



City of Pacific Grove, CA FY 2026-27 Budget Update 6/17/2026



Presentation Overview



FY26-27 Budget by Fund

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- Overview of all fund types
- Overview of Capital Program

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- General Fund
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- Summary across all depts
- Proposed reclassifications

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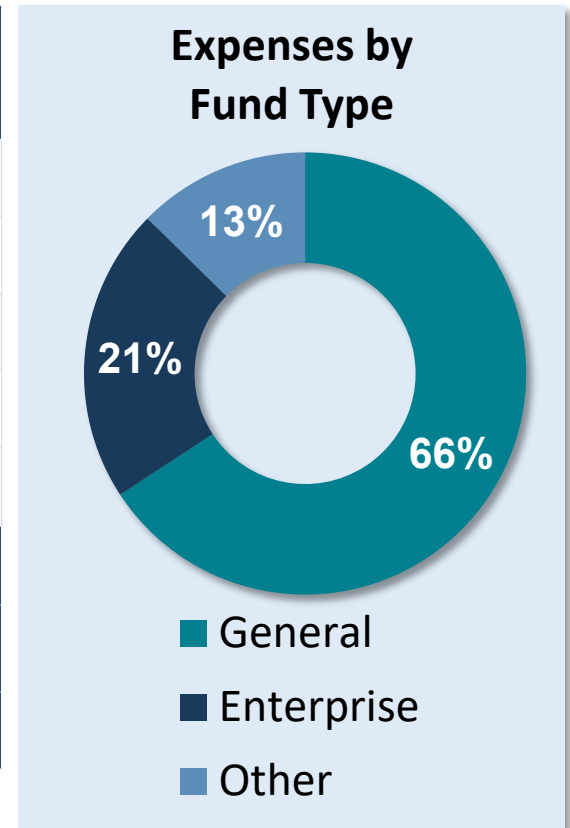
- General Fund reserve levels

FY26-27 Budget by Major Fund Type (In Millions)

All Funds



Fund Type	Revenues / Transfers	Expenses / Transfers	Net Change	Ending Reserves
General	\$34.4	\$36.0	-\$1.6	\$12.7
Enterprise	6.3	11.9	-5.6	2.3
Internal Service	2.3	2.3	0.0	0.7
Capital Project	0.5	0.9	-0.4	1.0
Special / Other	3.6	3.7	-0.1	3.4
Totals	\$47.1	\$54.8	-\$7.7	\$20.1
\$ Change *	\$1.6	\$-0.4	\$1.9	\$0.1
% Change *	4%	-1%		



* Change from original two year budget

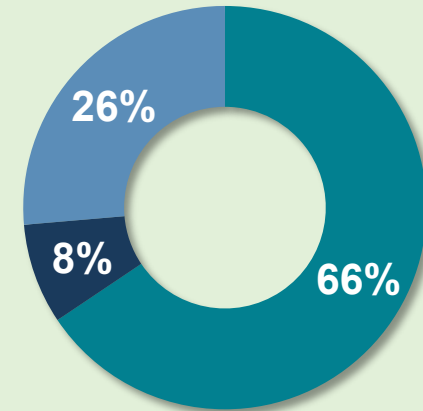
Two Year Capital Program (In Millions)



Project Type	25-26	26-27	2 Year Total
Transportation	\$3.92	\$0.50	\$4.42
Waste/Storm Water	5.00	6.00	11.00
Capital / Other	1.58	.67	2.25
Totals	\$10.50	\$7.17	\$17.67

Note: The budgeted amounts for FY 25-26 include cip carryovers from prior fiscal years

