation re: licenses and permits required by federal and state agencies
Maintenance/Operations	L + 2	GC 34090	Related to requests for service and work orders for fuel, vehicle and equipment maintenance and repairs
Report, Accident (Copies)	CU + 2	GC 34090	Memos and working documents
Vehicle Assignment	CU + 2	GC 34090	Logbooks, request forms, lists
GROUND TRANSPORTATION			

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

Auto for Hire	T + 4	GC 34090	License, permits for Taxicabs, shuttles, etc.
HARBOR			
Registers, Transient Vessel Reservation	AU + 3		Reservation applications, receipts, and index registers relating to boats in transit, temporarily moored.
Slip Rental Index	CU + 5		Annual and periodic reports of slip renters
Slip Rental Permits	CL + 2		Applications, statement of rental conditions, vessel inspection check sheets, copy of DMV registration, boat owner information, and other documents re: dock slip spaces.
Slip Rental Waiting List	CU + 2		

AC = Active; AU = Audit; CU = Current year; E = Election; P = Permanent; T = Termination; CL = Closed/Completion; L = Life; S = Supersede

B&P = Business & Professions; CAC = California Administrative Code; CCP = Code of Civil Procedure; CCR = Code of California Regulations; CFR = Code of Federal Regulations; EC = Election Code; FMLA = Family & Medical Leave Act; GC = Government Code; H&S = Health & Safety; HUD = Housing & Urban Development; OSHA = Occupational Safety & Health; PC = Penal Code; POST = Peace Officers Standards Training; UFC = Uniform Fire Code; USC = United States Code; WIC = Welfare & Institutions Code

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Matt Mogensen, City Manager
MEETING DATE:	April 02, 2025
SUBJECT:	Second Reading and Adoption of an Ordinance Establishing District-Based Elections for Council Members
CEQA:	Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Hold second reading and adopt an Ordinance Establishing District-Based Elections for Council Members.

DISCUSSION

At the meeting on March 5, 2025, the City Council introduced by first reading the Ordinance Establishing District-Based Elections for Council Members designating Map 101 and including sequencing for future elections.

On March 19, 2025, Council held second reading and adopted an Ordinance Establishing District-Based Elections for Council Member with the incorrect map. Ater legal consult, staff requests a further second reading of the ordinance with correct map attached. There is no substantial change to Map 101. The former county island was inadvertently left out of the newly formed District 2 and needs to be incorporated.

The City Clerk again caused a summary of the ordinance to be published on March 27, 2025.

The recommended action is to hold second reading and adopt Ordinance Establishing District-Based Elections for Council Members.

OPTIONS

Take alternative action.

FINANCIAL IMPACT:

None.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Proposed Ordinance

ORDINANCE 25-XXX

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE ESTABLISHING DISTRICT-BASED ELECTIONS FOR COUNCIL MEMBERS BY AMENDING PACIFIC GROVE MUNICIPAL CODE TITLE 2 TO ADD A NEW CHAPTER 2.70 ("DISTRICT-BASED ELECTIONS"), ADOPTING A DISTRICT BOUNDARY MAP AND ASSIGNING A SEQUENCE OF ELECTIONS FOR THE NEW DISTRICTS

1. The City of Pacific Grove ("City") is a California Charter City and municipal corporation, duly organized under the Constitution and laws of the State of California, and exercising its authority pursuant to California Constitution Article XI, Sections 5 and 7.

2. The City Council ("Council") is the governing body of the City, and the Council is comprised of seven members, including the directly elected Mayor and six Councilmembers.

3. Prior to the adoption of this Ordinance, each member of Council (the Mayor and each of the six Councilmembers) was elected in at-large elections, in which each member of Council was elected by the registered voters of the entire City except for Councilmember Cynthia Garfield who was appointed by the City Council to fill the vacancy which resulted from the resignation of Councilmember Debby Beck.

4. The Mayor serves a two-year term and each Council Member serves a four-year term which are staggered such that three Council Members are elected in the Presidential elections year and three Council Members are elected in the Gubernatorial election year.

5. On August 23, 2024, the City received a certified letter ("Letter") from the District 12 Director of the League of United Latin American Citizens ("LULAC"). The Letter formally requested the City to transition from at-large to district-based elections to comply with the California Voting Rights Act ("CVRA") and states their belief that the City's at-large system dilutes minority voting strength potentially violating the CVRA and the Letter urges the City to avoid potential litigation, which has proven costly for municipalities and that transitioning voluntarily allows the City to maintain control over the districting process and engage the community meaningfully.

6. A violation of the CVRA may be established if it is shown that racially polarized voting has combined with an at-large voting system to impair the ability of a protected class of voters to elect candidates of its choice or to influence the outcome of an election (Elections Code § 14027).

7. The Letter received by the City did not include an assertion that racially polarized voting occurred in the City or any evidence to support such a claim, nor, at this time, is the City itself aware of any such evidence.

8. The City denies that its election system violates the CVRA or any other provision of law and asserts that City's election system is legal in all respects.

9. The CVRA applies only to at-large electoral systems and thus favors district-based electoral systems, as defined (Elections Code § 14026(b)), which are not subject to attack under the CVRA, even if there is racially polarized voting in the districts.

10. The City has broad constitutional "home rule" authority under California Constitution Article XI, Section 5, which includes the authority to adopt ordinances related to the conduct of elections, thus the City can transition to district-based elections even if there is no violation of the CVRA.

11. The California Legislature in Elections Code § 10010 has provided a method whereby a jurisdiction can expeditiously transition to a district-based election system and thereby protect itself against the high cost of litigation under the CVRA.

12. California Government Code § 34886 provides additional protection by authorizing the legislative body of a city, under certain circumstances and without a vote, to adopt an ordinance to change its method of election from an at-large system to a district-based system in which either (a) each council member is elected only by the voters in the district in which the candidate resides, or (b) all council members except the mayor are elected by district and the mayor is elected by a city-wide vote.

13. The CVRA, Elections Code § 10010 and Government Code § 34886 are General Laws of the State of California and Article 8 of the Charter of the City of Pacific Grove requires the City's General municipal elections to be held pursuant to the provisions of the General Laws of the State of California

14. One of the purposes of the CVRA and Elections Code § 10010 is to encourage the election of the governing body of a jurisdiction on a by-district basis, such that the voters of each district elect one of the district's own residents to be its representative on the governing body, thus protecting the jurisdiction from CVRA litigation.

15. Another purpose of California Elections Code § 10010 is to prohibit CVRA litigation and place a cap on the recovery of attorneys' fees associated with a CVRA claim, if, within forty-five (45) days of receipt of a claim under the CVRA by certified letter, the City adopts a resolution stating its intent to transition to district-based elections, and, within ninety (90) days thereafter (or as otherwise stipulated by the parties), the City adopts an ordinance transitioning to a district-based election system consistent with the intent and purpose of the CVRA.

16. Pursuant to California Government Code § 34886, it is declared the change in the method of electing Council Members made by this Ordinance is in furtherance of the purposes of the CVRA and to continue to implement the guarantees of California Constitution Article I, Section 7, and Article II, Section 2, as set forth in Section 14031 of the CVRA, and to protect the City from potential liability under the CVRA.

17. The City Council has determined that the public interest is better served by initiating a process for transition to a district-based election system and thereby avoiding the high costs associated with defending a lawsuit under the CVRA.

18. At its regular meeting on October 2, 2024, the City Council adopted Resolution No. 24-042 outlining its intention to transition from at-large to district-based elections for the six Council Members, pursuant to Elections Code Section 10010.

19. At its regular meetings on November 20, 2024 and December 18, 2024, consistent with the provisions of California Elections Code § 10010, the City Council held two public hearings over a period of no more than thirty days, at which the public was invited to provide input regarding the composition of the districts before drawing a draft map or maps of the proposed boundaries of the districts.

20. On January 8, 2025 staff conducted a "community workshop" format meeting to educate residents on how to use map-drawing tools provided by the City's consultant to facilitate drawing draft districting maps by members of the public.

21. The community was encouraged to submit proposed maps by January 24, 2025, for consideration at a public hearing on February 5, 2024, public hearing.

22. In accordance with Elections Code section 21130(b)(1), on January 24, 2025, the City posted on its districting webpage a report disclosing that it is not possible to create an election district or districts in which a minority group is sufficiently large and geographically compact to constitute a majority in a single-member district, as set forth in *Thornburg v. Gingles* (1986) 478 U.S. 30.

23. The City received 20 draft maps prepared by members of the public and the City's consultant which were timely posted on the City's redistricting webpage.

24. On February 5, 2025, the City Council held a public hearing to discuss all 20 maps and the City Council selected Maps 101, 108, 109, 118 and 119 for additional consideration.

25. After the February 5, 2025 public hearing, the City received one additional draft map from a member of the public and timely posted that new map.

26. The City held a second public hearing on the draft maps on March 5, 2025 with special focus on draft Maps 101, 108, 109, 118, and 119, and after the public hearing the City council selected draft Map 101 as the City's new districting map for implementation of district-based elections.

27. Draft Map 101 complies with all legal requirements under the Constitutions of the United States and the State of California, the federal Voting Rights Act, and California Elections Code § 21130.

28. After the March 5, 2025 public hearing and selection of draft Map 101, the City Council considered options for the sequencing of elections in the new districts in accordance with California Elections Code § 10010(b), established a sequencing of elections in the districts in draft Map 101, and voted to introduce for a first reading and approval this Ordinance to establish by-district elections in six (6) single-member districts, as reflected in **Exhibit A** to this Ordinance.

29. Throughout the public hearing process related to the City's transition from an at-large to a district-based election system, the City engaged in a significant amount of public outreach and engagement in addition to the public hearings, including public notices, news releases, social medial posts, a community map drawing workshop, consistent updates to the City's districting webpage, advertisement in the City Manager's Report Newsletter, and other public outreach activities.

30. This Ordinance is intended to provide for the district-based election of six Council Members of the City of Pacific Grove by-district in six single-member districts while retaining a directly elected office of Mayor, pursuant to Articles 8 and 11 of the Charter of the City of Pacific Grove and California Government Code § 34886.

31. The City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including reports by City staff and all information provided during public meetings.

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

SECTION 1. Findings. The City Council hereby finds that the facts set forth in the recitals to this Ordinance are true and correct and establish the factual basis for the City Council's adoption of this Ordinance.

SECTION 2. Adoption. Pacific Grove Municipal Code Title 2 is hereby amended by adoption of Chapter 2.70 as set forth in Exhibit "A," attached hereto and incorporated herein by reference. Accordingly, the City Council hereby authorizes and directs the codifier to: (A) amend the Table of Contents for Pacific Grove Municipal Code Title 2 to add the reference to Chapter 2.70 "District-Based Elections"; and (B) create a Table of Contents for Pacific Grove Municipal Code Chapter 2.70 to identify each of the Sections of Chapter 2.70, as set forth in this Ordinance.

SECTION 3. District Boundary Map. The City Council hereby approves the district boundary map identified as Map 101 for the district-based election system for six City Council Members as set forth in Exhibit "A," attached hereto and incorporated herein by reference (Map 101 is attached to and incorporated into Exhibit "A" as Exhibit 1 and shall hereinafter be called, "City of Pacific Grove City Council District Map".).

SECTION 4. Implementation. If necessary to facilitate the implementation of this Ordinance, the City Council hereby authorizes the City Manager, or his or her designee, to make technical adjustments to the district boundaries adopted in this Ordinance that do not substantively affect the populations in the districts, the eligibility of candidates, or the residence of elected officials within any district. The City Manager shall consult with the City Attorney concerning any technical adjustments deemed necessary and shall advise the City Council of any such adjustments required in the implementation of the districts.

SECTION 5. CEQA. The City Council finds that the actions authorized by this Ordinance are not subject to the requirements of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c)(2) and 15061(b)(3) since the actions will not result in a direct or reasonably foreseeable indirect physical change in the environment.

SECTION 6: Severability. If any section, sub-section, subdivision, paragraph, clause or phrase in this Ordinance, or any part thereof, is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining sections or portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, sub-section, subdivision, paragraph, sentence,

clause, or phrase of this Ordinance, irrespective of the fact that any one or more sections, sub-sections, subdivisions, paragraphs, sentences, clauses, or phrases may be declared invalid or unconstitutional.

SECTION 7: Effective Date. This Ordinance shall become effective thirty (30) days following adoption.

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

AYES:
NOES:
ABSENT:

APPROVED

_____
NICK SMITH, Mayor

ATTEST:
DATED: _____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN J. PIERIK, City Attorney

EXHIBIT A

CHAPTER 2.70

DISTRICT-BASED ELECTIONS

2.70.010 District-Based Elections for six Councilmembers.

Pursuant to Government Code § 34886, the six (6) members of the City Council of the City of Pacific Grove shall be elected by-district in separate single-member districts.

a) Members of City Council shall be elected in the electoral districts established by Section 2.70.020 of this Chapter, as may be subsequently reapportioned as provided by law. Elections shall take place "by-district" as that term is defined in California Government Code § 34871, meaning one member of the City Council shall be elected from each district, by the voters of that district alone.

b) Except as provided in subdivision (c) of this section, the Council Member elected to represent a district must reside in that district and be a registered voter in that district, and any candidate for City Council must live in, and be a registered voter in the district in which he or she seeks election at the time nomination papers are issued, pursuant to California Government Code § 34882 and Elections Code § 10227. Termination of residency in a district by a Council Member shall create an immediate vacancy for that Council district unless a substitute residence within the district is established within thirty (30) days after the termination of residency.

c) Notwithstanding any other provision of this section, the Members of the City Council in office at the time the Ordinance codified in this chapter takes effect shall continue in office until the expiration of the full term to which elected and until a successor is qualified. Mid-term vacancies in a City Council seat elected at-large shall be filled from the City at-large. At the end of the term of each Council Member elected at-large that Council Member's successor shall be elected by-district in the districts established in Section 2.70.020.

Section 2.70.020 – City Council Districts and District Election Sequence.

The six (6) members of the City Council of the City of Pacific Grove shall be elected "by-district" in the districts shown and numbered on the map titled "City of Pacific Grove City Council District Map", attached hereto as Exhibit 1 and incorporated herein by this reference, a copy of which shall be on file at all times in the City Clerk's office.

In 2026 and every four (4) years thereafter, the following three (3) City Council districts shall be elected by-district at the general municipal election: District One (1), District Three (3), and District Five (5). In 2028, and every four (4) years thereafter, the following three (3) City Council districts shall be elected by-district at the general municipal election: District Two (2), District Four (4), and District Six (6).

Section 2.70.030 – Adjustment of District Boundaries.

Pursuant to Elections Code § 21621, as it may be amended from time to time, the City Council shall adjust the boundaries of any or all of the City Council Districts following each decennial federal census to ensure that the districts comply with all applicable provisions of law.

Section 2.70.040 – Vacancies.

Any mid-term vacancy in a City Council district shall be filled in accordance with Section 12 of the Charter of the City of Pacific Grove, only by an eligible resident of the district.

Section 2.70.050 – Directly-elected Mayor.

The Mayor of the City of Pacific Grove shall continue to be directly elected by the voters of the City as set forth in Section 11 of the Charter of the City of Pacific Grove.

Section 2.70.050 – Effective Date.

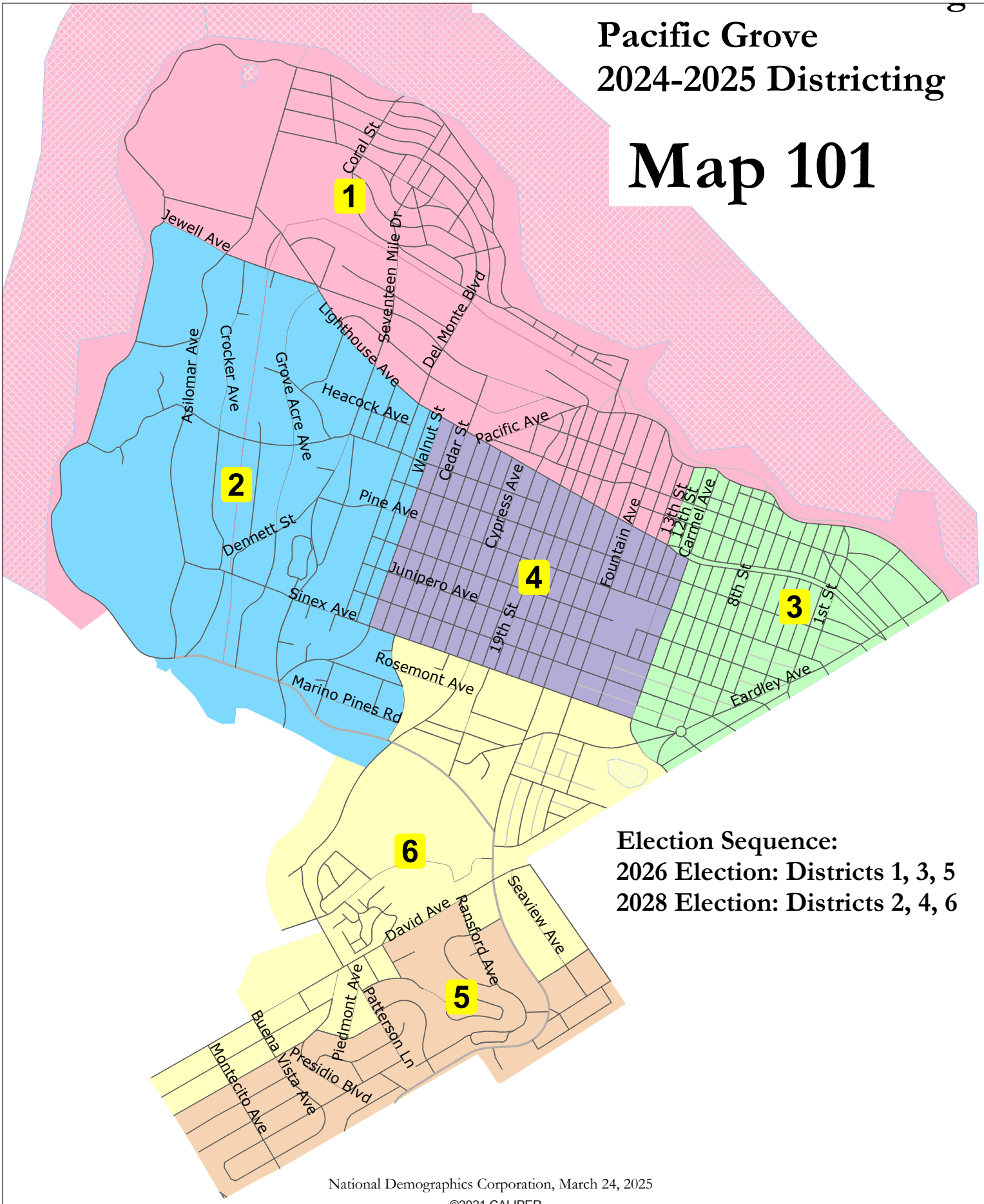
This Ordinance shall be in full force and effect from and after thirty (30) days following its adoption in accordance with law.

Section 2.70.060 – Severability.

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Pacific Grove hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact any one or more sections, subsections, clauses, or phrases be declared invalid.

Pacific Grove
2024-2025 Districting

Map 101



Election Sequence:
2026 Election: Districts 1, 3, 5
2028 Election: Districts 2, 4, 6

National Demographics Corporation, March 24, 2025

©2021 CALIPER

101 Numbered								
District		1	2	3	4	5	6	Total
	Total Pop	2,443	2,559	2,385	2,564	2,585	2,589	15,125
	Deviation from ideal	-78	38	-136	43	64	68	204
	% Deviation	-3.09%	1.51%	-5.39%	1.71%	2.54%	2.70%	8.09%
Total Pop	% Hisp	10.8%	13%	15%	12%	22%	14%	14%
	% NH White	77%	73%	71%	75%	60%	68%	71%
	% NH Black	2%	1%	2%	1%	2%	3%	2%
	% Asian-American	6%	9%	7%	8%	12%	11%	9%
Citizen Voting Age Pop	Total	1,941	1,892	2,060	1,953	2,000	1,964	11,809
	% Hisp	4%	7%	7%	10%	23%	12%	11%
	% NH White	88%	84%	84%	81%	66%	78%	80%
	% NH Black	3%	2%	1%	1%	1%	1%	2%
	% Asian/Pac.Isl.	5%	6%	7%	6%	9%	9%	7%
Voter Registration (Nov 2022)	Total	1,919	1,737	1,618	1,856	1,669	1,710	10,509
	% Latino est.	7%	7%	10%	7%	12%	11%	9%
	% Spanish-Surnamed	6%	6%	9%	7%	10%	10%	8%
	% Asian-Surnamed	2%	2%	3%	3%	5%	4%	3%
	% Filipino-Surnamed	1%	1%	2%	1%	1%	1%	1%
	% NH White est.	76%	87%	82%	88%	83%	84%	83%
	% NH Black	14%	2%	2%	1%	0%	0%	3%
Voter Turnout (Nov 2022)	Total	1,347	1,225	1,135	1,351	1,102	1,149	7,310
	% Latino est.	6%	6%	8%	6%	10%	9%	7%
	% Spanish-Surnamed	5%	5%	7%	5%	9%	8%	7%
	% Asian-Surnamed	1%	2%	2%	2%	4%	3%	3%
	% Filipino-Surnamed	1%	1%	2%	1%	1%	1%	1%
	% NH White est.	77%	88%	85%	89%	85%	86%	85%
	% NH Black	14%	2%	2%	1%	0%	1%	3%
Voter Turnout (Nov 2020)	Total	1,814	1,577	1,518	1,701	1,478	1,527	9,615
	% Latino est.	6%	7%	8%	6%	12%	7%	8%
	% Spanish-Surnamed	6%	7%	8%	6%	11%	7%	7%
	% Asian-Surnamed	2%	2%	2%	2%	3%	5%	3%
	% Filipino-Surnamed	1%	1%	2%	1%	1%	1%	1%
	% NH White est.	77%	88%	84%	89%	84%	86%	84%
	% NH Black est.	2%	2%	2%	1%	0%	1%	1%
ACS Pop. Est.	Total	2,357	2,292	2,642	2,532	2,696	2,584	15,105
Age	age0-19	11%	18%	15%	19%	23%	21%	18%
	age20-60	40%	43%	52%	48%	56%	41%	47%
	age60plus	48%	40%	33%	34%	22%	37%	35%
Immigration	immigrants	13%	14%	12%	12%	14%	14%	13%
	naturalized	64%	74%	52%	55%	81%	79%	68%
Language spoken at home	english	86%	87%	86%	87%	72%	79%	83%
	spanish	3%	2%	4%	2%	13%	8%	5%
	asian-lang	4%	5%	4%	5%	2%	2%	4%
	other lang	7%	7%	6%	6%	12%	10%	8%
Language Fluency	Speaks Eng. "Less than Very Well"	4%	3%	1%	1%	4%	4%	3%
Education (among those age 25+)	hs-grad	37%	39%	34%	36%	45%	40%	38%
	bachelor	34%	33%	26%	29%	21%	30%	29%
	graduatedegree	25%	25%	36%	33%	24%	25%	28%
Child in Household	child-under18	10%	19%	16%	21%	28%	24%	19%
Pct of Pop. Age 16+	employed	53%	52%	59%	57%	60%	45%	54%
Household Income	income 0-25k	11%	11%	10%	11%	6%	6%	9%
	income 25-50k	15%	14%	10%	8%	14%	12%	12%
	income 50-75k	15%	17%	16%	16%	17%	11%	15%
	income 75-200k	37%	39%	44%	43%	47%	52%	44%
	income 200k-plus	23%	19%	19%	21%	17%	18%	20%
Housing Stats	single family	66%	67%	65%	78%	65%	66%	68%
	multi-family	34%	33%	35%	22%	35%	34%	32%
	rented	54%	48%	60%	49%	50%	42%	51%
	owned	46%	52%	40%	51%	50%	58%	49%

Total population data from the 2020 Decennial Census.

Surname-based Voter Registration and Turnout data from the California Statewide Database.

Latino voter registration and turnout data are Spanish-surname counts adjusted using Census Population Department undercount estimates. NH White and NH Black registration and turnout counts estimated by NDC. Citizen Voting Age Pop., Age, Immigration, and other demographics from the 2018-2022 5-year American Community Survey and Special Tabulation data.

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

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Daniel Gho, Public Works Director/Deputy City Manager
MEETING DATE:	April 02, 2025
SUBJECT:	David Avenue Street Rehabilitation – Award of Contract and Budget Modification
CEQA:	Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Hold second reading and adopt an ordinance amending the Operating and Capital Projects Budget for FY24/25.

DISCUSSION
There were no changes between the first and second readings on this ordinance. The City Clerk's office caused a summary of this ordinance to be published on March 27, 2025.

As an element of the FY22/23 Capital Improvement Plan, the City Council a project to address the deteriorating pavement conditions on David Avenue from Devisadero Ave to Forest Ave. This segment of roadway is currently in "poor " condition with a Pavement Condition Index rating of 48. This segment serves as a main arterial in and out of the City and provides access to local schools, neighborhoods and commercial/shopping areas.

The northbound lane poses a constant repair problem for Public Works Crews. Chunks of pavement are frequently dislodged from the road creating potholes and road hazards. The underground moisture and heavy traffic volumes further deteriorate road conditions. Public Works maintenance crews regularly perform hot mix patches on this segment of roadway, this merely serves as a temporary fix and is not a long-term solution; rehabilitation is needed.

Engineering Process:
During the engineering phase, underground infrastructure was CCTV videoed to assess existing conditions. It was anticipated, based on the age of the lines and construction records, that some of the segments of the sewer infrastructure would need to be replaced. As such, the project budget included Sewer Enterprise Funds to address this anticipated need.

While videoing, staff discovered that the sewer lines on David Avenue are in a deteriorated state and in need of replacement, from Devisadero to Forest Ave. 350 linear feet of deteriorated sanitary sewer main will be replaced and upsized from 6” vitrified clay pipe to 8” PVC.

Competitive Bidding:
Process Construction documents were completed in January of 2025 and a request for proposals was issued. On February 20, 2025 the bid period closed. Seven (7) bids were received:

Contractor	Base Bid
Monterey Peninsula Engineering	$480,560
Coastal Paving & Excavating	$530,910
Precision Grade	$563,195
Graniterock Company	$594,740
Tri-Valley Excavating Co., Inc.	$688,278
The Don Chapin Co., Inc.	$706,165
JMS Cement Contractors Inc.	$708,510

Monterey Peninsula Engineering (MPE) has been qualified as the lowest, responsible bidder. MPE is well qualified to perform this work and has successfully completed several paving and sewer projects for the City.

Scope of Work:
The scope of work for the FY24/25 David Avenue Street Rehabilitation Project bid includes:

- Reconstruction of 18,600 SF of deteriorated pavement
- Reconstruction of 400 SF of sidewalk
- Construction of 60 LF of curb and gutter
- Replacement of 350 LF of sewer main line
- Construct 760 LF of 5’ wide AC Walkway, from David sidewalk to Forest curb ramp
- Construct 2,600 LF of 8’ wide AC Walkway, From David sidewalk, through the park to Morse Drive

Construction Schedule:
Following contract execution, a pre-construction meeting will be held to determine a project schedule.

The City has obtained the necessary permits from the California Department of Transportation (Caltrans) as Caltrans operates the adjoining road segment, State Route 68, and the signal light at this intersection. As part of the project, the City will be removing and replacing Caltrans traffic loops that control the signal.

This project has numerous components, so coordination with Caltrans, the contractor, and the City will be crucial for the project's success. To ensure this success, it is anticipated that this section of David Avenue, from Seaview to Forest, will be closed during the sewer, storm drain, and resurfacing portions of the project.

When a schedule is developed with the Contractor and Caltrans, City staff will communicate this to the public through social media, the City Manager’s Summary, and at City Council, Boards and Commission meetings. We will also alert the City of Monterey’s Public Works team so they are aware of the closures and the work schedule.

Agreement & Timing
The standard CJPIA and City Attorney's Office approved construction agreement template will be harnessed. The agreement will not be routed until after the second read of the Ordinance is adopted formally authorizing the funds.

OPTIONS
N/A

FINANCIAL IMPACT:
The project was initially funded with a $400,000 budget from Measure X.

During engineering, CCTV inspections of the underground sewer infrastructure revealed the need for sewer rehabilitation. To protect the longevity of the roadway investment, staff requested—and the City Council approved—an additional $156,000 in Sewer Funding to address the deteriorated infrastructure.

As part of the mid-year budget process, following the standard practice at the time, the Measure X budget was reduced to $266,157 to align with anticipated expenditures for that year, with the intent to restore the original budget in a future fiscal year. However, due to delays in obtaining required permits from Caltrans, staff deferred the budget adjustment until actual project costs could be determined through the competitive bid process, which has now concluded.

Staff is now requesting an additional $267,000 to cover construction, contingency, and any remaining in-field engineering and construction management needs.

Fund	Current Budget	Proposed Amendment	Total
17, Measure X	$266,157	$267,000	$533,157
76, Sewer Fund	$156,000	N/A	$156,000
Total			$689,157

To date, $59,364.51 has been spent on engineering.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Budget Amendment

ORDINANCE NO. xx-xxx

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING THE OPERATING AND CAPITAL PROJECTS BUDGET FOR THE FISCAL YEAR (FY) 2024-25

FACTS

1. The City Council approved the Fiscal Year 2024-25 Budget on June 19, 2024.

2. It is customary to amend the budget to adjust revenues and expenditures to reflect updated information since the adoption of the Fiscal Year 2024-25 Budget.

3. The City Manager is recommending amendments to the Fiscal Year 2024-25 Budget to reflect the City Council goals for the fiscal year budget.

4. The Council has determined it is appropriate to amend the approved budget for FY 2024-25 to increase the Measure X funding allocation to the Davide Avenue Street Rehabilitation Project (CIP23-03) by $267,000 to allow for the rehabilitation of deteriorated road and sewer infrastructure.

5. Pursuant to Charter Article 15, an amendment of the budget must be approved by ordinance.

6. A summary of the Ordinance, approved by the City Attorney, was published on _____.

7. In the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq.

8. Enactment of this ordinance action does not constitute a "project" as defined by California Environmental Quality Act (CEQA) Guidelines Section 15378 because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

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

SECTION 1. The foregoing facts are adopted as findings of the City Council as set forth fully within the body of this ordinance.

SECTION 2. The expenditure budget for the following funds is amended, as stated herein, which by this reference are incorporated as set forth in its entirety.

Expenditures		Increase / Decrease
17	Measure X	$(267,000)

SECTION 3. The Fiscal Year 2024/25 estimated fund balances based on this adjustment, are referenced herein:

Fund	Beginning Fund Balance	Revenue FY 24/25	Expenditures FY 24/25	Preliminary Estimated Ending Fund Balance
17	$1,036,890	$788,815	$1,197,000	$628,705

SECTION 4. The David Avenue Street Rehabilitation Project (CIP23-03) is funded from two funding sources, Measure X and the Sewer Fund, as noted below. This budget amendment authorizes an additional $267,000 from Measure X to amend the budget as follows:

Fund	Funding Source	Approved Budget	**Proposed Amendments**	TOTALS
17	Measure X	$266,157	**$267,000**	$533,157
76	Sewer	$156,000	**N/A**	$156,000
PROJECT TOTAL				$689,157

SECTION5. In accord with Article 15 of the City Charter, this ordinance shall become effective upon adoption hereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 19th day of March, 2025, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nick Smith, Mayor

MEETING DATE: April 02, 2025

SUBJECT: Appointments to Boards, Commissions, and Committees

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve appointments to Boards, Commissions, Committees as follows:

- Architectural Review Board: Martin Sublett
- Library Board: Meganne Yeoman

DISCUSSION

City committees play an important role in our city government. We are fortunate to have many highly qualified residents willing to serve on our committees.

I've used information gleaned from many sources to select these appointments: applications, resumes, personal contacts, observations, and feedback from City staff and residents. I've taken into consideration demonstrated commitment to the City and fit to the committee's mission.

Terms for committee positions are 4 years for Charter and 2 years for committees. Terms of office begin February 1 and end January 31 of the respective year. Mayoral appointments to City committees must be confirmed by Council (City Charter, Art. 26).

Appointments for confirmation are as follows:

- Architectural Review Board: Martin Sublet
- Library Board: Meganne Yeoman

OPTIONS

None.

FINANCIAL IMPACT:

There is no fiscal impact on appointments to Boards, Commission, and Committees.

GOAL ALIGNMENT: Not Applicable.

Attachments

Redacted Applications

CITY OF PACIFIC GROVE
www.ci.pacific-grove.ca.us

Application for Appointment to a Public Board, Commission, or Committee

RECEIVED
CITY MANAGER'S OFFICE
2025 JAN -4 P 3:48
CITY OF PACIFIC GROVE

Persons interested in being appointed to serve on a board, commission, or committee of the City of Pacific Grove are invited to complete the following application.

Name: Martin Sublett

Street Address: [redacted]

City: Pacific Grove | **State:** CA | **ZIP Code:** 93950

Residence Telephone Number: Cell: [redacted] | **Work Telephone Number:** Same | **E-Mail Address:** [redacted]

Name of Board, Commission, or Committee on which you would like to serve:
Architectural Review Board

Brief Description of Background and Qualifications (Additional Information May Be Attached on Separate Sheets): ATTACHMENT OF A RESUME IS DESIRABLE.

Moved to Pacific Grove in 1980.
Retired General Contractor (40 years contracting)
Responsible for Constructing or remodeling 7 houses in various locations in N. Cal.
Worked with group to annex appr. 1,000 acres to City of Roseville.
Worked on subdivision and buildout of 100 acre master planned housing in City of Davis. Including house design standards & CC&Rs.
Partnered to build appr. 500 multi-family units in Sacramento area.
Partnered to build appr. 120,000 ☐' of office & retail in Davis, CA.

I hereby certify that I am a registered voter of the City of Pacific Grove (not required for EDC appoint

Signature: [redacted] **Date:** 2-12-25

FOR CITY USE ONLY

Appointed to: _____

Date of Appointment: _____ **Expiration:** _____

Date of Reappointment: _____ **End of Term:** _____

Date Certification of Appreciation Awarded: _____

CITY OF PACIFIC GROVE

www.cityofpacificgrove.org

Application for Appointment to a Public Board, Commission, or Committee

Persons interested in being appointed to serve on a board, commission, or committee of the City of Pacific Grove are invited to complete the following application.

Name:
Meganne Yeoman

[redacted]

City:	State:	ZIP Code:
Pacific Grove	CA	93950

[redacted]	Work Telephone Number:	[redacted]

Name of Board, Commission, or Committee on which you would like to serve:
Pacific Grove Library Board

Brief Description of Background and Qualifications (Additional Information May Be Attached on Separate Sheets and Attachment of Resume is Desirable):

Hello, my name is Meganne Yeoman. Thank you for taking the time to consider my application for the Pacific Grove Library Board.

I am ecstatic to have moved back to Pacific Grove this year after teaching in Los Angeles for nearly 30 years. While working on my Master's Degree in Educational Psychology at California State University, Northridge, and teaching part-time, I also worked part-time in the library where my daughter attended school. As a Library Assistant, I did everything from ordering to processing and shelving books. I also helped each class as they came for their weekly library times. So whether I was reading to the younger children (Nursery through 3rd grade) or helping the older groups (4th through 8th grade) with computer research, I gained a detailed knowledge of the workings of an, albeit, small library.

I taught Transitional Kindergarten at Berkeley Hall School, in Los Angeles, for over 20 years, creating curriculums rich in literature and wide in thematic exploration. I deeply respect the learning fundamentals, especially how they enable children to become lifetime readers and seekers of knowledge. Literacy is critical for lifetime outcomes - According to the National Literacy Institute, "54% of adults have a literacy below 6th-grade level," which makes it extremely difficult for people to earn a living wage, and, "3 out of 5 people in American prisons can't read." I believe that libraries are critical to, and the center of, our communities. I am dedicated to the pursuit of lifetime learning and deeply appreciate the ingress to information that the Internet has provided. Libraries promote and protect the public good for both current and future generations. It is essential, to me, that we protect the free and equal access to information that a public library affords. I want to give back to this community and support a community of well-informed and curious Pagrovians so that every Pagrovian can learn about themselves, their history, the world, and things around them. I would love to serve on the Library Board and believe this is a good fit for me. Thank you again for considering my application to become a member of the Pacific Grove Library Board.

I hereby certify that I am a registered voter of the City of Pacific Grove (not required for EDC appointees.

Signature of Applicant: [redacted]	Date: 12/14/24

FOR CITY USE ONLY Appointed to: _____ Date of

Appointment: _____ **Expiration:** _____ Date of
Reappointment: _____ **End of Term:** _____ Date
Certification of Appreciation Awarded: _____

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Brian Anderson, Commander

MEETING DATE: April 02, 2025

SUBJECT: 2025 Ford Police Interceptor Vehicle Purchase

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Authorize the City Manager to award a purchase order with Cypress Coast Ford of Seaside for the purchase of (1) 2025 Ford Police Interceptor Vehicle in an amount not to exceed $64,927.28.

DISCUSSION

Police vehicles are integral to the City's fleet, serving as indispensable tools for the police department's daily operations. The Pacific Grove Police Department currently maintains a diverse fleet comprising nine marked patrol vehicles. This lineup includes (4) Ford Explorers, (2) Dodge Chargers, (1) Ford Crown Victoria, (1) Chevrolet Tahoe, and (1) Ford Expedition.

The City has spent tens of thousands of dollars to repair the aging fleet in the past year?and needs to purchase a new vehicle. The purchase of a new patrol vehicle will allow for replacing an older unit with high mileage in the fleet, specifically Unit 6. According to the California Department of General Services, the recommended mileage for replacing law enforcement vehicles is 100,000 miles after 60 months. Below is an approximate mileage chart of the Police Department's current fleet:

UNIT #	YEAR	VEHICLE TYPE	APPROX. MILEAGE
1	2015	Ford Explorer	100,000
2	2015	Ford Explorer	95,000
3	2024	Ford Explorer	1,000
4	2018	Dodge Charger	53,000
5	2015	Ford Explorer	110,000
6	2010	Ford Crown Victoria	100,000
7	2017	Dodge Charger	87,000
8	2004	Ford Expedition	70,000
9	2023	Chevrolet Tahoe	5,000

The City attempted to receive (3) dealership quotes for purchasing one 2025 Ford Police Interceptor. Due to high demand and low inventory, two of the three dealerships did not have a vehicle for purchase, could not provide a quote, and did not have an in-stock estimated availability date. Outfitting of the vehicle (including lights, sirens, push bumpers, radio, wireless equipment, mobile data computer docking station, partition equipment storage, cabling, shotgun, and rifle mounts) is separate from the purchase price of the vehicle and will be sent out to bid.

DEALERSHIP	VEHICLE QUOTE
Frontier Ford	Unavailable
The Ford Store Morgan Hill	Unavailable
Cypress Coast Ford	$64,927.28

Cypress Coast Ford currently has a vehicle in stock, and based on this availability, the staff recommends that the award be granted to Cypress Coast Ford.

OPTIONS

1. Do not authorize the agreement with Cypress Coast Ford
2. Authorize the?purchase of the 2025 Ford Police Interceptor through Cypress Coast Ford
3. Take no action

FINANCIAL IMPACT:

The City Council approved a capital outlay project totaling $85,000.00 in the FY 2024/25 Annual Budget to purchase a new patrol vehicle and install public safety equipment. Funding has been allocated for this project in the Police Department FY 2024/25 Operations Budget.

FOCUSED PRIORITY AREA: Not Applicable.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Matthew Mogensen, City Manager
MEETING DATE:	April 02, 2025
SUBJECT:	Direction to use WorkPlan Focus Areas, Policy Statements, and Goals for the Development of the FY 25-26 / 26-27 Budget
CEQA:	Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

It is recommended that the Council direct the use of the FY25-26/26-27 WorkPlan Focus Areas, Policy Statements and Goals in the Development of the Budget.

DISCUSSION

The Council has initiated and completed several tasks in the development of the WorkPlan. These Tasks include the identification of Four Focus Areas, including (1) Fiscal Sustainability (2) Infrastructure, (3)Environmental Stewardship, and (4) Community Development. The Council has also completed the development of Policy Statements and Goals for each of the Focus Areas (please see the attached). Public comments have been solicited throughout the process.

With the Council direction, staff will use the completed portions of the Workplan while developing the milestone projects to implement the WorkPlan. The completed WorkPlan, including Focus Areas, Policy Statements, Goals, and milestone projects, will be submitted as a part of the budget process. The milestone projects for each Focus Area will include an allocation of resources and estimated completion dates for each if the implementing projects. As the budget and the WorkPlan are completed, they should be moved forward in tandem for periodic reviews.

To assist the staff in the development of milestone projects, Council members' submissions of policy statements and goals will be distributed. Several implementation tasks were included with these submissions. Recommendations from the Boards, Commissions, and Committees, and the list of City projects previously initiated but remain uncompleted.

OPTIONS

The Council could modify the completion of the process.

FINANCIAL IMPACT:

There is no direct impact associated with completing the development of the WorkPlan. However, completion of this process will guide the development of the budget in the next cycle.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Listing of Focus areas, Policy and Goals

Recommended Policy Value Statements and Goals by Focus Area

Draft March 20, 2025

Financial Sustainability

Policy Value Statement: Pacific Grove manages its financial resources to ensure the long-term delivery of municipal services

Goal 1: Identify a program to reduce unfunded liabilities

Goal 2: Review and revise reserve policies to meet equipment and facility requirements.

Infrastructure

Policy Value Statement: Pacific Grove prioritizes the provision of facility, human, and technology infrastructure that enhances the quality of life for residents and businesses

Goal 1: Complete a five-year capital improvement program to address the completion of priority facility projects (sidewalks, streets, water, wastewater, and parks)

Goal 2: Invest in technology and workforce systems

Environmental Stewardship

Policy Value Statement: Pacific Grove cares for and protects its natural resources and amenities

Goal 1: Complete Climate Action and Adaptation Efforts

Goal 2: Protect and Preserve the Natural Resources of Pacific Grove

Community Development

Policy Value Statement: Pacific Grove strategically implements programs to promote housing and economic opportunities.

Goal 1: Explore options for an affordable housing project and partner opportunities

Goal 2: Review Planning and Permit processes to ensure barriers to housing and business development are eliminated

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nick Smith, Mayor

MEETING DATE: April 02, 2025

SUBJECT: Endorse the proposed Appointment of Council Member Cynthia Garfield as City Council Liaison to the Friends of Chautauqua Hall, a committee of the Heritage Society of Pacific Grove

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Endorse the proposed Appointment of Council Member Cynthia Garfield as City Council Liaison to the Friends of Chautauqua Hall, a committee of the Heritage Society of Pacific Grove

DISCUSSION

None.

OPTIONS

None.

FINANCIAL IMPACT:

None.

GOAL ALIGNMENT: Not Applicable.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Matt Mogensen, City Manager

MEETING DATE: April 02, 2025

SUBJECT: Introduction of an Ordinance Amending the City's 2024-25 Budget, removing the allocation of one Program Manager Classification in the City Manager's Office and replacing with one Deputy City Manager Classification in the City Manager's Office

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Request the City Attorney read the title of the ordinance.
2. Motion to waive further reading of the ordinance.
3. Introduce and hold a first reading of an ordinance to amend the City's 2024-25 Budget, removing the allocation of one Program Manager classification in the City Manager's Office and adding one Deputy City Manager classification to the allocation plan in the City Manager's Office to be funded in 2024-25 with current budget savings.
4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

DISCUSSION

On March 5, 2025, the City Council considered and approved the Fiscal Year 2024-25 Mid-Year Budget Modifications and First Reading of an Ordinance Amending the Fiscal Year 2024-25 Budget. Part of that approval was the allocation of a Program Manager to the City Manager's Office for the purposes of providing for economic development, communications and outreach and special projects needs. The allocation was accomplished through reassigning unspent budget from economic development consultant services and discretionary spending to personnel expenses and adding to an existing .25 unfilled economic development staff allocation. This equated to approximately $100,000 annually. The remainder of the funding was to come from additional general fund monies to be budgeted in the next fiscal year. The total cost for the new position was to be approximately $125,000 annual top step salary plus benefits = approx. $160,000 total for this new position. This action was put in motion following direction from the City Council in December of 2024 to reallocate economic development funds to hiring a person to provide these much-needed services. This proposal put forth for this position did not have the benefit of fully analyzing additional information that came forth late in the development of the Mid-Year Budget Modifications though.

On February 19, 2025, the City Council held a study session and received a presentation on a City-Wide Organizational Diagnostic report performed by Municipal Resource Group (MRG). This report contained findings that identified gaps in service and operational challenges at the department level. In the City Manager's Office the report found there is limited focus on economic development and tourism and we lack the capacity to achieve a cohesive communications program for our residents and businesses. We also need to improve our ability to provide employee engagement, team-building and enrichment activities, create positive culture and employee retention. In addition, the department is not able to make proactive progress on special projects and other needed proactive activities to move the organization forward and meet community, City Council, and organizational needs. Ultimately, the report recommended that a senior manager was needed to address deficiencies.

Following further review of the findings of the MRG report and discussion on how we move forward to address issues identified, the idea of adding a new Program Manager was found to be not the correct solution. We are better served by taking a step back and adjusting the classification level we are seeking to allow for additional needs to be met and greater flexibility to meet current and near future needs.

It is now recommended that the City Council consider adjusting the new staffing allocation of a Program Manager for the City Manager's Office to a classification already existing in the City's Classification Plan titled Deputy City Manager. This position currently exists on the City's published salary schedule and can be used to better address needs in economic development, communications and outreach, special projects, employee engagement and enrichment activities, further program and project support to accomplish community and City Council goals, proactive addressing of issues and concerns, citizen responsiveness, strategy development and implementation, other higher level needs that arise daily, and the ability to manage programs and city divisions as the organization needs.

The intention in hiring for this position will be to open the recruitment to internal candidates to provide an opportunity for upward career growth and development for employees. This would additionally allow other employees to have an opportunity to achieve upward movement and greater job satisfaction. These types of opportunities are typically very limited in smaller organizations such as ours. When possible opportunities for career growth for employees go a long way to retaining institutional knowledge, creating great culture and providing individual job fulfillment.

The salary range for the Deputy City Manager classification ranges from $138,486.40 annually to $185,577.60 annually. An internal promotion has the opportunity of additional reorganization modifications that could lower the overall costs to the General Fund. However, that will be better known after a successful candidate is chosen and we can evaluate the budget impacts in next year's budget. Also, with this being an internal recruitment, the anticipated starting salary will not be the top of the salary range scale, and benefit costs are already included in the existing budget.

This action would eliminate the recently approved staff allocation of one Program Manager in the City Manager's Office and add one Deputy City Manager to the allocation plan in the City Manager's Office. No additional funds are needed for this fiscal year, but next budget year we will allocate $185,577.60 (for budgeting purposes we budget at top step).

Pursuant to Charter Article 15, approval and amendment to the City budget must be adopted by the Council by ordinance.

OPTIONS

Provide alternative direction.

FINANCIAL IMPACT:

Previously, the City Council approved the allocation of one Program Manager position to the City Manager's Office. The position was to be funded in 2024-25 from budget savings. The top step salary for the Program Manager position is $123,073.60 annually plus benefits with a total cost of approximately $160,000.

This action would eliminate the previously approved Program Manager position and allocate one Deputy City Manager position. This position can be funded through budget savings through the remaining in fiscal year 2024-25. In FY 2025-26 a total budget for this position will be $185,577 at the top step of the existing salary range plus benefits with a total budgeted amount of approximately $240,000. The actual cost will depend on what placement in the salary step range the incumbent will be placed at.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Budget Amendment Ordinance

ORDINANCE NO.

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING THE OPERATING BUDGET FOR FISCAL YEAR (FY) 2024-25

FACTS

1. The City Council approved the Fiscal Year 2024-25 Budget on June 19, 2024, and a Mid-Year Modification on March 5, 2025.

2. It is customary to amend the budget to updated information and adjust to unanticipated changes since the adoption of the Fiscal Year 2024-25 Budget.

3. The City Manager is recommending amendments to the adopted 2024-25 Fiscal Year Budget (as amended by the Mid-Year Budget Modifications approved by the Council on March 5, 2025).

4. The Council has determined it is appropriate to amend the approved 2024-25 Fiscal Year Budget.

5. Pursuant to Charter Article 15, an amendment of the budget must be approved by ordinance.

6. A summary of the Ordinance, approved by the City Attorney, was published on _____.

7. In the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq.

8. Enactment of this ordinance action does not constitute a "project" as defined by California Environmental Quality Act (CEQA) Guidelines Section 15378 because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

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

SECTION 1. The foregoing facts are adopted as findings of the City Council as set forth fully within the body of this ordinance.

SECTION 2: The expenditure budget for the General Fund is amended for the items listed below. Which by reference are incorporated as set forth in its entirety.

Proposed Budget Adjustment	**Amount**
Eliminate Allocation of One Program Manager	Funded by 2024/25 budget savings to Economic Development budget.
Allocate one Deputy City Manager Classification to the City Manager's office	Funded by 2024/25 budget savings to Economic Development budget.

SECTION 3. In accord with Article 15 of the City Charter, this ordinance shall become effective upon adoption hereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 16th day of April 2025, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Fred Marsh, Administrative Services Director

MEETING DATE: April 02, 2025

SUBJECT: Annual Financial Reports and Audit

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive the reports noted in this report.

DISCUSSION

The City contracted with The Pun Group, a firm of independent certified public accountants, to audit the City of Pacific Grove's financial statements for the fiscal year ending June 30, 2024. The audit was performed in conformance with Generally Accepted Auditing Standards (GAAS).

A copy of the following reports for Fiscal Year 2023-24 are attached for the Board's review:

- Annual Comprehensive Financial Report (ACFR)
- Popular Annual Financial Report (PAFR)
- Report on Agreed-Upon Procedures Applied to the Appropriations Limit Schedule (GANN Limit) for FY 24-25
- Transportation Safety and Investment Plan Account Fund (TAMC Measure X) Report
- Auditor's Required Communication (AU-C 260)

The PAFR is new for Fiscal Year 2023-24 and provides an executive summary of the ACFR, including financial statements for the General Fund and the City's other major and enterprise funds. The City's General Fund met the Board adopted policy for reserves for Fiscal Year 2023-24 of 35% of its annual expenditures. The Independent Auditor's Report, indicates that the financial statements in the ACFR present fairly, in all material respects, the financial position of the City. This "unmodified" opinion is the optimal opinion to receive from an external auditor.

There was no single audit report for fiscal year 2023-24 as the City received less than $750,000 for FY 23-24 (increasing to $1 million for FY 24-25). There were no recommendations for improvements in internal controls noted by the auditors, no prior period adjustments or exceptions noted in the City's calculation of the GANN limit. Both the ACFR and PAFR have been submitted to the Government Finance Officers Association (GFOA) for consideration as part of their awards programs, for which the Agency has won awards in prior years for its ACFR.

OPTIONS
Receive the reports.

FINANCIAL IMPACT:
There is no financial impact associated with receiving this report.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

2024 Pacific Grove City of Measure X FINAL
ACFR Pacific Grove FY 23-24
PAFR Pacific Grove FY 23-24
2025 Pacific Grove, City of GANN FINAL Report
Management Controls Letter

City of Pacific Grove
Transportation Safety and Investment Plan Account Fund

Pacific Grove, California

Independent Auditors' Reports and Financial Statements

For the Year Ended June 30, 2024

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Pacific Grove
Transportation Safety and Investment Plan Account Fund

Table of Contents

Page

Independent Auditors' Report 1

Financial Statements:

Balance Sheet 7

Statement of Revenues, Expenditures, and Change in Fund Balance 8

Notes to the Financial Statements 9

Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 15

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards* ..... …17

Independent Auditors' Report on Compliance with TAMC Ordinance No. 2019-01 for Transportation Safety and Investment Plan Fund; and Report on Internal Control Over Compliance 19

Schedule of Findings and Questioned Costs 22

This page intentionally left blank.

THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and the Members of City Council
of the City of Pacific Grove
Pacific Grove, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Transportation Safety and Investment Plan Account Fund (the "Fund") of the City of Pacific Grove, California (the "City"), which comprise the balance sheet as of June 30, 2024 and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standard applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2024, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and G*overnment Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose forming an opinion on the financial statements of the Fund. The Supplementary Information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Fund's financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with the requirements described in the Transportation Agency for Monterey County's ("TMAC") Ordinance No. 2016-01 and in the agreement between TMAC and the City. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

The Pun Group, LLP

Santa Ana, California
December 5, 2024

This page intentionally left blank.

FINANCIAL STATEMENTS

This page intentionally left blank.

City of Pacific Grove
Transportation Safety and Investment Plan Account Fund
Balance Sheet
June 30, 2024

ASSETS		
Cash and investments	$	983,804
Intergovernmental receivable		196,581
Total assets	$	1,180,385
LIABILITIES, AND FUND BALANCE		
Liabilities:		
Accounts payable	$	143,495
Total liabilities		143,495
Fund Balance:		
Restricted		1,036,890
Total fund balance		1,036,890
Total liabilities, and fund balance	$	1,180,385

See accompanying Notes to the Financial Statements.

City of Pacific Grove
Transportation Safety and Investment Plan Account Fund
Statement of Revenues, Expenditures, and Change in Fund Balance
For the Year Ended June 30, 2024

REVENUES:		
Sales and use tax	$	785,820
Investment earnings		40,135
Total revenues		825,955
EXPENDITURES:		
Capital outlay		943,822
Total expenditures		943,822
NET CHANGE IN FUND BALANCE		(117,867)
FUND BALANCE:		
Beginning of year		1,154,757
End of year	$	1,036,890

See accompanying Notes to the Financial Statements.

City of Pacific Grove
Transportation Safety and Investment Plan Account Fund
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Transportation Safety and Investment Plan Account Fund (the "Fund") of the City of Pacific Grove (the "City") is a governmental fund type. Governmental funds are accounted for using a "*current financial resources*" measurement focus. The application of this measurement focus provides that, in general, only current assets and current liabilities are present on the balance sheet. Operating statements of these funds present revenues and expenditures.

The modified accrual basis of accounting is used for the Fund. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual (i.e., both measurable and available). Measurable means that the amount of the transaction can be determined. Available means the funds are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures of governmental funds are generally recognized when the related fund liability is incurred.

Reporting Entity

The Transportation Safety and Investment Plan Account Fund from the Transportation Agency for Monterey County ("TMAC") was approved on November 8, 2016. The revenue from the Measure X sales tax measure will be used to fund transportation safety and mobility projects in Monterey County. Expenditures are restricted to road improvements, pothole repairs, street and road maintenance, traffic deduction and regional safety, mobility and walkability.

The Fund financial statements and related accounting policies of the City conform with accounting principles generally accepted in the United States of America ("US GAAP") applicable to governments in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The financial statements present only the Fund of the City and do not purport to, and do not present, the City's financial position and changes in financial position. The City's basic financial statements are available from the Finance Department at City's address and website.

A. Fund Balances

The Fund reports fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent. Fund balances are categorized as follows:

> <u>*Restricted*</u> - This amount indicates the portion of fund balances which has been restricted; a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; b) imposed by law through constitutional provisions or enabling legislation.

The County Council establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Fund Balances (Continued)

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.

B. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates and assumptions.

Note 2 – Cash

The City follows the practice of pooling cash and investments for all funds (including the Fund) under its direct daily control. Interest earned on pooled cash and investments is allocated periodically to the various funds based on average cash balances. Detailed disclosure regarding the City's cash and investment is included in the notes to City's basic financial statements.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas:

- Interest rate risk
- Credit risk
  - Overall
  - Custodial credit risk
  - Concentration of credit risk
- Foreign currency risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

Note 3 – Maintenance of Effort

The Measure X Master Programs Funding Agreement between the City and the TAMC as amended, requires that the City must expend each fiscal year from its General Fund for street and highway purposes an amount not less than the annual average of its expenditures from its General Fund during the 2009-10, 2010-11, and 2011-12 fiscal years, but not less than what was expended in 2016-17 (when Measure X passed), as reported to the Controller pursuant to Streets and Highways Code section 2151 ("Maintenance of Effort"). This baseline amount is indexed annually to the Engineering News Record construction index.

