



# City of Monterey

Adopted Budget

2017-19 Biennium

Fiscal Year 2018 and Fiscal Year 2019

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Monterey  
California**

For the Fiscal Year Beginning

**July 1, 2015**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Monterey, California for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

# City of Monterey

## Adopted Budget

### 2017–19 Biennium

#### City Council

Mayor Clyde Roberson

Dan Albert • Timothy Barrett • Alan Haffa • Ed Smith

#### Principal Administrative Officers

City Manager.....	Michael McCarthy
Assistant City Manager... ..	Hans Uslar
City Attorney.....	Christine Davi
Community Services Director .....	Kim Bui-Burton
Interim Public Works Director .....	Steve Wittry
Interim Community Development Director .....	Kimberly Cole
Director of Information Resources/City Clerk .....	Bonnie Gawf
Finance Director.....	Julie Porter
Fire Chief .....	Gaudenz Panholzer
Human Resources Director .....	Allyson Hauck
Library Director .....	Inga Waite
Police Chief .....	Dave Hober

#### Budget Team

Assistant City Manager... ..	Hans Uslar
Finance Director .....	Julie Porter
Assistant Finance Director .....	Carol Bouchard
Senior Accountant.....	Stella Sandoval
Senior Accountant.....	Kimberly Drabner
Finance Analyst .....	Michael Andersen
Accountant/Auditor .....	Wendy Davies

**City of Monterey**  
**Adopted Budget 2017–19 Biennium**

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To: Honorable Mayor and City Council Members, residents and City staff

From: City Manager

Date: May 24, 2017

Subject: 2017-19 Biennial Operating Budget Message

I am pleased to present the Proposed FY17/19 Biennial Budget. This is the second consecutive budget cycle that the City has adopted a two-year, biennial budget, which allows the City to continue its commitment to long-term fiscal health by looking beyond a single year. This is especially important as the City prepares to meet future challenges with rising pension costs and capital renewal. The City has continued to experience economic growth in our tax base and has been able to make significant investments in our infrastructure through voter approved tax funds (Measure P), bonds backed by Conference Center Facilities District taxes, and low interest State loans. We also invested in our employees by negotiating long-term contracts. However, we are now at a crossroads facing significant cost increases with increased employee retirement contributions and insufficient funding for facility maintenance and renewal. These increases are expected to outpace revenue growth projections and will require a long term strategic plan to restructure our operations for future stability.

The City continues to place a high priority on public safety. Other priorities, including the reopening of the Conference Center and associated operational changes are included in the proposed budget, as well as responsibly setting aside funds for risk mitigation, finally meeting the existing policy of 15% of General Fund expenditures. Otherwise, changes in the budget are limited to increases related to contractual obligations; no other new program funding is being recommended in order to keep our costs low and be prepared to resolve future projected deficits.

While we continue to enjoy the longest economic recovery phase in our nation's history, we do know that, based upon history, a recession will follow. Our proposed budget tries to acknowledge this economic truth. Yet, based on many previous budget cycles, we caution against the notion that City budgets can be prepared against economic downturns and their often drastic fiscal challenges. What we can do is to set a course balancing known financial obligations with frugal spending. Our two-year, biennial budget confronts those issues by providing this sense of direction. No one could have forecast the magnitude of the 2007/2008 financial crisis; however those public agencies which had sufficient financial reserves, balanced budgets and



prudent spending policies, paired with strong economies, recovered faster than other communities. Thankfully, Monterey has been part of this group and we hope to continue this tradition with the budget presented herein.

#### Budget Summary

<b>Operating Budget</b>	<b>FY2017/18</b>	<b>FY2018/19</b>
General Fund	\$72,303,343	\$74,899,395
Other Operating Funds	52,862,064	52,550,758
<b>Total</b>	<b>\$125,165,407</b>	<b>\$127,450,153</b>

As shown in the table above, the City's total proposed General Fund Operating Budget totals \$72.3 million in FY17/18 and \$74.9 million in FY18/19. The balance of the budget includes Special Revenue Funds, Internal Service Funds, Enterprise Funds, and Debt Service Funds totaling \$52.9 million in FY17/18 and \$52.6 million in FY18/19.

#### **General Fund Forecast**

With the adoption of the biennial budget presented in this report, the City will have a General Fund operating surplus in FY17/18 of \$310,171 but an operating deficit in FY18/19 of \$1,252,388 and an ending fund balance of \$1,286,884. This balance provides a very small cushion for the unexpected and requires the City to immediately begin work on a plan to address the structural deficit faced in the second year of the budget.

Since Monterey is a full service city serving our residents and visitors 24/7, approximately 77% of the General Fund operating budget is comprised of salaries and benefits. The forecast includes negotiated cost of living and health insurance increases with the majority of employee groups through FY18/19, and State required minimum wage increases primarily impacting recreation and library programs. The forecast also includes the fiscal impacts of CalPERS rate increases that began in FY15/16 and, more significantly, the increases associated with the three year phase in of the reduction of the assumed investment rate of return (discount rate) from 7.5% to 7% which will begin in FY18/19. Each of these changes has a five year ramp up period before rates level off. The cost to phase in the change of the discount rate reduction alone will grow from \$500 thousand in FY18/19 to over \$4 million annually in FY22/23.

**General Fund Five-Year Financial Forecast**  
(in millions of dollars)

	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	Amended Budget	Preliminary estimate	Preliminary estimate	Preliminary estimate	Preliminary estimate
Revenues and Transfers In	71.9	72.9	75.3	77.5	79.7
Expenditures and Transfers Out	-71.1	-72.4	-75.5	-79.3	-82.0
Capital Improvement Program	-1.4	-1.0	-1.4	-1.4	-1.4
Est Savings/Other Setasides	1.2	0.8	0.4	-0.2	-0.1
<b>Net operating surplus (deficit)</b>	<b>0.6</b>	<b>0.3</b>	<b>(1.3)</b>	<b>(3.3)</b>	<b>(3.8)</b>
Beginning Budgetary Fund Balance	24.5	24.8	24.2	22.5	18.7
One-Time Expenditures	0.0	-0.5	0.0	0.0	0.0
Net Non-Operating Transfers	-0.4	-0.4	-0.4	-0.4	-0.4
Ending Budgetary Fund Balance	24.8	24.2	22.5	18.7	14.4
Economic Uncertainty Reserve	10.1	10.7	11.2	11.7	12.2
Capital Renewal Reserves	1.7	1.7	1.7	1.7	1.7
Other Reserves	8.3	8.3	8.3	8.3	8.3
Total Reserves	20.1	20.7	21.2	21.8	22.2
<b>Available Fund Balance</b>	<b>4.7</b>	<b>3.5</b>	<b>1.3</b>	<b>(3.1)</b>	<b>(7.8)</b>

Capital renewal of City facilities remains significantly underfunded. In FY17/18, the forecast assumes \$1 million in General Fund funds budgeted for the Capital Improvement Program and \$1.4 million in FY18/19.

Over the past few years, the City has been able to add to ending fund balance through a combination of salary savings from vacant positions and revenues exceeding projections. Once the structural imbalance is resolved, these surpluses should be used to rebuild capital renewal reserves and fund pension stabilization reserves.

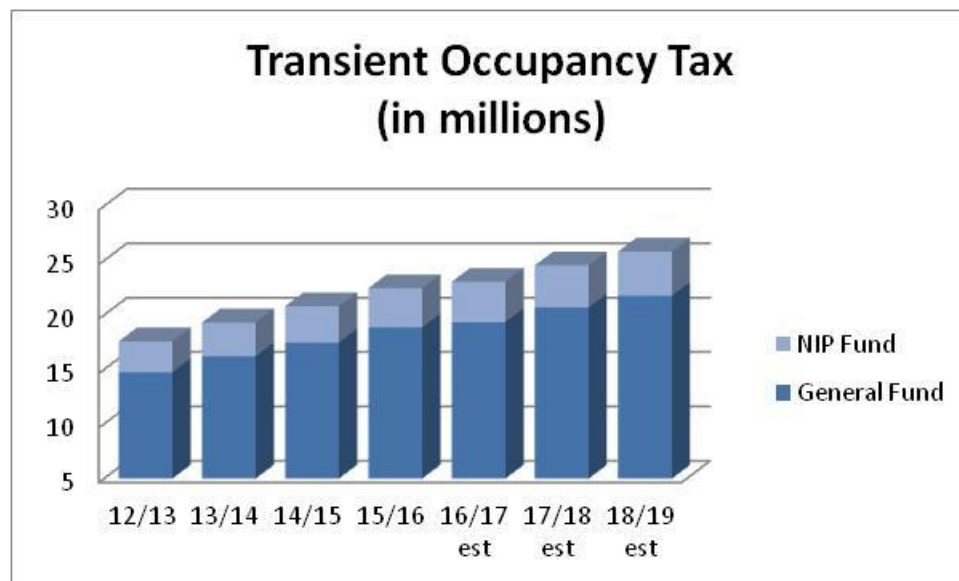
### **Overview of General Fund Revenues**

General Fund revenues are estimated to be \$72.2 million in FY17/18 and \$74.5 million in FY18/19, reflecting an increase of 1.5% from the FY16/17 adopted budget and 3.2% from FY17/18. Following is a discussion of the major General Fund revenue sources of transient occupancy tax (TOT), sales tax and property tax, which combined make up 56% of General Fund revenues. While the Conference Center is scheduled to reopen in FY17/18, the full impact of increased facility rental rates isn't expected until FY19/20, the first stabilized year when conferences are back on a regular schedule.

### **Transient Occupancy Tax**

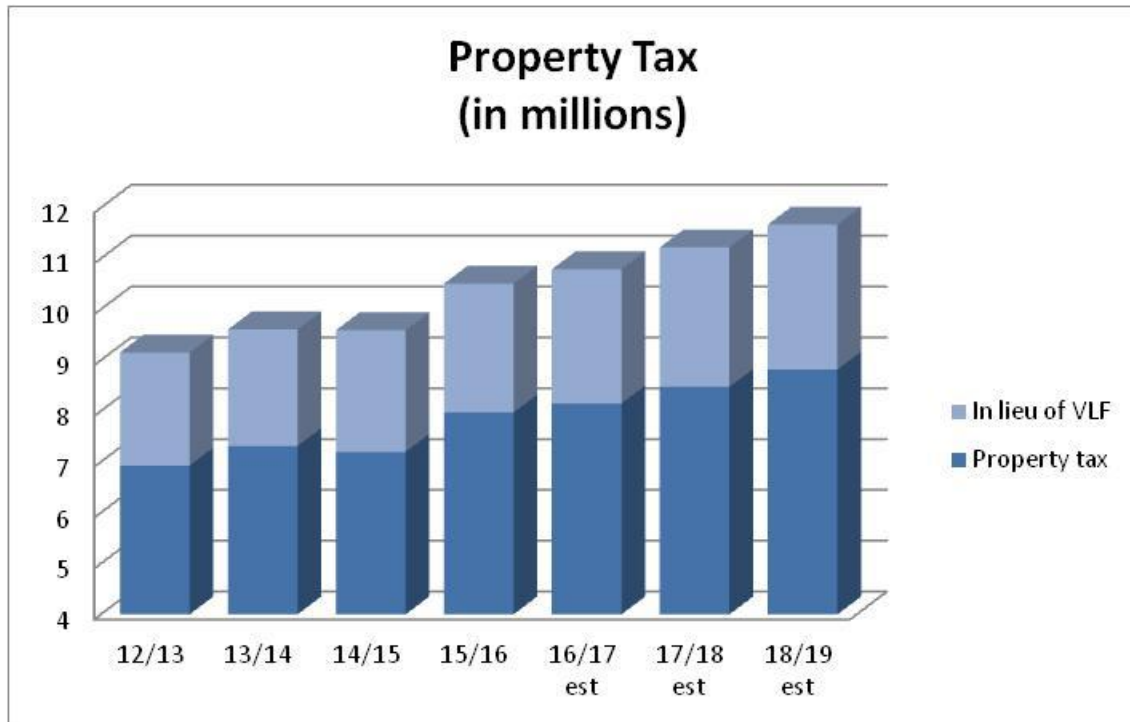
Receipts from the City's TOT are still the single largest discretionary revenue source the City receives (28% of General Fund revenues). TOT has continued to grow steadily since the low of \$12.3 million in FY10/11. The Conference Center renovation, which began in November 2015, was expected to have a negative impact on TOT revenues. Somewhat unexpectedly, efforts to attract leisure travelers have been successful so that TOT revenues have continued to increase.

Statewide, according to the Visit California economic impact report, direct travel spending was also up 3.1% over the previous year. This increase has leveled off towards the end of FY16/17 and is expected to remain flat until completion of the Conference Center renovation. The Conference Center is projected to reopen in FY17/18, after which TOT revenues are anticipated to return to historical trends of 4.3% annual increases. The forecast also incorporates an additional one-time bump in FY18/19 due to the U.S. Open in June 2019. The proposed budget continues the practice of allocating 16% of TOT to the Neighborhood Improvement Fund (NIP) leaving \$20.4 million in FY17/18 and \$21.5 million in FY18/19 in discretionary funds for the General Fund.



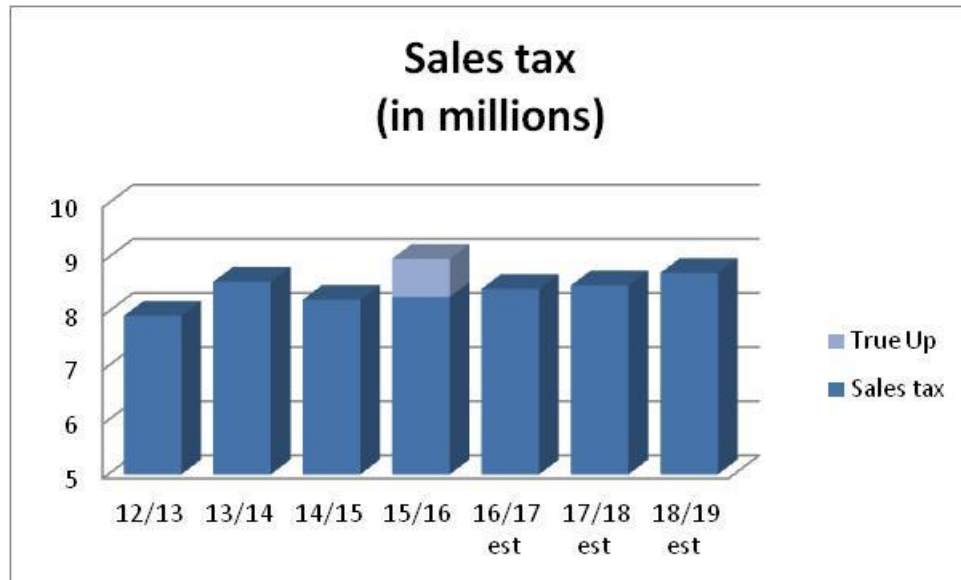
### Property Tax

Property tax values in Monterey have continued to grow. Comparing calendar year 2016 versus 2015 data from the Monterey County Association of Realtors, total sales volume decreased by 14%, however, median sales price increased by 13%. Data from the Monterey County Assessor's office suggests annual property tax revenue increases of 4% for FY2017/18 and FY18/19. Property tax is projected to contribute \$11.3 million in FY17/18 and \$11.8 million in FY18/19.



### **Sales Tax**

Sales tax has been growing at a modest rate, although not the same level of historical growth as TOT. Some of this can be attributed to the Conference Center renovation, which is directly related to the City's largest category of sales tax receipts, food products (primarily catering and restaurants). The City's second largest category of sales tax receipts is retail, which has been impacted State-wide by changing demographics, purchasing behavior and technology. Beginning in FY16/17, the sales tax received by the City returned to a consistent 1% Bradley Burns rate, without the State backfill and true-ups that caused fluctuations in the past, particularly in FY15/16 when the final true-up payment was made. Sales tax is projected to increase at a rate of 1.8% in FY17/18 and 2.7% in FY18/19, contributing \$8.5 million in FY17/18 and \$8.7 million in FY18/19 in discretionary funds to the General Fund.



### **Overview of General Fund Expenditures**

Overall for FY17/18, proposed General Fund operating expenditures amount to \$72.3 million, which represents an increase of 7% from the FY16/17 adopted budget. This increase is reflective of negotiated salary increases, PERS costs, and the previously described priorities of taking care of unavoidable obligations and liabilities.

The FY18/19 proposed General Fund operating expenditures amount to \$74.9 million, representing an increase of 3.6% over FY17/18. In order to prepare for large increases in pension cost and incorporate negotiated salary increases over the two year biennial budget, only those supplemental budget requests that were considered either mandatory or essential to operations are included in the proposed budget. Highlights of General Fund budgetary changes for FY17/18 are reflected in Table 1:

Department	Supplemental Request	Annual Cost	One-Time
<b>Police</b>	County Dispatch/911	\$102,119	
	Police Officer (FY18/19)	155,190	19,000
	Community Service Officers (part-time) or Private Security	80,000	
	Security Camera Surveillance for Evidence Storage Unit		3,000
<b>Fire</b>	County Dispatch/911	93,323	
	Fire Overtime	190,587	
	Fire Radios & Accessories (grant match)		82,550
	Extrication Equipment Replacement		32,000
	Safety Equipment-Turnouts		29,105

	Thermal Imaging Cameras (2 years)	3,400
<b>Plans &amp; Public Works</b>	Signal Maintenance	55,000
	Parks Contractual Service Increases	40,000
	Parks Operating Supplies Increases	25,000
	Forestry Contractual Service Increases	75,000
	Custodial Equipment	5,000
<b>Recreation</b>	Sports Center Maintenance Supplies	65,350
	July 4 <sup>th</sup> Musical Entertainment Increase	1,500
<b>Conference Center</b>	Window Washing	31,200
	Staffing Allocation Changes	29,452
	Scissor Lift	20,000
<b>Library</b>	Fund Development Coordinator	6,046
	Staffing Allocation Change	
<b>Museum</b>	Art Conservation (match with MMA)	3,500
<b>Information Services</b>	Replace 8 end of life data storage systems	240,000
	GIS Mapping of Street Sign Locations	16,000
<b>Non-Departmental</b>	Minimum Wage Increase	20,000
	United Way 2-1-1 Program Support	10,000
	Special Events/Holiday Events (see Attachment A for grantees)	100,000

**Table 1**

Many of these changes are a result of increases in public safety costs and the addition of one Police Officer funded by the General Fund beginning in FY18/19 (an additional Police Officer is proposed to be funded by the Tidelands Fund). County fees for 911/dispatch services continue to increase by an estimated additional \$195,000 in FY17/18. Other budget additions are the result of contractual cost increases, such as in Parks and Forestry, which are subject to prevailing wage requirements, and annual equipment replacement.

With the renovation and redesign of the Conference Center, the building is now floor to ceiling glass on both the first and second levels. City staff does not have the equipment or current staffing to provide window washing and it will be important to maintain the appearance and cleanliness of the building in attracting business. These costs will eventually be funded through room rental fees once business has stabilized after reopening.

### **Position Control List Changes**

Though there are no new programs proposed in the biennial budget, several changes are proposed to the Position Control List and summarized in Table 2. These changes are the result of departments reviewing vacancies and staffing levels to better reflect workload demands. In addition, as mentioned above, two additional Police Officer positions are being recommended to meet the Council priority to enhance public safety and work towards achieving adequate staffing

levels to ensure proper service delivery to the community. One position is recommended in FY17/18 to be assigned to the Tidelands area and the other, funded by the General Fund is recommended to be added in FY18/19.

The Plans & Public Works department is undergoing a reorganization that will result in the elimination of the Deputy City Manager, Plans & Public Works. This reorganization of staffing between departments will result in no net changes to positions or additional cost to the General Fund-in fact, we are projecting a savings once we are complete with the reorganization. Additional positions are being added to respond to the needs of the Presidio of Monterey under the Intergovernmental Support Agreement and are fully funded by the Army.

While the Community Services Department is undergoing an organizational review as well, currently no changes to the staffing levels and position allocation lists are proposed, with the exception of the reclassification of the Executive Assistant I to Administrative Assistant I and reallocation to reflect actual responsibilities.

<b>Fund</b>	<b>Department</b>	<b>Position</b>	<b>FTE FY2017/18</b>	<b>FTE FY2018/19</b>
<b>General Fund</b>	Finance	Finance Analyst	.40	.40
	Police	Police Officer		1.00
	Conference Center	Administrative Assistant I	.80	.80
	Conference Center	Executive Assistant I	(.25)	(.25)
	Harbor	Executive Assistant I	(.08)	(.08)
	PPW – Administration	Deputy City Manager, Plans & Public Works	(1.00)	(1.00)
	PPW - Building Maintenance	Building Maintenance Craftsworker	(2.00)	(2.00)
	PPW – Building Maintenance	Building Maintenance Worker	1.00	1.00
	PPW – Building Maintenance	Senior Craftsworker	1.00	1.00
	PPW – Custodial	Custodian	.75	.75
	PPW – Engineering	Engineering Technician	(1.00)	(1.00)
	PPW – Engineering	Senior Engineer	(1.00)	(1.00)
	PPW – Engineering	Associate Civil Engineer	2.00	2.00
<b>Tidelands Fund</b>	Police	Police Officer	1	1
<b>Marina Fund</b>	Marina	Administrative Assistant I	.10	.10
	Marina	Executive Assistant I	(.33)	(.33)
<b>Neighborhood Improvement</b>	PPW- Administration	Principal Engineer (eliminate contract end	1.00	1.00

<b>Fund</b>		date)		
<b>Parking Fund</b>	Parking	Administrative Assistant I	.10	.10
	Parking	Executive Assistant I	(.34)	(.34)
<b>Presidio Public Works Authority</b>	PPW-Administration	Assistant Director Plans & Public Works	(.50)	(.50)
	PPW – Building Maintenance	Building Maintenance Craftworker	2.00	2.00
<b>Risk Management</b>	Finance	Senior Administrative Analyst	(1.00)	(1.00)
	Finance	Finance Analyst	.60	.60
<b>Total</b>			<b>3.25</b>	<b>4.25</b>
<b>Table 2</b>				

The positions in Table 2a are being eliminated from the position control list; these positions have been frozen for several years now and have either been replaced by contracted services or are no longer organizationally essential. In the case of the HCD Coordinator, due to limitations established by HUD on administrative costs, funding is not likely to be available to fill this position in the foreseeable future.

<b>Fund</b>	<b>Department</b>	<b>Position</b>	<b>FTE</b>
<b>General Fund</b>	PPW-Administration	Assistant Director Plans & Public Works	(.50)
	PPW – Parks	Pest Control Advisor	(1.00)
	PPW – Parks	Park Maintenance Supervisor	(1.00)
	PPW-Streets	Signal Maintenance Technician	(1.00)
<b>Housing</b>	Housing Administration	HCD Coordinator-Programs	(1.00)
<b>Total</b>			<b>(4.50)</b>
<b>Table 2a</b>			

### **Overview of Reserves**

The City maintains a number of reserves to protect against uncertainty and prudently plan for the future.

#### **Reserve for Economic Uncertainty**

The City maintains a Reserve for Economic Uncertainty to provide a buffer should a natural disaster or major economic event impact the City. The balance in this reserve is projected to be



\$10.7 million for FY17/18, which represents 15% of General Fund expenditures. In April 2017, the Council received a presentation on a Risk-Based Analysis of General Fund Reserve Requirements for the City of Monterey. This report, prepared by the Government Finance Officers Association recommends the reserve be established at a minimum of 16.6% of expenditures; this would be addressed through a policy change setting 16.6% as a new goal.

### Capital Renewal Reserves

The General Fund also has \$1.7 million committed for capital facilities renewal. This amount is far less than it should be and can only cover critical repairs if one of our facilities needs immediate attention. Staff will be recommending a strategy to set aside excess fund balance going forward to sufficiently fund ongoing capital renewal and maintenance needs.

### Other Reserves

The City's major enterprise funds including the Parking and Marina funds continue to maintain significant reserves to fund capital renewal and replacement. The Parking Fund reserves have been utilized in the past few years to provide for an interfund loan to the General Fund for the Conference Center renovation project. Loan repayments will begin in FY18/19.

The Workers Compensation and General Liability reserves are set based on actuarial funding requirements. Currently the General Liability reserve level meets actuarial requirements with a balance of \$2 million. The Workers Compensation Fund continues to maintain a significant reserve level with an estimated balance of \$8 million.

The Vehicle Replacement Fund accumulates funds for scheduled replacement of vehicles. The current balance in the fund is \$2.2 million. For FY17/18, the City will replace 23 vehicles at an estimated cost of \$964,000, which includes the replacement of an asphalt patch truck for \$185,000 and purchase two new vehicles funded by the Presidio contract. This is by far the largest replacement list that has been recommended in the past several years, as staff has been working diligently to reduce the size of the overall fleet and has been extending service on vehicles where possible. However, time is taking its toll and increased maintenance costs justify replacement at this time. We also have several large apparatus in need of replacement, including Fire and Sewer/Storm heavy machinery vehicles. Staff is currently evaluating lease purchase opportunities and will return to Council in the near future with recommendations.

### **Financial Overview – Special Funds**

The City maintains a number of funds, for either legal or accounting purposes, separate from the General Fund. An overview of the two year biennial budget for some of the more significant of these funds follows:

#### Presidio Public Works Authority Fund

The Presidio Public Works Authority Fund accounts for the operational activities, capital projects and revenues associated with the municipal services contract between the City and the U.S. Army at the Presidio of Monterey under an Intergovernmental Support Agreement (IGSA). Services provided to the Army include maintenance of buildings, streets, sewers, storm drains and water systems and other special projects. Activities under the contract have been expanded under the IGSA to include maintenance services and staffing at the SATCOM facility/Naval Research Laboratory at Camp Roberts. The operating budget for this fund is \$11.4 million for FY17/18 and \$11.3 million in FY18/19. The contract with the Presidio of Monterey continues to be fully funded by the Federal Government and provides approximately \$900,000 in administrative cost reimbursement to the City.

Highlights of Presidio Public Works Authority Fund budgetary changes are reflected in Table 3.

<b>Division</b>	<b>Supplemental Request</b>	<b>Annual Cost</b>	<b>One-Time</b>
<b>SATCOM</b>	Services & Supplies	\$70,000	
<b>NAVAL RESEARCH LAB</b>	Part-Time Seasonal Salaries	35,000	
	Services & Supplies	176,000	146,000
<b>DMDC</b>	Part-Time Seasonal Salaries	17,000	
	Services & Supplies	276,000	

**Table 3**

#### Sewer Line Maintenance Fund

The Sewer Line Maintenance Fund will generate an estimated \$2.7 million in fees annually during FY17/18 and FY18/19, which covers the annual budget of \$1.8 million and \$2.5 million respectively, including debt service. The City expects to complete the \$17.2 million sewer rehabilitation project funded by a State Clean Water Revolving Fund low interest loan in FY17/18. As operating expenditures continue to increase, the City may need to consider rate increases; an updated Sewer Fee Study will have to be undertaken within the next few years before a possible rate increase can be proposed. A rate increase would be subject to Proposition 218 requirements.

#### Storm Water Utility Fund

The Storm Water Utility Fund will generate an estimated \$1.04 million in fees annually during FY17/18 and FY18/19, which falls short of the \$1.3 million in estimated expenditures. However, due to accumulated fund balances from prior years, it is not anticipated that a subsidy will be required from the General Fund until FY18/19. That said, it should be noted that the General Fund is heavily subsidizing capital projects that should be charged to storm water and this is substantially interfering with our ability to take care of our other facilities. Funds from the Measure P add-on sales tax have been an important funding source for storm drain repair, but the

tax was only approved by voters through 2019. As our storm water obligations grow over time, we will need to develop the revenue stream to support the imposed mandates.

#### Street Infrastructure and Rehabilitation Fund

The Street Infrastructure and Rehabilitation Fund (Measure P) will generate an estimated \$9.3 million in voter approved special tax revenue funds for street repair and maintenance including sidewalk ADA access and storm drain repairs. These will be the final two years of the tax, which will end March, 2019. After that point, funding will be limited to General Fund, gas tax, including the State's Road Repair and Accountability Act of 2017 and fund Transportation Safety & Investment Plan (Measure X) approved by California voters in November, 2016. While these new funding sources are an important component, they will be far short of the current level of Measure P funding.

#### Marina Fund

The Marina Fund's proposed budget for FY17/18 is \$2.1 million, which includes debt service on state loans in the amount of \$325,345. In addition, the Marina Fund will transfer \$242,949 in FY17/18 to the Parking Fund for parking support. Total estimated revenues for FY17/18 are expected to be \$3 million. The surplus generated in this fund is used to pay for capital projects at the Marina.

#### Parking Fund

The Parking Fund's proposed budget for FY17/18 is \$8.5 million, which includes \$1,265,659 in debt repayment and \$300,000 in lease payments to the General Fund. Also included are funds to continue weekend trolley service after Labor Day and before Memorial Day and funds to complete an organizational and rate study. The Parking Fund will transfer \$269,998 to the General Fund in FY17/18 as reimbursement for parks and street maintenance services. Any surplus generated in this fund is used to pay for capital projects within the parking facilities.

Parking Fund revenues are projected to be \$8.9 million in FY17/18. The Parking Fund has loaned the General Fund \$5.65 million for the Conference Center Rehabilitation Project; repayment of \$234,300 annually will begin in FY18/19.

Highlights of the Parking Fund budgetary changes are reflected in Table 4.

<b>Division</b>	<b>Supplemental Request</b>	<b>Annual Cost</b>	<b>One-Time</b>
<b>ADMINISTRATION</b>	FY2017/18 Weekend Trolley Service	\$163,000	
	Parking Organizational and Rate Study		40,000
	<b>Table 4</b>		

### Housing & CDBG Fund

The Housing & Community Development Block Grant (CDBG) Fund's proposed budget for FY17/18 totals \$1.5 million and includes CDBG funding as well as the Housing Successor Agency. Included is \$200,000 in estimated entitlement funds from CDBG/HUD, \$850,000 in projected program income (funds that are generated from Hotel Pacific ground rent, pay off of rehabilitation loans and the sale of City owned deed restricted units). The City will leverage these funds with \$450,000 in projected program income from Successor Housing Agency funds and \$440,000 in HOME Investment Partnerships Program funds to help meet the housing and community services needs of low income and disadvantaged households. These funds include staff and administrative costs related to managing the various programs.

### Tidelands Fund

The City of Monterey was granted tidelands and submerged lands in trust by the State of California. Under the statute, Trust lands may be used for commerce, navigation, fisheries and recreation. The Tidelands Fund proposed budget for FY17/18 totals \$1.7 million, which includes the transfer of the Harbor division and property management staffing from the General Fund and an increased level of public safety services. The Tidelands fund will transfer \$220,000 in FY17/18 to the General Fund for parks and wharf maintenance costs. Total estimated revenues for FY17/18, primarily from leases and harbor fees, are expected to be \$3 million. The surplus generated in this fund is used to pay for capital projects within the Tidelands area or for other uses consistent with the statute.

Highlights of the Tidelands Fund budgetary changes are reflected in Table 5.

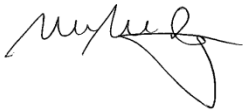
Division	Supplemental Request	Annual Cost	One-Time
<b>HARBOR</b>	Video surveillance equipment/training	\$22,500	
<b>POLICE</b>	Police Officer position	160,000	19,000
	Community Service Officers (part-time)	50,000	
<b>PROPERTY MANAGEMENT</b>	Reallocate Staffing from General Fund	260,400	
	Services & supplies	26,700	
	Maintenance repairs of City owned buildings	174,000	
	Professional services – appraisals, on-call legal		77,000

**Table 5**

## **Conclusion**

The budget presented here, if adopted, achieves the significant goal of balancing the biennial operating budget of the City. However, this is just the beginning. There are substantial increases in employee pension and medical costs that will exceed normal economic growth levels and unfunded liabilities related to our City facilities and pension that need to be addressed next. CalPERS rate increases are phased in but it is not recommended that we wait to incorporate future increases into the budget. It would be prudent for the City to incorporate the higher rates sooner rather than later. While we cannot predict the next recession, there is a high probability within the foreseeable future, based on routine economic cycles that we will face another economic event.

I recommend the adoption of this proposed budget so that we can continue to carry out the Council's mission to provide visionary policy and legislative leadership that assures a safe, healthy and economically vibrant community. Anda!

A handwritten signature in black ink, appearing to read 'Michael McCarthy', with a stylized flourish at the end.

Michael McCarthy  
City Manager

## **Changes to Proposed Operating Budget June 6, 2016**

### Transmittal Letter (Page 8-9)

Updates to table 2:

- Reflect the elimination of Housing and Property Manager position from the General Fund and Housing Funds. This is part of an overall reorganization in the Plans & Public Works department to be brought to Council at a later date.
- Reflect the addition of an Accounting Assistant position in the Presidio Public Works Authority fund, Administration division. This position will support the Intergovernmental Support Agreement and is fully reimbursable from contract with the Army.

Update table 2a to reflect the elimination of the Senior Street Maintenance Worker position from the General Fund. This position has been frozen for several years and is no longer organizationally essential.

### Revenues and Transfers-In (Page 16)

Reduce the Special Revenue Fund, Measure P Tax by \$1,498,000 in FY18/19 to reflect the tax ending in March, 2019.

### Expenditures and Transfers-Out (Page 19-20)

Increase the General Fund, Police Field Operations by \$165,000 to fund the second of the two additional Police Officer positions a year earlier in FY17/18, as recommended by Staff.

Increase the Internal Service Fund, Equipment Replacement by \$3,000 in FY17/18 for revised estimates associated with replacement of the Recreation vehicle.

### Transfers (Page 21)

Transfer an additional \$4,000 in FY17/18 and \$3,500 in FY18/19 from the General Fund to the Debt Service fund to pay for annual arbitrage rebate calculations (Transfer To 310/Transfer From 101).

Transfer \$18,369 from the Integrated Regional Watershed Management fund to the Stormwater Utility Fund from balances remaining from the Integrated Regional Water Management program. (Transfer To 280/Transfer From 281).

### Position Control List (changes affect both FY17/18 and FY18/19 lists)

Page 22: FY2017/18 Proposed: Change to 489.01

Page 24: Police Department. Add 1.00 FTE Police Officer to Field Operations (FY17/18 Position Control List only).

Page 26: Housing. Correct position title from Senior Administrative Analyst to Administrative Analyst.

Page 28-30: Change allocation for Administrative Assistant, Community Services to 60% Conference Center Administration; 20% Marina/Harbor Administration; 20% Parking Administration.

Page 31: Police Department, Add 4.00 Police Officer authorized overfill positions through 6/30/2019.

## About Monterey

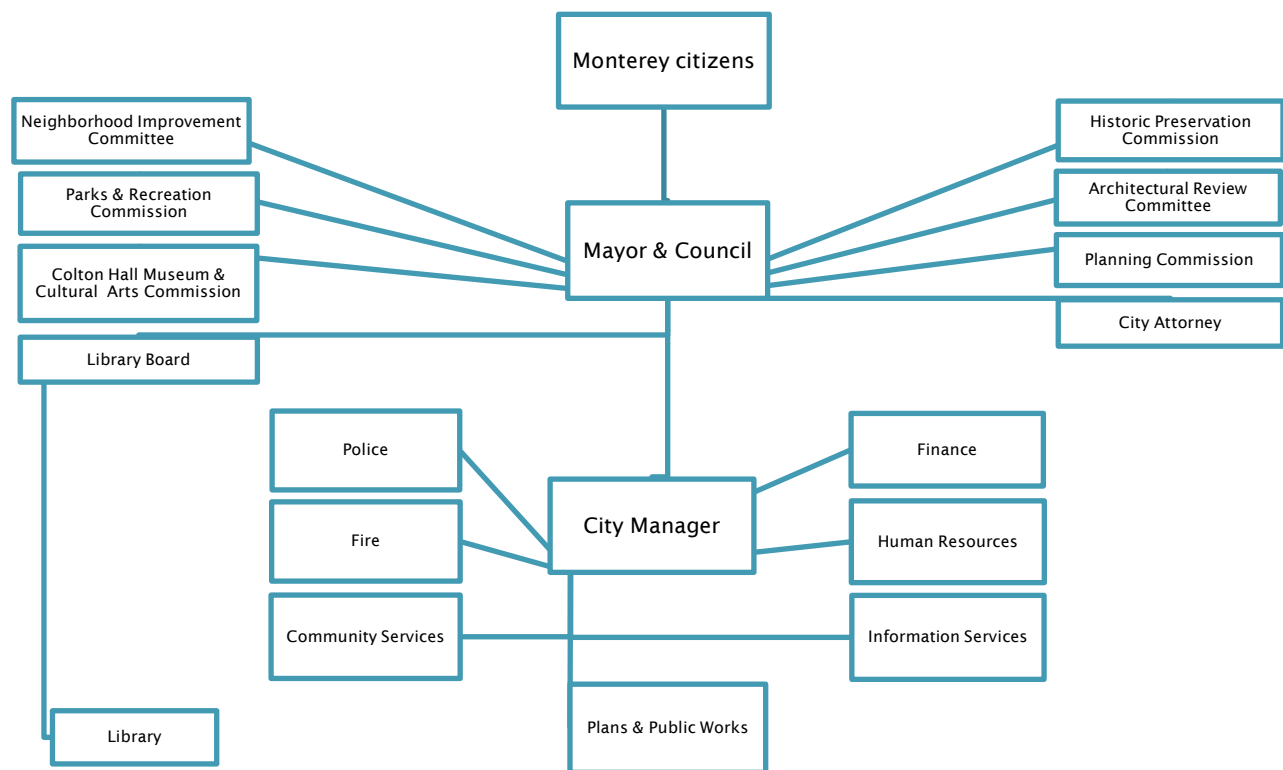
The City of Monterey is a waterfront community where citizens, civic organizations, businesses and city government work together to ensure that the community retains its hometown identity, high quality of life, and natural beauty. The estimated residential population is 28,454 according to the U.S Census' 2016 Population Estimate.

Monterey is at the heart of the Monterey peninsula, serving as the region's business core with urban amenities common to a city of much larger size. At the same time, the city provides a small-town atmosphere and distinct neighborhoods that range from historic adobes to mid-century modern abodes.

The Monterey airport is located less than 10 minutes from downtown. Monterey offers an ocean-view recreation trail that connects with other cities, a harbor and marina, a sports center with two indoor pools, 36 dedicated parks and open spaces, and El Encinal cemetery.