Expenses by Project Type
2 Year Totals

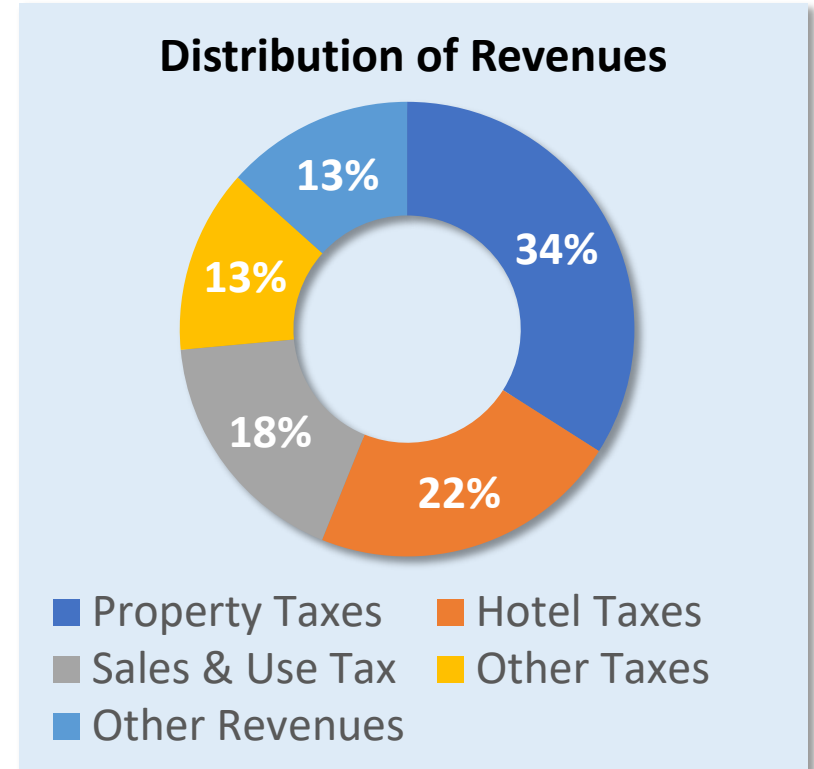


- Sewer / Storm
- Other
- Streets

FY26-27 General Fund – Revenues (In Millions)



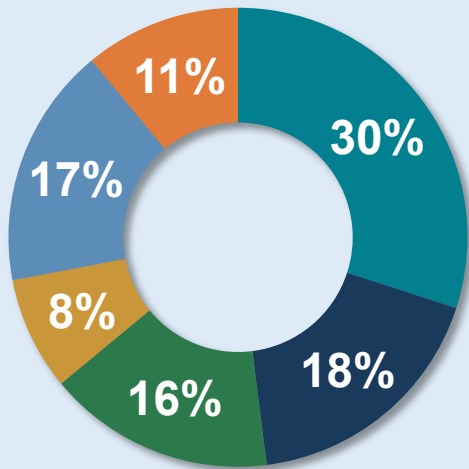
Category	FY25-26	FY26-27
Property Taxes	\$11.1	\$11.6
Hotel Taxes	\$7.3	\$7.6
Sales & Use Tax	\$5.9	\$6.0
Utility Users Tax	\$2.2	\$2.2
Other Taxes	\$2.1	\$2.3
Licenses & Permits	\$1.0	\$1.1
Charges for Service	\$2.1	\$2.2
Other Revenues	\$1.7	\$1.4
Total Revenues	\$33.5 M	\$34.4 M



FY26-27 General Fund Expenses/Transfers (\$36 Million)

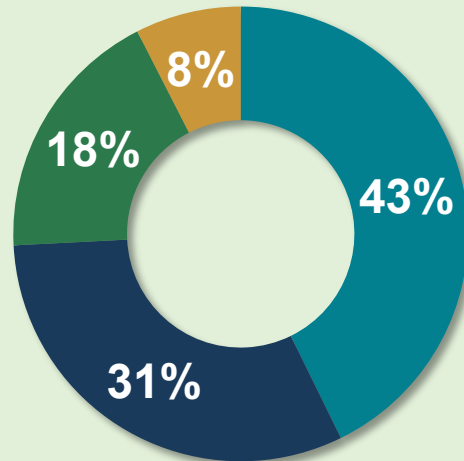


Expenses by Department



- Police
- Public Works
- Administration
- Fire
- Development
- Recreation/Other

Expenses by Major Category



- Personnel
- Operating
- Debt / Pension Liability
- Capital / Other

General Fund – Summary of Major Changes



General Fund - Revenues

Property Taxes + \$269k

Based upon revised estimates from HDL.

TOT Revenue + \$703k

Reflects the addition of the Kimpton Hotel.

General Fund - Expenses

Salaries & Benefits (\$94k)

Reflects changes anticipated new MOUs.

Other Expenses / Transfers + \$161k

Includes CDD study and revised fire costs

Expenditure Reductions (\$94k)

Reflects cuts to travel and legal expenses

Golf Enterprise Fund

Net Revenues + \$174k

Based upon new contract with Courseco

Sewer Enterprise Fund

Net Revenues (\$900k)

Budget appropriations moved from FY27 to FY26 for the Sewer Force Maintenance Replacement project (–\$1.3M). Additional \$400k needed for Sewer Collection System Master Plan.