The following expenditures were made:

Fiscal year ended June 30:		
2010	$	326,756
2011		396,862
2012		720,604
Total	$	1,444,222
Three-year average	$	481,407
Fiscal year ended June 30, 2017	$	912,274
Maintenance of effort baseline	$	912,274
Engineering News Record construction index FY 2019/20		1.37%
Engineering News Record construction index FY 2020/21		1.27%
Engineering News Record construction index FY 2021/22		2.05%
Engineering News Record construction index FY 2022/23		7.34%
Engineering News Record construction index FY 2023/24		4.93%
Index-adjusted maintenance of effort requirement	$	1,076,416
Current year eligible expenditures	$	1,657,779
Compliant (Yes or No)		Yes

Total expenditures from the General Fund for street and highway purposes for the fiscal year ended June 30, 2024 were $1,657,779 and consisted of salaries and construction costs. The City was in compliance with the Maintenance of Effort requirement of the Measure X Master Programs Funding Agreement between the City and the TAMC.

This page intentionally let blank.

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

City of Pacific Grove
Transportation Safety and Investment Plan Account Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
REVENUES:				
Sales and use tax	$ 753,178	$ 828,000	$ 785,820	$ (42,180)
Investment earnings	7,500	7,500	40,135	32,635
Total Revenues	760,678	835,500	825,955	(9,545)
EXPENDITURES:				
Capital outlay	786,088	1,806,924	943,822	863,102
NET CHANGE IN FUND BALANCE	$ (25,410)	$ (971,424)	(117,867)	$ 853,557
FUND BALANCE:				
Beginning of year			1,154,757	
End of year			$ 1,036,890	

This page intentionally left blank.

THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

To the Honorable Mayor and the Members of City Council
of the City of Pacific Grove
Pacific Grove, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Transportation Safety and Investment Plan Account Fund (the "Fund") of the City of Pacific Grove, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Fund's financial statements, and have issued our report thereon dated December 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (the "internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of that report is solely to report our opinion on compliance and to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. This report is intended solely for the information and use of City Council, management of the Transportation Agency for Monterey County and for filing with the appropriate regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

The Pun Group, LLP

Santa Ana, California
December 5, 2024

THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

REPORT ON COMPLIANCE WITH TAMC ORDINANCE NO. 2019-01 TRANSPORTATION SAFETY AND INVESTMENT PLAN FUND; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Independent Auditors' Report

To the Honorable Mayor and the Members of City Council
of the City of Pacific Grove
City of Pacific Grove, California

Report on Compliance with TAMC Ordinance No. 2019-01 for Transportation Safety and Investment Plan Fund

Opinion

We have audited the City of Pacific Grove, California's (the "City") compliance with the types of compliance requirements described in Transportation Agency's for Monterey County's (the "TAMC") Ordinance No. 2019-01 and Measure X Master Programs Funding Agreement between TAMC and the City (the "Agreement"), for the year ended June 30, 2024.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Agreement for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City and TAMC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the TAMC. Our audit does not provide a legal determination of the TAMC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Fund's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Fund's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Government Auditing Standards*, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of TAMC Ordinance No. 2019-01. Accordingly, this report is not suitable for any other purpose.

The Pun Group, LLP

Santa Ana, California
December 5, 2024

City of Pacific Grove
Transportation Safety and Investment Plan Account Fund
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Audit Findings and Questioned Costs

A. Current Year Findings and Questioned Costs

No current year findings were noted.

B. Prior Year Findings and Questioned Costs

No prior year findings were noted.

City of Pacific Grove
California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024



City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950
www.cityofpacificgrove.org


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove, California

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



Prepared by the Finance Department


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Table of Contents

Page

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal i
GFOA Certificate of Achievement for Excellence in Financial Reporting vi
Organization Chart vii
Officials of the City of Pacific Grove, California viii
Map of the City of Pacific Grove, California ix

FINANCIAL SECTION

Independent Auditors' Report on the Financial Statements 1

Management's Discussion and Analysis (Required Supplementary Information) (Unaudited) 5

Basic Financial Statements:

Government-Wide Financial Statements:
Statement of Net Position 22
Statement of Activities 24

Fund Financial Statements:
Governmental Fund Financial Statements:
Balance Sheet 31
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position 32
Statement of Revenues, Expenditures, and Changes in Fund Balances 33
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position 34

Proprietary Fund Financial Statements:
Statement of Net Position 36
Statement of Revenues, Expenses, and Changes in Net Position 39
Statement of Cash Flows 40

Index to Notes to the Basic Financial Statements 45
Notes to the Basic Financial Statements 47

Required Supplementary Information (Unaudited):

Notes to the Budgetary Comparison Schedule 85
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:
General Fund 87
RSTP Special Revenue Fund 88
CDBG Grant Special Revenue Fund 89
Schedule of Proportionate Share of Net Pension Liability 90
Schedule of Contributions – Pensions 92
Schedule of Changes in Net OPEB Liability and Related Ratios:
Retiree Healthcare Plan 94

Table of Contents (Continued)

Page

FINANCIAL SECTION (Continued)

Supplementary Information:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:
Capital Improvement Projects Fund 99

Nonmajor Governmental Funds:
Combining Balance Sheet 103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 112
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:
Carillion Special Revenue Fund 121
Environmental Enhancement Special Revenue Fund 122
State Franchise PEG Special Revenue Fund 123
Library Building & Equipment Special Revenue Fund 124
Museum Improvement Special Revenue Fund 125
Downtown Business District Special Revenue Fund 126
Hospitality Improvement District Special Revenue Fund 127
Library Book Special Revenue Fund 128
Fire Emergency Equipment Special Revenue Fund 129
American Rescue Plan Act Special Revenue Fund 130
Local Streets and Roads Special Revenue Fund 131
Gas Tax Special Revenue Fund 132
Chautauqua Hall Special Revenue Fund 133
Lighthouse Maintenance & Improvement Special Revenue Fund 134
Senior Housing Special Revenue Fund 135
CalHOME Reuse Special Revenue Fund 136
Small Business Grants Special Revenue Fund 137
General Plan Maintenance Fee Special Revenue Fund 138
Poetry Promotion Special Revenue Fund 139
Yount Income Special Revenue Fund 140
Public Safety Augmentation Special Revenue Fund 141
Supplemental Law Enforcement Special Revenue Fund 142
Vehicle Abandonment Special Revenue Fund 143
Strong Disbursements Special Revenue Fund 144
Housing Special Revenue Fund 145
Coastal Conservency Grant Special Revenue Fund 146
Operating Grant Special Revenue Fund 147
RMRA Special Revenue Fund 148
Traffic Congestion Relief Special Revenue Fund 149
McIndoo Donation Special Revenue Fund 150
ASBS Special Revenue Fund 151
Library Endowment Trust Permanent Fund 152
Cemetery Endowment Trust Permanent Fund 153
Yount Trust Permanent Fund 154

City of Pacific Grove
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Table of Contents (Continued)

Page

FINANCIAL SECTION (Continued)

Supplementary Information (Continued):

Internal Service Funds
- Combining Statement of Net Position 157
- Combining Schedule of Revenues, Expenses, and Changes in Net Position 159
- Combining Statement of Cash Flows 160

STATISTICAL SECTION (Unaudited)

Financial Trends:
- Net Position by Component 164
- Changes in Net Position 166
- Fund Balances of Governmental Funds 170
- Changes in Fund Balances of Governmental Funds 172

Revenue Capacity:
- General Governmental Tax Revenue by Source 174
- General Fund Revenues by Sources 175
- Net Assessed Value of Taxable Property 176
- Direct and Overlapping Property Tax Rates 177
- Principal Property Tax Owners 178
- Property Tax Levies and Collections 179

Debt Capacity:
- Ratios of Outstanding Debt by Type 180
- Ratios of General Bonded Debt Outstanding 182
- Computation of Direct and Overlapping Debt 183
- Legal Debt Margin Information 185
- Pledged-Revenue Coverage 186

Demographic and Economic Information:
- Demographic and Economic Statistics 188
- Employees by Industry 189
- Number of City Employees by Department. 190

Operating Information:
- Operating Indicators by Function. 191
- Capital Asset Statistics by Function 192

Other reports:

- Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 193


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove

300 Forest Avenue
Pacific Grove, California 93950
Telephone (831) 648-3100 ♦ Fax (831) 375-9863

January 20, 2025

Citizens and City Council,



The City of Pacific Grove (City) is submitting its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, including an unmodified opinion from its independent auditors. State law and bond covenants require the City to obtain an annual audit of its financial statements. This annual report was prepared in accordance with general accepted accounting principles (GAAP). Internal controls have been established to provide reasonable assurance regarding the reliability of reporting and compliance with applicable laws and regulations. Management assumes responsibility for the contents in this report.

The ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of municipal officers and officials. The financial section includes management's discussion and analysis (MD&A), government-wide financial statements, fund financial statements, notes to the financial statements, and required supplementary information, as well as the auditor's report on the financial statements and schedules. The MD&A provides additional information regarding management of the City's finances and should be read in conjunction with the transmittal letter. The statistical section includes selected financial and demographic information of the City.

Budgetary Controls



In accordance with the City's Budget and Financial Management Policy, the City Manager recommends the budget and presents it to the City Council in May. After public input and discussion is received, the City Council may request modifications to the budget or introduce an ordinance adopting the budget. The City's budget is then adopted by ordinance and becomes effective on July 1st of each fiscal year.

Budgetary controls are set at the department level and are maintained to ensure compliance with the budget approved by the Board. The City Manager or the Administrative Services Director has the discretion to transfer between activities. City Council approval is required for any overall increase in the budget for any fund or changes to the Capital Improvement Program.

All governmental, enterprise, and internal service funds are appropriated annually. The governmental funds include general, special revenue, capital project, and permanent funds. The Annual Comprehensive Financial Report includes all financial activities of the City. Financial data for all funds through which services are provided by the City have been included in this report.

City Profile

The City of Pacific Grove is a small coastal community located in Monterey County that occupies just under three square miles, with a population of approximately 15,000 residents, with 56% of the adults having college degrees, and almost half of the population over the age of 50, with an average household income of approximately $120K. The City is situated on a peninsula which is bordered by Monterey, Pebble Beach, the Pacific Ocean, and the Monterey Bay with a County unemployment rate of approximately 7%. Pacific Grove has a very temperate climates all year round, with temperatures ranging from the 70's in the late summer to the mid 40's in the winter. Pacific Grove has over 1,300 registered historical homes built prior to 1926. The school district includes schools ranked as the highest in the Monterey area.



The City is home to many attractions and seasonal events, including:

- Point Pinos Lighthouse
- Monarch Butterfly Sanctuary
- Asilomar State Beach
- Lovers Point Park and Beach
- Pacific Grove Golf Links
- Hopkins Marine Station
- Pacific Grove Natural Museum
- Butterfly House
- Good Old Days
- Big Sur Half Marathon
- Christmas at the Inns
- Butterfly Days

City Government Structure and Services

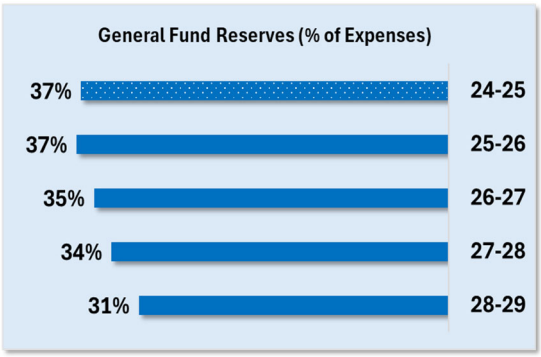


The City is a Charter City which was incorporated in 1889. The City operates under the Council-City Manager form of government with a seven-member City Council elected by the citizens. The Mayor is directly elected to serve a two-year term and Council members are elected to alternating four-year terms. The Council has the authority to establish all laws and regulations, subject only to the limits of the City Municipal Code and State legislation. The City Council appoints a City Manager to serve as the City's chief administrative officer. The City Manager provides direction to all City departments; and ensures that all Council policies are implemented.

The City provides police protection, street, park and facility maintenance, recreational, planning, zoning, economic development, library, administrative and financial services for Pacific Grove. Fire protection services are provided through a contract with the City of Monterey. Additional services include sewer operations, a municipal golf course, cemetery, and a local water reclamation facility.

Long-Term Forecast

The City uses a five-year forecast to facilitate long-term fiscal planning. The City's conservative forecast for the next five fiscal years should assist in navigating future economic challenges. To assist with long-term planning, the City incorporates a Pavement Management Study, an Information Technology Master Plan, and a Sewer Master Plan. Additional plans for future improvements include a Facility Asset Management Study, and a Streets Policy. The fiscal policy of the General Fund recommends maintaining reserves of at least 35% of its annual expenditures.



Departmental Achievements

Despite the limited resources available, the City has developed an ambitious two year workplan for the fiscal years 2023-2025, including the following which address the City's mission and vision noted on a previous page.



City Council

- Developed the City's long-term goals.
- Protected the environment and quality of life for the City.
- Adopted the annual operating and capital improvement budget.

City Manager

- Completed with IT Laserfiche Documents Management System implementation project.
- Implemented several provisions of the recruitment and retention plan.
- Negotiated successor MOUs for the General Employee and Management Employee Association.

Administrative Services

- Received an unmodified or "clean" opinions on various mandated audit reports.
- Completed an updated cost allocation plan and development impact fee study.
- Received awards for the City's Annual Comprehensive Financial Statements and Budget.

Community Development

- Continued efforts on Housing Element, General Plan, and Zoning Amendments Update.
- Updated the Community Development website to receive online applications for permits.
- Continued code enforcement to protect health and offered next day building inspection services.

Economic Development



- Worked with the Chamber to assist on local business initiatives.
- Facilitated meetings for the Economic Development Commission.
- Oversaw the Façade Improvement Program.

Library

- Implemented with IT a new "Self-Checkout" system at the library.
- Created monthly poetry programs.
- Increased outreach for seniors and schools with a new Outreach Vehicle.

Fire and Police

- Completed a Community Wildfire Protection Plan.
- Hosted two Citizen Police Academies.
- Implemented the FLOCK Camera System.

Public Works



- Substantially completed the FY 23/24 Street Rehabilitation projects.
- Performed a substantial amount of road rehabilitation and repair.
- Planted more than 150 trees throughout the City.

Recreation and Museum

- Reestablished Youth Center Afterschool Program for youth.
- Implemented Youth Soccer Clinics, Soccer League and Track and Field.
- Improved and streamlined the park and facility reservation process.

Local Economy



The City's local economy is supported by residents, regional visitors, and a strong tourism base. In Fiscal Year 24/25, the City's three core revenues: Property Tax, Sales Tax, and Transient Occupancy Tax (TOT) are anticipated to be stable; however slower growth is projected. The projected $10.3 million in property tax receipts are anticipated to return to more traditional growth rates because of higher mortgage interest rates. Sales and Use tax is projected to be approximately $6 million, which is slower than the 23/24 Fiscal Year due to a flattening in the consumer market. TOT is expected to grow to approximately $7 million.

In November of 2022, voters approved two ballot measures related to cannabis sales. This included gauging support to allow the establishment of one cannabis storefront; and the ability to levy a tax up to 6% of gross receipts on the sale of cannabis and cannabis products. In Fiscal Year 24/25, the City continued to work to develop a cannabis licensing program, with the goal of authorizing one retail license. Cannabis taxes were initially projected to yield $300,000 annually; however, $100,000 in revenues were included in the Fiscal Year 24/25 to reflect a partial year of operation. This estimate may be modified to reflect program implementation timelines.



Economic development and revitalization of the commercial corridors, particularly the downtown, will continue to be a focus for the City. The addition of a new 100-room boutique hotel in the downtown, the P.G. Hotel, which is proposed to be operated by the Kimpton Hotel group, promises to bring much needed additional foot traffic to the downtown. This new hotel is anticipated to significantly increase transient occupancy tax, property tax and sales tax revenues once the project is complete and occupancy commences. The hotel developers broke ground on the project and expect a 2-year construction phase.

Over the last few years, inflation has increased significantly. These inflationary rates, combined with limited affordable housing within Monterey County, continue to impact the local economy and the ability for employers to retain an adequate workforce. The draft Housing Element, which includes the City's Regional Housing Needs Allocation (RHNA), has indicated that the City needs to plan for 1,125 affordable housing units. Some of the potential development efforts could be challenging due to the State's current Water Cease and Desist Order. To emphasize its importance, the Council has made affordable housing an Area of Focus.



The limited local pool of prospective employees and the regional high cost of housing have also made it difficult for the City to attract and retain highly qualified staff. To assist, compensation packages are also balanced with the need to achieve fiscal sustainability. Like most California municipalities, the City has challenges with rising CalPERS pension costs. To assist with cost-containment, employees in "classic" retirement plans have agreed to pay 3-5% of the employer's share of pension costs, in addition to their regular pension contributions. In Fiscal Year 24/25, the unfunded liability payment is $4.5 million, with the increase over the prior year primarily due to lower than anticipated rate of return on CalPERS investments. The estimated higher contributions have been built into the multi-year forecast.

Key Initiatives

The City Council adopted Areas of Focus, Goals and Milestones for 2023-2025, which included the following initiatives for which significant progress was made during Fiscal Year 2023-24:



Recreation Services:

- Implementation of the expanded services funded in FY 23/24

Infrastructure:

- Completion of the Facility Asset Management and Prioritization Study
- Continuation of work to develop a Complete Streets Policy

Environmental Stewardship:

- Completion of a Climate Action and Adaptation Plan
- Continuation of effort to Plant and Maintain Trees – Urban Canopy
- Completion of the Biological Assessment for a George Washington Park Master Plan Update

Financial Policies / Gann Limit

The City has established financial policies to provide guidance on several financial areas, including the following which are included as part of the adopted budget:

City Council Policy 400-6: Budget and Financial Management
City Council Policy 400-5: Investments
City Council Policy 400-4: Fees, Charges and Cost Recovery

The City's Investments, General Fund Reserve levels, and Fee Schedule are in compliance with these policies as of the end of Fiscal Year (FY) 23-24. In addition, the City's revenues for FY 2023-24 are well under the adopted Gann Limit for that fiscal year, which restricts the amount of tax proceeds that can be spent in a fiscal year.

Awards

The City has received from GFOA awards for excellence in reporting for its budget and ACFR. It has also received awards for its operating budget from the California Society of Municipal Finance Officers (CSMFO). These awards focus on providing high quality documents that are easy to understand by citizens, City Council, customers, stakeholders, regulators and other interested parties. The City will submit the FY 24-25 budget to GFOA and CSMFO and the FY 23-24 ACFR to GFOA in accordance with their award programs.

Acknowledgements

We wish to recognize the City Council for their leadership, support and commitment to fiscal sustainability and long-term financial planning. We also express appreciation to all departments for providing sound fiscal management and their assistance with preparation of the ACFR and budget, with special thanks to the staff of the Finance Department who assisted with the preparation of both.

Respectfully submitted,

Fred Marsh

Administrative Services Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pacific Grove
California

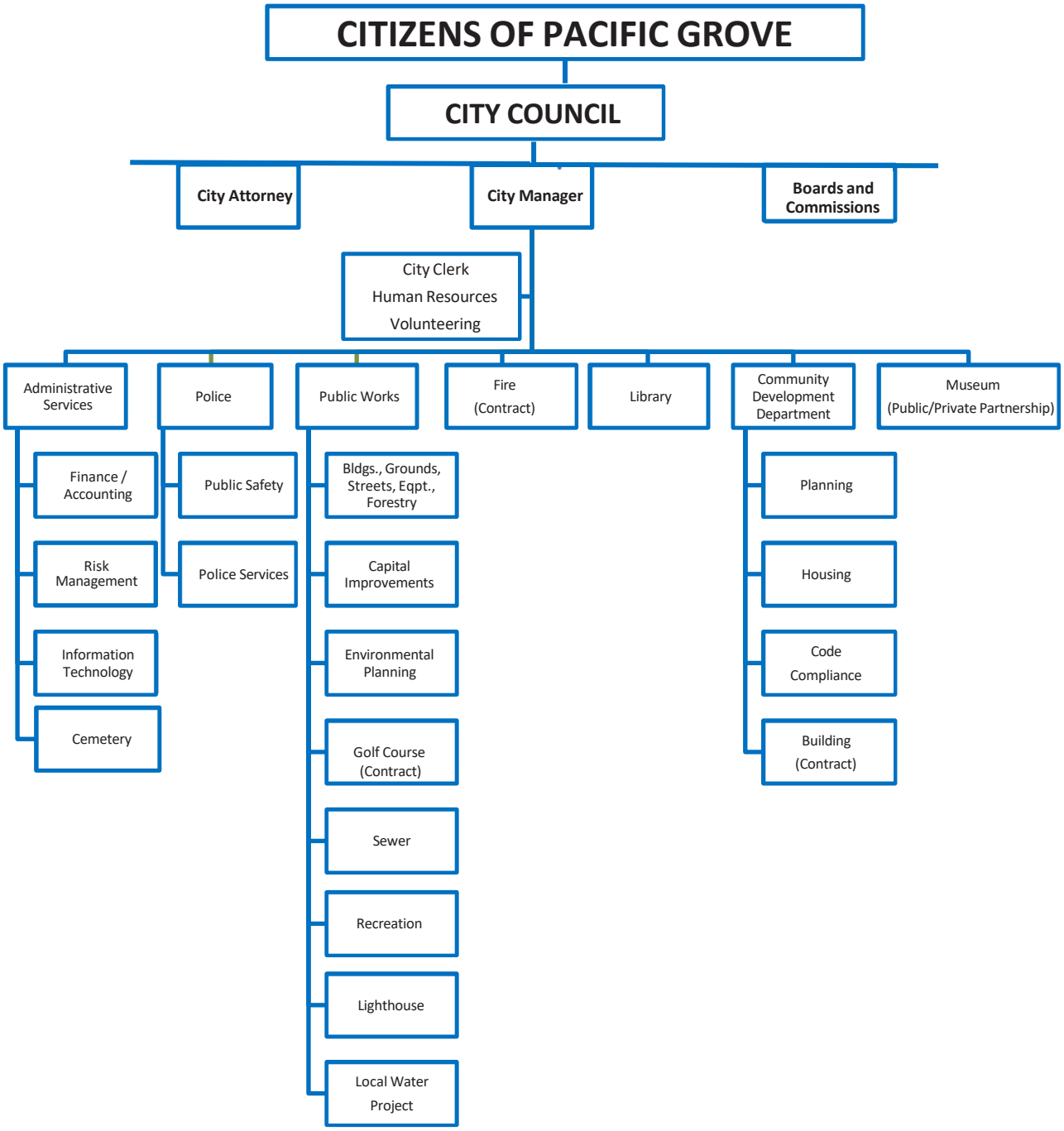
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

City of Pacific Grove
Organization Chart
Fiscal Year 2023-2024



City Of Pacific Grove
List Of Principal Officials
Fiscal Year Ended June 30, 2024

Elected Officials



Bill Peake
Mayor



Joe Amelio
Councilmember



Debby Beck
Councilmember



Lori McDonnell
Councilmember



Chaps Poduri
Councilmember



Nick Smith
Councilmember



Luke Coletti
Councilmember

Appointed Officials



Matt Mogensen
City Manager

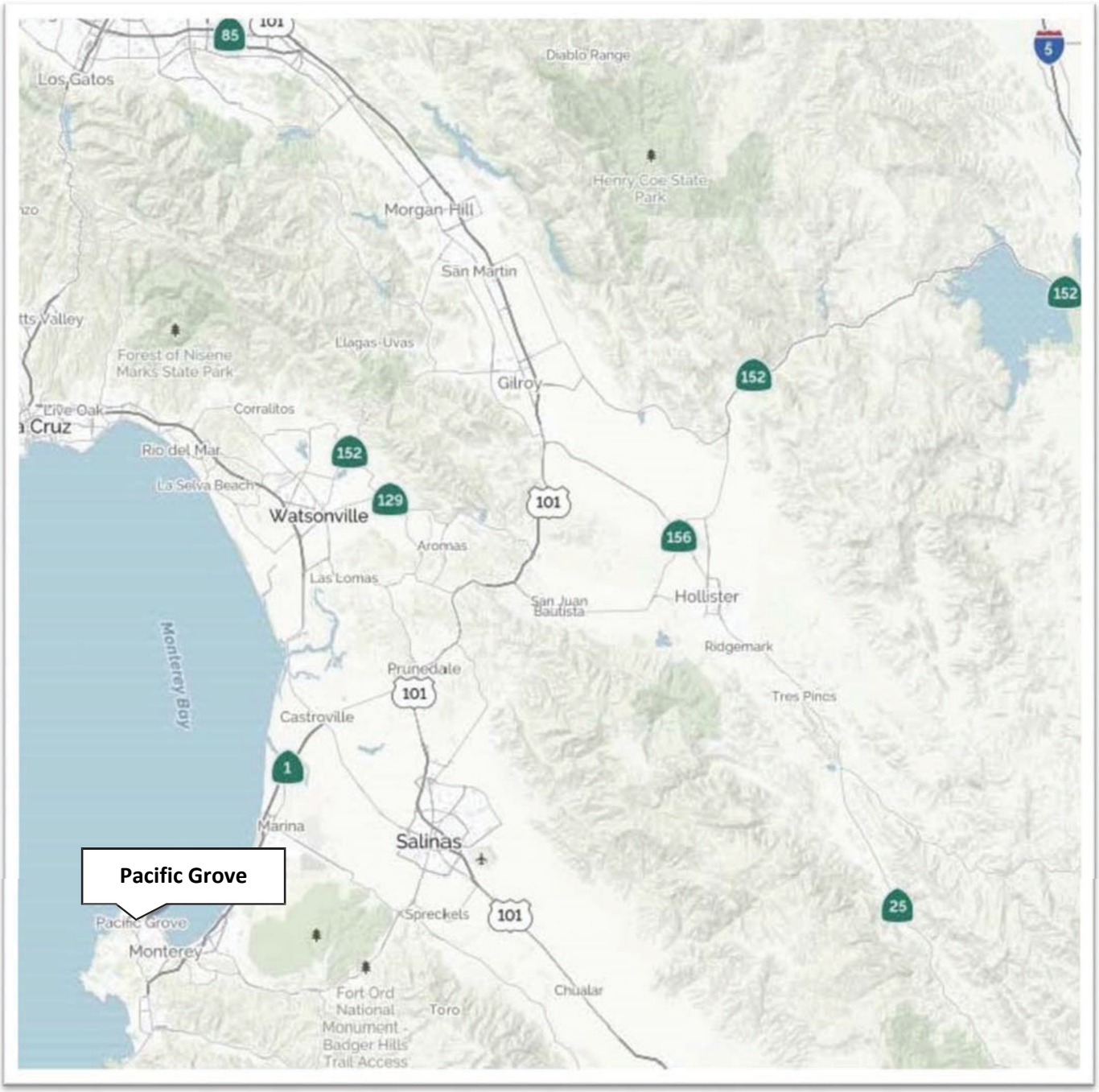


Brian Pierik
City Attorney

Department Heads / Administrators

Administrative Services:	Fred Marsh	Chief of Police:	Cathy Madalone
City Clerk:	Sandra Kandell	Community Development:	Karen Vaughn
Human Resources:	Leticia Livian	Public Works:	Daniel Gho
Library Director:	Rachel Gaither	Fire (Contract):	Andrew Miller

Map of Pacific Grove and the Monterey Bay Area




CITY OF PACIFIC GROVE, CA.
INC. 1889

THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and the Members of the City Council
of the City of Pacific Grove
Pacific Grove, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pacific Grove, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules – General Fund and Major Special Revenue Funds, the Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions - Pensions, and the Schedule of Changes in Net OPEB Liability and Related Ratios as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The Pun Group, LLP

Santa Ana, California
January 20, 2025

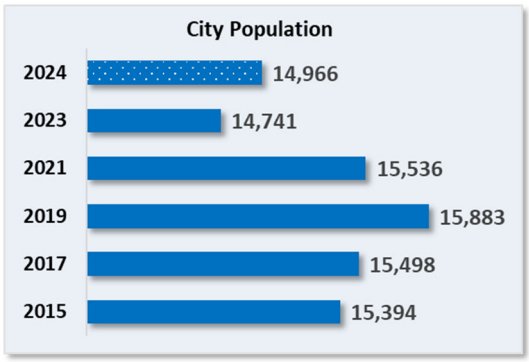

CITY OF PACIFIC GROVE, CA.
INC. 1889



This discussion and analysis (MD&A) includes an overview of the City of Pacific Grove's (City's) financial activities and performance for the fiscal year ended June 30, 2024. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consists of three parts: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. The financial statements presented herein include all of the activities of the City and its component units. Please read the MD&A in conjunction with the transmittal letter, the basic financial statements, and the accompanying notes to those financial statements in the Annual Comprehensive Annual Report (ACFR).

Government-Wide Financial Statements



These provide readers with a broad view of the City's finances, using the economic resources measurement focus and accrual basis of accounting. These accounting methods are similar to those used by private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Additionally, certain interfund receivables, payables, and interfund activity have been eliminated. An overview of the City's functions associated with each classification is listed below.

Governmental Activities – All of the City's basic services are considered to be governmental activities. This includes general government, public safety, public works, recreation, library, museum, and community development. These services are supported by general City revenues such as taxes, and by specific program revenues such as development and recreation program fees.

Business-Type Activities – The City's enterprise activities include cemetery, sewer, water reclamation and golf operations. Unlike governmental activities, these services are fully supported by charges paid by users based on the amount of services they use.

The Statement of Net Position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or declining. The Statement of Activities presents information showing how the net position changed during the recent fiscal year.

Fund Financial Statements

These provide readers with additional information about the City's major funds, how services were financed in the short term, and fund balances available for financing future projects. Most of the City's funds, excluding the City's General Fund and Internal Service Funds, have significant restrictions, commitments, or other limitations, which affect the availability of their fund resources for future use.

Notes to the Financial Statements / Supplementary Information

These provide additional information to give the reader a better understanding of the data provided in the Government-Wide Financial Statements and Fund Financial Statements. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the City's progress in funding its obligation to provide pension and retiree health benefits to its employees. The combining statements for non-major and internal service funds are presented immediately following the required supplementary information.

Financial Highlights

Statement of Net Position

- Net Position – Representing the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources is ↑ $6.3 million to $55.3 million, due to increased revenues from taxes and sewer fees.

- Working Capital – Representing current assets less current liabilities was ↑ $ 5.6 million to $30.9 million, due to increased revenues from taxes and sewer fees.

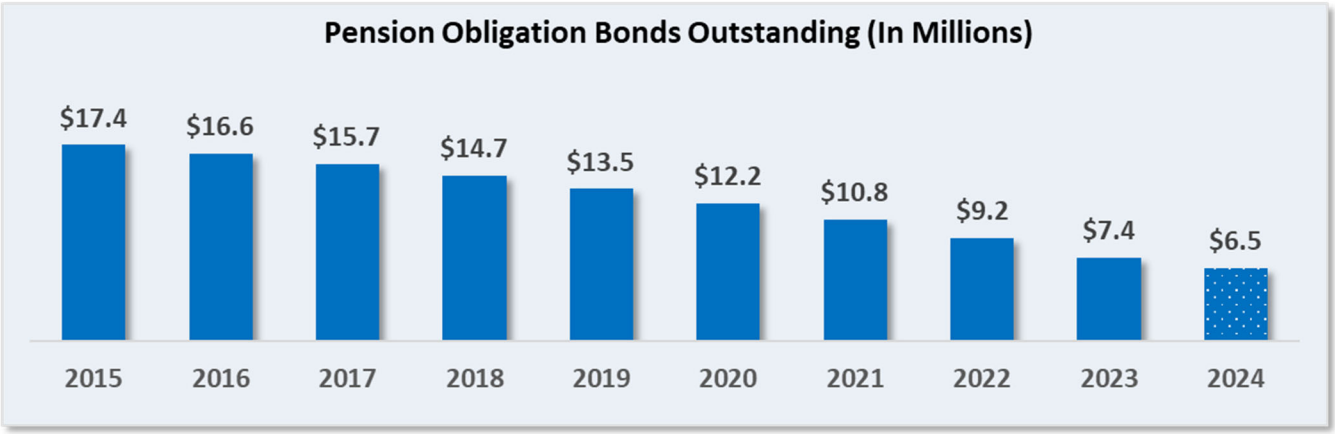
- Net Investment in Capital Assets – The City's largest portion of net position reflects investments in net capital assets less any related debt that was used to acquire those assets. The ending balance was $63.9 million, reflecting the purchase of a new fire truck and completion of capital projects during the fiscal year.

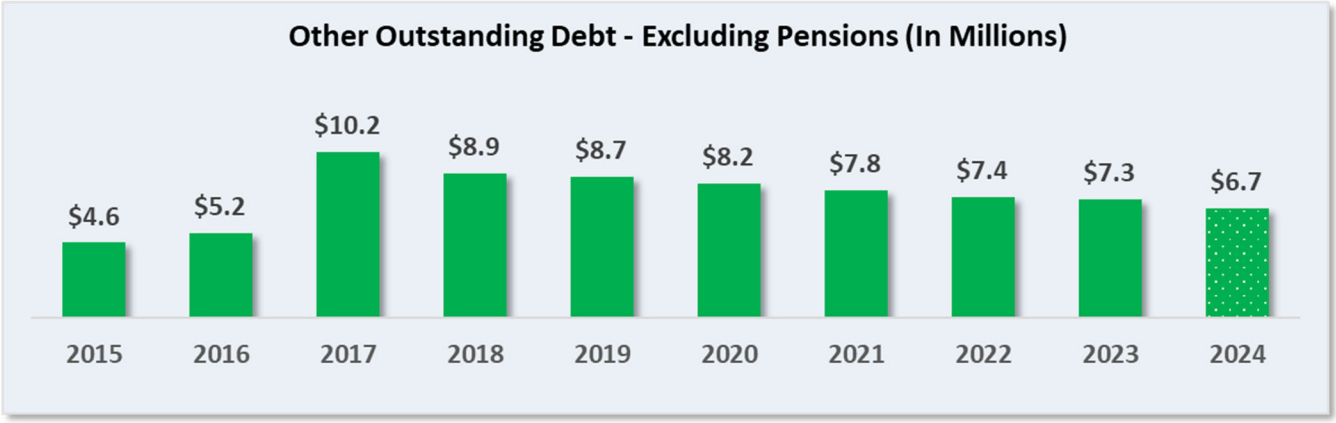
- Unrestricted Net Position – The City had a deficit in unrestricted net position of $19.4 million at the end of the fiscal year. Many different items comprise the unrestricted net position, including the City's net pension liability offset.

Statement of Activities

- Change in Net Position - Was $6.3 million during the year, comprised of a net change from governmental activities of $3.5 million and from business type activities of $2.8 million.

- Operating Revenues / Expenses – Operating revenues consisted of $10.1 million for Charges for Services, $1.8 million for Operating Grants and Contributions, $474K for Capital Grants and Contributions and $31.7 million for taxes and general revenues. Operating expenses consisted of $34.2 million for governmental activities and $4.1 million for business type activities.





Statement of Net Position

The increase in assets and net position in the Statement of Net Position is due to increased tax receipts and sewer revenues, as well as other revenue and expense variances noted elsewhere in this document. The deficit of Net Position is net of pension related liabilities, inflows and outflows.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current assets	$ 31,536,158	$ 28,283,390	$ 12,595,155	$ 11,959,454	$ 44,131,313	$ 40,242,844
Capital and other assets	52,208,677	52,331,856	29,811,564	28,531,697	82,020,241	80,863,553
Total Assets	$ 83,744,835	$ 80,615,246	$ 42,406,719	$ 40,491,151	$126,151,554	$121,106,397
Deferred Outflows of Resources	**$ 20,365,434**	**$ 20,411,891**	**$ 356,339**	**$ 906,222**	**$ 20,721,773**	**$ 21,318,113**
Liabilities						
Current liabilities	$ 11,250,624	$ 12,065,938	$ 1,955,768	$ 1,178,517	$ 13,206,392	$ 13,244,455
Noncurrent and other liabilities	63,260,135	61,892,717	7,301,671	9,121,474	70,561,806	71,014,191
Total Liabilities	**$ 74,510,759**	**$ 73,958,655**	**$ 9,257,439**	**$ 10,299,991**	**$ 83,768,198**	**$ 84,258,646**
Deferred Inflows of Resources	**$ 5,943,387**	**$ 6,862,623**	**$ 1,824,958**	**$ 2,246,234**	**$ 7,768,345**	**$ 9,108,857**
Net Position						
Net investment in capital assets	$ 42,670,667	$ 42,333,875	$ 21,252,446	$ 21,619,974	$ 63,923,113	$ 63,953,849
Restricted	10,470,523	10,055,437	296,448	298,348	10,766,971	10,353,785
Unrestricted (deficit)	(29,485,067)	(32,183,453)	10,131,767	6,932,826	$ (19,353,300)	(25,250,627)
Total Net Position	**$ 23,656,123**	**$ 20,205,859**	**$ 31,680,661**	**$ 28,851,148**	**$ 55,336,784**	**$ 49,057,007**

Current and Other Assets

This includes unrestricted cash and investments and items such as receivables, inventory and prepaid items expected to be converted into cash within one year.

Capital Assets

Consisting of land, buildings, improvements, infrastructure, vehicles, equipment, and the right-to-use assets. These items are not available for future spending.

Current and Other Liabilities

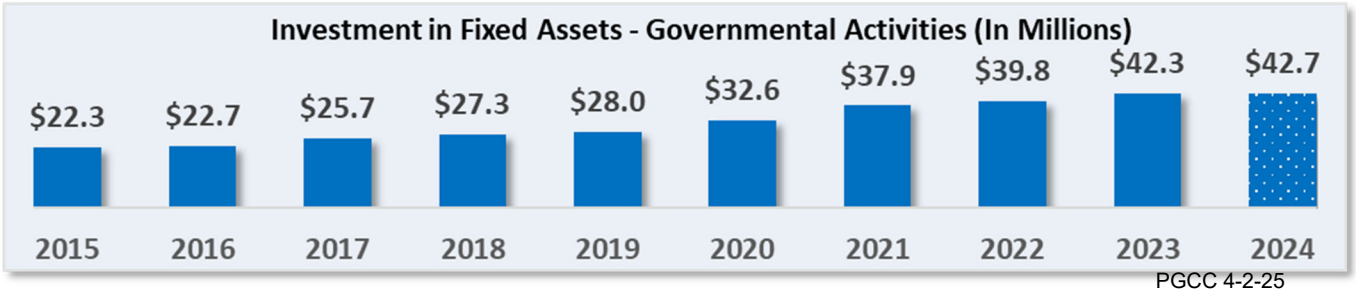
Represents liabilities expected to be paid with cash within one year.

Long Term Liabilities

Includes the outstanding obligations for the City, including pensions, OPEB, compensated absences, leases, subscriptions, claims outstanding, and bonded debt.

Net Position

Net investment in capital assets represents the City's capital assets net of accumulated depreciation and related debt. The restricted portion is subject to externally imposed restrictions for activities such as capital projects, debt service, and community development and is not available for general operations. The unrestricted portion is available for general operations. The deficit amount shown in Governmental Activities is due to the City's outstanding pension obligations.

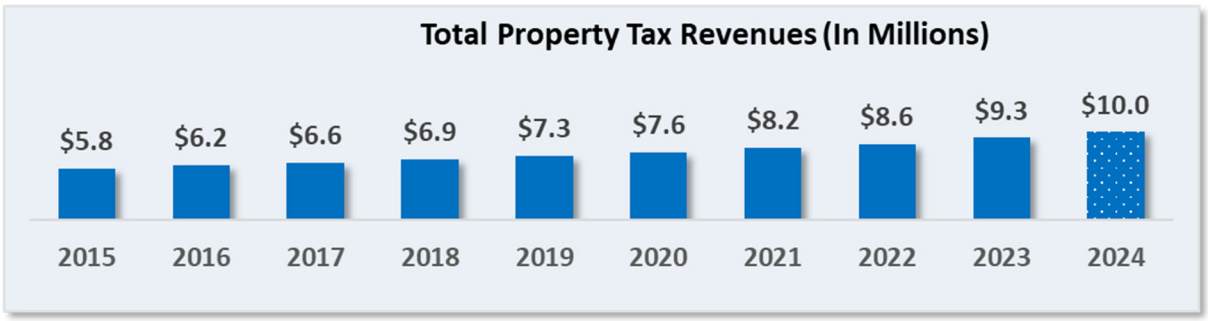


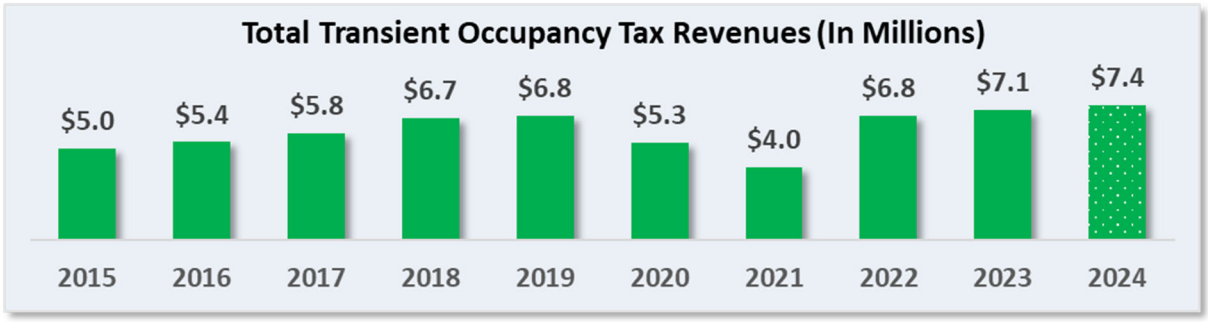
Statement of Changes in Net Position

The Statement of Changes in Net Position reflects the fact that the City's net position increased by approximately $6.3 million in the current fiscal year. The increase in net position is due to increases in tax and sewer fee revenues received. The City's Statements of Activities are shown below for FY 2024 and 2023:

Summary of Statement of Changes in Net Position

Functions/Programs	Governmental Activities 2024	Governmental Activities 2023	Increase (Decrease)	Business-Type Activities 2024	Business-Type Activities 2023	Increase (Decrease)
Program Revenues						
Charges for services	$ 3,820,786	$ 3,643,560	$ 177,226	$ 6,318,159	$ 5,855,243	$ 462,916
Operating grants and contributions	1,803,700	2,689,705	(886,005)	-	-	-
Capital grants and contributions	474,137	1,109,485	(635,348)	-	-	-
Total Program Revenues	**6,098,623**	**7,442,750**	**(1,344,127)**	**6,318,159**	**5,855,243**	**462,916**
General Revenues						
Taxes	29,147,787	27,480,551	1,667,236	-	-	-
Investment earnings	1,443,592	345,550	1,098,042	511,470	151,223	360,247
Other revenues	1,150,805	1,991,162	(840,357)		-	-
Total General Revenues	**31,742,184**	**29,817,263**	**1,924,921**	**511,470**	**151,223**	**360,247**
Total Revenues	**37,840,807**	**37,260,013**	**580,794**	**6,829,629**	**6,006,466**	**823,163**
Expenses						
General government	6,440,878	3,241,604	3,199,274	-	-	-
Public safety	15,217,138	7,895,196	7,321,942	-	-	-
Public works	5,230,431	2,809,143	2,421,288	-	-	-
Recreation	1,562,919	554,042	1,008,877	-	-	-
Library	1,248,197	741,061	507,136	-	-	-
Museum	360,431	223,551	136,880	-	-	-
Community development	3,666,942	1,426,245	2,240,697	-	-	-
Interest on fiscal charges	476,107	470,144	5,963	-	-	-
Cemetery operating		-	-	452,270	469,815	(17,545)
Sewer operating		-	-	1,224,324	2,158,900	(934,576)
Local water project		-	-	2,042,255	1,107,370	934,885
Golf course		-	-	468,767	364,089	104,678
Total Expenses	**34,203,043**	**17,360,986**	**16,842,057**	**4,187,616**	**4,100,174**	**87,442**
Excess / (Deficiency) before Transfers	3,637,764	19,899,027	(16,261,263)	2,642,013	1,906,292	735,721
Transfers	(187,500)	(162,500)	(25,000)	187,500	162,500	25,000
Increase / (Decrease) in Net Position	3,450,264	19,736,527	(16,286,263)	2,829,513	2,068,792	760,721
Net Position, Beginning of Year	**20,205,859**	**469,332**	**19,736,527**	**28,851,148**	**26,782,356**	**2,068,792**
Net Position, End of Year	**$ 23,656,123**	**$20,205,859**	**$ 3,450,264**	**$ 31,680,661**	**$ 28,851,148**	**$ 2,829,513**





Statement of Changes in Net Position (Continued)

The following represents a breakout of program revenues and expenditures by major activity:

	Fiscal Year Ended June 30		
	2022	2023	2024
Program Expenses			
Governmental activities:			
General government	$ 5,800,659	$ 3,241,604	$ 6,440,878
Public safety	16,706,460	7,895,196	15,217,138
Public works	6,611,056	2,809,143	5,230,431
Recreation	1,117,468	554,042	1,562,919
Library	1,437,706	741,061	1,248,197
Museum	431,708	223,551	360,431
Community Development	4,075,001	1,426,245	3,666,942
Interest and fiscal charges on long-term debt	580,350	470,144	476,107
Total governmental activities expenses	36,760,408	17,360,986	34,203,043
Business-type activities:			
Cemetery	610,773	469,815	452,270
Sewer	2,842,577	1,045,865	1,224,324
Local Water Project	1,048,075	2,136,404	2,042,255
Golf	281,320	282,177	468,767
Total business-type activities expenses	4,782,745	3,934,261	4,187,616
Total primary government expenses	$ 41,543,153	$ 21,295,247	$ 38,390,659
Program Revenues			
Governmental activities:			
Charges for services:			
General government	$ 1,720,294	$ 1,439,808	$ 1,210,812
Public safety	31,244	593,308	599,859
Public works	2,646	21,550	1,639
Recreation	390,314	452,660	599,573
Library	34,443	2,132	2,374
Community Development	882,556	1,134,102	1,406,529
Operating grants and contributions	2,526,917	2,689,705	1,803,700
Capital grants and contributions	2,248,708	1,109,485	474,137
Total governmental activities program revenues	7,837,122	9,958,525	6,098,623
Business-type activities:			
Charges for services:			
Cemetery	800,923	773,195	716,931
Local Water Project	598,195	597,011	1,026,820
Sewer	3,565,896	3,693,156	3,829,192
Golf	611,397	791,881	745,216
Total business-type activities program revenues	5,576,411	5,855,243	6,318,159
Total primary government program revenues	13,413,533	13,297,993	12,416,782
Net (expense)/revenue:			
Governmental activities	(28,923,286)	(9,918,236)	(28,104,420)
Business-type activities	793,666	1,920,982	2,130,543
Total primary government net (expense)/revenue	$ (28,129,620)	$ (7,997,254)	$ (25,973,877)

Revenues include charges for services such as sewer charges, grants, and funding received from other organizations for the purpose of financing the operating and capital costs of special programs, and taxes, including property, sales and transaction, franchise, transient occupancy, and business license taxes.

Expenses include Administration (including City Manager, Human Resources, Finance and Information Services, Police, Fire, Public Works, Community Development (including planning, building, housing and economic development), Recreation (including the library, museum and adult and youth activities), the City's golf course, Sewer, Cemetery and the City's local water project.

Statement of Changes in Net Position (Continued)

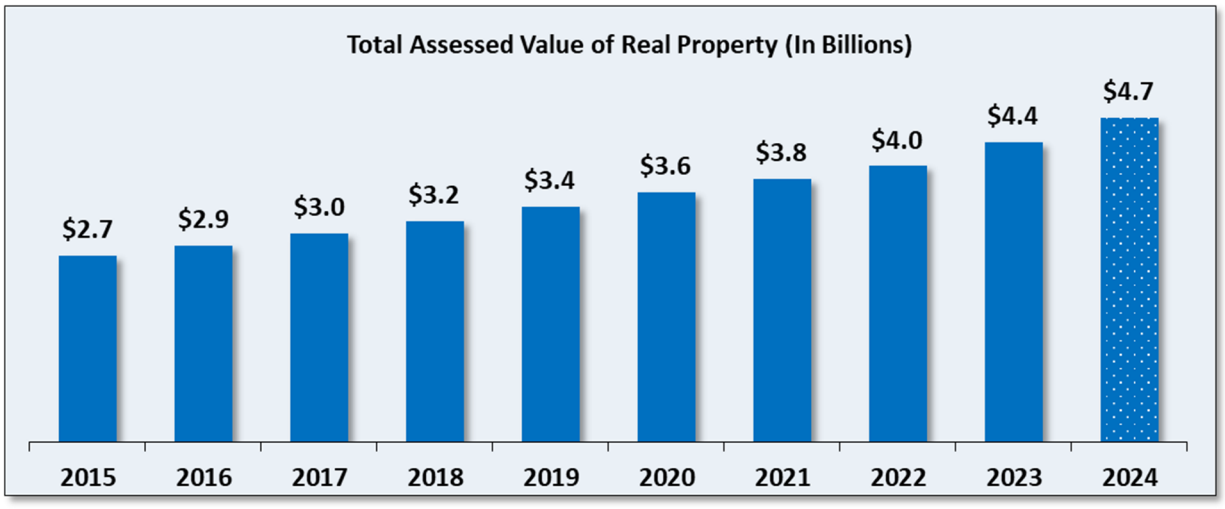
	Fiscal Year Ended June 30		
	2022	2023	2024
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes			
Property taxes	$ 8,573,969	$ 9,330,981	$ 10,001,561
Sales and use taxes	5,630,320	6,734,940	7,146,935
Franchise taxes	1,489,888	1,620,136	1,682,562
Transient occupancy taxes	6,821,183	7,105,256	7,375,869
Utility users taxes	1,940,677	2,097,934	2,118,068
Business license tax	371,310	425,691	644,911
Property transfer tax	231,389	150,278	159,401
Property taxes in lieu of motor vehicle fee	-	15,335	18,480
Unrestricted Investment earnings		179,637	1,443,592
Miscellaneous or Other revenues	1,400,243	1,143,687	1,150,805
Transfers	-	(162,500)	(187,500)
Total governmental activities	26,056,675	28,807,288	31,554,684
Business-type activities:			
Unrestricted Investment earnings	(18,409)	151,223	511,470
Miscellaneous or Other revenues	-		
Transfers	-	162,500	187,500
Total business-type activities	(18,409)	147,810	698,970
Total primary government	$ 26,038,266	$ 28,955,098	$ 32,253,654

Governmental Activities

The total cost of services for all governmental activities in FY 23-24 was $34.2 million, with program revenues covering $6.1 million resulting in a net cost of $28.1 million. The remaining portion of governmental activities was covered by taxes (some of which can only be used for certain programs) and other revenues, such as interest and other miscellaneous revenue. The cost of services went up driven by cost escalations and the impact of negotiated labor agreements and the most recent pension actuarial.

Business Activities

The total cost of all Business-Type activities this year was $4.1 million. As shown in the Statement of Activities, these were funded by charges for services totaling $6.3 million amounts paid by users of the systems, along with interest earned on invested cash balances. Net position increased by $2.8 million for business-type activities (including investment earnings and transfers) to $31.7 million.



Financial Analysis of the City's Governmental Funds

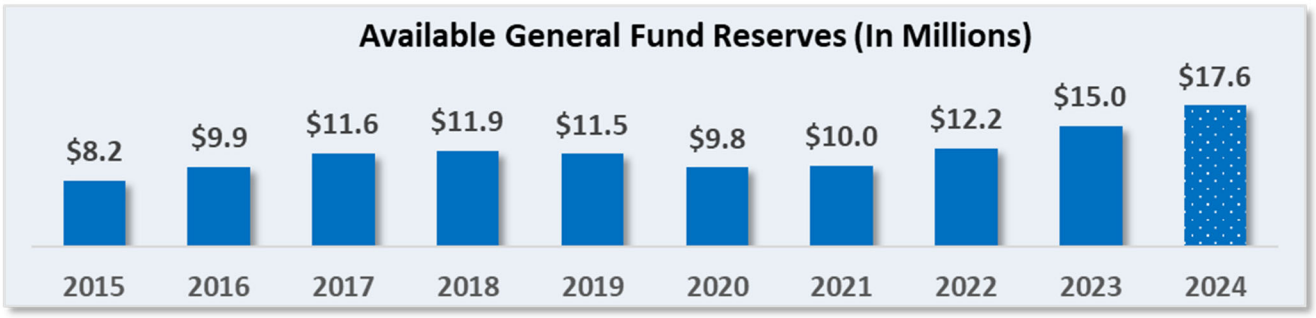
The Fund Financial Statements focus on individual parts of the City's government, reporting operations in more detail than the Government-Wide Statements.

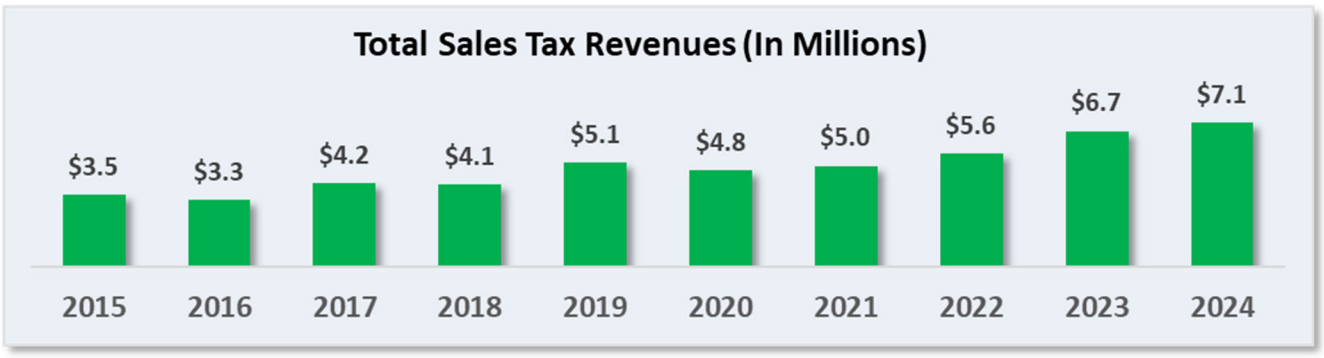
The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The City's governmental funds reported a combined fund balance at June 30, 2024 of $28 million, an increase of $2.9 million over the end of the previous fiscal year. Major changes are noted below.

Table 3 - Summary of Changes in Fund Balance - Governmental Funds

	Major Funds					
	General Fund	RSTP Fund	CDBG Grant Fund	Capital Projects Fund	Other Governmental Funds	Total
Total Revenues	**$ 33,249,760**	**$ 69,450**	**$ 50,472**	**$ 123,482**	**$ 3,886,772**	**$37,379,936**
Total Expenditures	**29,471,819**	**378,644**	**5,132**	**535,912**	**3,884,750**	**34,276,257**
Revenues Over (Under) Expenditures	$ 3,777,941	$ (309,194)	$ 45,340	$ (412,430)	$ 2,022	$ 3,103,679
Transfers in	3,359			750,000	322,000	1,075,359
Transfers out	(1,252,510)				(10,349)	(1,262,859)
Proceeds from sale of assets	6,800	-	-	-	-	6,800
Inception of subscription liabilities	20,846	-	-	-		20,846
Net change in fund balances (deficit)	**$ 2,556,436**	**$ (309,194)**	**$ 45,340**	**$ 337,570**	**$ 313,673**	**$ 2,943,825**
Beginning of year Fund Balance (deficit)	**15,025,352**	**(40,122)**	**1,279,643**	**22,626**	**8,720,644**	**25,008,143**
End of year Fund Balance (deficit)	**$ 17,581,788**	**$ (349,316)**	**$ 1,324,983**	**$ 360,196**	**$ 9,034,317**	**$27,951,968**

The General Fund is the chief operating fund of the City and reflects an increase of $2.6 million in fund balance. due to higher than anticipated tax revenues and expenditure savings due to vacancies. Capital Projects fund balances increased by $338,000 due to the carryover of some capital projects to Fiscal Year 24-25.