Monterey is a charter city and operates under the Council-Manager form of government. The Mayor and City Council are responsible for establishing policy and providing direction to the City Manager. The Mayor and City Council are elected at-large and serve staggered four-year terms. The Mayor presides at official meetings and work sessions.

The Monterey City Council meets the first and third Tuesday of each month at Few Memorial Hall. Council meetings are televised on cable channel 25 and streamed live on Monterey.org, and replayed at various times on both mediums.





## Services

Monterey is a full-service city, providing police, fire, street operations, sewer and storm water utilities, planning, building inspections, engineering, facilities maintenance, custodial services, cemetery, harbor and marina operations, library, parks and recreation services. The City



provides some services to neighboring communities and defense institutions under contract, including fire, building inspection, building maintenance, and vehicle maintenance.

Other services, such as public education, water, garbage disposal and recycling, electric and gas utilities, cable and phone are not provided by the City.

The city is served by the Monterey-Salinas Transit district which operates buses seven days

per week and, in partnership with the City, offers free trolley rides in popular tourism areas from Memorial Day to Labor Day.

## History

Founded in 1770, Monterey served as California's first capital and host to California's first Constitutional Convention in 1849. The city was first incorporated in 1850. Monterey's first residents were Native Americans and later Spanish explorers arrived, followed by Mexican settlers, American pioneers, and then Japanese and Italian fishermen.

Monterey became known as the sardine capital of the world and home to a thriving fishing industry in the early to mid 1900's. A smaller commercial fishing fleet continues to operate from Wharf II.

Due to its strategic location, historically, Monterey has been a key military outpost. While military needs have changed since the Presidio of Monterey was first established, the presence of the Defense Language Institute, the Naval Postgraduate School, and Fleet Numerical continues Monterey's legacy of military tradition.

Today, Monterey has a diverse cultural population. This is complemented by Monterey's status as the "Language Capital of the World"™ with the presence of both the Defense Language Institute and Middlebury Institute for International Studies at Monterey.



Both photos on this page are used courtesy of the City of Monterey's Communications & Outreach Office

## Budget Process

The City's fiscal year is July 1 through June 30.

To establish the budget, the Finance Department develops a plan for expenditure of projected available resources for the coming fiscal year. Labor costs are updated to reflect salary and benefit changes called for in union contracts, and estimates for unrepresented employees are also updated. A five-year forecast outlines what resources, tax revenues, and other discretionary



This photo is used courtesy of the City of Monterey.

revenues may be available to support operating requirements. Similarly, Capital Involvement Program priorities are matched with available funds from various funding sources.

A base budget is prepared from this information. This base budget updates the costs of maintaining service and staffing levels into the new budget year. The base budget also includes the updated estimates of revenues and other financing sources.

Proposed budget documents are prepared and transmitted to the Mayor and City Council and posted publicly prior to the budget presentation. The Mayor and Council review the proposed operating and capital improvement budget in public hearings. The budget is formally adopted by the vote of City Council on or before June 30 of each year. Any changes to the proposed budget, as considered and approved by the City Council during budget hearings, are included in the Approved Budget document.

Subsequent budget amendments throughout the fiscal year are submitted to Council for approval by resolution. Funds may be transferred from one account to another with the approval of the City Manager or his designee. Transfers to or from special funds, where state or federal regulations require council approval, and transfers from unappropriated reserves or fund balances, may only be made with the approval of City Council.

## Budget Calendar

Month	Activities
January	<ul style="list-style-type: none"><li>• Building maintenance requests due</li><li>• Position change requests due</li></ul>
February	<ul style="list-style-type: none"><li>• Internal service fund charges developed</li><li>• Revenues and year end projections due</li></ul>
March	<ul style="list-style-type: none"><li>• Mid-year report presented</li><li>• Expenditures and supplemental requests due</li></ul>
April	<ul style="list-style-type: none"><li>• Five-year forecast developed</li><li>• City Manager's Recommended Budget fine-tuned</li></ul>
May/June	<ul style="list-style-type: none"><li>• Budget presentation</li><li>• Budget workshop held</li><li>• Budget adoption</li></ul>
July/August	<ul style="list-style-type: none"><li>• Budget book produced</li></ul>

## Basis of Budgeting

The City of Monterey uses a modified accrual basis of accounting in preparing the budget for governmental funds. This is consistent with the basis of accounting used for the Comprehensive Annual Financial Report (CAFR).

Under the modified accrual basis, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after fiscal year-end. Licenses, property taxes and taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured, and principal and interest on general long-term debt.

## Fund Structure

Department/Fund Relationship						
Dept/Fund	General Fund	Special Revenue	Capital Projects	Enterprise	Internal Services	Agency
City Attorney						
City Manager						
Community Services						
Finance						
Fire						
Human Resources						
Information Resources						
Library						
Plans & Public Works						
Police						

The City's accounts are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, fund balances, revenues, and expenditures.

The City has the following fund type categories:

### Governmental Fund Types

The governmental funds include the General, Capital Projects, Debt Service, and Special Revenue Funds. Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

**General Fund (101)** – This is the only major fund in the structure of the FY18 and FY19 budgets. It is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources of this fund include transient occupancy tax, property tax, sales tax, business license tax, utility user's tax and charges for services. These revenues support the general operations of the City, which include police, fire, street maintenance, parks, recreation, planning and general government. In addition, the General Fund finances many capital improvements each year.

**Sewer Mains Improvements (205)** – These funds were instituted in 1971 to pay for improvements made to the sewer mains system in various areas throughout the City, which are required as a result of development.

**Wharf I Sprinkler System Fund (210)** – This fund was established in 1994–95 to account for revenues and expenses associated with the maintenance and upkeep of the fire sprinkler system at Wharf 1.

**Skyline Forest Service District (215)** – This district was created in 1966 to provide for perpetual landscaping maintenance of the Skyline Forest area. The tax is levied on the properties in the district to pay for the landscape contract.

**Neighborhood Improvement Fund (216)** – This fund was established to provide a means for financing neighborhood related capital improvements. Under a Charter Amendment in 1988, 16% of all transient occupancy tax revenue collected by the City is deposited in this fund. These funds are budgeted through the City's annual Capital Improvement Program budget.

**Grant Revenue Funds (240–250)** – These funds are established to account for grant funds received from Federal and State agencies that are earmarked for specific purposes such as personnel cost for a School Resource Officer or Domestic Violence Office. Some grants allow for the purchase and acquisition of certain safety equipment used in public safety operations.

**Gas Tax Fund (251)** – These funds are comprised of state and federal monies made available to the City for general road improvements and for specific road projects.

**Street Infrastructure Rehab Fund (252)** – This fund was created in April 2015 to account for all sales and use tax revenue from Measure P. The purpose of Measure P is to fund street infrastructure rehabilitation projects.

**Conference Center Facilities District Fund (253 and 254)** – This fund was established to account for Conference Center Facilities District tax revenue and bond proceeds used to fund the renovation of the Monterey Conference Center.

**Construction Truck Impact Fees Fund (255)** – This fund was established to account for fees collected, based on building permit project valuations, to provide for reconstruction and resurfacing of City streets impacted by construction truck traffic. Fees were discontinued on July 2, 2013, and the remaining funds are dedicated to completion of existing capital projects.

**Transportation Safety & Investment Plan Fund (257)** – This fund was established to capture Measure X (TAMC sales tax) revenues and expenditures.

**Alvarado Street Maintenance District (261)** – This district was formed to help pay for the maintenance and upkeep of Alvarado Street. A special assessment is levied on all parcels within the district for this specific purpose.

**Calle Principal Street Maintenance District (262)** – This district was formed to help pay for the maintenance and upkeep of Calle Principal. A special assessment is levied on all parcels within the district for this specific purpose.

**Parking Adjustments Funds (264, 266, 267)** – These funds are repository for parking adjustment fees collected within each of three parking districts within the City. Fees are



assessed if a property owner wishes to develop or redevelop property in such a manner that will intensify the need for parking but is unable to provide all of the parking required by the zoning ordinance. Parking adjustment fees are used for construction, operation, and maintenance of common public parking facilities.

**Low and Moderate Income Housing Asset Fund (268)** – This fund was created on February 1, 2012 to account for transfers from the Low and Moderate Income Housing Fund upon elimination of redevelopment. This fund administers the remaining low interest loans issued under the previous Low and Moderate Income Housing Fund, and manages affordable housing opportunities.

**Housing & Community Development Funds (270, 274, 275, 276, 278)** – These funds are used to assist families and individuals in low and moderate income neighborhoods in obtaining low interest loans for the purpose of purchasing, rehabilitating, and renting housing. The sources of funds include CDBG, HOME funds, tax increments, rental and interest income.

**Park Dedication Funds (277)** – in 1974, an ordinance established regulations for the dedication of land and the payment of fees for park and recreational land in subdivisions and multiple family developments. These funds account for and control payment of fees and uses of fees for specific park and recreational purposes as prescribed by the ordinance.

**Sewer Line Maintenance Fund (279)** – In 1978, the City passed and adopted an ordinance to establish a sewer line maintenance fee. The fee was imposed to provide revenue to support the cost of operating and maintaining the City's sewer system.

**Storm Water Utility Fund (280)** – This fund was established in FY 1994–95 in order to account for the revenues and expenses in connection with the operation and maintenance of the City's storm drain and storm water management system. The fee is collected by the Monterey Regional Water Pollution Control Agency as an add-on to the sewer maintenance charge.

#### **Integrated Regional Watershed Management (281)**

– This fund accounts for revenues received from a Prop 50 Integrated Regional Watershed Management grant to fund a feasibility study to analyze the various alternatives for mitigating the effects of storm water runoff into the ocean at several areas around the Peninsula.



*This photo is used courtesy of the City of Monterey.*

#### **Water System**

**Improvement Fund (290)** – This fund was established in 1983 to accrue developer fees for the construction of improvements to the fire hydrant system.

**Public Safety Training & Services Fund (291)** – This fund is used to account for revenues received from the Monterey County CSA74 fund for emergency medical services (EMS) training and equipment support.

**Asset Seizure Fund (292)** – This fund is a repository for funds received from the sale of assets seized by the Police Department.

**Public Education & Government Access Fund (298)** – Established in 2001, this fund accounts for revenues and expenses related to supporting a local non-profit media agency known as Access Monterey Peninsula.

**Senior Center Programs Fund (299)** – This fund was established in accordance with a bequest that specifically supports new and/or existing programs at the Senior Community Center.

**Debt Service Fund (310)** – This fund is used to account for the financial resources to be used for the payment of principal and interest on long-term obligations.

**Capital Projects Fund (410)** – This fund is used to account for financial resources to be used for the acquisition, construction, additions or improvements to buildings and land purchases.

**Presidio of Monterey Public Works Fund (650)**: created in 1999 to account for costs and revenues pertaining to the Presidio of Monterey maintenance contract.

**Navy Services Fund (655)**: established to account for costs and revenues pertaining to the Navy Services contract.

**Institutional Network Fund (660)**: established to account for costs and revenues pertaining to the Institutional Network Agreement contracted with AT&T, in operating a communication network for educational institutions, City buildings and agencies, and other entities.

**Tidelands Trust Fund (807)** – This fund was established, as prescribed by the State of California, to account for all revenues and expenditures within the tidelands area of the City.

**Library Trust Fund (810)** – This fund was created so that gifts, bequests and miscellaneous revenues from the library operation could be deposited and reserved for library purposes. All expenditures from the fund are requested by the Library Board of Trustees and approved by the City Council.

**Museum Trust Fund (818)** – This fund is comprised of donations from visitors to the Colton Hall Museum and contributions by individual donors. The monies are used for the acquisition and preservation of historical artifacts.

**Scholze Park Trust Funds (821 & 822)** – These permanent funds were created for the purpose of maintaining and improving parks and playgrounds owned by the City. It is specified by ordinance that only the interest earnings from the assets be distributed and divided 50% for park and 50% for playground purposes.

**Golden Travelers Trust Fund (961)** – The Recreation department administers a program whereby cultural related day-trips and weeklong excursions are provided to participants on a fee basis. This fund accounts for the revenues and expenditures of the program.

### **Proprietary Fund Types**

The proprietary funds, which include the Enterprise and Internal Service Funds, are used to account for the City's business-type activities. Proprietary funds are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The proprietary funds, which include the Enterprise and Internal Service Funds, are used to account for the City's business-type activities. Proprietary funds are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

**Enterprise Fund** – Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Monterey has four enterprise funds:

**Marina Fund**

(600): created in 1960 to account for all Marina related revenues and expenditures. All revenues collected in the Marina area are used for operation, maintenance, and improvements to the Marina.



This photo is used courtesy of the City of Monterey.

**Cemetery Fund**

(610): all cemetery related revenues and expenditures are accounted for in this fund.

**Parking Fund** (625): established to pay for construction, operation, and maintenance of parking facilities and improvements. The revenue sources include parking fees, permits and fines.

**Materials Recovery Fund** (640 & 641): funds were established to account for the revenues, leases payments and debt service for the Materials Recovery Facility.

**Internal Service Fund** – The internal service fund is used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City has six internal service funds:

**Equipment Replacement Fund** (705): fund serves to centrally account for the new or replacement costs for all vehicle apparatus, and heavy equipment assets. The cost of this service is charged back to the operating departments.

**Vehicle Maintenance Fund** (708): fund serves to centrally account for the costs of maintenance operations for all vehicle apparatus, and heavy equipment assets. The cost of this service is charged back to the operating departments.

**Information Services Fund** (710): fund centralizes data processing and other information services costs. The user departments are assessed a charge for these services and to accumulate funds for equipment replacement and enhancements as needed.

**Workers' Comp Insurance Trust Fund (715):** this group of funds captures the costs and revenues for our self-insurance program, including liability and benefits. The operating departments are charged for the cost of insurance as well as for the accumulation of requisite reserve funds.

**Liability & Property Insurance Fund (716):** fund captures the costs and revenues for our self-insurance program, including liability and property. The operating departments are charged for the cost of insurance as well as for the accumulation of requisite reserve funds.

**Health Insurance Trust Fund (718):** this group of funds captures the costs and revenues for our self-insurance program, including liability and benefits. The operating departments are charged for the cost of insurance as well as for the accumulation of requisite reserve funds.

### **Fiduciary Fund Types**

The Fiduciary Funds account for assets held by the City in trust or as an agent for various assessment and community facilities districts. The City maintains two types of fiduciary funds: agency funds and a private purpose trust fund.

**Assessment District Funds (642, 917–959):** These agency funds were established to account for funds when the City is acting as an agent. It consists of the following various assessment districts located within the City; Conference Center Facilities District, Ocean View Plaza Community Services District, Monterey Convention Visitor's Bureau Tourism Business Improvement District, New Monterey Business Improvement, Downtown Promotion and the Wharf Promotion Districts. *Redevelopment Obligation Retirement Fund (314):* This private purpose trust fund was established to account for assets held by the Redevelopment Successor Agency pending distribution to the appropriate taxing entities after the payment of enforceable obligations that were in effect as of the signing of Assembly Bill X1 26.



This photo is used courtesy of the City of Monterey.



**2017-19 BIENNIUM COMBINED STATEMENT**  
**Revenues, Expenditures and Changes in Fund Balance**

<b>FY2017/18</b>	<b>General Fund</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Enterprise</b>	<b>Internal Services</b>	<b>Agency</b>	<b>All Funds</b>
<b>Sources of Funds</b>							
Taxes	\$ 48,807,656	\$ 14,264,879	\$ -	\$ -	\$ -	\$ -	\$ 63,072,535
Fees & Charges	17,580,243	15,754,718	-	9,647,600	18,827,310	-	61,809,871
Interest & Rents	2,772,715	3,723,556	427,986	1,125,001	35,378	-	8,084,636
Other Agencies	421,403	353,304	-	10,000	-	-	784,707
Licenses & Permits	1,286,418	-	-	701,000	-	-	1,987,418
Fines & Forfeitures	225,700	-	-	900,000	-	-	1,125,700
Other Revenues	1,126,903	846,440	-	142,100	226,250	-	2,341,693
Transfers In	671,211	42,863	546,070	303,960	512,933	-	2,077,037
<b>Total Sources</b>	<b>\$ 72,892,249</b>	<b>\$ 34,985,760</b>	<b>\$ 974,056</b>	<b>\$ 12,829,661</b>	<b>\$ 19,601,871</b>	<b>\$ -</b>	<b>\$ 141,283,597</b>
<b>Uses of Funds</b>							
Salaries	\$ 55,973,888	\$ 9,074,813	\$ -	\$ 5,771,110	\$ 3,265,535	\$ -	\$ 74,085,346
Supplies & Services	10,231,732	6,894,068	-	2,641,413	14,238,343	27,000	34,032,556
Capital Outlay	385,600	41,300	-	-	1,285,500	-	1,712,400
Debt Services	162,048	2,730,376	973,070	1,591,004	-	-	5,456,497
Internal Service	5,715,075	2,602,553	-	1,230,672	506,580	-	10,054,880
Transfers Out	1,036,373	541,663	-	499,001	-	-	2,077,037
Capital Improvement Pgrm	1,000,000	3,395,000	-	1,540,000	-	-	5,935,000
<b>Total Uses</b>	<b>\$ 74,504,716</b>	<b>\$ 25,279,772</b>	<b>\$ 973,070</b>	<b>\$ 13,273,199</b>	<b>\$ 19,295,958</b>	<b>\$ 27,000</b>	<b>\$ 133,353,716</b>

<b>FY2018/19</b>	<b>General Fund</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Enterprise</b>	<b>Internal Services</b>	<b>Agency</b>	<b>All Funds</b>
<b>Sources of Funds</b>							
Taxes	\$ 50,513,140	\$ 13,631,402	\$ -	\$ -	\$ -	\$ -	\$ 64,144,542
Fees & Charges	18,017,252	15,803,707	-	9,998,100	18,743,210	-	62,562,270
Interest & Rents	3,069,812	3,787,075	3,500	1,087,165	35,357	985	7,983,894
Other Agencies	265,201	343,388	-	10,000	-	-	618,589
Licenses & Permits	1,292,218	-	-	776,000	-	-	2,068,218
Fines & Forfeitures	223,100	-	-	900,000	-	-	1,123,100
Other Revenues	1,167,089	511,590	-	142,100	226,250	-	2,047,029
Transfers In	703,715	93,721	544,073	544,861	138,520	-	2,024,890
<b>Total Sources</b>	<b>\$ 75,251,527</b>	<b>\$ 34,170,883</b>	<b>\$ 547,573</b>	<b>\$ 13,458,226</b>	<b>\$ 19,143,337</b>	<b>\$ 985</b>	<b>\$ 142,572,532</b>
<b>Uses of Funds</b>							
Salaries	\$ 58,751,047	\$ 9,240,536	\$ -	\$ 6,082,737	\$ 3,397,423	\$ -	\$ 77,471,742
Supplies & Services	10,111,456	6,423,315	-	2,663,199	14,320,999	27,000	33,545,969
Capital Outlay	341,000	22,500	-	-	-	-	363,500
Debt Services	149,772	4,377,789	547,573	1,110,110	-	-	6,185,245
Internal Service	5,546,119	2,604,745	-	1,227,261	505,570	-	9,883,696
Transfers Out	1,085,302	425,617	-	513,971	-	-	2,024,890
Capital Improvement Pgrm	1,400,000	2,890,000	-	600,000	-	-	4,890,000
<b>Total Uses</b>	<b>\$ 77,384,697</b>	<b>\$ 25,984,502</b>	<b>\$ 547,573</b>	<b>\$ 12,197,278</b>	<b>\$ 18,223,993</b>	<b>\$ 27,000</b>	<b>\$ 134,365,043</b>

# Projected Fund Balance

Fiscal Year 2017-18

		Projected Revenues	Projected Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
				Operating Transfers	CIP/Other		Beginning of Period	Projected End of Period
GENERAL FUND								
101	General Fund	72,221,038	72,468,343	(369,162)	(1,000,000)	(1,616,467)	24,391,631	22,775,164
SPECIAL REVENUE FUNDS								
205	Sewer Mains	7,486	-			7,486	661,180	668,666
210	Wharf I Sprinkler System	34,000	20,600			13,400	257,414	270,814
215	Skyline Forest Service District	25,684	17,135			8,549	154,048	162,597
240-250	Grant Funds (240, 243, 244, 246, 249, 250)	114,017	-	(100,000)		14,017	25,293	39,310
251	Gas Tax	823,901	-	(51,000)	(300,000)	472,901	2,192,739	2,665,640
252	Street Infrastructure Rehab Fund	9,395,410	-		(16,161,179)	(6,765,769)	6,765,769	-
253	Conference Center Facilities District	2,000	-			2,000	40,513,973	40,515,973
255	Construction Truck Impact Fee	-	-			-	3,087	3,087
261	Alvarado Street Maintenance District	49,179	97,698	42,863		(5,656)	73,104	67,448
262	Calle Principal Maintenance District	25,842	32,490			(6,648)	57,217	50,569
263	So. Cannery Row Parking District	-	-			-	20,972	20,972
264	Parking Adjustment Fee - Fund A	30	-			30	1,204	1,234
266	Transportation Management	78	-			78	1,540	1,618
267	Cannery Row Parking Variances	1,892	-			1,892	1,289	3,181
268	RDA Housing Successor Agency	470,427	329,232			141,195	328,189	469,384
270	Community Development Block Grant	1,058,605	1,027,731			30,874	47,851	78,725
274	Home - Estrella	82,552	53,347			29,205	15,189	44,394
277	Park Dedication Fees	1,399	-			1,399	108,435	109,834
278	Home Grant	4,160	100,000			(95,840)	361,787	265,947
279	Sewer Line Maintenance	2,692,615	1,768,729		(1,500,000)	(576,114)	6,396,093	5,819,979
280	Storm Water Utility	1,039,575	1,290,651			(251,076)	688,307	437,231
281	Integrated Regional Watershed Management	211	-			211	18,622	18,833
290	Water System Improvement	3,857	25,750			(21,893)	306,414	284,521
291	Public Safety Training & Services	40,000	75,000			(35,000)	246,656	211,656
292	Asset Seizure	2,000	22,000			(20,000)	21,285	1,285
298	Public Educ. & Government Access	399	-			399	1,815	2,214
299	Senior Center Programs	1,330	25,000			(23,670)	102,424	78,754
650	Presidio of Monterey Public Works	11,385,608	11,442,170	(140,450)		(197,012)	2,023,224	1,826,212
655	Navy Services	454,050	454,050			-	16,506	16,506
807	Tidelands Trust	2,969,062	1,734,767	(220,213)	(1,595,000)	(580,918)	7,496,307	6,915,389
810	Library Trust	67,834	199,509			(131,675)	373,932	242,257
818	Museum Trust	9,368	6,450			2,918	227,630	230,548
821/822	Scholze Park	28,128	-	(30,000)		(1,872)	6,569	4,697
900	Special Deposits	-	-			-	(4,416)	(4,416)
961	Golden 55 Travelers	60,040	60,040			-	-	-
DEBT SERVICE FUNDS								
310	Debt Service	4,000	550,070	550,070		4,000	7,027	11,027
640	Monterey Financing Authority (JPA)	423,000	423,000			-	47,896	47,896
ENTERPRISE FUNDS								
600	Marina	2,977,341	2,105,729	(184,003)	(300,000)	387,609	3,781,630	4,169,239
610	Cemetery	199,029	200,437			(1,408)	15,962	14,554
625	Parking	8,895,148	8,498,683	(11,038)	(1,240,000)	(854,573)	6,702,904	5,848,331
641	Materials Recovery Facility	427,183	429,350			(2,167)	191,332	189,165
660	Institutional Network (I-NET) Fund	-	-			-	-	-
INTERNAL SERVICE FUNDS								
705	Equipment Replacement	869,930	1,081,727	350,000		138,203	1,881,467	2,019,670
708	Vehicle Maintenance	2,090,693	2,054,033			36,660	83,951	120,611
710	Information Services	3,737,027	3,733,601			3,426	504,203	507,629
715	Worker's Comp Insurance Trust	2,948,958	2,975,270	140,450		114,138	37,788	151,926
716	Liability & Property Insurance	1,166,442	1,175,439			(8,997)	303,615	294,618
718	Health Insurance Trust	8,275,888	8,275,888	22,483		22,483	653,166	675,649
AGENCY FUNDS								
314	RDA Obligation Retirement Fund	986	-				65,074	65,074
642	Ocean View Community Services District	27,000	27,000				580	580
918	Conference Center Facilities District	4,092,158	2,560,759				8,302,633	8,302,633
952	MCVB Tourism BID	-	-				12,613	12,613
TOTAL ALL FUNDS		139,206,560	125,341,678	-	(22,096,179)	(9,763,682)	116,495,121	106,731,439

# Projected Fund Balance

Fiscal Year 2018-19

		Projected Revenues	Projected Expenditures	Other Sources (Uses)		Sources Over (Under) Uses	Fund Balance/Working Capital	
				Operating Transfers	CIP/Other		Beginning of Period	Projected End of Period
GENERAL FUND								
101	General Fund	74,547,812	74,899,395	(381,587)	(1,400,000)	(2,133,170)	22,775,164	20,641,994
SPECIAL REVENUE FUNDS								
205	Sewer Mains	7,480	-			7,480	668,666	676,146
210	Wharf I Sprinkler System	34,700	20,600			14,100	270,814	284,914
215	Skyline Forest Service District	26,182	17,135			9,047	162,597	171,644
240-250	Grant Funds (240, 243, 244, 246, 249, 250)	114,016	-	(100,000)		14,016	39,310	53,326
251	Gas Tax	1,161,822	-	(51,000)	(1,150,000)	(39,178)	2,665,640	2,626,462
252	Street Infrastructure Rehab Fund	8,086,434	-		(8,086,434)	-	-	-
253	Conference Center Facilities District	-	-			-	40,515,973	40,515,973
255	Construction Truck Impact Fee	-	-			-	3,087	3,087
261	Alvarado Street Maintenance District	49,178	99,413	43,721		(6,514)	67,448	60,934
262	Calle Principal Maintenance District	25,842	33,065			(7,223)	50,569	43,346
263	So. Cannery Row Parking District	-	-			-	20,972	20,972
264	Parking Adjustment Fee - Fund A	30	-			30	1,234	1,264
266	Transportation Management	78	-			78	1,618	1,696
267	Cannery Row Parking Variances	1,892	-			1,892	3,181	5,073
268	RDA Housing Successor Agency	253,764	231,502			22,262	469,384	491,646
270	Community Development Block Grant	944,197	895,076			49,121	78,725	127,846
274	Home - Estrella	84,150	53,583			30,567	44,394	74,961
277	Park Dedication Fees	1,398	-			1,398	109,834	111,232
278	Home Grant	4,157	-			4,157	265,947	270,104
279	Sewer Line Maintenance	2,692,561	2,541,868		(1,500,000)	(1,349,307)	5,819,979	4,470,672
280	Storm Water Utility	1,039,568	1,324,403	50,000		(234,835)	437,231	202,396
281	Integrated Regional Watershed Management	211	-			211	18,833	19,044
290	Water System Improvement	3,855	25,750			(21,895)	284,521	262,626
291	Public Safety Training & Services	40,000	75,000			(35,000)	211,656	176,656
292	Asset Seizure	2,000	22,000			(20,000)	1,285	(18,715)
298	Public Educ. & Government Access	399	-			399	2,214	2,613
299	Senior Center Programs	1,329	25,000			(23,671)	78,754	55,083
650	Presidio of Monterey Public Works	11,433,997	11,306,505	-		127,492	1,826,212	1,953,704
655	Navy Services	454,050	454,050			-	16,506	16,506
807	Tidelands Trust	3,019,348	1,865,429	(224,617)	(240,000)	689,302	6,915,389	7,604,691
810	Library Trust	67,731	121,480			(53,749)	242,257	188,508
818	Museum Trust	9,517	6,450			3,067	230,548	233,615
821/822	Scholze Park	28,106	-	(50,000)		(21,894)	4,697	(17,197)
900	Special Deposits	-	-			-	(4,416)	(4,416)
961	Golden 55 Travelers	60,040	60,040			-	-	-
DEBT SERVICE FUNDS								
310	Debt Service	3,500	547,573	544,073		-	11,027	11,027
640	Monterey Financing Authority (JPA)	-	-			-	47,896	47,896
ENTERPRISE FUNDS								
600	Marina	2,939,963	2,163,632	(202,185)	(250,000)	324,146	4,169,239	4,493,385
610	Cemetery	199,029	206,400			(7,371)	14,554	7,183
625	Parking	9,320,586	8,711,275	233,075	(350,000)	492,386	5,848,331	6,340,717
641	Materials Recovery Facility	426,787	2,000			424,787	189,165	613,952
660	Institutional Network (I-NET) Fund	-	-			-	-	-
INTERNAL SERVICE FUNDS								
705	Equipment Replacement	840,620	36,227	115,700		920,093	2,019,670	2,939,763
708	Vehicle Maintenance	2,156,400	2,111,453			44,947	120,611	165,558
710	Information Services	3,504,852	3,556,846			(51,994)	507,629	455,635
715	Worker's Comp Insurance Trust	3,017,702	3,010,755	-		6,947	151,926	158,873
716	Liability & Property Insurance	1,209,356	1,232,824			(23,468)	294,618	271,150
718	Health Insurance Trust	8,275,888	8,275,888	22,820		22,820	675,649	698,469
AGENCY FUNDS								
314	RDA Obligation Retirement Fund	985	-				65,074	65,074
642	Ocean View Community Services District	27,000	27,000				580	580
918	Conference Center Facilities District	4,429,130	3,490,535				8,302,633	8,302,633
952	MCVB Tourism BID	-	-				12,613	12,613
TOTAL ALL FUNDS		140,547,642	127,450,152	-	(12,976,434)	(818,524)	106,731,439	105,912,915

## Fund Balance Analysis

### Major funds increasing or declining by more than 10%

None of the individual funds, with the exception of the General Fund, constitutes more than 10% of the appropriated budget. Over the biennial period, the General Fund ending balance is expected to decline by approximately 10.2%, or \$2.5 million. Driving this decline are increased salaries and benefits, particularly public safety, and CalPERS rates, which are increasing to cover unfunded liabilities from prior years.

### Non-major funds increasing or declining by more than 10%

The aggregate of fund balance changes in the City's non-major funds is expected to decrease by approximately 5% over the biennial term, as accumulated funds for capital improvements are spent down.

## Revenue Analysis

### General Fund

Revenues and Transfers In – General Fund						
	2016–17 Amended Budget	Change	2017–18 Adopted	Change	2018–19 Adopted	% of Total
<b>Total General Fund Revenues</b>	71,236,846	1,655,403	72,892,249	2,359,278	75,251,527	100%
Transient Occupancy Tax	19,380,192	1,006,742	20,386,934	1,066,464	21,453,398	28%
Property Taxes	10,825,360	514,576	11,399,936	452,132	11,792,068	16%
Sales Tax	8,426,746	62,078	8,488,824	231,429	8,720,253	12%
Fire Service Charges	7,050,236	388,297	7,438,533	232,548	7,671,081	10%
Sports & Recreation Programs	5,538,909	65,896	5,604,805	34,484	5,639,289	8%
Business License	3,390,000	67,800	3,457,800	69,156	3,526,956	5%

The General Fund is the primary operating fund of the city. The revenues deposited into this fund include discretionary, general purpose revenues such as taxes, license and permits. This fund also contains reimbursements and fees for services provided by departments supported by the general fund, including contracted services for other jurisdictions, Recreation and Sports Center programs, and administrative support for services provided.

The City's core revenue sources are expected to grow, particularly following completion of the Conference Center renovation. Overall, General Fund revenues are expected to increase 2% in FY17/18 and 3% in FY18/19.

The robust increases in the core revenue sources are partially offset by decreases in other revenue. For example, grant funds, which are included in FY16/17 as one time revenues are not ongoing revenue sources. In addition, planning and permitting fees showed significant growth during the last few years, but are expected to return to more normal activity levels in FY18/19 and FY19/20 as major construction projects are completed. Finally, the transfer of revenues earned in the Tidelands region from the General Fund to Tidelands Fund was completed in FY16/17.



[This photo is used courtesy of the City of Monterey.](#)

### **Transient Occupancy Tax (TOT)**

TOT is the single largest individual item in the budget. 16% of TOT is allocated to the Neighborhood Improvement Fund (which is not discretionary revenue), and the remaining 84% (\$17 million) is retained in the General Fund. A significant portion of the City's tourism comes from business travelers using the Monterey Conference Center, which has been undergoing a major renovation since the fall of 2015. The improved Conference Center is expected to reopen in late 2017. TOT revenues are forecast to return to the historical average of 4.3% at that time.

## **Property Tax**

Property Tax revenues are projected to grow 4% annually. In general, under Proposition 13, increases in the assessed value of property are limited to 2% under State law. As property changes ownership, however, it is reassessed to actual value, resulting in increased property taxes. Since the Great Recession, the City has experienced growth in property values, and with the revitalization of the downtown area this trend is expected to continue.

## **Sales Tax**

Of all the major revenue sources, the most modest growth is expected in Sales Tax, with a projected 1.8% increase for FY17/18 and 1.9% for FY18/19, along with projections of new taxable sales from new or expanding businesses. The City uses the services of a sales tax consultant to assist in sales tax revenue projections and these projections are based on the consultant's experience as well as local trends. General Fund sales taxes do not include Measure P local district revenues which are restricted for specific uses and held in a separate fund.

Factors impacting the growth of sales tax include the ongoing increase in online sales, which are not directly credited to the delivery location as are brick-and-mortar sales. In addition, statewide trends include the shift in sales from goods to nontaxable services, and demographic changes such as an aging population that is less inclined to purchase products.

## **Fire Service Charges**

Revenues reflect estimated costs of providing fire service to contracting jurisdictions: Carmel-by-the-Sea, Pacific Grove, Monterey Peninsula Airport District, Sand City, Presidio of Monterey, and La Mesa Village military housing. Fire service fees increased primarily due to negotiated wage increases or contracted CPI adjustments, estimated at 2.5% for FY18/19.

## **Recreation/Sports Center Programs**

Revenue estimates are projected to remain relatively flat in both fiscal years.

## **Business License**

Business license revenues are based on gross receipts of business earned in the City. In FY16/17 the business license code was simplified, removing a complicated multi-rate structure and replacing it with a single rate. This change in methodology is not expected to increase revenues beyond normal gross receipts growth. For FY17/18 and FY18/19, business license revenues are forecast to increase 2% annually, based on average growth over the past 10 years.

## Other Funds

Revenues and Transfers In – Special Revenue Funds					
	2016-17 Amended Budget	Change	2017-18 Adopted	Change	2018-19 Adopted
<b>Total Special Revenues</b>	33,155,442	1,830,318	34,985,760	(814,877)	34,170,883
Presidio Contract Service Fees	10,218,638	889,872	11,108,510	325,487	11,433,997
Measure P Tax	8,560,677	748,235	9,308,912	(1,308,912)	8,000,000
CCFD Assessment	4,319,500	(265,500)	4,054,000	337,000	4,391,000
Sewer & Storm Drain Fees	3,720,462	(38,362)	3,682,100	700	3,682,800

Special Revenue Funds contain revenues that may only be used for specific purposes, such as grants, special taxes (restricted for a specified use), and fees that are collected for a specific use and/or area in the City.

### Presidio Contract Service Fees

Revenues in this fund reflect payments for costs incurred under the City's contracts to provide services for Army installations, primarily the Presidio which is located within City limits. The scope of services increased during

the biennial period to include more services in southern Monterey County at Camp Roberts and the Naval Research Laboratory, as did anticipated costs of providing ongoing services.



*This photo is used courtesy of the City of Monterey.*



## Measure P

In November 2014, voters approved Measure P, which assessed a one-cent per dollar local sales and use tax to be used to repair streets, sidewalks, and potholes, improve related access and safety and repair the storm drain system. The tax remains in effect through March, 2019. Budgeted revenues reflect increases consistent with past experience and a decrease in FY18/19 as the term of the tax ends.

## Conference Center Facilities District

In 2014, the hospitality industry voted to levy a special tax to pay for the renovation of the Monterey Conference Center. Assessments from .8% to 4.15% of room revenues are used to pay off bonds issued to finance the renovation. A modest increase is forecast in FY17/18 as the renovation is completed and the Conference Center reopens. FY18/19 revenue projections reflect a return to more historic growth patterns consistent with TOT. CCFD assessments in excess of scheduled debt service will be used to accelerate payment of the remaining debt.

## Sewer and Storm Drain Maintenance Fees

These fees are surcharges to Monterey Regional Water Pollution Control Agency's (MRWPCA) sewer rates for operation and maintenance of the City's sewer and storm water management systems, and are essentially flat for the biennial period.

Adjustments to storm drain fees can only be approved by voters in accordance with California Proposition 218.

Revenues and Transfers In – Fiduciary/Agency Funds					
	2016-17 Amended Budget	Change	2017-18 Adopted	Change	2018-19 Adopted
<b>Total Fiduciary/Agency Fund Revenues</b>	2,236	(2,236)	0	985	985

Fiduciary/Agency Funds contain revenues collected on behalf of other entities and held in trust for their use. Revenues reflect projected interest earnings.