Other Funds

Museum Fund + \$40K

Estimated costs for fence replacement

Proposed Staffing Reclassifications for FY 2026-27

(No Changes in FTE for FY 26-27 – 107.5)



The staffing changes below were made due to address departmental needs.
Any cost increases were offset by reductions in these departments' operating costs:

Community Development:

- Administrative Assistant to Administrative Coordinator

Library:

- Administrative Analyst to Management Analyst

Information Technology:

- Management Analyst to IT Management Analyst

Administrative Services:

- Management Analyst to Program Manager

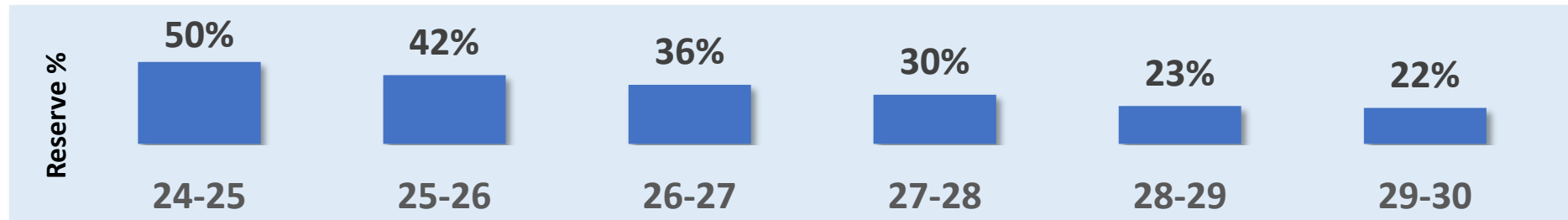
Recreation:

- Elevate the 30 hour Recreation Admin Assistant and reclassify that position to a 30-hour Admin Coordinator, do not backfill Recreation Coordinator position.

Updated General Fund 5-Year Forecast (In Millions)



	24-25	25-26	26-27	27-28	28-29	29-30
Revenues / Transfers In	\$35.2	\$ 33.6	\$34.4	\$35.4	\$36.5	\$37.7
Expenses / Transfers Out	35.0	35.0	36.0	37.3	38.8	38.2
Net Change for Fiscal Year	\$ 0.1	\$ (1.4)	\$ (1.6)	\$ (1.9)	\$ (2.3)	\$ (0.5)
Projected Ending Reserves	\$ 15.7	\$ 14.3	\$ 12.7	\$ 11.2	\$ 8.9	\$ 8.4
Projected Reserve Level	50%	42%	36%	30%	23%	22%
Change from 2 Year Budget	N/A	↑6%	↑9%	↑12%	↑14%	↑17%



Proposed Gann Limit for FY 2026-27



The City's applicable budgeted revenues and appropriations limit are shown below. The calculations below show that the City is well below the limit, as has been the case during the past six fiscal years.

Fiscal Year	Gann Limit	% Limit Increase	Budgeted Tax Revenues	% of Limit	Change in Gann Limit	County Population Factor	City Population Factor	California Per Capita Income
2027	55,667,338	4.77%	29,726,500	53%	2,535,243	0.99830	0.9947	1.0495

TAXES SUBJECT TO APPROPRIATIONS LIMIT

BUDGETED TAX REVENUES		Budget FY 2026-27
Property Tax		\$ 9,013,000
Utility User Tax		2,212,700
Sales & Use Tax		6,021,400
Transient Occupancy Tax		7,618,100
Business License Tax		490,800
Franchise Taxes		1,625,700
Property Transfer Tax		155,300
Motor Vehicle in Lieu Fees		2,589,500
TOTAL BUDGETED TAX REVENUES		\$29,726,500

Recommendations (can just state to adopt items 1-6)



1. Receive the report and provide staff feedback regarding the proposed update to the Budget for Fiscal Year 2026-27.
2. Approve the resolution authorizing continued operations under the current Fiscal Year 2025-26 Budget.
3. Request the City Attorney to read the title of the ordinance.
4. Motion to waive further reading of the ordinance.
5. Introduce and hold the first reading of an ordinance to adopt the Fiscal Year 2026-27 Update to the Operating and Capital Improvement Budget for Fiscal Years 25-26 and 26-27.
6. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