General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City's budget with adjustments for various revenue and expenditure changes. After taking into account these adjustments, General Fund revenues were higher than the final budget by $1.0 million, which is primarily attributable to higher tax collections and an increase in return on the City's investments, and General Fund expenditures were under budget by $2 million, due to personnel cost savings resulting from vacancies in several of the City's departments. Significant variances are shown below:

General Fund Budget Actual

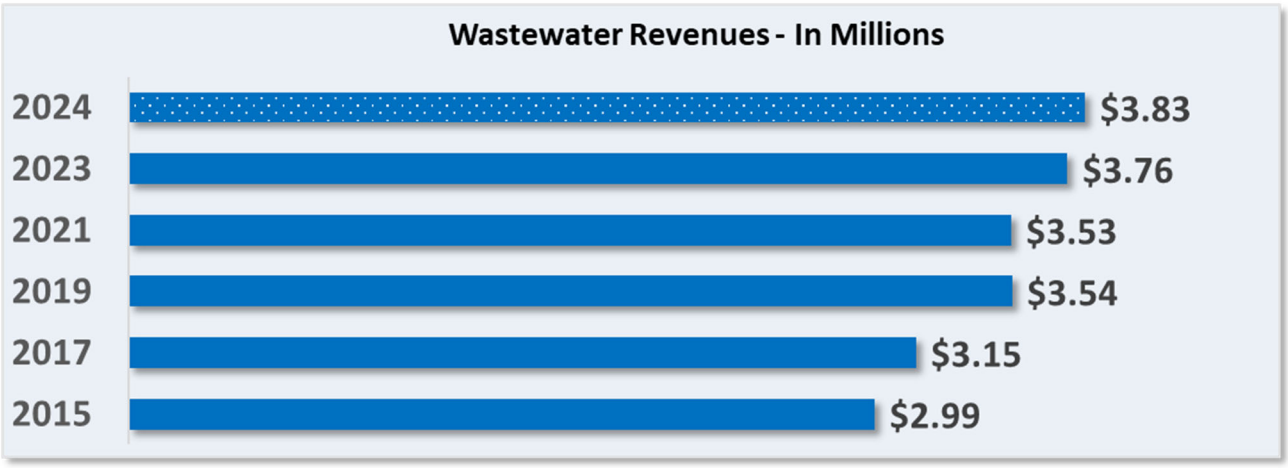
Functions/Programs	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes				
Property taxes	9,609,000	9,881,000	10,001,561	120,561
Sales and use taxes	5,957,000	6,039,000	5,975,031	(63,969)
Franchise and other taxes	1,585,000	1,625,000	1,635,968	10,968
Transient occupancy taxes	6,562,000	6,840,000	6,820,365	(19,635)
Utility user taxes	2,005,000	2,003,000	2,118,068	115,068
Business license tax	370,000	385,000	607,647	222,647
Other taxes	187,000	182,000	177,881	(4,119)
Intergovernmental	41,000	234,000	278,308	44,308
Licenses, permits and impact fees	885,000	1,318,000	1,322,285	4,285
Fines and Forfeitures	530,000	394,000	314,242	(79,758)
Charges for services	1,643,000	1,783,000	1,737,498	(45,502)
Interest, rents and concessions	436,750	603,057	1,125,585	522,528
Other revenues	1,362,787	1,001,100	1,135,321	134,221
Total Revenues	**31,173,537**	**32,288,157**	**33,249,760**	**961,603**
Expenses				
General government	5,322,421	5,673,734	5,305,657	368,077
Public safety				-
Police	8,305,755	8,116,264	7,850,494	265,770
Fire	4,425,400	4,521,532	4,508,537	12,995
Public works	4,967,832	4,998,854	4,399,769	599,085
Recreation	1,101,418	1,403,404	1,224,512	178,892
Library	1,143,910	1,172,182	1,129,218	42,964
Museum	337,400	343,400	346,494	(3,094)
Community development	3,006,773	3,881,283	2,908,796	972,487
Capital Outlay	215,000	362,222	291,690	70,532
Debt Service:				-
Principal retirement	498,070	498,020	576,256	(78,236)
Interest and fiscal charges	930,396	930,396	930,396	-
Total Expenses	**30,254,375**	**31,901,291**	**29,471,819**	**2,429,472**
Other Financing Uses (Net)	**(1,784,187)**	**(1,596,500)**	**(1,221,505)**	**(374,995)**
Increase / (Decrease) in Net Position	**(865,025)**	**(1,209,634)**	**2,556,436**	**(3,766,070)**
Net Position, Beginning of Year, as Restated			**15,025,352**	
Net Position, End of Year			**$ 17,581,788**	

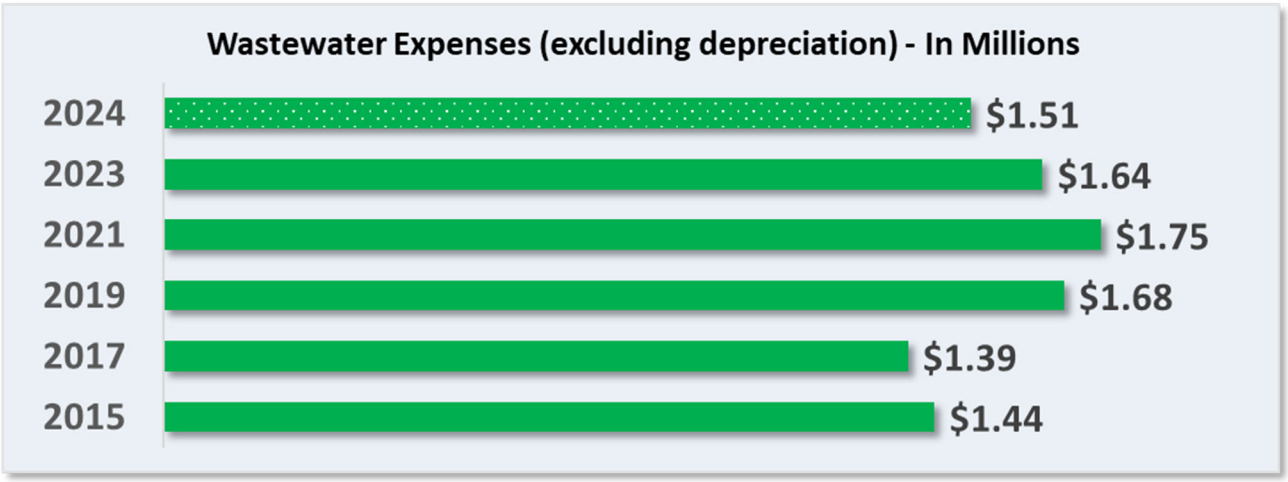
Financial Analysis of the City's Proprietary Funds

These funds provide the same type of information found in the Government-Wide Financial Statements but in more detail. Factors concerning these funds have previously been addressed in the discussion of business-type activities under the Government-Wide Statements.

Summary of Changes in Net Position - Proprietary Funds

	Business Type Activities					Governmental Activities
	Cemetery Fund	Local Water Project Fund	Sewer Fund	Golf Course Fund	Total	Internal Service Funds
Total Operating Revenues	**$ 716,931**	**$ 1,026,820**	**$ 3,829,192**	**$ 745,216**	**$ 6,318,159**	**$ 2,014,597**
Total Operating Expenses	**452,270**	**1,179,528**	**2,021,906**	**405,786**	**4,059,490**	**1,388,276**
Revenues Over (Under) Expenses	$ 264,661	$ (152,708)	$ 1,807,286	$ 339,430	$ 2,258,669	$ 626,321
Transfers in		187,500			187,500	
Investment Earnings	47,725	3,111	368,224	92,410	511,470	45,683
Interest Expense		(44,796)	(20,349)	(62,981)	(128,126)	(9,246)
Net change in Net Position	**$ 312,386**	**$ (6,893)**	**$ 2,155,161**	**$ 368,859**	**$ 2,829,513**	**$ 662,758**
Beginning of year Net Position	**933,230**	**1,109,022**	**23,124,603**	**3,684,293**	**28,851,148**	**128,957**
End of year Net Position	**$ 1,245,616**	**$ 1,102,129**	**$ 25,279,764**	**$ 4,053,152**	**$31,680,661**	**$ 791,715**
Ending Working Capital	**$ 1,086,245**	**$ (222,566)**	**$ 8,761,146**	**$ 1,026,041**	**$10,650,866**	**$ 920,672**





Capital Assets



The City of Pacific Grove's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to $71.9 million (net of accumulated depreciation and amortization). This includes net capital assets from governmental activities of $43.4 million and net capital assets from business type activities at $28.5 million. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, and sewer systems. The table below summarizes the City's capital assets net of depreciation:

	Governmental Activities		Business-type Activities		Total		
	2024	2023	2024	2023	2024	2023	% Change
Land	$ 2,338,270	$ 2,338,270	$ 362,953	$ 362,973	$ 2,701,223	$ 2,701,243	0%
Construction in progress	5,524,639	5,603,986	983,414	436,247	6,508,053	6,040,233	8%
Buildings and improvement	8,448,463	8,841,034	4,608,292	4,813,851	13,056,755	13,654,885	-4%
Infrastructure	25,910,303	24,691,259	22,135,513	22,458,821	48,045,816	47,150,080	2%
Machinery and equipment	883,493	798,968	393,898	459,805	1,277,391	1,258,773	1%
Subscriptions (SBITAs)	298,136	429,597		-	298,136	429,597	100%
Total Capital Assets, Net	**$ 43,403,304**	**$ 42,703,114**	**$ 28,484,070**	**$ 28,531,697**	**$ 71,887,374**	**$ 70,805,214**	**2%**

The City had the following capital commitments outstanding as of June 30, 2024:

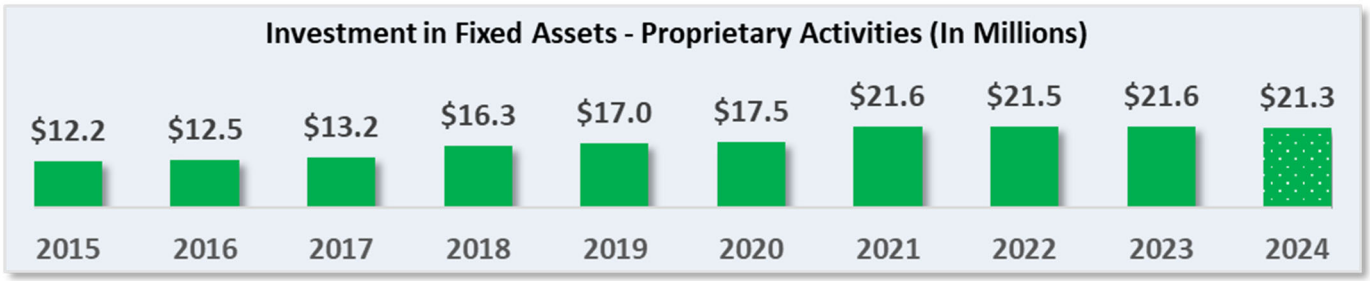
Capital Commitment	Amount Outstanding
Street Improvements	$785,877
Facility Improvements	52,014
Park Improvements	8,131
Total	$846,022

Major capital projects and capital outlay during the fiscal year included the following:



- Phase 9 Sewer Improvements
- Street Rehabilitation Project
- Street Crack and Slurry Seal
- Cedar, Sunset and Congress Intersection
- Sewer Pump Station Replacement
- Design of Sewalk Extension for Outdoor Dining
- Backstop Replacement Municipal Ball Park
- Reconstruction Public Works Facilities
- George Washington Park Enhancements

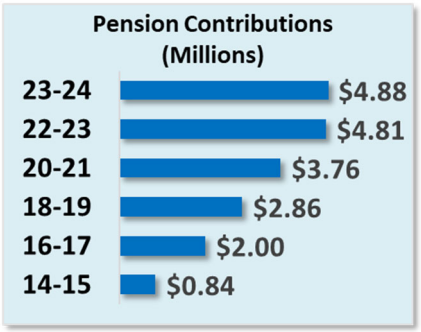
Additional information on capital asset activity is described in the notes to the financial statements.

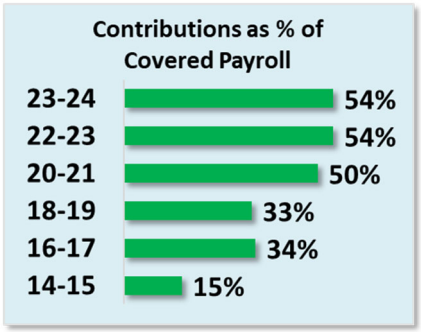


Long-Term Debt, Pension and Other Post Employment Benefit (OPEB) Obligations

The City's net pension and net OPEB obligations as of June 30, 2024 were $55.0 million and $3.0 million respectively. As of June 30, 2023, the City's net pension obligation was 76.7% funded.

During the year, Long-Term Debt from governmental activities decreased by $0.9 million, primarily due to regular debt service payments. Long-term debt attributable to business type activities decreased by $0.4 million due to regular debt service payments on the following bond issues:





Pension Obligation Bonds
On June 1, 2006, the City issued Taxable Pension Obligation Bonds in the principal amount of $19.4 million. The bonds were part of the California Statewide Communities Development Authority Taxable Pension Obligation Bonds Program.

Clean Water State Revolving Fund Loan
In November 2015, the City secured State Water Resources Control Board ("SWRCB") funding for $5.3 million for the construction of a recycled water treatment plant, sewer diversion structure, waste pump main station, and user connections.

Golf Course COP Refunding / 2013 Wastewater Revenue Refunding Bond
The City entered into a $3.1 million Site Lease with Umpqua Bank to refund its 2014 Golf Course Certificate of Participation, secured by the transfer of property rights to Umpqua Bank. - The City issued Wastewater Revenue Refunding Bonds for $1.2 million, which refinances the California State Community Development Authority Series 2001B Revenue Bonds.

The following table summarizes the City's debt at the end of the year:

Summary of Outstanding Long-Term Debt at Fiscal Year End

Governmental Activities

	2024	2023	% Change	Maturity	Interest
Pension Obligation Bonds	6,458,191	$ 7,403,565	-12.8%	2029	5.67-6.12%
PG&E Loan	31,403	51,451	-39.0%	Varies	Varies
SBITA Liability	200,738	317,788	-36.8%	Varies	Varies
Total outstanding long-term debt	**$ 6,690,332**	**$ 7,772,804**	**-13.9%**		

Business-type Activities

	2024	2023	% Change	Maturity	Interest
2013 Wastewater Revenue Refunding Bonds	573,704	$ 639,629	-10.3%	2031	3.35%
Golf Course COP Refunding	1,526,268	1,725,451	-11.5%	2030	4.35%
Clean Water State Revolving Fund Loan	4,385,661	4,546,643	-3.5%	2048	1%
Total outstanding long-term debt	**$ 6,485,633**	**$ 6,911,723**	**-6.2%**		

City Bond Rating / GO Bonds - Standard and Poor's Rating Services and Moody's Investor Services Inc., assigned a rating of SP-1+ and MIG 1, respectively, to the City's 2006 Pension Obligation Bonds. The City has not received any updates to this rating. The City does not have any General Obligation Bonds (GO). The California Government Code, Section 43605 caps GO debt at 15% of the assessed value of all real and personal property within the City. The legal debt margin based upon the Fiscal Year 23-24 ACFR is $713 million.

Additional information on these obligations is described in the notes to the financial statements.

Economic Factors / Next Year's Budget

The City prepares an annual budget based on council-set goals and priorities, which contains a multi-year financial plan that focuses on long-term financial viability and allows decision-makers to understand the impact of their policy decisions. Budget development is guided by a series of policies adopted by the City Council, which guides long-term planning, minimum reserve levels, employee compensation, cash and debt management, information technology, and utility rates. The budget was based on these key assumptions:

Property Taxes

Proposition 13 set the Fiscal Year 75/76 assessed values as the base year for future annual inflationary assessed values, with a growth rate limited to 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 to 1% of each property's full value, plus any additional percentages for specific voter approved indebtedness. The City receives approximately sixteen cents of every dollar of the property tax paid on properties assessed within the City, with the balance distributed to the Pacific Grove Unified School District, County of Monterey, and local special districts.



Sales Tax

In April 2022, approximately 60% of voters approved Measure A, a new 0.50% transaction and use tax. This increased the combined sales tax rate to 9.25% in October 2022. The General Fund portion of the City sales tax is comprised of a 1% Bradley-Burns statutory sales tax rate; and Measure U, a 1% transaction and use tax that was approved by voters in 2008. The tax rate increased to 1.5% when Measure A became effective.

Utility Users Tax

The City imposes a utility users' tax to residents and businesses within the City that utilize water, gas, electricity, telephone, and cable services. This tax is assessed at a rate of 5% of the amount charged by the utility; and it is paid by the person consuming the service. The amount of revenues received is primarily influenced by updates to the underlying rate structures or new development projects.

Transient Occupancy Tax (TOT)

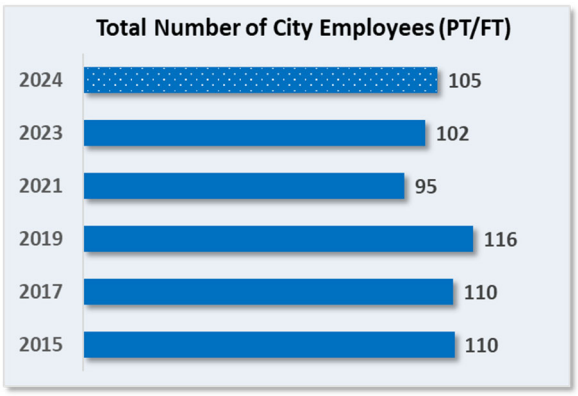
TOT Is a lodging tax that is collected on overnight rental accommodation stays of 30 consecutive days or less. In 2010, the City updated its municipal code and began collecting TOT on residential or short-term rental properties (STRS). In Fiscal Year 17/18, the City approved an ordinance to reduce the number of short-term rentals, with an effective date of April 30, 2019. At the beginning of Fiscal Year 19/20, there were approximately 200 properties, with an additional 12 home-sharing licenses. In November of 2018, 74.9% of voters approved Measure U, allowing the City to increase the TOT rate from 10% to 12%. This new rate became effective on July 1, 2019. This increased tax has been partially offset by Measure M, which eliminated STRS outside of the Coastal and Commercial zones, which became effective in May of 2020.



Economic Factors / Next Year's Budget (Continued)

Personnel costs

These are based on approved staffing levels for Fiscal Year 24-25. Impacts of labor agreements effective July 1, 2022, through June 30, 2026, have been included and COLA adjustments are accounted for in outer years.



Health Costs

Based upon information provided by our health care providers, the City's health costs are projected to increase significantly in FY 24-25 and beyond. The budget assumes sharing between the City and employees for any increases in health premiums for future fiscal years.

Pension Costs

Pension rates for FY 24-25 are based on information provided by CalPERS, which assumes that they meet their targeted net discount rate of 6.8%.

Internal Service Funds (ISF) Funding

Funding to the City's ISFs has been adjusted in FY 24-25 to fund operational and reserve levels for general and worker's compensation insurance claims. In past years, the City underfunded its ISF reserves to maintain the General Fund reserve levels at 35%, as mandated by Council Policy 400-6 on Budget and Financial Management.

Capital Projects

The City's adopted capital improvement program (CIP) for FY 24-25 is $2.9 million and $0.5 million for capital outlay. The CIP is designed to meet community needs, with special emphasis on those projects that contribute to the City's economic vitality and quality of life. Some of the projects and capital outlay funded for Fiscal Year 2024-25 include the following:

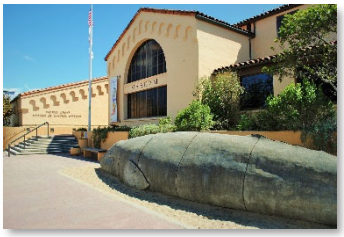
Capital Outlay	Capital Projects
• IT Network Upgrade	• Pedestrian Safety - Central
• Library Upgrades	• Pump Station 15.5
• Phone System Upgrades	• Street Crack and Slurry Seal
• Door Access Upgrade	• Street Rehabilitation
• Patrol Vehicle Purchase	• Golf Cart Path Improvements
• Police Equipment	• Golf Tee Expansion / Renovation
• Fire Equipment	• Recreation Trail Improvements



Additional information related to the City's key revenues, expenditures, and major initiatives are included in the Transmittal Section of this document.

Request for Financial Information

This financial report is designed to provide a general overview of the City of Pacific Grove's finances for all of Pacific Grove's residents, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Department of Finance at 300 Forest Avenue, Pacific Grove, CA 93950, or visit the City of Pacific Grove webpage at www.cityofpacificgrove.org.




CITY OF PACIFIC GROVE, CA.
INC. 1889



Hopkins Marine Station



Rip Van Winkle Open Space


CITY OF PACIFIC GROVE, CA.
INC. 1889



Monarch Grove Sanctuary



Pacific Grove Museum of Natural History

City of Pacific Grove
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 27,411,424	$ 10,232,217	$ 37,643,641
Restricted cash and investments	70,237	296,448	366,685
Receivables:			
Taxes	2,799,558	-	2,799,558
Accounts	1,068,517	1,685,442	2,753,959
Loans, due within one year	-	40,513	40,513
Leases, due within one year	61,719	366,388	428,107
Interest	79,501	2,250	81,751
Internal balances	28,103	(28,103)	-
Prepaid items	17,099	-	17,099
Total current assets	31,536,158	12,595,155	44,131,313
Noncurrent assets:			
Loans receivable, due in more than one year	1,131,177	-	1,131,177
Leases receivable, due in more than one year	1,428,769	1,327,494	2,756,263
Available for sale assets	6,245,427	-	6,245,427
Capital assets:			
Nondepreciable/amortizable	7,862,909	1,346,387	9,209,296
Depreciable/amortizable, net	35,540,395	27,137,683	62,678,078
Total capital assets	43,403,304	28,484,070	71,887,374
Total noncurrent assets	52,208,677	29,811,564	82,020,241
Total assets	83,744,835	42,406,719	126,151,554
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	20,056,797	331,620	20,388,417
Related to OPEB	308,637	24,719	333,356
Total deferred outflows of resources	20,365,434	356,339	20,721,773

See accompanying Notes to the Basic Financial Statements.

City of Pacific Grove
Statement of Net Position (Continued)
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 2,480,557	$ 1,394,945	$ 3,875,502
Accrued payroll	310,252	17,878	328,130
Deposits and other liabilities	42,646	-	42,646
Interest payable	2,480	50,743	53,223
Unearned revenue	6,246,685	-	6,246,685
Claims payable - due within one year	156,505	-	156,505
Compensated absences - due within one year	299,763	40,146	339,909
Long-term debt - due within one year	1,568,308	440,577	2,008,885
Total OPEB liability - due within one year	143,428	11,479	154,907
Total current liabilities	11,250,624	1,955,768	13,206,392
Noncurrent liabilities:			
Long-term debt - due in more than one year	5,122,024	6,045,056	11,167,080
Claims payable - due in more than one year	317,926	-	317,926
Compensated absences - due in more than one year	899,290	120,435	1,019,725
Net pension liability	54,110,601	911,094	55,021,695
Total OPEB liability - due in more than one year	2,810,294	225,086	3,035,380
Total noncurrent liabilities	63,260,135	7,301,671	70,561,806
Total liabilities	74,510,759	9,257,439	83,768,198
DEFERRED INFLOWS OF RESOURCES			
Related to leases	1,387,028	1,615,537	3,002,565
Related to pensions	2,734,639	63,518	2,798,157
Related to OPEB	1,821,720	145,903	1,967,623
Total deferred inflows of resources	5,943,387	1,824,958	7,768,345
NET POSITION			
Net investment in capital assets	42,670,667	21,252,446	63,923,113
Restricted for:			
Insurance	70,237	-	70,237
Social service programs	885,693	-	885,693
Public safety	772,852	-	772,852
Community development	5,903,351	-	5,903,351
Lost revenue recovery	895,169	-	895,169
Street improvements	1,943,221	-	1,943,221
Debt service	-	296,448	296,448
Total restricted	10,470,523	296,448	10,766,971
Unrestricted (deficit)	(29,485,067)	10,131,767	(19,353,300)
Total net position	$ 23,656,123	$ 31,680,661	$ 55,336,784

See accompanying Notes to the Basic Financial Statements.

City of Pacific Grove
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Program Revenues: Total Program Revenues
Governmental activities:					
General government	$ 6,440,878	$ 1,210,812	$ 291,776	$ 267,219	$ 1,769,807
Public safety	15,217,138	599,859	387,077	-	986,936
Public works	5,230,431	1,639	817,091	206,918	1,025,648
Recreation	1,562,919	599,573	32,857	-	632,430
Library	1,248,197	2,374	65,819	-	68,193
Museum	360,431	-	-	-	-
Community development	3,666,942	1,406,529	209,080	-	1,615,609
Interest	476,107	-	-	-	-
Total governmental activities	34,203,043	3,820,786	1,803,700	474,137	6,098,623
Business-type Activities:					
Cemetery	452,270	716,931	-	-	716,931
Local Water Project	1,224,324	1,026,820	-	-	1,026,820
Sewer	2,042,255	3,829,192	-	-	3,829,192
Golf	468,767	745,216	-	-	745,216
Total business-type activities	4,187,616	6,318,159	-	-	6,318,159
Total primary government	$ 38,390,659	$ 10,138,945	$ 1,803,700	$ 474,137	$ 12,416,782

See accompanying Notes to the Basic Financial Statements.

City of Pacific Grove
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental activities:			
General government	$ (4,671,071)	$ -	$ (4,671,071)
Public safety	(14,230,202)	-	(14,230,202)
Public works	(4,204,783)	-	(4,204,783)
Recreation	(930,489)	-	(930,489)
Library	(1,180,004)	-	(1,180,004)
Museum	(360,431)	-	(360,431)
Community development	(2,051,333)	-	(2,051,333)
Interest	(476,107)	-	(476,107)
Total governmental activities	(28,104,420)	-	(28,104,420)
Business-type Activities:			
Cemetery	-	264,661	264,661
Local Water Project	-	(197,504)	(197,504)
Sewer	-	1,786,937	1,786,937
Golf	-	276,449	276,449
Total business-type activities	-	2,130,543	2,130,543
Total primary government	(28,104,420)	2,130,543	(25,973,877)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes	10,001,561	-	10,001,561
Sales and use taxes	7,146,935	-	7,146,935
Franchise and other taxes	1,682,562	-	1,682,562
Transient occupancy taxes	7,375,869	-	7,375,869
Utility users taxes	2,118,068	-	2,118,068
Business license tax	644,911	-	644,911
Property transfer tax	159,401	-	159,401
Property taxes in lieu of motor vehicle fee	18,480	-	18,480
Total taxes	29,147,787	-	29,147,787
Investment income	1,443,592	511,470	1,955,062
Miscellaneous	1,150,805	-	1,150,805
Total general revenues	31,742,184	511,470	32,253,654
Transfers	(187,500)	187,500	-
Changes in net position	3,450,264	2,829,513	6,279,777
Net position - beginning of year	20,205,859	28,851,148	49,057,007
Net position - end of year	$ 23,656,123	$ 31,680,661	$ 55,336,784

See accompanying Notes to the Basic Financial Statements.


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove, California
Fund Financial Statements

This section includes Governmental and Proprietary Fund Financial Statements.



Point Pinos Lighthouse



Pacific Grove Golf Links


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove, California
Governmental Fund Financial Statements

General Fund - To account for and report all financial resources not accounted for and reported in another fund.

RSTP Fund - This special revenue fund receives federal and state transportation funding through the Transportation Agency for Monterey County (TAMC). TAMC allocates these funds to local agencies. Funds are used for variety of projects including bicycle and pedestrian projects, local roads, and transit.

Community Development Block Grant (CDBG) Fund - This special revenue fund was established to account for amounts received from Community Development Block Grants and for the loan and administrative activities of the City's various CDBG grants.

Capital Improvement Projects Fund - This Capital Improvement Projects Fund accounts for capital projects funded fully or in part by discretionary General Fund revenues. These projects are distinct from projects funded by the self-supporting Enterprise Funds or Special Revenue Funds.

Nonmajor Governmental Funds - To account for the aggregate of all the nonmajor governmental funds.



Lovers Point


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds					
	General Fund	RSTP Fund	CDBG Grant Fund	Capital Improvement Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	$ 16,138,035	$ -	$ 583,077	$ 450,045	$ 8,798,702	$ 25,969,859
Receivables:						
Accounts	252,614	349,316	-	227,598	224,910	1,054,438
Taxes	2,459,598	-	-	-	339,960	2,799,558
Loans	-	-	744,739	-	386,438	1,131,177
Leases	1,490,488	-	-	-	-	1,490,488
Interest	77,485	-	-	-	2,016	79,501
Prepaid items	17,099	-	-	-	-	17,099
Due from other funds	361,558	-	-	-	-	361,558
Total assets	$ 20,796,877	$ 349,316	$1,327,816	$ 677,643	$ 9,752,026	$ 32,903,678
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 1,473,905	$ 58,507	$ 2,833	$ 317,447	$ 609,591	$ 2,462,283
Payroll-related liabilities	310,252	-	-	-	-	310,252
Deposits and other liabilities	42,646	-	-	-	-	42,646
Due to other funds	-	290,809	-	-	42,646	333,455
Unearned revenue	1,258	-	-	-	-	1,258
Total liabilities	1,828,061	349,316	2,833	317,447	652,237	3,149,894
Deferred inflows of resources:						
Lease-related	1,387,028	-	-	-	-	1,387,028
Unavailable revenue	-	349,316	-	-	65,472	414,788
Total deferred inflows of resources	1,387,028	349,316	-	-	65,472	1,801,816
Fund balances:						
Nonspendable:						
Prepaid items	17,099	-	-	-	-	17,099
Permanent funds	-	-	-	-	3,492,262	3,492,262
Restricted:						
Social service programs	-	-	-	-	1,261,146	1,261,146
Public safety	-	-	-	-	358,064	358,064
Community development	-	-	1,324,983	-	1,086,106	2,411,089
Lost revenue recovery	-	-	-	-	895,169	895,169
Street improvements	-	-	-	-	1,943,221	1,943,221
Committed	12,033,000	-	-	-	-	12,033,000
Assigned:						
Capital projects	-	-	-	360,196	-	360,196
Unassigned (deficit)	5,531,689	(349,316)	-	-	(1,651)	5,180,722
Total fund balances	17,581,788	(349,316)	1,324,983	360,196	9,034,317	27,951,968
Total liabilities, deferred inflows of resources, and fund balances	$ 20,796,877	$ 349,316	$1,327,816	$ 677,643	$ 9,752,026	$ 32,903,678

See accompanying Notes to the Basic Financial Statements.

City of Pacific Grove
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds	$ 27,951,968
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:	
Capital assets, not being depreciated	7,862,909
Capital assets, depreciable/amortizable	65,863,073
Less accumulated depreciation/amortization	(30,322,678)
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.	(2,480)
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds' Balance Sheet.	
Long-term debt - due within one year	(1,568,308)
Long-term debt - due in more than one year	(5,122,024)
Compensated absences - due within one year, net of $83 reported in the internal service funds	(299,680)
Compensated absences - due in more than one year, net of $250 reported in the internal service funds	(899,040)
Net pension liability and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:	
Pension related deferred outflows of resources, net of $111,369 reported in the internal service funds	19,945,428
Aggregate net pension liabilities, net of $305,975 reported in the internal service funds	(53,804,626)
Pension related deferred inflows of resources, net of $21,332 reported in the internal service funds	(2,713,307)
Net other postemployment benefits liability and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:	
OPEB related deferred outflows of resources, net of $1,741 reported in the internal service funds	306,896
Aggregate net OPEB liabilities, net of $16,658 reported in the internal service funds	(2,937,064)
OPEB related deferred inflows of resources, net of $10,273 reported in the internal service funds	(1,811,447)
Revenues earned but not available to pay for current expenditures for governmental funds are unavailable.	414,788
Internal service funds are used by management to charge the costs of stores, vehicle maintenance, and various insurance costs to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Government-Wide Statement of Net Position.	791,715
Net position of governmental activities	$ 23,656,123

City of Pacific Grove
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds				Formerly Major Fund		
	General Fund	RSTP Fund	CDBG Grant Fund	Capital Improvement Projects Fund	ASBS Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
Taxes:							
Property taxes	$10,001,561	$ -	$ -	$ -		$ -	$10,001,561
Sales and use taxes	5,975,031	-	-	-		1,171,904	7,146,935
Franchise and other taxes	1,635,968	-	-	-		46,594	1,682,562
Transient occupancy taxes	6,820,365	-	-	-		555,504	7,375,869
Utility users taxes	2,118,068	-	-	-		-	2,118,068
Business license tax	607,647	-	-	-		37,264	644,911
Other taxes	177,881	-	-	-		-	177,881
Intergovernmental	278,308	69,450	-	110,948		1,282,243	1,740,949
Licenses, permits, and impact fees	1,322,285	-	-	-		-	1,322,285
Fines and forfeitures	314,242	-	-	-		-	314,242
Charges for services	1,737,498	-	-	-		176,440	1,913,938
Interest, rents, and concessions	1,125,585	-	50,381	12,533		482,585	1,671,084
Contributions	-	-	-	-		-	-
Other revenues	1,135,321	-	91	1		134,238	1,269,651
Total revenues	33,249,760	69,450	50,472	123,482		3,886,772	37,379,936
EXPENDITURES:							
Current:							
General government	5,305,657	-	-	1,528		617,055	5,924,240
Public safety:							
Police	7,850,494	-	-	-		775,380	8,625,874
Fire	4,508,537	-	-	-		5,527	4,514,064
Public works	4,399,770	-	-	-		328,648	4,728,418
Recreation	1,224,512	-	-	-		99,059	1,323,571
Library	1,129,218	-	-	-		77,029	1,206,247
Museum	346,494	-	-	-		-	346,494
Community development	2,908,796	-	5,131	-		538,213	3,452,140
Capital outlay	291,690	378,644	-	534,384		1,381,539	2,586,257
Debt service:							
Principal retirement	576,256	-	-	-		60,287	636,543
Interest	930,396	-	-	-		2,013	932,409
Total expenditures	29,471,820	378,644	5,131	535,912		3,884,750	34,276,257
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,777,940	(309,194)	45,341	(412,430)		2,022	3,103,679
OTHER FINANCING SOURCES (USES):							
Transfers in	3,359	-	-	750,000		322,000	1,075,359
Transfers out	(1,252,510)	-	-	-		(10,349)	(1,262,859)
Proceeds from sale of assets	6,800	-	-	-		-	6,800
Inception of subscription liabilities	20,846	-	-	-		-	20,846
Total other financing sources (uses)	(1,221,505)	-	-	750,000		311,651	(159,854)
NET CHANGES IN FUND BALANCES	2,556,435	(309,194)	45,341	337,570		313,673	2,943,825
FUND BALANCES (DEFICIT):							
Beginning of year, previously reported	15,025,353	-	1,279,642	22,626	23,629	8,656,893	25,008,143
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	(40,122)	-	-	(23,629)	63,751	-
Beginning of year, as restated (Note 16)	15,025,353	(40,122)	1,279,642	22,626	-	8,720,644	25,008,143
End of year	$17,581,788	$(349,316)	$1,324,983	$ 360,196	$ -	$ 9,034,317	$27,951,968

See accompanying Notes to the Basic Financial Statements.

City of Pacific Grove

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position

For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds:		$ 2,943,825
Amounts reported for governmental activities in the Statement of Activities are different because:		
Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over the estimated useful lives as depreciation expense. The following was the amount of capital assets recorded in the current period:		
Capital outlay ($50,651 of capital outlay expenditures were for current public works expenditures for repairs and maintenance and therefore, were not capitalized).		2,535,606
The net effect of disposal of capital assets.		(6,400)
Depreciation and amortization expenses on capital and lease assets were reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation and amortization expenses were not reported as an expenditure in the governmental funds.		(1,829,016)
The fund financial statements record interest expenditures on the current financial resources measurement focus whereas the Government-Wide financial statements recognize interest expense on the accrual basis. The reconciling amount was the change in accrued interest from the prior year.		(1,227)
Long-term compensated absences expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the change in long-term compensated absences was not reported as an expenditure in the governmental funds.		127,709
Other postemployment benefits and pension expenses were reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in other postemployment benefits liability and net pension liabilities were not reported as an expenditure in the governmental funds.		
OPEB expense net of contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position but reported as OPEB expenditures in the governmental fund		(2,940)
Pension expense net of contribution made after measurement date reported in deferred outflows of resources in the Government-Wide Statement of Net Position but reported as pension expenditures in the governmental funds		(2,477,311)
Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Principal repayments of long-term debt	1,562,944	
Accreted interest accrued in pension obligation bond	(459,626)	
Inception of subscription liabilities	(20,846)	1,082,472
Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue of the internal service funds was reported with governmental activities.		662,758
Unavailable revenue is not recognized as revenue in the governmental funds since the revenue is not available to fund expenditures of the current year.		414,788
Change in net position of governmental activities		$ 3,450,264

See accompanying Notes to the Basic Financial Statements.

City of Pacific Grove, California
Proprietary Fund Financial Statements

Cemetery Fund - accounts for revenue from cemetery site sales and the Little Chapel lease. The City operates and maintains the El Carmelo Cemetery. Expenditures reflect staffing, maintenance, and equipment costs.

Local Water Project Fund - accounts for revenues and expenses related to the reclamation plant's operation, treatment, and sale of recycled water.

Sewer Fund - accounts for revenues and expenses of the City's sewer operations.

Golf Course Fund - accounts for revenues related to concessionaire leases for the golf course driving range, club house, pro shop, and restaurant; and any agreed upon expenses, property improvement costs, and debt service.



Perkins Park

City of Pacific Grove
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities					Governmental Activities
	Cemetery Fund	Local Water Project Fund	Sewer Fund	Golf Course Fund	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	$ 1,105,693	$ -	$ 8,300,501	$ 826,023	$10,232,217	$ 1,441,565
Restricted cash and investments	-	-	296,448	-	296,448	70,237
Accounts receivable, net	-	306,388	1,299,499	79,555	1,685,442	14,079
Interest receivable	-	-	-	2,250	2,250	-
Loans receivable, due within one year	-	-	40,513	-	40,513	-
Leases receivable, due within one year	-	-	-	366,388	366,388	-
Prepaid items	-	-	-	-	-	-
Total current assets	1,105,693	306,388	9,936,961	1,274,216	12,623,258	1,525,881
Noncurrent assets:						
Advances to other funds	-	-	350,000	-	350,000	-
Leases receivable, due in more than one year	-	-	-	1,327,494	1,327,494	-
Capital assets						
Capital assets, not depreciated	20	-	983,414	362,953	1,346,387	-
Capital assets, depreciated, net	386,128	5,897,764	16,583,263	4,270,528	27,137,683	-
Total capital assets	386,148	5,897,764	17,566,677	4,633,481	28,484,070	-
Total noncurrent assets	386,148	5,897,764	17,916,677	5,960,975	30,161,564	-
Total assets	1,491,841	6,204,152	27,853,638	7,235,191	42,784,822	1,525,881
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	62,192	-	269,428	-	331,620	111,369
Related to OPEB	7,137	-	17,582	-	24,719	1,741
Total deferred outflows of resources	69,329	-	287,010	-	356,339	113,110

(Continued)

City of Pacific Grove
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Business-Type Activities					Governmental Activities
	Cemetery Fund	Local Water Project Fund	Sewer Fund	Golf Course Fund	Total	Internal Service Funds
LIABILITIES						
Current liabilities:						
Accounts payable	5,075	319,985	1,057,315	12,570	1,394,945	18,274
Payroll and related liabilities	13,407	-	4,471	-	17,878	-
Interest payable	-	18,274	4,805	27,664	50,743	-
Due to other funds	-	28,103	-	-	28,103	-
Claims payable, due within one year	-	-	-	-	-	156,505
Compensated absences, due within one year	966	-	39,180	-	40,146	83
Long-term debt, due within one year	-	162,592	70,044	207,941	440,577	-
Total OPEB liability, due within one year	3,315	-	8,164	-	11,479	805
Total current liabilities	22,763	528,954	1,183,979	248,175	1,983,871	175,667
Noncurrent liabilities:						
Advances from other funds	-	350,000	-	-	350,000	-
Claims payable, due in more than one year	-	-	-	-	-	317,926
Compensated absences, due in more than one year	2,896	-	117,539	-	120,435	250
Long-term debt, due in more than one year	-	4,223,069	503,660	1,318,327	6,045,056	-
Total OPEB liability, due in more than one year	64,989	-	160,097	-	225,086	15,853
Net pension liability	170,867	-	740,227	-	911,094	305,975
Total noncurrent liabilities	238,752	4,573,069	1,521,523	1,318,327	7,651,671	640,004
Total liabilities	261,515	5,102,023	2,705,502	1,566,502	9,635,542	815,671
DEFERRED INFLOWS OF RESOURCES						
Related to leases	-	-	-	1,615,537	1,615,537	-
Related to pensions	11,912	-	51,606	-	63,518	21,332
Related to OPEB	42,127	-	103,776	-	145,903	10,273
Total deferred inflows of resources	54,039	-	155,382	1,615,537	1,824,958	31,605
NET POSITION						
Net investment in capital assets	386,148	1,512,103	16,246,982	3,107,213	21,252,446	-
Restricted:						
Debt service	-	-	296,448	-	296,448	-
Insurance reserve	-	-	-	-	-	70,237
Unrestricted (deficit)	859,468	(409,974)	8,736,334	945,939	10,131,767	721,478
Total net position	$ 1,245,616	$ 1,102,129	$25,279,764	$4,053,152	$31,680,661	$ 791,715

(Concluded)

See accompanying Notes to the Basic Financial Statements.


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities					Governmental Activities
	Cemetery Fund	Local Water Project Fund	Sewer Fund	Golf Course Fund	Total	Internal Service Funds
OPERATING REVENUES:						
Charges for services	$ 716,931	$ 1,026,820	$ 3,829,192	$ 745,216	$ 6,318,159	$ 2,014,597
Total operating revenues	716,931	1,026,820	3,829,192	745,216	6,318,159	2,014,597
OPERATING EXPENSES:						
Contractual services and utilities	346,514	848,691	1,167,934	206,971	2,570,110	1,140,257
Personnel	16,935	-	267,721	-	284,656	31,869
Supplies and materials	48,076	20,428	70,364	15,948	154,816	216,150
Depreciation	40,745	310,409	515,887	182,867	1,049,908	-
Total operating expenses	452,270	1,179,528	2,021,906	405,786	4,059,490	1,388,276
OPERATING INCOME (LOSS)	264,661	(152,708)	1,807,286	339,430	2,258,669	626,321
NONOPERATING REVENUES (EXPENSES):						
Investment earnings	47,725	3,111	368,224	92,410	511,470	45,683
Interest expense	-	(44,796)	(20,349)	(62,981)	(128,126)	(9,246)
Total nonoperating revenues (expenses)	47,725	(41,685)	347,875	29,429	383,344	36,437
INCOME (LOSS) BEFORE TRANSFERS	312,386	(194,393)	2,155,161	368,859	2,642,013	662,758
TRANSFERS:						
Transfers in	-	187,500	-	-	187,500	-
Total transfers	-	187,500	-	-	187,500	-
CHANGES IN NET POSITION	312,386	(6,893)	2,155,161	368,859	2,829,513	662,758
NET POSITION:						
Beginning of year	933,230	1,109,022	23,124,603	3,684,293	28,851,148	128,957
End of year	$1,245,616	$ 1,102,129	$ 25,279,764	$ 4,053,152	$31,680,661	$ 791,715

See accompanying Notes to the Basic Financial Statements.

City of Pacific Grove
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities					Governmental Activities
	Cemetery Fund	Local Water Project Fund	Sewer Fund	Golf Course Fund	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers and users	$ 716,931	$ 792,315	$ 3,174,763	$ 688,058	$ 5,372,067	$ 2,189,327
Payments to suppliers	(403,218)	(627,168)	(695,274)	(254,996)	(1,980,656)	791,891
Payments to employees	(177,837)	-	(973,524)	-	(1,151,361)	(339,319)
Cash paid for insurance claims	-	-	-	-	-	(1,778,843)
Net cash provided by operating activities	135,876	165,147	1,505,965	433,062	2,240,050	863,056
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers from/(to) other funds	-	28,103	187,500	-	215,603	-
Interfund transactions	-	-	-	-	-	(108,002)
Net cash provided by (used in) noncapital financing activities	-	28,103	187,500	-	215,603	(108,002)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of capital assets	-	-	(1,002,281)	-	(1,002,281)	-
Principal payments on long-term debt	-	(160,982)	(65,925)	(199,183)	(426,090)	-
Interest paid on long-term debt	-	(45,466)	(20,901)	(66,591)	(132,958)	-
Net cash used in capital and related financing activities	-	(206,448)	(1,089,107)	(265,774)	(1,561,329)	-
CASH FLOWS FROM INVESTING ACTIVITIES:						
Payment on bank fees	-	-	-	-	-	(9,246)
Investment income received	47,725	3,111	368,224	92,410	511,470	45,683
Net cash provided by investing activities	47,725	3,111	368,224	92,410	511,470	36,437
Net change in cash and investments	183,601	(10,087)	972,582	259,698	1,405,794	791,491
CASH AND INVESTMENTS:						
Beginning of year	922,092	10,087	7,624,367	566,325	9,122,871	720,311
End of year	$ 1,105,693	$ -	$ 8,596,949	$ 826,023	$ 10,528,665	$ 1,511,802
CASH AND CASH EQUIVALENTS:						
Cash and investments	$ 1,105,693	$ -	$ 8,300,501	$ 826,023	$ 10,232,217	$ 1,441,565
Restricted cash and investments	-	-	296,448	-	296,448	70,237
Total cash and cash equivalents	$ 1,105,693	$ -	$ 8,596,949	$ 826,023	$ 10,528,665	$ 1,511,802

(Continued)

See accompanying Notes to the Basic Financial Statements.

City of Pacific Grove
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities					Governmental Activities
	Cemetery Fund	Local Water Project Fund	Sewer Fund	Golf Course Fund	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating income (loss)	$ 264,661	$ (152,708)	$ 1,807,286	$ 339,430	$ 2,258,669	$ 626,321
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expenses	40,745	310,409	515,887	182,867	1,049,908	-
Change in operating assets, liabilities, and deferred items:						
Accounts receivable	-	(234,505)	(654,429)	(46,649)	(935,583)	174,730
Prepaid items	-	-	-	-	-	733,298
Loan receivable	-	-	-	-	-	-
Leases receivable	-	-	-	350,079	350,079	178,917
Pension deferred outflows	99,913	-	432,841	-	532,754	1,207
OPEB deferred outflows	4,946	-	12,183	-	17,129	(10,291)
Accounts payable	(8,628)	241,951	543,024	(32,077)	744,270	-
Payroll and related liabilities	13,407	-	4,471	-	17,878	(363,843)
Claim payable	-	-	-	-	-	(425,484)
Net pension liability	(237,603)	-	(1,029,344)	-	(1,266,947)	(5,825)
Total OPEB liability	(23,879)	-	(58,824)	-	(82,703)	(8,120)
Compensated absences	(12,965)	-	(11,163)	-	(24,128)	-
Lease deferred inflows	-	-	-	(360,588)	(360,588)	(42,487)
Pension deferred inflows	(23,723)	-	(102,778)	-	(126,501)	4,633
OPEB deferred inflows	19,002	-	46,811	-	65,813	-
Total adjustments	(128,785)	317,855	(301,321)	93,632	(18,619)	236,735
Net cash provided by operating activities	$ 135,876	$ 165,147	$ 1,505,965	$ 433,062	$ 2,240,050	$ 863,056

(Concluded)

See accompanying Notes to the Basic Financial Statements.


CITY OF PACIFIC GROVE, CA.
INC. 1889




WELCOME TO
PACIFIC GROVE


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove
Index to the Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

Page

Note 1 – Summary of Significant Accounting Policies 47

Note 2 – Cash and Investments 57

Note 3 – Loans Receivable 61

Note 4 – Leases Receivable and Lease-Related Deferred Inflows of Resources 61

Note 5 – Interfund Transactions 63

Note 6 – Available For Sale Assets 64

Note 7 – Capital Assets 65

Note 8 – Long-Term Debt 67

Note 9 – Compensated Absences 70

Note 10 – Risk Management 70

Note 11 – Defined Benefit Pension Plan 72

Note 12 – Other Post-Employment Benefits (OPEB) 77

Note 13 – Commitments and Contingencies 80

Note 14 – Stewardship, Compliance and Accountability 81

Note 15 – Net Investment in Capital Assets 82

Note 16 – Changes to or within the Financial Reporting Entity 82


CITY OF PACIFIC GROVE, CA.
INC. 1889

Note 1 – Summary of Significant Accounting Policies

A. Description of the Reporting Entity

The basic financial statements of the City of Pacific Grove, California, (the "City") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

The City is primarily a 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 by the State on April 22, 1927. The City operates under 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, natural history museum, a community center, a youth center, a senior center, a golf course, a cemetery, sewer services, a monarch butterfly sanctuary and habitat preserve and general administration services.

As required by U.S. GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City Council acts as the governing board. In addition, the City staff performs all administrative and accounting functions for these entities and these entities provide their services entirely to the City. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize their legal separateness from the City. The City had no component units as of June 30, 2024.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, 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. Governmental 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.

Government–Wide Financial Statements

The City Government–Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Government–Wide Financial Statements (Continued)

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Transfers in/out

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences between fund balance as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Revenues are recognized as soon as they are both “measurable” and “available”. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

C. Cash and Investments

The City pools its available cash for investment purposes. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets and liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets and liabilities at the measurement date.

A statement of cash flows is presented for proprietary fund types. For purposes of reporting cash flows, the City considers all highly liquid investments with maturities of three months or less when purchased and cash and investments maintained in the City's pool to be cash equivalents.

Disclosures for deposits and investment risks, as required and applicable, have been provided in Note 2:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Receivables

Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. The Sewer customers are billed every other month by a separate government agency which forwards the collections to the City. Revenues earned but not collected by year-end are accrued. No allowance for uncollectible accounts receivable has been provided as management has determined that uncollectible accounts have historically been immaterial and the direct write-off method does not result in a material difference from the allowance method.

E. Loans Receivable

Under the City's housing assistance program, loans are made to qualified individuals and businesses within prescribed project areas for the purpose of housing acquisition, housing rehabilitation and/or economic development. The majority of these loans are on a deferred payback program. Repayments of the outstanding loans will be deducted from the loan receivable balance in the applicable funds. The City also offers Sewer Lateral Replacement Loans to homeowners. The disbursement of loans are recorded as addition of the loan receivable balance at the time of a loan and the repayment of principal will be added into loan receivable balance.

F. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond the fiscal year ended using purchase method.

G. Leases Receivable

The City is a lessor for leases of buildings and land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the average of the Local Agency Investment Fund ("LAIF") rate and the incremental borrowing rate (IBR) provided by the City's financial institution for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at acquisition value on the date donated. City policy has set the capitalization threshold for reporting capital assets at $5,000. Depreciation/amortization is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings and other improvements	100 years
Machinery and equipment	5 years
Infrastructure	10-50 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City has included all infrastructure into the current Basic Financial Statements.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, storm drains, and park equipment. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

For all infrastructure systems, the City has elected to use the basic approach for infrastructure reporting.

I. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the financial statements. The City recognizes subscription liabilities with an initial, individual value of $5,000 or more with a subscription term greater than one year. Variable payments based on future performance of the City, usage of the underlying IT asset, or number of user seats are not included in the measurement of the subscription liability, rather, those variable payments are recognized as outflows of resources (expenses) in the period the obligation for those payments is incurred.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, less any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

- Preliminary Project Stage: Outlays are expensed as incurred.
- Initial Implementation Stage: Outlays are capitalized as an addition to the subscription asset.

Upon adoption, the City elected to exclude the capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage that were incurred prior to the implementation of this Statement in the measurement of subscription assets as of July 1, 2022.

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

Subscription assets are reported within capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position. Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT asset, unless the subscription contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over the useful life of the underlying IT asset.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITA.

- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

J. Compensated Absences

Compensated absences comprise of unpaid vacation and the vested portion of sick leave, which are accrued as earned. The City's liability for the compensated absences is recorded in various Governmental funds or Proprietary funds as appropriate. The liability for compensated absence is determined annually. For all governmental funds, amounts expected to be paid out of current financial resources are recorded in fund liabilities. The long-term portion is recorded in the Statement of Net Position and represents a reconciling item between the fund and government-wide presentations.

K. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

CalPERS	
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and inflows of sources related to pensions and are to be recognized in further pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Other Postemployment Benefits Liability (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the City's OPEB plan have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

OPEB	
Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

M. Deferred Outflows/Inflows of Resources

The statement of financial net position and balance sheet-governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources represent a consumption of net assets that applies to future periods, therefore, will not be recognized as an expense until that time. The City reports pension contributions after the measurement date and deferred losses related to pensions and OPEB in this category.

Deferred Inflows of Resources represent inflows of resources represent an acquisition of net assets that applies to future periods, and that, therefore, are not recognized as revenue until that time. The City reports lease related inflows, unavailable revenues and deferred gains related to pensions and OPEB in this category.

N. Long-Term Obligations

In the Government-Wide Financial Statements, the long-term obligations are reported as liabilities in the appropriate funds. The Fund Financial Statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

O. Net Position

In governmental-wide and proprietary fund financial statements, net positions are categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets and retention payable.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first, then unrestricted net position as they are needed.

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Fund Balance

In the Fund Financial Statements, fund balances are in classifications that comprise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of resources reported in the governmental funds. Fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items, inventories, and loans receivable, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body through resolutions and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriation in the subsequent year's appropriated budget.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental fund other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first. Further, when the components of unrestricted fund balance can be used for the same purpose, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned. The description of each fund balance category is listed in the City's adopted Governmental Fund Balance Policy.

Q. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Property Taxes

County tax assessments include secured and unsecured property taxes and special assessments. "Unsecured" refers to taxes on personal property. These tax assessments are secured by liens on the property being taxed.

Monterey County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year.

Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property tax on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual.

The City is permitted by Article XIIIA of the State of California Constitution (known as Proposition 13) to levy a maximum tax of $1.00 per $100 of full cash value.

S. Budgetary Information

In accordance with applicable sections of the California Government Code and the Pacific Grove Municipal Code, the City prepares and legally adopts an annual balanced budget on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, specific Special Revenue Funds, and specific Capital Projects Funds.

Budget plans are adopted for Proprietary Funds. A proposed budget is presented to the City Council during May of each year for review. The Council holds public hearings and may add to, subtract from, or change appropriations within the revenues and reserves estimated as available. Expenditures may not legally exceed budgeted appropriations at the fund level. Supplementary appropriations which alter the total expenditures of any fund, or expenditures in excess of total budgeted fund appropriations, must be approved by the City Council.

All annual appropriations lapse at fiscal year end to the extent they have not been expended or encumbered.

T. Encumbrances

Under encumbrance accounting, purchase orders, contract and other commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary integration in all funds. All appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

U. Unearned Revenue

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unearned revenue. In the governmental fund financial statements, receivables associated with non- exchange transactions that will not be collected within the availability period have been recorded as deferred inflows from unavailable revenue.

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Interfund Balances

Advances to and advances from other funds represent interfund loans in the fund financial statements. Advances between funds are offset by a fund balance reservation or by unearned revenue in the applicable governmental funds to indicate that they are not available financial resources. Any unpaid interest due to lack of funds in the borrowing fund increases the principal owed and is reported in the lending fund as unearned revenue. All other outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

W. Deferred Compensation Plan

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plan. The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

X. Implementation of New GASB Pronouncements

GASB Statement No. 100 - In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Implementation of this Statement had a moderate effect on the City's financial statements for the fiscal year ended June 30, 2024.