# SUMMARY OF REVENUES AND TRANSFERS IN

	2014-15 ACTUAL REVENUE	2015-16 ACTUAL REVENUE	2016-17 AMENDED BUDGET	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET
<b>General Fund</b>					
Property Taxes	\$ 9,636,103	\$ 10,542,214	\$ 10,825,360	\$ 11,339,936	\$ 11,792,068
Sales Taxes	6,332,058	8,279,091	8,426,746	8,488,824	8,720,253
In-lieu Sales Taxes	1,893,275	702,598	-	-	-
Transient Occupancy Tax	17,495,332	18,890,094	19,380,192	20,386,935	21,453,398
Business License Tax	3,127,574	3,353,305	3,390,000	3,457,800	3,526,956
Utility Users Tax	3,149,042	3,007,338	2,754,868	2,875,000	2,765,311
Franchise Fees	1,707,767	1,720,644	1,754,353	1,821,161	1,817,154
Other Taxes	437,016	456,485	405,850	438,000	438,000
<b>Total Taxes</b>	<b>43,778,167</b>	<b>46,951,770</b>	<b>46,937,369</b>	<b>48,807,656</b>	<b>50,513,140</b>
Administrative Support Fee	2,457,794	2,594,176	2,526,134	2,472,846	2,489,828
Police Fees	27,279	24,337	27,250	30,000	30,500
Fire Service Fees	6,687,791	6,745,889	7,050,236	7,438,533	7,671,081
Public Works Fees	1,360,587	1,227,136	1,216,000	1,170,000	1,170,000
Recreation Fees	5,486,170	5,640,303	5,538,909	5,604,805	5,639,289
Library/Museum Fees	49,300	42,572	64,660	36,050	39,938
Conference Center Fees	1,128,377	719,073	540,500	828,009	976,616
Harbor Fees	121,442	203,572	164,560	-	-
Other Fees & Charges	5,487	782	400	-	-
<b>Total Fees &amp; Charges</b>	<b>17,324,226</b>	<b>17,197,840</b>	<b>17,128,649</b>	<b>17,580,243</b>	<b>18,017,252</b>
Rental Income	3,450,997	3,497,839	3,410,364	1,813,358	1,857,898
Interest Income	233,432	314,166	300,000	317,112	599,748
Interest Income - Loans	679,930	653,572	626,028	597,245	567,166
Other Interest & Rents	48,864	52,633	38,500	45,000	45,000
<b>Total Interest &amp; Rents</b>	<b>4,413,223</b>	<b>4,518,209</b>	<b>4,374,892</b>	<b>2,772,715</b>	<b>3,069,812</b>
Grants	642,995	305,046	485,200	327,403	171,201
Other Intergov. Reimbursements	1,037,718	907,181	941,980	94,000	94,000
<b>Total Intergovernmental</b>	<b>1,680,713</b>	<b>1,212,227</b>	<b>1,427,180</b>	<b>421,403</b>	<b>265,201</b>
Construction Permits	733,024	946,719	1,055,000	590,000	590,000
Police Permits	286,573	293,914	296,000	303,418	302,918
Camp Permits	312,167	338,823	250,000	315,000	321,300
Other Permits	79,768	107,937	54,000	78,000	78,000
<b>Total License &amp; Permits</b>	<b>1,411,532</b>	<b>1,687,393</b>	<b>1,655,000</b>	<b>1,286,418</b>	<b>1,292,218</b>
Police Fines & Forfeitures	226,583	233,386	242,000	225,000	222,400
Other Fines	(1,419)	1,278	1,850	700	700
<b>Total Fines &amp; Forfeitures</b>	<b>225,164</b>	<b>234,664</b>	<b>243,850</b>	<b>225,700</b>	<b>223,100</b>
Loan Repayments	-	-	639,630	668,413	698,492
Reimbursements	167,273	221,062	245,000	168,000	-
Other Revenue	410,886	236,830	382,570	290,490	468,597
<b>Total Other Revenue</b>	<b>578,159</b>	<b>457,892</b>	<b>1,267,200</b>	<b>1,126,903</b>	<b>1,167,089</b>
<b>Total Transfers In</b>	<b>914,708</b>	<b>485,499</b>	<b>734,029</b>	<b>671,211</b>	<b>703,715</b>
<b>Total General Fund</b>	<b>\$ 70,325,891</b>	<b>\$ 72,745,495</b>	<b>\$ 73,768,169</b>	<b>\$ 72,892,249</b>	<b>\$ 75,251,527</b>
<b>Special Revenue Funds</b>					
Conference Center Facilities Dist. Tax	\$ 3,840,931	\$ 4,201,897	\$ 4,319,500	\$ 4,054,000	\$ 4,391,000
Maintenance Districts Assessments	89,546	96,150	90,806	97,356	97,856
Measure P Tax	1,609,936	9,027,743	8,560,677	9,308,912	8,000,000
Gas Tax	741,324	586,671	626,483	804,611	1,142,546
Public Education Access/Cable TV	-	-	150,000	-	-
<b>Total Taxes</b>	<b>6,281,737</b>	<b>13,912,460</b>	<b>13,747,466</b>	<b>14,264,879</b>	<b>13,631,402</b>
Sewer & Storm Water Fees	3,576,341	3,932,325	3,720,462	3,682,100	3,682,800
Construction Truck Impact Fee	0	0	-	-	-
Library Fees	20,160	9,085	7,300	6,600	6,500
Other Fees & Charges	84,752	120,713	2,876,707	503,458	226,360
Navy Contract Service Fees	317,654	285,666	595,644	454,050	454,050
Presidio Contract Service Fees	8,630,801	12,840,857	7,376,931	11,108,510	11,433,997
<b>Total Fees &amp; Charges</b>	<b>12,629,707</b>	<b>17,188,645</b>	<b>14,577,044</b>	<b>15,754,718</b>	<b>15,803,707</b>
Rental Income	1,196,089	1,271,481	1,103,000	3,060,648	3,112,441
Interest Income	175,715	616,495	888,386	459,908	469,134
Interest Income - Loans	155,264	168,333	110,000	203,000	205,500
<b>Total Interest &amp; Rents</b>	<b>1,527,068</b>	<b>2,056,308</b>	<b>2,101,386</b>	<b>3,723,556</b>	<b>3,787,075</b>

# SUMMARY OF REVENUES AND TRANSFERS IN

	2014-15 ACTUAL REVENUE	2015-16 ACTUAL REVENUE	2016-17 AMENDED BUDGET	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET
Grants	119,230	158,850	293,200	311,304	301,388
Other Intergov. Reimbursements	50,377	43,818	44,000	42,000	42,000
<b>Total Intergovernmental</b>	<b>169,607</b>	<b>202,668</b>	<b>337,200</b>	<b>353,304</b>	<b>343,388</b>
Loan Repayments	-	-	170,000	233,000	233,000
Other Revenue	160,880	5,154,275	383,030	613,440	278,590
<b>Total Other Revenue</b>	<b>160,880</b>	<b>5,154,275</b>	<b>553,030</b>	<b>846,440</b>	<b>511,590</b>
<b>Total Transfers In</b>	<b>251,462</b>	<b>41,199</b>	<b>42,023</b>	<b>42,863</b>	<b>93,721</b>
<b>Total Special Revenue Funds</b>	<b>\$ 21,020,461</b>	<b>\$ 38,555,557</b>	<b>\$ 31,358,148</b>	<b>\$ 34,985,760</b>	<b>\$ 34,170,883</b>
<b>Debt Service Funds</b>					
Lease Revenue	\$ 76,282	\$ -	\$ -	\$ -	\$ -
Interest Income	275	91	407,279	427,986	3,500
<b>Total Interest &amp; Rents</b>	<b>76,557</b>	<b>91</b>	<b>407,279</b>	<b>427,986</b>	<b>3,500</b>
Loan Repayments	14,854	-	17,825	-	-
<b>Total Other Revenue</b>	<b>14,854</b>	<b>-</b>	<b>17,825</b>	<b>-</b>	<b>-</b>
<b>Total Transfers In</b>	<b>573,849</b>	<b>543,516</b>	<b>542,487</b>	<b>546,070</b>	<b>544,073</b>
<b>Total Debt Service Funds</b>	<b>\$ 665,261</b>	<b>\$ 543,607</b>	<b>\$ 967,591</b>	<b>\$ 974,056</b>	<b>\$ 547,573</b>
<b>Enterprise Funds</b>					
Marina Fees	\$ 2,630,625	\$ 2,677,762	\$ 2,530,600	\$ 2,530,600	\$ 2,530,600
Cemetery Fees	218,289	203,675	188,000	198,500	198,500
Parking Fees	6,856,160	7,240,079	6,293,500	6,918,500	7,269,000
<b>Total Fees and Charges</b>	<b>9,705,073</b>	<b>10,121,516</b>	<b>9,012,100</b>	<b>9,647,600</b>	<b>9,998,100</b>
Rental Income	974,354	961,423	947,815	951,959	719,787
Interest Income	321,529	182,278	185,243	173,042	367,378
<b>Total Interest &amp; Rents</b>	<b>1,295,883</b>	<b>1,143,701</b>	<b>1,133,058</b>	<b>1,125,001</b>	<b>1,087,165</b>
Grants	9,483	5,464	10,000	10,000	10,000
<b>Total Intergovernmental</b>	<b>9,483</b>	<b>5,464</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
Parking Permits	717,890	801,586	701,000	701,000	776,000
<b>Total Licenses &amp; Permits</b>	<b>717,890</b>	<b>801,586</b>	<b>701,000</b>	<b>701,000</b>	<b>776,000</b>
Court Fines	826,023	956,753	850,000	900,000	900,000
<b>Total Fines &amp; Forfeitures</b>	<b>826,023</b>	<b>956,753</b>	<b>850,000</b>	<b>900,000</b>	<b>900,000</b>
Other Revenue	379,510	174,695	142,100	142,100	142,100
<b>Total Other Revenue</b>	<b>379,510</b>	<b>174,695</b>	<b>142,100</b>	<b>142,100</b>	<b>142,100</b>
<b>Total Transfers In</b>	<b>266,739</b>	<b>315,003</b>	<b>321,873</b>	<b>303,960</b>	<b>544,861</b>
<b>Total Enterprise Funds</b>	<b>\$ 13,200,601</b>	<b>\$ 13,518,718</b>	<b>\$ 12,170,131</b>	<b>\$ 12,829,661</b>	<b>\$ 13,458,226</b>
<b>Internal Service Funds</b>					
Vehicle Maintenance/Replacement	\$ 2,423,652	\$ 2,579,404	\$ 2,753,039	\$ 2,923,995	\$ 2,960,413
Information Resources	2,921,284	3,195,596	3,117,000	3,737,027	3,504,852
Workers Compensation	2,557,061	2,387,270	2,423,079	2,723,958	2,792,702
Liability & Property Insurance	1,176,644	1,203,544	1,189,669	1,166,442	1,209,356
Health Insurance Trust	7,696,918	8,455,239	8,330,000	8,275,888	8,275,888
<b>Total Fees and Charges</b>	<b>16,775,559</b>	<b>17,821,052</b>	<b>17,812,787</b>	<b>18,827,310</b>	<b>18,743,210</b>
Rental Income	7,800	7,200	-	7,200	7,200
Interest Income	19,394	23,699	43,760	28,178	28,157
<b>Total Interest &amp; Rents</b>	<b>27,194</b>	<b>30,899</b>	<b>43,760</b>	<b>35,378</b>	<b>35,357</b>
Grants	27,000	27,000	-	-	-
<b>Total Intergovernmental</b>	<b>27,000</b>	<b>27,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Refunds	223,064	190,738	200,000	225,000	225,000
Sale of Property	205,074	63,305	20,000	1,000	1,000
Other Revenue	46,153	167,368	-	250	250
<b>Total Other Revenue</b>	<b>474,291</b>	<b>421,411</b>	<b>220,000</b>	<b>226,250</b>	<b>226,250</b>
<b>Total Transfers In</b>	<b>191,878</b>	<b>826,501</b>	<b>46,650</b>	<b>512,933</b>	<b>138,520</b>

SUMMARY OF REVENUES AND TRANSFERS IN

	2014-15 ACTUAL REVENUE	2015-16 ACTUAL REVENUE	2016-17 AMENDED BUDGET	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET
<b>Total Internal Service Funds</b>	<b>\$ 17,495,923</b>	<b>\$ 19,126,863</b>	<b>\$ 18,123,197</b>	<b>\$ 19,601,871</b>	<b>\$ 19,143,337</b>
<b>Agency Funds</b>					
Property Tax	-	10,000	-	-	-
<b>Total Taxes</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Promotion District Fees	1,081	-	-	-	-
<b>Total Fees and Charges</b>	<b>1,081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interest Income	10,544	58,794	2,236	-	985
<b>Total Interest &amp; Rents</b>	<b>10,544</b>	<b>58,794</b>	<b>2,236</b>	<b>-</b>	<b>985</b>
Other Revenue	45,008,018	6,350	-	-	-
<b>Total Other Revenue</b>	<b>45,008,018</b>	<b>6,350</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Transfers In</b>	<b>3,898,488</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Agency Funds</b>	<b>\$ 48,918,130</b>	<b>\$ 75,144</b>	<b>\$ 2,236</b>	<b>\$ -</b>	<b>\$ 985</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 171,626,266</b>	<b>\$ 144,565,383</b>	<b>\$ 136,389,472</b>	<b>\$ 141,283,597</b>	<b>\$ 142,572,532</b>

# SUMMARY OF EXPENDITURES AND TRANSFERS OUT

	2014-15 ACTUAL EXPENSES	2015-16 ACTUAL EXPENSES	2016-17 AMENDED BUDGET	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET
<b>General Fund by Department/Division</b>					
Mayor-Council	\$ 128,698	\$ 127,880	\$ 134,424	\$ 127,601	121,937
City Manager	764,184	796,415	810,849	1,025,501	1,059,327
Communications & Outreach	338,672	375,471	412,013	330,523	345,429
City Clerk	401,533	436,187	548,666	550,206	564,515
City Attorney	813,734	882,531	928,628	962,573	992,982
Human Resources	738,668	836,172	857,799	763,641	790,083
Finance	2,160,335	2,131,423	2,428,096	2,569,854	2,704,777
Police Administration	2,243,692	2,233,379	2,133,838	2,428,346	2,489,900
Police Field Operations	7,768,424	8,042,092	7,527,861	7,748,121	7,920,954
Police Support Services	1,558,609	1,654,341	2,439,857	2,793,569	2,916,045
Police Investigations & Comm Svc	1,439,411	1,591,007	2,679,941	3,003,206	3,192,126
Fire Administration	1,352,816	1,383,027	1,381,212	1,573,102	1,618,734
Fire Prevention	345,864	357,913	363,674	386,929	396,127
Fire Operations	15,258,130	15,599,681	15,507,442	16,294,578	16,987,248
Fire Training	92,483	232,543	252,455	267,718	274,601
Fire Emergency Preparedness	98,175	110,952	122,640	159,773	154,133
Public Works Administration	1,025,642	1,243,996	1,153,635	891,153	916,109
Engineering & Environ Comp	1,443,493	1,589,756	2,192,204	1,831,559	1,976,196
Engineering/Safety	41,727	82,884	168,808	-	-
Building Safety & Inspection	1,265,588	1,245,242	1,902,645	1,181,324	1,235,994
Economic Development	106,230	72,205	116,500	116,500	116,500
Capital Projects	474,069	433,833	576,028	-	-
Transportation Engineering	431,401	600,718	673,589	-	-
Street Maintenance	1,592,226	1,257,055	1,363,901	1,625,503	1,607,598
Building Maintenance/HVAC	1,945,273	1,701,131	1,427,148	1,427,148	1,454,947
Custodial Services	983,049	1,180,938	1,196,387	1,139,320	1,174,127
Parks	3,359,197	3,552,432	3,777,304	3,780,839	3,922,640
Urban Forestry	780,489	753,320	884,159	964,228	892,586
Planning	-	-	-	1,346,666	1,413,554
Property Management	318,849	376,845	615,661	204,473	207,871
Library Administration	962,187	1,080,995	1,115,421	1,173,659	1,204,253
Library Support Services	458,394	484,960	427,663	423,241	443,097
Library Reference Services	328,183	345,359	362,996	408,182	423,779
Library Youth Services	341,831	325,667	408,191	406,964	432,759
Library Readers Services	528,469	569,833	712,758	658,155	686,313
Museum	305,618	291,046	331,810	317,594	316,182
Conference Center Administration	478,760	501,012	593,313	786,317	793,987
Conference Center Sales	325,714	348,453	507,756	391,332	408,996
Conference Center Event Operations	944,107	1,109,391	889,031	1,016,025	1,063,939
Conference Center Maint/Landscape	448,735	365,083	513,654	507,579	514,485
Visitor Promotion	1,074,213	1,184,499	927,057	927,057	927,057
Harbor Administration	278,668	320,418	335,054	-	-
Harbor Maintenance	281,439	271,953	331,881	-	-
Harbor Security	67,830	100,147	47,535	-	-
Recreation Administration	960,325	1,054,024	1,087,977	1,182,985	1,218,447
Monterey Youth Center	378,108	382,719	434,388	443,269	453,350
Scholze Park Center	237,233	224,153	286,521	296,565	306,783
Archer Park Center	4,468	4,511	4,174	3,997	4,066
Hilltop Park Center	339,476	359,784	398,102	379,089	378,563
Casanova Oak Knoll Park Center	320,545	308,274	356,084	369,700	380,416
Recreation Special Programs/Events	506,569	517,937	611,869	603,627	619,037
Recreation Sports Programs	211,629	218,884	313,903	308,930	320,327
Monterey Sports Center	5,063,634	5,437,347	5,383,950	5,689,190	5,873,498
Community/Municipal Promotion	97,150	184,460	247,944	159,620	161,421
Intergovernmental Relations	195,742	176,584	202,623	229,223	229,223
Non-Departmental	399,634	328,825	470,228	292,091	292,379
Transfers Out	4,882,853	859,916	692,660	1,036,373	1,085,302
<b>Total General Fund</b>	<b>\$ 69,692,172</b>	<b>\$ 68,237,599</b>	<b>\$ 72,796,272</b>	<b>\$ 73,504,716</b>	<b>\$ 75,984,697</b>
<b>Special Revenue Funds</b>					
205 Sewer Mains	\$ 79	\$ -	\$ -	\$ -	\$ -
210 Wharf I Sprinkler System	13,768	10,388	20,600	20,600	20,600
215 Skyline Forest Service District	11,901	11,248	17,135	17,135	17,135
241 Federal/State Projects Fund	-	-	478,755	-	-
243 Grant Funds (240, 244, 246, 249, 250)	(107)	25,863	23,351	-	-
251 Gas Tax	-	-	22,000	-	-
254 Conference Center Facilities District	-	4,627	-	-	-
255 Construction Truck Impact Fee	2,589	2,077	-	-	-
261 Alvarado Street Maintenance District	76,159	75,703	94,816	97,698	99,414
262 Calle Principal Maintenance District	10,997	14,048	25,483	32,490	33,065

# SUMMARY OF EXPENDITURES AND TRANSFERS OUT

	2014-15 ACTUAL EXPENSES	2015-16 ACTUAL EXPENSES	2016-17 AMENDED BUDGET	2017-18 ADOPTED BUDGET	2018-19 ADOPTED BUDGET
252 Street Infrastructure Rehab Fund	-	-	-	-	-
263 So. Cannery Row Parking District	-	-	-	-	-
264 Parking Adjustment Fee - Fund A	-	-	-	-	-
266 Transportation Management	0	-	-	-	-
267 Cannery Row Parking Variances	0	-	-	-	-
268 RDA Housing Successor Agency	488,578	409,289	2,809,877	329,232	231,502
270 Community Development Block Grant	707,414	742,792	3,193,759	1,027,731	895,076
274 Home - Estrella	48,842	55,538	133,341	53,347	53,583
277 Park Dedication Fees	-	-	-	-	-
278 Home Grant	11	90	89,406	100,000	-
279 Sewer Line Maintenance	983,590	1,111,983	2,506,069	1,768,729	2,541,868
280 Storm Water Utility	927,416	873,479	1,447,456	1,290,651	1,324,403
281 Integrated Regional Watershed Mgmt	2	-	-	-	-
290 Water System Improvement	40	-	25,750	25,750	25,750
291 Public Safety Training & Services	62,555	30,306	79,485	75,000	75,000
292 Asset Seizure	-	1,000	5,000	22,000	22,000
295 Federal Emergency Management	-	-	-	-	-
298 Public Educ. & Government Access	-	-	150,000	-	-
299 Senior Center Programs	24,830	24,447	25,000	25,000	25,000
650 Presidio of Monterey Public Works	8,815,978	12,647,086	17,653,586	11,442,170	11,306,505
655 Navy Services	337,130	284,004	595,644	454,050	454,050
807 Tidelands Trust	235,303	44,275	610,596	1,734,767	1,865,429
810 Library Trust	141,773	114,228	208,025	199,509	121,480
818 Museum Trust	4,433	18,091	13,133	6,450	6,450
821 Scholze Trust	329	-	-	-	-
918 Conference Center Facilities District	-	2,002,150	485,023	2,560,759	3,490,535
961 Golden 55 Travelers	39,831	29,934	60,040	60,040	60,040
Transfers Out	198,459	231,000	156,000	541,663	425,617
<b>Total Special Funds</b>	<b>\$ 13,131,904</b>	<b>\$ 18,763,645</b>	<b>\$ 30,929,329</b>	<b>\$ 21,884,772</b>	<b>\$ 23,094,502</b>
<b>Debt Service Funds</b>					
310 Debt Service	\$ 541,619	\$ 548,911	\$ 545,986	\$ 550,070	\$ 547,573
640 Monterey Financing Authority (JPA)	107,184	40,943	414,275	423,000	-
Transfers Out	100,000	-	-	-	-
<b>Total Debt Service Funds</b>	<b>\$ 748,803</b>	<b>\$ 589,854</b>	<b>\$ 960,261</b>	<b>\$ 973,070</b>	<b>\$ 547,573</b>
<b>Enterprise Funds</b>					
600 Marina	\$ 1,845,966	\$ 1,526,872	\$ 2,207,830	\$ 2,105,729	\$ 2,163,632
610 Cemetery	176,974	162,506	211,288	200,437	206,400
625 Parking	6,469,521	5,502,080	8,486,772	8,498,683	8,711,275
641 Materials Recovery Facility	202,287	157,418	418,575	429,350	2,000
660 Institutional Network (I-NET) Fund	64	1,190	-	-	-
Transfers Out	748,812	1,120,802	622,507	499,001	513,971
<b>Total Enterprise Funds</b>	<b>\$ 9,443,624</b>	<b>\$ 8,470,868</b>	<b>\$ 11,946,973</b>	<b>\$ 11,733,199</b>	<b>\$ 11,597,278</b>
<b>Internal Service Funds</b>					
705 Equipment Replacement	\$ 726,739	\$ 645,940	\$ 1,393,143	\$ 1,081,727	\$ 36,227
708 Vehicle Maintenance	1,442,326	1,390,525	2,130,336	2,054,033	2,111,453
710 Information Services	2,654,889	2,833,972	4,950,985	3,733,601	3,556,846
715 Worker's Comp Insurance Trust	3,089,188	2,363,414	2,675,073	2,975,270	3,010,755
716 Liability & Property Insurance	1,585,561	424,087	1,222,271	1,175,439	1,232,824
718 Health Insurance Trust	7,647,852	8,375,246	8,275,888	8,275,888	8,275,888
Transfers Out	167,000	-	-	-	-
<b>Total Internal Service Funds</b>	<b>\$ 17,313,555</b>	<b>\$ 16,033,183</b>	<b>\$ 20,647,695</b>	<b>\$ 19,295,958</b>	<b>\$ 18,223,993</b>
<b>Agency Funds</b>					
314 RDA Obligation Retirement Fund	\$ 10,363	\$ 24,677	\$ 22,775	\$ -	\$ -
642 Ocean View Community Services District	18,990	6,370	27,000	27,000	27,000
900 Special Deposits Fund	35	-	-	-	-
952 MCVB Tourism BID	-	-	-	-	-
953 Cannery Row Business Imp District	-	-	-	-	-
955 N. Fremont Business Imp District	-	-	-	-	-
958 Downtown Promotion District	-	-	-	-	-
959 Wharf Promotion District	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Total Agency Funds</b>	<b>\$ 29,388</b>	<b>\$ 31,047</b>	<b>\$ 49,775</b>	<b>\$ 27,000</b>	<b>\$ 27,000</b>
<b>Total All Funds</b>	<b>\$ 110,359,446</b>	<b>\$ 112,126,196</b>	<b>\$ 137,330,306</b>	<b>\$ 127,418,716</b>	<b>\$ 129,475,043</b>

## Changes in Personnel Costs

The proposed budget includes 489.01 positions, a decrease of 0.25 full-time and regular part-time equivalent positions compared to the FY16/17 Amended Budget of 489.26 positions. This decrease is a result of the elimination of the listed positions that have been frozen for several years. These positions have either been replaced with contracted services or are no longer organizationally needed. In the case of the HCD Coordinator – Programs position, due to limitations established by HUD on administrative costs, funding is not likely to be available to fill this position in the foreseeable future. The elimination of these positions resulted in a decrease of 4.50 full-time equivalent positions.

Eliminated Positions
Assistant Director Plans & Public Works
Pest Control Advisor
Signal Maintenance Technician
Park Maintenance Supervisor
HCD Coordinator – Programs

While there are no new programs in the biennial budget, several changes to staffing have been made as a result of departments reviewing vacancies and staffing levels to better reflect workload demands. The Plans & Public Works department is undergoing a reorganization that will result in the elimination of the Deputy Director, Plans & Public Works. While the reorganization of staffing between departments resulted in no net change to position counts, 2.25 full-time equivalent positions are being added to respond to the needs of the Presidio of Monterey under the Intergovernmental Support Agreement. The additional positions are fully funded by the Army.

Two additional Police Officers have also been added to meet the Council priority to enhance public safety and work toward achieving adequate staffing levels to ensure proper service delivery to the community. One position will be assigned to and funded by the Tidelands Fund with the other position funded by the General Fund.

### Overall Personnel Cost Changes

The cost of health benefits continue to increase. Premium costs rose an average 3.24% overall for 2017. For FY17/18 and FY18/19, an estimated 3% annual increase is projected in the budget.

The most significant change in personnel cost continues to be the cost of employer contributions for the pensions of miscellaneous and public safety employees covered under the California Public Employees Retirement System (CalPERS). City's pension contribution rates to CalPERS have increased during the last ten years and are expected to continue to rise significantly in the years to come. In December 2016, the CalPERS Board of Administration voted to lower the expected return of investments discount rate from 7.5% to 7.0%. The reduction to the discount rate will be phased in over a three fiscal year period beginning in

FY18/19. This will increase the City normal cost rate, as well as impact the annual amount due for the Unfunded Actuarial Accrued Liability (UAAL).

In comparison to the FY16/17 Amended Budget, citywide pension costs are projected to increase by approximately \$1.7 million, or 15.77%, from \$10.9 million to \$12.6 million in FY17/18. In the FY18/19 Proposed Budget, pension costs are projected to increase by \$1.9 million, or 15.25%, from \$12.6 million to \$14.6 million.

On September 16, 2011 the City of Monterey amended its contract with CalPERS to incorporate cost-sharing of the City's employer rate. The current MOU for Safety-Fire (Classic) employees includes continued contribution of an additional 4% increasing to 5% during FY17/18. For Miscellaneous (Classic), cost-sharing continues at 3%. For Safety-Police (Classic), the status quo MOU terms where the cost-sharing expired June 30, 2015 have been in effect over the last two fiscal years. The newly negotiated MOU will reestablish a 3% cost-sharing for Safety-Police (Classic) commencing January 1, 2018.

Previously, the total pension obligation was a rate determined by combining the normal cost and the current amortized amount of UAAL as a percentage of total payroll. Beginning in FY17/18, CalPERS began splitting the employer contributions in two separate accounts receivable types: the normal cost portion billed as a percentage of payroll and the UAAL as a set dollar amount. The tables below shows the tiers, rates, savings from employer cost-sharing, and UAAL amounts:

FY2017-18	Tier 1 (Classic)	Normal	Employer Cost-Sharing per MOU	Adjusted Employer Rate	UAAL Amount	2nd Tier (PEPRA)	Normal	Employer Cost-Sharing per MOU	Adjusted Employer Rate	UAAL Amount
Miscellaneous	2.7% @ 55	11.052%	-3.000%	8.052%	\$4,760,109.00	2% @ 62	11.052%	0.000%	11.052%	***
Safety-Fire	3% @ 50	19.723%	-5.000%	15.723%*		2.7% @ 57	11.990%	0.000%	11.990%	\$ 541.00
Safety-Police	3% @ 50	19.723%	-3.000%	16.723%*	\$2,873,041.00**	2.7% @ 57	11.990%	0.000%	11.990%	\$ 19.00

\* Cost sharing for employees under Monterey Police Association (MPA) MOU is effective January 1, 2018. Cost sharing of 5% for Monterey Firefighters Association (MFFA) is effective upon amendment of PERS contract.

\*\* UAAL calculation for Safety is inclusive of Fire and Police.

\*\*\* UAAL calculation for Miscellaneous is inclusive of Classic and PEPRA.

Projected FY2018-19 (based on June 30, 2016 valuation)	Tier 1 (Classic)	Normal	Employer Cost-Sharing per MOU	Adjusted Employer Rate	UAAL Amount	2nd Tier (PEPRA)	Normal	Employer Cost-Sharing per MOU	Adjusted Employer Rate	UAAL Amount
Miscellaneous	2.7% @ 55	11.002%	-3.000%	8.002%	\$5,723,380.00	2% @ 62	11.002%	0.000%	11.002%	***
Safety-Fire	3% @ 50	20.556%	-5.000%	16.556%*		2.7% @ 57	12.141%	0.000%	12.141%	\$ 1,728.00
Safety-Police	3% @ 50	20.556%	-3.000%	17.556%*	\$3,548,266.00**	2.7% @ 57	12.141%	0.000%	12.141%	\$ 352.00

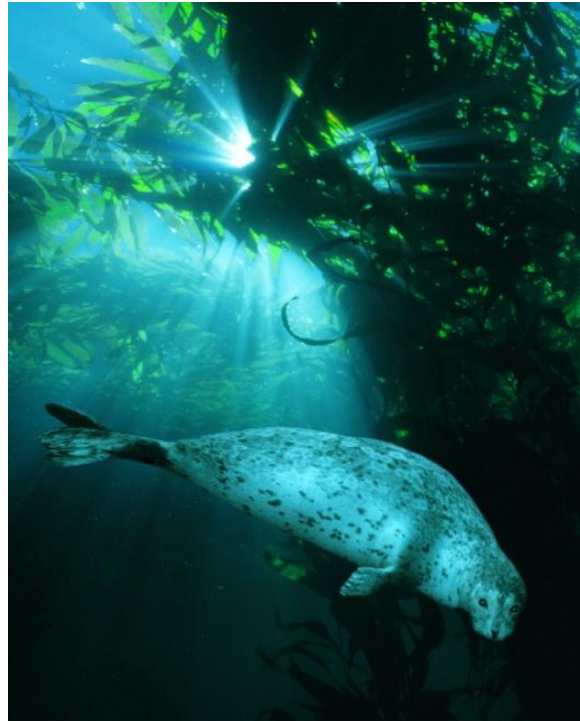
\*\* UAAL calculation for Safety is inclusive of Fire and Police.

\*\*\* UAAL calculation for Miscellaneous is inclusive of Classic and PEPRA.



With the implementation of the California Public Employees' Pension Reform Act (PEPRA) pension plan, the pension expense growth is projected to decrease in the long-term. As of June 2017, 96 or 22% of the City's current full-time employees are enrolled in the PEPRA pension benefit plan. This is up from 38 or 8% of the full-time employees in May 2015. In the near term, overall pension costs are expected to rise fueled by increases in the UAAL payments. Forecasts for the total UAAL show an increase of \$1.6 million or 16.74% for a total of \$10.8 million in FY19/20 and \$1.2 million or 11.25% for a total of \$12.0 million in FY20/21.

Despite efforts to contain costs, new mandates and enacted legislation continue to add significant fiscal challenges to local agencies across the nation. GASB Statement Nos. 74 and 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (replaces GASB Statement No. 45), establishes new accounting and financial reporting requirements for other post-employment benefits (OPEB) and the recognition and measurement of OPEB liabilities. This statement impacts the City's accounting and financial reporting related to retiree health care payment liabilities for eligible retirees. The current state mandated monthly contribution is \$128 per retiree with an increase in 2018 to \$133.



On March 2013, the City Council adopted a resolution authorizing the City of Monterey to enter into agreement with CalPERS to participate in the California Employers' Retiree Benefit Trust (CERBT). The City initiated the trust with the intent to fully fund the Annual Required Contribution (ARC) by the end of a five-year term. This goal was achieved in FY16/17 and contributions to maintain this goal are included in the proposed budget.

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**AUTHORIZED POSITION CONTROL LIST  
FISCAL YEARS 2017-19**

CITY MANAGER DEPARTMENT	Administration	Community Resources/ Education				Total Allocation
Fund 101	0210	0211				
Administrative Analyst	1.00	1.00				2.00
Administrative Assistant II	1.00					1.00
Assistant City Manager	1.00					1.00
City Manager	1.00					1.00
Media Assistant		1.00				1.00
Total City Manager Dept	4.00	2.00	-	-		6.00
INFORMATION SERVICES DEPARTMENT	City Clerk <sup>(1)</sup>	Information Services <sup>(2)</sup>				Total Allocation
Fund 101 <sup>(1)</sup> /710 <sup>(2)</sup>	0321	0340				
Director of Info. Res./City Clerk	0.50	0.50				1.00
Executive Assistant I	1.00					1.00
Senior Assistant City Clerk	1.00					1.00
GIS Coordinator		1.00				1.00
Information Solutions Manager		1.00				1.00
Network Analyst		1.00				1.00
Network Engineer		1.00				1.00
Network Specialist		2.00				2.00
Program Manager		1.00				1.00
Systems Analyst		3.00				3.00
Total Information Services Dept	2.50	10.50				13.00
CITY ATTORNEY DEPARTMENT	City Attorney Administration					
Fund 101	0500					
Assistant City Attorney	1.00					1.00
City Attorney	1.00					1.00
Deputy City Attorney II	0.75					0.75
Legal Secretary	1.00					1.00
Total City Attorney Dept	3.75					3.75
HUMAN RESOURCES	Administration <sup>(1)</sup>	Workers' Comp/ Employee Benefits <sup>(2)</sup>				Total Allocation
Fund 101 <sup>(1)</sup> /715 <sup>(2)</sup>	0600	0612				
Benefits Manager	0.25	0.75				1.00
Employee Relations Manager	1.00					1.00
Executive Assistant I	1.00					1.00
Human Resources Director	0.50	0.50				1.00
Human Resources Specialist	1.00	1.00				2.00
Senior Admin Analyst	0.13	0.13				0.25
Total Human Resources Dept	3.88	2.38				6.25
FINANCE DEPARTMENT	Finance Revenue Accounting <sup>(1)</sup>	Risk Management <sup>(2)</sup>				
Fund 101 <sup>(1)</sup> /716 <sup>(2)</sup>	1110/1120/1130	1143				
Accountant/Auditor	3.00					3.00
Accounting Assistant	3.00					3.00
Accounting Specialist	5.00					5.00
Assistant Finance Director	1.00					1.00
Executive Assistant I	0.50	0.50				1.00
Finance Analyst	1.40	0.60				2.00
Finance Director	0.90	0.10				1.00
Revenue Manager	1.00					1.00
Senior Accountant	1.00					1.00
Senior Admin Analyst	0.13	0.13				0.25
Administrative Services Manager						-
Total Finance Dept	16.93	1.33				18.25
POLICE DEPARTMENT	Administration	Field Operations	Support	Investigations/ Community Services	Investigations/Co mmunity Services <sup>(2)</sup>	
Fund 101 <sup>(1)</sup> /807 <sup>(2)</sup>	2110	2120	2130	2140	2140	
Administrative Analyst	1.00					1.00
Administrative Assistant I			3.00			3.00
Administrative Assistant II	1.00					1.00
Assistant Police Chief	1.00					1.00
Police Chief	1.00					1.00
Police Officer		27.00		11.00	1.00	39.00
Police Sergeant		6.00	1.00	2.00		9.00
Police Lieutenant			2.00	1.00		3.00
Community Service Officer				2.00		2.00
Police Services Technician			8.00			8.00
Records/Detention Supervisor			1.00			1.00
Senior Police Services Technician			3.00			3.00
Total Police Dept	4.00	33.00	18.00	16.00	1.00	72.00

**AUTHORIZED POSITION CONTROL LIST  
FISCAL YEARS 2017-19**

<b>FIRE DEPARTMENT</b>	<b>Administration</b>	<b>Fire Prevention &amp; Emerg. Preparedness</b>	<b>Fire Operations</b>	<b>Fire Training</b>
<b>Fund 101</b>	<b>2510</b>	<b>2520</b>	<b>2530</b>	<b>2540</b>
Administrative Analyst	1.00			1.00
Administrative Assistant I	0.75			0.75
Assistant Fire Chief	1.00			1.00
Executive Assistant I	1.00			1.00
Fire Chief	1.00			1.00
Fire Prevention Technician	1.00			1.00
Deputy Fire Marshal		1.00		1.00
Division Chief			3.00	3.00
Fire Captain			21.00	1.00
Fire Engineer			24.00	24.00
Firefighter			28.00	28.00
<b>Total Fire Dept</b>	<b>5.75</b>	<b>1.00</b>	<b>76.00</b>	<b>1.00</b>
<b>PLANS &amp; PUBLIC WORKS DEPARTMENT</b>	<b>Administration<sup>(1)</sup></b>	<b>Neighborhood Improvement Fund Admin<sup>(2)</sup></b>	<b>Presidio Maint. Admin<sup>(3)</sup></b>	
<b>Fund 101<sup>(1)</sup>/216<sup>(2)</sup>/650<sup>(3)</sup></b>	<b>3110</b>	<b>3110</b>	<b>3110</b>	
<b>Administration</b>				
Accounting Specialist	1.00			1.00
Assistant Dir Plans & Pw				-
Deputy City Mgr Plans & Pw				-
Executive Assistant I	1.00			1.00
Senior Administrative Analyst	1.00		1.00	2.00
Sustainability Coordinator	1.00			1.00
Principal Engineer		1.00		1.00
Accounting Assistant			1.00	1.00
Deputy City Attorney II			0.25	0.25
Quality Control Inspector			1.00	1.00
<b>Total Administration</b>	<b>4.00</b>	<b>1.00</b>	<b>3.25</b>	<b>-</b>
<b>Engineering</b>	<b>Engineering<sup>(1)</sup></b>	<b>Sewer Line Maintenance-Engineering<sup>(2)</sup></b>	<b>Storm Drain Engineering<sup>(3)</sup></b>	<b>Presidio Proj Engineering &amp; Admin<sup>(4)</sup></b>
<b>Fund 101<sup>(1)</sup>/279<sup>(2)</sup>/280<sup>(3)</sup>/650<sup>(4)</sup></b>	<b>3121</b>	<b>3121</b>	<b>3121</b>	<b>3159</b>
Administrative Assistant I	1.00			1.00
Administrative Assistant II	1.00			1.00
Associate Civil Engineer	3.85	0.15		4.00
Associate Engineering Surveyor	1.00			1.00
Capital Programs Coordinator	1.00			1.00
City Engineer	0.60	0.20	0.20	1.00
City Traffic Engineer	1.00			1.00
Construction Project Manager	1.00			1.00
Engineering Assistant	1.00			1.00
Engineering Technician	1.00	-		1.00
Principal Engineer	1.00			1.00
Public Works Inspector	3.00			3.00
Senior Engineer	1.10	0.60	0.30	1.00
Environmental Reg. Analyst		0.30	0.70	1.00
Environmental Reg. Manager			1.00	1.00
Associate Mechanical Engineer				1.00
<b>Total Engineering</b>	<b>17.55</b>	<b>1.25</b>	<b>2.20</b>	<b>2.00</b>
<b>Vehicle Management -Mechanical</b>	<b>Mechanical</b>			
<b>Fund 708</b>	<b>3154</b>			
Fleet and Streets Operations Manager	0.05			0.05
Automotive Mechanic	4.00			4.00
Field Assistant II	1.00			1.00
Fleet Coordinator	1.00			1.00
Lead Mechanic	1.00			1.00
<b>Total Vehicle Mgmt.-Mechanical</b>	<b>7.05</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Planning</b>	<b>Building Safety &amp; Inspection</b>		
<b>Community Development</b>				
<b>Fund 101</b>	<b>3400</b>	<b>3410</b>		
Administrative Assistant I		0.75		0.75
Administrative Assistant II	2.00	1.00		3.00
Chief Planning Eng & Env Comp	0.60			0.60
Principal Planner	2.65			2.65
Senior Associate Planner	1.83			1.83
Code Compliance Coordinator	1.00			1.00
Building Plans Examiner/Inspector		1.00		1.00
Building Technician		1.00		1.00
Chief Of Inspct Srvc/Bldg Off.		1.00		1.00
Inspector		3.00		3.00
<b>Total Community Development</b>	<b>8.08</b>	<b>7.75</b>	<b>-</b>	<b>-</b>