Y. New GASB Pronouncements

The City is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the City's fiscal year ending June 30, 2025.

- In December 2023, GASB issued Statement 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The statement also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City's fiscal year ending June 30, 2025. Earlier application is encouraged.

Note 1 – Summary of Significant Accounting Policies (Continued)

Y. New GASB Pronouncements (Continued)

- In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

- In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

Note 2 – Cash and Investments

The City maintains a cash and investment pool for all funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements, are not pooled. These restricted funds are reported as cash with fiscal agents.

The following is a summary of pooled cash and investments at June 30, 2024:

	Government-Wide Financial Statement		
	Governmental Activities	Business-Type Activities	Total
Cash and investments	$ 27,411,424	$ 10,232,217	$ 37,643,641
Restricted cash and investments	70,237	296,448	366,685
Total cash and investments	$ 27,481,661	$ 10,528,665	$ 38,010,326

Cash and investments as of June 30, 2024, consist of the following:

Cash:	
Petty cash	$ 685
Demand deposits	1,766,684
Total cash and cash equivalents	1,767,369
Investments:	
U.S. Treasury Notes	957,708
U.S. Government Bonds	4,162,451
Certificates of Deposit	11,822,159
Money Market Mutual Funds	10,749,138
Local Agency Investment Fund	8,551,501
Total investments	36,242,957
Total cash and investments	$ 38,010,326

Note 2 – Cash and Investments (Continued)

A. Deposits

At June 30, 2024, the carrying amount of the City's deposits was $1,766,684 and the bank balance was $2,539,490. The total bank balance was covered by federal depository insurance or by collateral held by the City's agent in the City's name.

All pooled certificates of deposit and bank balances are entirely insured or collateralized. The California Government Code requires California banks and savings and loan associations to secure an agency's deposits by pledging government securities as collateral. The fair value of the pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure local agency deposits by pledging first trust deed mortgage notes having a value of 150% of a local agency's deposits. The City may waive collateral requirements for deposits which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC).

B. Authorized Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

- Certificates of Deposit - Non-Negotiable Certificates of Deposits will be made only in FDIC or FSLIC insured accounts. For deposits in excess of the insured maximum of $250,000, approved collateral shall be required in accordance with Government Code 53652 and/or 53651 (m) (1). Investment in these instruments shall be limited to financial institutions that in the Treasurer's judgment are of high quality, and shall not have a term exceeding five years from the date of purchase.

- Securities of the U.S. Government or its Agencies - Includes obligations issued by Federal Home Loan Banks, Government National Mortgage Association, Farm Credit System, the Federal Home Loan Bank, Federal Home Loan Mortgage Association, Federal National Mortgage Association, or obligations or other instruments of or issued by a federal agency or a United States Government sponsored enterprise. Investment in these instruments shall not have a term exceeding five years from the date of purchase.

- Treasury Bills and Notes - U.S. Treasury Bills, Notes, Bonds, or Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. The term of such securities shall not exceed five years from the date of purchase.

- Local Agency Investment Fund (LAIF) - Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account (PMIA). Maximum investment is subject to state regulation. LAIF investments are available for City use.

- Repurchase Agreements - A purchase of securities by the City pursuant to an agreement by which the seller will repurchase such securities on or before a specified date, or on demand of either party, and for a specified amount. Investments in repurchase agreements will be used solely as short-term investments not to exceed 30 days.

- Other - Other investments that are, or may become, legal investments through the State of California Government Code, only with prior approval of the City Council.

Note 2 – Cash and Investments (Continued)

C. Investments Authorized by Debt Agreement

Investments held by bond fiscal agents (trustees) are governed by the provisions of the underlying indenture agreements rather than the general provisions of the City's investment policy or California Government Code.

The indenture agreements do identify the following permitted investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	None	None	None
Certificates of Deposits	1 year	None	None
Repurchase Agreements	30 days	None	None
Local Agency Investment Fund	N/A	None	None
Municipal Bonds	None	None	None

D. Investment in Local Agency Investment Fund (LAIF)

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2024, the City had $8,551,501 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

E. Risks Disclosures

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy provides that final maturities of securities cannot exceed five years. Specific maturities of investments depend on liquidity needs. At June 30, 2024, the City's investments had the following maturities:

		Investment Maturities (in Years)		
Investment Type	Total	Less Than 1 Year	1 to 2 Years	2 to 5 Years
U.S. Treasury Notes	$ 957,708	$ -	$ 490,130	$ 467,578
U.S. Government Bonds	4,162,451	-	-	4,162,451
Certificates of Deposit	11,822,159	248,781	3,192,446	8,380,932
Money Market Mutual Funds	10,749,138	10,749,138	-	-
Local Agency Investment Fund	8,551,501	8,551,501	-	-
Total	$ 36,242,957	$ 19,549,420	$ 3,682,576	$ 13,010,961

Note 2 – Cash and Investments (Continued)

E. Risks Disclosures (Continued)

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements, and the actual Moody's rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating
U.S. Treasury Notes	$ 957,708	AA/AAA
U.S. Government Bonds	4,162,451	AA/AAA
Certificates of Deposit	11,822,159	Not Rated
Money Market Mutual Funds	10,749,138	Not Rated
Local Agency Investment Fund	8,551,501	Not Rated
Total	$ 36,242,957	

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

F. Investment Valuation

At June 30, 2024, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2024:

	Measurement Input			
Investment Type	Level 1	Level 2	Uncategorized	Total
U.S. Treasury Notes	$ 957,708	$ -	$ -	$ 957,708
U.S. Government Bonds	-	4,162,451	-	4,162,451
Certificates of Deposit	-	11,822,159	-	11,822,159
Money Market Mutual Funds	-	-	10,749,138	10,749,138
Local Agency Investment Fund	-	-	8,551,501	8,551,501
Total	$ 957,708	$ 15,984,610	$ 19,300,639	$ 36,242,957

Federal Agency Securities and corporate bonds categorized as Level 2 are valued based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuations for which all significant assumptions are observable or can be corroborated by observable market data.

Note 3 – Loans Receivable

Housing Assistance Loans

The City engages in programs designed to encourage construction or improvement in low-to-moderate income housing. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. Terms include interest rates of three to five percent and deferral of principal and interest payment until the property changes hands. All loans are secured by a deed of trust on the property. The balance of the loans receivable arising from these programs was $1,131,177 as of June 30, 2024.

Sewer Lateral Replacement Loans

The City has a Sewer Lateral Repair/Replacement Loan Program to improve sewer lateral lines connected to homeowners' residences. These loans carry an interest rate of three percent per annum. Repayment on loan principal and interest are deferred until the property is sold. All loans are secured by a deed of trust on the property. The balance of these loans receivables from this program was $40,513 as of June 30, 2024.

Note 4 – Leases Receivable and Lease-Related Deferred Inflows of Resources

The City leases various types of property including land and buildings. Leases receivable consist of agreements with other entities for the “right–to–use” the underlying assets at various locations owned by the City. The remaining terms of the agreements range from 1 to 30 years. The interest rates used calculated the net present value of the lease receivable ranged is 3%.

For the fiscal year ended June 30, 2024, the City recognized $421,117 in lease revenue and $99,334 in interest revenue, and the outstanding net present value of the lease receivable amounts are $1,490,488 and $1,693,882 for governmental and business-type activities, respectively.

A. Governmental Activities

At June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	$ 61,719	$ 37,075	$ 98,794
2026	29,616	35,691	65,307
2027	21,237	35,118	56,355
2028	22,651	34,538	57,189
2029	26,149	33,898	60,047
2030 - 2034	158,959	158,094	317,053
2035 - 2039	222,952	134,076	357,028
2040 - 2044	303,984	101,681	405,665
2045 - 2049	406,404	58,835	465,239
2050 - 2053	236,817	12,336	249,153
Total	$ 1,490,488	$ 641,342	$ 2,131,830

Note 4 – Leases Receivable and Lease-Related Deferred Inflows of Resources (Continued)

A. Governmental Activities (Continued)

At June 30, 2024, the amounts reported as deferred inflows of resources related to leases will be recognized as lease revenue as follows:

Year Ending June 30,	
2025	$ 91,192
2026	51,987
2027	48,423
2028	48,423
2029	48,423
2030-2034	242,116
2035-2039	242,116
2040-2044	242,116
2045-2049	242,116
2050 - 2053	130,117
Total	$ 1,387,028

B. Business-Type Activities

At June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	$ 366,388	$ 49,858	$ 416,246
2026	327,151	39,289	366,440
2027	318,740	30,010	348,750
2028	333,302	20,448	353,750
2029	348,301	10,449	358,750
Total	$ 1,693,882	$ 150,054	$ 1,843,936

At June 30, 2024, the amounts reported as deferred inflows of resources related to leases will be recognized as lease revenue as follows:

Year Ending June 30,	
2025	$ 360,589
2026	313,345
2027	289,724
2028	289,724
2029	289,724
2030	72,431
Total	$ 1,615,537

Note 5 – Interfund Transactions

A. Due From and To Other Funds

At June 30, 2024, the City has the following due from and to other funds:

Due To Other Funds	Due From Other Funds General Fund
Governmental Funds:	
Local Water Project Fund	$ 28,103
RSTP Fund	290,809
Nonmajor Governmental Funds	42,646
Total	$ 361,558

These interfund balances represent routine short-term cash flow assistance.

B. Advances From and To Other Funds

As of June 30, 2024, advances to and from other funds consisted of the following:

Advances from Other Funds	Advances to Other Funds Sewer Fund
Local Water Project Fund	$ 350,000

C. Transfers In and Out

During the year ended June 30, 2024, the City had the following transfers in and transfers out:

	Transfers In				
	Governmental Funds			Enterprise Funds	
Transfers Out	General Fund	Capital Improvements Fund	Nonmajor Governmental	Local Water Project Fund	Total
Governmental Funds:					
General Fund	$ 1,010	$ 750,000	$ 314,000	$ 187,500	$ 1,252,510
Nonmajor Governmental Funds	2,349	-	8,000	-	10,349
Total	$ 3,359	$ 750,000	$ 322,000	$ 187,500	$ 1,262,859

The significant transfers are as follows:

The $750,000 transfer from the General Fund to Capital Improvement Fund was for approved capital projects and funding for future projects.

The $187,500 transfers from the General fund to Local Water Project Fund was to support interfund debt repayment.

The $314,000 transfers from the General fund to Nonmajor Governmental Fund was to support 911 services paid to Monterey County.

Note 6 – Available For Sale Assets

The Pacific Grove Local Water Project (PGLWP) began producing recycled water in January 2018. The PGLWP treats wastewater from surrounding homes and businesses; and produces non-potable water to primarily irrigate the City's golf course and cemetery. This new, alternative water source reduced the City's demand for potable water from the California American Water Company (Cal-Am). On January 27, 2016, the Monterey Peninsula Water Management District (MPWMD) approved Ordinance No. 168 to establish the City's water entitlement of 47.88 acre/ft based on the potable water saved by the project. On May 15, 2019, the City adopted Resolution 19-014 to direct the City Manager to sell the 47.88 AF of water entitlements; and reserve 11.5 AF of the entitlement amount for affordable housing. This resolution also authorized a 30% discount to the water entitlement price shown on the City's Master Fee Schedule through June 30, 2024.

The water entitlements were shown on the fee schedule at $250,000 per AF or $25,000 for 0.10 AF. This rate was established based on a local market comparison. When the 30% discount is applied to the stated fee, the amount is reduced to $175,000 an acre foot or $17,500 for 0.10 AF. The total value of these assets at the 30% discount was $8,380,400; and was recorded as an intangible asset in the Governmental Activities section of the Statement of Net Position. In Fiscal Year 2020, the City sold approximately 1.26 AF of water entitlements at a value of $221,201. In Fiscal Year 2021, the City sold approximately 1.78 AF of water entitlements at a value of $312,798. In Fiscal Year 2022, the City sold approximately 3.29 AF of water entitlements at a value of $577,840. In Fiscal Year 2023, the City sold approximately 2.53 AF of water entitlements at a value of $443,475. In Fiscal Year 2024, the City sold approximately 3.31 AF of water entitlements at a value of $579,659 which was reported in the General Fund as other revenue. The remaining value of the water entitlements reported in the government-wide statement of net position as available for sale assets at June 30, 2024 was $6,245,427. These assets are not used to provide services and therefore are not capital in nature.

Note 7 – Capital Assets

Summary of changes of capital assets for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	$ 2,338,270	$ -	$ -	$ -	$ 2,338,270
Construction in progress	5,603,986	1,005,803	-	(1,085,150)	5,524,639
Total capital assets, not being depreciated	7,942,256	1,005,803	-	(1,085,150)	7,862,909
Capital assets, being depreciated:					
Buildings/structures and improvements	18,230,631	94,293	-	-	18,324,924
Infrastructure:	39,467,060	1,142,285	-	1,085,150	41,694,495
Machinery and equipment	5,051,925	272,379	(6,400)	-	5,317,904
Total capital assets, being depreciated	62,749,616	1,508,957	(6,400)	1,085,150	65,337,323
Less accumulated depreciation:					
Buildings/structures and improvements	(9,389,597)	(486,862)	-	-	(9,876,459)
Infrastructure:	(14,775,801)	(1,008,393)	-	-	(15,784,194)
Machinery and equipment	(4,252,957)	(181,454)	-	-	(4,434,411)
Total accumulated depreciation	(28,418,355)	(1,676,709)	-	-	(30,095,064)
Total capital assets, being depreciated, net	34,331,261	(167,752)	(6,400)	1,085,150	35,242,259
Subscription assets, being amortized	544,544	20,846	(39,640)	-	525,750
Less: accumulated amortization	(114,947)	(152,307)	39,640	-	(227,614)
Total subscription assets, net	429,597	(131,461)	-	-	298,136
Governmental activities capital assets, net	$ 42,703,114	$ 706,590	$ (6,400)	$ -	$ 43,403,304

Depreciation/amortization expense was charged to the various governmental activities as follows:

	Depreciation	Amortization
General government	$ 338,695	$ 30,766
Public safety	781,346	70,974
Public works	247,147	22,450
Recreation	66,733	6,062
Library	62,877	5,712
Museum	19,282	1,752
Community development	160,629	14,591
Total depreciation/amortization expense	$ 1,676,709	$ 152,307

Note 7 – Capital Assets (Continued)

Summary of changes of capital assets for business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	$ 362,973	$ -	$ -	$ -	$ 362,973
Construction in progress	436,247	880,638	-	(333,471)	983,414
Total capital assets, not being depreciated	799,220	880,638	-	(333,471)	1,346,387
Capital assets, being depreciated:					
Buildings and improvements	10,160,437	-	-	-	10,160,437
Infrastructure/sewer	29,251,709	121,643	-	333,471	29,706,823
Machinery and equipment	1,477,671	-	-	-	1,477,671
Total capital assets, being depreciated	40,889,817	121,643	-	333,471	41,344,931
Less accumulated depreciation:					
Buildings and improvements	(5,346,586)	(205,559)	-	-	(5,552,145)
Infrastructure/sewer	(6,792,888)	(778,742)	-	-	(7,571,630)
Machinery and equipment	(1,017,866)	(65,607)	-	-	(1,083,473)
Total accumulated depreciation	(13,157,340)	(1,049,908)	-	-	(14,207,248)
Total capital assets, being depreciated, net	27,732,477	(928,265)	-	333,471	27,137,683
Total capital assets, being depreciated, net	27,732,477	(928,265)	-	333,471	27,137,683
Business-type activities capital assets, net	$ 28,531,697	$ (47,627)	$ -	$ -	$ 28,484,070

Depreciation expense was charged to the business-type activities as follows:

	Depreciation
Cemetery	$ 40,745
Local Water Project	310,409
Sewer	515,887
Golf Course	182,867
Total depreciation expense	$ 1,049,908

Note 8 – Long-Term Debt

A. Governmental Activities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in more than One Year
Publicly Offered:						
Taxable Pension Obligation Bonds	$ 2,671,688	$ -	$ (478,599)	$ 2,193,089	$ 464,276	$ 1,728,813
Accreted Interest	4,731,877	459,626	(926,401)	4,265,102	985,725	3,279,377
Subtotal	7,403,565	459,626	(1,405,000)	6,458,191	1,450,001	5,008,190
Direct Borrowing:						
PG&E Loan	51,451	-	(20,048)	31,403	12,562	18,841
SBITA Liability	317,788	20,846	(137,896)	200,738	105,745	94,993
Total	$ 7,772,804	$ 480,472	$ (1,562,944)	$ 6,690,332	$ 1,568,308	$ 5,122,024

Taxable Pension Obligation Bonds

On June 1, 2006, the City issued Taxable Pension Obligation Bonds in the principal amount of $19,365,355. The bonds were part of the California Statewide Communities Development Authority Taxable Pension Obligation Bonds Program. The purpose of the bonds are to provide monies to meet the unfunded accrued actuarial liability ("UAAL") to the California Public Employee's Retirement System ("PERS"). Semi-annual payments are due on June 1 and December 1. Interest on the bonds ranges from 5.67% to 6.12% and will mature on June 1, 2029.

The annual debt service requirements were as follows for the Pension Obligation Bonds:

Fiscal Year	Principal	Interest	Total
2025	$ 464,276	$ 985,724	$ 1,450,000
2026	451,350	1,048,650	1,500,000
2027	437,699	1,107,301	1,545,000
2028	425,418	1,169,582	1,595,000
2029	414,346	1,235,652	1,649,998
Total	$ 2,193,089	$ 5,546,909	$ 7,739,998

PG&E Loan

The City benefited from the on-bill financing program offered by PG&E, which is a non-interest bearing, reimbursement basis loan to install energy-efficient equipment. Individual PG & E loans have been issued for various City locations. All loans mature beginning on February 15, 2022 and conclude on December 15, 2026.

The original loan was $152,900 with future debt service payments as follows:

Fiscal Year	Principal	Total
2025	$ 12,562	$ 12,562
2026	12,562	12,562
2027	6,279	6,279
Total	$ 31,403	$ 31,403

Note 8 – Long-Term Debt (Continued)

A. Governmental Activities(Continued)

Subscription Payable

The City entered into subscription agreements with various vendors for software. The terms of the agreements are ranging from 24 months to 130 months. The calculated interest rates range from 1.85% to 3.25%. As of June 30, 2024, the capitalized right-to-use assets related to SBITAs were $298,136 and the total subscription liability was $200,738, of which $105,745 is reported as a current liability representing the amount due within the next fiscal year.

The future subscription payments are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 105,745	$ 7,185	$ 112,930
2026	18,843	4,481	23,324
2027	12,117	9,540	21,657
2028	12,341	7,255	19,596
2029	12,570	5,130	17,700
2030-2032	39,122	4,164	43,286
Total	$ 200,738	$ 37,755	$ 238,493

B. Business-Type Activities

A summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in more than One Year
Publicly Offered:						
2013 Wastewater Revenue Refunding Bond	$ 639,629	$ -	$ (65,925)	$ 573,704	$ 70,044	$ 503,660
Direct Borrowing:						
Clean Water Revolving Fund Loan	4,546,643	-	(160,982)	4,385,661	162,592	4,223,069
2014 Golf Course Site Lease	1,725,451	-	(199,183)	1,526,268	207,941	1,318,327
Total	$ 6,911,723	$ -	$ (426,090)	$ 6,485,633	$ 440,577	$ 6,045,056

Clean Water State Revolving Fund Loan

In November 2015, the City secured State Water Resources Control Board ("SWRCB") funding for the construction of a recycled water treatment plant, sewer diversion structure, waste pump and force main station, user connections and site retrofits. The SWRCB reimbursed the City for project-related expenditures, as incurred, totaling $5,328,076. The loan will be repaid with interest at 1% per annum. The loan matures on February 1, 2048.

Note 8 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Clean Water State Revolving Fund Loan (Continued)

The annual debt service requirements were as follows for the Clean Water State Revolving Fund Loan:

Fiscal Year	Principal	Interest	Total
2025	$ 162,592	$ 43,857	$ 206,449
2026	164,218	42,231	206,449
2027	165,860	40,589	206,449
2028	167,518	38,930	206,448
2029	169,194	37,255	206,449
2030-2034	871,686	160,554	1,032,240
2035-2039	916,152	116,089	1,032,241
2040-2044	962,887	69,356	1,032,243
2045-2048	805,554	20,239	825,793
Total	$ 4,385,661	$ 569,100	$ 4,954,761

2014 Golf Course Site Lease

The City entered into a $3,130,505 Site Lease dated September 1, 2014 with Umpqua Bank to Refund the 2014 Golf Course Certificate of Participation. The lease bears interest at 4.35% with debt service payments due on February 1st and August 1st through 2030. The lease is secured by the transfer of property rights to Umpqua Bank.

The annual debt service requirements were as follows for the 2014 Golf Course Site Lease:

Fiscal Year	Principal	Interest	Total
2025	$ 207,941	$ 64,156	$ 272,097
2026	217,085	55,012	272,097
2027	226,631	45,466	272,097
2028	236,597	35,500	272,097
2029	247,000	25,096	272,096
2030-2031	391,014	17,131	408,145
Total	$ 1,526,268	$ 242,361	$ 1,768,629

2013 Wastewater Revenue Refunding Bond

On May 6, 2013, the City issued the 2013 Wastewater Revenue Refunding Bonds in the principal amount of $1,220,588. The purpose of the bond is to refinance the California State Community Development Authority Series 2001B Revenue Bonds. Semi-annual interest payments are due on April 1 and October Repayments are secured by future sewer service revenues. Interest on the bonds is 3.35% and matures on October 1, 2031.

Note 8 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

2013 Wastewater Revenue Refunding Bond (Continued)

The annual debt service requirements were as follows for the 2013 Wastewater Revenue Refunding Bond:

Fiscal Year	Principal	Interest	Total
2025	$ 70,044	$ 18,645	$ 88,689
2026	71,550	16,264	87,814
2027	72,937	13,876	86,813
2028	76,789	11,400	88,189
2029	78,018	8,795	86,813
2029-2032	204,366	10,418	214,784
Total	$ 573,704	$ 79,398	$ 653,102

Note 9 – Compensated Absences

The changes in compensated absences of governmental and business-type activities for the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification: Due Within One Year	Classification: Due in More Than One Year
Governmental activities	$ 1,334,882	$ 1,063,224	$ (1,199,053)	$ 1,199,053	$ 299,763	$ 899,290
Business-type activities	184,709	136,453	(160,581)	160,581	40,146	120,435

Note 10 – Risk Management

Risk Pool Membership

The City is a member of the California Joint Powers Insurance Authority (the "Authority"). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The Authority arranges and administers programs for the pooling of self-insured losses, purchases excess insurance and reinsurance, and arranges for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Authority's Board of Directors. The Board operates through a nine-member Executive Committee.

Excess Liability Program

Liability coverage includes auto liability, employment practices liability, public officials' errors and omissions, bodily injury, personal injury, third party property damage, advertising injury, and employee benefit administration liability. The City has a retained limit of $150,000 per occurrence. The overall coverage limit for each member, including all layers of coverage, is $50 million per occurrence. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: https://cjpia.org/coverage/risk-sharing-pools.

Note 10 – Risk Management (Continued)

Excess Workers' Compensation Program

The City has a retained limit of $150,000 per occurrence for workers' compensation claims. The Authority's pooled retention is $1 million per occurrence with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased through reinsurance policies, and Employer's Liability losses from $5 million to $10 million are pooled among members.

Estimated reserves for all claims are recorded in internal service funds. No claim settlement has exceeded the coverage amounts in place for any of the years shown. The amount of claims due in one year from June 30, 2024, is estimated to total $156,505.

Purchased Insurance

The City also participates in the following coverage programs provided by the Authority:

All-Risk Property Protection Program. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The total insured value of scheduled City property is $87,706,300. There is a $10,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2,500 deductible.

Pollution Legal Liability Insurance Program. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a $250,000 deductible. The Authority has an aggregate limit of $20 million.

Crime Insurance Program. Formerly called Blanket Fidelity Bond, this policy covers faithful performance, depositor's forgery, theft of money and securities, and computer fraud related to the transfer of money. The policy limit is $1,000,000, and the deductible is $2,500.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage during the fiscal year ended June 30, 2024.

Changes in the balances of the City's claims liabilities during the years ended June 30, 2024, 2023, and 2022 were as follows:

	Beginning Balance	Expenses and Changes in Estimates	Claims Payments	Ending Balance	Due within One Year	Due in more than One Year
2021-2022	$ 762,850	$ 236,367	$ (289,406)	$ 709,811	$ 236,367	$ 473,444
2022-2023	709,811	378,974	(250,511)	838,274	267,243	681,769
2023-2024	838,274	198,076	(561,919)	474,431	156,505	317,926

Note 11 – Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous and Safety Employee Pension Plans (the Plans); cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS' audited financial statements are publicly available reports that can be obtained at the CalPERS website under Forms and Publications.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. The cost-of-living adjustments for the Plans are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect as of the June 30, 2023 measurement date, are summarized as follows:

	Miscellaneous		Safety	
	Tier 1	PEPRA	Tier 1	PEPRA
Hire date	Before 1/1/2013	1/1/2013	Before 1/1/2013	1/1/2013
Benefit formula	2% @ 55	2% @ 62	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 Years	5 Years	5 Years	5 Years
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	62	50	50
Benefit per year of service, as a percentage of salary	2.0% to 2.5%	2.0%	3.0%	2.0% to 2.7%
Employer Contribution Rate	12.47%	7.68%	27.11%	13.54%
Employee Contribution Rate	7.00%	6.75%	9.00%	13.00%

Employees Covered

As of the June 30, 2023, the measurement date, the following employees were covered by the benefit terms for the Plan:

	Plans		
	Miscellaneous	Safety	Total
Active employees	67	22	89
Transferred and terminated employees	101	32	133
Retired Employees and Beneficiaries	155	117	272
Total	323	171	494

Note 11 – Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rates are the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2024, the employer contributions for the miscellaneous plan and the safety plan, were in amounts of $1,936,437 and $2,946,588, respectively.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The City's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans are measured as of June 30, 2023, and the total pension liability for the Plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plans as of June 30, 2023 and 2022 was as follows:

	Miscellaneous Plan	Safety Plan	Total
June 30, 2022	0.179512%	0.273228%	0.452740%
June 30, 2023	0.175349%	0.265691%	0.441040%
Change - Increase (Decrease)	-0.004163%	-0.007537%	-0.011700%

Actuarial Methods and Assumption Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023, measurement date total pension liability, based on following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization method	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by category, entry age, and service
Remaining Amortization Periods	Differs by employer rate plan but not more than 28 years
Mortality	Derived using CalPERS' Membership Data for all Funds. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.
Post-retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

Note 11 – Defined Benefit Pension Plan (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses and are summarized as follows:

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10[1,2]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	100.00%	

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021-22 Asset Liability Management study.

Note 11 – Defined Benefit Pension Plan (Continued)

C. Changes in the Net Pension Liability

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the City's Miscellaneous and Safety Plan's proportionate share of the risk pool collective net pension liability over the measure period.

Miscellaneous Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2022 (Valuation Date)	$ 64,446,220	$ 43,711,078	$ 20,735,142
Balance at June 30, 2023 (Measurement Date)	66,781,879	44,906,337	21,875,542
Net Changes during 2022-2023	2,335,659	1,195,259	1,140,400

Safety Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (asset) (c) = (a) - (b)
Balance at June 30, 2022 (Valuation Date)	$ 83,282,066	$ 51,722,014	$ 31,560,052
Balance at June 30, 2023 (Measurement Date)	85,890,366	52,744,213	33,146,153
Net Changes during 2022-2023	2,608,300	1,022,199	1,586,101

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2022). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2022). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2021-2022).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan's share of the actuarial accrued liability. FNP is allocated based on the rate plan's share of market value assets.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Note 11 – Defined Benefit Pension Plan (Continued)

C. *Changes in the Net Pension Liability (Continued)*

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the plans as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Plan's Net Pension Liability (asset)		
	Discount Rate - 1% (5.9%)	Current Discount Rate (6.9%)	Discount Rate + 1% (7.9%)
Miscellaneous Plan	$ 30,907,507	$ 21,875,542	$ 14,441,459
Safety Plan	$ 44,928,783	$ 33,146,153	$ 23,513,015

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. *Pension Expenses and Deferred Outflows and Inflows of Resources Related to Pensions*

For the year ended June 30, 2024, the City recognized pension expense of $2,469,207 and $3,741,381, for the Miscellaneous and Safety plans, respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

Miscellaneous Plan

	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution made after measurement date	$ 1,936,437	$ -
Changes of assumptions	1,320,725	-
Difference between expected and actual experience	1,117,521	(173,354)
Net difference between projected and actual earning on pension plan investments	3,541,847	-
Adjustment due to differences in proportions	-	(1,021,296)
Difference between City contributions and proportionate share of contributions	45,737	(330,448)
Total	$ 7,962,267	$ (1,525,098)

Safety Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contribution made after measurement date	$ 2,946,588	$ -
Changes of assumptions	1,934,454	-
Difference between expected and actual experience	2,433,539	(208,337)
Difference between projected and actual earnings on pension plan investments	4,536,042	-
Adjustment due to differences in proportions	-	(475,700)
Difference between City contributions and proportionate share of contributions	575,527	(589,022)
Total	$ 12,426,150	$ (1,273,059)

Note 11 – Defined Benefit Pension Plan (Continued)

D. Pension Expenses and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous and the safety risk pool for the 2022-23 measurement period is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired).

The City reported $1,936,437 and 2,946,588 for the Miscellaneous and Safety Plans, respectively, reported as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/ (Inflows) of Resources Miscellaneous Plan	Deferred Outflows/ (Inflows) of Resources Safety Plan
2025	$ 1,119,903	$ 2,346,829
2026	866,972	1,747,923
2027	2,412,226	3,985,142
2028	101,631	126,609
2029	-	-
Thereafter	-	-
	$ 4,500,732	$ 8,206,503

Note 12 – Other Post-Employment Benefits (OPEB)

A. General Information about the OPEB Plan

Plan Description

The City of Pacific Grove Retiree Healthcare Plan (Plan) is a single employer defined benefit healthcare plan administered by the City. The City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act (PEMHCA) for medical benefits. All employees become eligible for postretirement medical benefits after five years of employment, meet qualifications for CalPERS retirement, and reach the age of 50. This lifetime benefit is available to all employees and their surviving spouses who elect to buy insurance through any of the available CalPERS medical plans. Retirees must contribute any premium amounts in excess of the City contribution amounts.

The City's previous employee agreements contained a provision to also pay an additional $150 per month for the first five years after retirement, or until age 65 or date of death, whichever was sooner. Police officers were required to have 20 years of service to receive the five-year benefit. The additional $150 monthly retirement benefit was terminated for all employees, with the exception of miscellaneous employees who retired prior to January 1, 2017; and Safety employees who retired prior to July 1, 2018.

The City does not currently contribute to an OPEB Trust

Note 12 – Other Post-Employment Benefits (OPEB) (Continued)

A. General Information about the OPEB Plan (Continued)

Employees Covered

At June 30, 2023 (the valuation date), the most recent valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Inactives currently receiving benefits	56
Inactives entitled to benefit payments	74
Active employees	89
Total	219

Contributions

The City makes contributions based on a pay-as-you go basis as approved by the authority of the City's Board. Total benefit payments included in the measurement period were $188,543, while actual contributions for the fiscal year were $188,543. Employees are not required to contribute to the plan. There have been no assets accumulated in a trust to provide for the benefits of this plan.

B. Total OPEB Liability

Significant Actuarial Assumptions Used for Total OPEB Liability (Asset)

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Actuarial Cost Method	Entry-Age Level Percent of Pay
Amortization Period:	20 years
Asset Valuation Method:	Level percentage of payroll, closed
Actuarial Assumptions:	
Actuarial Valuation Date	June 30, 2023
Discount Rate	3.65%
Inflation	2.50%
Salary Increases	2.75%
Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076. Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Increase	3.50% annually
Healthcare Participation at Retirement	Actives - 60% Retirees - 100% if covered, 0% if waived
Notes:	
Discount rate increased from 3.54% to 3.65%.	

Discount Rate

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Change of Assumptions

Discount rate was updated based on municipal bond rate as of the measurement date. The medical trend, and PEMHCA minimum trend were updated.

Note 12 – Other Post-Employment Benefits (OPEB) (Continued)

B. Total OPEB Liability (Continued)

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2023 (measurement date) and was determined by an actuarial valuation as of June 30, 2023 (valuation date) for the fiscal year ended June 30, 2024 (reporting date).

Changes in the Total OPEB Liability

The following summarizes the changes in the total OPEB liability during the year ended June 30, 2024:

	Total OPEB Liability
Balance at June 30, 2023	$ 4,305,622
Changes recognized for the measurement period:	
Service Cost	215,865
Interest on the total pension liability	156,724
Differences between expected and actual experience	(1,085,337)
Changes in assumptions	(214,044)
Benefits payments	(188,543)
Net changes during July 1, 2023 to June 30, 2024	(1,115,335)
Balance at June 30, 2024	$ 3,190,287

The City's plan is nonfunded, meaning there have not been assets placed into an irrevocable trust, therefore the plan fiduciary net position is zero.

Sensitivity to Changes in the Discount Rate

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

Plan's Net OPEB Liability		
Discount Rate - 1% (2.65%)	Current Discount Rate (3.65%)	Discount Rate + 1% (4.65%)
$ 3,623,055	$ 3,190,287	$ 2,833,996

Sensitivity to Changes in the Healthcare Cost Trend Rates

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

Plan's Net OPEB Liability		
1% Decrease	Current Trend	1% Increase
$ 2,796,288	$ 3,190,287	$ 3,677,871

Note 12 – Other Post-Employment Benefits (OPEB) (Continued)

C. Deferred Inflows and Outflows of Resources

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,525	$ (1,037,964)
Changes in assumptions	175,310	(929,659)
Employer contributions made subsequent to the measurement date	156,521	-
Total	$ 333,356	$ (1,967,623)

For the year ended June 30, 2024, the City recognized OPEB expense of $159,714. Of the total amount reported as deferred outflows of resources related to OPEB, $156,521 resulting from City contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Ended June 30	Deferred Outflows/ (Inflows) of Resources
2025	$ (218,107)
2026	(377,761)
2027	(386,352)
2028	(368,825)
2029	(286,871)
Thereafter	(152,872)
	$ (1,790,788)

Note 13 – Commitments and Contingencies

A. Lawsuits

City management believes, based upon consultation with the City Attorney, that litigation, in the aggregate, are not expected to result in a material adverse financial impact on the City and that insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

B. Federal and State Grant Programs

The City participates in Federal and State grant programs that are audited by the City's independent accountants if required by and in accordance with the provisions of the Uniform Guidance and applicable State requirements. For Federal programs, the City did not reach the level of qualifying expenditures during the current fiscal year that would require a single audit. Expenditures which may be disallowed, if any, by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

Note 13 – Commitments and Contingencies (Continued)

C. Capital Commitments

The City had the following capital commitments outstanding as of June 30, 2024:

Capital Commitments	Outstanding Amount
Street Improvements	$ 785,877
Facility Improvements	52,014
Park Improvements	8,131
	$ 846,022

Note 14 – Stewardship, Compliance and Accountability

A. Fund Balance/Net Position Deficits

The City's governmental activities had an unrestricted net position (deficit) of $(29,485,067) as of June 30, 2024. This is mainly due to reporting of net pension liability of $(54,110,601) as required under GASB Statement No. 68 (Note 11) and reporting of Total OPEB liability of $(2,953,722) as required under GASB Statement No. 75 (Note 12).

At June 30, 2024, the following funds had a fund balances (deficit) or unrestricted net position (deficit):

Fund	Fund Type	Deficit
RSTP	Special Revenue Fund	$ (349,316)
Operating Grants Fund	Special Revenue Fund	(1,651)

Special Revenue Funds

A net deficit exists in the RSTP Fund and Operating Grants Fund. These funds deficit is a result of the timing of grant reimbursements. This net deficit will be eliminated during the upcoming fiscal year.

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2024, there is no fund that expenditures exceeded appropriations.

Note 15 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30, 2024 consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, nondepreciable	$ 7,862,909	$ 1,346,387
Capital assets, depreciable/amortizable, net	35,540,395	27,137,683
Account payable related to construction	(460,941)	(745,991)
Retention payable	(39,555)	-
Long-term debt:		
PG&E Loan	(31,403)	-
2013 Wastewater Revenue Refunding Bond	-	(573,704)
Clean Water State Loan	-	(4,385,661)
2004 Golf Course Project	-	(1,526,268)
Subscription Payable	(200,738)	-
Total net investment in capital assets	$ 42,670,667	$ 21,252,446

Note 16 – Changes to or within the Financial Reporting Entity

The ASBS Grant Special Revenue Fund was previously reported as a major fund, but due to the City expending the majority of remaining ASBS Grant fund, the fund no longer meets the quantitative threshold requiring the fund to be reported as a major fund for the fiscal year ended June 30, 2024. The RSTP Special Revenue Fund was previously reported as a nonmajor fund, but due to the City receiving more funds, the fund now meets the quantitative threshold requiring the fund to be reported as a major fund for the fiscal year ended June 30, 2024. The changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning fund balance, as follows:

	June 30,2023 As Previously Reported	Change to or with the Financial Reporting Entity	June 30, 2023 As Restated
Governmental Funds			
Major Funds			
General Fund	$ 15,025,353	$ -	$ 15,025,353
ASBS Grant	23,629	(23,629)	-
CDBG Grant fund	1,279,642	-	1,279,642
Capital improvement projects	22,626	-	22,626
RSTP fund	-	(40,122)	(40,122)
Non-major Governmental Funds	8,656,893	63,751	8,720,644
Total Governmental Funds	$ 25,008,143	$ -	$ 25,008,143

City of Pacific Grove, California
Required Supplementary Information

Note that the schedules in this section are unaudited



Chautaqua Hall



El Carmelo Cemetery


CITY OF PACIFIC GROVE, CA.
INC. 1889

Note 1 – Budgetary Control and Accounting Policy

The City's budgetary records are maintained on a modified accrual basis. Revenues are recorded when measurable and available; and expenditures are recorded when goods and services are received or the liability incurred. The City produces an annual budget, which serves as the foundation for the City's financial planning and control. Based on the City Budget's Policy 400-6 Budget and Financial Management Policy, the City is required to maintain a balanced operating budgeted; along with using one-time revenues to fund non-recurring expenditures. In the budget development process, the City Council and staff reference Council's adopted Community Goals and Work Plan Focused Priority Areas, while also establishing annual Department Operational Goals.

In accordance with the City's Budget and Financial Management Policy, the City Manager recommends the budget to the City Council in May. After public input and discussion is received, the City Council may request modifications to the budget or introduce an ordinance adopting the budget. Expenditures authorized in the final budget ordinance are appropriated at the Fund level, and in the case of the General Fund, at the department or program level. The Council may adopt an ordinance to amend the budget during the year to reflect changing Council priorities or staff recommendations. The City Manager has the authority to transfer funds within a given fund and between department appropriations to ensure that programmatic budgets may adapt throughout the year to evolving circumstances.

All governmental, enterprise, and internal service funds are appropriated annually. The governmental funds include General, special revenue, capital project and permanent funds.

Additional information on the City's budget and encumbrance accounting can be found in Note 1S-Budgetary Information and Note 1T-Encumbrances.


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes				
Property taxes	$ 9,609,000	$ 9,881,000	$ 10,001,561	$ 120,561
Sales and use taxes	5,957,000	6,039,000	5,975,031	(63,969)
Franchise and other taxes	1,585,000	1,625,000	1,635,968	10,968
Transient occupancy taxes	6,562,000	6,840,000	6,820,365	(19,635)
Utility users taxes	2,005,000	2,003,000	2,118,068	115,068
Business license tax	370,000	385,000	607,647	222,647
Other taxes	187,000	182,000	177,881	(4,119)
Intergovernmental	41,000	234,000	278,308	44,308
Licenses, permits, and impact fees	885,000	1,318,000	1,322,285	4,285
Fines and forfeitures	530,000	394,000	314,242	(79,758)
Charges for services	1,643,000	1,783,000	1,737,498	(45,502)
Interest, rents, and concessions	436,750	603,057	1,125,585	522,528
Other revenues	1,362,787	1,001,100	1,135,321	134,221
Total revenues	31,173,537	32,288,157	33,249,760	961,603
EXPENDITURES:				
Current:				
General government	5,322,421	5,673,734	5,305,657	368,077
Public safety:				
Police	8,305,755	8,116,264	7,850,494	265,770
Fire	4,425,400	4,521,532	4,508,537	12,995
Public works	4,967,832	4,998,854	4,399,770	599,084
Recreation	1,101,418	1,403,404	1,224,512	178,892
Library	1,143,910	1,172,182	1,129,218	42,964
Museum	337,400	343,400	346,494	(3,094)
Community development	3,006,773	3,881,283	2,908,796	972,487
Capital outlay	215,000	366,722	291,690	75,032
Debt service:				
Principal retirement	1,428,466	1,428,416	576,256	852,160
Interest and fiscal charges	-	-	930,396	(930,396)
Total expenditures	30,254,375	31,905,791	29,471,820	2,433,971
EXCESS OF REVENUES OVER EXPENDITURES	919,162	382,366	3,777,940	3,395,574
OTHER FINANCING USES:				
Transfers in	-	-	3,359	3,359
Transfers out	(1,789,187)	(1,597,500)	(1,252,510)	344,990
Proceeds from sale of assets	5,000	1,000	6,800	5,800
Proceeds from debt issuance	-	-	20,846	20,846
Total other financing uses	(1,784,187)	(1,596,500)	(1,221,505)	374,995
NET CHANGE IN FUND BALANCE	$ (865,025)	$ (1,214,134)	2,556,435	$ 3,770,569
FUND BALANCE:				
Beginning of year			15,025,353	
End of year			$ 17,581,788	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
RSTP Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes				
Other taxes	$ -	$ -	$ 69,450	$ 69,450
Intergovernmental	750,000	1,082,602	-	(1,082,602)
Total revenues	750,000	1,082,602	69,450	(1,013,152)
EXPENDITURES:				
Current:				
Community development	-	-	378,644	(378,644)
Capital outlay	750,000	1,029,500	-	1,029,500
Total expenditures	750,000	1,029,500	378,644	650,856
NET CHANGE IN FUND BALANCE	$ -	$ 53,102	(309,194)	$ (362,296)
FUND BALANCE (DEFICIT):				
Beginning of year			(40,122)	
End of year			$ (349,316)	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CDBG Grant Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 7,500	$ 30,000	$ 50,381	$ 20,381
Other revenues	-	45,000	91	(44,909)
Total revenues	7,500	75,000	50,472	(24,528)
EXPENDITURES:				
Current:				
Community development	520,000	520,000	5,131	514,869
Total expenditures	520,000	520,000	5,131	514,869
NET CHANGE IN FUND BALANCE	$ (512,500)	$ (445,000)	45,341	$ 490,341
FUND BALANCE:				
Beginning of year			1,279,642	
End of year			$ 1,324,983	

City of Pacific Grove
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2024

Last Ten Fiscal Years

	2014-15[1]	2015-16	2016-17	2017-18	2018-19
Proportion of Net Pension Liability	0.3730%	0.3824%	0.3994%	0.3977%	0.4118%
Proportionate Share of Net Pension Liability	$ 23,123,343	$ 26,535,640	$ 34,564,209	$ 39,440,944	$ 39,679,281
Covered payroll	$ 5,543,503	$ 5,714,952	$ 6,248,635	$ 5,873,761	$ 7,328,064
Net Pension Liability as a % of Covered Payroll	417.13%	464.32%	553.15%	671.48%	541.47%
Plan's Fiduciary Net Position as a % of the TPL	81.99%	78.40%	74.06%	73.31%	75.26%

City of Pacific Grove
Required Supplementary Information (Unaudited)
Schedule of Proportionate Share of Net Pension Liability (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Proportion of Net Pension Liability	0.4169%	0.4226%	0.6037%	0.4527%	0.4410%
Proportionate Share of Net Pension Liability	$ 42,724,135	$ 45,982,402	$ 32,650,197	$ 52,295,194	$ 55,021,695
Covered payroll	$ 8,029,195	$ 8,120,599	$ 7,539,260	$ 8,361,384	$ 8,989,993
Net Pension Liability as a % of Covered Payroll	532.11%	566.24%	433.07%	625.44%	612.03%
Plan's Fiduciary Net Position as a % of the TPL	75.26%	75.10%	88.29%	76.68%	76.21%

City of Pacific Grove
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years

	2014-15	2015-16	2016-17	2017-18	2018-19
Actuarially determined contribution	$ 837,801	$ 1,784,443	$ 1,995,457	$ 2,392,372	$ 2,857,889
Contributions in relation to the actuarially determined contribution[1]	(837,801)	(1,784,443)	(1,995,457)	(2,392,372)	(2,857,889)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 5,714,952	$ 6,248,635	$ 5,873,761	$ 7,328,064	$ 8,029,195
Contributions as a percentage of covered payroll	14.66%	28.56%	33.97%	32.65%	35.59%

[1] Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were derived from the June 30, 2020 funding valuation report..

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate
Remaining Amortization Periods	Differs by employer rate plan but not more than 28 years
Asset valuation method	Market value of assets
Inflation	2.30%
Salary increases	Varies by category, entry age, and service
Discount Rate	6.80% (net of investment and administrative expenses)
Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 80 percent of Scale MP-2020

City of Pacific Grove
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

	2019-20	2020-21	2021-22	2022-23	2023-24
Actuarially determined contribution	$ 3,404,853	$ 3,760,395	$ 4,332,824	$ 4,811,828	$ 2,946,588
Contributions in relation to the actuarially determined contribution[1]	(3,404,566)	(3,760,395)	(4,332,824)	(4,811,828)	(2,946,588)
Contribution deficiency (excess)	$ 287	$ -	$ -	$ -	$ -
Covered payroll	$ 8,120,599	$ 7,539,260	$ 8,361,384	$ 8,989,993	$ 9,367,731
Contributions as a percentage of covered payroll	41.93%	49.88%	51.82%	53.52%	31.45%

City of Pacific Grove
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Retiree Healthcare Plan

Fiscal year	2017-18[1]	2018-19	2019-20	2020-21	2021-22
Total OPEB liability					
Service cost	$ 194,311	$ 168,509	$ 162,418	$ 227,721	$ 312,533
Interest	119,338	139,246	150,001	149,231	118,772
Changes of benefit terms	-	-	(10,980)	-	-
Changes of assumptions	(415,636)	(152,945)	172,969	814,841	(188,228)
Differences between expected and actual experience	-	-	7,390	-	(203,234)
Benefit payments, including refunds	(171,120)	(168,800)	(156,858)	(162,898)	(169,211)
Administrative expense	-	-	1,112	-	-
Net change in total OPEB liability	(273,107)	(13,990)	326,052	1,028,895	(129,368)
Total OPEB liability - beginning of the year	4,078,542	3,805,435	3,791,445	4,117,497	5,146,392
Total OPEB liability - end of the year (a)	$ 3,805,435	$ 3,791,445	$ 4,117,497	$ 5,146,392	$ 5,017,024
Covered-employee payroll	$ 7,678,127	$ 7,915,595	$ 8,673,911	$ 8,151,351	$ 9,186,311
Plan total OPEB liability as a percentage of covered-employee payroll	49.56%	47.90%	47.47%	63.14%	54.61%

[1] Historical information is presented for measurement periods after GASB 75 implementation in 2017-18. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Changes of assumptions: discount rates decreased from 3.87% to 3.5% in 2019, then to 2.21% in 2020, 2.16% in 2021, 3.54% in 2022 and increase to 3.65% at June 30, 2023.

Changes of benefit terms: There were no changes of benefit terms in 2024.

There are no assets in the accumulated trust.

City of Pacific Grove
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Last Ten Fiscal Years

Retiree Healthcare Plan

Fiscal year	2022-23	2023-24
Total OPEB liability		
Service cost	$ 288,848	$ 215,865
Interest	112,491	156,724
Changes of benefit terms	-	-
Changes of assumptions	(916,826)	(214,044)
Differences between expected and actual experience	-	(1,085,337)
Benefit payments, including refunds	(195,915)	(188,543)
Administrative expense	-	-
Net change in total OPEB liability	(711,402)	(1,115,335)
Total OPEB liability - beginning of the year	5,017,024	4,305,622
Total OPEB liability - end of the year (a)	$ 4,305,622	$ 3,190,287
Covered-employee payroll	$ 9,226,324	$ 10,192,805
Plan total OPEB liability as a percentage of covered-employee payroll	46.67%	31.30%


CITY OF PACIFIC GROVE, CA.
INC. 1889



Asilomar Conference Grounds



Ed Ricketts Lab


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Improvement Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ -	$ 213,854	$ 110,948	$ (102,906)
Interest, rents, and concessions	-	-	12,533	12,533
Other revenues	-	471,652	1	(471,651)
Total revenues	-	685,506	123,482	(562,024)
EXPENDITURES:				
Current:				
General government	-	-	1,528	(1,528)
Capital outlay	850,000	1,285,506	534,384	751,122
Total expenditures	850,000	1,285,506	535,912	749,594
EXCESS OF REVENUES OVER EXPENDITURES	(850,000)	(600,000)	(412,430)	187,570
OTHER FINANCING USES:				
Transfers in	850,000	750,000	750,000	-
Total other financing uses	850,000	750,000	750,000	-
NET CHANGE IN FUND BALANCE	$ -	$ 150,000	337,570	$ 187,570
FUND BALANCE:				
Beginning of year			22,626	
End of year			$ 360,196	


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove, California
Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

These funds account for revenue sources that are restricted for specific purposes (other than those resources to be expended solely for the construction of major capital facilities).

Carillion Fund - The Carillon Fund accounts for donations designated for the maintenance of the tower clock and chimes system at City Hall.

Environmental Enhancement Fund - The Environmental Enhancement Fund accounts for revenues associated with Coastal Area Planning grants, coastal area land use, and Environmental Impact Report deposit funds.

State Franchise PEG Fund - Receives funding from the City's cable franchisee to support Public, Educational and Governmental (PEG) programming on local Public Access television. The fund supports equipment expenditures to aid in broadcasting based on the terms of the Digital Infrastructure and Video Competition Act of 2006.

Library Building & Equipment Fund - The Library Building and Equipment Fund accounts for donations designated for improvements and equipment for the City Library.

Museum Improvement Fund - The Museum Improvement Fund accounts for donations designated for improvements to the Museum of Natural History.

Downtown Business District Fund - Provides for the collection of self-assessed fees from businesses within the Business Improvement District and the payment of those fees to the Pacific Grove Chamber of Commerce. Businesses within the BID remit these fees to the City upon the annual renewal of their business licenses.

Hospitality Improvement District Fund - Records the collection and distribution of self-assessed fees by the hotels. Half of the collected funds are remitted to the Pacific Grove Chamber of Commerce, while the other half, Monterey County Tourism Improvement District (MCTID) is remitted to the Monterey County Convention and Visitor's Bureau.

Library Book Fund - The Library Book Fund receives donations and contributions are for the specific purpose of purchasing books for the City Library.

Fire Emergency Equipment Fund - The Fire Emergency Equipment Fund accounts are for grants, fees, and donations in support of Fire Department safety programs.

American Rescue Plan Act Fund (ARPA) - Receives funds from the American Rescue Plan Act and records expenditures that are applied against the granted funds.

Local Streets and Roads Fund - Monterey County voters approved Measure X, which authorized the Transportation Agency of Monterey County (TAMC) to impose and administer a three-eighths cent transaction and use tax. This fund receives tax proceeds to pay for pedestrian and vehicular transportation projects and programs.

Gas Tax Fund - The Gas Tax Fund accounts for State shared gasoline tax revenues that are utilized for street-related operating and capital project costs.

Chautauqua Hall Fund - Chautauqua Hall was built in 1881 and was designated a State Historical Landmark. The Chautauqua Hall Fund accounts for funds from the Chautauqua Hall Preserve that are used to support building repairs and maintenance.

Lighthouse Maintenance & Improvement Fund - Receipts admission fees, gift shop sales, and donations to support operations at the Point Pinos Lighthouse visitor's center and gift shop. Expenditures include staffing, maintenance, supplies, and improvements.

Senior Housing Fund - The Senior Housing Fund accounts for donations and other revenues to develop and maintain senior housing opportunities.

CalHOME Reuse Fund - Funding from the California Department of Housing and Community Development that is administered by the City. Funds provide loans to low and very low-income households for down payment assistance and home rehabilitation. The loans are payable on sale or transfer of homes or when they cease to be owner occupied, or at maturity.

SPECIAL REVENUE FUNDS (Continued)

Small Business Grants Fund - In Fiscal Year 20/21, the City established a Small Business Grant Fund to assist small businesses in recovering from the COVID-19 pandemic. This fund was established with a $50,000 transfer from the General Fund. This fund may be used in the future for further small business assistance programs.

General Plan Maintenance Fee Fund - The General Plan Maintenance Fund accounts for fees collected to maintain the City's General Plan. These fees will be expended to maintain and monitor the General Plan.

Poetry Promotion Fund - The Fund receives income from donations and a bequest to support the promotion of poetry.

Yount Income Fund - The Yount Income Fund accounts for the expendable portion of the Yount Trust Fund which is to be used for beautification of the city and for minor improvements to educational and/or recreational facilities.

Public Safety Augmentation Fund - The Public Safety Augmentation Fund accounts for revenue from Proposition 172 public safety sales tax and interfund transfers to pay for a contract with Monterey County Emergency Communications for 911 emergency dispatch services.

Supplemental Law Enforcement Fund - Receives Supplemental Law Enforcement Services Funds (SLESF) to partially fund the costs of the Department's School Resource Officer (SRO), training expenses, supplies and equipment. Revenues also include funding from the PG Unified School District to partially fund the SRO position.

Vehicle Abandonment Fund - The City receives a $1 tax on vehicle registrations and is reimbursed based on each abandoned vehicle marked, ticketed, and/or towed. Funds are used in the Police Department's abatement program for training, supplies, and equipment.

Strong Disbursements Fund - Accounts for expenditures of income received from the Bertha Strong private foundation held for the benefit of the City Pacific Grove for civic improvements. Revenue is the greater of net income or the required minimum distribution from the corpus of the foundation as governed by the IRS.

Housing Fund - The Housing Fund accounts are for the administration of housing loan activities.

Coastal Conservency Grant Fund - Grant proceeds from the Coastal Conservency to fund coastal conservency related projects and plans that maintain and improve beaches and coastal parks.

Operating Grant Fund - The Operating Donations Fund accounts for grants from federal, state and local agencies to support a variety of public services including police, fire, community development, parks, recreation, and museum facilities.

RMRA Fund - Receipts funding from the Road Repair and Accountability Act of 2017, which include increased gas tax, diesel excise and sales tax; and a zero-emission vehicle registration fee for local transportation projects. Funding allocations are project specific and require a maintenance of effort (MOE) requirement.

Traffic Cong Relief Fund - To supports street-related projects that are supported by the state or federal government.

McIndoo Donation Fund - The McIndoo Donation Fund accounts for the receipt of a donation from the Jeanette J. Mclndoo Trust for beautification and enhancement of public facilities and grounds.

RSTP Fund - This fund receives federal and state transportation funding through the Transportation Agency for Monterey County (TAMC). TAMC allocates these funds to local agencies and are used for bicycle and pedestrian projects, local roads, and transit.

PERMANENT FUNDS

Library Endowment Trust Fund - Retains donations and bequeaths for the benefit of Library materials and collections.

Cemetery Endowment Trust Fund - Accounts for revenues paid for the El Carmelo Cemetery endowment care, perpetual expenses; and the general preservation of burial sites, grounds, walking paths, roadways, boundaries, and structures.

Yount Trust Fund - Receives interest income from non-expendable trust fund. The actual interest earned is transferred to the Yount Income Fund to support beautification of the City and minor improvements to education or recreational facilities.

City of Pacific Grove
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Carillion Fund	Environmental Enhancement Fund	State Franchise PEG Fund	Library Building & Equipment Fund
ASSETS				
Cash and investments	$ 10,421	$ 119,676	$ 104,627	$ 74,071
Receivables:				
Accounts	-	-	11,550	-
Taxes	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Total assets	$ 10,421	$ 119,676	$ 116,177	$ 74,071
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 1,725
Due to other funds	-	-	-	-
Total liabilities	-	-	-	1,725
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Permanent funds	-	-	-	-
Restricted:				
Social service programs	-	-	-	-
Public safety	-	-	-	-
Community development	10,421	119,676	116,177	72,346
Lost revenue recovery	-	-	-	-
Street improvements	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	10,421	119,676	116,177	72,346
Total liabilities, deferred inflows of resources, and fund balances	$ 10,421	$ 119,676	$ 116,177	$ 74,071

(Continued)

City of Pacific Grove
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Museum Improvement Fund	Downtown Business District Fund	Hospitality Improvement District Fund	Library Book Fund
ASSETS				
Cash and investments	$ 344,823	$ 27,602	$ 105,372	$ 50,671
Receivables:				
Accounts	-	-	-	-
Taxes	-	2,483	39,432	-
Loans	-	-	-	-
Interest	-	-	-	-
Total assets	$ 344,823	$ 30,085	$ 144,804	$ 50,671
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ 143,418	$ 11,362
Due to other funds	-	-	-	-
Total liabilities	-	-	143,418	11,362
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Permanent funds	-	-	-	-
Restricted:				
Social service programs	-	-	-	39,309
Public safety	-	-	-	-
Community development	344,823	30,085	1,386	-
Lost revenue recovery	-	-	-	-
Street improvements	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	344,823	30,085	1,386	39,309
Total liabilities, deferred inflows of resources, and fund balances	$ 344,823	$ 30,085	$ 144,804	$ 50,671

(Continued)

City of Pacific Grove
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Fire Emergency Equipment Fund	American Rescue Plan Act (ARPA) Fund	Local Streets and Roads Fund	Gas Tax Fund
ASSETS				
Cash and investments	$ 195,633	$ 1,002,957	$ 983,804	$ 270,293
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	196,581	34,178
Loans	-	-	-	-
Interest	-	-	-	-
Total assets	$ 195,633	$ 1,002,957	$ 1,180,385	$ 304,471
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 107,788	$ 143,495	$ 43,350
Due to other funds	-	-	-	-
Total liabilities	-	107,788	143,495	43,350
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Permanent funds	-	-	-	-
Restricted:				
Social service programs	-	-	-	-
Public safety	195,633	-	-	-
Community development	-	-	-	-
Lost revenue recovery	-	895,169	-	-
Street improvements	-	-	1,036,890	261,121
Unassigned (deficit)	-	-	-	-
Total fund balances	195,633	895,169	1,036,890	261,121
Total liabilities, deferred inflows of resources, and fund balances	$ 195,633	$ 1,002,957	$ 1,180,385	$ 304,471

(Continued)

City of Pacific Grove
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Chautauqua Hall Fund	Lighthouse Maintenance & Improvement Fund	Senior Housing Fund	CalHOME Reuse Fund
ASSETS				
Cash and investments	$ 16,022	$ 231,984	$ 11,194	$ 267,470
Receivables:				
Accounts	-	2,334	-	-
Taxes	-	-	-	-
Loans	-	-	-	242,888
Interest	-	-	-	-
Total assets	$ 16,022	$ 234,318	$ 11,194	$ 510,358
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 10,348	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	-	10,348	-	-
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Permanent funds	-	-	-	-
Restricted:				
Social service programs	-	-	11,194	510,358
Public safety	-	-	-	-
Community development	16,022	223,970	-	-
Lost revenue recovery	-	-	-	-
Street improvements	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	16,022	223,970	11,194	510,358
Total liabilities, deferred inflows of resources, and fund balances	$ 16,022	$ 234,318	$ 11,194	$ 510,358

(Continued)

City of Pacific Grove
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Small Business Grants Fund	General Plan Maintenance Fee Fund	Poetry Promotion Fund	Yount Income Fund
ASSETS				
Cash and investments	$ -	$ 8,230	$ 149,336	$ 16,408
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Total assets	$ -	$ 8,230	$ 149,336	$ 16,408
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ 740	$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	740	-
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Permanent funds	-	-	-	-
Restricted:				
Social service programs	-	-	148,596	-
Public safety	-	-	-	-
Community development	-	8,230	-	16,408
Lost revenue recovery	-	-	-	-
Street improvements	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	-	8,230	148,596	16,408
Total liabilities, deferred inflows of resources, and fund balances	$ -	$ 8,230	$ 149,336	$ 16,408

(Continued)

City of Pacific Grove
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Public Safety Augmentation Fund	Supplemental Law Enforcement Fund	Vehicle Abandonment Fund	Strong Disbursements Fund
ASSETS				
Cash and investments	$ 45,106	$ 105,276	$ 29,686	$ 14,946
Receivables:				
Accounts	28,620	16,667	10,105	-
Taxes	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Total assets	$ 73,726	$ 121,943	$ 39,791	$ 14,946
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 73,029	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	-	73,029	-	-
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Permanent funds	-	-	-	-
Restricted:				
Social service programs	-	-	-	-
Public safety	73,726	48,914	39,791	-
Community development	-	-	-	14,946
Lost revenue recovery	-	-	-	-
Street improvements	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	73,726	48,914	39,791	14,946
Total liabilities, deferred inflows of resources, and fund balances	$ 73,726	$ 121,943	$ 39,791	$ 14,946

(Continued)

City of Pacific Grove
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Housing Fund	Coastal Conservency Grant Fund	Operating Grants Fund	RMRA Fund
ASSETS				
Cash and investments	$ 385,127	$ 89,483	$ -	$ 577,924
Receivables:				
Accounts	-	-	155,634	-
Taxes	-	-	-	67,286
Loans	143,550	-	-	-
Interest	-	-	-	-
Total assets	$ 528,677	$ 89,483	$ 155,634	$ 645,210
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 3,125	$ -	$ 71,211	$ -
Due to other funds	-	-	20,602	-
Total liabilities	3,125	-	91,813	-
Deferred inflows of resources:				
Unavailable revenue	-	-	65,472	-
Total deferred inflows of resources	-	-	65,472	-
Fund Balances:				
Nonspendable:				
Permanent funds	-	-	-	-
Restricted:				
Social service programs	525,552	-	-	-
Public safety	-	-	-	-
Community development	-	89,483	-	-
Lost revenue recovery	-	-	-	-
Street improvements	-	-	-	645,210
Unassigned (deficit)	-	-	(1,651)	-
Total fund balances	525,552	89,483	(1,651)	645,210
Total liabilities, deferred inflows of resources, and fund balances	$ 528,677	$ 89,483	$ 155,634	$ 645,210

(Continued)

City of Pacific Grove
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			Permanent Funds
	Traffic Congestion Relief Fund	McIndoo Donation Fund	ASBS Grant Fund	Library Endowment Trust Fund
ASSETS				
Cash and investments	$ -	$ 22,133	$ 26,137	$ 565,637
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Loans	-	-	-	-
Interest	-	-	-	-
Total assets	$ -	$ 22,133	$ 26,137	$ 565,637
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Permanent funds	-	-	-	565,637
Restricted:				
Social service programs	-	-	26,137	-
Public safety	-	-	-	-
Community development	-	22,133	-	-
Lost revenue recovery	-	-	-	-
Street improvements	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	-	22,133	26,137	565,637
Total liabilities, deferred inflows of resources, and fund balances	$ -	$ 22,133	$ 26,137	$ 565,637

(Continued)

City of Pacific Grove
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Permanent Funds		
	Cemetery Endowment Trust Fund	Yount Trust Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	$ 2,145,254	$ 801,399	$ 8,798,702
Receivables:			
Accounts	-	-	224,910
Taxes	-	-	339,960
Loans	-	-	386,438
Interest	-	2,016	2,016
Total assets	$ 2,145,254	$ 803,415	$ 9,752,026
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ 609,591
Due to other funds	-	22,044	42,646
Total liabilities	-	22,044	652,237
Deferred inflows of resources:			
Unavailable revenue	-	-	65,472
Total deferred inflows of resources	-	-	65,472
Fund Balances:			
Nonspendable:			
Permanent funds	2,145,254	781,371	3,492,262
Restricted:			
Social service programs	-	-	1,261,146
Public safety	-	-	358,064
Community development	-	-	1,086,106
Lost revenue recovery	-	-	895,169
Street improvements	-	-	1,943,221
Unassigned (deficit)	-	-	(1,651)
Total fund balances	2,145,254	781,371	9,034,317
Total liabilities, deferred inflows of resources, and fund balances	$ 2,145,254	$ 803,415	$ 9,752,026

(Concluded)

City of Pacific Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Carillion Fund	Environmental Enhancement Fund	State Franchise PEG Fund	Library Building & Equipment Fund
REVENUES:				
Taxes:				
Sales and use taxes	$ -	$ -	$ -	$ -
Franchise and other taxes	-	-	46,594	-
Transient occupancy taxes	-	-	-	-
Business license tax	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest, rents, and concessions	796	5,879	4,517	4,953
Other revenues	-	-	-	2,570
Total revenues	796	5,879	51,111	7,523
EXPENDITURES:				
Current:				
General government	-	-	26,000	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Library	-	-	-	17,424
Community development	-	-	-	-
Capital outlay	-	-	-	53,986
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	26,000	71,410
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	796	5,879	25,111	(63,887)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Inception of subscription liability	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	796	5,879	25,111	(63,887)
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	9,625	113,797	91,066	136,233
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	-	-	-
Beginning of year, as restated (Note 16)	9,625	113,797	91,066	136,233
End of year	$ 10,421	$ 119,676	$ 116,177	$ 72,346

(Continued)

City of Pacific Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Museum Improvement Fund	Downtown Business District Fund	Hospitality Improvement District Fund	Library Book Fund
REVENUES:				
Taxes:				
Sales and use taxes	$ -	$ -	$ -	$ -
Franchise and other taxes	-	-	-	-
Transient occupancy taxes	-	-	555,504	-
Business license tax	-	37,264	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest, rents, and concessions	16,939	1,751	4,155	4,886
Other revenues	-	-	-	47,033
Total revenues	16,939	39,015	559,659	51,919
EXPENDITURES:				
Current:				
General government	-	19,404	567,201	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Library	-	-	-	45,985
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	19,404	567,201	45,985
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16,939	19,611	(7,542)	5,934
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Inception of subscription liability	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	16,939	19,611	(7,542)	5,934
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	327,884	10,474	8,928	33,375
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	-	-	-
Beginning of year, as restated (Note 16)	327,884	10,474	8,928	33,375
End of year	$ 344,823	$ 30,085	$ 1,386	$ 39,309

(Continued)

City of Pacific Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Fire Emergency Equipment Fund	American Rescue Plan Act (ARPA) Fund	Local Streets and Roads Fund	Gas Tax Fund
REVENUES:				
Taxes:				
Sales and use taxes	$ -	$ -	$ 785,820	$ -
Franchise and other taxes	-	-	-	-
Transient occupancy taxes	-	-	-	-
Business license tax	-	-	-	-
Intergovernmental	-	-	-	396,720
Charges for services	-	-	-	-
Interest, rents, and concessions	9,527	49,418	40,135	12,364
Other revenues	20,203	-	-	-
Total revenues	29,730	49,418	825,955	409,084
EXPENDITURES:				
Current:				
General government	-	4,450	-	-
Public safety:				
Police	-	-	-	-
Fire	5,527	-	-	-
Public works	-	-	-	328,648
Recreation	-	-	-	-
Library	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	223,963	943,822	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,527	228,413	943,822	328,648
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	24,203	(178,995)	(117,867)	80,436
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Inception of subscription liability	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	24,203	(178,995)	(117,867)	80,436
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	171,430	1,074,164	1,154,757	180,685
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	-	-	-
Beginning of year, as restated (Note 16)	171,430	1,074,164	1,154,757	180,685
End of year	$ 195,633	$ 895,169	$ 1,036,890	$ 261,121

(Continued)

City of Pacific Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Chautauqua Hall Fund	Lighthouse Maintenance & Improvement Fund	Senior Housing Fund	CalHOME Reuse Fund
REVENUES:				
Taxes:				
Sales and use taxes	$ -	$ -	$ -	$ -
Franchise and other taxes	-	-	-	-
Transient occupancy taxes	-	-	-	-
Business license tax	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	96,211	-	-
Interest, rents, and concessions	1,224	8,980	855	35,274
Other revenues	-	22,806	-	-
Total revenues	1,224	127,997	855	35,274
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Recreation	-	99,059	-	-
Library	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	99,059	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,224	28,938	855	35,274
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Inception of subscription liability	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	1,224	28,938	855	35,274
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	14,798	195,032	10,339	475,084
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	-	-	-
Beginning of year, as restated (Note 16)	14,798	195,032	10,339	475,084
End of year	$ 16,022	$ 223,970	$ 11,194	$ 510,358

(Continued)

City of Pacific Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Small Business Grants Fund	General Plan Maintenance Fee Fund	Poetry Promotion Fund	Yount Income Fund
REVENUES:				
Taxes:				
Sales and use taxes	$ -	$ -	$ -	$ -
Franchise and other taxes	-	-	-	-
Transient occupancy taxes	-	-	-	-
Business license tax	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	6,013	-	-
Interest, rents, and concessions	134	2,217	42,502	1,068
Other revenues	-	-	-	-
Total revenues	134	8,230	42,502	1,068
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Library	-	-	13,620	-
Community development	-	32,550	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	32,550	13,620	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	134	(24,320)	28,882	1,068
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	8,000
Transfers out	(1,753)	-	-	-
Inception of subscription liability	-	-	-	-
Total other financing sources (uses)	(1,753)	-	-	8,000
NET CHANGES IN FUND BALANCES	(1,619)	(24,320)	28,882	9,068
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	1,619	32,550	119,714	7,340
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	-	-	-
Beginning of year, as restated (Note 16)	1,619	32,550	119,714	7,340
End of year	$ -	$ 8,230	$ 148,596	$ 16,408

(Continued)

City of Pacific Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Public Safety Augmentation Fund	Supplemental Law Enforcement Fund	Vehicle Abandonment Fund	Strong Disbursements Fund
REVENUES:				
Taxes:				
Sales and use taxes	$ -	$ -	$ -	$ -
Franchise and other taxes	-	-	-	-
Transient occupancy taxes	-	-	-	-
Business license tax	-	-	-	-
Intergovernmental	175,516	195,322	15,655	-
Charges for services	-	-	-	-
Interest, rents, and concessions	-	5,869	2,198	14,459
Other revenues	-	-	-	-
Total revenues	175,516	201,191	17,853	14,459
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety:				
Police	479,452	174,774	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Library	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	13,439	-	25,500
Debt service:				
Principal retirement	-	60,287	-	-
Interest	-	2,013	-	-
Total expenditures	479,452	250,513	-	25,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(303,936)	(49,322)	17,853	(11,041)
OTHER FINANCING SOURCES (USES):				
Transfers in	314,000	-	-	-
Transfers out	-	-	-	-
Inception of subscription liability	-	-	-	-
Total other financing sources (uses)	314,000	-	-	-
NET CHANGES IN FUND BALANCES	10,064	(49,322)	17,853	(11,041)
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	63,662	98,236	21,938	25,987
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	-	-	-
Beginning of year, as restated (Note 16)	63,662	98,236	21,938	25,987
End of year	$ 73,726	$ 48,914	$ 39,791	$ 14,946

(Continued)

City of Pacific Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Housing Fund	Coastal Conservency Grant Fund	Operating Grants Fund	RMRA Fund
REVENUES:				
Taxes:				
Sales and use taxes	$ -	$ -	$ -	$ 386,084
Franchise and other taxes	-	-	-	-
Transient occupancy taxes	-	-	-	-
Business license tax	-	-	-	-
Intergovernmental	-	-	496,522	-
Charges for services	-	-	-	-
Interest, rents, and concessions	42,799	6,839	(9,102)	21,394
Other revenues	25,936	-	-	-
Total revenues	68,735	6,839	487,420	407,478
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	121,154	-
Fire	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Library	-	-	-	-
Community development	137,063	-	368,600	-
Capital outlay	-	-	-	103,442
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	137,063	-	489,754	103,442
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(68,328)	6,839	(2,334)	304,036
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Inception of subscription liability	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	(68,328)	6,839	(2,334)	304,036
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	593,880	82,644	683	341,174
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	-	-	-
Beginning of year, as restated (Note 16)	593,880	82,644	683	341,174
End of year	$ 525,552	$ 89,483	$ (1,651)	$ 645,210

(Continued)

City of Pacific Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			Permanent Funds
	Traffic Congestion Relief Fund	McIndoo Donation Fund	ASBS Grant Fund	Library Endowment Trust Fund
REVENUES:				
Taxes:				
Sales and use taxes	$ -	$ -	$ -	$ -
Franchise and other taxes	-	-	-	-
Transient occupancy taxes	-	-	-	-
Business license tax	-	-	-	-
Intergovernmental	-	-	2,508	-
Charges for services	-	-	-	-
Interest, rents, and concessions	-	2,664	-	27,506
Other revenues	-	-	-	15,690
Total revenues	-	2,664	2,508	43,196
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety:				
Police	-	-	-	-
Fire	-	-	-	-
Public works	-	-	-	-
Recreation	-	-	-	-
Library	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	17,387	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	17,387	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(14,723)	2,508	43,196
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(596)	-	-	-
Inception of subscription liability	-	-	-	-
Total other financing sources (uses)	(596)	-	-	-
NET CHANGES IN FUND BALANCES	(596)	(14,723)	2,508	43,196
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	596	36,856	-	522,441
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	-	23,629	-
Beginning of year, as restated (Note 16)	596	36,856	23,629	522,441
End of year	$ -	$ 22,133	$ 26,137	$ 565,637

(Continued)

City of Pacific Grove
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Permanent Funds		Special Revenue Funds	
	Cemetery Endowment Trust Fund	Yount Trust Fund	RSTP Fund	Total Nonmajor Governmental Funds
REVENUES:				
Taxes:				
Sales and use taxes	$ -	$ -		$ 1,171,904
Franchise and other taxes	-	-		46,594
Transient occupancy taxes	-	-		555,504
Business license tax	-	-		37,264
Intergovernmental	-	-		1,282,243
Charges for services	74,216	-		176,440
Interest, rents, and concessions	103,711	16,674		482,585
Other revenues	-	-		134,238
Total revenues	177,927	16,674		3,886,772
EXPENDITURES:				
Current:				
General government	-	-		617,055
Public safety:				
Police	-	-		775,380
Fire	-	-		5,527
Public works	-	-		328,648
Recreation	-	-		99,059
Library	-	-		77,029
Community development	-	-		538,213
Capital outlay	-	-		1,381,539
Debt service:				
Principal retirement	-	-		60,287
Interest	-	-		2,013
Total expenditures	-	-		3,884,750
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	177,927	16,674		2,022
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-		322,000
Transfers out	-	(8,000)		(10,349)
Inception of subscription liability	-	-		-
Total other financing sources (uses)	-	(8,000)		311,651
NET CHANGES IN FUND BALANCES	177,927	8,674		313,673
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	1,967,327	772,697	(40,122)	8,656,893
Change with financial reporting entity (major and non-major fund classification) (Note 16)	-	-	40,122	63,751
Beginning of year, as restated (Note 16)	1,967,327	772,697	-	8,720,644
End of year	$ 2,145,254	$ 781,371	$ -	$ 9,034,317

(Concluded)

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Carillion Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 100	$ 100	$ 796	$ 696
Total revenues	100	100	796	696
NET CHANGE IN FUND BALANCE	$ 100	$ 100	796	$ 696
FUND BALANCE:				
Beginning of year			9,625	
End of year			$ 10,421	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Environmental Enhancement Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 800	$ 800	$ 5,879	$ 5,079
Total revenues	800	800	5,879	5,079
NET CHANGE IN FUND BALANCE	$ 800	$ 800	5,879	$ 5,079
FUND BALANCE:				
Beginning of year			113,797	
End of year			$ 119,676	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
State Franchise PEG Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes				
Franchise and other taxes	$ 51,000	$ 47,000	$ 46,594	$ (406)
Interest, rents, and concessions	1,500	2,000	4,517	2,517
Total revenues	52,500	49,000	51,111	2,111
EXPENDITURES:				
Current:				
General government	71,000	71,000	26,000	45,000
Capital outlay	10,000	10,000	-	10,000
Total expenditures	81,000	81,000	26,000	55,000
NET CHANGE IN FUND BALANCE	$ (28,500)	$ (32,000)	25,111	$ 57,111
FUND BALANCE:				
Beginning of year			91,066	
End of year			$ 116,177	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Library Building & Equipment Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 1,000	$ 1,000	$ 4,953	$ 3,953
Other revenues	2,570	2,000	2,570	570
Total revenues	3,570	3,000	7,523	4,523
EXPENDITURES:				
Current:				
Library	68,589	88,589	17,424	71,165
Capital outlay	-	12,619	53,986	(41,367)
Total expenditures	68,589	101,208	71,410	29,798
NET CHANGE IN FUND BALANCE	$ (65,019)	$ (98,208)	(63,887)	$ 34,321
FUND BALANCE:				
Beginning of year			136,233	
End of year			$ 72,346	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Museum Improvement Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 3,000	$ 3,000	$ 16,939	$ 13,939
Total revenues	3,000	3,000	16,939	13,939
EXPENDITURES:				
Capital outlay	-	113,800	-	113,800
Total expenditures	-	113,800	-	113,800
NET CHANGE IN FUND BALANCE	$ 3,000	$ (110,800)	16,939	$ 127,739
FUND BALANCE:				
Beginning of year			327,884	
End of year			$ 344,823	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Downtown Business District Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes				
Business license tax	$ 33,000	$ 33,000	$ 37,264	$ 4,264
Interest, rents, and concessions	350	350	1,751	1,401
Total revenues	33,350	33,350	39,015	5,665
EXPENDITURES:				
Current:				
General government	33,000	33,000	19,404	13,596
Total expenditures	33,000	33,000	19,404	13,596
NET CHANGE IN FUND BALANCE	$ 350	$ 350	19,611	$ 19,261
FUND BALANCE:				
Beginning of year			10,474	
End of year			$ 30,085	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Hospitality Improvement District Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes				
Transient occupancy taxes	$ 588,000	$ 662,000	$ 555,504	$ (106,496)
Interest, rents, and concessions	1,400	1,900	4,155	2,255
Total revenues	589,400	663,900	559,659	(104,241)
EXPENDITURES:				
Current:				
General government	488,000	662,000	567,201	94,799
Total expenditures	488,000	662,000	567,201	94,799
NET CHANGE IN FUND BALANCE	$ 101,400	$ 1,900	(7,542)	$ (9,442)
FUND BALANCE:				
Beginning of year			8,928	
End of year			$ 1,386	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Library Book Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 500	$ 3,000	$ 4,886	$ 1,886
Other revenues	40,000	49,000	47,033	(1,967)
Total revenues	40,500	52,000	51,919	(81)
EXPENDITURES:				
Current:				
Library	40,000	46,492	45,985	507
Total expenditures	40,000	46,492	45,985	507
NET CHANGE IN FUND BALANCE	$ 500	$ 5,508	5,934	$ 426
FUND BALANCE:				
Beginning of year			33,375	
End of year			$ 39,309	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fire Emergency Equipment Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 2,400	$ 3,200	$ 9,527	$ 6,327
Other revenues	19,500	20,203	20,203	-
Total revenues	21,900	23,403	29,730	6,327
EXPENDITURES:				
Current:				
Public safety:				
Fire	22,000	22,000	5,527	16,473
Total expenditures	22,000	22,000	5,527	16,473
NET CHANGE IN FUND BALANCE	$ (100)	$ 1,403	24,203	$ 22,800
FUND BALANCE:				
Beginning of year			171,430	
End of year			$ 195,633	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
American Rescue Plan Act Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 3,000	$ 15,000	$ 49,418	$ 34,418
Total revenues	3,000	15,000	49,418	34,418
EXPENDITURES:				
Current:				
General government	-	-	4,450	(4,450)
Capital outlay	81,325	1,063,136	223,963	839,173
Total expenditures	81,325	1,063,136	228,413	834,723
NET CHANGE IN FUND BALANCE	$ (78,325)	$ (1,048,136)	(178,995)	$ 869,141
FUND BALANCE:				
Beginning of year			1,074,164	
End of year			$ 895,169	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Local Streets and Roads Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes				
Sales and use taxes	$ 753,178	$ 828,000	$ 785,820	$ (42,180)
Interest, rents, and concessions	7,500	7,500	40,135	32,635
Total revenues	760,678	835,500	825,955	(9,545)
EXPENDITURES:				
Capital outlay	786,088	1,806,924	943,822	863,102
Total expenditures	786,088	1,806,924	943,822	863,102
NET CHANGE IN FUND BALANCE	$ (25,410)	$ (971,424)	(117,867)	$ 853,557
FUND BALANCE:				
Beginning of year			1,154,757	
End of year			$ 1,036,890	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 415,317	$ 415,317	$ 396,720	$ (18,597)
Interest, rents, and concessions	1,000	1,000	12,364	11,364
Total revenues	416,317	416,317	409,084	(7,233)
EXPENDITURES:				
Current:				
Public works	436,308	440,233	328,648	111,585
Capital outlay	-	799	-	799
Total expenditures	436,308	441,032	328,648	112,384
NET CHANGE IN FUND BALANCE	$ (19,991)	$ (24,715)	80,436	$ 105,151
FUND BALANCE:				
Beginning of year			180,685	
End of year			$ 261,121	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Chautauqua Hall Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 150	$ 150	$ 1,224	$ 1,074
Total revenues	150	150	1,224	1,074
NET CHANGE IN FUND BALANCE	$ 150	$ 150	1,224	$ 1,074
FUND BALANCE:				
Beginning of year			14,798	
End of year			$ 16,022	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Lighthouse Maintenance & Improvement Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	$ 95,000	$ 85,000	$ 96,211	$ 11,211
Interest, rents, and concessions	-	-	8,980	8,980
Other revenues	2,000	2,000	22,806	20,806
Total revenues	97,000	87,000	127,997	40,997
EXPENDITURES:				
Current:				
Recreation	90,716	109,723	99,059	10,664
Capital outlay	-	57,950	-	57,950
Total expenditures	90,716	167,673	99,059	68,614
NET CHANGE IN FUND BALANCE	$ 6,284	$ (80,673)	28,938	$ 109,611
FUND BALANCE:				
Beginning of year			195,032	
End of year			$ 223,970	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Senior Housing Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 100	$ 500	$ 855	$ 355
Total revenues	100	500	855	355
NET CHANGE IN FUND BALANCE	$ 100	$ 500	855	$ 355
FUND BALANCE:				
Beginning of year			10,339	
End of year			$ 11,194	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CalHOME Reuse Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 2,000	$ 28,000	$ 35,274	$ 7,274
Total revenues	2,000	28,000	35,274	7,274
NET CHANGE IN FUND BALANCE	$ 2,000	$ 28,000	35,274	$ 7,274
FUND BALANCE:				
Beginning of year			475,084	
End of year			$ 510,358	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Small Business Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ -	$ -	$ 134	$ 134
Total revenues	-	-	134	134
EXCESS OF REVENUES OVER EXPENDITURES	-	-	134	134
OTHER FINANCING USES:				
Transfers out	-	-	(1,753)	(1,753)
Total other financing uses	-	-	(1,753)	(1,753)
NET CHANGE IN FUND BALANCE	$ -	$ -	(1,619)	$ (1,619)
FUND BALANCE:				
Beginning of year			1,619	
End of year			$ -	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Plan Maintenance Fee Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	$ 10,000	$ 10,000	$ 6,013	$ (3,987)
Interest, rents, and concessions	-	600	2,217	1,617
Total revenues	10,000	10,600	8,230	(2,370)
EXPENDITURES:				
Current:				
Community development	-	32,550	32,550	-
Total expenditures	-	32,550	32,550	-
NET CHANGE IN FUND BALANCE	$ 10,000	$ (21,950)	(24,320)	$ (2,370)
FUND BALANCE:				
Beginning of year			32,550	
End of year			$ 8,230	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Poetry Promotion Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 35,620	$ 35,620	$ 42,502	$ 6,882
Total revenues	35,620	35,620	42,502	6,882
EXPENDITURES:				
Current:				
Library	14,700	19,700	13,620	6,080
Total expenditures	14,700	19,700	13,620	6,080
NET CHANGE IN FUND BALANCE	$ 20,920	$ 15,920	28,882	$ 12,962
FUND BALANCE:				
Beginning of year			119,714	
End of year			$ 148,596	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Yount Income Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 1,000	$ 1,000	$ 1,068	$ 68
Total revenues	1,000	1,000	1,068	68
EXCESS OF REVENUES OVER EXPENDITURES	1,000	1,000	1,068	68
OTHER FINANCING USES:				
Transfers in	15,000	8,000	8,000	-
Total other financing uses	15,000	8,000	8,000	-
NET CHANGE IN FUND BALANCE	$ 16,000	$ 9,000	9,068	$ 68
FUND BALANCE:				
Beginning of year			7,340	
End of year			$ 16,408	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Safety Augmentation Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 150,000	$ 150,000	$ 175,516	$ 25,516
Interest, rents, and concessions	2,000	2,000	-	(2,000)
Total revenues	152,000	152,000	175,516	23,516
EXPENDITURES:				
Current:				
Public safety:				
Police	463,860	482,000	479,452	2,548
Total expenditures	463,860	482,000	479,452	2,548
EXCESS OF REVENUES OVER EXPENDITURES	(311,860)	(330,000)	(303,936)	26,064
OTHER FINANCING USES:				
Transfers in	314,000	314,000	314,000	-
Total other financing uses	314,000	314,000	314,000	-
NET CHANGE IN FUND BALANCE	$ 2,140	$ (16,000)	10,064	$ 26,064
FUND BALANCE:				
Beginning of year			63,662	
End of year			$ 73,726	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Supplemental Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 247,000	$ 247,000	$ 195,322	$ (51,678)
Interest, rents, and concessions	750	1,318	5,869	4,551
Total revenues	247,750	248,318	201,191	(47,127)
EXPENDITURES:				
Current:				
Public safety:				
Police	277,470	273,756	174,774	98,982
Capital outlay	-	-	13,439	(13,439)
Debt service:				
Principal retirement	-	-	60,287	(60,287)
Interest and fiscal charges	-	-	2,013	(2,013)
Total expenditures	277,470	273,756	250,513	23,243
NET CHANGE IN FUND BALANCE	$ (29,720)	$ (25,438)	(49,322)	$ (23,884)
FUND BALANCE:				
Beginning of year			98,236	
End of year			$ 48,914	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Vehicle Abandonment Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 13,000	$ 13,000	$ 15,655	$ 2,655
Interest, rents, and concessions	200	200	2,198	1,998
Total revenues	13,200	13,200	17,853	4,653
NET CHANGE IN FUND BALANCE	$ 13,200	$ 13,200	17,853	$ 4,653
FUND BALANCE:				
Beginning of year			21,938	
End of year			$ 39,791	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Strong Disbursements Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 1,000	$ 1,000	$ 14,459	$ 13,459
Other revenues	40,000	40,000	-	(40,000)
Total revenues	41,000	41,000	14,459	(26,541)
EXPENDITURES:				
Capital outlay	-	26,550	25,500	1,050
Total expenditures	-	26,550	25,500	1,050
NET CHANGE IN FUND BALANCE	$ 41,000	$ 14,450	(11,041)	$ (25,491)
FUND BALANCE:				
Beginning of year			25,987	
End of year			$ 14,946	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Housing Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 5,000	$ 46,695	$ 42,799	$ (3,896)
Other revenues	-	47,300	25,936	(21,364)
Total revenues	5,000	93,995	68,735	(25,260)
EXPENDITURES:				
Current:				
Community development	203,666	208,054	137,063	70,991
Total expenditures	203,666	208,054	137,063	70,991
NET CHANGE IN FUND BALANCE	$ (198,666)	$ (114,059)	(68,328)	$ 45,731
FUND BALANCE:				
Beginning of year			593,880	
End of year			$ 525,552	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Coastal Conservency Grant Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 1,200	$ 1,200	$ 6,839	$ 5,639
Total revenues	1,200	1,200	6,839	5,639
NET CHANGE IN FUND BALANCE	$ 1,200	$ 1,200	6,839	$ 5,639
FUND BALANCE:				
Beginning of year			82,644	
End of year			$ 89,483	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Operating Grant Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ -	$ -	$ 496,522	$ 496,522
Interest, rents, and concessions	-	-	(9,102)	(9,102)
Total revenues	-	-	487,420	487,420
EXPENDITURES:				
Current:				
Public safety:				
Police	-	64,375	121,154	(56,779)
Community development	591,896	445,263	368,600	76,663
Total expenditures	591,896	509,638	489,754	19,884
NET CHANGE IN FUND BALANCE	$ (591,896)	$ (509,638)	(2,334)	$ 507,304
FUND BALANCE (DEFICIT):				
Beginning of year			683	
End of year			$ (1,651)	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
RMRA Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes				
Sales and use taxes	$ 369,839	$ 369,839	$ 386,084	$ 16,245
Interest, rents, and concessions	2,500	2,500	21,394	18,894
Total revenues	372,339	372,339	407,478	35,139
EXPENDITURES:				
Capital outlay	505,049	608,491	103,442	505,049
Total expenditures	505,049	608,491	103,442	505,049
NET CHANGE IN FUND BALANCE	$ (132,710)	$ (236,152)	304,036	$ 540,188
FUND BALANCE:				
Beginning of year			341,174	
End of year			$ 645,210	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Traffic Congestion Relief Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
OTHER FINANCING USES:				
Transfers out	-	-	(596)	(596)
Total other financing uses	-	-	(596)	(596)
NET CHANGE IN FUND BALANCE	$ -	$ -	(596)	$ (596)
FUND BALANCE:				
Beginning of year			596	
End of year			$ -	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
McIndoo Donation Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 500	$ 500	$ 2,664	$ 2,164
Total revenues	500	500	2,664	2,164
EXPENDITURES:				
Capital outlay	-	17,387	17,387	-
Total expenditures	-	17,387	17,387	-
NET CHANGE IN FUND BALANCE	$ 500	$ (16,887)	(14,723)	$ 2,164
FUND BALANCE:				
Beginning of year			36,856	
End of year			$ 22,133	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
ASBS Grant Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ -	$ -	$ 2,508	$ 2,508
Total revenues	-	-	2,508	2,508
NET CHANGE IN FUND BALANCE	$ -	$ -	2,508	$ 2,508
FUND BALANCE:				
Beginning of year			23,629	
End of year			$ 26,137	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Library Endowment Trust Permanent Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 10,000	$ 10,000	$ 27,506	$ 17,506
Other revenues	-	1,000	15,690	14,690
Total revenues	10,000	11,000	43,196	32,196
NET CHANGE IN FUND BALANCE	$ 10,000	$ 11,000	43,196	$ 32,196
FUND BALANCE:				
Beginning of year			522,441	
End of year			$ 565,637	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Cemetery Endowment Trust Permanent Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	$ 75,000	$ 75,000	$ 74,216	$ (784)
Interest, rents, and concessions	35,000	36,900	103,711	66,811
Total revenues	110,000	111,900	177,927	66,027
NET CHANGE IN FUND BALANCE	$ 110,000	$ 111,900	177,927	$ 66,027
FUND BALANCE:				
Beginning of year			1,967,327	
End of year			$ 2,145,254	

City of Pacific Grove
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Yount Trust Permanent Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Interest, rents, and concessions	$ 15,000	$ 8,000	$ 16,674	$ 8,674
Total revenues	15,000	8,000	16,674	8,674
EXCESS OF REVENUES OVER EXPENDITURES	15,000	8,000	16,674	8,674
OTHER FINANCING USES:				
Transfers out	(15,000)	(8,000)	(8,000)	-
Total other financing uses	(15,000)	(8,000)	(8,000)	-
NET CHANGE IN FUND BALANCE	$ -	$ -	8,674	$ 8,674
FUND BALANCE:				
Beginning of year			772,697	
End of year			$ 781,371	

City of Pacific Grove, California
Internal Service Funds

The Internal Service Fund accounts for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Internal Service Funds include:

Employee Benefit Fund - Accumulates contributions from departmental payroll processes and internal service charge transfers to fund and pay for a variety of employee benefit costs such as retiree health, dental, unemployment insurance, life/disability insurance, and temporary employee social security replacement costs.

Workers' Compensation Fund - Gathers workers compensation rates from employee payroll records, along with claim reimbursements. Any annual excess or deficiencies are charged through a separate internal service charge. This fund supports workers comp. program administration costs, insurance premiums, claims expense, IIPP costs.

Liability Insurance Fund - Accounts for contributions from departmental budgets to cover the cost of general liability claims, related legal costs, and annual insurance premiums.



Berwick Park and Whale Statue


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Employee Benefit Fund	Workers' Compensation Fund	Liability Insurance Fund	Total
ASSETS				
Current assets:				
Cash and investments	$ 172,136	$ 676,305	$ 593,124	$ 1,441,565
Restricted cash and investments	-	55,151	15,086	70,237
Accounts receivable, net	-	14,079	-	14,079
Total current assets	172,136	745,535	608,210	1,525,881
Total assets	172,136	745,535	608,210	1,525,881
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	-	44,976	66,393	111,369
Related to OPEB	-	1,044	697	1,741
Total deferred outflows of resources	-	46,020	67,090	113,110
LIABILITIES				
Current liabilities:				
Accounts payable	12,616	658	5,000	18,274
Due to other funds	-	-	-	-
Claims payable, due within one year	-	146,014	10,491	156,505
Compensated absences, due within one year	-	83	-	83
Long-term debt, due within one year	-	-	-	-
Total OPEB liability, due within one year	-	480	325	805
Total current liabilities	12,616	147,235	15,816	175,667
Noncurrent liabilities:				
Claims payable, due in more than one year	-	292,467	25,459	317,926
Compensated absences, due in more than one year	-	250	-	250
Total OPEB liability, due in more than one year	-	9,515	6,338	15,853
Net pension liability	-	123,566	182,409	305,975
Total noncurrent liabilities	-	425,798	214,206	640,004
Total liabilities	12,616	573,033	230,022	815,671
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	-	8,615	12,717	21,332
Related to OPEB	-	6,164	4,109	10,273
Total deferred inflows of resources	-	14,779	16,826	31,605
NET POSITION				
Restricted:				
Insurance reserve	-	55,151	15,086	70,237
Unrestricted	159,520	148,592	413,366	721,478
Total net position	$ 159,520	$ 203,743	$ 428,452	$ 791,715


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefit Fund	Workers' Compensation Fund	Liability Insurance Fund	Total
OPERATING REVENUES:				
Charges for services	$ 341,319	$ 535,846	$ 1,137,432	$ 2,014,597
Total operating revenues	341,319	535,846	1,137,432	2,014,597
OPERATING EXPENSES:				
Contractual services and utilities	-	749,959	390,298	1,140,257
Personnel	273,212	(98,917)	(142,426)	31,869
Supplies and materials	-	-	216,150	216,150
Total operating expenses	273,212	651,042	464,022	1,388,276
OPERATING INCOME (LOSS)	68,107	(115,196)	673,410	626,321
NONOPERATING REVENUES (EXPENSES):				
Investment earnings (loss)	7,002	32,673	6,008	45,683
Interest expense and bank charges	(9,246)	-	-	(9,246)
Total nonoperating revenues (expenses)	(2,244)	32,673	6,008	36,437
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	65,863	(82,523)	679,418	662,758
CHANGES IN NET POSITION	65,863	(82,523)	679,418	662,758
NET POSITION (DEFICIT):				
Beginning of year	93,657	286,266	(250,966)	128,957
End of year	$ 159,520	$ 203,743	$ 428,452	$ 791,715

City of Pacific Grove
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefit Fund	Workers' Compensation Fund	Liability Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	$ 341,319	$ 710,576	$ 1,137,432	$ 2,189,327
Payments to suppliers	-	322,013	469,878	791,891
Payments to employees	(267,278)	(32,977)	(39,064)	(339,319)
Cash paid for insurance claims	-	(910,801)	(868,042)	(1,778,843)
Net cash provided by operating activities	74,041	88,811	700,204	863,056
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund transactions	-	-	(108,002)	(108,002)
Net cash (used in) noncapital financing activities	-	-	(108,002)	(108,002)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Receipts from (payments on) loans receivable				
Payment on the bank fee	(9,246)	-	-	(9,246)
Investment income received	7,002	32,673	6,008	45,683
Net cash provided by (used in) investing activities	(2,244)	32,673	6,008	36,437
Net change in cash and investments	71,797	121,484	598,210	791,491
CASH AND CASH INVESTMENTS:				
Beginning of year	100,339	609,972	10,000	720,311
End of year	$ 172,136	$ 731,456	$ 608,210	$ 1,511,802

City of Pacific Grove
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefit Fund	Workers' Compensation Fund	Liability Insurance Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	$ 68,107	$ (115,196)	$ 673,410	$ 626,321
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Change in operating assets, liabilities, and deferred items:				
Accounts receivable	-	174,730	-	174,730
Prepaid items	-	271,972	461,326	733,298
Pension deferred outflows	-	72,254	106,663	178,917
OPEB deferred outflows	-	725	482	1,207
Accounts payable	5,934	(10,861)	(5,364)	(10,291)
Payroll and related liabilities	-	-	-	-
Claims payable	-	(110,801)	(253,042)	(363,843)
Net pension liability	-	(171,829)	(253,655)	(425,484)
Total OPEB liability	-	(3,495)	(2,330)	(5,825)
Compensated absences	-	(4,310)	(3,810)	(8,120)
Pension deferred inflows	-	(17,158)	(25,329)	(42,487)
OPEB deferred inflows	-	2,780	1,853	4,633
Total adjustments	5,934	204,007	26,794	236,735
Net cash provided by operating activities	$ 74,041	$ 88,811	$ 700,204	$ 863,056


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove, California
Statistical Section

This part of the City of Pacific Grove's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health. In contrast to the Financial Section, the Statistical Section is not subject to independent audit.

Contents **Pages**

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 164-173

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue sources, including property, sales and transient occupancy taxes. 174-179

Debt Capacity

These tables present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future. 180-187

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place. 188-190

Operating Information

These tables contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs. 191-192

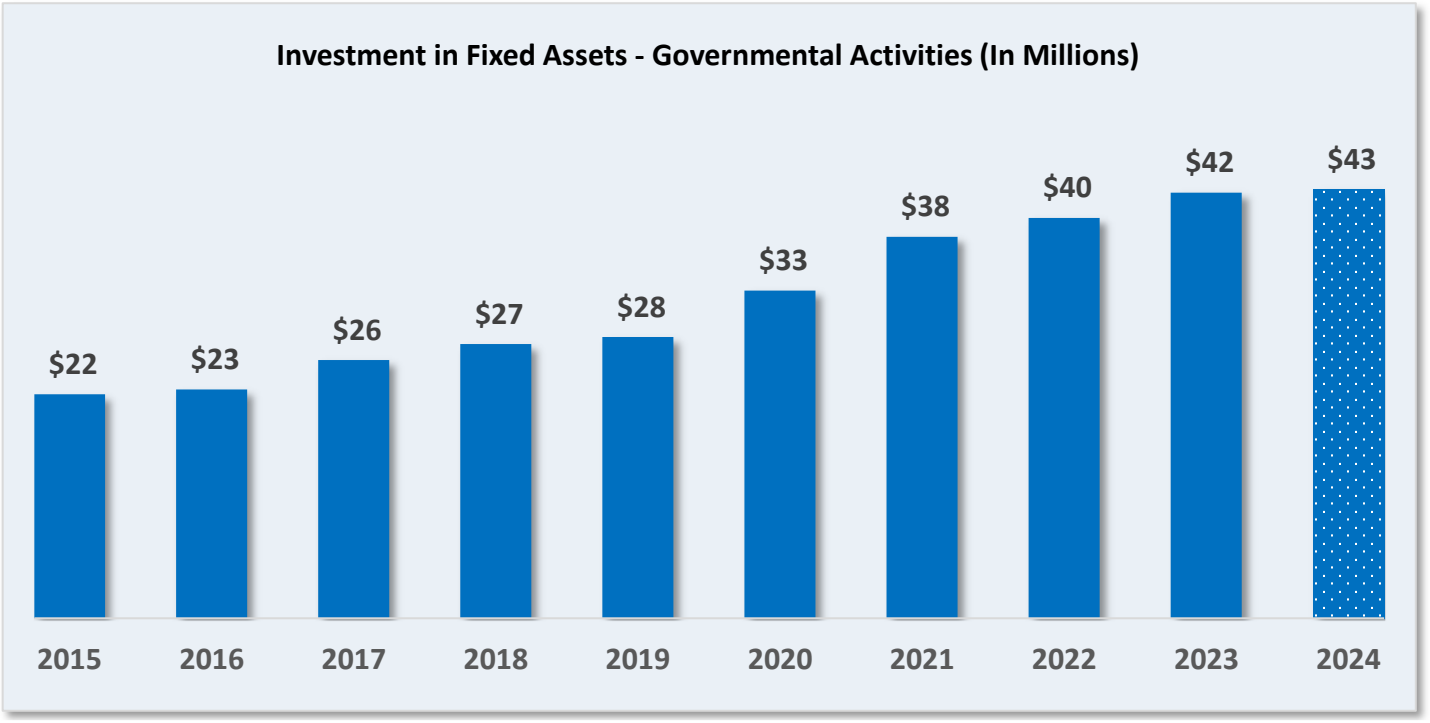
Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

City of Pacific Grove
Net Position By Component
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Governmental activities:					
Net investment in capital assets	$ 22,263,317	$ 22,741,849	$ 25,668,607	$ 27,258,794	$ 27,964,295
Restricted	6,023,419	6,193,527	6,430,258	6,880,621	9,308,564
Unrestricted (deficit)	(28,355,257)	(36,999,457)	(35,892,155)	(37,782,965)	(37,369,113)
Total governmental activities net position	$ (68,521)	$ (8,064,081)	$ (3,793,290)	$ (3,643,550)	$ (96,254)
Business-type activities:					
Net investment in capital assets	$ 12,181,977	$ 12,525,066	$ 13,220,660	$ 16,268,992	$ 16,984,023
Restricted				295,090	296,448
Unrestricted	6,059,829	5,640,007	6,398,946	6,136,327	6,500,790
Total business-type activities net position	$ 18,241,806	$ 18,165,073	$ 19,619,606	$ 22,700,409	$ 23,781,261
Primary government:					
Net investment in capital assets	$ 34,445,294	$ 35,266,915	$ 38,889,267	$ 43,527,786	$ 44,948,318
Restricted	6,023,419	6,193,527	6,430,258	7,175,711	9,605,012
Unrestricted (deficit)	(22,295,428)	(31,359,450)	(29,493,209)	(31,646,638)	(30,868,323)
Total primary government net position	$ 18,173,285	$ 10,100,992	$ 15,826,316	$ 19,056,859	$ 23,685,007

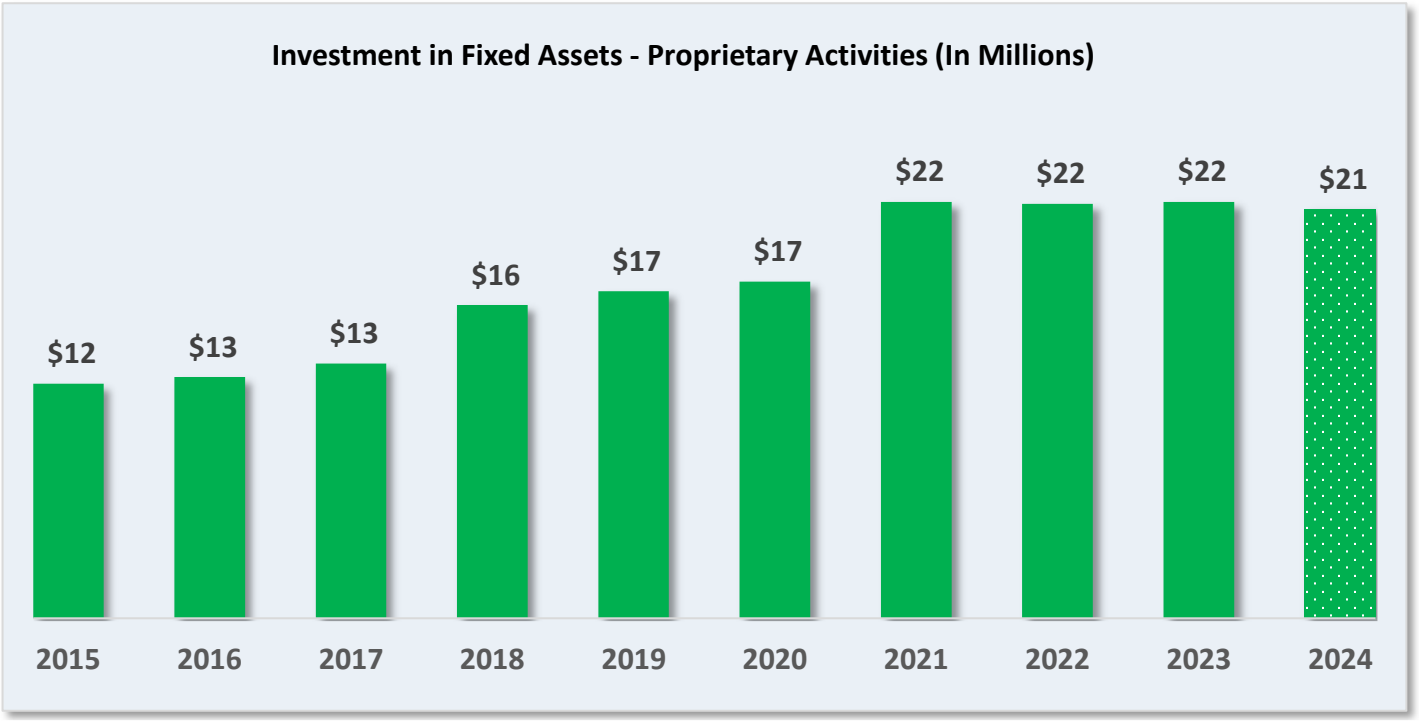
Notes: The Unrestricted net position is net of the City's pension obligation, which has grown steadily over the years.