**AUTHORIZED POSITION CONTROL LIST  
FISCAL YEARS 2017-19**

<b>Housing &amp; Property Management</b>	<b>Property Mgmt<sup>(1)</sup></b>	<b>Property Mgmt<sup>(2)</sup></b>	<b>Housing Admin<sup>(3)</sup></b>	<b>Housing Admin<sup>(4)</sup></b>	<b>Housing Projects<sup>(4)</sup></b>	<b>Housing Projects<sup>(5)</sup></b>	
Fund 101 <sup>(1)</sup> /807 <sup>(2)</sup> /268 <sup>(3)</sup> /270 <sup>(4)</sup> /274 <sup>(5)</sup>	4300	4300	4305	4305	4310	4310	
Accounting Assistant			0.50		0.50		1.00
Administrative Analyst	0.15	0.85	0.50	0.50			2.00
Administrative Assistant II	0.15	0.85					1.00
Chief Planning Eng & Env Comp	0.10	0.30					0.40
HCD Coordinator - Projects/Prgm.			0.10	0.05	0.82	0.03	1.00
HCD Coordinator - Programs							-
Principal Planner			0.35				0.35
Property/Housing Manager	-					-	-
Senior Associate Planner					0.17		0.17
<b>Total Housing &amp; Property Mgmt</b>	0.40	2.00	1.45	0.55	1.49	0.03	5.92
<b>Building Maintenance</b>	<b>Building Maintenance<sup>(1)</sup></b>	<b>Presidio Maint. Bldgs<sup>(2)</sup></b>	<b>Presidio Camp Roberts<sup>(2)</sup></b>	<b>Presidio Naval Research<sup>(2)</sup></b>			
Fund 101 <sup>(1)</sup> /650 <sup>(2)</sup>	3152	3152	3163	3164			
Building Maintenance Craftworker	1.00	11.00	1.00	1.00			14.00
Electrician	1.00	3.00					4.00
General Srvc Superintendent	0.15	0.85					1.00
Maintenance Technician	0.25	0.75					1.00
Administrative Analyst		1.00					1.00
Administrative Assistant I		2.00					2.00
Administrative Assistant II		1.00					1.00
Building Maintenance Supervisor		2.00					2.00
Building Maintenance Worker	1.00	2.00					3.00
Facilities Maintenance Coordinator		1.00					1.00
Historic Facilities Sr. Craftworker		1.00					1.00
HVAC Senior Technician		1.00					1.00
Parts Clerk		1.00					1.00
Senior Craftworker	1.00	4.00	1.00				6.00
Senior Locksmith		1.00					1.00
Senior Parts Clerk		1.00					1.00
<b>Building Maintenance</b>	4.40	33.60	2.00	1.00			41.00
	<b>Maintenance<sup>(1)</sup></b>	<b>Presidio Maint. Streets<sup>(2)</sup></b>	<b>Sewer Maintenance<sup>(3)</sup></b>	<b>Storm Drain Maintenance<sup>(4)</sup></b>			
<b>Streets/Sewer/Stormdrain Maintenance</b>							
Fund 101 <sup>(1)</sup> /650 <sup>(2)</sup> /279 <sup>(3)</sup> /280 <sup>(4)</sup>	3151	3151	3153	3155			
Fleet and Streets Operations Manager	0.30	0.20	0.30	0.15			0.95
Laborer	2.00						2.00
Senior Street Maintenance Worker	1.00	1.00	2.00	1.00			5.00
Sign Craftworker	1.00						1.00
Signal Maintenance Technician							-
Street Maintenance Leadworker	0.74	0.13	0.13				1.00
Street Maintenance Worker	1.00	1.00	2.00				4.00
Street & Utilities Supervisor			1.00	1.00			
<b>Total Streets</b>	6.04	2.33	5.43	2.15			15.95
<b>Custodial Services</b>	<b>Custodial</b>						
Fund 101	3172						
Custodian	7.75						7.75
Facility Attendant	1.00						1.00
Senior Custodian	2.00						2.00
<b>Total Custodial Services</b>	10.75						10.75
<b>Parks</b>	<b>Maintenance<sup>(1)</sup></b>	<b>Presidio Maintenance<sup>(2)</sup></b>	<b>Street Maintenance District<sup>(3)</sup></b>	<b>Urban Forestry<sup>(1)</sup></b>	<b>Cemetery<sup>(4)</sup></b>		
Fund 101 <sup>(1)</sup> /650 <sup>(2)</sup> /261-262 <sup>(3)</sup> /610 <sup>(4)</sup>	3210	3210	3210	3230	3240		
Maintenance Technician	0.85			0.10	0.05		1.00
Park Attendant	1.00						1.00
Park Maintenance Craftworker	1.00						1.00
Park Maintenance Leadworker	2.00						2.00
Park Maintenance Supervisor	1.00						1.00
Park Maintenance Worker	8.60	1.00	0.40				10.00
Parks Crafts Leadworker	1.00						1.00
Park Operations Manager	0.80	0.03		0.15	0.02		1.00
Pest Control Advisor							-
Senior Park Maintenance Worker	3.00						3.00
Laborer	2.00						2.00
Assistant Urban Forester		0.50		0.50			1.00
Greenbelt Coordinator				1.00			1.00
Urban Forester				1.00			1.00
Cemetery Maintenance Worker					1.00		1.00
<b>Total Parks</b>	21.25	1.53	0.40	2.75	1.07		27.00
<b>COMMUNITY SERVICES DEPARTMENT</b>							
<b>Community Services-Recreation</b>	<b>Administration</b>						
Fund 101	5110						
Administrative Analyst	1.00						1.00
Administrative Assistant I	1.50						1.50
Community Services Director	0.50						0.50
Executive Assistant II	1.00						1.00
Recreation & Comm. Svcs. Mgr.	1.00						1.00
Recreation Supervisor	1.00						1.00
<b>Total Recreation</b>	6.00						6.00

**AUTHORIZED POSITION CONTROL LIST  
FISCAL YEARS 2017-19**

Community Services-Centers	Youth Center	Senior Center	Hilltop Park Center	Cona Park Center	Special Programs & Events	Sports
Fund 101	5121	5122	5124	5125	5130	5160
Lead Preschool Instructor	0.75		0.75	0.75		2.25
Recreation Coordinator	1.00	1.00	1.00	1.00		4.00
Recreation Specialist	0.75	0.75	0.75	0.75	1.00	4.75
After School Site Directors					0.75	0.75
Sports Coordinator						1.00
<b>Total Centers</b>	2.50	1.75	2.50	2.50	1.75	12.75
<b>Community Services-Sports Center</b>	<b>Operations</b>	<b>Maintenance</b>				
Fund 101	5180	5189				
Administrative Assistant II	2.00					2.00
Aquatics Coordinator	1.00					1.00
Aquatics Specialist I	0.75					0.75
Aquatics Specialist II	1.00					1.00
Control Cashier	3.00					3.00
Facility Attendant	5.75					5.75
Facility Coordinator	2.00					2.00
Fitness Manager	1.00					1.00
Group Exercise Coordinator	1.00					1.00
Guest Services Coordinator	1.00					1.00
Laundry Attendant	2.00					2.00
Lifeguard	0.75					0.75
Maintenance Specialist	1.00					1.00
Medical Records Assistant	1.00					1.00
Physical Therapist	1.50					1.50
Recreation Specialist	0.75					0.75
Senior Facility Attendant	1.00					1.00
Sports Center Manager	1.00					1.00
Sports Coordinator	1.00					1.00
Tot Activity Leader	0.75					0.75
Building Maintenance Craftworker		1.00				1.00
Senior Craftworker		1.00				1.00
<b>Total Sports Center</b>	29.25	2.00				31.25
<b>Community Services-Conference Center</b>	<b>Administration</b>	<b>Sales</b>	<b>Event Operations</b>	<b>Maintenance</b>		
Fund 101	6210	6220	6231	6232		
Community Services Director	0.13					0.13
Conference Center General Mgr	1.00					1.00
Administrative Assistant I	0.60					0.60
Event & Sales Office Assistant	0.75					0.75
Executive Assistant I						-
Special Event Coordinator	1.00					1.00
Sales Office Assistant		1.00				1.00
Director of Sales and Events		1.00				1.00
Event Supervisor			1.00			1.00
Events Coordinator			1.00			1.00
Facility Attendant			2.00			2.00
Operations Coordinator			1.00			1.00
Operations Supervisor			1.00			1.00
Senior Craftworker				1.00		1.00
<b>Total Conference Center</b>	3.48	2.00	6.00	1.00		12.48
<b>Community Services-Marina/Harbor</b>	<b>Administration<sup>(1)</sup></b>	<b>Maintenance<sup>(1)</sup></b>	<b>Security<sup>(1)</sup></b>	<b>Administration<sup>(2)</sup></b>	<b>Maintenance<sup>(2)</sup></b>	<b>Security<sup>(2)</sup></b>
Fund 600 <sup>(1)</sup> /807 <sup>(2)</sup>	6310	6320	6330	6410	6420	6430
Community Services Director	0.16			0.04		0.20
Administrative Assistant I	0.20					0.20
Executive Assistant I						-
Harbormaster	0.60			0.40		1.00
Marine Operations Specialist	1.00					1.00
Marine Operations Technician	0.50			0.50		1.00
Marina Harbor Assistant	0.80			0.20		1.00
Harbor Maintenance Craftworker		1.00			1.00	2.00
Harbor Maintenance Leadworker		0.50			0.50	1.00
Harbor Security Worker			2.78			0.98
<b>Total Marina/Harbor</b>	3.26	1.50	2.78	1.14	1.50	11.16

**AUTHORIZED POSITION CONTROL LIST  
FISCAL YEARS 2017-19**

Community Services-Parking	Administration	Enforcement	Maintenance	Attendant/ Cashier/Security		
Fund 625	6510	6520	6530	6540		
Accounting Assistant	2.75				2.75	
Accounting Specialist	1.00				1.00	
Administrative Assistant I	0.20				0.20	
Community Services Director	0.17				0.17	
Executive Assistant I					-	
Parking Revenue Supervisor	1.00				1.00	
Parking Superintendent	1.00				1.00	
Parking Attendant		1.00		4.00	5.00	
Parking Enforcement Officer		6.25			6.25	
Parking Enforcement Supervisor		1.00			1.00	
Parking Facility Worker				4.50	4.50	
Senior Parking Enforcement Off.		1.00			1.00	
Wharf Attendant		0.75			0.75	
Parking Controls Technician			2.00		2.00	
Parking Maintenance Supervisor			1.00		1.00	
Parking Maintenance Worker			2.00		2.00	
Senior Parking Controls Technician			1.00		1.00	
Senior Parking Craftsworker			1.00		1.00	
Senior Street Sweeper Operator			1.00		1.00	
Street Sweeper Operator			1.00		1.00	
Off-Street Parking Supervisor				1.00	1.00	
Senior Parking Attendant				2.00	2.00	
<b>Total Parking</b>	<b>6.12</b>	<b>10.00</b>	<b>9.00</b>	<b>11.50</b>	<b>36.62</b>	
<b>Community Services-Museum</b>	<b>Administration</b>					
Fund 101	6600					
Administrative Assistant I	0.50				0.50	
Cultural Arts Assistant	0.50				0.50	
Museum & Cultural Arts Mgr	0.50				0.50	
<b>Total Museum</b>	<b>1.50</b>				<b>1.50</b>	
<b>LIBRARY</b>	<b>Administration <sup>(1)</sup></b>	<b>Administration Trust <sup>(2)</sup></b>	<b>Support Services <sup>(1)</sup></b>	<b>Reference Services <sup>(1)</sup></b>	<b>Youth Services <sup>(1)</sup></b>	<b>Reader's Services <sup>(1)</sup></b>
Fund 101 <sup>(1)</sup> /810 <sup>(2)</sup>	5510	550-5510	5520	5530	5540	5550
Administrative Assistant II	1.00					1.00
Fund Development Coordinator	0.65	0.35				1.00
Library Director	1.00					1.00
Museum & Cultural Arts Mgr	0.50					0.50
Special Services Coordinator	1.00					1.00
Library Assistant I			0.75			0.75
Library Assistant II			1.00			4.25
Library Assistant III			1.00			2.00
Technology Services Specialist			1.00			1.00
Librarian				3.00	2.00	5.00
Youth Services Manager					1.00	1.00
Library Manager*						1.00
<b>Total Library</b>	<b>4.15</b>	<b>0.35</b>	<b>3.75</b>	<b>3.00</b>	<b>3.00</b>	<b>5.25</b>
<b>GRAND TOTAL</b>						<b>489.01</b>

\* Position changed from Reference & Reader Svcs. Manager to Library Manager after Position Control List adoption on Resolution 17-085.

**ADOPTED POSITION CONTROL LIST BY POSITION TITLE 2017-18 & 2018-19**

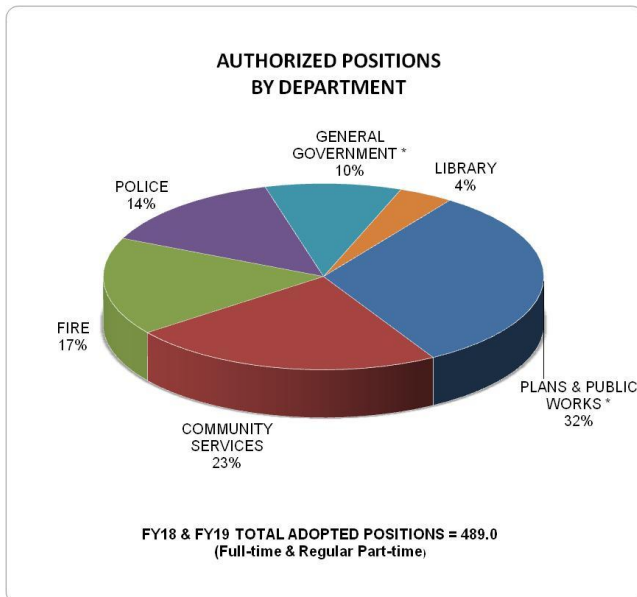
<b>Position Title</b>	<b>General Fund</b>	<b>Non General Fund</b>	<b>Total All Funds</b>
Accountant/Auditor	3.00	0.00	3.00
Accounting Assistant	3.00	4.75	7.75
Accounting Specialist	6.00	1.00	7.00
Administrative Analyst	5.15	2.85	8.00
Administrative Assistant I	8.10	2.40	10.50
Administrative Assistant II	9.15	1.85	11.00
After School Site Directors	0.75	0.00	0.75
Aquatics Coordinator	1.00	0.00	1.00
Aquatics Specialist I	0.75	0.00	0.75
Aquatics Specialist II	1.00	0.00	1.00
Assistant City Attorney	1.00	0.00	1.00
Assistant City Manager	1.00	0.00	1.00
Assistant Finance Director	1.00	0.00	1.00
Assistant Fire Chief	1.00	0.00	1.00
Assistant Police Chief	1.00	0.00	1.00
Assistant Urban Forester	0.50	0.50	1.00
Associate Civil Engineer	3.85	0.15	4.00
Associate Engineering Surveyor	1.00	0.00	1.00
Associate Mechanical Engineer	0.00	1.00	1.00
Automotive Mechanic	0.00	4.00	4.00
Benefits Manager	0.25	0.75	1.00
Building Maintenance Craftsworker	2.00	3.00	5.00
Building Maintenance Supervisor	0.00	2.00	2.00
Building Maintenance Worker	1.00	2.00	3.00
Building Plans Examiner/Inspector	1.00	0.00	1.00
Building Technician	1.00	0.00	1.00
Capital Programs Coordinator	1.00	0.00	1.00
Cemetery Maintenance Worker	0.00	1.00	1.00
Chief Of Inspct Srvc/Bldg Off.	1.00	0.00	1.00
Chief Planning Eng & Env Comp	0.70	0.30	1.00
City Attorney	1.00	0.00	1.00
City Engineer	0.60	0.40	1.00
City Manager	1.00	0.00	1.00
City Traffic Engineer	1.00	0.00	1.00
Code Compliance Coordinator	1.00	0.00	1.00
Community Service Officer	2.00	0.00	2.00
Community Services Director	0.63	0.37	1.00
Conference Center General Manager	1.00	0.00	1.00
Construction Project Manager	1.00	0.00	1.00
Control Cashier	3.00	0.00	3.00
Cultural Arts Assistant	0.50	0.00	0.50
Custodian	7.75	0.00	7.75
Deputy City Attorney II	0.75	0.25	1.00
Deputy Fire Marshal	1.00	0.00	1.00
Director of Info. Res./City Clerk	0.50	0.50	1.00
Director of Sales and Events	1.00	0.00	1.00
Division Chief	3.00	0.00	3.00
Electrician	1.00	3.00	4.00
Employee Relations Manager	1.00	0.00	1.00
Engineering Assistant	1.00	0.00	1.00
Engineering Technician	1.00	0.00	1.00
Environmental Reg. Analyst	0.00	1.00	1.00
Environmental Reg. Manager	0.00	1.00	1.00
Event & Sales Office Assistant	0.75	0.00	0.75
Event Supervisor	1.00	0.00	1.00
Events Coordinator	1.00	0.00	1.00
Executive Assistant I	4.50	0.50	5.00
Executive Assistant II	1.00	0.00	1.00
Facilities Maintenance Coordinator	0.00	1.00	1.00
Facility Attendant	8.75	0.00	8.75

<b>Position Title</b>	<b>General Fund</b>	<b>Non General Fund</b>	<b>Total All Funds</b>
Facility Coordinator	2.00	0.00	2.00
Field Assistant II	0.00	1.00	1.00
Finance Analyst	1.40	0.60	2.00
Finance Director	0.90	0.10	1.00
Fire Captain	21.00	1.00	22.00
Fire Chief	1.00	0.00	1.00
Fire Engineer	24.00	0.00	24.00
Fire Prevention Technician	1.00	0.00	1.00
Firefighter	28.00	0.00	28.00
Fitness Manager	1.00	0.00	1.00
Fleet and Streets Operations Manager	0.30	0.70	1.00
Fleet Coordinator	0.00	1.00	1.00
Fund Development Coordinator	0.65	0.35	1.00
General Srvc Superintendent	0.15	0.85	1.00
GIS Coordinator	0.00	1.00	1.00
Greenbelt Coordinator	1.00	0.00	1.00
Group Exercise Coordinator	1.00	0.00	1.00
Guest Services Coordinator	1.00	0.00	1.00
Harbor Maintenance Craftsworker	0.00	2.00	2.00
Harbor Maintenance Leadworker	0.00	1.00	1.00
Harbor Security Worker	0.00	3.76	3.76
Harbormaster	0.00	1.00	1.00
HCD Coordinator - Projects/Prgm.	0.00	1.00	1.00
Historic Facilities Sr. Craftsworker	0.00	1.00	1.00
Human Resources Director	0.50	0.50	1.00
Human Resources Specialist	1.00	1.00	2.00
HVAC Senior Technician	0.00	1.00	1.00
Information Solutions Manager	0.00	1.00	1.00
Inspector	3.00	0.00	3.00
Laborer	4.00	0.00	4.00
Laundry Attendant	2.00	0.00	2.00
Lead Mechanic	0.00	1.00	1.00
Lead Preschool Instructor	2.25	0.00	2.25
Legal Secretary	1.00	0.00	1.00
Librarian	5.00	0.00	5.00
Library Assistant I	0.75	0.00	0.75
Library Assistant II	4.25	0.00	4.25
Library Assistant III	2.00	0.00	2.00
Library Director	1.00	0.00	1.00
Library Manager	1.00	0.00	1.00
Lifeguard	0.75	0.00	0.75
Maintenance Specialist	1.00	0.00	1.00
Maintenance Technician	1.20	0.80	2.00
Marina Harbor Assistant	0.00	1.00	1.00
Marine Operations Specialist	0.00	1.00	1.00
Marine Operations Technician	0.00	1.00	1.00
Media Assistant	1.00	0.00	1.00
Medical Records Assistant	1.00	0.00	1.00
Museum & Cultural Arts Mgr	1.00	0.00	1.00
Network Analyst	0.00	1.00	1.00
Network Engineer	0.00	1.00	1.00
Network Specialist	0.00	2.00	2.00
Off-Street Parking Supervisor	0.00	1.00	1.00
Operations Coordinator	1.00	0.00	1.00
Operations Supervisor	1.00	0.00	1.00
Park Attendant	1.00	0.00	1.00
Park Maintenance Craftsworker	1.00	0.00	1.00
Park Maintenance Leadworker	2.00	0.00	2.00
Park Maintenance Supervisor	1.00	0.00	1.00
Park Maintenance Worker	8.60	1.40	10.00

# ADOPTED POSITION CONTROL LIST BY POSITION TITLE 2017-18 & 2018-19

Position Title	General Fund	Non General Fund	Total All Funds
Park Operations Manager	0.95	0.05	1.00
Parking Attendant	0.00	5.00	5.00
Parking Controls Technician	0.00	2.00	2.00
Parking Enforcement Officer	0.00	6.25	6.25
Parking Enforcement Supervisor	0.00	1.00	1.00
Parking Facility Worker	0.00	4.50	4.50
Parking Maintenance Supervisor	0.00	1.00	1.00
Parking Maintenance Worker	0.00	2.00	2.00
Parking Revenue Supervisor	0.00	1.00	1.00
Parking Superintendent	0.00	1.00	1.00
Parks Crafts Leadworker	1.00	0.00	1.00
Parts Clerk	0.00	1.00	1.00
Physical Therapist	1.50	0.00	1.50
Police Chief	1.00	0.00	1.00
Police Lieutenant	3.00	0.00	3.00
Police Officer	38.00	1.00	39.00
Police Sergeant	9.00	0.00	9.00
Police Services Technician	8.00	0.00	8.00
Principal Engineer	1.00	1.00	2.00
Principal Planner	2.65	0.35	3.00
Program Manager	0.00	1.00	1.00
Public Works Inspector	3.00	0.00	3.00
Quality Control Inspector	0.00	1.00	1.00
Records/Detention Supervisor	1.00	0.00	1.00
Recreation & Comm. Svcs. Mgr.	1.00	0.00	1.00
Recreation Coordinator	4.00	0.00	4.00
Recreation Specialist	5.50	0.00	5.50
Recreation Supervisor	1.00	0.00	1.00
Revenue Manager	1.00	0.00	1.00
Sales Office Assistant	1.00	0.00	1.00
Senior Accountant	1.00	0.00	1.00
Senior Administrative Analyst	12.50	1.25	13.75
Senior Assistant City Clerk	1.00	0.00	1.00

Position Title	General Fund	Non General Fund	Total All Funds
Senior Associate Planner	1.83	0.17	2.00
Senior Craftsworker	3.00	5.00	8.00
Senior Custodian	2.00	0.00	2.00
Senior Engineer	1.10	1.90	3.00
Senior Facility Attendant	1.00	0.00	1.00
Senior Locksmith	0.00	1.00	1.00
Senior Park Maintenance Worker	3.00	0.00	3.00
Senior Parking Attendant	0.00	2.00	2.00
Senior Parking Controls Technician	0.00	1.00	1.00
Senior Parking Craftsworker	0.00	1.00	1.00
Senior Parking Enforcement Off.	0.00	1.00	1.00
Senior Parts Clerk	0.00	1.00	1.00
Senior Police Services Technician	3.00	0.00	3.00
Senior Street Maintenance Worker	1.00	4.00	5.00
Senior Street Sweeper Operator	0.00	1.00	1.00
Sign Craftsworker	1.00	0.00	1.00
Special Event Coordinator	1.00	0.00	1.00
Special Services Coordinator	1.00	0.00	1.00
Sports Center Manager	1.00	0.00	1.00
Sports Coordinator	2.00	0.00	2.00
Street & Utilities Supervisor	0.00	2.00	2.00
Street Maintenance Leadworker	0.74	0.26	1.00
Street Maintenance Worker	1.00	3.00	4.00
Street Sweeper Operator	0.00	1.00	1.00
Sustainability Coordinator	1.00	0.00	1.00
Systems Analyst	0.00	3.00	3.00
Technology Services Specialist	1.00	0.00	1.00
Tot Activity Leader	0.75	0.00	0.75
Urban Forester	1.00	0.00	1.00
Wharf Attendant	0.00	0.75	0.75
Youth Services Manager	1.00	0.00	1.00
<b>Total</b>	<b>353.10</b>	<b>135.91</b>	<b>489.01</b>



## DID YOU KNOW?

City employees participate in one of two CalPERS retirement programs. In the older Tier 1 system, through negotiated agreements, City employees voluntarily cost-share part of the employer's contribution (3% for "miscellaneous" employees and Police, and 4% for Fire) in addition to paying their own employee portion.

	2015-16 Amended	2016-17 Adopted	2016-17 Amended	2017-18 Adopted	2018-19 Adopted
PLANS & PUBLIC WORKS *	156.00	154.00	157.00	154.75	154.75
COMMUNITY SERVICES	111.26	110.50	111.76	111.76	111.76
FIRE	80.75	80.75	83.75	83.75	83.75
POLICE	70.00	70.00	70.00	72.00	72.00
GENERAL GOVERNMENT *	46.25	46.25	47.25	47.25	47.25
LIBRARY	19.50	19.25	19.50	19.50	19.50
<b>TOTAL</b>	<b>483.76**</b>	<b>480.75</b>	<b>489.26</b>	<b>489.01</b>	<b>489.01</b>
* Includes positions related to Internal Service divisions.					
**Corrected from Proposed Budget					

## Department Narratives – Overview

Department narratives, which include each department's mission, fiscal year 2015–17 accomplishments, goals for the 2017–19 biennium, and highlights of changes to the department's 2017–19 adopted budget.

Accompanying the narratives are visual displays of data – charts of the department's budget history by fund, authorized positions by area and a comparison to the citywide total in pie chart format, and performance data or statistics that show what the department does.

Since this section is somewhat new, some departments have limited historical data. As we continue this tradition, we hope to refine which data are useful and develop a richer history of data-reporting to enhance transparency and understanding of how the City serves its citizens.

The order of the narratives is:

- City Council
- City Manager's Office
  - Communications & Outreach
- City Attorney's Office
- City Clerk's Office
- Information Service
- Human Resources
- Finance
  - Risk Management
- Fire
- Police
- Plans and Public Works
  - Engineering
  - Maintenance Services
  - Community Development
- Community Services
  - Monterey Conference Center
  - Harbor and Marina
  - Museum and Cultural Arts
  - Parking
  - Recreation
  - Monterey Sports Center
- Library

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Finance	2,160,335	2,131,423	2,428,096	2,569,854	2,704,777
<b>General Fund</b>					
Total General Fund	2,160,335	2,131,423	2,428,096	2,569,854	2,704,777
Debt Service	541,619	548,911	545,980	550,070	547,573
<b>Debt Service Fund</b>					
Monterey Financing Debt Service Fund	107,184	40,943	414,275	423,000	0
Total Debt Service Funds	648,803	589,854	960,261	973,070	547,573
Liability & Property Internal Service Fund	1,585,561	424,087	1,222,271	1,175,439	1,232,824
Total Internal Service	1,585,561	424,087	1,222,271	1,175,439	1,232,824
Special Deposits Fund	35	0	0	0	0
<b>Agency Fund</b>					
Total Agency Fund	35	0	0	0	0
<b>Total All Funds</b>	<b>4,394,734</b>	<b>3,145,364</b>	<b>4,610,628</b>	<b>4,718,362</b>	<b>4,485,174</b>

Permanent Positions	FY18	FY19
Finance, Revenue, Accounting, Administration	16.93	16.93
Risk Management	1.32	1.32
<b>Total</b>	<b>18.25</b>	<b>18.25</b>

Risk Measurements	CY13	CY14	CY15	CY16
Number of contracts and other legal agreements reviewed	610	495	436	587
Claims Opened	23	42	40	38
Claims Closed	32	32	42	42
Denied	22	14	23	27
Court Decision	1	0	1	1
Paid	9	18	18	13
Tendered	0	0	0	1

\*Risk Measurements are on a calendar year basis

- Department budgets are listed by fund type, with historical actual from FY15 and FY16, budgeted amount (with any mid-year amendments) for FY17, and adopted budgets for FY18 and FY19.
- Permanent positions are listed by division for both FY18 and FY19.
- The pie chart depicts the department's position count in comparison to the citywide position total.
- Performance measurements or other types of program indicators are listed at the bottom unless otherwise indicated



## City Council

Mission: The Monterey City Council will provide visionary policy and legislative leadership that assures a safe, healthy, and economically vibrant community. Anda!

Monterey is committed to being a model city for its quality of life driven by responsiveness of local government, historical, and cultural preservation, mobility opportunities emphasizing pedestrians over vehicles, economic sustainability, a strong sense of place, and good stewardship of the natural environment



This photo is used courtesy of the Monterey Public Library, California History Room Archives.

Regular City Council meetings are held on the first and third Tuesdays of each month at 4 and 7 pm in the Council Chamber. Meetings are broadcast live on the Monterey Channel on cable channel 25 and streamed live on the web.

## Accomplishments 2015–17 Biennium

- Monterey Conference Center renovation continues moving forward – Completion of Conference Center to be expected within FY17/18.
- Monterey was named “Great American Defense Communities”.
- City joined the “Hidden Heroes” campaign – an organization trying to provide help to military caregivers.
- Completed evaluation of military installations in Monterey and Monterey County as part of preparation for possible Base Closures
- Measure P (the four year, one-cent sales tax increase) continues to upgrade the City’s sidewalks, streets and storm drain system.
- Joined Community Choice Aggregation – a tri-county Joint Powers Agency, which has the goal to provide residents with clean energy at equal or lower rate than PG&E.
- Continued to restore “Reserve for Economic Uncertainty” to prepare for next economic downturn and challenges.

- Construction on Highway 68 roundabout near Pebble Beach nearly completed with minimal impact on visitors and community, funded mainly by grants and private contributions.
- Worked with stakeholders on implementing guidelines to manage City properties.
- Created more regional partnership opportunities to help fund homeless housing opportunities, such as the Veteran's Transitions Center in Marina, and Safe Place, Monterey.
- Awarded Housing Project for low to very low income senior housing project on City property.

### Goals for 2017–19 Biennium

- Celebrate the grand reopening of the Monterey Conference Center.
- Start and complete grant funded transportation improvements on North Fremont Street.
- Complete Measure P work and assess future infrastructure funding needs and consider a possible sales tax measure to extend the funding.
- Prepare strategy to address future projected budget deficit.



#### DID YOU KNOW?

The City Seal was adopted by the City Common Council on April 10, 1850. It had been designed earlier that same year by Lieutenant Alfred Sully, son of the celebrated American portrait painter, Thomas Sully, and one of a small group of U.S. Army officers stationed in Monterey at the time.

The shield is green to represent the lush surroundings of the City. The anchor, sheaf, horse, and bull are meant to demonstrate the founders' aspiration for commerce to play an important role in the City's future. The rising sun expresses the hope that Monterey will have a bright future. The motto means "onward" in Spanish and conveys Monterey's hope for continued forward growth.

## City Manager's Office

The City Manager's Office is responsible for:

- Organizing and implementing Council policies.
- Preparing and administering the City budget.
- Inter-governmental relations.
- Personnel and labor relations.



*This photo is used courtesy of the City of Monterey.*

The City Manager appoints a professional staff to help manage the organization. The City's executive management team includes:

- |                                  |   |
|----------------------------------|---|
| • City Manager                   | • Director of Information Services & City Clerk |
| • City Attorney                  | • Finance Director                              |
| • Assistant City Manager         | • Fire Chief                                    |
| • Public Works Director          | • Police Chief                                  |
| • Community Development Director | • Library Director                              |
| • Community Services Director    |   |

## Accomplishments 2015–17 Biennium

- Hired a new Library Director, Finance Director and Human Resources Director.
- Presented a balanced budget and increased funding for economic uncertainty reserves.
- Helped shape and organize events all around Monterey Pop festival 50<sup>th</sup> anniversary, which resulted in great national exposure.
- Worked with HBO production of “Big Little Lies” team to ensure Monterey as main filming location.
- Added to Monterey's recreational opportunities by initiating and constructing a NIP funded basketball outdoor court as well as bringing back community events such as the “Easter Egg Hunt.”
- Strengthened Monterey's status as military community and premier location for language training and post graduate work. City received prestigious Army Community Partnership Award.
- Established partnership with Old Monterey Foundation to improve and preserve history of Lower Presidio Park.
- Increased timely spending of federal funds for housing projects.

## Communications & Outreach Office

### Accomplishments 2015–17 Biennium

- **New websites** from clean install to eliminate old code and existing issues, including new design and functionality for custom sites Monterey.org, Police, Fire, Sports Center, Monterey Conference Center, @Work – June 2016
- Improved **digital accessibility** compliance, including 3<sup>rd</sup> party products we link to including NeoGov; added Google Translate to websites
- **Email campaign:** increased subscribers to City Focus, resurrected Construction E-News; expanded reporting tools; moved other city offices to use Constant Contact to send email news about meetings
- First office booth at 4<sup>th</sup> of July to promote campaign & first photo contest
- Re-draft of **Monterey Model** brochure & magazine-style and Call to Action reports
- Expand and define **Sister City program** with guiding document; Sister Cities International Award for Economic Development with sister city, Dubrovnik
- **Summer of Love campaign** graphics, web page, promotion, hours of oral history's video-documented into an exclusive series, available by video, transcript, or podcast.
- **New communications templates and guides** for news releases, key messages, talking points, communications plans, media interview tips; expanded and organized contact lists
- **Social media:** Joined NextDoor in 2016; Winner of "Best Government Use of Social Media" in Monterey County Weekly's Best of 2016 issue; office featured in February 2017 Monterey County Herald article "Monterey a social media example for other cities"; Twitter and Facebook both got verified account checks as being the gold standard.
- **AMP TV changes:** updated all songs for VoD of meetings; transfer links to new Telvue programming
- **Public Information Officer (PIO) Team:** recruited new staff including Spanish-speaker, recreated PIO binders
- Excellent communications on all the **construction projects**.



This photo is used courtesy of the City of Monterey.



## Goals for 2017–19 Biennium

- Expanded training for new PIO team
- Develop a more robust and cohesive overall communications plan
- Find new ways to support executive staff; bring in media training
- Redesign museums website; move conference center site to outside vendor
- Support and design new Hansen service request and I-SEARCH front-end user interfaces
- Expand, define and find ways to fund sister city program
- Rebrand the city
- Find creative new ways to showcase the city and city staff
- Co-develop a mobile app. with Information Services Department
- Define key performance indicators and start measuring

## Budget Highlights for 2017–19 Biennium

The Communications and Outreach Office staff was reduced to two full time positions, and the management role was changed from a Communications and Outreach Manager position to an Administrative Analyst position.



One of our most popular posts announced the reopening of Dennis the Menace Park.

## Budget, Authorized Positions and Performance Measurements

City Council, City Manager's Office, and Communications & Outreach Office

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
City Council (CC) <i>General Fund</i>	128,698	127,880	134,424	127,601	121,937
City Manager's Office (CMO) <i>General Fund</i>	764,184	796,415	810,849	1,025,501	1,059,327
Community/Municipal Promotion <i>General Fund</i>	97,150	184,460	247,944	159,620	161,421
Intergovernmental Relations <i>General Fund</i>	195,742	176,584	202,623	229,223	229,223
Communications & Outreach <i>General Fund</i>	338,672	375,471	412,013	330,523	345,429
<b>Total General Fund</b>	<b>1,524,445</b>	<b>1,660,810</b>	<b>1,807,853</b>	<b>1,872,468</b>	<b>1,917,337</b>
Public Education & Government <i>Special Revenue Fund</i>	0	0	150,000	0	0
<b>Total Special Revenue Fund</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>0</b>
<b>Total All Funds</b>	<b>1,524,445</b>	<b>1,660,810</b>	<b>1,957,853</b>	<b>1,872,468</b>	<b>1,917,337</b>

Full Time Equivalents (FTEs)	FY18	FY19
City Council*	0	0
City Manager's Office	4	4
Communications & Outreach (division of CMO)	2	2
<b>Total * elected officials are not part of the position control list</b>	<b>6</b>	<b>6</b>

Measurements	
Web (Monterey.org) FY15-17	
Sessions	1,905,803
Users	1,229,188
Page Views	4,173,216
Avg. Page Views/month	200,000
YouTube	
Views/month	10,000
Countries	200
Instagram/Facebook/Twitter	
Views/month	500,000
New subscribers/month	1,000+
Email	
Total Subscribers	7,500+
New 2017 subscribers	1,200+



## City Attorney's Office

The goal of the Monterey City Attorney's Office is to provide quality professional legal services to the City Council, boards, commissions, and staff in an efficient and cost effective manner.

This includes offering advice that is reliable, timely and useful; and effective legal advocacy and representation of the City in litigation.