Source: City of Pacific Grove Finance Department



City of Pacific Grove
Net Position By Component (Continued)
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Governmental activities:					
Net investment in capital assets	$ 32,572,615	$ 37,925,984	$ 39,813,126	$ 42,333,875	$ 42,670,667
Restricted	8,377,320	7,628,868	7,759,547	10,055,437	10,470,523
Unrestricted (deficit)	(41,445,942)	(42,610,612)	(48,074,964)	(32,183,453)	(29,485,067)
Total governmental activities net position	$ (496,007)	$ 2,944,240	$ (502,291)	$ 20,205,859	$ 23,656,123
Business-type activities:					
Net investment in capital assets	$ 17,471,699	$ 21,623,880	$ 21,515,536	$ 21,619,974	$ 21,252,446
Restricted	296,448	296,448	296,448	298,348	296,448
Unrestricted	6,746,442	3,834,349	5,298,729	6,932,826	10,131,767
Total business-type activities net position	$ 24,514,589	$ 25,754,677	$ 27,110,713	$ 28,851,148	$ 31,680,661
Primary government:					
Net investment in capital assets	$ 50,044,314	$ 59,549,864	$ 61,328,662	$ 63,953,849	$ 63,923,113
Restricted	8,673,768	7,925,316	8,055,995	10,353,785	10,766,971
Unrestricted (deficit)	(34,699,500)	(38,776,263)	(42,776,235)	(25,250,627)	(19,353,300)
Total primary government net position	$ 24,018,582	$ 28,698,917	$ 26,608,422	$ 49,057,007	$ 55,336,784



City of Pacific Grove
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	$ 2,320,217	$ 2,768,729	$ 2,738,294	$ 3,025,245	$ 3,580,752
Public safety	7,144,172	8,675,956	10,117,543	10,133,896	10,713,679
Public works	3,357,831	4,057,715	4,136,425	4,110,946	4,246,913
Recreation	439,368	586,436	684,848	737,279	924,517
Library	662,076	844,521	988,284	920,946	1,166,226
Museum	195,868	258,591	277,538	255,915	319,386
Community Development	2,246,289	3,512,657	3,086,903	2,897,897	2,834,404
Interest and fiscal charges on long-term debt	1,323,094	1,209,972	1,068,271	963,134	854,804
Total governmental activities expenses	17,688,915	21,914,577	23,098,106	23,045,258	24,640,681
Business-type activities:					
Cemetery	231,261	295,388	293,068	370,747	436,338
Sewer	1,761,965	1,703,290	1,751,842	2,367,950	2,080,696
Local Water Project	-	-	-	190,977	425,525
Golf	811,666	420,788	349,811	371,646	894,206
Total business-type activities expenses	2,804,892	2,419,466	2,394,721	3,301,320	3,836,765
Total primary government expenses	**$ 20,493,807**	**$ 24,334,043**	**$ 25,492,827**	**$ 26,346,578**	**$ 28,477,446**
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 874,861	$ 1,398,707	$ 1,338,655	$ 1,596,481	$ 1,505,113
Public safety	9,552	10,405	11,222	33,363	37,570
Public works	35,743	45,792	32,993	43,434	17,860
Recreation	322,363	295,341	377,778	403,889	417,437
Library	18,810	17,601	19,925	16,364	13,177
Community Development	564,954	578,575	664,133	544,275	745,737
Operating grants and contributions	960,553	2,354,025	4,105,908	856,196	824,805
Capital grants and contributions	104,677	36,050	96,383	424,950	347,095
Total governmental activities program revenues	2,891,513	4,736,496	6,646,997	3,918,952	3,908,794
Business-type activities:					
Charges for services:					
Cemetery	200,527	191,497	288,712	452,283	459,761
Local Water Project	-	-	-	192,787	484,603
Sewer	2,908,507	2,967,074	3,139,222	3,244,931	3,317,734
Golf	405,552	386,916	354,093	333,534	426,839
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	48,405	152,830	-	2,353,823	-
Total business-type activities program revenues	3,562,991	3,698,317	3,782,027	6,577,358	4,688,937
Total primary government program revenues	**6,454,504**	**8,434,813**	**10,429,024**	**10,496,310**	**8,597,731**
Net (expense)/revenue:					
Governmental activities	(14,797,402)	(17,178,081)	(16,451,109)	(19,126,306)	(20,731,887)
Business-type activities	758,099	1,278,851	1,387,306	3,276,038	852,172
Total primary government net (expense)/revenue	**$ (14,039,303)**	**$ (15,899,230)**	**$ (15,063,803)**	**$ (15,850,268)**	**$ (19,879,715)**

Source: City of Pacific Grove Finance Department

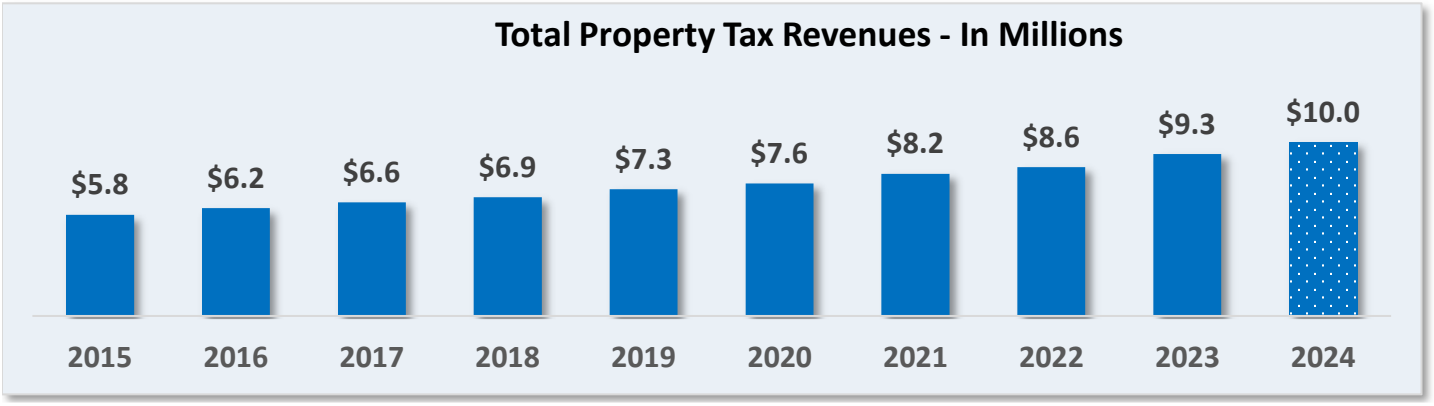
City of Pacific Grove
Changes in Net Position (Continued)
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
General government	$ 4,128,554	$ 3,957,697	$ 5,800,659	$ 3,241,604	$ 6,440,878
Public safety	12,447,605	12,345,886	16,706,460	7,895,196	15,217,138
Public works	5,105,747	4,916,879	6,611,056	2,809,143	5,230,431
Recreation	894,381	765,613	1,117,468	554,042	1,562,919
Library	1,496,673	864,956	1,437,706	741,061	1,248,197
Museum	340,375	262,137	431,708	223,551	360,431
Community Development	3,150,193	3,340,137	4,075,001	1,426,245	3,666,942
Interest and fiscal charges on long-term debt	726,958	676,055	580,350	470,144	476,107
Total governmental activities expenses	28,290,486	27,129,360	36,760,408	17,360,986	34,203,043
Business-type activities:					
Cemetery	533,247	498,927	610,773	469,815	452,270
Sewer	2,474,580	2,178,853	2,842,577	1,045,865	1,224,324
Local Water Project	957,886	881,378	1,048,075	2,136,404	2,042,255
Golf	286,074	342,872	281,320	282,177	468,767
Total business-type activities expenses	4,251,787	3,902,030	4,782,745	3,934,261	4,187,616
Total primary government expenses	**$ 32,542,273**	**$ 31,031,390**	**$ 41,543,153**	**$ 21,295,247**	**$ 38,390,659**
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 1,435,262	$ 1,474,806	$ 1,720,294	$ 1,439,808	$ 1,210,812
Public safety	31,040	25,410	31,244	593,308	599,859
Public works	323	1,649	2,646	21,550	1,639
Recreation	337,926	295,233	390,314	452,660	599,573
Library	18,506	34,477	34,443	2,132	2,374
Community Development	660,429	939,297	882,556	1,134,102	1,406,529
Operating grants and contributions	891,298	1,200,286	2,526,917	2,689,705	1,803,700
Capital grants and contributions	1,976,852	4,715,110	2,248,708	1,109,485	474,137
Total governmental activities program revenues	5,351,636	8,686,268	7,837,122	9,958,525	6,098,623
Business-type activities:					
Charges for services:					
Cemetery	481,915	634,039	800,923	773,195	716,931
Local Water Project	524,040	597,835	598,195	597,011	1,026,820
Sewer	3,407,708	3,501,697	3,565,896	3,693,156	3,829,192
Golf	287,603	361,704	611,397	791,881	745,216
Operating grants and contributions	-	9,800	-	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	4,701,266	5,105,075	5,576,411	5,855,243	6,318,159
Total primary government program revenues	**10,052,902**	**13,791,343**	**13,413,533**	**13,297,993**	**12,416,782**
Net (expense)/revenue:					
Governmental activities	(22,938,850)	(18,443,092)	(28,923,286)	(9,918,236)	(28,104,420)
Business-type activities	449,479	1,203,045	793,666	1,920,982	2,130,543
Total primary government net (expense)/revenue	**$ (22,489,371)**	**$ (17,240,047)**	**$ (28,129,620)**	**$ (7,997,254)**	**$ (25,973,877)**

City of Pacific Grove
Changes in Net Position (Continued)
Last Ten Fiscal Years

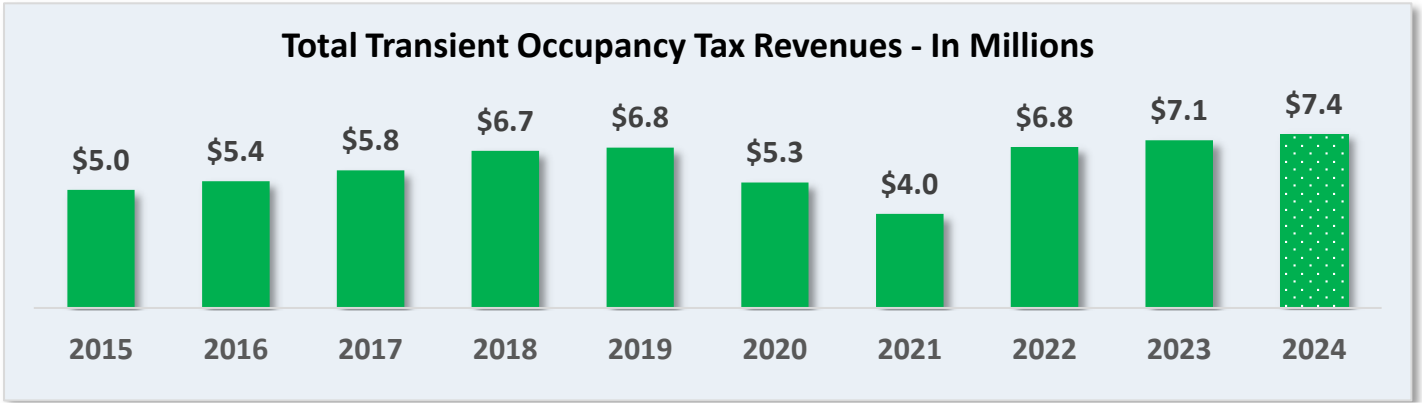
	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$ 5,836,174	$ 6,226,267	$ 6,557,824	$ 6,851,928	$ 7,306,184
Sales and use taxes	3,534,495	3,325,809	4,159,401	4,075,744	5,139,045
Franchise taxes	975,090	1,041,653	915,094	1,082,574	1,226,524
Transient occupancy taxes	4,998,885	5,364,317	5,829,610	6,656,849	6,796,087
Utility users taxes	1,428,360	1,594,143	1,593,887	1,688,876	1,641,172
Business license tax	359,408	341,071	402,881	381,810	370,655
Other taxes	102,627	146,945	125,487	121,192	110,554
Unrestricted Investment earnings	257,602	253,846	74,222	142,104	628,116
Miscellaneous or Other revenues	837,458	947,392	984,164	552,320	1,060,846
Transfers	-	5,301	-	356,016	-
Total governmental activities	18,330,099	19,246,744	20,642,570	21,909,413	24,279,183
Business-type activities:					
Unrestricted Investment earnings	26,693	67,318	9,754	42,764	206,178
Miscellaneous or Other revenues	102,878	113,560	57,473	118,017	22,502
Transfers	-	(5,301)	-	(356,016)	-
Total business-type activities	129,571	175,577	67,227	(195,235)	228,680
Total primary government	**$ 18,459,670**	**$ 19,422,321**	**$ 20,709,797**	**$ 21,714,178**	**$ 24,507,863**
Change in Net Position					
Governmental activities	$ 3,532,697	$ 2,068,663	$ 4,191,461	$ 2,783,107	$ 3,547,296
Business-type activities	887,670	1,454,428	1,454,533	3,080,803	1,080,852
Total primary government	**$ 4,420,367**	**$ 3,523,091**	**$ 5,645,994**	**$ 5,863,910**	**$ 4,628,148**

Source: City of Pacific Grove Finance Department



City of Pacific Grove
Changes in Net Position (Continued)
Last Ten Fiscal Years

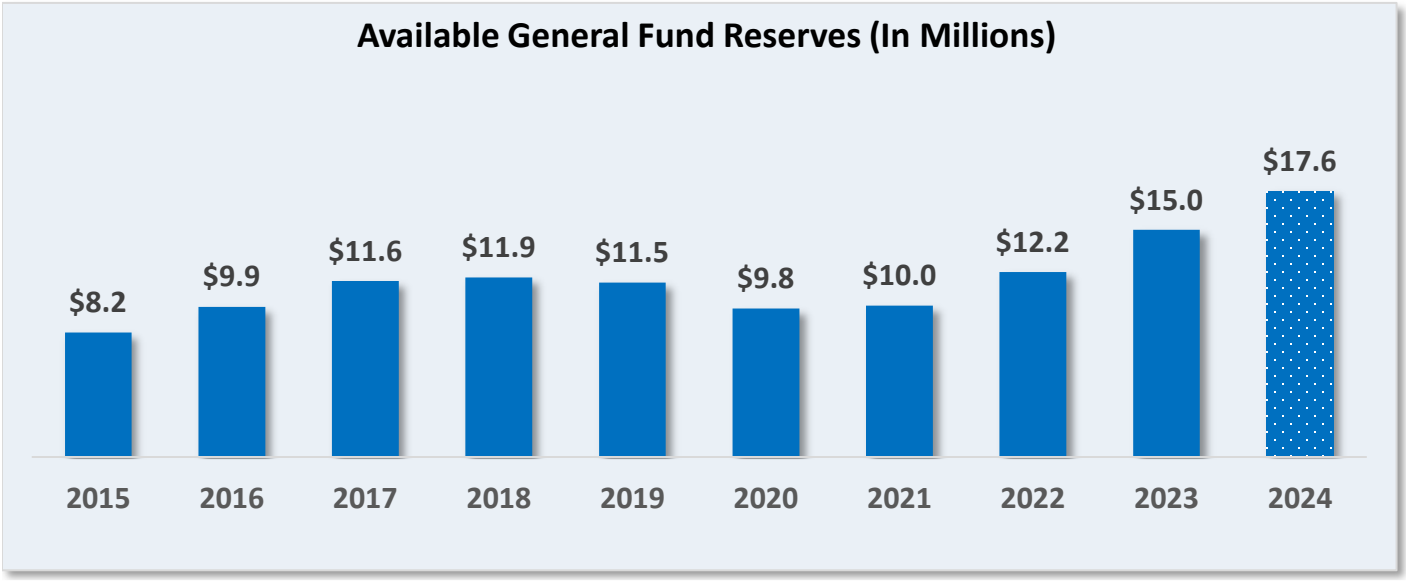
	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$ 7,632,399	$ 8,191,673	$ 8,573,969	$ 9,330,981	$ 10,001,561
Sales and use taxes	4,765,472	5,000,873	5,630,320	6,734,940	7,146,935
Franchise taxes	1,176,215	1,392,700	1,489,888	1,620,136	1,682,562
Transient occupancy taxes	5,310,063	3,978,577	6,821,183	7,105,256	7,375,869
Utility users taxes	1,643,614	1,858,652	1,940,677	2,097,934	2,118,068
Business license tax	396,533	361,674	371,310	425,691	644,911
Other taxes	110,823	222,242	231,389	165,613	177,881
Unrestricted Investment earnings	555,482	22,612	(402,304)	345,550	1,443,592
Miscellaneous or Other revenues	942,680	854,336	1,400,243	1,143,687	1,150,805
Transfers	(18,676)	-	-	(162,500)	(187,500)
Total governmental activities	22,514,605	21,883,339	26,056,675	28,807,288	31,554,684
Business-type activities:					
Unrestricted Investment earnings	259,560	4,852	(18,409)	151,223	511,470
Miscellaneous or Other revenues	5,613	32,191	-	-	-
Transfers	18,676	-	-	162,500	187,500
Total business-type activities	283,849	37,043	(18,409)	147,810	698,970
Total primary government	**$ 22,798,454**	**$ 21,920,382**	**$ 26,038,266**	**$ 28,955,098**	**$ 32,253,654**
Change in Net Position					
Governmental activities	$ (424,245)	$ 3,440,247	$ (2,866,611)	$ 19,736,527	$ 3,450,264
Business-type activities	733,328	1,240,088	775,257	2,068,792	2,829,513
Total primary government	**$ 309,083**	**$ 4,680,335**	**$ (2,091,354)**	**$ 21,805,319**	**$ 6,279,777**



City of Pacific Grove
Fund Balances of Governmental Funds
Last Ten Fiscal Years

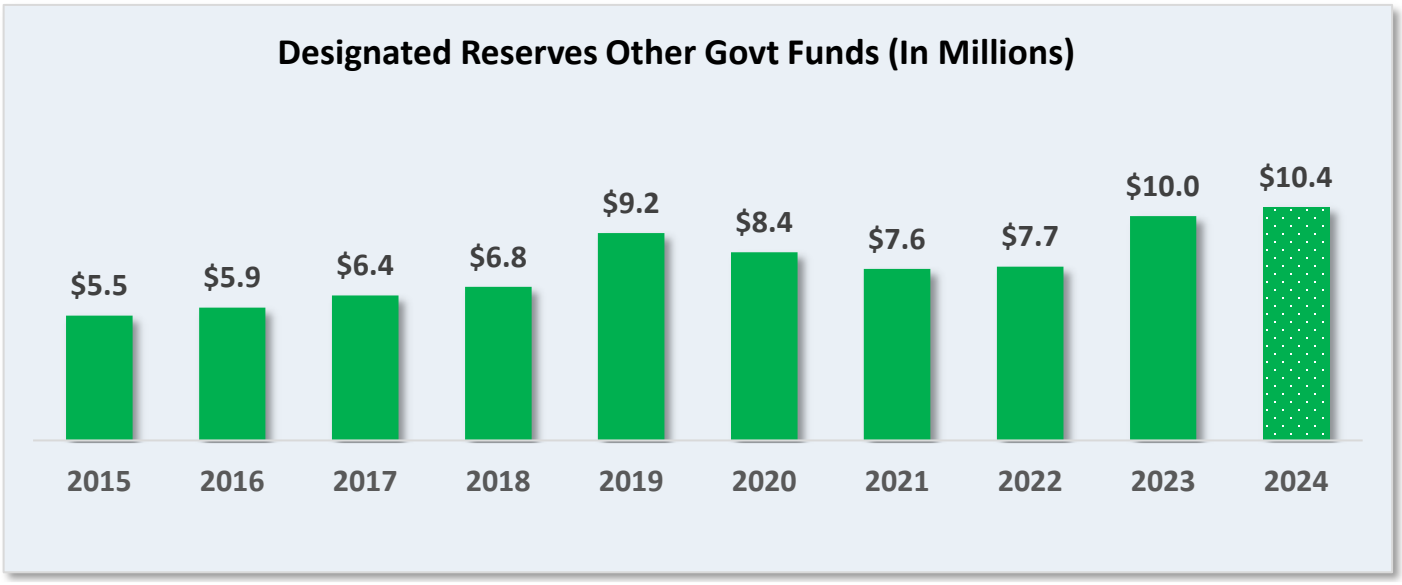
	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable					
Prepaid assets	$ 25,878	$ 27,904	$ -	$ 210,824	$ 31,373
Leases Receivable / Permanent Funds	-	-	-	-	-
Assigned / Committed	240,922	261,771	279,660	286,638	268,962
Unassigned	7,956,937	9,632,848	11,352,442	11,365,650	11,230,241
Total General Fund	**$ 8,223,737**	**$ 9,922,523**	**$ 11,632,102**	**$ 11,863,112**	**$ 11,530,576**
All other governmental funds					
Unreserved, undesignated, reported in:					
Nonspendable					
Prepaid assets	$ 4,215	$ -	$ -	$ -	$ -
Leases Receivable	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Permanent funds	2,643,651	2,761,263	2,855,521	2,899,737	3,029,024
Restricted					
Social service programs	507,885	622,022	549,372	704,968	832,061
Public safety	377,053	482,400	772,241	908,239	842,518
Community development	1,801,999	1,786,526	2,057,868	2,120,819	3,414,820
Lost revenue recovery	-	-	-	-	-
Street improvements	179,252	570	104,510	223,651	1,190,141
Debt service	63,579	90,746	90,746	23,207	-
Assigned					
Capital projects	-	-	-	-	-
Unassigned	(32,658)	157,765	19,306	(57,994)	(86,180)
Total all other governmental funds	**$ 5,544,976**	**$ 5,901,292**	**$ 6,449,564**	**$ 6,822,627**	**$ 9,222,384**

Source: City of Pacific Grove Finance Department



City of Pacific Grove
Fund Balances of Governmental Funds
Last Ten Fiscal Years (Continued)

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable					
Prepaid assets	$ -	$ -	$ -	$ 18,486	$ 17,099
Leases Receivable / Permanent Funds	-	-	19,762	-	-
Assigned / Committed	100,398	97,042	85,816	-	12,033,000
Unassigned	9,713,336	9,910,606	12,129,809	15,006,867	5,531,689
Total General Fund	**$ 9,813,734**	**$ 10,007,648**	**$ 12,235,387**	**$ 15,025,353**	**$ 17,581,788**
All other governmental funds					
Unreserved, undesignated, reported in:					
Nonspendable					
Prepaid assets	$ -	$ -	$ 26,300	$ -	$ -
Leases Receivable	-	-	792	-	-
Loans Receivable	-	-	-	1,313,168	-
Permanent funds	3,129,132	3,190,775	3,166,699	3,262,465	3,492,262
Restricted					
Social service programs	723,787	748,183	610,617	732,292	1,261,146
Public safety	808,626	764,767	418,637	355,266	358,064
Community development	2,424,125	1,632,662	1,630,814	1,586,315	2,411,089
Lost revenue recovery	-	-	293,369	1,074,164	895,169
Street improvements	1,291,650	1,292,481	1,604,411	1,676,616	1,943,221
Debt service	-	-	-	-	-
Assigned					
Capital projects	-	-	-	22,626	360,196
Unassigned	(9,020)	(8,349)	(22,553)	(40,122)	(350,967)
Total all other governmental funds	**$ 8,368,300**	**$ 7,620,519**	**$ 7,729,086**	**$ 9,982,790**	**$ 10,370,180**



City of Pacific Grove

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Revenues					
Taxes	$ 17,235,039	$ 18,040,205	$ 19,584,184	$ 20,858,973	$ 22,590,221
Intergovernmental revenues	786,672	2,129,066	4,109,269	1,191,898	1,049,471
Licenses, permits, and impact fees	440,403	481,304	576,779	521,403	547,193
Fines and forfeitures	49,714	127,740	110,665	282,841	169,534
Charges for services	1,062,829	1,454,936	1,689,714	1,734,163	1,854,406
Interest, rents, and concessions	489,037	467,624	297,620	371,272	852,787
Contributions	-	-	-	-	-
Other revenues	901,452	1,181,216	803,453	943,496	1,073,162
Total revenues	**20,965,146**	**23,882,091**	**27,171,684**	**25,904,046**	**28,136,774**
Expenditures					
General government	2,317,327	2,522,818	2,453,176	2,964,942	3,442,825
Public safety					
Police	4,960,868	5,345,441	6,097,399	6,599,789	6,955,766
Fire	2,296,708	2,647,804	2,998,969	3,354,865	3,345,523
Public works	2,951,525	3,298,160	3,294,064	3,521,686	3,463,725
Recreation	413,832	516,486	594,636	678,454	837,231
Library	677,900	781,275	895,836	916,031	1,138,981
Museum	190,271	229,053	241,227	251,422	308,156
Community development	2,319,204	3,258,093	2,798,269	2,882,752	2,763,667
Capital Outlay	952,906	1,148,160	3,525,129	2,426,177	1,985,711
Debt Service					
Principal	1,264,632	1,250,399	1,170,427	1,097,822	960,277
Interest and fiscal charges	765,673	834,601	924,034	962,049	1,014,752
Total expenditures	**19,110,846**	**21,832,290**	**24,993,166**	**25,655,989**	**26,216,614**
Excess of revenues over (under) expenditures	1,854,300	2,049,801	2,178,518	248,057	1,920,160
Other financing sources (uses)					
Loans Received	-	-	-	-	147,061
Transfers in	753,277	906,787	621,455	989,603	2,423,254
Transfers out	(753,277)	(901,486)	(621,455)	(633,587)	(2,423,254)
Proceeds from sale of assets	-	-	-	-	-
Inception of subscription liabilities	-	-	-	-	-
Total other financing sources (uses)	**-**	**5,301**	**-**	**356,016**	**147,061**
Net change in fund balances	**$ 1,854,300**	**$ 2,055,102**	**$ 2,178,518**	**$ 604,073**	**$ 2,067,221**
Total Expenditures	$ 19,110,846	$ 21,832,290	$ 24,993,166	$ 25,655,989	$ 26,216,614
Capitalized Portion of Capital Outlay	1,411,285	1,006,089	3,525,129	2,350,159	1,984,274
Total Non-Capitalized Expenditures	$ 17,699,561	$ 20,826,201	$ 21,468,037	$ 23,305,830	$ 24,232,340
Debt Service: Principal & Interest	$ 2,030,305	$ 2,085,000	$ 2,094,461	$ 2,059,871	$ 1,975,029
Debt service as a % of noncapital expenditures	11%	10%	10%	9%	8%

Source: City of Pacific Grove Finance Department

City of Pacific Grove

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (Continued)

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Revenues					
Taxes	$ 21,035,119	$ 21,006,391	$ 25,058,736	$ 27,480,551	$ 29,147,787
Intergovernmental revenues	1,111,037	5,320,214	4,419,951	3,228,593	1,740,949
Licenses, permits, and impact fees	576,735	873,727	913,160	1,083,985	1,322,285
Fines and forfeitures	179,797	36,984	37,397	460,058	314,242
Charges for services	1,609,729	1,617,182	1,964,792	1,825,889	1,913,938
Interest, rents, and concessions	781,062	260,008	(125,810)	602,777	1,671,084
Contributions	1,728,705	333,646	271,527	-	-
Other revenues	799,307	1,267,634	1,614,435	2,571,845	1,269,651
Total revenues	**27,821,491**	**30,715,786**	**34,154,188**	**37,253,698**	**37,379,936**
Expenditures					
General government	3,518,628	3,452,693	4,162,716	4,882,900	5,924,240
Public safety					
Police	7,098,044	6,959,934	7,999,969	8,350,094	8,625,874
Fire	3,512,675	3,823,118	3,979,967	4,392,833	4,514,064
Public works	3,731,449	3,511,330	4,047,910	4,420,912	4,728,417
Recreation	707,073	596,413	738,660	857,570	1,323,571
Library	1,268,508	766,742	1,044,945	1,166,219	1,206,247
Museum	290,661	227,862	309,764	336,814	346,494
Community development	2,721,348	2,967,534	2,959,804	2,494,641	3,452,141
Capital Outlay	5,876,584	6,863,582	3,616,520	4,579,757	2,586,257
Debt Service					
Principal	951,114	924,776	900,041	1,046,576	636,543
Interest and fiscal charges	1,052,927	1,175,669	1,270,374	1,394,056	932,409
Total expenditures	**30,729,011**	**31,269,653**	**31,030,670**	**33,922,372**	**34,276,257**
Excess of revenues over (under) expenditures	(2,907,520)	(553,867)	3,123,518	3,331,326	3,103,679
Other financing sources (uses)					
Loans Received	-	-	-	-	-
Transfers in	2,787,200	899,862	2,255,675	1,624,700	1,075,359
Transfers out	(2,475,098)	(899,862)	(3,043,587)	(1,787,200)	(1,262,859)
Proceeds from sale of assets	-	-	-	391	6,800
Inception of subscription liabilities	-	-	-	491,285	20,846
Total other financing sources (uses)	**312,102**	**-**	**(787,912)**	**329,176**	**(159,854)**
Net change in fund balances	**$ (2,595,418)**	**$ (553,867)**	**$ 2,335,606**	**$ 3,660,502**	**$ 2,943,825**
Total Expenditures	$ 30,729,011	$ 31,269,653	$ 31,030,670	$ 33,922,372	$ 34,276,257
Capitalized Portion of Capital Outlay	5,873,015	6,901,135	3,563,999	4,594,854	2,586,257
Total Non-Capitalized Expenditures	$ 24,855,996	$ 24,368,518	$ 27,466,671	$ 29,327,518	$ 31,690,000
Debt Service: Principal & Interest	$ 2,004,041	$ 2,100,445	$ 2,170,415	$ 2,440,632	$ 1,568,952
Debt service as a % of noncapital expenditures	8%	9%	8%	8%	5%

City of Pacific Grove

General Governmental Tax Revenues by Source

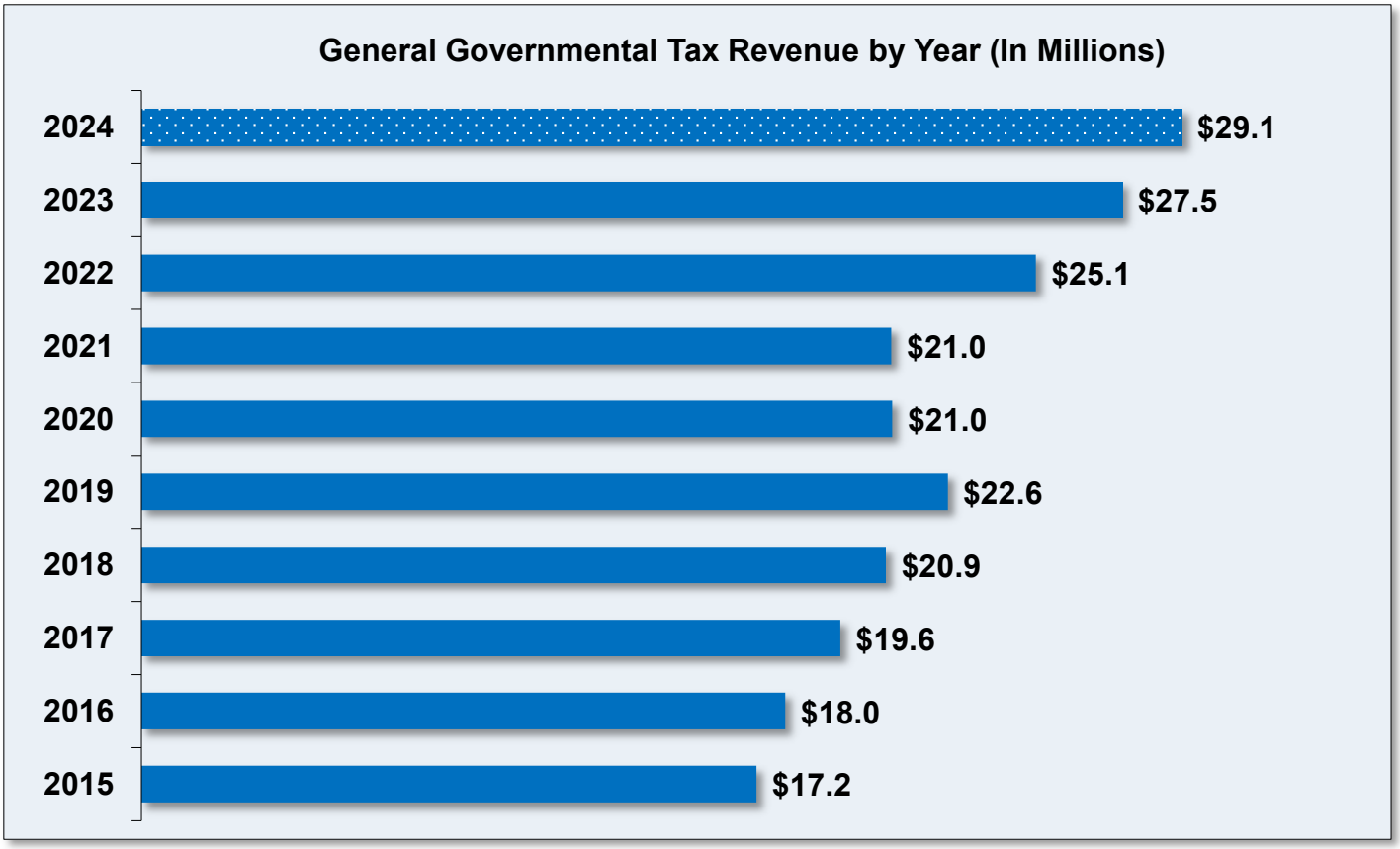
Last Ten Fiscal Years

Fiscal Year Ended June 30	Property	Sales and Use	Franchise	Transient Occupancy	Utility Users	Business License	Other Taxes	Total
2015	$ 5,836,174	$ 3,534,495	$ 975,090	$ 4,998,885	$ 1,428,360	$ 359,408	$ 102,627	$ 17,235,039
2016	6,226,267	3,325,809	1,041,653	5,364,317	1,594,143	341,071	146,945	18,040,205
2017	6,557,824	4,159,401	915,094	5,829,610	1,593,887	402,881	125,487	19,584,184
2018	6,851,928	4,075,744	1,082,574	6,656,849	1,688,876	381,810	121,192	20,858,973
2019	7,306,184	5,139,045	1,226,524	6,796,087	1,641,172	370,655	110,554	22,590,221
2020	7,632,399	4,765,472	1,176,215	5,310,063	1,643,614	396,533	110,823	21,035,119
2021	8,191,673	5,000,873	1,392,700	3,978,577	1,858,652	361,674	222,242	21,006,391
2022	8,573,969	5,630,320	1,489,888	6,821,183	1,940,677	371,310	231,389	25,058,736
2023	9,330,981	6,734,940	1,620,136	7,105,256	2,097,934	425,691	165,613	27,480,551
2024	**10,001,561**	**7,146,935**	**1,682,562**	**7,375,869**	**2,118,068**	**644,911**	**177,881**	**29,147,787**

Notes/Analysis:

The City's property tax revenues have increased at a steady pace over the past ten years primarily related to changes in ownership and annual increases allow under the State's Proposition 13 which governs growth in property taxes.

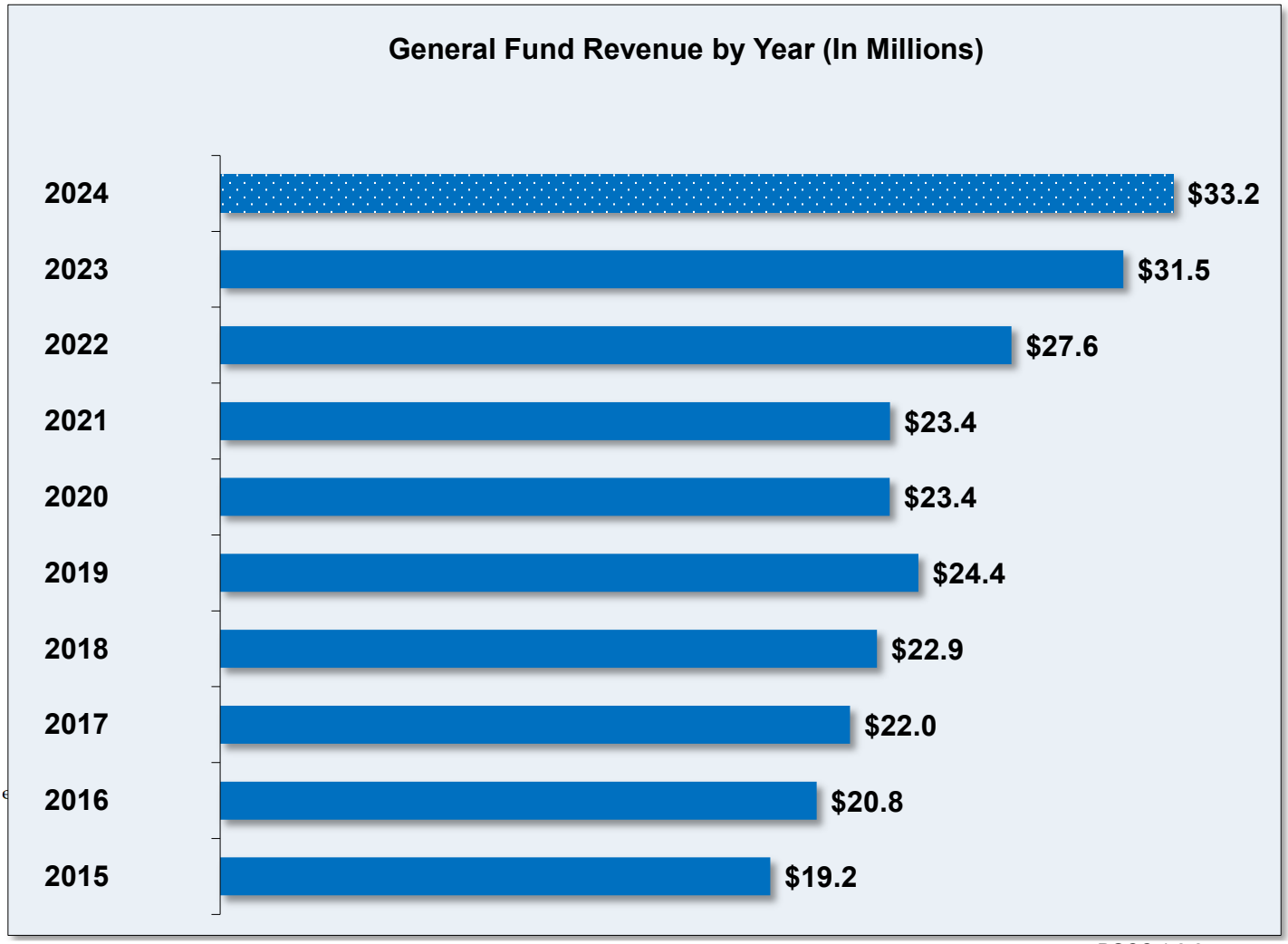
Source: City of Pacific Grove Finance Department



City of Pacific Grove
General Fund Revenues by Source
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes	Intergovern-mental	Licenses Permits & Impact Fees	Fines and Forfeitures	Charges for Services	Interest, Rents & Concessions	Other Revenues	Total
2015	$ 16,532,093	$ 163,543	$ 440,403	$ 49,714	$ 983,061	$ 433,491	$ 589,932	$ 19,192,237
2016	17,358,914	229,671	481,304	127,740	1,367,494	355,293	893,646	20,814,062
2017	18,805,809	111,092	576,779	110,665	1,545,556	265,903	561,992	21,977,796
2018	19,754,218	87,478	521,403	282,841	1,643,238	259,883	370,158	22,919,219
2019	21,018,950	92,206	547,193	169,534	1,585,098	553,032	398,817	24,364,830
2020	19,741,066	171,317	576,735	179,797	1,456,261	523,280	708,420	23,356,876
2021	19,679,908	116,159	873,727	36,984	1,538,638	213,705	909,176	23,368,297
2022	23,412,682	150,517	913,160	37,397	1,877,203	(1,805)	1,215,986	27,605,140
2023	25,799,639	146,946	1,083,985	460,058	1,678,855	390,656	1,949,182	31,509,321
2024	**27,336,521**	**278,308**	**1,322,285**	**314,242**	**1,737,498**	**1,125,585**	**1,135,321**	**33,249,760**

Source: City of Pacific Grove Finance Department

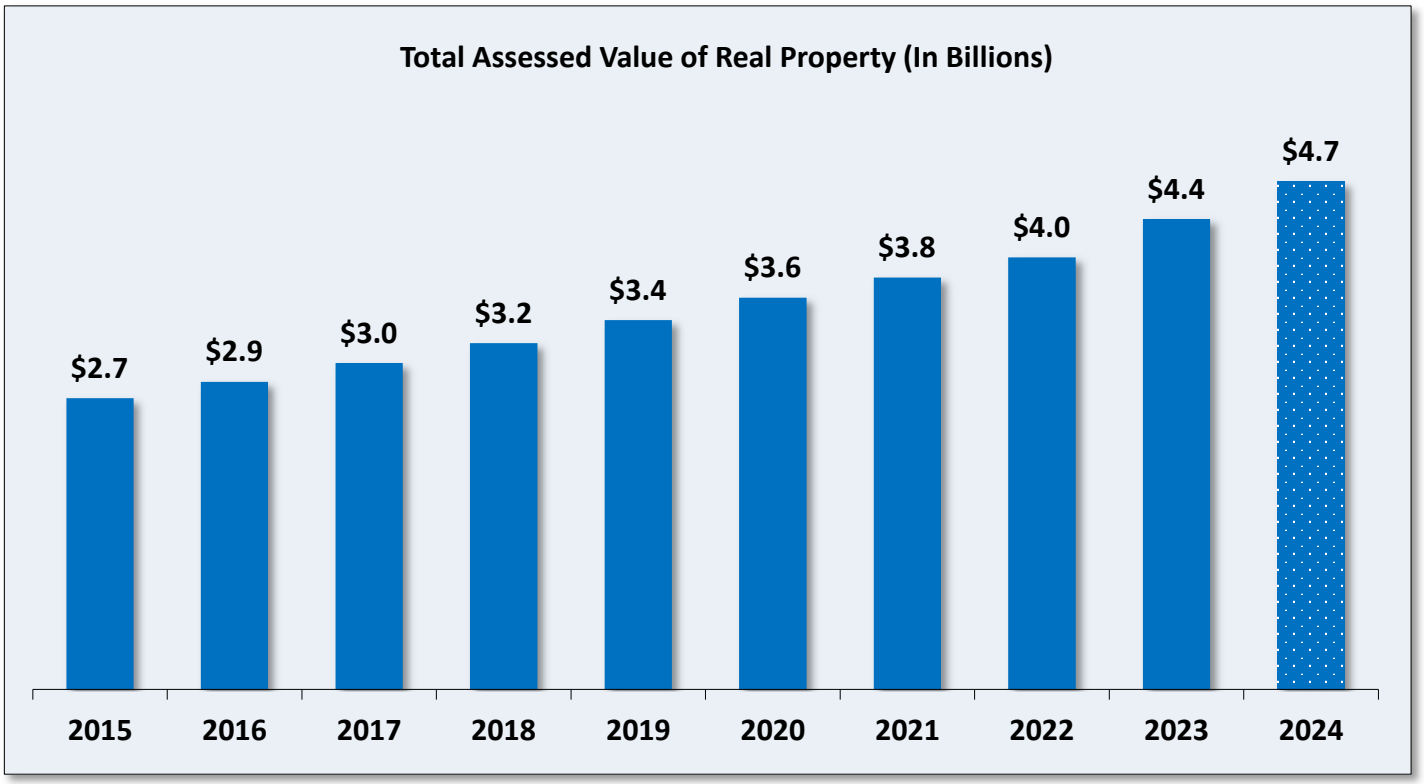


City of Pacific Grove
Net Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property				Personal Property	Total Assessed Value	Total Direct Tax Rate
	Residential	Commercial	Other	Total			
2015	$ 2,438,540,047	$ 229,888,967	$ 35,379,902	$ 2,703,808,916	$ 38,757,828	$ 2,742,566,744	16.2%
2016	2,582,410,785	238,447,123	33,362,264	2,854,220,172	40,617,474	2,894,837,646	16.2%
2017	2,747,369,747	246,883,728	36,894,923	3,031,148,398	41,950,516	3,073,098,914	15.9%
2018	2,918,531,066	265,910,702	30,645,309	3,215,087,077	42,996,800	3,258,083,877	15.9%
2019	3,112,639,411	265,486,441	48,587,979	3,426,713,831	42,749,505	3,469,463,336	15.9%
2020	3,307,434,783	274,948,202	53,236,808	3,635,619,793	46,292,980	3,681,912,773	15.9%
2021	3,484,607,327	279,870,522	58,693,772	3,823,171,621	46,589,365	3,869,760,986	15.9%
2022	3,670,449,106	281,994,698	58,996,880	4,011,440,684	43,436,617	4,054,877,301	15.9%
2023	3,981,692,067	318,373,164	65,800,233	4,365,865,464	45,441,570	4,411,307,034	15.9%
2024	**4,254,675,761**	**322,149,604**	**137,205,601**	**4,714,030,966**	**43,183,029**	**4,757,213,995**	**16.1%**

Notes / Analysis:
Rates are based on a $100 of taxable value. Exempt values are not included in Total.
With the passage of a constitutional amendment (Proposition 13) and subsequently enacted State legislation, property is assessed according to a base year rather than on a % of market value. Accordingly, a reliable estimate of actual value of taxable property within the City is not possible.

Source: Monterey County Assessor Combined Tax Rolls, HdL Companies, Coren & Cone



City of Pacific Grove

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per $100 of Taxable Value)

	For Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Direct Rates:										
General Obligation Bonds	$ 0.0030	$ 0.0040	$ 0.0035	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Direct Rate	**0.0030**	**0.0040**	**0.0035**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Overlapping Rates [1]:										
County [2]	1.000	1.000	1.000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
School Districts										
Monterey Peninsula College	0.0325	0.0230	0.0223	0.0217	0.0212	0.0205	0.0202	0.0320	0.0303	0.0289
Pacific Grove Unified	0.0729	0.0829	0.0855	0.0651	0.0619	0.0634	0.0776	0.0769	0.0624	0.0647
Total Overlapping Rate	**1.1053**	**1.1059**	**1.1078**	**1.0868**	**1.0831**	**1.0839**	**1.0978**	**1.1089**	**1.0927**	**1.0936**
Total Direct and Overlapping Rate	**$ 1.1083**	**$ 1.1099**	**$ 1.1113**	**$ 1.0868**	**$ 1.0831**	**$ 1.0839**	**$ 1.0978**	**$ 1.1089**	**$ 1.0927**	**$ 1.0936**
City Share of 1% Levy per Prop. 13 [3]	$ 0.1607	$ 0.1607	$ 0.1607	$ 0.1607	$ 0.1607	$ 0.1607	$ 0.1607	$ 0.1607	$ 0.1607	$ 0.1607
Voter Approved City Debt Rate	$ 0.0030	$ 0.0040	$ 0.0035	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Direct Rate	$ 0.1613	$ 0.1624	$ 0.1620	$ 0.1586	$ 0.1588	$ 0.1588	$ 0.1589	$ 0.1590	$ 0.1591	$ 0.1591

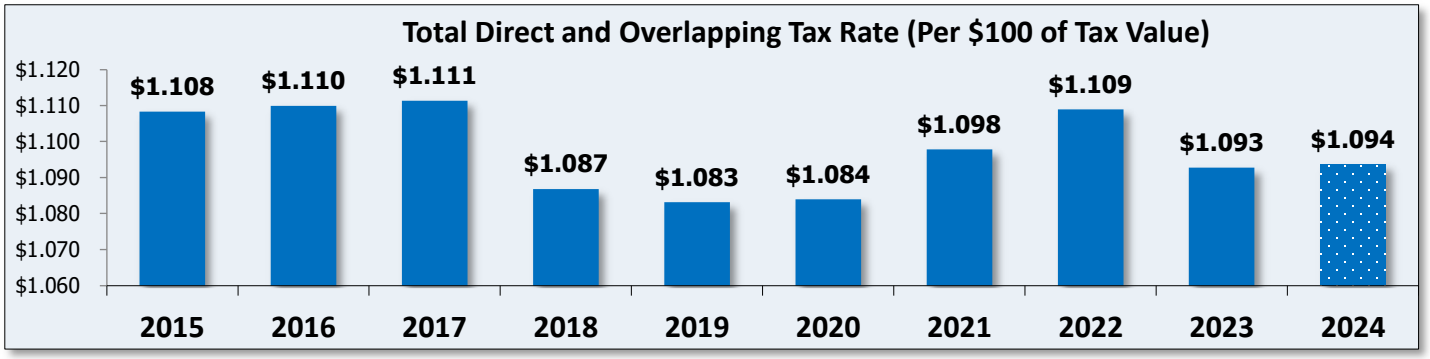
Notes/Analysis:

1 Overlapping rates are those of entities that apply to property owners within the City of Pacific Grove. Not all overlapping rates apply to all property owners (e.g., the rates for school districts apply only to the proportion of the city's property owners whose property is located within the geographic boundaries of the school district).

2 The passage of a constitutional amendment (Proposition 13) in June 1978 limits the property tax rate to a base of $1.00 per $100. The $1.00 rate is levied by the County and apportioned to local agencies according to a formula prescribed by the California legislature.

3 The gross City of Share of the 1% levy per Prop. 13 is $0.1976. This amount included the Educational Revenue Augmentation Fund (ERAF) share of the Pacific Grove General Fund property taxes that is deducted by the State. This amount was approximately $0.0369.

Source: Monterey County Assessors Tax Tables, HdL Companies, Coren & Cone

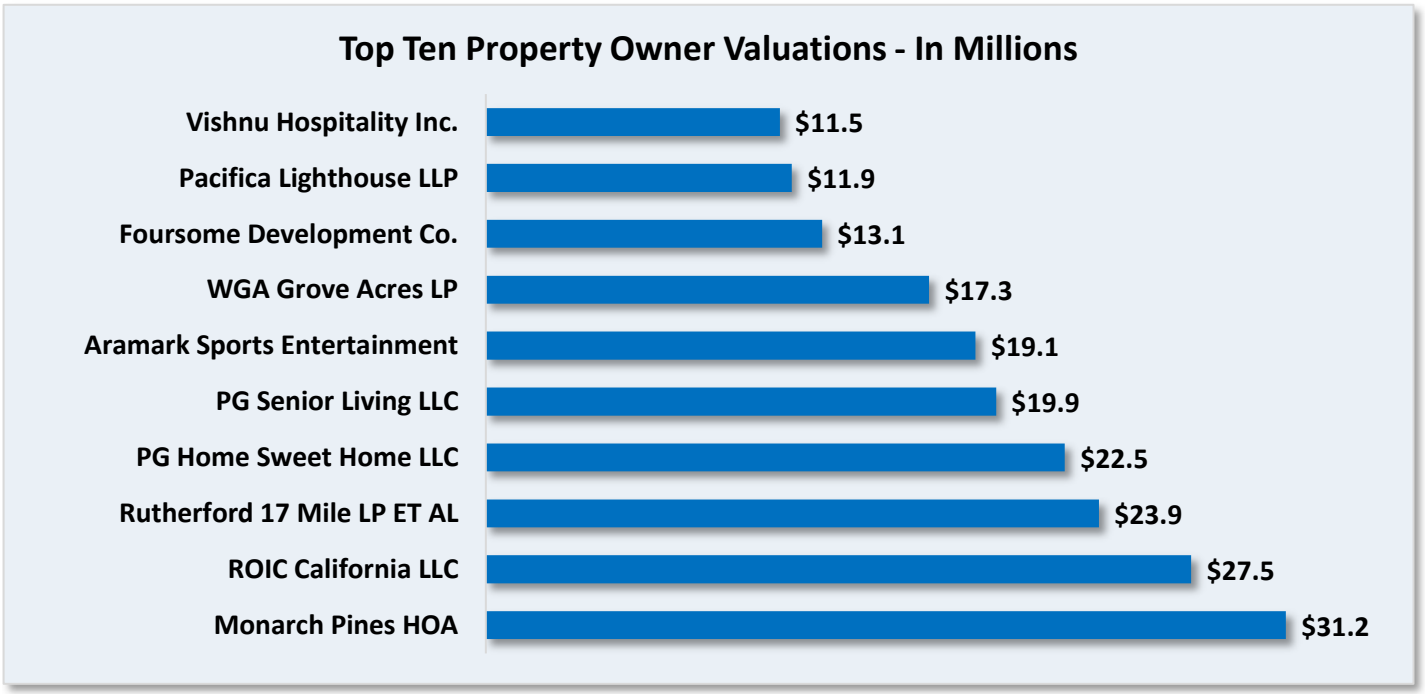


City of Pacific Grove
Principal Property Tax Owners
Current Year and Nine Years Ago

Tax Owner	2024 Assessed Valuation	2024 Rank	2024 Percentage of Total Assessed Valuation	2015 Assessed Valuation	2015 Rank	2015 Percentage of Total Assessed Valuation
Monarch Pines HOA	$ 31,153,119	1	0.65%	$ 11,648,754	6	0.42%
ROIC California LLC	27,465,676	2	0.58%	23,310,348	1	0.00%
Rutherford 17 Mile LP ET AL	23,870,592	3	0.50%	$ -		0.85%
Sequoia Equities - PG Et Al	-		0.00%	19,695,518	2	0.72%
PG Home Sweet Home LLC	22,545,163	4	0.47%	-		0.00%
PG Senior Living LLC	19,871,758	5	0.42%	-		0.00%
Aramark Sports Entertainment	19,068,918	6	0.40%	14,252,366	4	0.52%
WGA Grove Acres LP	17,262,241	7	0.36%	14,629,731	3	0.53%
Foursome Development Co.	13,095,920	8	0.28%	11,135,017	7	0.41%
Pacifica Lighthouse LLP	11,920,396	9	0.25%	10,033,778	8	0.37%
Vishnu Hospitality Inc.	11,453,816	10	0.24%	-		0.00%
Green Valley Corporation	-		0.00%	9,600,807	9	0.35%
Zimmerman and Foux	-		0.00%	8,964,890	10	0.33%
David H. Dornsfife Trust	-		0.00%	12,158,282	5	0.45%
Totals	**$ 197,707,599**		**4.16%**	**$ 135,429,491**		**4.95%**
Total assessed value	**$ 4,757,213,995**			**$ 2,742,566,744**		

Notes/Analysis:
Tax owners and values presented in this table reflect the County's Assessment Roll Reports.
Total Taxable Value includes State Unitary

Source: Monterey County Assessor data, HDL, Coren and Cone



City of Pacific Grove
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy[1]	Collected within the Fiscal Year of Levy		Supplemental Tax Collections	Delinquent Tax Collections [3]	Total Collections
		Current Tax Collections [2]	Percent of Levy Collected			
2015	$ 4,505,763	$ 4,404,126	97.7%	$ 83,785	$ 64,142	$ 4,552,053
2016	4,817,299	4,691,501	97.4%	100,936	74,690	4,867,127
2017	5,087,208	4,954,066	97.4%	93,055	70,203	5,117,324
2018	5,279,399	5,155,609	97.7%	106,153	64,907	5,326,669
2019	5,509,161	5,412,231	98.2%	125,259	80,007	5,617,497
2020	5,847,982	5,688,427	97.3%	101,049	58,108	5,847,584
2021	6,148,663	6,100,480	99.2%	131,177	80,338	6,311,994
2022	6,446,038	6,396,517	99.2%	158,152	75,837	6,630,506
2023	7,017,507	6,983,282	99.5%	180,974	52,430	7,216,686
2024	**7,644,843**	**7,427,063**	**97.2%**	**172,887**	**117,025**	**7,716,975**

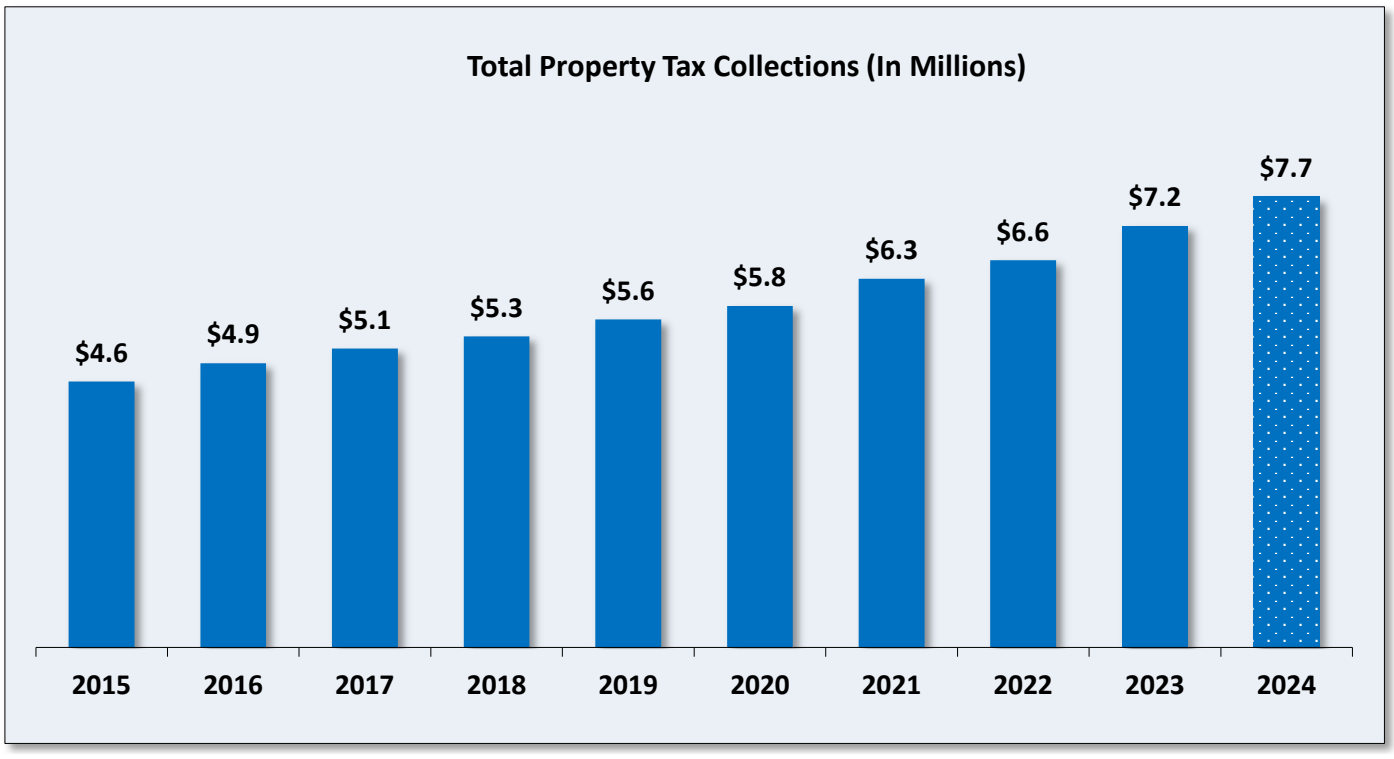
Notes/Analysis:

1 The Monterey County Auditor-Controller's Office does not list the total assessed value. This amount is calculated referencing the assessed values of properties and the total direct tax rate and general obligation rate for the City of Pacific Grove.

2 Monterey County reports collections as current period, irregardless of original level year.

3 The amounts listed in this column represent prior year secured, prior year secured, unsecured, and unitary taxes.

Source: County of Monterey Auditor-Controller's Office
City of Pacific Grove Finance Department



City of Pacific Grove
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

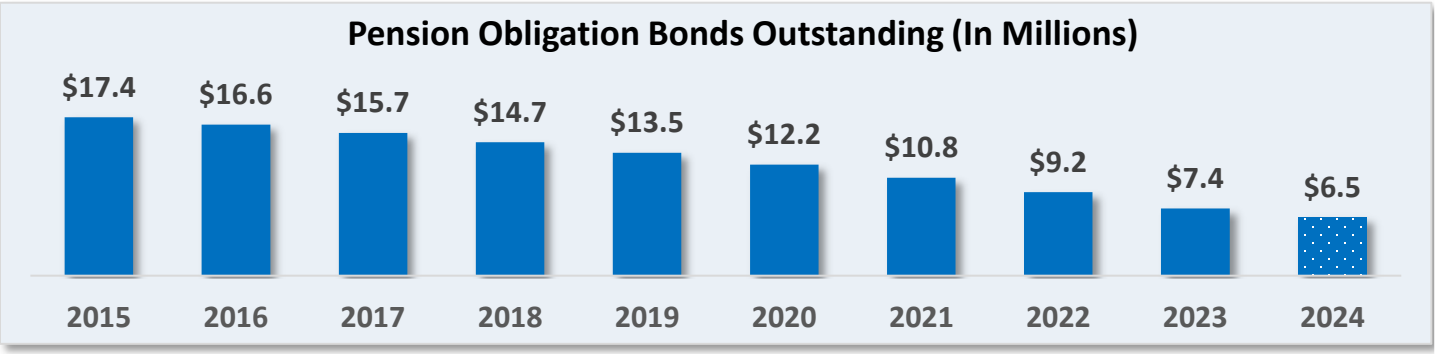
	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Governmental Activities:					
General obligation bonds	$ 257,439	$ 175,057	$ 89,194	$ -	$ -
Pension obligation bonds	17,431,558	16,625,139	15,712,560	14,680,804	13,522,530
Capital leases	200,761	82,534	16,787	-	-
PG & E Loan	-	-	-	-	145,110
SBITA Liability	-	-	-	-	-
Total Governmental Activities	**17,889,758**	**16,882,730**	**15,818,541**	**14,680,804**	**13,667,640**
Business-type Activities:					
Revenue bonds - Wastewater refunding bonds	1,103,096	1,052,184	999,045	943,812	886,575
Site Lease - Golf course	3,044,767	2,903,599	2,756,223	2,602,366	2,441,744
Loan- Local water project construction, State loan	-	960,522	6,308,658	5,328,076	5,174,788
Loan - PG & E Loan	-	-	-	-	7,791
Total Business-type Activities	**4,147,863**	**4,916,305**	**10,063,926**	**8,874,254**	**8,510,898**
Total Primary Government	**$ 22,037,621**	**$ 21,799,035**	**$ 25,882,467**	**$ 23,555,058**	**$ 22,178,538**
Personal income[1]	$ 675,827,000	$ 717,389,000	$ 740,117,000	$ 766,209,000	$ 759,116,000
Debt as percentage of personal income	3.26%	3.04%	3.50%	3.07%	2.92%
Population[2, A]	15,394	15,352	15,498	15,660	15,883
Debt per capita	1,432	1,420	1,670	1,504	1,396
Assessed value[3]	2,894,837,646	3,073,098,914	3,073,098,914	3,258,083,877	3,469,463,336
Debt as percentage of assessed value	0.76%	0.71%	0.84%	0.72%	0.64%

Notes:

[A] Decrease in 2022 population due to change in Census 2020 benchmark.

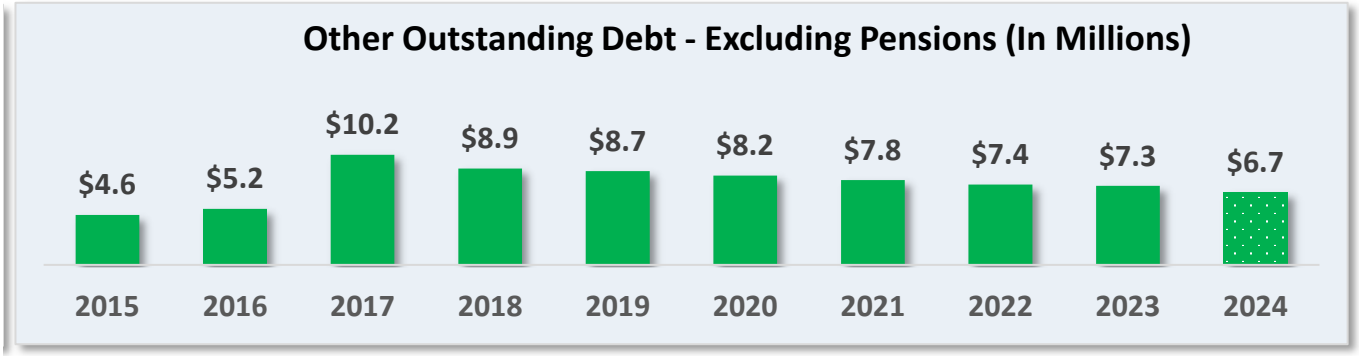
Source:

[1] US Department of Commerce, Bureau of Economic Analysis (refer to Table 16).
[2] California Department of Finance
[3] HdL Companies and Avenu Insights and Analytics
City of Pacific Grove Finance Department



City of Pacific Grove
Ratios of Outstanding Debt By Type (Continued)
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Governmental Activities:					
General obligation bonds	$ -	$ -	$ -	$ -	$ -
Pension obligation bonds	12,228,861	10,785,885	9,179,235	7,403,565	6,458,191
Capital leases	-	-	-	-	-
PG & E Loan	121,696	98,281	74,866	51,451	31,403
SBITA Liability	-	-	-	317,788	200,738
Total Governmental Activities	**12,350,557**	**10,884,166**	**9,254,101**	**7,772,804**	**6,690,332**
Business-type Activities:					
Revenue bonds - Wastewater refunding bonds	827,487	766,573	703,945	639,629	573,704
Site Lease - Golf course	2,274,059	2,099,001	1,916,244	1,725,451	1,526,268
Loan- Local water project construction, State loan	5,020,088	4,863,840	4,706,030	4,546,643	4,385,661
Loan - PG & E Loan	4,869	1,947	-	-	-
Total Business-type Activities	**8,126,503**	**7,731,361**	**7,326,219**	**6,911,723**	**6,485,633**
Total Primary Government	**$ 20,477,060**	**$ 18,615,527**	**$ 16,580,320**	**$ 14,684,527**	**$ 13,175,965**
Personal income[1]	$ 776,384,000	$ 795,868,000	$ 816,648,000	$ 832,496,000	$ 971,497,000
Debt as percentage of personal income	2.64%	2.34%	2.03%	1.76%	1.36%
Population[2, A]	15,265	15,536	14,761	14,741	14,966
Debt per capita	1,341	1,198	1,123	996	880
Assessed value[3]	3,681,912,773	3,869,760,986	4,054,877,301	4,411,307,034	4,757,213,995
Debt as percentage of assessed value	0.56%	0.48%	0.41%	0.33%	0.28%

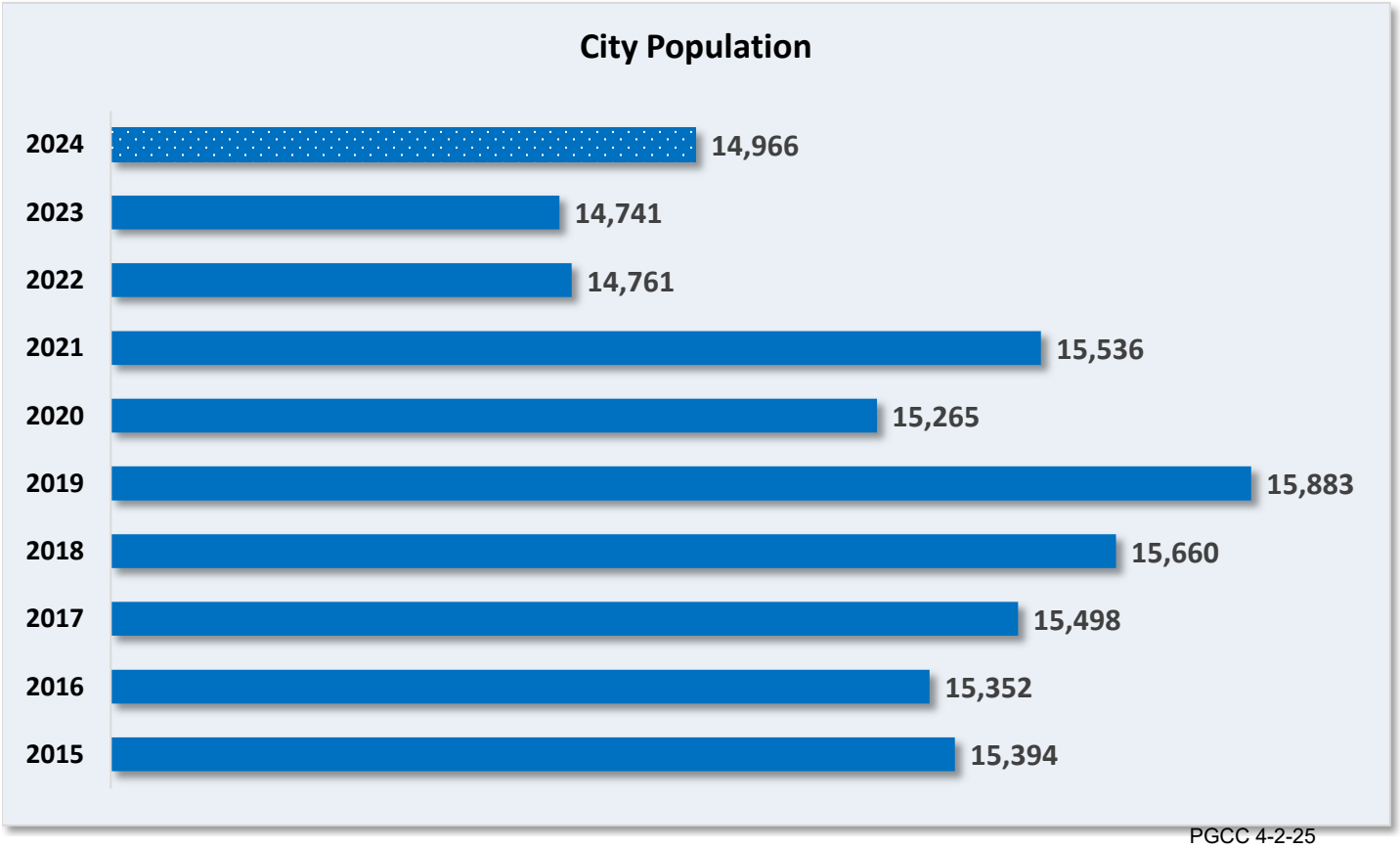


City of Pacific Grove
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total	Percentage of Assessed Value	Debt Per Capita	Assessed Value[1]	Population[2, A]
2015	$ 257,439	$ 63,579	$ 193,860	0.01%	13	$2,742,566,744	15,394
2016	175,057	90,746	84,311	0.00%	5	2,894,837,646	15,352
2017	89,194	110,052	(20,858)	0.00%	(1)	3,073,098,914	15,498
2018	-	23,207	(23,207)	0.00%	(1)	3,258,083,877	15,660
2019	-	-	-	0.00%	-	3,469,463,336	15,883
2020	-	-	-	0.00%	-	3,681,912,773	15,265
2021	-	-	-	0.00%	-	3,869,760,986	15,536
2022	-	-	-	0.00%	-	4,054,877,301	14,761
2023	-	-	-	0.00%	-	4,411,307,034	14,741
2024	**-**	**-**	**-**	**0.00%**	**-**	**4,757,213,995**	**14,966**

Notes: [A] Decrease in 2022 population due to change in Census 2020 benchmark.

Source: [1] HdL Companies and Avenu Insights and Analytics
[2] California Department of Finance
City of Pacific Grove Finance Department



City of Pacific Grove
Computation of Direct and Overlapping Debt
June 30, 2024

	Total Debt Outstanding	Percentage Applicable to City [1]	Amount Applicable to City
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:			
Monterey County Water Resources Agency Zone 2C	$ 17,895,000	5.353%	$ 957,919
Monterey Peninsula Community College District	185,055,022	9.613%	17,789,339
Pacific Grove Unified School District	41,973,000	62.606%	26,277,616
Total Direct and Overlapping Tax and Assessment Debt	**$ 244,923,022**		**$ 45,024,875**
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Monterey County General Fund Obligations	109,815,000	5.301%	5,821,293
Monterey County Board of Education Certificates of Participation	4,292,000	5.301%	227,519
Monterey County Water Resources Agency General Fund Obligations	18,755,000	5.301%	994,203
City of Pacific Grove Pension Obligation Bonds	6,458,191	100%	6,458,191
City of Pacific Grove (PG) Pacific Gas and Electric (PG & E) Loan	31,403	100%	31,403
PG Subscription Based Information Technology Agreements (SBITA)	200,738	100%	200,738
Total Gross Direct and Overlapping General Fund Debt	**$ 139,552,332**		**13,733,347**
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			**58,758,222**
2023-2024 ASSESSED VALUATION			**$4,757,213,995**

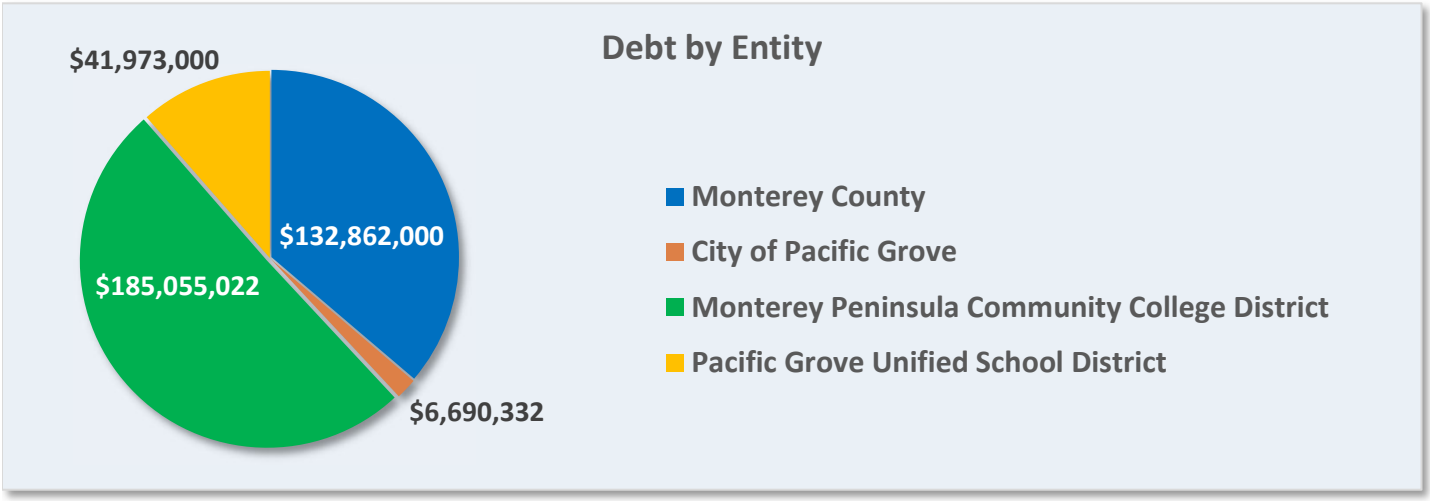
Notes / Analysis:

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

Ratios to Assessed Valuation:

Total Direct and Overlapping Tax and Assessment Debt	0.96%
Total Direct Debt ($2,723,241)	0.05%
Gross Combined Total Debt	1.13%

Source: California Municipal Statistics




CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove
Legal Debt Margin Information
Last Ten Fiscal Years

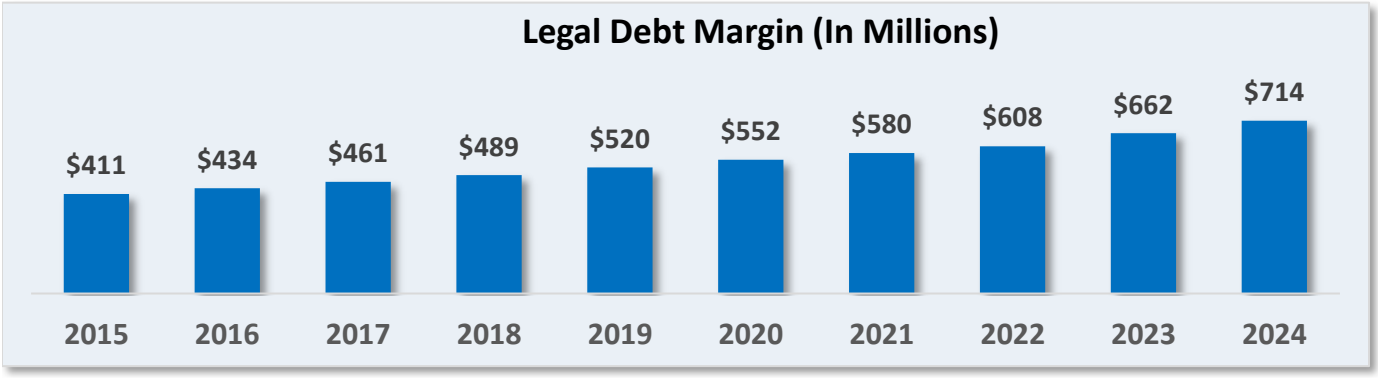
Fiscal Year Ended June 30	Debt limit	Total net debt applicable to the limit	Legal debt margin	Total net debt applicable to the limit
2015	$ 411,385,012	$ 193,860	$ 411,191,152	0.05%
2016	434,225,647	84,311	434,141,336	0.02%
2017	460,964,837	-	460,964,837	0.00%
2018	488,712,582	-	488,712,582	0.00%
2019	520,419,500	-	520,419,500	0.00%
2020	552,286,916	-	552,286,916	0.00%
2021	580,464,148	-	580,464,148	0.00%
2022	608,231,595	-	608,231,595	0.00%
2023	661,696,055	-	661,696,055	0.00%
2024	**713,582,099**	**-**	**713,582,099**	**0.00%**

Legal Debt Margin Calculation:

Total assessed value	$	4,757,213,995
Debt limit (15% of total assessed value)		713,582,099
Debt applicable to limit:		
General obligation bonds (reported at accreted value)		
Less: Amount available in debt service fund for repayment of bonds		
Total net debt applicable to limit		-
Legal debt margin	**$**	**713,582,099**

Notes:
State Code, Section 43605, sets the debt limit at 15% of the total assessed valuation of all real personal property within the City

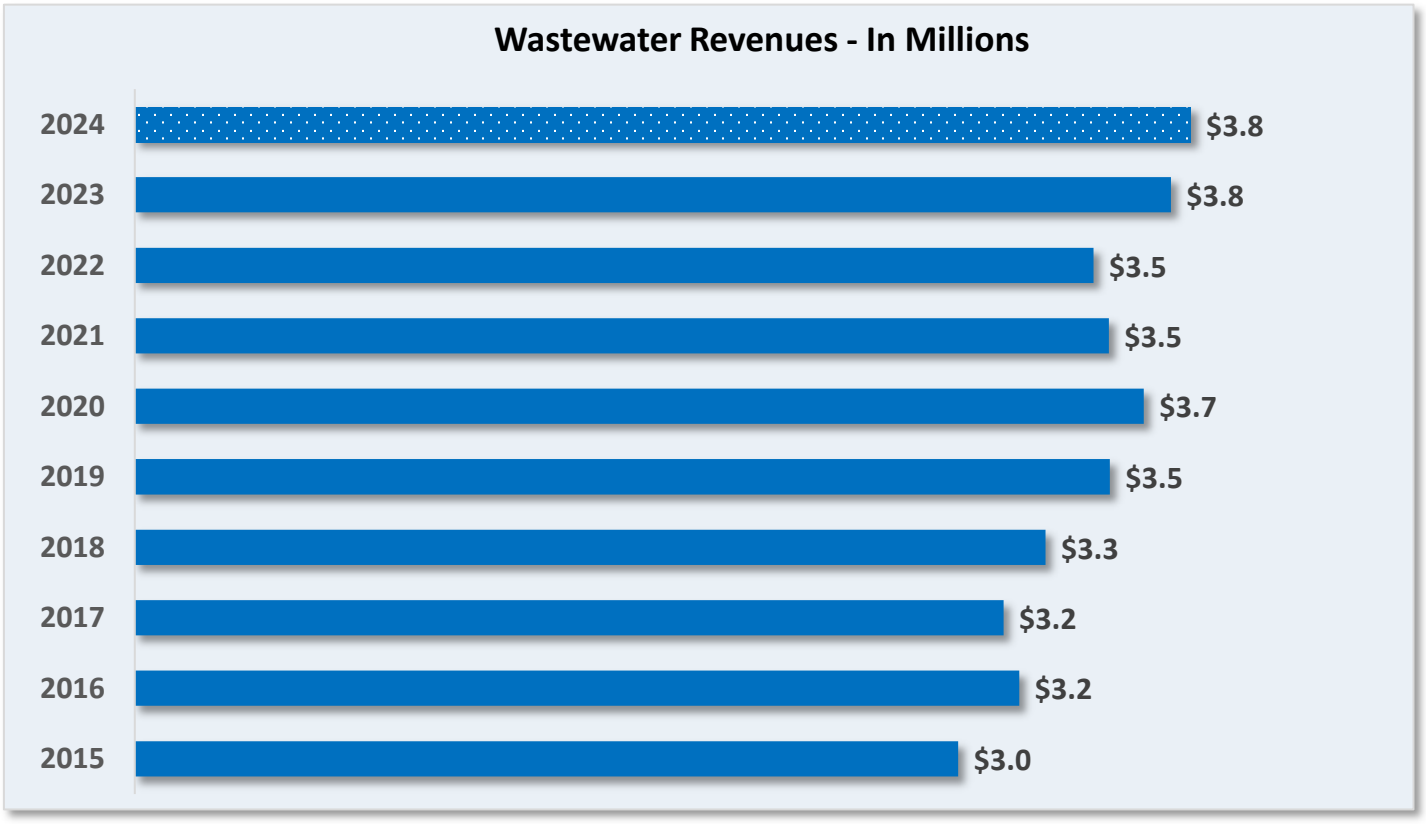
Source: County of Monterey Auditor-Controller's Office, HDL, Coren and Cone
City of Pacific Grove Finance Department



City of Pacific Grove
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Wastewater Revenue Bonds:					
Wastewater charges and other	$ 2,986,640	$ 3,208,150	$ 3,151,928	$ 3,304,277	$ 3,536,772
Less: operating expenses	1,438,459	1,371,609	1,388,706	1,985,232	1,679,991
Net available revenue	1,548,181	1,836,541	1,763,222	1,319,045	1,856,781
Debt service:					
Principal	47,793	50,062	53,138	55,233	57,238
Interest	37,764	36,117	34,353	33,021	31,132
Total	85,557	86,179	87,491	88,254	88,370
Coverage	**18**	**21**	**20**	**15**	**21**
Certificates of Participation					
Golf course charges and other	$ 406,968	$ 393,009	$ 354,856	$ 334,015	$ 428,831
Less: operating expenses	485,069	124,775	53,142	75,276	141,108
Net available revenue	(78,101)	268,234	301,714	258,739	287,723
Debt service:					
Principal	85,000	-	-	-	-
Interest	183,426	-	-	-	-
Total	268,426	-	-	-	-
Coverage	0.45	-	-	-	-

Source:
City of Pacific Grove Finance Department



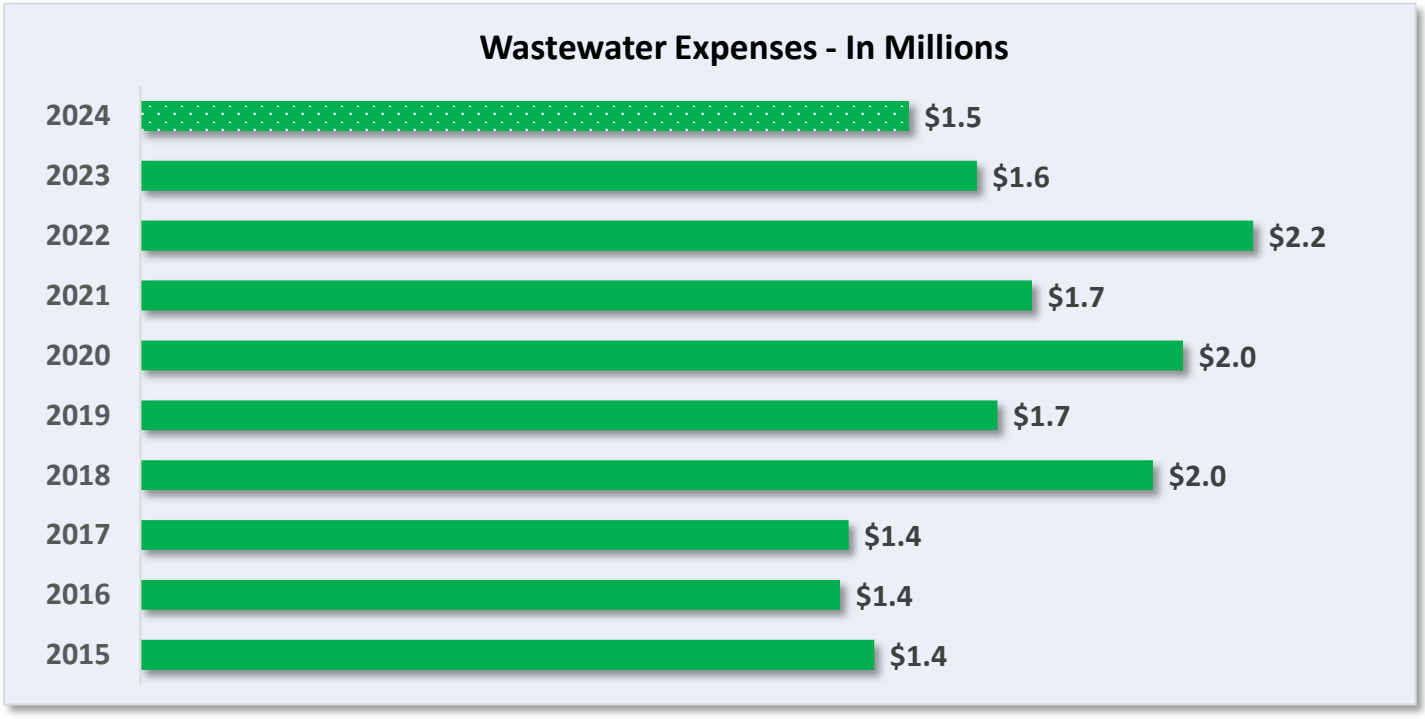
City of Pacific Grove
Pledged-Revenue Coverage (Continued)
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Wastewater Revenue Bonds:					
Wastewater charges and other	$ 3,659,651	$ 3,533,090	$ 3,477,534	$ 3,759,102	$ 3,829,192
Less: operating expenses	2,043,805	1,748,013	2,181,430	1,640,102	1,506,019
Net available revenue	1,615,846	1,785,077	1,296,104	2,119,000	2,323,173
Debt service:					
Principal	59,088	60,914	62,628	64,316	65,925
Interest	29,220	27,203	25,168	23,035	20,349
Total	88,308	88,117	87,796	87,351	86,274
Coverage	**18**	**20**	**15**	**24**	**27**
Certificates of Participation					
Golf course charges and other	$ 294,320	$ 368,064	$ 692,304	$ 868,062	$ 745,216
Less: operating expenses	15,728	92,524	31,296	101,521	222,919
Net available revenue	278,592	275,540	661,008	766,541	522,297
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total	-	-	-	-	-
Coverage	-	-	-	-	-

Notes / Analysis:

Refunded 2001B Wastewater Bonds with Series 2013 Refunding Wastewater Revenue Loan

Details regarding the city's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest or depreciation.

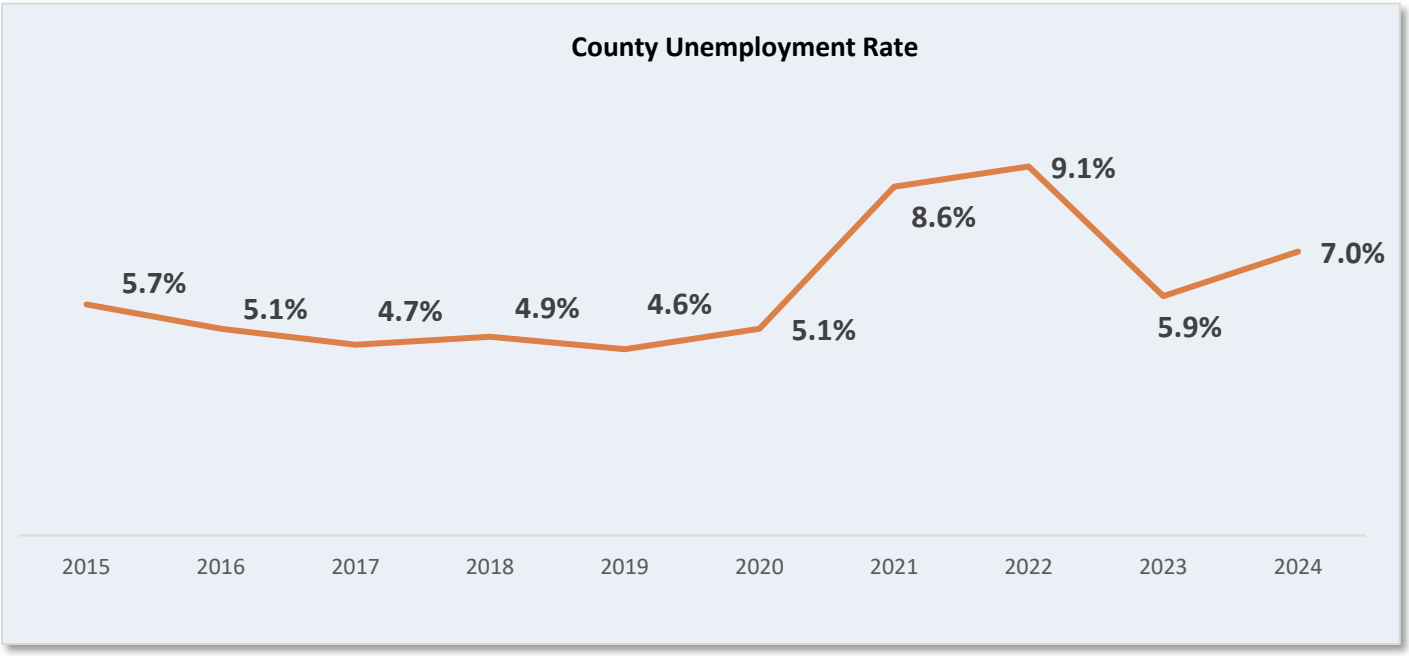


City of Pacific Grove
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population [1,6]	Unemployment Rate [2]	Total Personal Income (In thousands)	Per Capita Personal Income [3]	Median Age [4]	% of Population 25+ with High School Diploma [5]	% of Population 25+ with Bachelor's Degree [5]
2015	15,394	5.7%	$ 675,827	$ 43,902	49.3	96%	50%
2016	15,352	5.1%	717,389	46,729	49.3	95%	50%
2017	15,498	4.7%	740,117	47,756	48.8	96%	52%
2018	15,660	4.9%	766,209	48,928	49.0	96%	53%
2019	15,883	4.6%	759,116	47,794	49.0	96%	51%
2020	15,265	5.1%	776,384	50,860	48.5	96%	53%
2021	15,536	8.6%	795,868	51,227	48.9	97%	54%
2022	14,761	9.1%	816,648	55,325	48.3	96%	55%
2023	14,741	5.9%	832,496	56,475	48.0	96%	55%
2024	**14,966**	**7.0%**	**971,497**	**64,914**	**49.2**	**96%**	**57%**

Notes / Analysis / Sources:

A For calendar year ending during the fiscal year.
B Total Personal Income is presented in thousands.
1 California Department of Finance and HdL Companies
2 California Employment Development Department and HdL Companies
3 U.S. Department of Commerce, Bureau of Economic Analysis and HdL Companies, for years 2010-2017
4 U.S. Census, American Fact Finder for 2009, and HdL Companies
5 California Board of Equalization and HdL Companies
6 Decrease in 2022 population due to change in Census 2020 benchmark



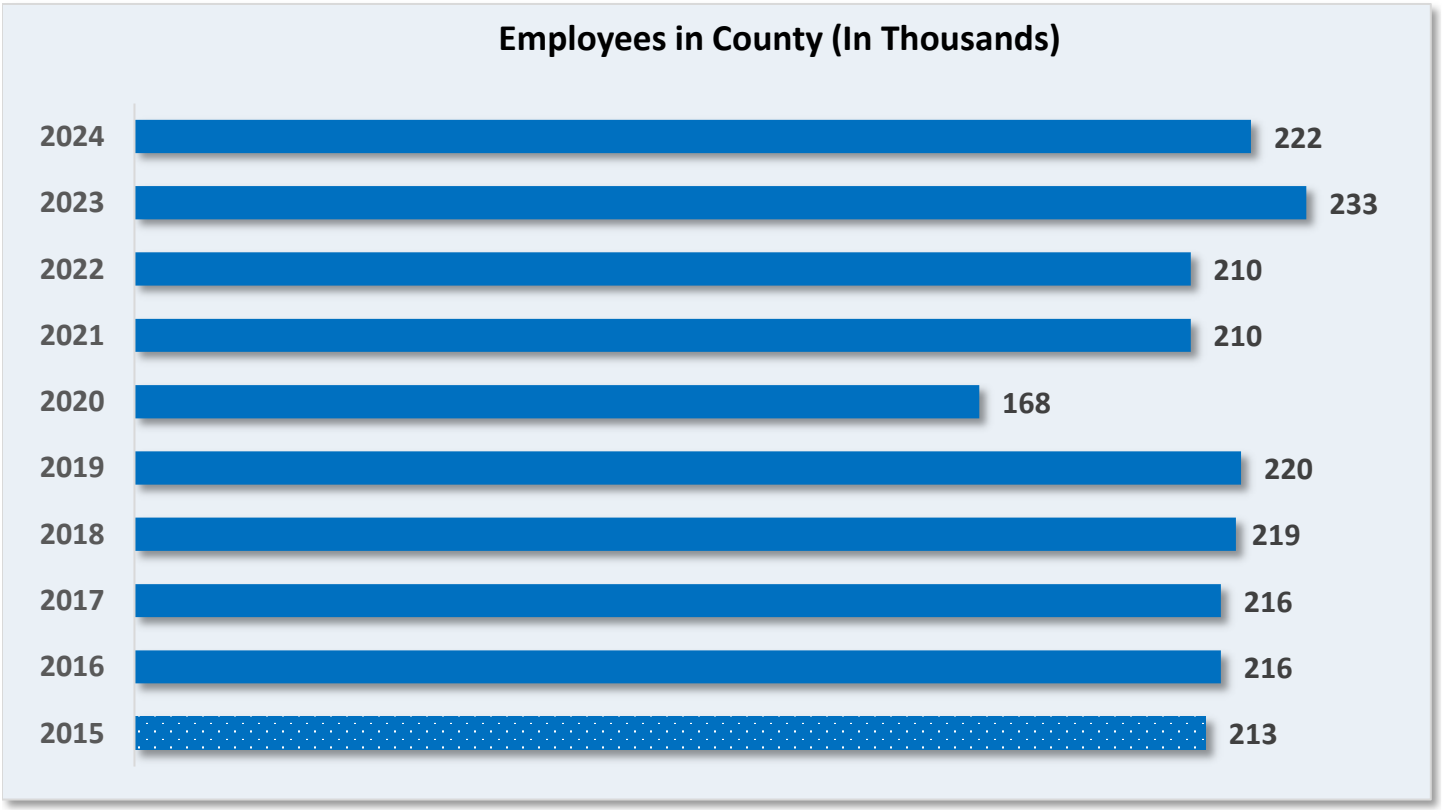
City of Pacific Grove
Employees by Industry
Last Ten Fiscal Years

Industry	For Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Agriculture	68	69	68	69	71	38	72	68	74	74
Construction, Mining, Manufacturing	11	12	12	13	13	12	7	13	20	12
Trade, Transportation & Utilities	26	26	27	27	26	25	25	25	26	26
Information & Financial Activities	5	5	5	5	5	5	5	5	5	5
Professional & Business Services	13	14	13	14	15	13	16	14	16	15
Educational & Health Services	18	19	19	20	21	19	20	21	23	24
Leisure & Hospitality	24	25	25	25	28	20	23	24	27	26
Government	31	32	33	35	36	32	33	36	36	34
Other	17	14	14	11	5	4	9	4	6	6
Totals	**213**	**216**	**216**	**219**	**220**	**168**	**210**	**210**	**233**	**222**

Analysis: Employment in the agriculture and leisure/hospitality areas have grown over the ten year period, except for 2020 due to the impacts of COVID.

Source: Employment Development Department, Labor Market Information (LMI) Salinas MSA

Note: GASB Statement No. 44 allows for employment by industry in lieu of Principal Employers



City of Pacific Grove

Number of City Employees by Department [1]

Last Ten Fiscal Years

	For Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Departments:										
General Government [2]	14	14	14	17	16	17	17	17	18	18
Public Safety	34	34	37	34	34	34	33	34	34	34
Public Works	22	20	20	21	23	23	23	20	20	20
Recreation [3]	15	14	14	14	14	14	3	5	7	10
Library [3]	10	12	12	12	12	11	5	8	8	9
Community Development	8	8	8	8	10	9	8	8	8	8
Business-type Activities:										
Cemetery	2	1	1	2	2	2	2	2	2	3
Sewer	6	4	5	5	5	5	5	5	5	5
Total	**110**	**107**	**110**	**112**	**116**	**115**	**95**	**99**	**102**	**105**

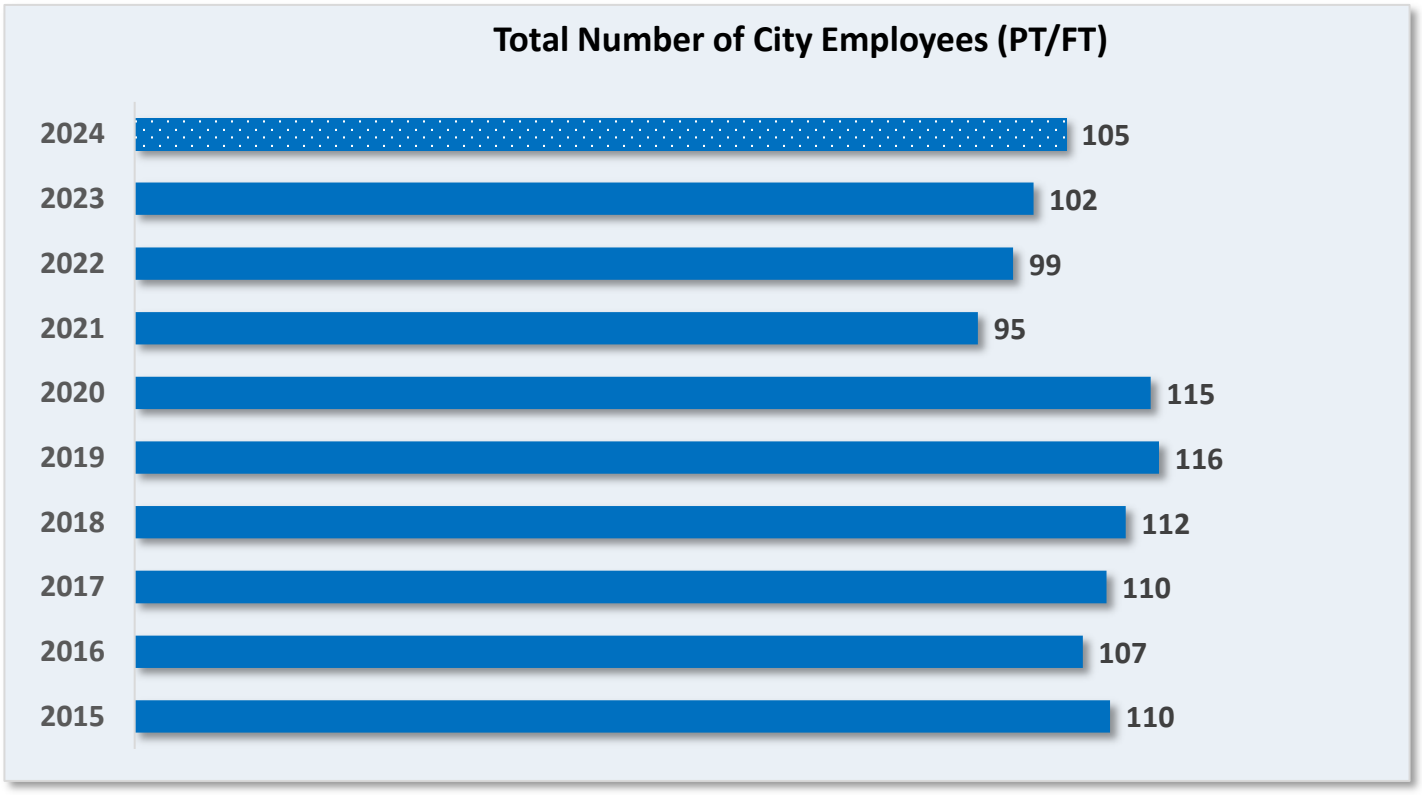
Analysis/Notes:

1 Reflects the authorized positions in each budget year. This number includes both regular and part-time staff.

2 Includes 3.5 FTE's for Council Members and Mayor

3 The counts for Recreation and Library Departments exclude part-time, on-call and seasonal staff.
Note that the Museum and Golf Course are operated on a contract basis without City employees

Source: City of Pacific Grove Budget Document



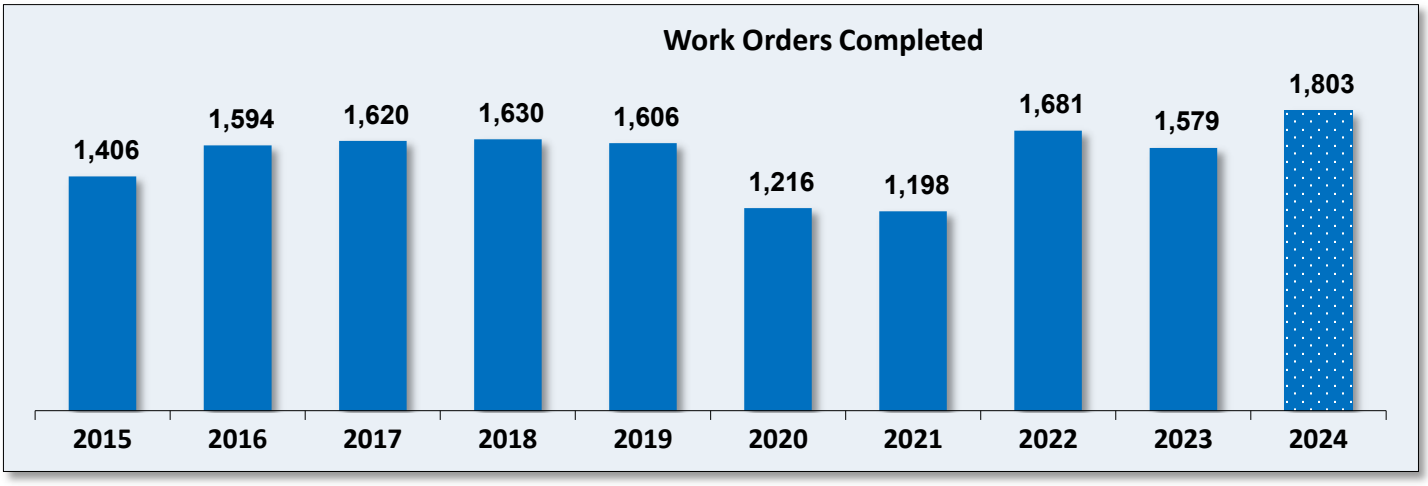
City of Pacific Grove
Operating Indicators By Function
Last Ten Fiscal Years

	For Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function:										
Police										
Calls for service	17,627	21,521	15,359	18,032	20,350	18,902	15,875	19,266	12,284	13,214
Fire										
Calls for service	1,584	1,764	1,604	1,694	1,877	1,740	1,772	2,033	2,257	1,948
Inspections	177	182	484	703	1,006	197	62	201	109	668
Recreation										
Park reservations [1]	318	328	348	299	273	645	90	2,166	878	1,502
Special events [1]	14	16	18	18	18	24	-	3	21	26
Recreation program registrations [1]	N/A	N/A	N/A	N/A	N/A	667	414	1,168	1,653	2,009
Public Works										
Potholes patched	121	100	108	58	108	75	N/A	100	116	103
Work orders completed	1,406	1,594	1,620	1,630	1,606	1,216	1,198	1,681	1,579	1,803
Tree Permits Issued	96	329	354	360	508	434	363	276	295	218
Library										
Circulation of materials (thousands)	283	291	289	288	328	188	84	180	223	283
Reference questions (thousands) [1]	25	29	26	21	15	19	5	13	34	18
Community Development										
Building Permits	525	576	429	429	520	1,095	1,203	1,278	1,040	1,054

Analysis/Notes:

(1) Due to COVID-19 restrictions, some indicators related to Recreation, Library, and Special Events were limited in prior years.

Source: City of Pacific Grove Finance Department



City of Pacific Grove
Capital Asset Statistics By Function
Last Ten Fiscal Years

	For Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function:										
General Government										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Miles of paved streets	55	55	55	55	55	55	55	55	55	55
Street lights	699	699	699	699	699	699	699	699	699	699
Fleet Vehicles (City-wide)	121	121	123	121	93	95	95	95	90	119
Recreation										
Parks	19	19	19	19	19	19	19	19	19	19
Playgrounds	4	4	4	4	4	4	4	4	4	4
Community centers / facilities	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	5	5	5	5	5	5	5	5	5	5
Other City Facilities										
Library facilities	1	1	1	1	1	1	1	1	1	1
Museum facilities	1	1	1	1	1	1	1	1	1	1
Cemetery facilities	1	1	1	1	1	1	1	1	1	1
Historic lighthouse	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
Sewer										
Miles of sanitary sewers	58	58	58	58	58	58	58	58	58	58
Number of storm drains	332	332	332	332	332	332	332	332	332	332

Source: City of Pacific Grove Departments



THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

To the Honorable Mayor and Members of the City Council
of the City of Pacific Grove
Pacific Grove, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pacific Grove, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 20, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pun Group, LLP

Santa Ana, California
January 20, 2025

City of Pacific Grove California

Popular Annual Financial Report

For the Fiscal Year Ended June 30, 2024



City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950
www.cityofpacificgrove.org

City of Pacific Grove PAFR Fiscal Year 2023-24

Table of Contents

City Profile and Overview 3
Departmental Achievements 4
Local Economy 5
Management Discussion and Analysis 6

Financial Analysis of Funds 12
Capital Assets 15
Debt, OPEB and Pension Obligations 16
Economic Factors / Next Year's Budget 17

Mission and Vision

- Mission: To deliver quality professional public services in the City and region
- Vision: To thoughtfully grow as an inclusive community, protecting its character

Core Values

- Leadership: Uphold the highest work ethic
- Inclusiveness: Cultivate an environment of trust
- Integrity: Safeguard public trust
- Collaboration: Promote transparent engagement
- Stewardship: Protect our natural environment

Focused Priority Areas and Goals

- Recreation: Robust and accessible activities
- Infrastructure: Maintain community assets
- Stewardship: Implement sustainable practices
- Housing: Diversity affordable opportunities

City Council FY 2023-24

Mayor: Bill Peake
Councilmembers: Joe Amelio
Debby Beck
Luke Coletti
Lori McDonnell
Chaps Poduri
Nick Smith

Welcome Message From the City Manager

The City of Pacific Grove presents its Popular Annual Financial Report (PAFR) for the Fiscal Year ended June 30th.

The PAFR is designed to present the City's financial condition in a concise, easy to read format for all users.



Matthew Mogensen
City Manager

Summary of Annual Report

This report summarizes the Annual Comprehensive Financial Report (ACFR), containing more detailed financial information.

Certain disclosures required by generally accepted accounting principles (GAAP) are omitted.



Audit Opinion / Awards for Excellence

The City has received a "clean" unmodified audit opinion for its ACFR, and a Certificate of Achievement for Excellence in Financial Reporting (COA) from the Government Finance Officers Association (GFOA). In addition, the City has received awards for excellence for its operating budget from GFOA and the California Society of Municipal Finance Officers. These awards focus on providing quality documents that are easy to understand by the public.

Social Media for the City

Website: cityofpacificgrove.org

Facebook: CityofPacificGrove

X/Twitter: @PacificGrove

City Profile

The City of Pacific Grove is a small coastal community located in Monterey County that occupies just under three square miles, with a population of approximately 15,000 residents, with 56% of the adults having college degrees, and almost half of the population over the age of 50, with an average household income of approximately $120K. The City is situated on a peninsula which is bordered by Monterey, Pebble Beach, the Pacific Ocean, and the Monterey Bay with a County unemployment rate of approximately 7%. Pacific Grove has a very temperate climates all year round, with temperatures ranging from the 70's in the late summer to the mid 40's in the winter. Pacific Grove has over 1,300 registered historical homes built prior to 1926. The school district includes schools ranked as the highest in the Monterey area.



The City is home to many attractions and seasonal events, including:

- Point Pinos Lighthouse
- Monarch Butterfly Sanctuary
- Asilomar State Beach
- Lovers Point Park and Beach
- Pacific Grove Golf Links
- Hopkins Marine Station
- Pacific Grove Natural Museum
- Butterfly House
- Good Old Days
- Big Sur Half Marathon
- Christmas at the Inns
- Butterfly Days

City Government Structure and Services

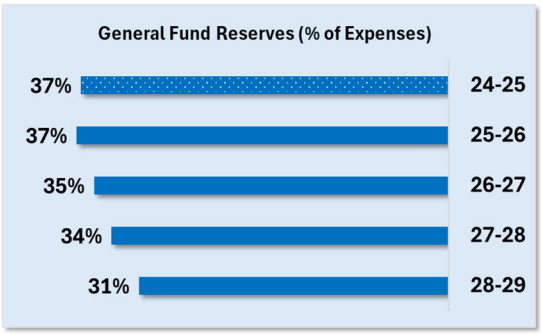


Pacific Grove is a Charter City which was incorporated in 1889. The City operates under the Council-City Manager form of government with a seven-member City Council elected by the citizens. The Mayor is directly elected to serve a two-year term and Council members are elected to alternating four-year terms. The Council has the authority to establish all laws and regulations, subject only to the limits of the City Municipal Code and State legislation. The City Council appoints a City Manager to serve as the City's chief administrative officer. The City Manager provides direction to all City departments; and ensures that all Council policies are implemented.

The City provides police protection, street, park and facility maintenance, recreational, planning, zoning, economic development, library, administrative and financial services for Pacific Grove. Fire protection services are provided through a contract with the City of Monterey. Additional services include sewer operations, a municipal golf course, cemetery, and a local water reclamation facility.

Long-Term Forecast

The City uses a five-year forecast to facilitate long-term fiscal planning. The City's conservative forecast for the next five fiscal years should assist in navigating future economic challenges. To assist with long-term planning, the City incorporates a Pavement Management Study, an Information Technology Master Plan, and a Sewer Master Plan. Additional plans for future improvements include a Facility Asset Management Study, and a Streets Policy. The fiscal policy of the General Fund recommends maintaining reserves of at least 35% of its annual expenditures.



Departmental Achievements

Despite the limited resources available, the City has developed an ambitious two year workplan for 2023-2025, including the following which address the City's mission and vision noted on a previous page.



City Council

- Developed the City's long-term goals.
- Protected the environment and quality of life for the City.
- Adopted the annual operating and capital improvement budget.

City Manager

- Completed with IT Laserfiche Documents Management System implementation project.
- Implemented several provisions of the recruitment and retention plan.
- Negotiated successor MOUs for the General Employee and Management Employee Association.

Administrative Services

- Received an unmodified or "clean" opinions on various mandated audit reports.
- Completed an updated cost allocation plan and development impact fee study.
- Received awards for the City's Annual Comprehensive Financial Statements and Budget.

Community Development

- Continued efforts on Housing Element, General Plan, and Zoning Amendments Update.
- Updated the Community Development website to receive online applications for permits.
- Continued code enforcement to protect health and offered next day building inspection services.

Economic Development



- Worked with the Chamber to assist on local business initiatives.
- Facilitated meetings for the Economic Development Commission.
- Oversaw the Façade Improvement Program.

Library

- Implemented with IT a new "Self-Checkout" system at the library.
- Created monthly poetry programs.
- Increased outreach for seniors and schools with a new Outreach Vehicle.

Fire and Police

- Completed a Community Wildfire Protection Plan.
- Hosted two Citizen Police Academies.
- Implemented the FLOCK Camera System.

Public Works

- Substantially completed the FY 23/24 Street Rehabilitation projects.
- Performed a substantial amount of road rehabilitation and repair.
- Planted more than 150 trees throughout the City.



Recreation and Museum

- Reestablished Youth Center Afterschool Program for youth.
- Implemented Youth Soccer Clinics, Soccer League and Track and Field.
- Improved and streamlined the park and facility reservation process.

Local Economy



Pacific Grove's local economy is supported by residents, regional visitors, and a strong tourism base. In Fiscal Year 24/25, the City's three core revenues: Property Tax, Sales Tax, and Transient Occupancy Tax (TOT) are anticipated to be stable; however slower growth is projected. The projected $10.3 million in property tax receipts are anticipated to return to more traditional growth rates because of higher mortgage interest rates. Sales and Use tax is projected to be approximately $6 million, which is slower than the 23/24 Fiscal Year due to a flattening in the consumer market. TOT is expected to grow to approximately $7 million.

In November of 2022, voters approved two ballot measures related to cannabis sales. This included gauging support to allow the establishment of one cannabis storefront; and the ability to levy a tax up to 6% of gross receipts on the sale of cannabis and cannabis products. In Fiscal Year 24/25, the City continued to work to develop a cannabis licensing program, with the goal of authorizing one retail license. Cannabis taxes were initially projected to yield $300,000 annually; however, $100,000 in revenues were included in the Fiscal Year 24/25 to reflect a partial year of operation. This estimate may be modified to reflect program implementation timelines.



Economic development and revitalization of the commercial corridors, particularly the downtown, will continue to be a focus for the City. The addition of a new 100-room boutique hotel in the downtown, the P.G. Hotel, which is proposed to be operated by the Kimpton Hotel group, promises to bring much needed additional foot traffic to the downtown. This new hotel is anticipated to significantly increase transient occupancy tax, property tax and sales tax revenues once the project is complete and occupancy commences. The hotel developers broke ground on the project and expect a 2-year construction phase.

Over the last few years, inflation has increased significantly. These inflationary rates, combined with limited affordable housing within Monterey County, continue to impact the local economy and the ability for employers to retain an adequate workforce. The draft Housing Element, which includes the City's Regional Housing Needs Allocation (RHNA), has indicated that the City needs to plan for 1,125 affordable housing units. Some of the potential development efforts could be challenging due to the State's current Water Cease and Desist Order. To emphasize its importance, the Council has made affordable housing an Area of Focus.



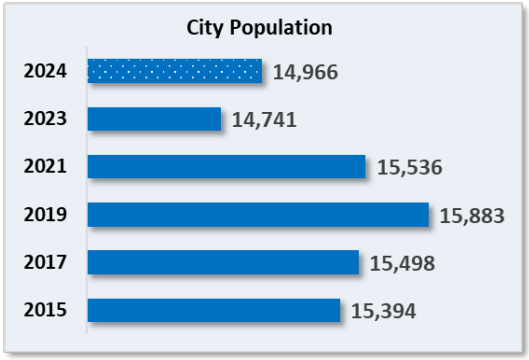
The limited local pool of prospective employees and the regional high cost of housing have also made it difficult for the City to attract and retain highly qualified staff. To assist, compensation packages are also balanced with the need to achieve fiscal sustainability. Like most California municipalities, the City has challenges with rising CalPERS pension costs. To assist with cost-containment, employees in "classic" retirement plans have agreed to pay 3-5% of the employer's share of pension costs, in addition to their regular pension contributions. In Fiscal Year 24/25, the unfunded liability payment is $4.5 million, with the increase over the prior year primarily due to lower than anticipated rate of return on CalPERS investments. The estimated higher contributions have been built into the multi-year forecast.



This discussion and analysis (MD&A) includes an overview of the City of Pacific Grove's (City's) financial activities and performance for the fiscal year ended June 30, 2024. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consists of three parts: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. The financial statements presented herein include all of the activities of the City and its component units. Please read the MD&A in conjunction with the transmittal letter, the basic financial statements, and the accompanying notes to those financial statements in the Annual Comprehensive Annual Report (ACFR).

Government-Wide Financial Statements



These provide readers with a broad view of the City's finances, using the economic resources measurement focus and accrual basis of accounting. These accounting methods are similar to those used by private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Additionally, certain interfund receivables, payables, and interfund activity have been eliminated. An overview of the City's functions associated with each classification is listed below.

Governmental Activities – All of the City's basic services are considered to be governmental activities. This includes general government, public safety, public works, recreation, library, museum, and community development. These services are supported by general City revenues such as taxes, and by specific program revenues such as development and recreation program fees.

Business-Type Activities – The City's enterprise activities include cemetery, sewer, water reclamation and golf operations. Unlike governmental activities, these services are fully supported by charges paid by users based on the amount of services they use.

The Statement of Net Position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or declining. The Statement of Activities presents information showing how the net position changed during the recent fiscal year.

Fund Financial Statements

These provide readers with additional information about the City's major funds, how services were financed in the short term, and fund balances available for financing future projects. Most of the City's funds, excluding the City's General Fund and Internal Service Funds, have significant restrictions, commitments, or other limitations, which affect the availability of their fund resources for future use.