### Accomplishments 2015–2017 Biennium

- Researched, edited, and/or crafted numerous City Code amendments and ordinances including, but not limited to:
  - Senate Bill 2 (emergency homeless shelter overlay zone)
  - Accessory Dwelling Units
  - Parking lot hours for parks
  - Purchasing
  - Prohibiting advertising of short term rentals
  - Employment of relatives
  - Prohibiting alcohol on the beach without a permit
- Participated in the League of California Cities, City Attorney's Department, Legal Advocacy Committee
- Successfully concluded a number of civil litigation cases including a defense verdict in a dangerous condition of public property jury trial, City Code misdemeanor prosecutions, and *Pitchess* motions (defense attorneys seeking peace officer personnel file information).
- Implemented "Walk-in Wednesdays" – open house office hours to advise staff. The City Attorney's Office had 360 visits from staff requesting legal advice.
- Conducted Brown Act, California Environmental Quality Act, Conflicts of Interest, and Public Records Act trainings.
- Provided legal review and advice regarding a variety of CIP, Measure P, and NIP projects/contracts.

**QUICK STATS:** in the past fiscal year, the City Attorney's Office has...

- Provided legal review of 495 contracts and other legal agreements
- Provided oversight of over 130 California Public Records Act

#### DID YOU KNOW?

Monterey is a "charter city" (as opposed to a "general law city"). The Charter empowers the City to regulate and adopt its own procedures and organization. The Charter is adopted and amended by the voting public, and is the basic body of law for the City.

## Goals for 2017–19 Biennium

The goals of the City Attorney's Office include:

- Continuing to provide high quality and vigorous litigation representation of the City to protect City interests and resources.
- Staying abreast of all legislative and case law rulings to ensure the City's ordinances, resolutions, policies and practices are in compliance with the law.
- Continuing to supply timely, proactive and accurate legal advice to Council and staff in order to prevent legal difficulties from arising in the future.

The City Attorney will strive to accomplish as much of this work in-house and minimize use of outside legal counsel whenever possible.

## Budget Highlights for 2017–19 Biennium

The City Attorney's Office will soon be hiring a new Deputy City Attorney to enable the City Attorney's Office to continue to provide high quality legal services to the City. This new position replaces the Paralegal position.

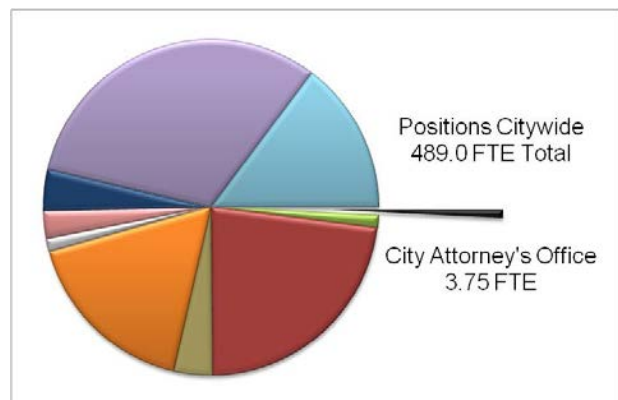
## City Attorney's Office Budget and Authorized Positions

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
City Attorney	813,734	882,531	928,628	962,573	992,982
<b>Total General Fund</b>	<b>813,734</b>	<b>882,531</b>	<b>928,628</b>	<b>962,573</b>	<b>992,982</b>

Full Time Equivalents (FTEs)	FY18	FY19
City Attorney's Office	3.75	3.75
<b>Total</b>	<b>3.75</b>	<b>3.75</b>

### DID YOU KNOW?

Hank Ketcham, the creator of the cartoon character "Dennis the Menace," purchased property located at 512 Pierce Street in 1983. He refurbished the house as his studio, where he and his assistant cartoonists worked daily on the cartoon strip. In 1995, the City of Monterey acquired Hank Ketcham's studio, which is now the offices of the City Attorney.





## City Clerk's Office

The City Clerk's Office has three employees, and duties include administration of:

- City Council meetings and legislation
- Boards, Committees, and Commissions
- Elections and campaign reporting
- Public records and records management
- California Political Reform Act
- Various Administrative Services



*This photo is used courtesy of the City of Monterey.*

### Accomplishments for 2015–2017 Biennium

- Conducted a successful Election of two Council Members and the Mayor
- Processed three successful ballot measures, including a Charter Amendment.
- Assumed responsibility for the administration of the Monterey Peninsula Regional Water Authority meetings, increasing revenue to the City.
- Administered 116 public City Council meetings, processing 499 resolutions and 53 ordinances and following up on a variety of Council actions.
- Updated the City's Conflict of Interest Code to maintain compliance with California's Political Reform Act
- Digitized 4,225 legal agreements: 3,388 historic documents (includes deeds and tidelands leases) and 867 current documents via workflow. These are in addition to the aforementioned legislative documents.
- Reduced postage costs by more than 5%
- Implemented a new, more transparent process for Board and Commission appointments

### Goals for 2017–19 Biennium

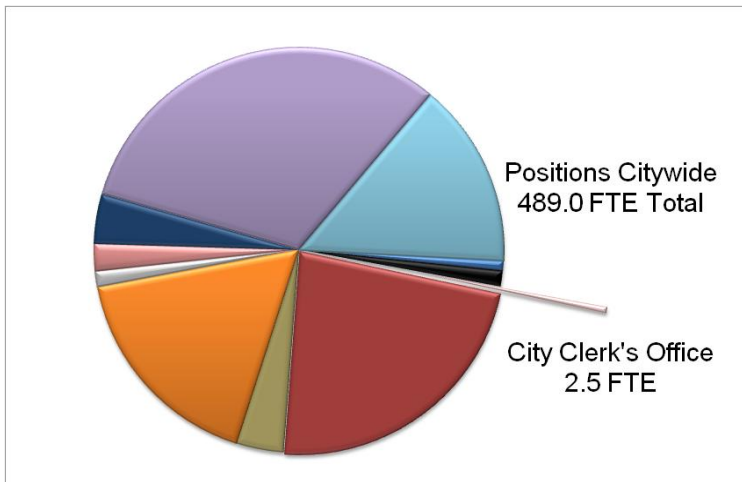
- Work with Information Services Division to upgrade the City's Enterprise Content Management System
- Review and modify as necessary agenda and legal agreement electronic workflow processes
- Continue ongoing training and education, with our newest staff member on track to obtain her Certified Municipal Clerk designation this year

- Continue to digitize archived and current public records for greater public access and transparency
- Conduct 2018 general municipal election.
- Maintain and update the Monterey Municipal Code.
- Update the City's Conflict of Interest Code in 2018

### City Clerks's Office Budget, Authorized Positions, and Performance Measurements

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
City Clerk	401,533	436,187	548,666	550,206	564,515
<b>Total General Fund</b>	<b>401,533</b>	<b>436,187</b>	<b>548,666</b>	<b>550,206</b>	<b>564,515</b>

Full Time Equivalents (FTEs)	FY18	FY19
City Clerk's Office	2.5	2.5
<b>Total</b>	<b>2.5</b>	<b>2.5</b>



#### DID YOU KNOW?

California's anti-secret meeting law - the **Brown Act** - allows contact with public officials; however, it does not permit discussions that allow a majority of a council or commission to arrive at a "collective concurrence." That is, if before a meeting enough of the council or commission agree to support or deny a project, a violation of the law occurs.

Measurements	FY 15-17
Number of City Council meetings (regular, special, closed) supported and packets produced	116
Number of legal agreements processed and scanned	867
Number of agenda reports processed	985
Number of resolutions processed	499
Number of ordinances processed and codified	53
Number of City board, commission, and committee members' appointments (or reappointments) coordinated	44

## Information Services

Mission: to provide responsive, quality, and cost-effective information technology solutions and services that enable City departments to be successful in achieving their respective missions, striving always to exceed expectations.

### Accomplishments for 2015–17 Biennium

- Completed various phases of the Networking Refresh Project:
  - Prepared specifications for switches, routers, VPN, firewalls, wireless, and phones, in conjunction with the Monterey Conference Center remodel project
  - Upgraded wireless access at the Library and Sports Center
  - Replaced numerous network switches, and routers
  - Upgraded the City's VOIP telephone system (old phones were used as a trade-in and will be recycled)
  - New Firewalls installed
- Upgraded Cellular phones, replacing 133 existing cellular telephones
- Installed County CAD (Computer Aided Dispatch) replacement on Mobile Communications Terminals
- Implemented a variety of new and upgraded software across City departments: backup system for Police Department surveillance video, Web access for Gasboy software, new Energy Center to replace the Utility Manager system, new employee scheduling system for the Parking Division, upgraded Recreation server, upgraded Eden financial software
- Completed data conversion, integration, and implementation of new Hansen Software, upgrading Public Works' work order system and implementing a new software system for Planning's permitting process.
- Conducted extensive training for the new Hansen system
- Installed hardware across City Departments: technology infrastructure in a temporary location for the Conference Center staff, new projectors in the Emergency Operations Center and Information Services Classroom, new modems for Fire vehicle mobile devices, new copier in the Recreation Administration building, equipment and software for General Services (Presidio) Security Cameras
- Completed configuration for a new McAfee server and deployed updated security software to City computers.
- On-boarded a new employee (Systems Analyst)
- Converted alarm Systems at Doc Rickets Lab and Presidio Museum to cellular technology

#### QUICK STATS:

- Over 2,000 Technology requests processed last year
- The City has over 177 Terabytes of Data

## Goals for FY 2015–17 Biennium

- Complete Data Center (Room 3) remodel
- Complete the New Conference Center Data Center:
  - Install racks and mount servers and install network hardware, fiber, etc.
  - Install Digital display hardware and software
  - Conduct testing and training as necessary
- Upgrade Enterprise Content Management System and convert and import existing data into new system
- Automate move of the the City's work processes, such as invoice processing and personnel actions
- Install 282 video security cameras in various locations, including parking garages, the new Conference Center, and the Corporation Yard
- Upgrade to Microsoft Office 2016
- Implement Watchguard Body Cams and upgrade in-car video for Police
- Install an access control system at Police Station and other City facilities
- Implement a new Network monitoring system
- Implement new Help Desk technology
- Cultivate partnerships with nearby agencies to provide Information Technology services
- Install new SAN storage devices

### DID YOU KNOW?

Radio station 1610 AM is your link to important information during an emergency or disaster. In the event of an emergency, the City would broadcast messages on everything from road closures to emergency shelter locations. Most days, 1610 AM provides points of interest within the City and parking information.

## Capital Considerations

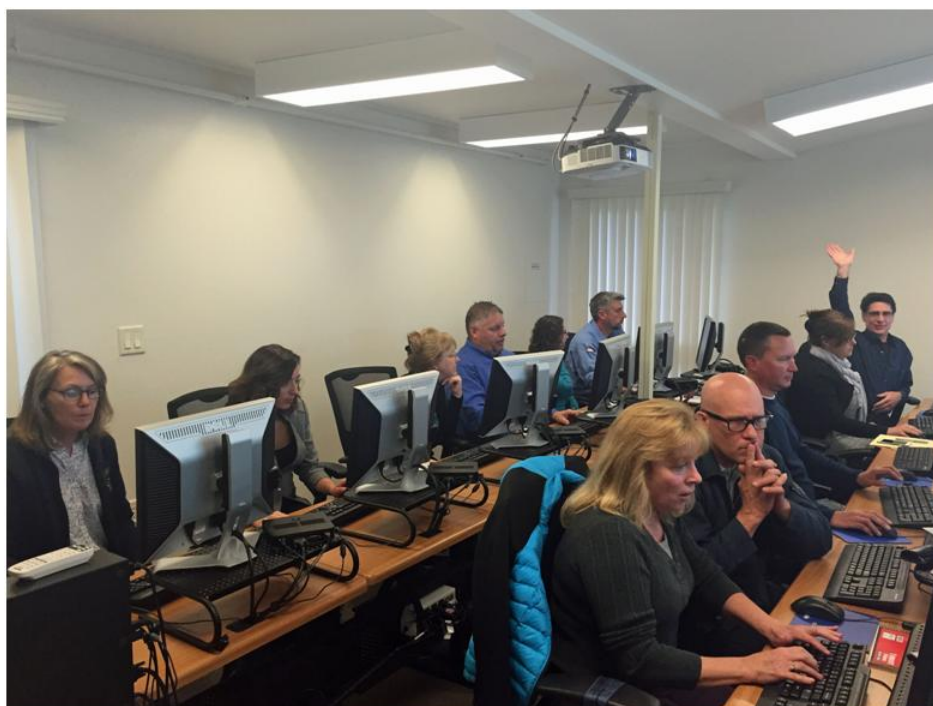
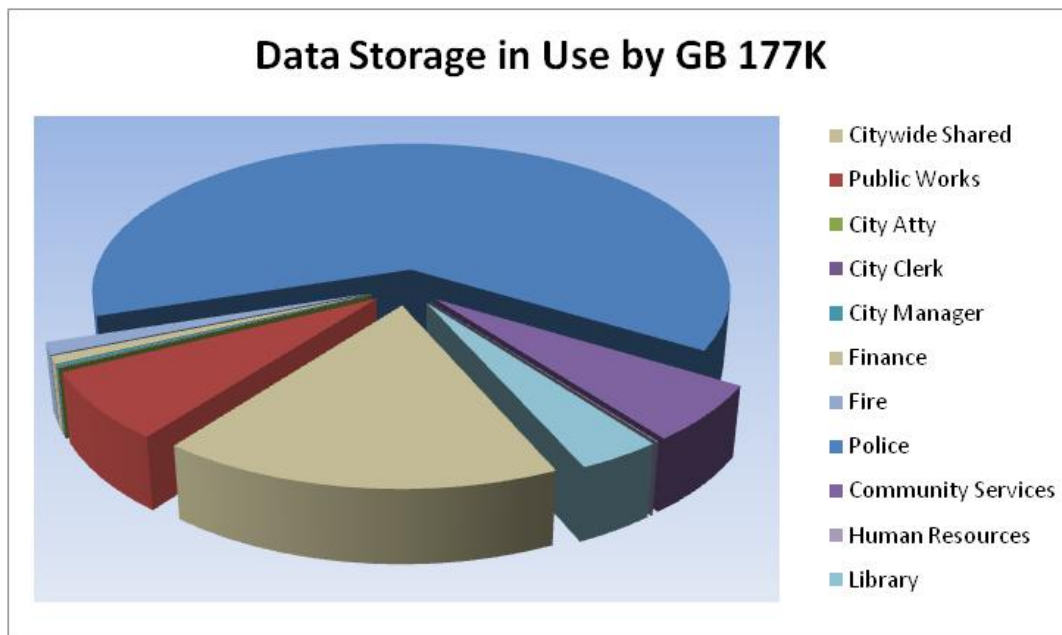
Technology is a mission-critical investment for the City, enabling staff members to work smarter and more efficiently and better serve our customers. It is important define our current needs and map out future goals in order to put technology to work to further the City's mission.

As technology becomes more pervasive throughout the organization, it is critical to acknowledge the rapid evolution of hardware, software, operating systems, networks and Web-based applications. To make the most of technology today and in the future, we must budget for ongoing capital investments in hardware, network and operating system, Internet Connection, and I-Net.

Estimated costs for necessary capital investment in technology over the upcoming four-years are as follows:

FY18	FY19	FY20	FY21
\$ 690,000	\$ 312,000	\$ 1,106,000	\$ 808,000

Data storage has become a major component of these capital costs. As the organization's largely paper-based information has been digitized, and manual processes evolved to more automated solutions over the years, our data stores have grown exponentially. Data security is paramount. Our systems now house of 177 Terabytes of data, and with the implementation of automated work order systems, security cameras, police body cams, and other innovations, it will continue to grow by leaps and bounds.

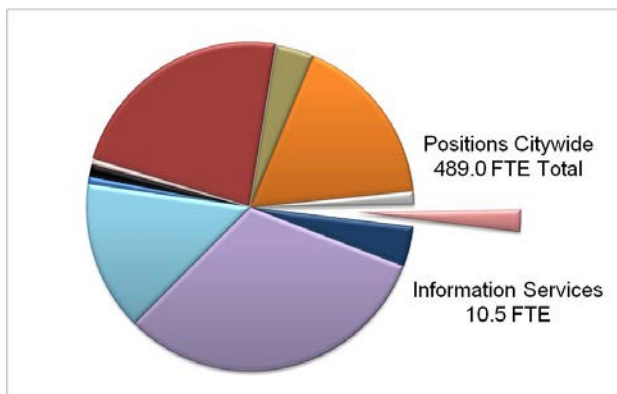


Hansen Training. This photo is used courtesy of the City of Monterey Information Services Department.

## ISD Budget, Authorized Positions, and Performance Measurements

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Information Services <i>Internal Service Fund</i>	2,654,889	2,833,972	4,950,985	3,733,601	3,556,846
<b>Total Internal Service Fund</b>	<b>2,654,889</b>	<b>2,833,972</b>	<b>4,950,985</b>	<b>3,733,601</b>	<b>3,556,846</b>
Institutional Network Fund (I-Net) <i>Enterprise Fund</i>	64	1,190	0	0	0
<b>Total Enterprise Fund</b>	<b>64</b>	<b>1,190</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total All Funds</b>	<b>2,654,954</b>	<b>2,835,162</b>	<b>4,950,985</b>	<b>3,733,601</b>	<b>3,556,846</b>

Full Time Equivalents (FTEs)	FY18	FY19
Information Services	10.5	10.5
<b>Total</b>	<b>10.5</b>	<b>10.5</b>



Server room. This photo is used courtesy of the City of Monterey Information Services Department.

Measurements	FY13	FY14	FY15	FY16	FY17
Technology requests	2,027	1,562	1,477	1,741	2,200
Technology portfolio count	2,192	2,252	2,123	2,327	2,668

## Human Resources

The Human Resources Department is committed to providing timely, responsive, informed and effective services to our customers: the public, departments, employees and retirees. We treat our customers with friendliness, sincerity, fairness, dignity and respect. We accomplish this through being cooperative, exhibiting leadership, maintaining the highest ethical standards and constantly pursuing excellence.

### Accomplishments for 2015–17 Biennium

- Completed sixty-three (63) recruitments, resulting in one hundred fourteen (114) newly hired or promoted employees during the budget cycle.
- Implemented changes to achieve pay equity for regular part-time employees performing the same or similar duties as fulltime employees in the same or similar classifications.
- Implemented paid sick leave benefits in accordance with the Healthy Workplace Healthy Family Act.
- Reconstituted the Citywide Safety Program and Committee.
- Updated the City's Injury and Illness Prevention Program (IIPP).
- Provided cost-effective training to employees throughout the City through webinars and in-person trainings led by legal experts in labor and employment law through consortium membership.
- Partnered with community members and City staff members to host the City's Ambassador Program to educate approximately twenty (20) employees from various departments throughout the City about the City of Monterey's historic significance and development, as well as providing information about services the City provides to residents, visitors and businesses.
- Negotiated multi-year successor Memoranda of Understanding with five (5) of the City's bargaining units.
- Resolved one (1) grievance and one (1) Unfair Practice Charge.
- Completed AB1825 compliant Sexual Harassment Prevention training for virtually all supervisory employees for compliance year 2015.
- In conjunction with the City's third party administrator, processed and oversaw one hundred twenty two (122) new Workers' Compensation claims during the budget cycle.



## Goals for 2017–19 Biennium

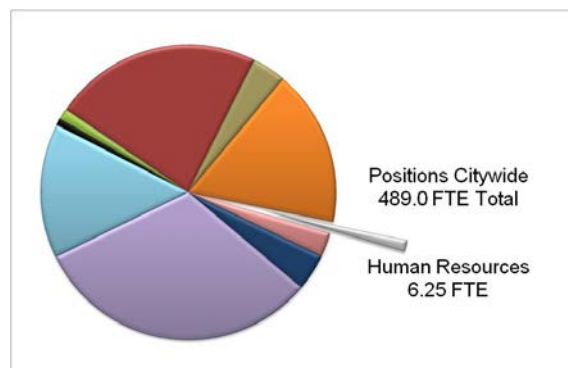
- Complete Classification revisions/create a classification plan.
- Complete review and update of Human Resource policies and procedures.
- Review performance appraisal process and ensure all classified employees receive annual performance evaluations.
- Continue to administer the City's healthcare benefits in compliance with the Affordable Care Act.
- Complete Sexual Harassment Prevention training for all supervisory employees in compliance year 2017.
- Conduct employee development academy (Office Professionals Academy, Supervisory Academy, or Leadership Academy).
- Conduct biennial Health & Safety Fair for employees and retirees.

## Budget Highlights for 2015–17 Biennium

- Upgraded HR Assistant position to an HR Specialist for enhanced technical support.
- Added a part-time Senior Administrative Analyst position to assist with high-level activities in both Human Resources and Finance Departments.

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Human Resources <i>General Fund</i>	738,668	836,172	857,799	763,641	790,083
<b>Total General Fund</b>	<b>738,668</b>	<b>836,172</b>	<b>857,799</b>	<b>763,641</b>	<b>790,083</b>
Workers Compensation Insurance Trust <i>Internal Service Fund</i>	3,089,188	2,363,414	2,675,073	2,975,270	3,010,755
Health Insurance Trust <i>Internal Service Fund</i>	7,647,852	8,375,246	8,275,888	8,275,888	8,275,888
<b>Total Internal Service Funds</b>	<b>10,737,040</b>	<b>10,738,659</b>	<b>10,950,961</b>	<b>11,251,158</b>	<b>11,286,643</b>
<b>Total All Funds</b>	<b>11,475,708</b>	<b>11,574,831</b>	<b>11,808,759</b>	<b>12,014,799</b>	<b>12,076,725</b>

Full Time Equivalents (FTEs)	FY18	FY19
Human Resources	3.88	3.88
Employee Benefits	2.38	2.38
<b>Total</b>	<b>6.25</b>	<b>6.25</b>





## Finance

Mission: to prudently and efficiently manage the City's financial operations; perform careful, long-range financial planning using conservative fiscal policies; provide financial information that is accurate and useful; and provide superior service to all our customers.

### Accomplishments for 2015–2017 Biennium

- Increased the Reserve for Economic Uncertainty to 14.6%, closer to established policy level of 15%.
- Completed GFOA Reserve Review and submitted to Council for Policy strengthening measures.
- Collected Conference Center Facilities District (CCFD) tax and issued \$50 million in bonds for Conference Center renovation. Issued a supplemental indenture for \$2 million in excess tax revenues received over the required amount for bond payments.
- Reviewed and facilitated Conference Center accommodation contracts during opening delay.
- Three ballot measures approved by voters in November, 2016 streamlining business license tax, modernizing utilities users tax and amending the City Charter relating to public contracts.
- Received Certificate of Excellence in Financial Reporting for the City's Comprehensive Annual Financial Report (CAFR) from Government Finance Officers Association (GFOA) for the 20<sup>th</sup> and 21<sup>st</sup> consecutive years.
- Increased business online license renewal percentage to 36%.
- Conducted audits of eight Visitor Accommodation Facilities.
- Prepared a comprehensive biennial budget earning the GFOA Distinguished Budget Presentation Award.
- Conducted training workshops to departments for various finance topics, including timekeeping, accounts payable/Cal Card, general ledger and cash handling, and four budget workshops.
- Reviewed and Implemented GASB 68 requirements.
- Implemented online business license application module in June 2017.
- Maintained a high quality Moody's credit rating of Aa2 (3<sup>rd</sup> highest possible rating).
- Improved communication with regard to fiscal transparency through the use of a comprehensive biennial budget book and regular financial reporting using the [Monterey.org](http://Monterey.org) website.

#### DID YOU KNOW?

Every person owning or having charge, care or control over any dog shall, after the dog attains the age of four months, secure from the collector a license as and tag for said dog. (City Code 6-17)

There are 645 dogs licensed in the City of Monterey.

Thank you Sadie!



## **Goals for 2017–2019 Biennium**

- Increase use of e-commerce tools by employees and public by actively promoting use of the City's electronic payment capabilities and financial reports web pages.
- Move to electronic invoicing by 2019 using green technology.
- Reinstate Deferred Compensation Committee to uphold the City's fiduciary responsibility for the Plans.
- Coordinate Employee/Personal Financial Education training.
- Hold Open House for Finance department.
- Conduct full analysis of cost of services for fees as required every five years.
- Conduct four process specific training sessions to City departmental staff.
- Conduct two Finance Forums for City departmental staff.

## **Risk Management**

Mission: to identify, analyze, measure, and cultivate activity that will enhance and sustain the objectives of the City by providing quality coverage, best practices expertise, training and resources implementing appropriate Risk Management strategies.

## **Accomplishments for 2015–2017 Biennium**

- Reviewed, revised, edited and provided recommendations respecting numerous Requests for Professional Services, specifications, and Calls for Formal Bids.
- ACCEL Pool Auditor gave a "No Deficiencies" grade in all categories for Claims management.
- Successfully closed 43 liability claims against the City and handled potential claims, investigation, cross-departmental collaboration, and identification of exposure and/or defense.
- Applications, payment, maintenance and renewal of 11 policy coverages for the City including: Liability, Worker's Compensation, Special Districts, Dredge & Hull, Crime, Watercraft, Volunteers, FORA, Property, Boiler, Fiduciary, and Special Events, totaling over \$750,000 in premiums.
- Reviewed damage to city property reports for potential exposures, initiated and provided oversight to subrogation collections for 62 incidences during FY15/16 & FY16/17.
- Reviewed all city contracts for appropriate Insurance Indemnification language, and insurance requirements for contract risk.
- Provided oversight of City's defensive driver program and monitored training and vehicle losses to determine effectiveness. Added 45 drivers in FY16/17 to program.

## Goals for 2017–19 Biennium

The goals of Risk Management include:

- Provide excellent service to the public and City staff by reviewing:
  - Police reports directed to Risk Management.
  - Accidents reports involving City maintained or owned property for trends.
  - Potential exposures in need of mitigation.
- Develop Damage to City Property Receivable Aging Report to measure dollars and time.
- Visit and observe six City departments encouraging safety and Basic Risk training.
- Begin “Tool box” monthly safety review meetings.
- Provide Monthly Loss summaries to Management Team.
- Team members attend PARMA conference in Monterey in February 2018.
- Associate of Risk Management (ARM) certification for Risk Manager.

## Finance and Risk Budget Highlights for 2017–19 Biennium

The Finance Department implemented a reorganization of the Risk Management function which resulted in the elimination of the Administrative Services Officer position and the addition of a Finance Analyst position and an increase in contractual services for claims administration. This reorganization resulted in no additional cost to the City, but provides more flexibility in staffing and a greater depth of coverage.

In FY2016–17, the Council approved an additional Accounting Specialist, limited term position to support the increase in Capital Projects, particularly the Conference Center renovation, Sewer Rehabilitation and Measure P projects. This position is funded through direct charges to capital project accounts. This position has provided greater financial support to ensure accountability and transparency with these large scale, tax supported projects. This position is authorized through June, 2019.

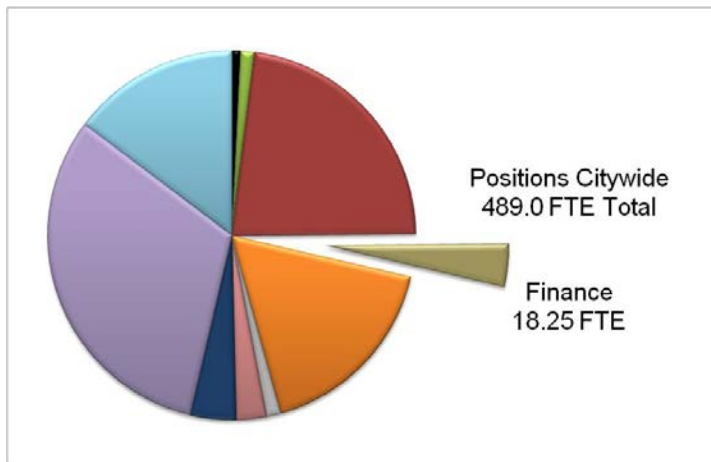
The Department continues to contract with the County of Monterey for transient occupancy tax audits. While the last two years of audits has resulted in \$45,000 in identified assessments, the ultimate goal is increased education and compliance.

Risk Management total claims budget remains at \$125,000 and reflects one known, large-sum claim estimated for resolution within the first half the fiscal year. Last fiscal year, Council increased the claims line item mid-year to reflect the reality of higher claims costs. That one-time adjustment brought the total FY15 claims line item to \$185,000.

## Finance and Risk Budget, Authorized Positions, and Performance Measures

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Finance <i>General Fund</i>	2,160,335	2,131,423	2,428,096	2,569,854	2,704,777
<b>Total General Fund</b>	<b>2,160,335</b>	<b>2,131,423</b>	<b>2,428,096</b>	<b>2,569,854</b>	<b>2,704,777</b>
Debt Service <i>Debt Service Fund</i>	541,619	548,911	545,986	550,070	547,573
Monterey Financing Authority (JPA) <i>Debt Service Fund</i>	107,184	40,943	414,275	423,000	0
<b>Total Debt Service Funds</b>	<b>648,803</b>	<b>589,854</b>	<b>960,261</b>	<b>973,070</b>	<b>547,573</b>
Liability & Property Insurance (Risk) <i>Internal Service Fund</i>	1,585,561	424,087	1,222,271	1,175,439	1,232,824
<b>Total Internal Service Fund</b>	<b>1,585,561</b>	<b>424,087</b>	<b>1,222,271</b>	<b>1,175,439</b>	<b>1,232,824</b>
Special Deposits Fund <i>Agency Fund</i>	35	0	0	0	0
<b>Total Agency Fund</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total All Funds</b>	<b>4,394,734</b>	<b>3,145,364</b>	<b>4,610,628</b>	<b>4,718,362</b>	<b>4,485,174</b>

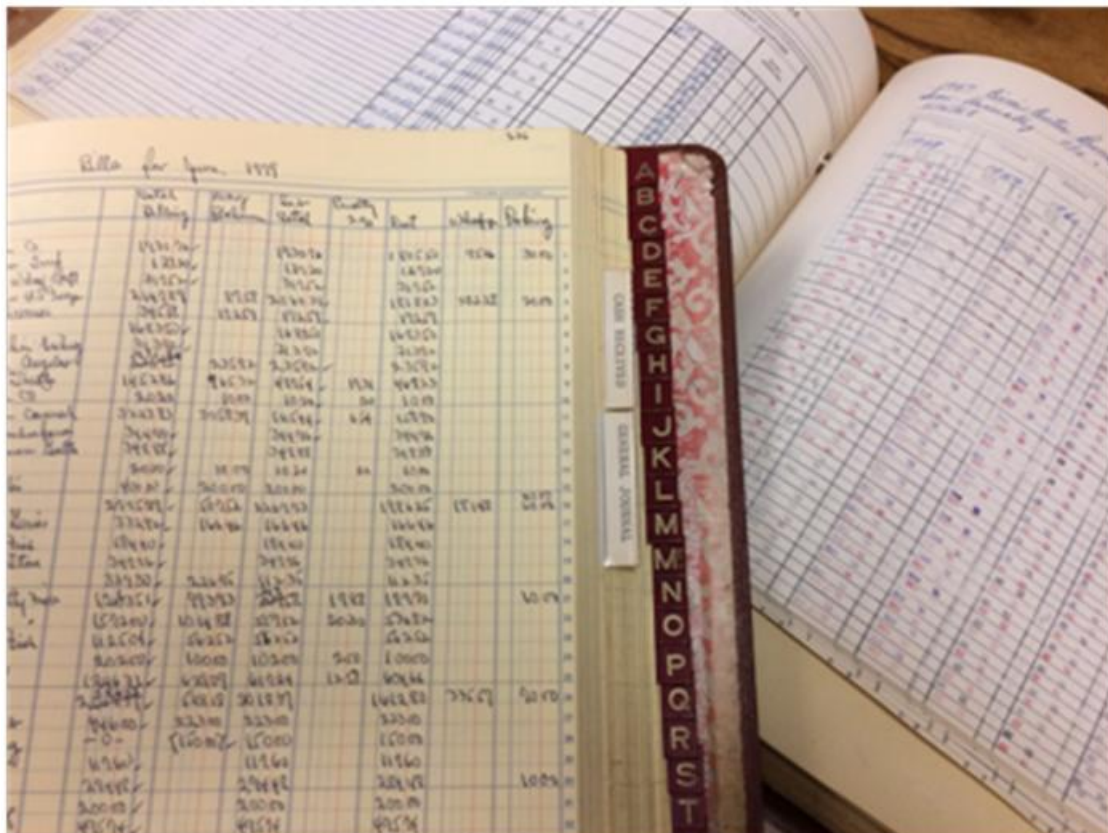
Full Time Equivalents (FTEs)	FY18	FY19
Finance, Revenue, Accounting, Administration	16.93	16.93
Risk Management	1.32	1.32
<b>Total</b>	<b>18.25</b>	<b>18.25</b>



Risk Measurements	CY13	CY14	CY15	CY16
Number of contracts and other legal agreements reviewed	610	495	436	587
Claims Opened	23	42	40	38
Claims Closed	32	32	42	42
Risk Measurements are on a Calendar year basis				

Finance Measurements	FY14	FY15	FY16	FY17	FY18 (goal)	FY19 (goal)
Percentage of General Fund budget set aside for economic uncertainty (reserve)	9.70%	13.30%	13.44%	14.59%	15%*	15%*
Percentage of business license renewals completed online	28.90%	33.50%	33.00%	36.00%	38.50%	43.50%
Percentage of payments made to vendors via automated clearing house (ACH)	8.90%	10.40%	22.20%	20.70%	23.00%	25.00%
Percentage of payroll check paid by direct deposit	83.50%	83.90%	83.70%	85.50%	90.00%	90.00%
Earned the GFOA Certificate of Achievement of Excellence in Financial Reporting	√	√	√	tbd	tbd	tbd
Earned the GFOA Distinguished Budget Presentation Award			√	√	tbd	tbd

\*New Reserve Policy Goal increased from 15% to 16.6% by Council at Budget Adoption



This photo is used courtesy of the City of Monterey.

## **Fire**

Mission: to provide emergency medical aid, fire prevention, public education, suppression, disaster response, and related emergency services to the members and guests of our community.

*"Committed to Exceed the Expectations of Those We Serve"*

### **Accomplishments 2015–17 Biennium**

- Received a SAFER Grant to fund 3 Firefighter positions for 2 years.
- Added 3 Relief Firefighter and filled all vacancies.
- Conducted a Fire Academy for 9 new Firefighter Recruits.
- Converted to low-pressure hose nozzle system.
- Implemented target hazard program.
- Initiated Advance Life Support (ALS) program certification.
- Applied for Assistance to Firefighters Grant to fund replacement of radio equipment.
- Hired 3 part-time Fire Inspectors to improve Fire Prevention safety inspections.
- Completed addition of a Fire Training Captain position.

### **Goals for 2017–19 Biennium**

- Explore strategies to reduce overtime.
- Replace outdated radio communications equipment.
- Replace 3 fire engines and evaluate replacement of 1 fire truck.
- Improve Fire Prevention outreach and increase inspections.
- Replace outdated extrication equipment.
- Update training services and supplies.
- Update fitness equipment.
- Complete certification of Advanced Life Support program (paramedics).
- Improve community outreach and Community Emergency Response Teams (CERT) program.
- Collaborate with fire service partners for service improvements.

### **Budget Highlights for 2017–19 Biennium**

- Begin replacement of radio communications equipment through grant funding or gradual purchase with General Funds.
- Provide fire prevention training for new Fire Inspectors.

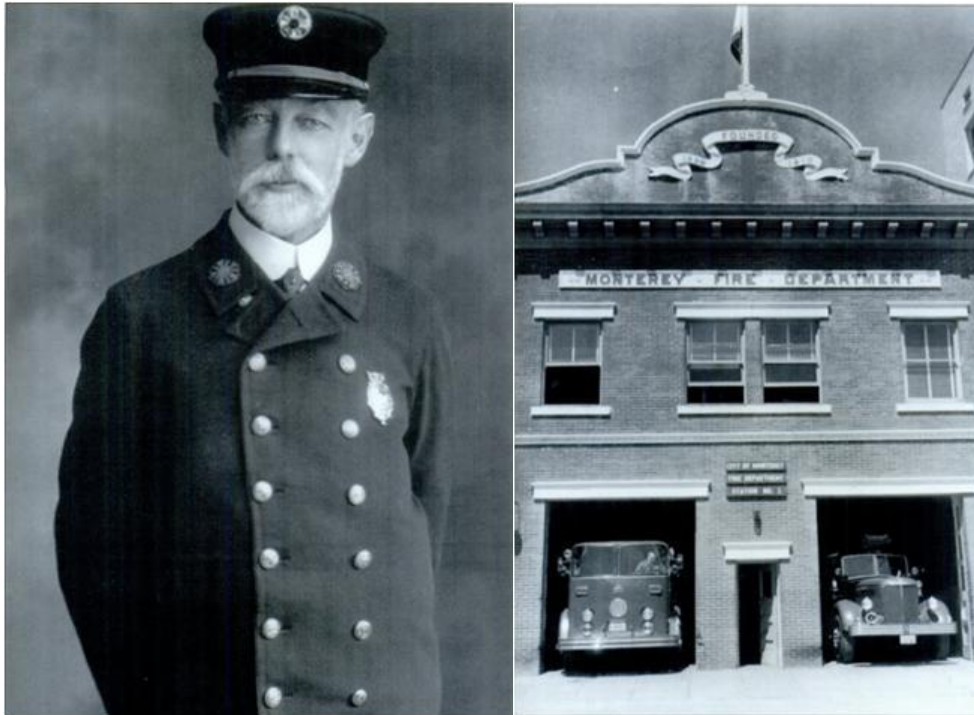
- Implement succession planning for Deputy Fire Marshal position.
- Provide funding for building maintenance service requirements for Airport fire station.
- Replace outdated vehicle extrication and technical rescue equipment.
- Provide second set of turnouts for 9 new Firefighters.
- Replace outdated thermal imaging cameras.
- Adjust overtime to account for negotiated COLA increases and long-term vacancies.
- Fund annual fire academy to align with average personnel turnover.

## Capital Considerations

- Replace 3 fire engines and evaluate replacement of 1 fire truck.
- Replacement of radio communications equipment if grant is not awarded (AFG).
- Replace outdated extrication and technical rescue equipment.

### DID YOU KNOW?

William E. Parker became the City of Monterey's first fire chief in 1890. He was Monterey's fire chief for 52 years until he retired in 1942. Chief Parker is recognized as the nation's longest actively serving fire chief. During his tenure, Monterey's Fire Station No. 1 was built in 1911, located on Main Street (Calle Principal Street). Can you recognize this building today?



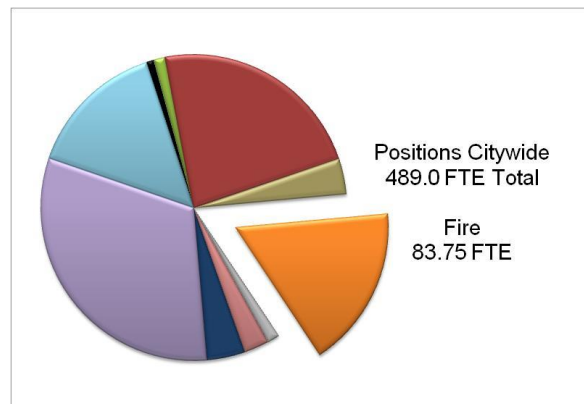
These photos are used courtesy of the Monterey Public Library, California History Room Archives.



## Fire Budget, Authorized Positions, and Incident Measurement Statistics

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Administration <i>General Fund</i>	1,352,816	1,383,027	1,381,212	1,573,102	1,618,734
Prevention <i>General Fund</i>	345,864	357,913	363,674	386,929	396,127
Operations <i>General Fund</i>	15,258,130	15,599,681	15,507,442	16,294,578	16,987,248
Training <i>General Fund</i>	92,483	232,543	252,455	267,718	274,601
Emergency Preparedness <i>General Fund</i>	98,175	110,952	122,640	159,773	154,133
<b>Total General Fund</b>	<b>17,147,468</b>	<b>17,684,116</b>	<b>17,627,423</b>	<b>18,682,100</b>	<b>19,430,843</b>
Public Safety Training <i>Special Revenue Fund</i>	62,555	30,306	79,485	75,000	75,000
<b>Total Special Revenue Fund</b>	<b>62,555</b>	<b>30,306</b>	<b>79,485</b>	<b>75,000</b>	<b>75,000</b>
<b>Total All Funds</b>	<b>17,210,023</b>	<b>17,714,422</b>	<b>17,706,908</b>	<b>18,757,100</b>	<b>19,505,843</b>

Full Time Equivalents (FTEs)	FY18	FY19
Administration	5.75	5.75
Prevention	1	1
Operations	76	76
Training	1	1
<b>Total</b>	<b>83.75</b>	<b>83.75</b>



Incident Measurements	FY13	FY14	FY15	FY16
False alarm	586	576	655	666
Fires and explosions	139	177	136	160
Good intent	627	778	871	914
Hazardous condition standby	335	333	385	392
Natural conditions	2	1	10	8
Public service assistance	682	720	928	1,035
Rescue and emergency medical	4,508	4,584	4,888	5,269
Rupture, steam, explosion, overheating	8	8	6	14
Other types of incidents	4	4	1	6
<b>TOTAL INCIDENTS</b>	<b>6,891</b>	<b>7,181</b>	<b>7,880</b>	<b>8,464</b>



## Police

### Mission

Responsive to All – Second to None – Every Time

### Vision

The Monterey Police Department (MPD) is a professional, dynamic, and innovative organization with the highest ethical standards. The MPD is committed to serving our community with honor, dignity, fairness, and respect.

### *Value Drivers*

- M     Maximize, Value and Train our MPD workforce
  - Positive Work Environment / Recognition / Training / Communication
- P     Proactively Police the City of Monterey to Ensure a Low Crime Rate
  - Problem Solving / Prevention / Intervention / Suppression / Data Driven
- D     Develop, Embrace and Enhance Community Partnerships
  - Community Partnerships / Collaboration / Communication

## Accomplishments 2015–17 Biennium

### Office of the Chief

- Received the 2015 Edward Byrne Memorial Justice Assistance Grant in the amount of \$11,358 to purchase an Interview Room Video Recording System.
- Received the 2016 Edward Byrne Memorial Justice Assistance Grant in the amount of \$10,351 to purchase a Simulated Firearms Training System.
- Received the 2016 Board of State and Community Corrections grant in the amount of \$51,824. The funds will be used to implement the Monterey Homeless Outreach Program.
- Received the 2016 Alcoholic Beverage Control's ABC-OTS Grant in the amount of \$12,000. The grant funds are used to conduct operations to reduce alcohol sales and alcohol provided to minors; and to educate ABC licensed retail outlets.
- Received \$2,874 from the Department of Justice Bulletproof Vest Partnership program. The program reimburses the Department for fifty percent of its qualifying ballistic vest costs.
- Received \$4,000 in grant funds from Pacific Gas & Electric for patrol related equipment.
- Implemented PredPol predictive policing software.
- Implemented crimereports.com online mapping services.
- Implemented Coplogic online police reporting.
- Implemented Lexipol Daily Training Bulletins. This comprehensive training helps officers review and understand the content of our agency's policy manual and provides practical application of the policy.
- Attended numerous neighborhood and business meetings.

#### Patrol Division

- Completed California Commission on Peace Officer Standards and Training (P.O.S.T.) required biennial training.
- One hundred percent of the “patrol ready” sworn officers completed Crisis Intervention Team training (40 hour course that teaches officers about persons suffering from mental illness and provides different strategies for communicating with people).
- Joined with Administration and Investigations Divisions to support the Special Olympics in the Special Olympics Torch Run.
- Was active participant in the Monterey County Roadside Observation Plan of Enforcement (ROPE) by strategically positioning officers at specific locations along escape routes to prevent suspects of violent crime from eluding apprehension.
- Initiated the Monterey Police Explorer Program. The program will enhance the relationship between MPD and young people in the community, provide service to the community, develop member leadership skills, and promote the development of future police officers in the Monterey community.
- Participated in the Monterey County Strategic Traffic Observation and Prevention Program (STOPP). STOPP brings officers from ten Monterey County agencies to a designated city for six hours per month for traffic calming through enforcement.
- Participated in the regional holiday “Avoid the 20” DUI Task Force, which brings area law enforcement agencies together to reduce the number of deaths and injuries, caused by drug and alcohol related crashes.

#### Administration Division

- Conducted a vigorous recruiting and hiring process to fill vacant positions.
- Completed mandated training and Adult Correction Officer Core classes.
- Implemented the Department Training Plan to ensure: compliance with specific training mandates, employee development, and contemporary policing practices.
- Successfully completed the Board of State and Community Corrections facility and Department of Justice California Enforcement Telecommunications Services (CLETS) audits.
- Successfully completed the annual Health Department Jail audit and the Juvenile Justice audit.
- Permitted 136 taxi drivers and 145 taxi vehicles.
- Permitted 38 massage establishments.
- Issued 29 film permits.
- Coordinated the replacement of several old patrol fleet vehicles with new Ford Utility Police vehicles.
- Implemented a plan for evidence storage with the closing of the Van Buren House.

#### Investigations/Special Operations Division

- Partially staffed the Community Action Team (CAT) in January 2016. The CAT focuses on quality of life issues surrounding homelessness, adjusts personnel to cover special events and save overtime costs, backfills patrol during staffing shortages, assists in covering calls for patrol if patrol is otherwise not available, and takes calls related to quality-of-life issues that are dispatched to patrol.
- From February 2016 to December 2016, the CAT made: 186 arrests, issued 337 citations, conducted 14 encampment clean-ups, attended 42 community meetings, provided presence and security at 24 special events, provided directed patrols in specific locations throughout the City.
- Coordinated the monthly Monterey Homeless Exchange meetings; and, coordinated and conducted patrol with members of the Veterans Transition Center, County Mental Health, and Gathering Place for Women, and the Public Guardian's office.
- Offered and educated those who are homeless with/about services.
- Was successful in getting several chronically homeless people into programs which led to them being housed.
- Introduced the Community Policing Initiative (CPI) with four Community Policing Areas (CPAs), each area is led by a CAT officer. The CPI allows the community to contact the CAT officer that is responsible for their area of the City to address issues, attend community meetings and establish relationships between the community and MPD.
- Hired Monterey's first full-time Community Services Officer (CSO). The CSOs are charged with having a presence in the downtown, Wharf, Waterfront and Cannery Row areas; assist as Ambassadors to work with and provide services to the homeless and offer directions and information to our visitors. The CSOs have also been tasked as Animal Control Officers and to assist with Abandoned Vehicle complaints throughout the city.
- Expanded the Department's participation in the Monterey Peninsula Regional Special Response Unit (SRU) by increasing the number of Monterey Police Officers on the team.
- Was active participant in the Monterey County Abandoned Vehicle Abatement Service Authority (MCAVASA). MCAVASA reimburses participating agencies for abandoned vehicle abatement expenses with receipts received from the state through DMV registration fees.
- Made numerous school presentations by the Department School Resource Officer and others to include reading to students at Monte Vista Elementary School in celebration of Dr. Seuss' birthday.
- Continued partnership with the Monterey Peninsula Unified School District (MPUSD) to support the School Resource Officer program.
- Collaborated with the Peninsula Regional Violence and Narcotics Team (PRVNT) to combat violent crime, gang crime and narcotics activity on the Monterey Peninsula.
- Registered and tracked sex and arson registrants in the City of Monterey
- Performed parole/probation compliance checks.
- Solved one-hundred percent of the homicides that occurred in Monterey.

## Goals for 2017– 2019 Biennium

### Office of the Chief

- Bring the Department to full staffing levels and add staffing to ensure the Monterey Police Department provides services to the community at levels the community expects.
- Continue to build on the great relationships with the community through contemporary law enforcement strategies such as ideas found in the President's Task Force on 21<sup>st</sup> Century Policing that focus on Police Legitimacy and Procedural Justice.
- Continue to build partnerships with other service providers through the Monterey Homeless Exchange.
- Implement the Body Worn Camera (BWC) program by replacing the microphones on the Mobile Audio Video Recorders (in-car video) with BWCs.
- Continue organizational succession planning and leadership development.
- Deploy the latest police technologies to deter, respond to, and solve crime.

### Patrol Division

- Continue to build community partnerships through outreach, collaboration, and communication.
- Fully staff and complement the Traffic positions.
- Review and update the Field Training Officer (FTO) program.

### Administration Division

- Continue to vigorously recruit and hire to fill vacant positions.
- Manage and maintain the integrity of records.
- Increase security at the police campus through various means, such as: restricted access to the police grounds via fencing, parking gates, and installation of bullet resistant materials in the front lobby area.
- Include jail personnel in Crisis Intervention Team training if positions are available to professional staff.
- Continue to ensure the vehicle fleet is updated for investigations, patrol and administration.

### Investigations/Special Operations Division

- Fully staff the investigations unit and the Community Action Team (CAT)
- Continue to staff, support, and enhance the proactive investigate techniques and capabilities of the Peninsula Regional Violence and Narcotics Team (PRVNT) to prevent violence on the Monterey Peninsula.
- Research, procure, and implement current technologies that assist in contemporary investigative processes.
- Support the relationships with the MPUSD through the School Resource Officer Program.

## Budget Highlights for 2017– 2019 Biennium

- Provide appropriate staffing levels to ensure proper service delivery to the community and provide for officer safety.
- Increased County Dispatch/911 expenditures increased by \$102,000
- Funding for CSO Officers (PT)/Private Security added with General Fund and Tideland Fund money totaling \$130,000
- Add two officers and one time equipment costs from General Fund and Tideland Fund totaling \$299,000

## Police Budget, Authorized Positions, and Performance Measurements

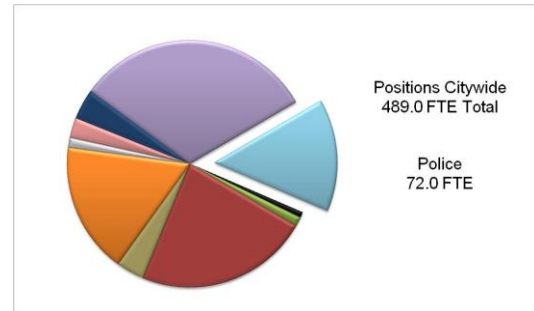
Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Office of the Chief <i>General Fund</i>	2,243,692	2,233,379	2,133,838	2,428,346	2,489,900
Patrol <i>General Fund</i>	7,768,424	8,042,092	7,527,861	7,748,121	7,920,954
Administration <i>General Fund</i>	1,558,609	1,654,341	2,439,857	2,793,569	2,916,045
Investigations/Special <i>General Fund</i>	1,439,411	1,591,007	2,679,941	3,003,206	3,192,126
<b>Total General Fund</b>	<b>13,010,136</b>	<b>13,520,819</b>	<b>14,781,497</b>	<b>15,973,242</b>	<b>16,519,025</b>
Asset Seizure <i>Special Fund</i>	-	1,000	5,000	22,000	22,000
<b>Total Special Fund</b>	<b>-</b>	<b>1,000</b>	<b>5,000</b>	<b>22,000</b>	<b>22,000</b>
<b>Total All Funds</b>	<b>13,010,136</b>	<b>13,521,819</b>	<b>14,786,497</b>	<b>15,995,242</b>	<b>16,541,025</b>

### DID YOU KNOW?

Did you know that the Monterey Police Department uniform patch was designed by a Monterey High School student? The MPD patch depicts Colton Hall where, on October 13, 1849, California's first constitution was drafted and signed. Below that are the scales of justice, symbolic of our commitment to the fair and unbiased administration of the law. The rope, which surrounds the patch, evokes both Monterey's maritime history and the vaqueros and cowboys who lived here when our city was settled.



Full Time Equivalents (FTEs)	FY18	FY19
Office of the Chief	4.00	4.00
Patrol Division	33.00	33.00
Administration Division	18.00	18.00
Investigations & Special	17.00	17.00
<b>Total</b>	<b>72.00</b>	<b>72.00</b>



Incident Measurements	CY15[1]	CY16[1]
Police reports processed	6,918	7,364
Hazard traffic citations	1,528	1,444
Non-hazard traffic citations	126	203
Traffic collisions with injury	186	223
Traffic collisions without injury	633	614
Adult arrest, felony	270	251
Adult arrest, misdemeanor	1,561	1,637
Juvenile arrest, felony	11	11
Juvenile arrest, misdemeanor	59	75
Part I crime against persons[2]	136	104
Part I crime against property[2]	1,001	1,095
[1] Data are reported by calendar year rather than fiscal year.		
[2] Part I crimes are defined by the federal Uniform Crime Reporting (UCR) Program.		



This photo is used courtesy of the City of Monterey.

## Plans and Public Works – Overview

Mission: To support and enhance a high quality of life for the City's residents, businesses and visitors by providing well planned, environmentally sensitive, cost effective infrastructure programs and services to promote public health, personal safety, multi-modal transportation, economic growth and civic vitality.

### Accomplishments 2015–17 Biennium

- The Intergovernmental Support Agreement (IGSA) was signed in October 2016 with Army for Presidio Municipal Services
- Adopted Waterfront Master Plan and Lighthouse Specific Plan
- Adopted new Building Codes
- Executed 92 Engineering contracts/agreements
- Completed 30 property lease transactions
- Completed site clearance and demolition activities for the Van Buren Housing Project
- Executed agreements to finish construction of Monterey Hotel Apartments
- Developed and implemented a strategy to address Housing and Urban Development (HUD) timeliness spending requirements and maintain the City's Community Development Block Grant (CDBG) Program in good standing
- Purchased Electric Vehicle Nissan Leaf via Air District grant
- Ensured clean-up of legacy oil bunker at water's edge of Cannery Row
- Initiated remediation and monitoring of groundwater contamination at Window on the Bay



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#### DID YOU KNOW?

The cemetery has over 2,000 vacant plots and over 500 available niches in the columbaria (including singles and doubles, at both the New Columbarium and Old Columbarium).

City of Monterey residents receive a 15% discount on cemetery fees (prior to sales tax).



## Goals for 2017–19 Biennium

- Continue to work on the Local Coastal Plan, which will enable the City to issue coastal development permits; and thereby, dramatically improve permit processing
- Complete projects identified in the Capital Improvement Program (CIP) and the Neighborhood Improvement Program (NIP) programs, including Measure P, which will provide development support to ensure that the City will meet local, State and Federal requirements for sewer, storm water and Americans with Disabilities Act (ADA) requirements for all public and private projects
- Implement a Department-wide software system, Infor Public Sector (IPS), which will replace Permits Plus and Hansen 7 and create more opportunities for improved efficiencies including mobile inspections in the field, online permit processing and ad hoc reporting
- Continue to promote renewable energy solutions, which will help with energy savings to reduce greenhouse gases and energy costs
- Continue to promote cost saving measures for local military areas, which will help identify synergies among Monterey's military missions and installations to promote a vibrant national security sector and protect it from Base Realignment And Closure (BRAC)
- Continue outreach efforts to community service providers and other jurisdictions in the area to identify new affordable housing projects and additional homeless services or facilities

## Capital Considerations

- FY17/18 NIP projects totaling \$3,781,000 including ADA-related, Drainage, Facilities and Equipment, MPUSD, Parks, Walkways, Street improvements, and Traffic Safety. See Capital Section for Complete list of projects
- FY17/18 CIP projects totaling \$5,935,000 and FY18/19 CIP projects totaling \$4,890,000 with details in Capital Section
- Execute Measure P Projects focusing on Rehabilitation and Repair of Street infrastructure
- Complete Monterey Hotel Apartments providing 18 Affordable Housing Units.
- Complete Monterey Conference Center renovation expected in Fall 2017.
- Initiate projects that provide compliance with new State and Federal mandates concerning storm water filtering



This photo is used courtesy of the City of Monterey.



## Plans and Public Works (PPW) budget and Authorized Positions

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Administration <i>General Fund</i>	1,025,642	1,243,996	1,153,635	891,153	916,109
Engineering, and Environmental <i>General Fund</i>	1,443,493	1,589,756	2,192,204	1,831,559	1,976,196
Engineering/Safety <sup>1</sup> <i>General Fund</i>	41,727	82,884	168,808	0	0
Building Safety/Inspection <i>General Fund</i>	1,265,588	1,245,242	1,902,645	1,181,324	1,235,994
Economic Development <i>General Fund</i>	106,230	72,205	116,500	116,500	116,500
Capital Projects <sup>1</sup> <i>General Fund</i>	474,069	433,833	576,028	0	0
Transportation Engineering <sup>1</sup> <i>General Fund</i>	431,401	600,718	673,589	0	0
Street Maintenance <i>General Fund</i>	1,592,226	1,257,055	1,363,901	1,625,503	1,607,598
Building Maintenance/HVAC <i>General Fund</i>	1,945,273	1,701,131	1,651,511	1,427,148	1,454,947
Custodial Services <i>General Fund</i>	983,049	1,180,938	1,196,387	1,139,320	1,174,127
Parks <i>General Fund</i>	3,359,197	3,552,432	3,777,304	3,780,839	3,922,640
Urban Forestry <i>General Fund</i>	780,489	753,320	884,159	964,228	892,586
Planning <sup>1</sup> <i>General Fund</i>	0	0	0	1,346,666	1,413,554
Property Management <i>General Fund</i>	318,849	376,845	615,661	204,473	207,871
<b>Total General Fund</b>	<b>13,767,232</b>	<b>14,090,353</b>	<b>16,272,332</b>	<b>14,508,713</b>	<b>14,918,123</b>
Construction Truck Impact Fees Fund <i>Special Revenue Fund</i>	2,589	2,077	0	0	0
Integrated Region Watershed Mgmt <i>Special Revenue Fund</i>	2	0	0	0	0
Sewer Mains Fund <i>Special Revenue Fund</i>	79	0	0	0	0
Gas Tax <i>Special Revenue Fund</i>	0	0	22,000	0	0
Skyline Forest Service District <i>Special Revenue Fund</i>	11,901	11,248	17,135	17,135	17,135
Alvarado St. Maint. District <i>Special Revenue Fund</i>	76,159	75,703	94,816	97,698	99,414
Calle Principal Maint. District <i>Special Revenue Fund</i>	10,997	14,048	25,483	32,490	33,065
Water System Improvement <i>Special Revenue Fund</i>	40	0	25,750	25,750	25,750
Sewer Line Maintenance <i>Special Revenue Fund</i>	983,590	1,111,983	2,506,069	1,768,729	2,541,868
Storm Water Utility <i>Special Revenue Fund</i>	927,416	873,479	1,447,456	1,290,651	1,324,403

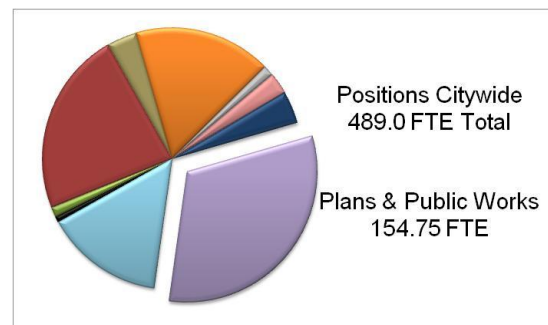
<sup>1</sup> Reorganization of Engineering and Planning Departments in FY18 resulted in reallocation of funding.

## Plans and Public Works (PPW) budget and Authorized Positions (cont.)

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
RDA Housing Successor Agency <i>Special Revenue Fund</i>	488,578	409,289	2,809,877	329,232	231,502
Community Dev. Block Grant <i>Special Revenue Fund</i>	707,414	742,792	3,193,759	1,027,731	895,076
Home - Estrella <i>Special Revenue Fund</i>	48,842	55,538	133,341	53,347	53,583
Home Grant <i>Special Revenue Fund</i>	11	90	89,406	100,000	0
Presidio Public Works <i>Special Revenue Fund</i>	8,815,978	12,647,086	17,653,586	11,442,170	11,306,505
Navy Services <i>Special Revenue Fund</i>	337,130	284,004	595,644	454,050	454,050
<b>Total Special Revenue Funds</b>	<b>12,408,139</b>	<b>16,225,259</b>	<b>28,614,322</b>	<b>16,638,984</b>	<b>16,982,351</b>
Cemetery <i>Enterprise Fund</i>	176,974	162,506	211,288	200,437	206,400
Materials Recovery Facility <i>Enterprise Fund</i>	202,287	157,418	418,575	429,350	2,000
<b>Total Enterprise Funds</b>	<b>379,261</b>	<b>319,924</b>	<b>629,863</b>	<b>629,787</b>	<b>208,400</b>
Equipment Replacement <i>Internal Service Fund</i>	726,739	645,940	1,393,143	1,081,727	36,227
Vehicle Maintenance <i>Internal Service Fund</i>	1,442,326	1,390,525	2,130,336	2,054,033	2,111,453
<b>Total Internal Service Funds</b>	<b>2,169,064</b>	<b>2,036,465</b>	<b>3,523,478</b>	<b>3,135,760</b>	<b>2,147,680</b>
RDA Obligation Retirement Fund <i>Agency Fund</i>	10,363	24,677	22,775	0	0
Ocean View Community Services District <i>Agency Fund</i>	18,990	6,370	27,000	27,000	27,000
<b>Total Agency Funds</b>	<b>29,353</b>	<b>31,047</b>	<b>49,775</b>	<b>27,000</b>	<b>27,000</b>
<b>Total All Funds</b>	<b>28,753,049</b>	<b>32,703,048</b>	<b>49,089,770</b>	<b>34,940,244</b>	<b>34,283,553</b>

Full Time Equivalents (FTEs)	FY18	FY19
PPW Administration	4.00	4.00
NIP Capital Projects	1.00	1.00
Presidio Maintenance Admin	3.25	3.25
Planning, Engineering, and Environmental Compliance	14.95	14.95
Sewer Line Maintenance	1.25	1.25
Storm Drain Engineering	2.20	2.20
Engineering/Survey	1.00	1.00
Capital Projects	8.08	8.08
Traffic Engineering	1.60	1.60
Street Maintenance	6.04	6.04
Presidio Maint. - Streets	2.33	2.33
Building Maintenance	4.40	4.40
Presidio Maint. - Bldgs	33.60	33.60
Presidio Maint. - Parks	1.53	1.53
Sewer Maintenance	5.43	5.43
Vehicle Mgmt - Mechanical	7.05	7.05
Storm Drain Maintenance	2.15	2.15
Presidio Project Engineering	2.00	2.00
Custodial Services	10.75	10.75
Parks	21.25	21.25

Full Time Equivalents (FTEs)	FY18	FY19
Street Maint. Districts	0.40	0.40
Urban Forestry	2.75	2.75
Cemetery	1.07	1.07
Presidio Naval Research	1.00	1.00
Presidio Camp Roberts	2.00	2.00
Building Safety/Inspection	7.75	7.75
Housing & Property Mgmt	2.40	2.40
Housing Administration	2.00	2.00
Housing Projects	1.52	1.52
<b>Total</b>	<b>154.75</b>	<b>154.75</b>



## Performance Measures

### Engineering Division:

Civil Engineering; Traffic Engineering; Administration of CIP, NIP, and PMSA projects

Measurements	FY16
Engineering contracts/agreements executed	92
Notice to Proceed letter issued	113
New projects out to bid	32
Formal bid openings held	26
Average projects active in design each month	47

### Maintenance Services Division:

Parks; Urban Forestry; Cemetery; Facilities; Streets and Sewer; Fleet

Measurements	FY16
<b>Parks</b>	
Total Parks work orders in	7,234
Plants sown	3,265
Ball fields prepared	756
Irrigation repairs	511
Animals buried	234
Transient camps removed	91
Veterans Park usage	
Total campers (&	32,271
Total Day use	20,860
Nights campground filled to	109
<b>Urban Forestry</b>	
Trees pruned	654
Trees removed	673
City trees inspected	1,111
Private trees inspected	840
Private trees approved for	772
<b>Cemetery</b>	
Full burial lots sold	31
Half-burial lots (for cremains)	2
Niche lots sold	4
Interments performed	32
Full burials performed	25
Headstones Installed	13

Measurements	FY16
<b>Facilities Work Orders</b>	
Total Work Orders	19,923
Presidio (POM)	15,866
City Services	3,915
Graffiti	53
Vandalism	89
<b>Streets Work Orders</b>	
Total Work Orders	6,689
Streets	1,453
Sewer	4,401
Storm	321
Sidewalk	26
Presidio (POM)	488
Signs fabricated	780
Signs installed	724
Potholes patched	1,014
Street light repairs	210
Street signal repairs	113
Bike racks installed	10
Homeless Donation Meters	5
<b>Fleet</b>	
Total Work Orders	2,530
Used Equipment sold	\$ 63,756

### Community Development Division:

Environmental Compliance, Housing Programs, Permit and Inspection Services, Planning

Measurements	FY14	FY15	FY16
Planning applications	531	520	1,014
Rehabilitation grants	n/a	32	36
Community service grants (Housing)	n/a	10	3

## Engineering

**Mission:** To enhance the quality of life in our City by providing safe, efficient mobility and infrastructure programs and delivering timely capital improvements that provide community-wide benefit.

The Engineering Division of the Plans and Public Works Department provides engineering management of the public right-of-way, traffic engineering, civil engineering, administration of the Capital Improvement Program (CIP), Neighborhood Improvement Program (NIP) and projects assigned by the U.S. Army to the Presidio Municipal Services Agency (PMSA). The Division works with other agencies, utility providers, residents, project stakeholders, as well as other City departments, to ensure that information is coordinated in a smooth and timely fashion.

### Accomplishments 2015-17 Biennium

- Carried out \$25,676,978 in Capital Projects
- Executed 92 Engineering contracts/agreements
- Maintained an average of twenty-two (22) active construction projects each month
- Streamlined internal processes to provide project plan specifications for public bid
- Issued 113 Notice to Proceed letters
- Held formal bid openings for twenty-six (26) projects
- Maintained average of forty-seven (47) projects active in design each month

### Goals for 2017-19 Biennium

- Complete the Conference Center, Hwy 68 roundabout, and City-wide sewer rehab projects
- Provide development support to ensure that the City will meet local, State and Federal requirements for sewer, storm water and ADA requirements
- Develop a City approach to the Statewide Trash Policy

### Budget Highlights for 2017-19 Biennium

- Continue efforts to complete projects identified in the CIP and the NIP programs, including Measure P
- Document storm and sewer system infrastructure conditions



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## Maintenance Services

Mission: To provide all maintenance in a timely, efficient and cost effective manner and to ensure all infrastructure including Parks, Playgrounds, Beaches, Urban Forests, Cemetery, Facilities, Streets, Lights and Fleet are maintained in a safe, healthy and attractive level for all who visit, live and work within the City while sustaining the highest level of customer service and professionalism.

### Accomplishments 2015-17 Biennium

#### Building Maintenance

- Signed an Intergovernmental Support Agreement (IGSA) with the U.S. Army Garrison Presidio of Monterey
- The Presidio of Monterey and Presidio Municipal Services Agency was selected to receive an FY16 Community Partnership Award at the Pentagon
- An Army film crew visited PMSA and POM and produced a video on the Monterey Model to for Army TV



[This photo is used courtesy of the Monterey Public Library, California History Room Archives.](#)

#### Street and Sewer Maintenance

- Repaired 210 street lights and 113 signal lights
- Demolished the fountain at Simoneau Plaza and replaced with concrete
- Installed five (5) homeless donation meters at various City locations

#### Fleet

- Purchased a newer sewer jet truck utilizing “NJPA” cooperative purchasing
- Replaced old generator with an emergency portable generator
- Procured a fuel vendor and performed extensive inventories of stock
- Purchased Electric Vehicle Nissan Leaf via Air District grant
- Implemented operation of the new “GasBoy” fuel system at Fueling Station (FS1)

#### Parks

- Re-landscaped Ferrante Park, including the addition of new header board, decomposed granite, and split rail fencing around picnic area
- Approved 772 private trees for removal
- Installed twenty (20) “No Alcohol on Beach” signs

## Goals for 2017–19 Biennium

### Building Maintenance

- Streamline and enhance partnership opportunities under the Intergovernmental Service Agreement (IGSA)
- Implement grey water recovery systems
- Create and implement a comprehensive five to ten year facilities maintenance and equipment replacement program

### Street and Sewer Maintenance

- Continue to maintain the City's storm drain, sewer and streets
- Reduce Sanitary Sewer Overflows (SSOs)
- Minimize worker's compensation injuries through a rigorous safety program

### Fleet

- Learn and utilize the new department-wide Infor Public Sector (IPS) software system
- Pursue renewal of revenue generating partnership agreements
- Clean fuel tank system at Fueling Station (FS1)

### Parks

- Continue Volunteer Services in the Parks
- To maintain productivity and high levels of service within the Parks Division

#### DID YOU KNOW?

You can report a problem 24/7 by submitting a service request online at [Monterey.org](http://Monterey.org) (or call 646-3462 during business hours).

- Abandoned vehicles
- Damage to sign
- Dead animal in road or park
- Facilities inspection
- Graffiti
- Illegal dumping
- Litter control
- Parking enforcement
- Potholes
- Sidewalk maintenance
- Storm drain problem
- Street light
- Street/curb striping
- Tree problem
- Utility repairs
- Water in street
- Yard waste collection

## Budget Highlights for 2017–19 Biennium

### Building Maintenance

- Implement a pilot program for the issuance of maintenance work orders and completion reporting via hand held field devices
- Partner with the Army in the purchase and delivery of green energy power through Community Aggregate Power Agreements
- Promote cost saving measures for, and identify synergies among Monterey's military missions and installations increased reporting capability and more efficient warehouse operations using the new Infor Public Sector (IPS) software system



#### Street and Sewer Maintenance

- Pavement marking crew to assist Traffic Engineer on restriping related to the Measure P street resurfacing work
- Update signage and pavement marking in school zones
- Remove and replace sidewalks at Pacific and Madison (CIP)

#### Fleet

- Continue to closely monitor the budget and the inventory to advance cost recovery efforts

#### Parks

- Continue to hold annual Cutting Day

### Capital Considerations



This photo is used courtesy of the City of Monterey.

#### Building Maintenance

- Increase reporting capability and more efficient warehouse operations using the new Infor Public Sector (IPS) software system
- \$375,000 in FY18, and \$775,000 in FY19 to address deferred maintenance at City Hall, Fire Stations, the Youth Center, and others.

#### Street and Sewer Maintenance

- Continue replacement of all regulatory traffic signs, as well as signs on the Presidio of Monterey (POM). See Capital section for detailed listing of projects.
- Continue to maintain the City's storm drain, sewer and streets, while complying with new State and Federal mandates concerning storm water filtering with \$1,500,000 each Fiscal Year funded from Sewer Fund.

#### Parks

- To complete the project to resurface Jack's Park with artificial turf



This photo is used courtesy of the Monterey Public Library, California History Room Archives.

#### DID YOU KNOW?

The **Neighborhood Improvement Program** is funded from visitors' hotel taxes, or transient occupancy taxes (TOT). The TOT rate is 10% and NIP receives 16% of that.

## **Community Development (Planning, Housing, Permit and Inspection Services, Property Management and Environmental Programs)**

The Community Development Division includes Planning, Housing, Permit and Inspection Services, Property Management, and Environmental Programs.

Mission: The Community Development Division is committed to excellent customer service. Our goal is to make information accessible to the public and to make the permitting process as user-friendly as possible. We focus our priorities on projects that will achieve the City Council-adopted Vision, Value Drivers and Strategic Initiatives.

### **Accomplishments 2015-17 Biennium**

#### **Planning**

- Adopted the Waterfront Master Plan, Lighthouse Specific Plan, Climate Action Plan, Villa Del Monte Revitalization Plan and Parks and Recreation Master Plan
- Updated Housing Element
- Secured \$280k in grant funds to update the City's Local Coastal Plan and prepared an Implementation Plan for Coastal Commission certification. Administrative Draft is complete and undergoing revisions as requested by Coastal Commission staff.
- Received 1,015 new applications (about 500 annually)

#### **Housing Programs**

- Approximately \$2 million was expended on Community Development Block Grant projects and activities
- 509 below market rate, deed-restricted affordable housing units were maintained, administered and monitored
- Three street reconstruction projects and one park improvement project were completed in low-income areas
- \$860,500 provided to rehabilitate homeless facilities owned by Veteran's Transition Center, Interim, Inc. and Community Human Services
- Three housing units were purchased for resale to low income first-time home buyers
- Completed site clearance and demolition activities for Van Buren Senior Housing project
- Continued construction on Monterey Hotel Affordable Housing Apartments

#### **Permit and Inspection Services**

- Issued permits for \$120 million in private construction projects
- Adopted new State and local building and associated codes issued every 3 years in 2017

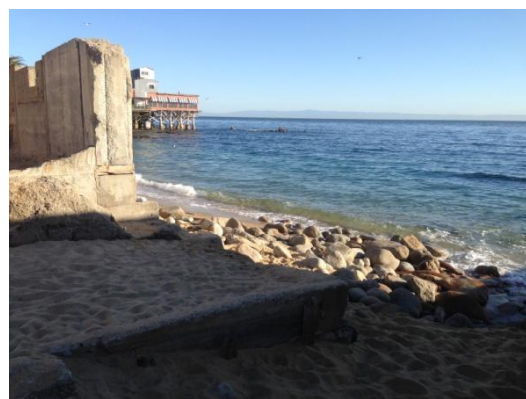


### Property Management

- Leased 601 Wave Street and 6 Fisherman's Wharf
- Completed 30 property transactions including: new leases, lease extensions, consents to sublease, consents to lease assignments, and lease terminations
- Drafted contemporary leasing templates
- Began implementation of new Property Management Software to manage City Leases

### Environmental Programs

- Joined Monterey Bay Community Power, a community choice aggregate, which will provide all energy ratepayers in Santa Cruz, San Benito and Monterey Counties a local, more sustainable alternative to PG&E provided power.
- Injected 951 Del Monte Avenue (City groundwater contamination site) with a treatment reagent and microbes to remediate legacy dry cleaning contaminants underground
- Completed a Joint City of Pacific Grove and City of Monterey Area of Special Biological Significance (ASBS) Compliance Plan
- Pacific Grove–Monterey Wet–Dry Weather Storm Water Capture and Diversion Project awarded \$4.4 million to Pacific Grove with Monterey as Project Partner, for collaborative ASBS Water Quality Management and Project Implementation Ensured multi-agency oversight and private property clean-up of historic kerosene bunker oil identified at water's edge of Cannery Row after a 2016 winter storm



[These photos are used courtesy of the City of Monterey.](#)

- Completed the Climate Action Plan in 2016 to calculate greenhouse gas emissions and reduction strategies
- Complied with AB 341 (Commercial, multifamily recycling) and AB 939 (waste diversion from landfills) which set statewide recycling standards as confirmed by CalRecycle

## Goals for 2017–19 Biennium

### Environmental Programs

- Continue work with Pacific Grove on ASBS storm drainage improvements
- Plan for and implement statewide Trash Policy to protect waterways from trash
- Assess Storm Water Program effectiveness through Watershed Modeling
- Be responsive to reports of potential environmental contaminant issues
- Continue to ensure compliance with AB 1826 regarding organics (food/yard waste) diversion at commercial sites
- Work on adopting additional greenhouse gas reduction measures such as adding electric vehicle charging stations

### Property Management

- Continue negotiations for 13 leases on Wharf I and Wharf II
- Complete the implementation of property management software

### Housing

- Implement approximately \$1.9 million on Community Development Block Grant projects and other Housing program activities
- Disburse Approximately \$126,000 in public service grants
- Rebuild Housing Reserve (purchase and resale of deed-restricted units) to preserve and increase stock of affordable housing units
- Support construction of three non-profit facility rehabilitation projects serving disabled and homeless persons
- Support the completion of Van Buren Senior Housing project and the Monterey Hotel Affordable Apartment project

### Permit and Inspection Services

- Continue to expect and support a high level of construction activity
- Provide final inspections for several large projects (200 Iris Canyon – Senior Housing, 230 Lighthouse – Mixed Use, 201 Cannery Row – Mixed Use)

### Planning

- Continue to process current planning applications
- Receive Coastal Commission certification of new Local Coastal Program that will enable the City to issue coastal development permits

## Budget Highlights for 2017–19 Biennium

### Environmental Programs

- Document storm and sewer system infrastructure conditions
- Update the City's Sanitary Sewer Management Plan
- Initiate budgeting for statewide Trash Policy implementation
- Continue ASBS compliance with funding collaborations with Pacific Grove and others
- Perform site and facility inspections for storm water and fat-oil-grease (FOG) programs

### Housing Programs

- Continue outreach efforts to community service providers and other jurisdictions in the area to identify new affordable housing projects and additional homeless services or facilities.
- Develop a homelessness consensus strategy to address the needs of homeless in our community, and continue to build upon existing collaboration and coordination efforts with other public service agencies, service organizations and the community to work together to increase the availability of affordable housing and reduce homelessness

### Property Management

- Coordinate with McGraw-Hill Company efforts to lease vacant space in its facility at 20 Ryan Ranch Road

### Permit and Inspection Services

- Plan review large projects such as the Monterey Bay Aquarium classrooms and the Valero site
- Provide services on new, large projects (525 Polk – Cooper Molera, 1 Ryan Ranch Road – MST, 625 Cannery Row – Aquarium, 200 Van Buren – Senior Housing Project, 499 Calle Principal – Davi Mixed Use, 595 Munras – Mixed Use)

### Planning

- Complete an Economic Asset Study in cooperation with CSUMB and Middlebury Institute of International Studies



This photo is used courtesy of the Monterey Public Library, California History Room Archives.