Notes to the Financial Statements / Supplementary Information

These provide additional information to give the reader a better understanding of the data provided in the Government-Wide Financial Statements and Fund Financial Statements. In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the City's progress in funding its obligation to provide pension and retiree health benefits to its employees. The combining statements for non-major and internal service funds are presented immediately following the required supplementary information.

Financial Highlights

Statement of Net Position

- Net Position – Representing the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources is ↑ $6.3 million to $55.3 million, due to increased revenues from taxes and sewer fees.

- Working Capital – Representing current assets less current liabilities was ↑ $ 5.6 million to $30.9 million, due to increased revenues from taxes and sewer fees.

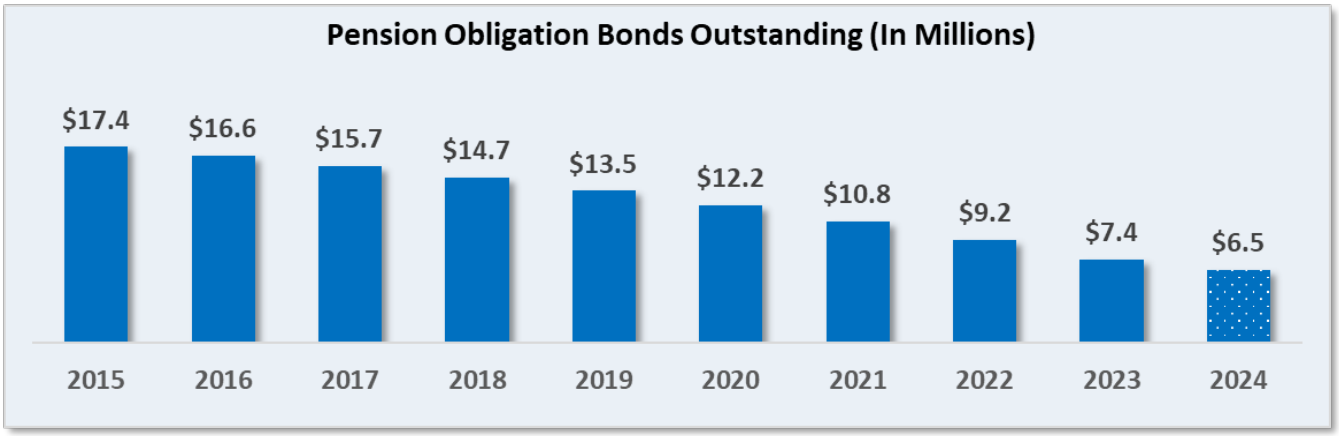
- Net Investment in Capital Assets – The City's largest portion of net position reflects investments in net capital assets less any related debt that was used to acquire those assets. The ending balance was $63.9 million, reflecting the purchase of a new fire truck and completion of capital projects during the fiscal year.

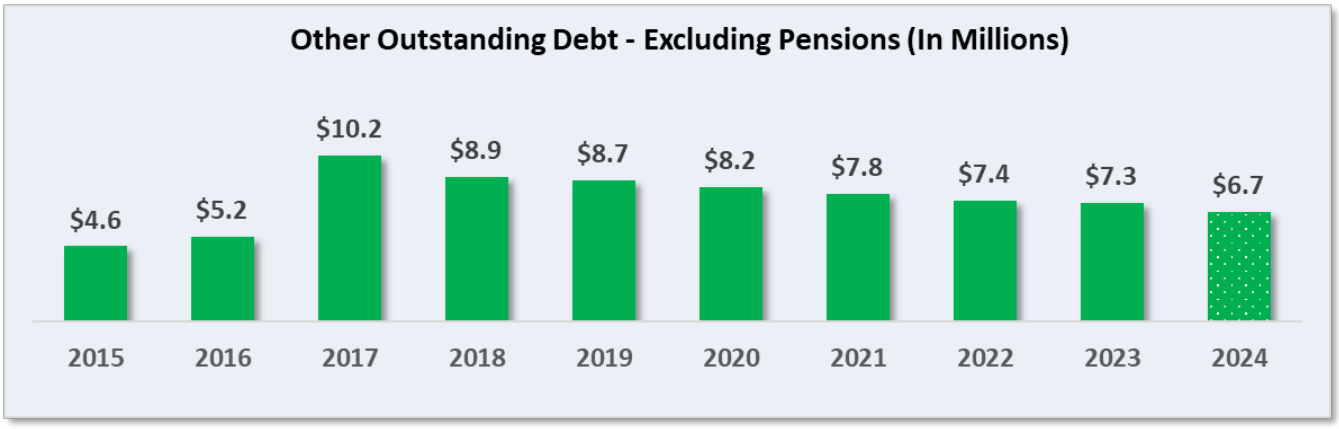
- Unrestricted Net Position – The City had a deficit in unrestricted net position of $19.4 million at the end of the fiscal year. Many different items comprise the unrestricted net position, including the City's net pension liability offset.

Statement of Activities

- Change in Net Position - Was $6.3 million during the year, comprised of a net change from governmental activities of $3.5 million and from business type activities of $2.8 million.

- Operating Revenues / Expenses – Operating revenues consisted of $10.1 million for Charges for Services, $1.8 million for Operating Grants and Contributions, $474K for Capital Grants and Contributions and $31.7 million for taxes and general revenues. Operating expenses consisted of $34.2 million for governmental activities and $4.1 million for business type activities.





Statement of Net Position

The increase in assets and net position in the Statement of Net Position is due to increased tax receipts and sewer revenues, as well as other revenue and expense variances noted elsewhere in this document. The deficit of Net Position is net of pension related liabilities, inflows and outflows.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets						
Current assets	$ 31,536,158	$ 28,283,390	$ 12,595,155	$ 11,959,454	$ 44,131,313	$ 40,242,844
Capital and other assets	52,208,677	52,331,856	29,811,564	28,531,697	82,020,241	80,863,553
Total Assets	$ 83,744,835	$ 80,615,246	$ 42,406,719	$ 40,491,151	$126,151,554	$121,106,397
Deferred Outflows of Resources	**$ 20,365,434**	**$ 20,411,891**	**$ 356,339**	**$ 906,222**	**$ 20,721,773**	**$ 21,318,113**
Liabilities						
Current liabilities	$ 11,250,624	$ 12,065,938	$ 1,955,768	$ 1,178,517	$ 13,206,392	$ 13,244,455
Noncurrent and other liabilities	63,260,135	61,892,717	7,301,671	9,121,474	70,561,806	71,014,191
Total Liabilities	**$ 74,510,759**	**$ 73,958,655**	**$ 9,257,439**	**$ 10,299,991**	**$ 83,768,198**	**$ 84,258,646**
Deferred Inflows of Resources	**$ 5,943,387**	**$ 6,862,623**	**$ 1,824,958**	**$ 2,246,234**	**$ 7,768,345**	**$ 9,108,857**
Net Position						
Net investment in capital assets	$ 42,670,667	$ 42,333,875	$ 21,252,446	$ 21,619,974	$ 63,923,113	$ 63,953,849
Restricted	10,470,523	10,055,437	296,448	298,348	10,766,971	10,353,785
Unrestricted (deficit)	(29,485,067)	(32,183,453)	10,131,767	6,932,826	$ (19,353,300)	(25,250,627)
Total Net Position	**$ 23,656,123**	**$ 20,205,859**	**$ 31,680,661**	**$ 28,851,148**	**$ 55,336,784**	**$ 49,057,007**

Current and Other Assets

This includes unrestricted cash and investments and items such as receivables, inventory and prepaid items expected to be converted into cash within one year.

Capital Assets

Consisting of land, buildings, improvements, infrastructure, vehicles, equipment, and the right-to-use assets. These items are not available for future spending.

Current and Other Liabilities

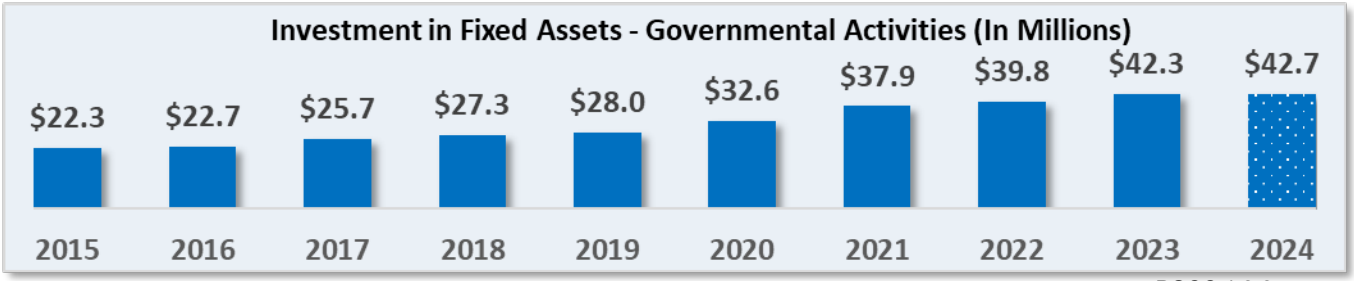
Represents liabilities expected to be paid with cash within one year.

Long Term Liabilities

Includes the outstanding obligations for the City, including pensions, OPEB, compensated absences, leases, subscriptions, claims outstanding, and bonded debt.

Net Position

Net investment in capital assets represents the City's capital assets net of accumulated depreciation and related debt. The restricted portion is subject to externally imposed restrictions for activities such as capital projects, debt service, and community development and is not available for general operations. The unrestricted portion is available for general operations. The deficit amount shown in Governmental Activities is due to the City's outstanding pension obligations.

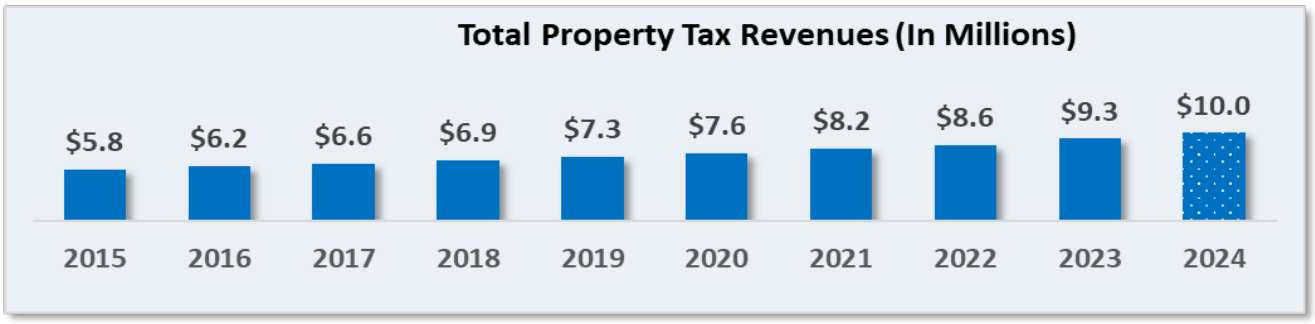


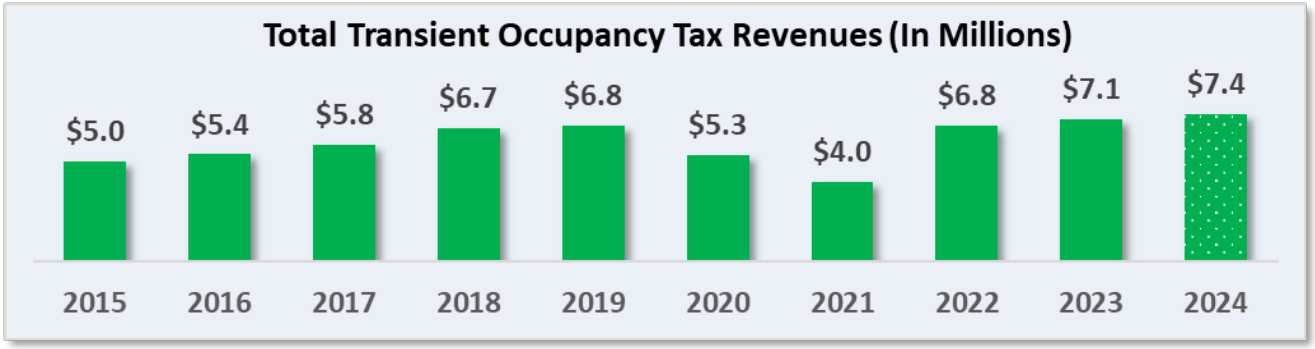
Statement of Changes in Net Position

The Statement of Changes in Net Position reflects the fact that the City's net position increased by approximately $6.3 million in the current fiscal year. The increase in net position is due to increases in tax and sewer fee revenues received. The City's Statements of Activities are shown below for FY 2024 and 2023:

Summary of Statement of Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
Functions/Programs	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Program Revenues						
Charges for services	$ 3,820,786	$ 3,643,560	$ 6,318,159	$ 5,855,243	$ 10,138,945	$ 9,498,803
Operating grants and contributions	1,803,700	2,689,705	-	-	1,803,700	2,689,705
Capital grants and contributions	474,137	1,109,485	-	-	474,137	1,109,485
Total Program Revenues	**6,098,623**	**7,442,750**	**6,318,159**	**5,855,243**	**12,416,782**	**13,297,993**
General Revenues					-	-
Taxes	29,147,787	27,480,551	-	-	29,147,787	27,480,551
Investment earnings	1,443,592	345,550	511,470	151,223	1,955,062	496,773
Other revenues	1,150,805	1,991,162		-	1,150,805	1,991,162
Total General Revenues	**31,742,184**	**29,817,263**	**511,470**	**151,223**	**32,253,654**	**29,968,486**
Total Revenues	**37,840,807**	**37,260,013**	**6,829,629**	**6,006,466**	**44,670,436**	**43,266,479**
Expenses					-	-
General government	6,440,878	3,241,604	-	-	6,440,878	3,241,604
Public safety	15,217,138	7,895,196	-	-	15,217,138	7,895,196
Public works	5,230,431	2,809,143	-	-	5,230,431	2,809,143
Recreation	1,562,919	554,042	-	-	1,562,919	554,042
Library	1,248,197	741,061	-	-	1,248,197	741,061
Museum	360,431	223,551	-	-	360,431	223,551
Community development	3,666,942	1,426,245	-	-	3,666,942	1,426,245
Interest on fiscal charges	476,107	470,144	-	-	476,107	470,144
Cemetery operating		-	452,270	469,815	452,270	469,815
Sewer operating		-	1,224,324	2,158,900	1,224,324	2,158,900
Local water project		-	2,042,255	1,107,370	2,042,255	1,107,370
Golf course		-	468,767	364,089	468,767	364,089
Total Expenses	**34,203,043**	**17,360,986**	**4,187,616**	**4,100,174**	**38,390,659**	**21,461,160**
Excess / (Deficiency) before Transfers	3,637,764	19,899,027	2,642,013	1,906,292	6,279,777	21,805,319
Transfers	(187,500)	(162,500)	187,500	162,500	-	-
Increase / (Decrease) in Net Position	3,450,264	19,736,527	2,829,513	2,068,792	6,279,777	21,805,319
Net Position, Beginning of Year	**20,205,859**	**469,332**	**28,851,148**	**26,782,356**	**49,057,007**	**27,251,688**
Net Position, End of Year	**$ 23,656,123**	**$20,205,859**	**$ 31,680,661**	**$ 28,851,148**	**$ 55,336,784**	**$49,057,007**





Statement of Changes in Net Position (Continued)

The following represents a breakout of program revenues and expenditures by major activity:

	Fiscal Year Ended June 30			
	2022	2023	2024	% of Total
Program Expenses				
Governmental activities:				
General government	$ 5,800,659	$ 3,241,604	$ 6,440,878	16.8%
Public safety	16,706,460	7,895,196	15,217,138	39.6%
Public works	6,611,056	2,809,143	5,230,431	13.6%
Recreation	1,117,468	554,042	1,562,919	4.1%
Library	1,437,706	741,061	1,248,197	3.3%
Museum	431,708	223,551	360,431	0.9%
Community Development	4,075,001	1,426,245	3,666,942	9.6%
Interest and fiscal charges on long-term debt	580,350	470,144	476,107	1.2%
Total governmental activities expenses	36,760,408	17,360,986	34,203,043	89.1%
Business-type activities:				
Cemetery	610,773	469,815	452,270	1.2%
Sewer	2,842,577	1,045,865	1,224,324	3.2%
Local Water Project	1,048,075	2,136,404	2,042,255	5.3%
Golf	281,320	282,177	468,767	1.2%
Total business-type activities expenses	4,782,745	3,934,261	4,187,616	10.9%
Total primary government expenses	$ 41,543,153	$ 21,295,247	$ 38,390,659	100%
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 1,720,294	$ 1,439,808	$ 1,210,812	9.8%
Public safety	31,244	593,308	599,859	4.8%
Public works	2,646	21,550	1,639	0.0%
Recreation	390,314	452,660	599,573	4.8%
Library	34,443	2,132	2,374	0.0%
Community Development	882,556	1,134,102	1,406,529	11.3%
Operating grants and contributions	2,526,917	2,689,705	1,803,700	14.5%
Capital grants and contributions	2,248,708	1,109,485	474,137	3.8%
Total governmental activities program revenues	7,837,122	9,958,525	6,098,623	49.1%
Business-type activities:				
Charges for services:				
Cemetery	800,923	773,195	716,931	5.8%
Local Water Project	598,195	597,011	1,026,820	8.3%
Sewer	3,565,896	3,693,156	3,829,192	30.8%
Golf	611,397	791,881	745,216	6.0%
Total business-type activities program revenues	5,576,411	5,855,243	6,318,159	50.9%
Total primary government program revenues	13,413,533	13,297,993	12,416,782	100%
Net (expense)/revenue:				
Governmental activities	(28,923,286)	(9,918,236)	(28,104,420)	
Business-type activities	793,666	1,920,982	2,130,543	
Total primary government net (expense)/revenue	$ (28,129,620)	$ (7,997,254)	$ (25,973,877)	

Revenues include charges for services such as sewer charges, grants, and funding received from other organizations for the purpose of financing the operating and capital costs of special programs, and taxes, including property, sales and transaction, franchise, transient occupancy, and business license taxes.

Expenses include Administration (including City Manager, Human Resources, Finance and Information Services, Police, Fire, Public Works, Community Development (including planning, building, housing and economic development), Recreation (including the library, museum and adult and youth activities), the City's golf course, Sewer, Cemetery and the City's local water project.

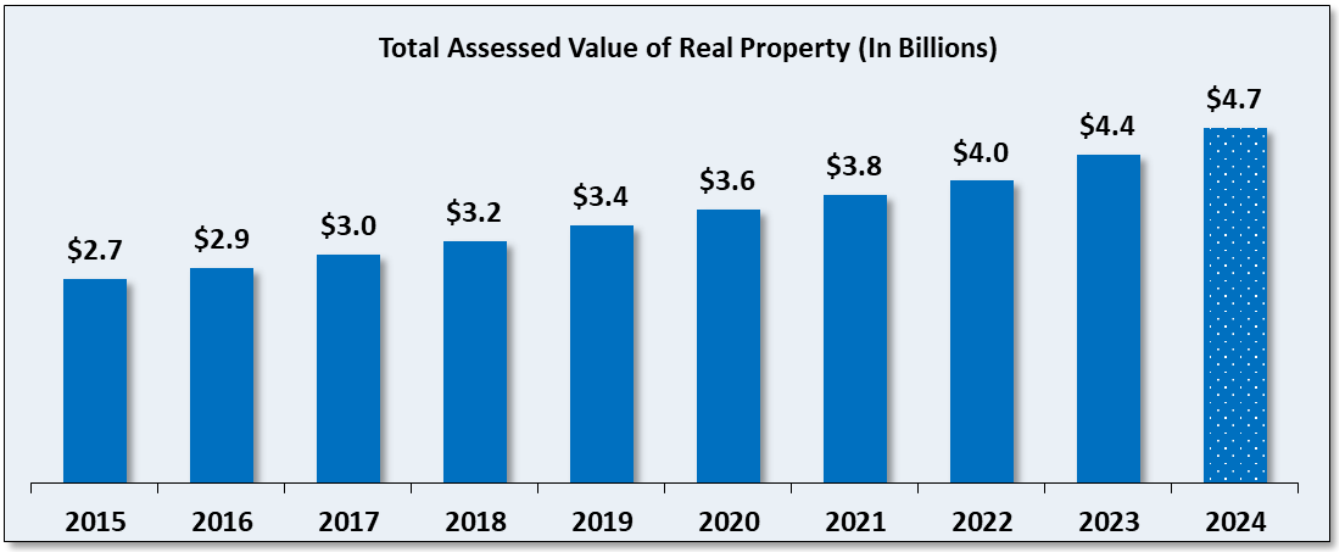
	Fiscal Year Ended June 30			
	2022	2023	2024	% of Total
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	$ 8,573,969	$ 9,330,981	$ 10,001,561	31.7%
Sales and use taxes	5,630,320	6,734,940	7,146,935	22.6%
Franchise taxes	1,489,888	1,620,136	1,682,562	5.3%
Transient occupancy taxes	6,821,183	7,105,256	7,375,869	23.4%
Utility users taxes	1,940,677	2,097,934	2,118,068	6.7%
Business license tax	371,310	425,691	644,911	2.0%
Property transfer tax	231,389	150,278	159,401	0.5%
Property taxes in lieu of motor vehicle fee	-	15,335	18,480	0.1%
Unrestricted Investment earnings		179,637	1,443,592	4.6%
Miscellaneous or Other revenues	1,400,243	1,143,687	1,150,805	3.6%
Transfers	-	(162,500)	(187,500)	-0.6%
Total governmental activities	26,056,675	28,807,288	31,554,684	100%
Business-type activities:				
Unrestricted Investment earnings	(18,409)	151,223	511,470	
Miscellaneous or Other revenues	-			
Transfers	-	162,500	187,500	
Total business-type activities	(18,409)	147,810	698,970	
Total primary government	$ 26,038,266	$ 28,955,098	$ 32,253,654	

Governmental Activities

The total cost of services for all governmental activities in FY 23-24 was $34.2 million, with program revenues covering $6.1 million resulting in a net cost of $28.1 million. The remaining portion of governmental activities was covered by taxes (some of which can only be used for certain programs) and other revenues, such as interest and other miscellaneous revenue. The cost of services went up driven by cost escalations and the impact of negotiated labor agreements and the most recent pension actuarial.

Business Activities

The total cost of all Business-Type activities this year was $4.1 million. As shown in the Statement of Activities, these were funded by charges for services totaling $6.3 million amounts paid by users of the systems, along with interest earned on invested cash balances. Net position increased by $2.8 million for business-type activities (including investment earnings and transfers) to $31.7 million.



Financial Analysis of the City's Governmental Funds

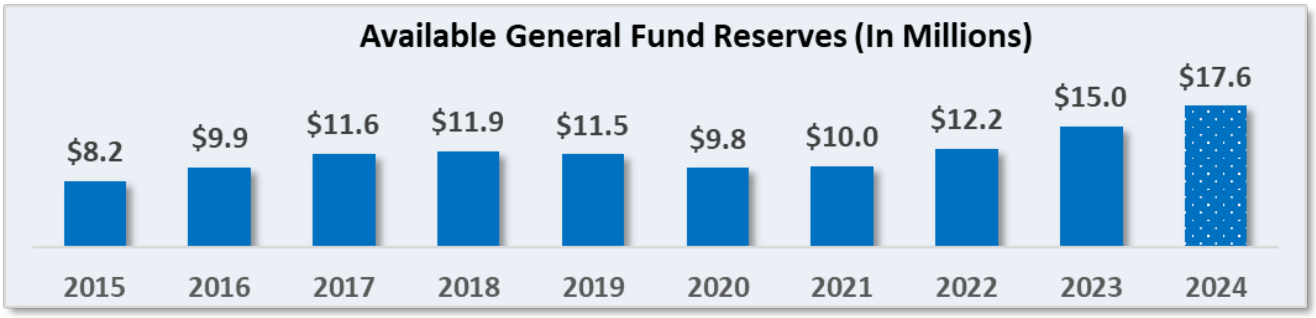
The Fund Financial Statements focus on individual parts of the City's government, reporting operations in more detail than the Government-Wide Statements.

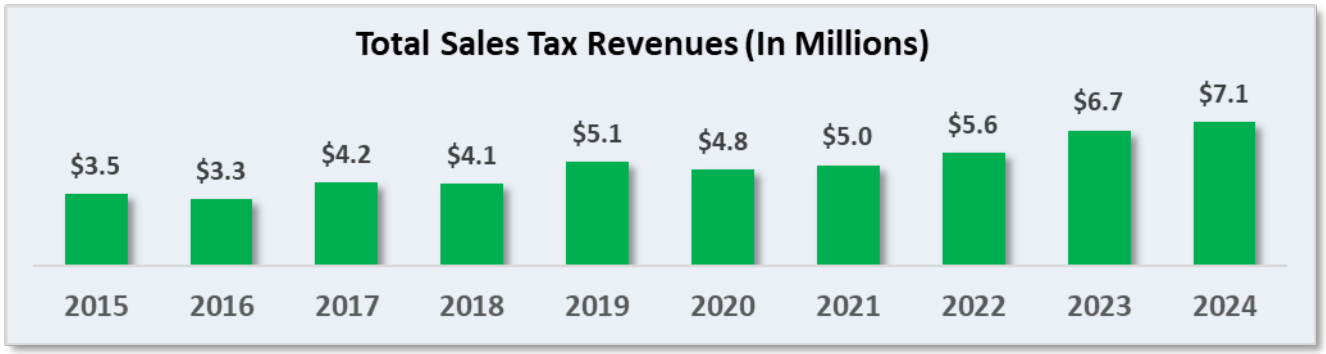
The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. The City's governmental funds reported a combined fund balance at June 30, 2024 of $28 million, an increase of $2.9 million over the end of the previous fiscal year. Major changes are noted below.

Table 3 - Summary of Changes in Fund Balance - Governmental Funds

	Fund Name / Type					
	General Fund	RSTP Fund	CDBG Grant Fund	Capital Projects Fund	Other Governmental Funds	Total
Total Revenues	**$ 33,249,760**	**$ 69,450**	**$ 50,472**	**$ 123,482**	**$ 3,886,772**	**$37,379,936**
Total Expenditures	**29,471,819**	**378,644**	**5,132**	**535,912**	**3,884,750**	**34,276,257**
Revenues Over (Under) Expenditures	$ 3,777,941	$ (309,194)	$ 45,340	$ (412,430)	$ 2,022	$ 3,103,679
Transfers in	3,359			750,000	322,000	1,075,359
Transfers out	(1,252,510)				(10,349)	(1,262,859)
Proceeds from sale of assets	6,800	-	-	-	-	6,800
Inception of subscription liabilities	20,846	-	-	-		20,846
Net change in fund balances (deficit)	**$ 2,556,436**	**$ (309,194)**	**$ 45,340**	**$ 337,570**	**$ 313,673**	**$ 2,943,825**
Beginning of year Fund Balance (deficit)	**15,025,352**	**(40,122)**	**1,279,643**	**22,626**	**8,720,644**	**25,008,143**
End of year Fund Balance (deficit)	**$ 17,581,788**	**$ (349,316)**	**$ 1,324,983**	**$ 360,196**	**$ 9,034,317**	**$27,951,968**

The General Fund is the chief operating fund of the City and reflects an increase of $2.6 million in fund balance. due to higher than anticipated tax revenues and expenditure savings due to vacancies. Capital Projects fund balances increased by $338,000 due to the carryover of some capital projects to Fiscal Year 24-25.





General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City's budget with adjustments for various revenue and expenditure changes. After taking into account these adjustments, General Fund revenues were higher than the final budget by $1.0 million, which is primarily attributable to higher tax collections and an increase in return on the City's investments, and General Fund expenditures were under budget by $2 million, due to personnel cost savings resulting from vacancies in several of the City's departments. Significant variances are shown below:

General Fund Budget Actual

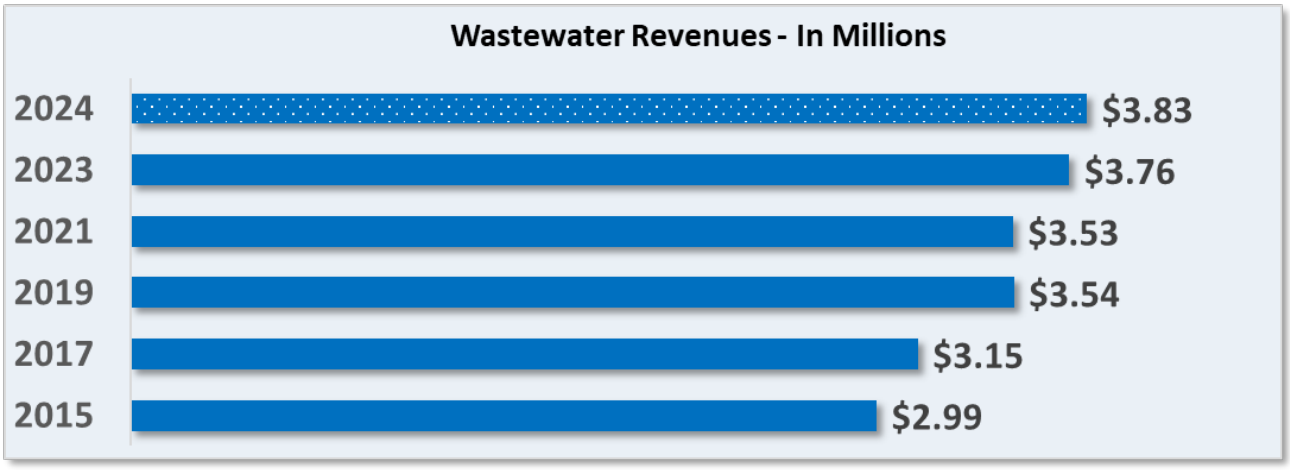
Functions/Programs	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes				
Property taxes	$ 9,609,000	$ 9,881,000	$ 10,001,561	$ 120,561
Sales and use taxes	5,957,000	6,039,000	5,975,031	(63,969)
Franchise and other taxes	1,585,000	1,625,000	1,635,968	10,968
Transient occupancy taxes	6,562,000	6,840,000	6,820,365	(19,635)
Utility user taxes	2,005,000	2,003,000	2,118,068	115,068
Business license tax	370,000	385,000	607,647	222,647
Other taxes	187,000	182,000	177,881	(4,119)
Total Taxes	**26,275,000**	**26,955,000**	**27,336,521**	**381,521**
Intergovernmental	41,000	234,000	278,308	44,308
Licenses, permits and impact fees	885,000	1,318,000	1,322,285	4,285
Fines and Forfeitures	530,000	394,000	314,242	(79,758)
Charges for services	1,643,000	1,783,000	1,737,498	(45,502)
Interest, rents and concessions	436,750	603,057	1,125,585	522,528
Other revenues	1,362,787	1,001,100	1,135,321	134,221
Total Revenues	**31,173,537**	**32,288,157**	**33,249,760**	**961,603**
Expenses				
General government	5,322,421	5,673,734	5,305,657	368,077
Public safety				-
Police	8,305,755	8,116,264	7,850,494	265,770
Fire	4,425,400	4,521,532	4,508,537	12,995
Public works	4,967,832	4,998,854	4,399,769	599,085
Recreation	1,101,418	1,403,404	1,224,512	178,892
Library	1,143,910	1,172,182	1,129,218	42,964
Museum	337,400	343,400	346,494	(3,094)
Community development	3,006,773	3,881,283	2,908,796	972,487
Capital Outlay	215,000	362,222	291,690	70,532
Debt Service:				-
Principal retirement	498,070	498,020	576,256	(78,236)
Interest	930,396	930,396	930,396	-
Total Expenses	**30,254,375**	**31,901,291**	**29,471,819**	**2,429,472**
Other Financing Uses (Net)	**(1,784,187)**	**(1,596,500)**	**(1,221,505)**	**(374,995)**
Increase / (Decrease) in Net Position	**(865,025)**	**(1,209,634)**	**2,556,436**	**(3,766,070)**
Net Position, Beginning of Year			**15,025,352**	
Net Position, End of Year			**$ 17,581,788**	

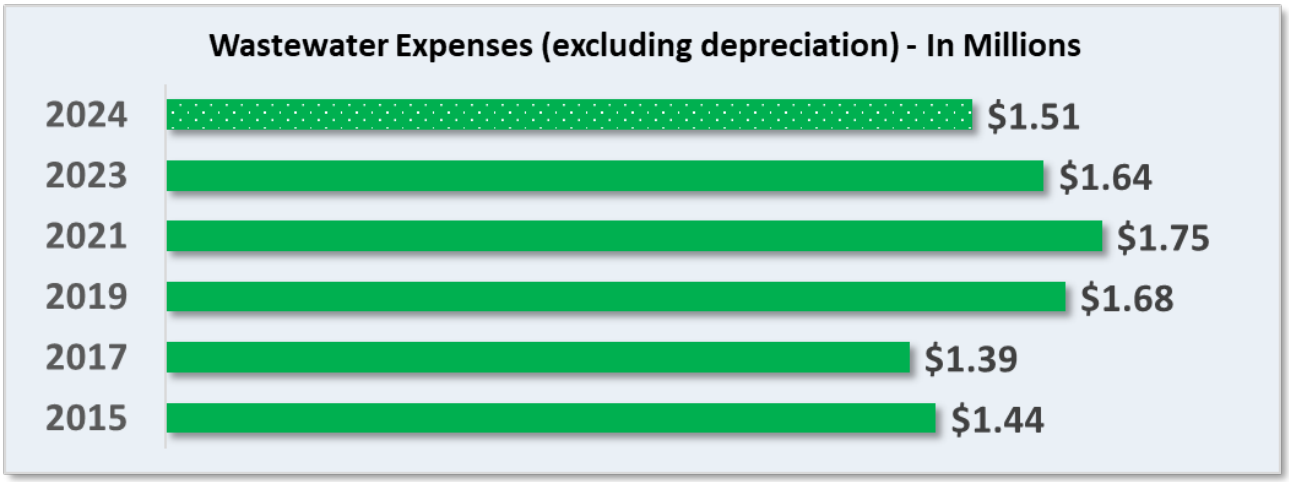
Financial Analysis of the City's Proprietary Funds

These funds provide the same type of information found in the Government-Wide Financial Statements but in more detail. Factors concerning these funds have previously been addressed in the discussion of business-type activities under the Government-Wide Statements.

Summary of Changes in Net Position - Proprietary Funds

	Business Type Activities					Governmental Activities
	Cemetery Fund	Local Water Project Fund	Sewer Fund	Golf Course Fund	Total	Internal Service Funds
Total Operating Revenues	**$ 716,931**	**$ 1,026,820**	**$ 3,829,192**	**$ 745,216**	**$ 6,318,159**	**$ 2,014,597**
Total Operating Expenses	**452,270**	**1,179,528**	**2,021,906**	**405,786**	**4,059,490**	**1,388,276**
Revenues Over (Under) Expenses	$ 264,661	$ (152,708)	$ 1,807,286	$ 339,430	$ 2,258,669	$ 626,321
Transfers in		187,500			187,500	
Investment Earnings	47,725	3,111	368,224	92,410	511,470	45,683
Interest Expense		(44,796)	(20,349)	(62,981)	(128,126)	(9,246)
Net change in Net Position	**$ 312,386**	**$ (6,893)**	**$ 2,155,161**	**$ 368,859**	**$ 2,829,513**	**$ 662,758**
Beginning of year Net Position	**933,230**	**1,109,022**	**23,124,603**	**3,684,293**	**28,851,148**	**128,957**
End of year Net Position	**$ 1,245,616**	**$ 1,102,129**	**$ 25,279,764**	**$ 4,053,152**	**$31,680,661**	**$ 791,715**
Ending Working Capital	**$ 1,086,245**	**$ (222,566)**	**$ 8,761,146**	**$ 1,026,041**	**$10,650,866**	**$ 920,672**





Capital Assets

The City of Pacific Grove's investment in capital assets as of June 30, 2024 amounts to $71.9 million (net of accumulated depreciation and amortization). This includes net capital assets from governmental activities of $43.4 million and net capital assets from business type activities at $28.5 million. This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, and sewer systems. The table below summarizes the City's capital assets net of depreciation:



Summary of Capital Assets at Year End

	Governmental Activities		Business-type Activities		Totals		
	2024	2023	2024	2023	2024	2023	% Change
Land	$ 2,338,270	$ 2,338,270	$ 362,953	$ 362,973	$ 2,701,223	$ 2,701,243	0%
Construction in progress	5,524,639	5,603,986	983,414	436,247	6,508,053	6,040,233	8%
Buildings and improvement	8,448,463	8,841,034	4,608,292	4,813,851	13,056,755	13,654,885	-4%
Infrastructure	25,910,303	24,691,259	22,135,513	22,458,821	48,045,816	47,150,080	2%
Machinery and equipment	883,493	798,968	393,898	459,805	1,277,391	1,258,773	1%
Subscriptions (SBITAs)	298,136	429,597		-	298,136	429,597	100%
Total Capital Assets, Net	**$ 43,403,304**	**$ 42,703,114**	**$ 28,484,070**	**$ 28,531,697**	**$ 71,887,374**	**$ 70,805,214**	**2%**

The City had the following capital commitments outstanding as of June 30, 2024:

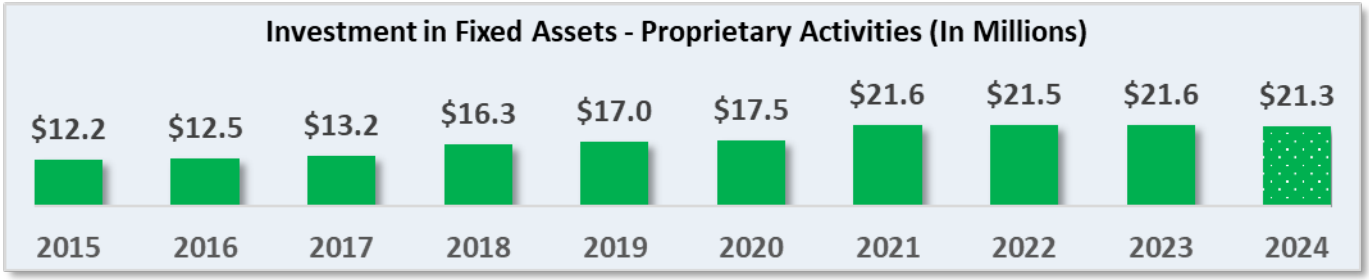
Capital Commitment	2024	2025
Street Improvements	$785,877	$785,877
Facility Improvements	52,014	52,014
Park Improvements	8,131	8,131
Total	$846,022	$846,022

Major capital projects and capital outlay during the fiscal year included the following:

- Phase 9 Sewer Improvements
- Street Rehabilitation Project
- Street Crack and Slurry Seal
- Cedar, Sunset and Congress Intersection
- Sewer Pump Station Replacement
- Design of Sidewalk Extension for Outdoor Dining
- Backstop Replacement Municipal Ball Park
- Reconstruction Public Works Facilities
- George Washington Park Enhancements



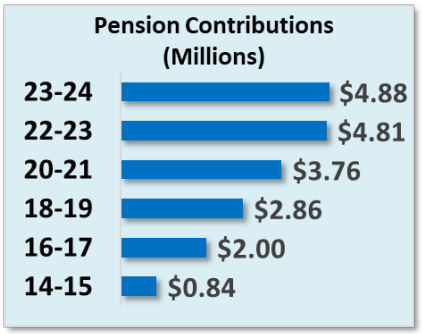
Additional information on capital asset activity is described in the notes to the financial statements.

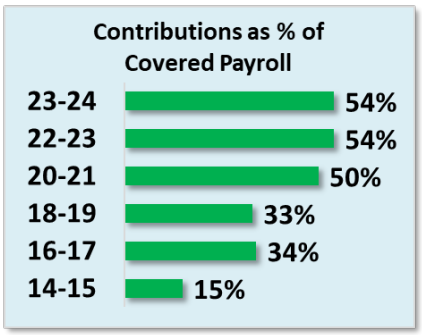


Long-Term Debt, Pension and Other Post Employment Benefit (OPEB) Obligations

The City's net pension and net OPEB obligations as of June 30, 2024 were $55.0 million and $3.0 million respectively. As of June 30, 2023, the City's net pension obligation was 76.7% funded.

During the year, Long-Term Debt from governmental activities decreased by $0.9 million, primarily due to regular debt service payments. Long-term debt attributable to business type activities decreased by $0.4 million due to regular debt service payments on the following bond issues:





Pension Obligation Bonds
In 2006, the City issued Taxable Pension Obligation Bonds in the principal amount of $19.4 million. The bonds were part of the California Statewide Communities Development Authority Taxable Pension Obligation Bonds Program.

Clean Water State Revolving Fund Loan
In 2015, the City secured State Water Resources Control Board ("SWRCB") funding for $5.3 million to construct a recycled water treatment plant, sewer diversion structure, waste pump station, and user connections.

Golf Course COP Refunding / 2013 Wastewater Revenue Refunding Bond
The City entered into a $3.1 million Site Lease with Umpqua Bank to refund its 2014 Golf Course Certificate of Participation, secured by the transfer of property rights to Umpqua Bank. - The City issued Wastewater Revenue Refunding Bonds for $1.2 million, which refinances the California State Community Development Authority Series 2001B Revenue Bonds.

The following table summarizes the City's debt at the end of the year:

Summary of Outstanding Long-Term Debt at Fiscal Year End

	Governmental Activities				
	2024	2023	% Change	Maturity	Interest
Pension Obligation Bonds	6,458,191	$ 7,403,565	-12.8%	2029	5.67-6.12%
PG&E Loan	31,403	51,451	-39.0%	Varies	Varies
SBITA Liability	200,738	317,788	-36.8%	Varies	Varies
Total outstanding long-term debt	**$ 6,690,332**	**$ 7,772,804**	**-13.9%**		

	Business-type Activities				
	2024	2023	% Change	Maturity	Interest
2013 Wastewater Revenue Refunding Bonds	573,704	$ 639,629	-10.3%	2031	3.35%
Golf Course COP Refunding	1,526,268	1,725,451	-11.5%	2030	4.35%
Clean Water State Revolving Fund Loan	4,385,661	4,546,643	-3.5%	2048	1%
Total outstanding long-term debt	**$ 6,485,633**	**$ 6,911,723**	**-6.2%**		

City Bond Rating / GO Bonds - Standard and Poor's Rating Services and Moody's Investor Services Inc., assigned a rating of SP-1+ and MIG 1, respectively, to the City's 2006 Pension Obligation Bonds. The City has not received any updates to this rating. The City does not have any General Obligation Bonds (GO). The California Government Code, Section 43605 caps GO debt at 15% of the assessed value of all real and personal property within the City. The legal debt margin based upon the Fiscal Year 23-24 ACFR is $713 million.

Additional information on these obligations is described in the notes to the financial statements.

Economic Factors / Next Year's Budget

The City prepares an annual budget based on council-set goals and priorities, which contains a multi-year financial plan that focuses on long-term financial viability and allows decision-makers to understand the impact of their policy decisions. Budget development is guided by a series of policies adopted by the City Council, which guides long-term planning, minimum reserve levels, employee compensation, cash and debt management, information technology, and utility rates. The budget was based on these key assumptions:

Property Taxes

Proposition 13 set the Fiscal Year 75/76 assessed values as the base year for future annual inflationary assessed values, with a growth rate limited to 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 to 1% of each property's full value, plus any additional percentages for specific voter approved indebtedness. The City receives approximately sixteen cents of every dollar of the property tax paid on properties assessed within the City, with the balance distributed to the Pacific Grove Unified School District, County of Monterey, and local special districts.



Sales Tax

In April 2022, approximately 60% of voters approved Measure A, a new 0.50% transaction and use tax. This increased the combined sales tax rate to 9.25% in October 2022. The General Fund portion of the City sales tax is comprised of a 1% Bradley-Burns statutory sales tax rate; and Measure U, a 1% transaction and use tax that was approved by voters in 2008. The tax rate increased to 1.5% when Measure A became effective.

Utility Users Tax

The City imposes a utility users' tax to residents and businesses within the City that utilize water, gas, electricity, telephone, and cable services. This tax is assessed at a rate of 5% of the amount charged by the utility; and it is paid by the person consuming the service. The amount of revenues received is primarily influenced by updates to the underlying rate structures or new development projects.

Transient Occupancy Tax (TOT)

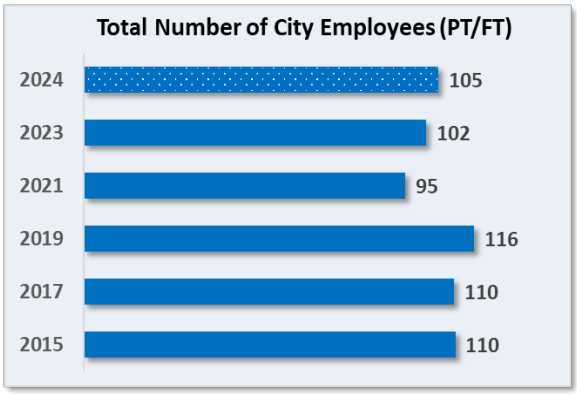
TOT Is a lodging tax that is collected on overnight rental accommodation stays of 30 consecutive days or less. In 2010, the City updated its municipal code and began collecting TOT on residential or short-term rental properties (STRS). In Fiscal Year 17/18, the City approved an ordinance to reduce the number of short-term rentals, with an effective date of April 30, 2019. At the beginning of Fiscal Year 19/20, there were approximately 200 properties, with an additional 12 home-sharing licenses. In November of 2018, 74.9% of voters approved Measure U, allowing the City to increase the TOT rate from 10% to 12%. This new rate became effective on July 1, 2019. This increased tax has been partially offset by Measure M, which eliminated STRS outside of the Coastal and Commercial zones, which became effective in May of 2020.



Economic Factors / Next Year's Budget (Continued)

Personnel costs

These are based on approved staffing levels for Fiscal Year 24-25. Impacts of labor agreements effective July 1, 2022, through June 30, 2026, have been included and COLA adjustments are accounted for in outer years.



Health Costs

Based upon information provided by our health care providers, the City's health costs are projected to increase significantly in FY 24-25 and beyond. The budget assumes sharing between the City and employees for any increases in health premiums for future fiscal years.

Pension Costs

Pension rates for FY 24-25 are based on information provided by CalPERS, which assumes that they meet their targeted net discount rate of 6.8%.

Internal Service Funds (ISF) Funding

Funding to the City's ISFs has been adjusted in FY 24-25 to fund operational and reserve levels for general and worker's compensation insurance claims. In past years, the City underfunded its ISF reserves to maintain the General Fund reserve levels at 35%, as mandated by Council Policy 400-6 on Budget and Financial Management.

Capital Projects

The City's adopted capital improvement program (CIP) for FY 24-25 is $2.9 million and $0.5 million for capital outlay. The CIP is designed to meet community needs, with special emphasis on those projects that contribute to the City's economic vitality and quality of life. Some of the projects and capital outlay funded for Fiscal Year 2024-25 include the following:

Capital Outlay	Capital Projects
• IT Network Upgrade	• Pedestrian Safety - Central
• Library Upgrades	• Pump Station 15.5
• Phone System Upgrades	• Street Crack and Slurry Seal
• Door Access Upgrade	• Street Rehabilitation
• Patrol Vehicle Purchase	• Golf Cart Path Improvements
• Police Equipment	• Golf Tee Expansion / Renovation
• Fire Equipment	• Recreation Trail Improvements



Additional information related to the City's key revenues, expenditures, and major initiatives are included in the Transmittal Section of this document.

Request for Financial Information

This financial report is designed to provide a general overview of the City of Pacific Grove's finances for all of Pacific Grove's residents, taxpayers, customers, investors, and creditors. This financial report seeks to demonstrate the City's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Department of Finance at 300 Forest Avenue, Pacific Grove, CA 93950, or visit the City of Pacific Grove webpage at www.cityofpacificgrove.org.



City of Pacific Grove

Pacific Grove, California

Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Schedule

For the Year Ending June 30, 2025

THE PUN GROUP
ACCOUNTANTS & ADVISORS

THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Members of City Council
of the City of Pacific Grove
Pacific Grove, California

We have performed the procedures enumerated below to the accompanying Appropriations Limit Schedule of the City of Pacific Grove, California (the "City") for the year ending June 30, 2025. The City's management is responsible for the Appropriations Limit Schedule.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements set forth in Section 1.5 of Article XIII-B of the California Constitution. These procedures, which were suggested by the League of California Cities and presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution,* were performed solely to assist you in meeting the requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the year ending June 30, 2025, and compared the limit and annual calculation factors that were adopted by resolution of the City Council. We also compared that the population and inflation options included in the aforementioned worksheets were selected by a recorded vote of the City Council.

   Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments, and compared the resulting amount to the current year's limit.

   Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Schedule to corresponding information in worksheets used by the City.

   Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Schedule to the appropriations limit adopted by the City Council for the prior year.

   Finding: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

The Pun Group, LLP

Santa Ana, California
January 20, 2025

City of Pacific Grove
Appropriations Limit Schedule
For the Year Ending June 30, 2025

	Amount	Source
A. Appropriations Limit from FY 2023-2024	$ 47,653,437	*Prior Year appropriations limit adopted by the City*
B. Adjustment Factors:		
1. Growth in City Population	1.0094	*State Department of Finance*
2. California per Capita Personal Income Growth	1.0362	*State Department of Finance*
3. Adjustment Factor	1.0459	B1*B2
C. Annual Adjustment Increase	2,189,212	A * (B3 - 1)
D. Other Adjustments:		
1) Loss reponsibility (-)	–	N/A
2) Transfer to private (-)	–	N/A
3) Transfer to fees (-)	–	N/A
4) Assumed responsibility (-)	–	N/A
E. Total Adjustments	2,189,212	(C+D)
F. Appropriations Limit FY 2024-2025	$ 49,842,649	(A+E)

See accompanying Notes to the Appropriations Limit Schedule.

City of Pacific Grove
Notes to the Appropriations Limit Schedule
For the Year Ending June 30, 2025

Note 1 – Purpose of Limited Procedures Review

Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIII-B, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

Note 2 – Method of Calculation

Under Section 10.5 of Article XIIIB, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

Note 3 – Population Factors

A California governmental agency may use as its population factor either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the City for the year ending June 30, 2025, represents the annual percentage change in population for the county.

Note 4 – Inflation Factors

A California governmental agency may use as its inflation factor either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City for the year ending June 30, 2025, represents the percentage change in California per capita personal income.

Note 5 – Other Adjustments

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year ending June 30, 2025.

THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

January 20, 2025

To the Honorable Mayor and Members of the City Council
of the City of Pacific Grove
Pacific Grove, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pacific Grove (the "City") for the year ended June 30, 2024, and have issued our report thereon dated January 20, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the scope and timing of our audit. We have communicated such information in our letter to you dated July 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the basic financial statements.

New Accounting Standards

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement had a moderate effect on the City's fiscal year ending June 30, 2024.

The most sensitive estimates affecting the City's financial statements were:

- Management's estimate of the fair value of investments is based on information provided by the State of California, U.S. Treasury, and financial institutions. We evaluated the key factors and assumptions used to develop the investment fair market value in determining that it is reasonable in relation to the financial statements taken as a whole
- Management's estimate of the depreciation on capital assets is based on the industry standard and past experience on actual useful life of the asset groups. We evaluated the key factors and assumptions used to develop the depreciation on capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net other postemployment benefits ("OPEB") liability is based on the actuarial valuation on total OPEB liability. We evaluated the key factors and assumptions used to develop the total OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liabilities is based on the proportionate share of actuarial valuation on total pension liability and the proportionate share of the fiduciary net position for CalPERS plans. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 1 – Summary of Significant Accounting Policies
- Note 4 – Leases Receivable and Lease Related Deferred Inflows of Resources
- Note 11 – Defined Benefit Pension Plan
- Note 12 – Other Postemployment Benefits (OPEB)
- Note 13 – Commitments and Contingencies
- Note 14 – Stewardship, Compliance and Accountability
- Note 16 – Changes to or within the Financial Reporting Entity

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 20, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of Changes in the Net Pension Liability and Related Ratios, the Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of the Contributions, and the Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The Pun Group, LLP

Santa Ana, California

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Matthew Mogensen, City Manager

MEETING DATE: April 02, 2025

SUBJECT: City Council Review and Discussion of the Legacy Parklet Encroachment Permits and a Motion to Waive Fees for Sidewalk Dining Permits

CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Review the City's legacy Parklet Encroachment Permits
2. Provide staff direction regarding the sunsetting of the legacy Encroachment Permits
3. Motion to waive permit fees for all restaurants that obtain a Sidewalk Dining Permit prior to July 1, 2025

DISCUSSION

In 2015, the City experimented with a Parklet pilot program. Happy Girl Cafe was the only restaurant in the City that was interested and obtained an official Parklet Entitlement Permit. This program was later eliminated, but the Happy Girl Cafe maintains their permit.

After 2020, the City permitted certain restaurants to construct temporary Parklet structures in the City right of way in response to the COVID pandemic shutdown to allow them to continue to operate outdoors. The Parklets were permitted through an annual encroachment permit. At that time, there were no standards or requirements for the Parklet structures. A number of the Parklets established at that time were later removed. A few were removed by the restaurant owner as they no longer served their needs and a few others have been removed and replaced with sidewalk dining amenities. There are a total of six Parklet structures that remain (excluding Happy Girl Cafe).

Central Avenue

1. Vivolo's
2. Il Vecchio's

Lighthouse Avenue

1. Juice and Java (Now Meeting House)
2. Nuri Shushi
3. Red House
4. International Cuisine

Other

1. Pepper's (located in City parking lot and will need a unique solution to be brought by staff at a later date)
2. Happy Girl Kitchen (Previously entitled)

The remaining Parklet structures are now 5 years old and are in different states of deterioration. Three of the remaining Parklets are located in parking spaces on Lighthouse Avenue and two are located Central Avenue. Due to the proximity of vehicular traffic, pedestrian/vehicular visibility impacts, maintenance and sanitary conditions of the structures and loss of parking spaces in key commercial districts, the Parklets remain a concern and need of a more permanent solution.

We are approaching the annual renewal deadline of June 30. Renewing the encroachment permits is growing more difficult each year. Staff seeks City Council input as to if the annual permits should be renewed for another year or if the Parklets should now be sunsetted and transitioned to the new Sidewalk Dining the City is promoting.

On November 17, 2024, the City Council approved a Sidewalk Dining Guidelines manual demonstrating the support for restaurants to enjoy outdoor dining options in a more favorable format than the existing temporary Parklets. On February 15, 2025, the City Council approved an ordinance creating a permit for Sidewalk Dining in the Municipal Code. Both of these City Council Actions set the stage for a new sidewalk dining program that staff is now encouraging restaurants to take advantage of.

Many of the restaurants in the City front on sidewalks that are considerably wide and can accommodate sidewalk dining well. Over the last two weeks, the Building Official has been scheduling meetings to discuss the option of the Parklet owner transitioning their outdoor dining facility to the sidewalk adjacent to their building. While some have not been as responsive, others are interested in the City assisting them getting their dining transitioned to the sidewalk.

With the introduction of the new Sidewalk Dining Permit, City staff now needs to work with all restaurants to obtain a permit meeting the City code requirements. In order to encourage all existing restaurants to work with the City to obtain the new Sidewalk Dining Permit and encourage Parklet owners to transition their outdoor dining to the sidewalk, staff if requesting that the City Council consider and approve waiving the Sidewalk Dining Permit fees for all restaurants to obtain a permit prior to July 1, 2025.

OPTIONS

Provide alternative direction.

FINANCIAL IMPACT:

Existing Parklet annual permits cost $300 to renew. The new Sidewalk Dining Permit fee is $905 for a new permit and $300 for the annual renewal. The impact of the City Council waiving the new Sidewalk Dining Permit fee is anticipated to equate to approximately 10 permit fee waivers amounting to approximately $9,000.

FOCUSED PRIORITY AREA: Not Applicable.