## **Community Services – Overview**

The City of Monterey's Community Services Department improves the quality of life for all through the outstanding services, programs and facilities of the Conference Center, Harbor & Marina, Museums & Cultural Arts, Parking, Recreation and Sports Center divisions.

Our welcoming, creative, professional, responsive and dedicated employees:

- ensure healthy lifestyles, wellness and play by providing and supporting recreational programs for all ages and abilities
- foster economic and human vitality through group meeting business, boating and marine-dependent activities, parking management, social/cultural programs
- preserve, maintain and promote our historic, cultural and environmental assets

### **Accomplishments 2015–2017 Biennium**

- People of all ages and abilities enjoyed year-round positive, affordable, cultural, play, health, wellness and/or business opportunities through our facilities and staff
- Conference Center Renovation project was initiated and funded
- 20-year Parks and Recreation Master Plan completed; implementation underway
- Colton Hall Museum ADA Study completed; funding for improvements achieved
- Summer Playground Program returned to Montecito Park; facilitated Monterey Amberjacks in first season; supported three Special Event Grant cycles
- Waterfront City Code updated; Wharf II parking decking reconstructed

### **Goals for 2017–19 Biennium**

- Continue enhancing our community's quality of life by providing outstanding programs, services and facilities for people of all ages and abilities
- Complete Conference Center Renovation Project by end of 2017; Grand Re-opening by January 2018; implement Business Plan by Spring 2018
- Complete Colton Hall Museum ADA improvements by Spring 2018
- Develop plan to implement new Attendant Lot business model by June 2018
- Develop plan to implement Dry Boat Storage Yard by January 2018

## Budget Highlights for 2017–19 Biennium

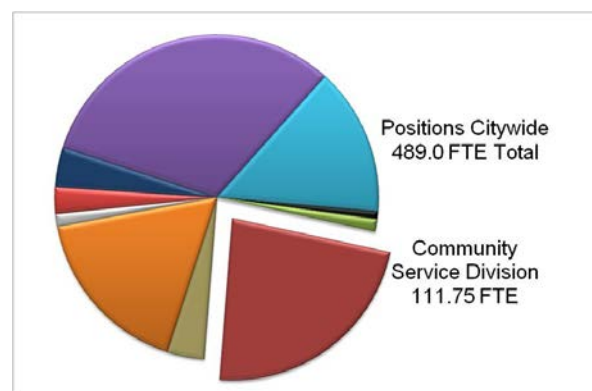
- Conference Center re-opening
- New equipment at Sports Center
- Continued Marina dredging
- Increasing Summer Playground Programs by 100% (from 2 to 4)

## Capital Considerations for 2017–19 Biennium

- Overall, Community Services department capital needs are unique, varied, include historic buildings, community center, sports fields, harsh marine environment, vehicular use, and aquatic sports environment. Aging facilities, ADA upgrades and heavy usage within current facility constraints are not currently funded to the extent needed
- Renovation of Dry Storage Yard, Waterfront Parking Lot and Wharf II Restrooms

## CSD Authorized Positions, Budget, and Performance Measurements

Full Time Equivalents (FTEs)	FY18	FY19	Full Time Equivalents (FTEs)	FY18	FY19
Conference Ctr Admin	3.68	3.68	Parking Maintenance	9.00	9.00
Conference Ctr Sales	2.00	2.00	Parking Security	11.50	11.50
Conference Ctr Events	6.00	6.00	Recreation Admin	6.00	6.00
Conference Ctr Maintenance	1.00	1.00	Youth Center	2.50	2.50
Marina Admin	3.16	3.16	Senior Center	1.75	1.75
Marina Maintenance	1.50	1.50	Hilltop Park Center	2.50	2.50
Marina Security	2.78	2.78	CONA Park Center	2.50	2.50
Harbor Admin	1.14	1.14	Special Programs & Events	1.75	1.75
Harbor Maintenance	1.50	1.50	Sports Programs	1.75	1.75
Harbor Security	0.98	0.98	Sports Center Operations	29.25	29.25
Parking Admin	6.02	6.02	Sports Center Maintenance	2.00	2.00
Parking Enforcement	10.00	10.00	Museum	1.50	1.50
			<b>Total</b>	<b>111.76</b>	<b>111.76</b>



## CSD Authorized Positions, Budget, and Performance Measurements (cont.)

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Conference Center Admin <i>General Fund</i>	478,760	501,012	593,313	786,317	793,987
Conference Center Sales <i>General Fund</i>	325,714	348,453	507,756	391,332	408,996
Conference Center Events <i>General Fund</i>	944,107	1,109,391	889,031	1,016,025	1,063,939
Conference Center Maint. <i>General Fund</i>	448,735	365,083	513,654	507,579	514,485
Visitor Promotion <i>General Fund</i>	1,074,213	1,184,499	927,057	927,057	927,057
Harbor Administration <sup>1</sup> <i>General Fund</i>	278,668	320,418	335,054	0	0
Harbor Maintenance <sup>1</sup> <i>General Fund</i>	281,439	271,953	331,881	0	0
Harbor Security <sup>1</sup> <i>General Fund</i>	67,830	100,147	47,535	0	0
Recreation Administration <i>General Fund</i>	960,325	1,054,024	1,087,977	1,182,985	1,218,447
Monterey Youth Center <i>General Fund</i>	378,108	382,719	434,388	443,269	453,350
Scholze Park Center <i>General Fund</i>	237,233	224,153	286,521	296,565	306,783
Archer Park Center <i>General Fund</i>	4,468	4,511	4,174	3,997	4,066
Hilltop Park Center <i>General Fund</i>	339,476	359,784	398,102	379,089	378,563
Casanova Oak Knoll Park Ctr <i>General Fund</i>	320,545	308,274	356,084	369,700	380,416
Recreation Special Programs <i>General Fund</i>	506,569	517,937	611,869	603,627	619,037
Recreation Sports Programs <i>General Fund</i>	211,629	218,884	313,903	308,930	320,327
Monterey Sports Center <i>General Fund</i>	5,063,634	5,437,347	5,383,950	5,689,190	5,873,498
Museum <i>General Fund</i>	305,618	291,046	331,810	317,594	316,182
<b>Total General Fund</b>	<b>12,227,070</b>	<b>12,999,635</b>	<b>13,354,060</b>	<b>13,223,255</b>	<b>13,579,132</b>
CCFD City Revenue Fund <i>Special Revenue Fund</i>		4,627	0	0	0
Wharf I Sprinkler System <i>Special Revenue Fund</i>	13,768	10,388	20,600	20,600	20,600
Senior Center Programs <i>Special Revenue Fund</i>	24,830	24,447	25,000	25,000	25,000
Museum Trust <i>Special Revenue Fund</i>	4,433	18,091	13,133	6,450	6,450
Scholze Trust <i>Special Revenue Fund</i>	329	0	0	0	0
Golden 55 Travelers <i>Special Revenue Fund</i>	39,831	29,934	60,040	60,040	60,040
Conference Center Facilities District (CCFD) <i>Special Revenue Fund</i>	0	2,002,150	485,023	2,560,759	3,490,535

<sup>1</sup> Moved to Tidelands Trust in FY18

## CSD Authorized Positions, Budget, and Performance Measurements (cont.)

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Tidelands Trust	235,303	44,275	610,596	1,734,767	1,865,429
<i>Special Revenue Fund</i>					
<b>Total Special Revenue Funds</b>	<b>318,495</b>	<b>2,133,912</b>	<b>1,214,392</b>	<b>4,407,616</b>	<b>5,468,054</b>
Marina	1,845,966	1,526,872	2,207,830	2,105,729	2,163,632
<i>Enterprise Fund</i>					
Parking	6,469,521	5,502,080	8,486,772	8,498,683	8,711,275
<i>Enterprise Fund</i>					
<b>Total Enterprise Funds</b>	<b>8,315,487</b>	<b>7,028,952</b>	<b>10,694,603</b>	<b>10,604,412</b>	<b>10,874,907</b>
<b>Total All Funds</b>	<b>20,861,052</b>	<b>22,162,499</b>	<b>25,263,055</b>	<b>28,235,283</b>	<b>29,922,094</b>

Conference Center Measurements	FY14	FY15	FY16
Number of groups	105	101	10
Number of attendees	116,000	112,000	7,930

Harbor & Marina Measurements	FY14	FY15	FY16
Number of visiting boats	4,000	4,000	4,000
Visiting berthing days	11,000	11,000	12,500
Number of boats using launch ramps	2,000	2,000	2,000
Pounds of seafood landed on Wharf II	60,000,000	30,000,000	15,000,000
Trucks per day using Wharf II during peak of squid fishery	75	50	20
Tons of trash removed from Marina and east Wharf II (through six volunteer dive clean-ups, coordinated by Harbor staff)	6	6	6
Visitors provided with information, unrelated to boating activities	1,000-1,500	1,000-1,500	1,000-1,500

Sports Center Measurements	FY14	FY15	FY16
Memberships	8,317	8,491	8,601
Personal trainer appointments	3,000	3,401	3,661
Physical therapy appointments	2,343	2,361	2,483
Group exercise classes (over 120 per week)	6,240	6,240	6,240
Gymnasium program participants	2,500	2,585	2,612
Non-profit and group partnerships	106	106	106

## CSD Authorized Positions, Budget, and Performance Measurements (cont.)

<b>Museum &amp; Cultural Arts Measurements</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Overall visitation at all City museums and cultural events	24,053	20,713	24,086
Attendees at Alvarado Gallery art openings	301	356	-
Colton Hall Museum	n/a	12,877	14,046
Tour attendees of Pacific Biological Lab	416	1,147	1,128
Presidio Museum & Lower Presidio Historic Park	5,105	5,915	5,636
Citywide programs (e.g. History Fest, Christmas in the Adobes)	2,169	2,741	3,276
<i>Explore Monterey</i> cell phone tours	843	915	1,641
Number of Monterey History volunteers	32	107	110
Volunteer hours	2,052	3,779	3,900
Visitor satisfaction (survey) with Pacific Biological Lab tours	n/a	96%	99%

<b>Parking Measurements</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Downtown West Garage – number of vehicles	35,005	40,465	32,836
Downtown West Garage – revenue generated	\$ 133,059	\$ 152,515	\$ 137,143
Waterfront Attendant Lot – number of vehicles	283,268	279,951	272,650
Waterfront Attendant Lot – revenue generated	\$ 1,206,709	\$ 1,190,185	\$ 1,186,984
Cannery Row Garage – number of vehicles	224,192	241,676	234,267
Cannery Row Garage – revenue generated	\$ 2,156,898	\$ 2,299,334	\$ 2,542,329
Cannery Row 7 lot – number of vehicles	n/a	51,419	52,517
Cannery Row 7 lot – revenue generated	n/a	\$ 703,423	\$ 715,499
Number of parking citations issued	40,455	37,824	40,611

<b>Recreation Measurements</b>	<b>CY15</b>	<b>CY16</b>
Overall community center program participants	128,855	124,334
Overall community center programs	647	537
Adult and senior average at Scholze Park Center (daily)	190	174
Adult field sports program participants (6 programs)	2,724	2,798
Adult field sports teams	126	130
Youth field sports program participants (8 programs)	720	744
School holiday program participants (3 weeks)	68	48
Bayview Academy afterschool program participants* (max/day)	60	75
Summer Playground Program (7 weeks)	298	300
Summer day camp program participants (7 weeks)	475	584
Summer resident camp participants (6 weeks + family weekend)	560	582
*Data is reported by calendar year except programs noted with an asterisk * are reported by fiscal (school) year		



## Monterey Conference Center

The Monterey Conference Center (MCC) is the focal point for welcoming and encouraging cultural and economic prosperity for the City of Monterey. By providing a modern, state-of-the-art meeting facility combined with award-winning service and professionalism, we strive to go beyond the expectations of our guests and provide them with an experience unsurpassed in the industry.

### Accomplishments 2015–17 Biennium

- Contract was awarded and renovation of the Conference Center began in December 2015. In summer 2016, a temporary pavilion was erected in Custom House Plaza to accommodate displaced groups.
- Worked with hospitality partners, clients, and local venues to develop and execute relocation plans for groups that were displaced due to the renovation of MCC.
- Developed a new brand identity, logo, and creative marketing materials, along with a marketing and communications plan for re-opening, in collaboration with the hospitality community, destination marketing and other stakeholders.
- Conducted a rates and fees study to propose an updated fee schedule, along with finalizing agreements with audio-visual services and food and beverage services, to ensure expanding revenue opportunities for the re-opening of the revitalized MCC.
- Booked future groups and meetings into the Conference Center; from July 2015 through April of 2017, MCC has contracted 49 groups, representing 47,000 future room nights for the City of Monterey.
- Integrated citywide responsibility for special events into Conference Center operations with the new positions of Director of Sales and Events and Special Events Coordinator.
- Hired new Conference Center General Manager after successful nationwide search.



This photo is used courtesy of the City of Monterey.

### Goals for 2017–19 Biennium

- Finalize all vendor agreements for audio visual, internet, catering, electrical, and branding opportunities prior to the opening of the MCC, which will establish a significant revenue source for a future successful operation.
- Increase future group bookings into the MCC to create a booking pace that will position the Conference Center to achieve room night booking goals for a stabilized year in FY 2019–20 and beyond.
- Develop a comprehensive Monterey Conference Center Business Plan that will incorporate and integrate all aspects of the operation, sales, marketing, and event planning with specific strategies and tactical initiatives to insure the future success of the MCC.
- Streamline and improve coordination, execution, and evaluation of special events in the City of Monterey.

#### DID YOU KNOW?

The Monterey Conference Center grand opening occurred 40 years ago on April 30, 1977, when the price of gas was approximately \$0.59 per gallon?

## Harbor and Marina

Mission: To provide the public with safe and well-maintained harbor facilities fairly, at a responsible cost.

### *What does the Harbor and Marina Division do?*

- Provides 24/7/365 security, maintenance, customer service, and administration for major City waterfront infrastructure, including:
  - Wharves 1 and 2
  - 413-berth marina
  - 160 vessel moorings in two mooring fields
  - two public launch ramps
  - a guest dock
  - cruise ship passenger loading facility at Wharf 1
- Maintains and operates a hydraulic dredge for annual, permitted harbor dredging program.
- Provides navigation aids.
- Administers berth and mooring license agreements.
- Administers berth and mooring license agreements.
- Provides and executes a US Department of Homeland Security Plan for cruise ship visits.
- Obtains permits for maintenance, new construction, and dredging projects and assures permit compliance.
- Administers a berth and mooring waiting list of over 800 individuals.



This photo is used courtesy of the Monterey Public Library, California History Room Archives.

### Accomplishments 2015–17 Biennium

- Completed a large re-decking project on Wharf II in house, saving over \$500,000 compared to doing this work through a contractor.
- Updated and consolidated City Code sections for the waterfront.
- Implemented several recommendations found in the Community Sustainability Plan for fisheries.
- Represented City and community interests to the National Marine Sanctuary and Pacific Fishery Management Councils.
- Worked with other departments to develop a plan and process for dry storage yard improvements.

## **Goals for 2017–19 Biennium**

- Keep users and concessionaires supportive in the context of a fair fee structure and on-going maintenance.
- Coordinate Wharf II repairs with concessionaires to minimize disruption and ensure maximum efficiency.
- Resume annual dredge program in additional areas of the Marina.
- Assist in the construction of a new dry storage yard and develop policies, procedures, and fee schedule for the administration and licensing of dry storage spaces.
- Continue to represent City, Harbor, and community interests in upcoming Sanctuary Management Plan review.
- Continue to work with Property Management Division to conclude negotiations for improved Wharf II wharfage and warehouse leasing strategy.
- Continue to support the Monterey Bay Fisheries Trust.
- Recommend new rate structure for visitor berthing and other services to be in line with affordable fair market values.

## **Capital Considerations**

### **Marina Fund**

- \$300,000 for Wharf 2 Fire Suppression. The below deck fire system needs to be replaced in FY17/18.
- \$250,000 for Harbormaster ADA improvements at Harbormaster Public restroom in FY18/19.

### **Tidelands Fund**

- \$1,200,000 for Wharf 2 Fire Suppression. The below deck fire system needs to be replaced FY17/18.
- \$200,000 for Wharf 2 Warehouse exterior Rehabilitation in FY17/18 and FY18/19.
- \$115,000 for Wharf 1 ADA upgrades in FY17/18.
- \$80,000 for #6 Fisherman's Wharf roof and window repairs to replace roof, rain gutters, downspouts, meter split, and leaking windows in FY17/18.
- \$40,000 for #6 Fisherman's Wharf lighting, deck railing repair, and to install walkway in FY18/19.

## Museums and Cultural Arts

Museums and Cultural Arts provides stewardship of City art, artifacts, and historic facilities, and shares the stories of Monterey, serving as places of learning, inspiration, and engagement with our history and heritage for residents and visitors.

### Accomplishments 2015–17 Biennium

- Completed Community Foundation for Monterey County (CFMC) grant– Old Monterey Jail Historic Structure Report for planning, preservation, and repairs.
- Successfully applied for and received \$150,000 in grants for Colton Hall Museum Americans with Disabilities Act (ADA) Accessibility Project from Community Foundation for Monterey County (\$50,000) and Monterey Peninsula Foundation (\$100,000) for 2017.
- Partnered with Monterey Museum of Art “Sustainable Art and History” project resulting in over 280 Monterey area elementary school students and teachers experiencing and learning about the history of Colton Hall.
- Working with the Colton Hall Museum and Cultural Arts Commission and Parks, ten new cell/smart phone Explore Monterey history tour signs were installed to expand 24/7 enjoyment and interest in Monterey’s historic sites.
- Relocated and stored City Art removed from the Monterey Conference Center during renovation project.
- The Monterey Mural was removed and conserved in preparation for reinstallation on outside wall of renovated Monterey Conference Center.
- Oversaw the conservation and reinstallation of the recovered head of the Father Junipero Serra Monument, which had been vandalized and removed.
- With Public Works, reviewed plans for pathway with historic interpretive signs on El Castillo site as part of implementation of the Lower Presidio Historic Park Master Plan.



This photo is used courtesy  
of the Monterey Public  
Library, California History  
Room Archives.

### Goals for 2017–19 Biennium

Museum and Cultural Arts Division Administration:

- Increase and improve care, preservation, and identification of City historical and art collections for long-term enjoyment and education of residents and visitors, by restoring Artifact Specialist position vacant since 2007.
- Continued exploration of social media to increase overall visitation at all museums. Increase overall Division social media followers by 20% to highlight and promote City historical and cultural arts programs and services, following City’s value drivers to improve quality of life and preserve and promote history and heritage of Monterey.

- Enhance and expand Museums and Cultural Arts outreach through website improvements by 15%; increase social media followers by 15% (in coordination with Communications staff).
- Enhance staff stewardship of cultural and historical resources.
- Alvarado Gallery at Monterey Conference Center:
  - Oversee and complete Monterey Conference Center art relocation project, including professional transport and reinstallation of selected City Art and deaccession of and transfer of art outside the requirements of the City Art Collection Policy.
  - By December 2017, resume Alvarado Gallery Art Program.

#### Colton Hall and Old Monterey Jail:

- In coordination with Public Works, complete major components of the grant-funded Colton Hall ADA Accessibility Project by Fall 2017, to expand access to the museum programs and events, restoring popular evening concert music programs and other programs at Colton Hall.
- After completion of Colton Hall ADA Project, begin implementing 30% of recommended short-term improvements to Colton Hall Museum interpretation (Colton Hall Museum Interpretive Plan 2013) by June 2019.
- Increase Colton Hall Museum visitation by 5%; Pacific Biological Lab by 10%; Presidio Museum/Lower Presidio Historic Park by 5% by July 2019.
- Continue “Sustainable Art and History” schools program partnership with Monterey Museum of Art through June 2018.
- Apply for grant funds to produce an Old Monterey Jail interpretive plan or exhibit plan by August 2018.

#### Pacific Biological Laboratories (PBL):

- Develop and implement PBL use policy; establish new use fee schedule and increase fee in an effort to recover costs, by June 2018.
- Apply for grant funds to develop Pacific Biological Laboratories ADA study with assessments by December 2017.
- Assess recommendations of PBL Interpretive Plan, determine priority for implementation to expand and augment visitors’ experience of historic PBL and seek funding by August 2018.

#### Cannery Row Worker Shacks:

- Restore or acquire historic artifacts to replace damaged or missing exhibit materials in the three cabins by June 2018.
- Working with Public Works, complete NIP-funded conservation of Cannery Row Worker Shacks by June 2018.

#### Presidio Museum/Lower Presidio Historic Park:

- Receive final condition assessment of the last two historic stables on the Lower Presidio to provide guidance on stabilization and rehabilitation leading to planning for future historical interpretation at site by June 2018.
- Initiate and conduct Presidio Museum Docent recruitment and training sessions by July/August 2017.
- Coordinate with Army, City Engineering, Neighborhood Improvement Program, and the Old Monterey Foundation's fundraising efforts to design and implement interpretive signage and ADA-compliant pathways in Serra Monument area and from Presidio Museum to Sloat Monument.

#### Capital Considerations

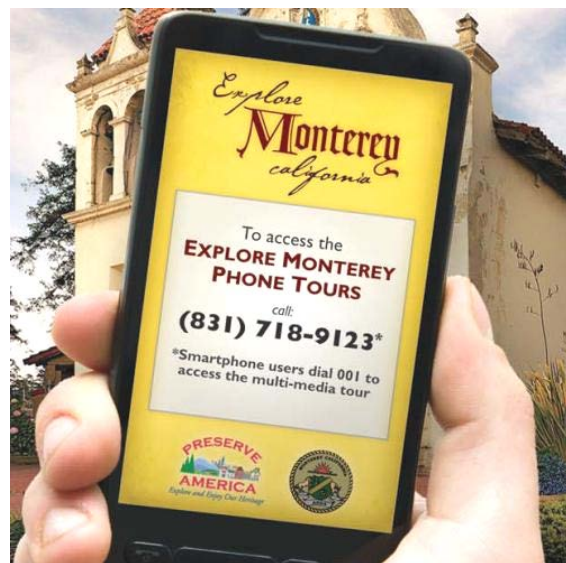
Two FY18 NIP projects that will enhance the community and arts are:

- \$298,000 for Casa Verde/Hwy 1 Underpass Hardscape, Murals. Commissioned mosaic tile artists will install murals on four existing concrete walls under NB/SB lanes. Two Villa del Monte neighborhood signs will be also installed.

#### DID YOU KNOW?

You can explore Monterey and Monterey State Historic Parks with your phone. Some of the available sites are:

Colton Hall, Presidio, Cannery Row, Old Fisherman's Wharf, Casa Serrano, Royal Presidio Chapel, First French Consulate, the Monterey Public Library, and California State Parks located within Monterey. Check our website [www.monterey.org](http://www.monterey.org) for details on how to access these cell phone tours.



## Parking

Mission: to administer the parking programs of the City with the objective of providing safe, clean, legal, and optimal parking to the citizens of, and visitors to, the City of Monterey.

Foremost in the division's efforts will be courtesy and the recognition that we are all employed by the citizens of the City of Monterey and are, therefore, its ambassadors at all times. Common courtesy, helpfulness and cooperation are the tools the division, as a part of the Community Services Department, uses to excel at its appointed tasks.

### Accomplishments 2015–17 Biennium

- 100% self-supporting through Parking revenues, including re-capitalization costs, and loan and lease repayments annually of over \$1.5 million to the General Fund.
- \$5.83 million dollar loan from Parking Fund to the Conference Center renovation project, due to be repaid within 20 years starting fiscal year 2020.
- Through Council action and community partnerships, contributed over \$750,000 to various activities/programs such as Locals Parking program at Cannery Row Garage and Waterfront Parking Lot, State Parks Volunteer programs and year-round free weekend MST Trolley starting in 2016 and continued free daily summer Trolley.
- Parking enforcement staff continued to provide vehicle and pedestrian safety support for major events such as July 4<sup>th</sup> Parade, First Night, HBO filming, Auto Week, Sanders rally, downtown construction activities, and neighborhood enforcement during Fairgrounds events.
- Converted all parking meters in the Cannery Row Area to smart meters that accept credit cards.
- Increased 20% of the downtown Alvarado-area free on-street parking to 90 minutes in response to business and resident requests.
- Installed a new surveillance system in Cannery Row and Downtown Garages to improve resident and visitor safety.



This photo is used courtesy of the City of Monterey.

#### DID YOU KNOW?

The City of Monterey offers a parking program which allows Monterey residents, displaying the proper decal permit, a maximum of two hours of free parking, per day, per parking facility. The decals are honored at the Downtown West, the Waterfront Attendant Lot, and the Cannery Row Garages.

A resident parking permit decal can be obtained at the Parking Division Office located at 340 Tyler Street for \$10. Check [www.monterey.org/Services/Parking/Resident-Parking-Programs](http://www.monterey.org/Services/Parking/Resident-Parking-Programs) for more details.



## Goals for 2017–19 Biennium

- Conduct an operational and rate survey for parking fees and charges by December 2018.
- Implement a new permit program for the Casanova Oak Knoll neighborhood by December 2017.
- Execute a new residential on–street parking permit management program to include on–line RV permit system by July 2018.
- Rehabilitate the Waterfront Parking Lot to include technology upgrades by December 2017.
- Modernize Parking Access Revenue Control System (PARCS) in the Downtown East and West Garage by July 2018.
- Remodel Parking Division front office.
- Work with City Attorney’s office to update Monterey City Code Chapter 20 Motor Vehicles and Traffic



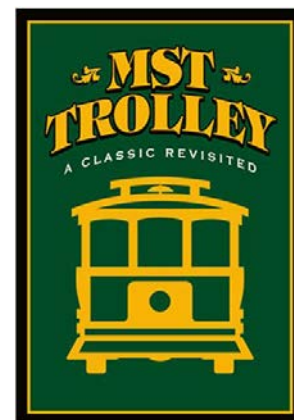
## Capital Considerations

### Parking Fund

- \$710,000 to address deferred maintenance at the City parking garages (Downtown, Cannery Row and Calle Principal in FY17/18, and \$250,000 in FY18/19.
- \$400,000 to Modernize the PARCS equipment in the garages to all pay on foot stations and pay on exit lanes in FY17/18.
- \$100,000 in FY17/18 and FY18/19 to provide repairs for pavement, curbs, or signage needs at parking lots.
- \$30,000 to remodel Parking offices to increase operational efficiency in FY17/18.

#### DID YOU KNOW?

The FREE MST Trolley is the best way to get around the City and avoid parking and traffic congestion. The free MST Trolley operates on a daily basis Memorial Day Weekend through Labor Day, and weekends all year. The route serves the Downtown Monterey, Fisherman’s Wharf, Cannery Row and the Monterey Bay Aquarium. Look for the green MST Trolley signs to board along the route.





## **Recreation**

### **Community Centers, Field Sports, and Special Programs & Events**

Monterey Recreation, a division of the Community Services Department, is dedicated to making the community better now and in the future by providing recreational programs and facilities that promote healthy lifestyles, strong families and positive youth development while striving to increase the social, cultural and physical well-being for all ages.

#### **Accomplishments 2015–17 Biennium**

- Increased participation in summer day camp and resident camp programs
- Updated and implemented the new Parks and Recreation Master Plan
- Reinstated the annual Easter egg hunt for youth.
- Increased recreational programs and services by developing new partnerships with other organizations and agencies.
- Implemented new programs at community centers and outdoor facilities
- Increased usage of on-line registration website.
- Expanded marketing venues and improved division branding (developed a logo, marketing materials, and uniforms).
- Developed Special Events Grants program and process. Completed three grant cycles and supported over 50 outside organizations' special events in the City of Monterey.

#### **Goals for 2017–19 Biennium**

- Expand the summer playground program to include Montecito Park and Laguna Grande Park.
- Develop a plan to continue partnership with MPUSD for use of school facilities to increase youth afterschool programs.
- Partner with the Monterey Public Library to develop a plan and design process for a new teen center near Monterey High School and increase afterschool programs for teens.
- Work with the community on the study and plan to renovate Hilltop Park Center to meet the needs of the neighborhood.

#### **Capital Considerations**

The following projects are provided out of the NIP Project List for FY18:

- COK Park Play Equipment – \$250,000
- Spray Ave. Tot Lot Gazebo and Seating – \$63,000
- Wi-Fi Coverage at 4 Community Centers – \$22,000
- Themed Bike racks – \$15,000
- Via Paraiso Park Tennis Court Resurfacing – \$14,000



This photo is used courtesy of the City of Monterey.

## Monterey Sports Center

Monterey Recreation, a division of the Community Services Department, is dedicated to making the community better now and in the future by providing recreational programs and facilities that promote healthy lifestyles, strong families and positive youth development while striving to increase the social, cultural and physical well-being for all ages.

### Accomplishments 2015–17 Biennium

- Completed 50 Monterey Fire Department fitness evaluations annually.
- Provided annual fitness evaluations and counseling to over 300 employees participating in the City's Fitness Activity Plan, which promotes physical activity and wellness, and reduces costs associated with lost work time due to injury, illness, and sedentary work.
- Successfully completed a remodel of the Pro Shop/Café, providing additional seating with multiple outlets for electronic device use. Improved the look of the Pro Shop/Café while increasing product and merchandise choices.
- Installed a filtered water refilling station, providing socially responsible and environmentally friendly alternatives for hydration.
- Completed a very successful January healthy living series of events including free public community lectures, demonstrations, and fitness activities.
- Developed a highly successful and engaging slate of activities commemorating the 25<sup>th</sup> Anniversary of the Monterey Sports Center for June 1, 2017.

### Goals for 2017–19 Biennium

- Continue to expand efforts to promote health and wellness and quality of life in the Monterey community through programs and services.
- Continue to provide exceptional customer service and recreation/fitness experiences to guests and members.
- Continue to provide programs and services at an affordable cost for community members, including financial support for individuals experiencing financial hardship.



This photo is used courtesy of the Monterey Sports Center.

### Capital Considerations

- \$91,000 in FY17/18 made up of the following: \$71,000 to replace 12 elliptical cross training machines, \$7,000 for a body fat analyzer, \$7,000 for a pool lift, and \$6,000 for miscellaneous equipment
- \$87,000 in FY18/19 for replacement of cardio equipment, miscellaneous aquatics, gym and group exercise equipment

## Monterey Public Library

**Mission:** Monterey Public Library is a welcoming community, cultural, and learning center for people of all ages. We encourage discovery, share the joy of reading, celebrate Monterey's history and heritage, and protect the right to know.

### Accomplishments 2015–17 Biennium

- Voted Best Library in Monterey County for 9<sup>th</sup> year in a row through the Monterey County Weekly's *Best of Monterey County Readers' Poll*.
- Completed *Voices & Images* a community heritage program documenting the personal stories and memories of Monterey's Japanese–American community members.
- Children participated in our Summer Reading Program in record numbers in 2016 – an increase of 42%.
- Historic Monterey newspapers from 1846 to 1954 were digitized so that anyone can access them 24/7 on Internet.
- Celebrated completion of Library Kitchen funded by the Neighborhood Improvement Program (NIP).
- Opened Etta's Eats, a Library snack bar run by Library staff, furnished by the Friends of the Monterey Public Library and funded by the Library Trust Fund.
- Completed major staff recruitments – a new Library Director, Youth, Reference & Outreach Services Manager, two Youth Librarians and two Library Assistants.
- Extended the loan period of circulating materials from two to three weeks so that customers can enjoy them longer.
- Implemented telephone renewal system for customer convenience.
- Launched new hands-on programming series for all ages including Technology 101 and Craft Club for adults, STEAM Storytime for preschoolers, Writing Club for Teens, and Movie Science Theater 3000 for 1<sup>st</sup> through 5<sup>th</sup> graders.
- Maintained Library operating hours during complete roof replacement.
- Increased the Library endowment by 51% reflecting the City Council's initiative to "Expand Library funding sources and endowment to improve library services to residents, local business owners."
- Library offers Villa Del Monte neighborhood residents access to books 24/7 with "Little Library" purchased by the Friends, and installed at Montecito Park.
- Welcomed seven new 1849 Society members whose gift of permanent funds will help ensure that our historic, dynamic institution will continue its long and proud service into the future.

## Goals for 2017–19 Biennium

Five major strategic priorities with initiatives were adopted by the Library Board of Trustees in April 2017.

### 1. Organizational Excellence

- Complete major staff recruitments and restructure to align with a streamlined service model
- Train and mentor staff members to continue outstanding service and professional growth
- Expand Library funding sources and endowment to improve services to residents, local business owners, employees, students, and visitors
- Increase awareness of targeted programs and services; develop a coordinated outreach campaign strategy

### 2. Digital Strategy

- Expand Digital Learning Lab space
- Enhance our customers' technology experience, and increase technology program offerings for all ages.
- Implement Edge Technology Action Plan
- Conduct a website usability study and implement improvements

### 3. Learning and Literacy

- Continue children's programs that promote early literacy and reading readiness
- Provide after-school STEAM (science, technology, engineering, art and math) programs for K-8
- Partner with our schools to provide programs that further academic success
- Offer programs for all ages that inform, inspire, celebrate Monterey's rich past, build community engagement, promote reading and support community priorities of economic, mental, and physical health
- Expand Bookmobile programming and outreach
- Support literacy and language instruction

### 4. A Welcoming Community Space for All

- Share information on services available to customers experiencing life challenges, e.g. homelessness
- Partner with the Parks & Recreation Commission to assess teen needs for a teen space and expanded afterschool programming
- Develop plans for facility improvement and/or expansion
- Promote greater access to and archival storage for California History Room resources
- Update the signs throughout the Library interior to facilitate intuitive wayfinding, and provide attractive landmarks to help customers navigate through the building
- Enhance Library cleanliness with additional custodial hours, and staff and volunteer participation

## 5. Balanced Collections and Enhanced Information Sources– in all formats

- Continually develop and assess collections – print, audio, digital – for accuracy, balance, interest and relevance
- Explore demand for non-traditional collections and resource sharing
- Assess feasibility of reinstating Interlibrary Loan service
- Review and revise Collection Development Policy
- Assess and implement authority cleanup – to improve Library catalog usability

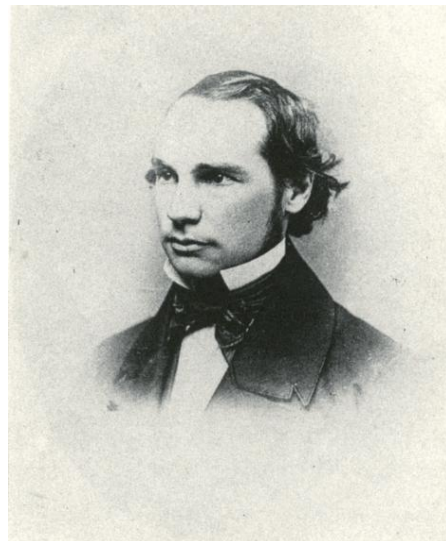
## Capital Considerations

Over \$3,000,000 in deferred maintenance projects remain from the Library Facility Condition Analysis report of 2007.

- \$147,000 in FY17/18 NIP projects funds has been allocated for a public classroom. This space would be used for computer training, library instruction activities, and providing space to assist the public with digital literacy. This project has been previously reviewed and approved by the Library Board.

### DID YOU KNOW?

Monterey Public Library is California's first public library, founded in 1849. Colton Hall schoolmaster the Reverend Dr. Samuel H. Willey, in his *Thirty Years in California*, claimed credit. Many other individuals were involved. They established the Monterey Library Association and persuaded citizens to purchase \$32 shares in a public library which, according to Monterey Library Association's records dated June 1, 1853, would "...afford amusement, entertainment, and profit to a large class of people who, without its aid, would waste their time in the frivolities and questionable pastimes so prevalent in our State." We continue to be a community-supported learning center to this day.

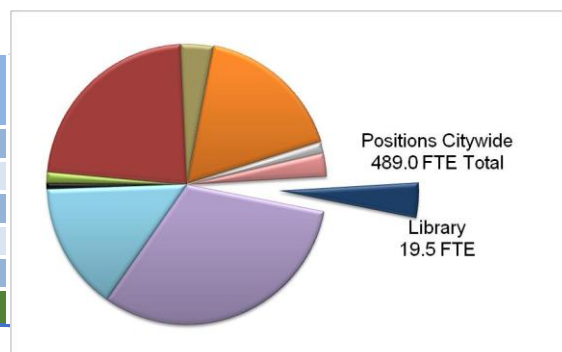


Samuel Willey, This photo is courtesy of the Monterey Public Library, California History Room Archives.

## Library Budget, Authorized Positions, and Performance Measurements

Budget by Area	FY15 Actuals	FY16 Actuals	FY17 Amended	FY18 Adopted	FY19 Adopted
Administration <i>General Fund</i>	962,187	1,080,995	1,115,421	1,173,659	1,204,253
Support Services <i>General Fund</i>	458,394	484,960	427,663	423,241	443,097
Reference Services <i>General Fund</i>	328,183	345,359	362,996	408,182	423,779
Youth Services <i>General Fund</i>	341,831	325,667	408,191	406,964	432,759
Reader Services <i>General Fund</i>	528,469	569,833	712,758	658,155	686,313
<b>Total General Fund</b>	<b>2,619,064</b>	<b>2,806,814</b>	<b>3,027,030</b>	<b>3,070,201</b>	<b>3,190,200</b>
Library Trust Fund <i>Special Funds</i>	141,773	114,228	208,025	199,509	121,480
<b>Total Special Funds</b>	<b>141,773</b>	<b>114,228</b>	<b>208,025</b>	<b>199,509</b>	<b>121,480</b>
<b>Total All Funds</b>	<b>2,760,838</b>	<b>2,921,043</b>	<b>3,235,055</b>	<b>3,269,710</b>	<b>3,311,680</b>

Full Time Equivalents (FTEs)	FY18	FY19
Library Administration	4.50	4.50
Readers' Services	5.25	5.25
Reference Services	3.00	3.00
Support Services	3.75	3.75
Youth Services	3.00	3.00
<b>Total</b>	<b>19.50</b>	<b>19.50</b>



Measurements	FY15	FY16
Number of visits	363,496	337,817
Number of programs	454	670
Program attendance	14,146	19,942
Annual total circulation	511,453	516,568
Number of volunteer hours	2,920	2,978
Books added to circulation	6,753	6,888
Number of ebooks available	70,436	121,230
Number of registered borrowers	31,657	32,863
Number of uses of public internet	100	92,603
Number of uses of wireless	58,948	59,077

## Capital Expenditures

### Capital Outlay

Capital outlay is included in the City's biennial operating budget for equipment purchases greater than \$5,000 and general maintenance and repair of city buildings and parks with a life expectancy of over three years. These are considered one-time purchases expected to be made within the budget period.

Department	Item(s)	FY18	FY19
Plans & Public Works - Traffic	Traffic Light Equipment	\$ 10,000	\$ -
Plans & Public Works - Building Maintenance	City Building Maintenance & Repair	\$ 152,000	\$ 149,000
Plans & Public Works - Parks	City Park Maintenance & Repair and Parks Maintenance Equipment	\$ 102,000	\$ 100,000
Plans & Public Works - Property Management	City Building Maintenance & Repair (Leases)	\$ 27,000	\$ 22,000
Conference Center	(2) Scissor Lift	\$ 20,000	\$ 20,000
Plans & Public Works - Equipment	Vehicle Replacements	\$ 766,500	\$ -
Recreation	Sports Center Equipment Replacement	\$ 91,000	\$ 87,000
Recreation	Pottery Wheel, Kiln	\$ 5,600	\$ -
Police	Vehicle Replacements	\$ 288,000	\$ -
Library	Shelving, Youth Furniture, Etta furnishings	\$ 18,800	\$ -
Information Services	City Network Equipment Replacement and Software	\$ 240,000	\$ -
<b>Total</b>		<b>\$ 1,720,900</b>	<b>\$ 378,000</b>

### Capital Improvement Program

The Capital Improvement Program (CIP) is funded by six (6) funding sources, as shown in the following table. For FY17/18 a CIP contingency of \$100,000, and FY18/19 \$400,000 is funded. This will allocate funding to complete projects that require additional funding for completion and allow flexibility to react to unforeseen needs during the two-year budget cycle. Transfers from the contingency fund to specific projects will occur through separate Council actions as appropriate.

<b>Funding Source</b>	<b>No. of Proposed Projects</b>	<b>Proposed Budget</b>
General Fund	7	\$ 2,400,000
Marina Fund	2	\$ 550,000
Gas Tax (Highway User Tax)	3	\$ 1,450,000
Sewer Fund	5	\$ 3,000,000
Tideland Fund	5	\$ 1,835,000
Parking Fund	4	\$ 1,509,000
	<b>Total</b>	<b>\$ 10,825,000</b>

There are 26 projects scheduled, which represent a wide array of infrastructure needs. The funds proposed to be used to complete these projects are the General Fund, Marina Fund, Sewer Fund, Gas Tax Revenue (Highway User Tax–HUTA), and Tideland Fund and Parking Fund. Except for the General Fund, these funding sources have restrictions for the types of infrastructure rehabilitation that can be completed. As an example, the City is restricted from using Gas Tax (Highway User Tax–HUTA) revenue for expenditures on City buildings. The attached list contains a brief description and cost estimate for each item.

This budget represents a strong desire to address the backlog of maintenance needs. Each funding category has specific items to address previously deferred maintenance. As an example, the recommendation is to provide a substantial amount of funding to fully understand the integrity of the tunnel and to be able to program appropriate future funding to ensure continued safe operations. There are similar proposed projects that provide funding for previously identified issues at the City parking garages and City owned buildings such as the Youth Center, Police Department and Fire Stations. In addition, staff proposes to continue to fund American with Disabilities Act (ADA) projects and street and sidewalk repairs.

The proposed 2 year CIP totals \$10,825,000 which does not provide adequate funding to address all of the city’s critical capital renewal needs. Staff estimates that an annual investment of approximately \$9,000,000 is necessary to fund these projects. Staff will continue to refine these estimates and work towards a long term CIP program to allow further Council prioritization. A long term strategy to address needed infrastructure maintenance and upgrades is being developed.



## Neighborhood Improvement Program

The Neighborhood Improvement Program (NIP) will receive approximately \$4,100,000 from Transient Occupancy Tax (TOT) revenue for FY 2017/18, after City overhead costs are deducted. The FY16/17 NIP ending balance is \$234,283, which brings the total NIP funds available to \$4,334,283. The funds needed for projects in FY 2017/18 are \$3,781,000.

Budget adjustments to the available amount for appropriation are as follows:

New FY 2017/18 funds (estimate)	\$ 4,100,000
Ending balance	\$ 234,283
Funds Available	\$ 4,334,283
Total Amount Recommended for Projects	\$ (3,781,000)
Contingencies FY 2017/18	\$ (450,000)
Opportunity Property Purchase Account	\$ (50,000)
Total Funds Remaining (Ending Balance & Base Allocation)	\$ 53,283

The recommended contingency of \$450,000 will be added to the existing contingency balance of \$783,625 for a combined available balance of \$1,233,625. The Contingency Fund assists if initial project funding for specific projects is inadequate. Use of this fund requires NIP Committee recommendation and subsequent approval by the City Council. Based on this contingency balance, the NIP committee recommended providing supplemental funding from this account to the existing Monterey Bay Park Restrooms Phase III Project in the amount of \$281,400. This action would fully fund the estimated proposed project cost, leaving a balance of \$952,225 in the Contingency Fund.

Furthermore, the NIP Committee recommends \$50,000 be appropriated to the Opportunity Property Purchasing account.

As shown in the listing of projects, this year, the NIP Committee has recommended \$3,781,000 in TOT revenue to fund 28 projects. These projects represent a wide array of community needs. Included in the proposed list of projects are eight (8) that directly address safety for the citizens of Monterey. Of these projects, five (5) address greenbelt fuel reduction and/or tree pruning. Three (3) projects improve intersections for vehicle and/or pedestrian movements.

The first six (6) projects identified in the list are fully funded by the neighborhood's base allocations. The remaining 22 projects (7 through 28) are in priority order from NIP voting night.



This photo is used courtesy of the City of Monterey.

Adding new infrastructure will require an allocation of additional labor resources or a reduction in service levels in other areas. The following projects are anticipated to have annual fiscal year impacts as follows:

- **Spray Ave Tot Lot Gazebo & seating (DMB1):** 20 hours building maintenance staff, \$450 equipment/materials.
- **Library Learning Lab (CW-9):** 8 hours building maintenance staff, \$200 equipment materials.
- **Casa Verde/HWY 1 Underpass Hardscape, Murals (VDM-2):** Requires CalTrans encroachment permit for City to maintain area under the bridges, which will include graffiti removal with limits of encroachment permit, anticipated at 10 hours.
- **Wifi Coverage at 4 Community Centers (CW-16):** 5-10 hours ISD staff, \$4,800 cost for internet band width.
- **Via Isola Radar Speed Signs (2) (FF-2):** 15 hours staff/consultant time, \$200 material cost.

Also identified are five (5) cut-off projects (29 through 33), which will only be recommended to Council should additional funding be returned to the NIP ending balance either from projects savings or project elimination prior to February 1, 2018. If insufficient NIP funds are available, the cut-off projects will be considered in next year's proposed projects. The project descriptions, project summary by type for FY17/18, as well as a 10-year summary follow in separate exhibits as presented to Council.

## Capital Improvement Program

	Funding Allocations	FY 2017/18	FY 2018/19	Description
	<b>GENERAL FUND</b>			
1	Tunnel Evaluation	\$300,000		Funding to perform structural evaluation of Tunnel
2	Sidewalk Repair	\$100,000	\$100,000	Funding for sidewalks and curb repairs that are the City's responsibility.
3	ADA Facility Upgrades	\$50,000	\$50,000	This project will address ADA compliance issues at various facilities within the City. This is not sufficient funding to address all of the issues, it will be used to address needs as they arise.
4	Navy lake Weir Gate	\$75,000		Installation of new wier gate at Navy lake
5	Misc Building Repair	\$375,000	\$775,000	Project will address deferred maintnence at City facilities such as City Hall, Fire Station(s), Youth Center, etc.
6	Recreation Trail Enhancement (Reeside-Drake)		\$75,000	City portion of partnership with CRBA for enhancement of recreation trail between Reeside and Drake
7	CIP Contingency	\$100,000	\$400,000	Due to existing backlog, several projects no longer have sufficient funding to complete. This project will provide funding to complete projects those that were estimated several years ago or have extenuating circumstances that require additional funding to complete.
	<b>Annual Total</b>	\$1,000,000	\$1,400,000	
	<b>Total General Fund:</b>		<b>\$2,400,000</b>	
	<b>MARINA FUND</b>			
8	Harbormaster ADA		\$250,000	Public restroom ADA improvements in Harbormaster Bldg
9	Wharf 2 Fire Suppression	\$300,000		The below deck fires system needs to be replaced, this portion is identified and within the Marina Dist
	<b>Annual Total</b>	\$300,000	\$250,000	
	<b>Total Marina Fund</b>		<b>\$550,000</b>	
	<b>GAS TAX (Highway User Tax-HUTA)</b>			
10	Pavement Management Program Reinspection	\$15,000	\$15,000	Provide incremental funding for the upkeep of the Pavement Management System
11	Street Sign Replacement	\$50,000	\$50,000	Multi-year program to replace street name signs throughout the City
12	Pavement Reconstruction/Resurfacing Program	\$235,000	\$1,085,000	Resurface City streets by overlay, slurry, and cape sealing. Project would also include street preparation of failed areas. A portion of these funds would pay for ADA improvements. This would provide partial program funding using available balance of the fund.
	<b>Annual Total</b>	\$300,000	\$1,150,000	
	<b>Total Gas Tax:</b>		<b>\$1,450,000</b>	
	<b>SEWER FUND</b>			
13	Annual Sewer Root Foaming	\$75,000	\$75,000	Sewer root foam approximately 48,000 lineal feet of the 538,560 lineal feet of sewer mains. These mains either have known root intrusion or have access constraints that prohibit routine jetting operations.
14	Sewer Rate Justification for Prop 218 Process	\$15,000	\$15,000	Provide incremental partial funding for 5-year annual sewer rate justification for Prop 218 process.
15	Sewer Repair Project	\$810,000	\$1,110,000	This project will provide the ability to respond to sewer issues discovered during the course of the budget period
16	Sanitary Sewer Master Plan Update	\$300,000		Perform flow testing and system update to reflect existing conditions (Current plan was performed on the 1980's)
17	Sewer Line Video Evaluation	\$300,000	\$300,000	Perform video inspection of the City Sanitary sewer infrastructure to assist in programming sewer capital repair/maintenance activities and provide leak detection
	<b>Annual Total</b>	\$1,500,000	\$1,500,000	
	<b>Total Sewer Fund</b>		<b>\$3,000,000</b>	
	<b>TIDELAND FUND</b>			
18	Wharf 1 ADA Improvements	\$115,000		Perform ADA upgrades to City owned Property on Wharf
19	Wharf 2 Warehouse Exterior Rehabilitation	\$200,000	\$200,000	Rehabilitation of Warehouse exterior structure on Wharf 2
20	6 Fisherman's Wharf -Water Meter and Roof & Window	\$80,000		Replacement of Roof, rain gutters, downspouts, replace leaking windows and water meter split
21	6 Fisherman Wharf Lighting and Deck Railing		\$40,000	Install walkway lighting and perform deck railing repair
22	Wharf 2 Fire Suppression	\$1,200,000		The below deck fire supression system needs to be replaced, this portion of the project is identified for Tidelands funds
	<b>Annual Total</b>	\$1,595,000	\$240,000	
	<b>Total Tideland Fund</b>		<b>\$1,835,000</b>	
	<b>PARKING FUND</b>			
23	Parking Lot Maintenance	\$100,000	\$100,000	Provide repairs for pavement, curbs, or signage at parking lots.
24	Modernize Parking Access and Revenue Controls for	\$400,000		Modernize the PARCS equipment in the garages to allow pay on foot stations and pay on exit lanes
25	Garage Repair	\$710,000	\$250,000	Project will address deferred maintnence at the City parking Garages (Downtown, Cannery Row and Calle Principal)
26	Remodel Parking Division Office	\$30,000		Remodel Parking offices to increase operational efficiency
	<b>Annual Total</b>	\$1,240,000	\$350,000	
	<b>Total Parking Fund</b>		<b>\$1,590,000</b>	
	<b>CIP Annual Totals</b>	<b>\$5,935,000</b>	<b>\$4,890,000</b>	
	<b>FY 2017/18 and FY 2018/19 CIP Project Grand Total:</b>		<b>\$10,825,000</b>	

**Neighborhood Improvement Program**  
**Project Summary by Type & Neighborhood**

	Proposed	Current 5 Years					Past 5 Years					10 year	
Project Type	FY 17/18	FY 16/17	FY 15/16	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	FY07/08	Total	%
ADA-Related	\$ 313,000	\$ 807,000	\$ -	\$ 290,000	\$ 252,000	\$ 448,000	\$ 74,700	\$ -	\$ 63,800	\$ 60,000	\$ 60,000	\$ 2,368,500	8.5%
Drainage	\$ 345,000	\$ 262,000	\$ 395,000	\$ 325,000	\$ 428,000	\$ 621,700	\$ 766,820	\$ 85,000	\$ 145,000	\$ 235,000	\$ 148,350	\$ 3,756,870	13.5%
Facilities & Equipment	\$ 185,000	\$ 95,000	\$ 348,750	\$ 140,500	\$ 301,200	\$ 98,500	\$ 156,100	\$ 463,590	\$ 459,090	\$ -	\$ 250,000	\$ 2,497,730	9.0%
Historic, Museum & Art-Related	\$ 466,000	\$ 64,000	\$ 275,000	\$ 145,000	\$ 140,000	\$ -	\$ 93,300	\$ 36,000	\$ 36,000	\$ 266,500	\$ 5,000	\$ 1,526,800	5.5%
Other/Misc.	\$ -	\$ 13,000	\$ 153,200	\$ -	\$ 75,000	\$ -	\$ 15,400	\$ 200,000	\$ 227,000	\$ -	\$ 49,500	\$ 733,100	2.6%
MPUSD	\$ -	\$ -	\$ -	\$ 305,000	\$ 40,000	\$ -	\$ -	\$ 14,000	\$ 14,000	\$ 12,000	\$ 50,000	\$ 435,000	1.6%
Parks & Parks-Related	\$ 341,000	\$ 883,975	\$ 1,044,000	\$ 177,675	\$ 1,222,000	\$ 669,500	\$ 221,500	\$ 511,600	\$ 441,100	\$ 612,500	\$ 628,390	\$ 6,753,240	24.3%
Sidewalks/Walkways, Driveways	\$ 347,000	\$ 228,000	\$ 411,000	\$ 8,700	\$ 133,000	\$ 640,000	\$ 15,700	\$ -	\$ 65,000	\$ 631,000	\$ 150,190	\$ 2,629,590	9.5%
Street Improvements	\$ 813,000	\$ 338,000	\$ 450,000	\$ 515,000	\$ 40,000	\$ 19,000	\$ -	\$ 328,140	\$ 186,500	\$ -	\$ -	\$ 2,689,640	9.7%
Traffic Calming & Traffic Safety	\$ 971,000	\$ 303,000	\$ 366,000	\$ 543,000	\$ 162,000	\$ 279,000	\$ 634,700	\$ 71,800	\$ 72,640	\$ 155,000	\$ 829,000	\$ 4,387,140	15.8%
<b>Total</b>	<b>\$ 3,781,000</b>	<b>\$ 2,993,975</b>	<b>\$ 3,442,950</b>	<b>\$ 2,449,875</b>	<b>\$ 2,793,200</b>	<b>\$ 2,775,700</b>	<b>\$ 1,978,220</b>	<b>\$ 1,710,130</b>	<b>\$ 1,710,130</b>	<b>\$ 1,972,000</b>	<b>\$ 2,170,430</b>	<b>\$ 27,777,610</b>	<b>100%</b>
Contingency	\$ 450,000	\$ 450,000	\$ 566,135	\$ 532,000	\$ -	\$ 18,515	\$ 200,000	\$ -	\$ 205,347	\$ 200,000	\$ 150,000	\$ 2,771,997	
Neighborhood	FY 17/18	FY 16/17	FY 15/16	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	FY07/08	Total	%
Aguaquito Oaks	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ 22,700	\$ 1,600	\$ -	\$ -	\$ -	\$ -	\$ 31,300	0.1%
Alta Mesa	\$ 50,000	\$ 62,175	\$ 41,000	\$ 2,175	\$ 25,000	\$ 78,000	\$ 25,000	\$ 40,000	\$ 40,000	\$ 25,000	\$ 25,000	\$ 413,350	1.5%
Casanova Oak-Knoll	\$ 487,000	\$ 140,000	\$ 206,700	\$ 12,000	\$ 92,000	\$ 280,500	\$ -	\$ 21,500	\$ 21,500	\$ 61,000	\$ 123,890	\$ 1,446,090	5.2%
Citywide	\$ 730,000	\$ 1,317,000	\$ 993,750	\$ 446,000	\$ 929,200	\$ 733,500	\$ 518,420	\$ 805,730	\$ 805,730	\$ 559,500	\$ 715,000	\$ 8,553,830	30.8%
Deer Flats	\$ -	\$ 31,000	\$ 8,700	\$ -	\$ -	\$ 51,500	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 111,200	0.4%
Del Monte Beach	\$ 63,000	\$ 35,000	\$ 95,000	\$ 193,000	\$ 7,500	\$ 80,000	\$ 10,000	\$ 10,000	\$ 161,500	\$ -	\$ -	\$ 655,000	2.4%
Del Monte Grove/Laguna Grande	\$ 478,000	\$ 290,500	\$ 169,000	\$ 290,000	\$ 240,000	\$ 44,000	\$ 65,200	\$ -	\$ -	\$ 97,000	\$ 16,000	\$ 1,689,700	6.1%
Downtown	\$ -	\$ 175,000	\$ 22,000	\$ 50,000	\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ 5,000	\$ 1,190	\$ 270,190	1.0%
Fisherman's Flats	\$ 65,000	\$ 25,000	\$ 18,000	\$ 250,000	\$ 85,000	\$ 91,000	\$ 26,500	\$ 60,000	\$ 60,000	\$ 50,000	\$ 2,500	\$ 733,000	2.6%
Glenwood	\$ 256,000	\$ 146,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ 5,000	\$ 9,350	\$ 436,350	1.6%
Monterey Vista	\$ 416,000	\$ 357,500	\$ 421,000	\$ 295,000	\$ 93,000	\$ 252,000	\$ 356,100	\$ 203,500	\$ 203,500	\$ 256,500	\$ 191,000	\$ 3,045,100	11.0%
New Monterey	\$ 798,000	\$ 156,800	\$ 300,000	\$ 480,000	\$ 491,000	\$ 572,000	\$ 285,700	\$ 319,400	\$ 319,400	\$ 484,500	\$ 149,000	\$ 4,355,800	15.7%
Oak Grove	\$ -	\$ 20,000	\$ 450,000	\$ -	\$ -	\$ 94,000	\$ 38,200	\$ -	\$ -	\$ 6,000	\$ 350,000	\$ 958,200	3.4%
Old Town	\$ -	\$ 94,000	\$ 306,000	\$ 16,000	\$ 180,000	\$ 138,000	\$ 245,000	\$ 95,000	\$ 95,000	\$ 126,000	\$ 191,500	\$ 1,486,500	5.4%
Skyline Forest	\$ 125,000	\$ 100,000	\$ 200,000	\$ 375,000	\$ 335,000	\$ 285,000	\$ 142,000	\$ 110,000	\$ 110,000	\$ 125,000	\$ 57,000	\$ 1,964,000	7.1%
Skyline Ridge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Villa Del Monte	\$ 313,000	\$ 110,000	\$ 242,500	\$ 130,000	\$ 130,000	\$ 126,000	\$ 157,500	\$ 45,000	\$ 45,000	\$ -	\$ 329,000	\$ 1,628,000	5.9%
<b>Total</b>	<b>\$ 3,781,000</b>	<b>\$ 2,993,975</b>	<b>\$ 3,442,950</b>	<b>\$ 2,449,875</b>	<b>\$ 2,793,200</b>	<b>\$ 2,775,700</b>	<b>\$ 1,978,220</b>	<b>\$ 1,710,130</b>	<b>\$ 1,710,130</b>	<b>\$ 1,972,000</b>	<b>\$ 2,170,430</b>	<b>\$ 27,777,610</b>	<b>100%</b>

NEIGHBORHOOD IMPROVEMENT PROGRAM (NIP)	Budget
RECOMMENDED PROJECT LIST FY 20-17-18	

#### PROJECTS FULLY FUNDED WITH BASE ALLOCATION

1	Via Marettimo Streetlight (FF-3)	\$10,000
2	Via Paraiso Park Tennis Court Resurfacing (MV-5)	\$14,000
3	Monte Vista Street Name Sign (MV-17)	\$5,000
4	NM Street Name Signs III (NM-8)	\$5,000
5	VDM Street Name Sign Replacement (VDM-3)	\$15,000
6	Wi-Fi Coverage at 4 Community Centers (CW 16)	\$22,000

**Total Base Allocation = \$71,000**

#### OTHER FUNDED PROJECTS (INCLUDING PARTIAL BASE ALLOCATIONS)

7	Stuart Ave Street Closure (COK-1)	\$237,000
8	FF Greenbelt Maintenance (FF-1)	\$25,000
9	AM Greenbelt Maintenance (AM-5)	\$50,000
10	N Fremont Bike Lanes & ADA Upgrades at 5 Intersections (CW-7)	\$300,000
11	English 200-300 s/w, c/g Ph III (DMG-1)	\$478,000
12	Pine 800 Drainage (NM-6)	\$345,000
13	Skyline Forest Greenbelt fuel reduction (SF-1)	\$50,000
14	Glenwood 200/201 Rapid Flash Beacon (RRFB) (GW-1)	\$256,000
15	Fire Station 3 Soundproofing (CW-30)	\$38,000
16	Spray Ave Tot Lot Gazebo & Seating (DMB-1)	\$63,000
17	Cuesta Vista Dr./Toyon Dr. Greenbelt Cleanup (MV-20)	\$50,000
18	Skyline Forest Greenbelt Tree Removal (SF-2)	\$75,000
19	Casa Verde/hwy 1 Underpass Hard cape, Murals (VDM-2)	\$298,000
20	Monterey Police & Fire Honor Garden (CW-12)	\$168,000
21	Library Learning Lab (CW-9)	\$147,000
22	Hawthorne/Irving Curb Extensions (NM-13)	\$240,000
23	COK Park Play Equipment Replacement (COK-2)	\$250,000
24	Hawthorne/McClellan Curb Extensions (NM-12)	\$208,000
25	Pacific (Via Buena Vista to Via Arboles) s/w Phase 3 (MV-4)	\$347,000
26	Via Isola Radar Speed Signs (2) (FF-2)	\$30,000
27	Citywide Tree Replacement Ph II (CW-20)	\$40,000
28	Themed Bike Racks: Rec Trail (2), Mty Bay Pk (2) (CW-1)	\$15,000

**Other Funded projects = \$3,710,000**

**Total Proposed Neighborhood Projects \$3,781,000**

FY 2017-18 NIP Contingency Account \$450,000

FY 2017-18 NIP Property Purchasing account \$50,000

Total NIP Ending Balance for Unallocated Funding \$20,381

#### CUT OFF PROJECTS

29	Devisadero 700 Drainage Swale (NM-2)	\$66,000
30	Recreation Trail DG reconstruction walkway (CW-3)	\$198,000
31	Great Blue Heron Sculpture Restoration (CW-2)	\$15,000
32	Presidio Historic Park Ped Access Study (CW-13)	\$25,000
33	MV Street Markings (Via Del Rey, Lower Herrmann, Marin, Via Gayuba, San Bernabe, Soledad, Monte Vista) (MV-19)	\$65,000

**Other Funded projects = \$369,000**

**NEIGHBORHOOD IMPROVEMENT PROGRAM (NIP)**  
**RECOMMENDED PROJECT LIST FY 2017/18**  
**PROJECT DESCRIPTIONS**

PROJECTS FULLY FUNDED WITH BASE ALLOCATION

1.	<b>Via Marettimo Streetlight (FF-3)</b> Cul De Sac is "pitch black" after sunset -- this cul de sac needs street light similar to light on Augusta Place cul de sac.	\$10,000
2.	<b>Via Paraiso Park Tennis Court Resurfacing (MV-5)</b> Resurface 2 tennis courts at Via Paraiso Park.	\$14,000
3.	<b>Monte Vista Street Name Sign (MV-17)</b> The street signs in the neighborhood are faded (look at the Monte Vista Drive/Soledad sign). Upgrade the three intersections on Monte Vista and elsewhere in the neighborhood, as funding allows.	\$5,000
4.	<b>NM Street Name Signs III (NM-8)</b> Replace foggy/ faded, dirty, moss-covered street name signs.	\$5,000
5.	<b>VDM Street Name Sign Replacement (VDM-3)</b> Replace/repair the street signs in the neighborhood (at least those that are not legible).	\$15,000
6.	<b>Wi-Fi Coverage at 4 Community Centers (CW 16)</b> Provide wifi service to Scholze, Hilltop, Casanova Oak Knoll, and Youth Center	\$22,000
<b>Total Base Allocation =</b>		\$71,000

OTHER FUNDED PROJECTS (INCLUDING PARTIAL BASE ALLOCATIONS)

7.	<b>Stuart Ave Street Closure (COK-1)</b> This project focuses on design and construction of providing a cul-de-sac for Stuart Ave. at the Airport Road intersection.	\$237,000
8.	<b>FF Greenbelt Maintenance (FF-1)</b> Contract crews to perform fire fuel reduction, weed eating, tree removal, trail improvement, cleanup of greenbelt open space directed by the City of Monterey Parks	\$25,000
9.	<b>AM Greenbelt Maintenance (AM-5)</b> Ongoing clearing of underbrush and fire hazard material.	\$50,000
10.	<b>N Fremont Bike Lanes &amp; ADA Upgrades at 5 Intersections (CW-7)</b>  Budget amount, as exact amount will be determined once construction bids are received, for additive alternate bid items that the State funding is anticipated to not cover.	\$300,000
11.	<b>English 200-300 s/w, c/g Ph III (DMG-1)</b> Complete existing curbs, drains, gutters, and plant trees. (re: design specifications in the English_35N 1439. DWG document)	\$478,000
12.	<b>Pine 800 Drainage (NM-6)</b> Install new storm drain and extended inlet catch basins on Pine at Irving, Replaces existing CB's with extended inlet mid-block and on David west of Pine.	\$345,000
13.	<b>Skyline Forest Greenbelt fuel reduction (SF-1)</b> Contract crews to perform fire fuel reduction, weed eating, trail improvement, cleanup of Greenbelt open space directed by the City of Monterey Parks Operations Manager and the Urban Forester. Possible Cal Fire crew work.	\$50,000
14.	<b>Glenwood 200/201 Rapid Flash Beacon (RRFB) (GW-1)</b> This improvement will facilitate a standard bus stop, narrow crossing the street from the sidewalk on one side of the street to the southbound bus stop, and install a RRFB pedestrian crossing light.	\$256,000
15.	<b>Fire Station 13 Soundproofing (CW-30)</b> To accommodate noise into bedrooms of the Fire station on the North East wall adjacent to Montecito Park.	\$38,000
16.	<b>Spray Ave Tot Lot Gazebo &amp; Seating (DMB-1)</b>	\$63,000

**NEIGHBORHOOD IMPROVEMENT PROGRAM (NIP)**  
**RECOMMENDED PROJECT LIST FY 2017/18**  
**PROJECT DESCRIPTIONS**

	Build a small gazebo or other appropriate covering to provide relief from sun or rain. Additional seating could be built to encourage more use. Includes ADA barrier removal	
17.	<b>Cuesta Vista Dr./Toyon Dr. Greenbelt Cleanup (MV-20)</b> 3 Greenbelts--Cuesta Vista-Crandall; Via Descanso-Via Ventura, Fernwood-Dry Creek . Contract crews to perform fire fuel reduction, weed eating, tree removal, trail improvement, cleanup of Greenbelt open space directed by the City of Monterey Parks Operations Manager and the Urban Forester. Possible Cal Fire crew work.	\$50,000
18.	<b>Skyline Forest Greenbelt Tree Removal (SF-2)</b> Contract crews to perform tree maintenance and removal in greenbelt open space directed by the City of Monterey Parks Operations Manager and the Urban Forester. Possible Cal Fire crew work.	\$75,000
19.	<b>Casa Verde/hwy 1 Underpass Hard cape, Murals (VDM-2)</b> Hard cape slopes of underpass and partially onto the collars of the on-ramps; commission mosaic tile artist to install murals on four existing concrete walls under NB/SB lanes; install 2 towers VDM neighborhood signs.	\$298,000
20.	<b>Monterey Police &amp; Fire Honor Garden (CW-12)</b> Improve the aesthetics of property adjacent to Monterey's Police & Fire departments that will create a beautiful community space that shows appreciation for those whom serve our wonderful community.	\$168,000
21.	<b>Library Learning Lab (CW-9)</b> This project would convert an office adjacent to community room into a public classroom. The space would be used for computer training and other Library instruction activities. Providing space to assist the public with digital literacy. This project has previously been reviewed and approved by the Library Board.	\$147,000
22.	<b>Hawthorne/Irving Curb Extensions (NM-13)</b> The project constructs curb extensions with ADA ramps at each corner to improve driver visibility and pedestrian crossing.	\$240,000
23.	<b>COK Park Play Equipment Replacement (COK-2)</b> The current equipment is 17-20 years old. Access is split requiring handicapped to leave the area and transverse the lot to come in another entrance. Includes ADA barrier removals	\$250,000
24.	<b>Hawthorne/McClellan Curb Extensions (NM-12)</b> The project constructs curb extensions with ADA ramps at each corner to improve driver visibility and pedestrian crossing.	\$208,000
25.	<b>Pacific (Via Buena Vista to Via Arboles) s/w Phase 3 (MV-4)</b> Phase III to reconstruct the cement stabilized sidewalk and driveway crossings along Pacific street, from Buena Vista to Via Arboles.	\$347,000
26.	<b>Via Isola Radar Speed Signs (2) (FF-2)</b> Install two radar speed signs.	\$30,000
27.	<b>Citywide Tree Replacement Ph II (CW-20)</b> Monterey has sustained a large number of tree losses, this program would identify and plant trees that have dedicated irrigation, or a written agreement with residents (water and care) for planting in city easements.	\$40,000
28.	<b>Themed Bike Racks: Rec Trail (2), Mty Bay Pk (2) (CW-1)</b> Add four themed bike racks at the following locations: Recreation Trail at David and at Wharf I, and at Monterey Bay Park Volleyball Courts.	\$15,000

**Other Funded projects = \$3,710,000**

**CUT OFF PROJECTS**

29.	<b>Devisadero700 Drainage Swale (NM-2)</b> Reconstruct Drainage swale along the existing roadway edge, staying within the current street improvement widths.	\$66,000
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**NEIGHBORHOOD IMPROVEMENT PROGRAM (NIP)**  
**RECOMMENDED PROJECT LIST FY 2017/18**  
**PROJECT DESCRIPTIONS**

30.	<b>Recreation Trail DG reconstruction walkway (CW-3)</b> Replace the decomposed granite walking surface along the Presidio curve portion of the Recreation Trail with colored concrete	\$198,000
31.	<b>Great Blue Heron Sculpture Restoration (CW-2)</b> The outdoor sculpture, "Taking Flight - Great Blue Heron" will be reinstalled on a secure foundation so that the entire sculpture it can be viewed and enjoyed.	\$15,000
32.	<b>Presidio Historic Park Ped Access Study (CW-13)</b> The study will result in improved neighborhood and visitor pedestrian access to the Lower Presidio Historic Park from Old Town, including recommendations on best ways to locate and develop a safe and efficient pedestrian route to the park.	\$25,000
33.	<b>MV Street Markings (Via Del Rey, Lower Herrmann, Marin, Via Gayuba, San Bernabe, Soledad, Monte Vista) (MV-19)</b> Paint new thermoplastic center lines and edge lines to confine traffic lanes or delineate on street parking.	\$65,000



## Supplemental Information

### Conference Center Remodel

The Monterey Conference Center is located in the heart of historic downtown and is an important economic driver for the growth and sustainability of the hospitality and tourism industries in both the City of Monterey and Monterey County.

Built in 1977, the Conference Center has served the community well. However, customers are demanding a different type of facility, and more advance technological amenities than they did 40 years ago; thus, a significant upgrade to the facility is needed to maintain Monterey's status in the conference and tourism industry.

The city's largest discretionary revenue source is Transient Occupancy Tax (TOT), which amounts to approximately \$16 million in General Fund revenue. The City allocates 16% of all TOT revenues to the Neighborhood Improvement Program (NIP) for capital improvements to playgrounds, parks, roads, community centers, the Monterey Public Library, the Monterey Sports Center, and beautification projects in neighborhoods and throughout the city.

In March, 2014 the Conference Center Facilities District (CCFD) was formed under California's Mello-Roos Community Facilities Act of 1982 by 90% approval from the City's visitor accommodation facilities (VAF) owners who pledged revenues from hotel visits, which are used to secure the \$50 million debt for the Conference Center renovation project.

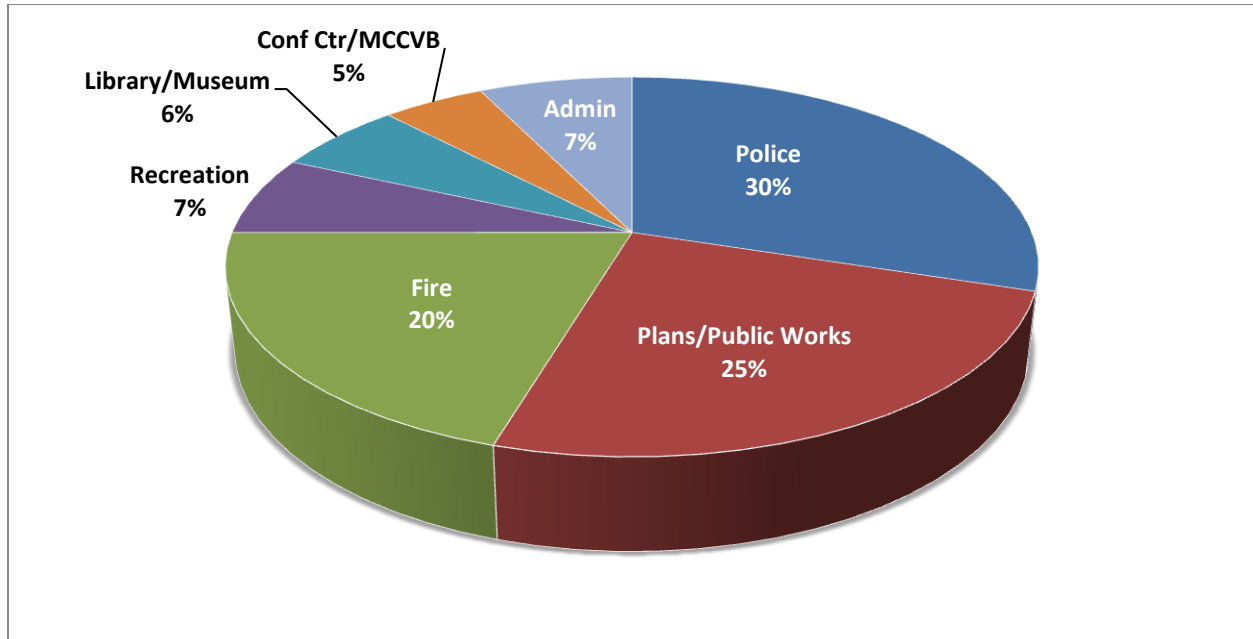
Construction began in November, 2015 and the renovated center is expected to be open by late 2017. The updated Conference Center will provide more flexible meeting room configurations, allowing multiple groups to use the Center simultaneously, as well as technological enhancements and improved access for guests with disabilities.



This photo is used courtesy of the City of Monterey.

## Discretionary Revenues

The City receives \$52.3 million in non-departmental discretionary revenues, primarily from taxes that may be used for any purpose. These discretionary revenues fund City essential services that are not able to fully recover costs through fees and charges. The use of General Fund tax base by various departments is indicated in the table below.



## Five-Year Forecast

The City's five-year forecast represents the continued economic recovery and revenue growth coinciding with the reopening of the renovated Conference Center. Expenditure growth, however, is expected to outpace revenues unless further action is taken. One-time items were funded from the ending FY16/17 balance delaying a net operating deficit in FY17/18 to FY18/19.

Increased CalPERS retirement contributions are a primary driver of expenditure growth, and with salaries and benefits making up more than half of total expenditures, the impact is significant. Investment income is the greatest source of retirement benefits, and the soft market in recent years has widened the gap between projected obligations and available funding. In addition, CalPERS has incorporated changes in assumptions that increase required contributions to ensure the sustainability of the program. In FY 16/17, contributions were increased to adjust for greater longevity and more retirements at higher rates than were previously anticipated. In FY18/19, another increase will compensate for a reduction in the discount rate used to forecast earnings from investments from 7.5% to 7%. These adjustments

are being implemented with three to five year incremental “ramp-up” periods and amortization over 20 years, in order to offset the Unfunded Accrued Actuarial Liability described above.

A risk analysis performed by the Government Finance Officers Association (GFOA) for the City in 2017 recommends a minimum reserve for economic uncertainty of 16.6%. While we progress toward this adopted goal, this forecast projects a reserve of 15%.

Clearly the City has significant economic challenges ahead, and a great degree of creativity and cooperation will be required to meet these challenges and maintain acceptable levels of service to the residents and visitors to Monterey.

#### GENERAL FUND FIVE YEAR FORECAST

	2016-17 Amended Budget	2017-18 Adopted budget	2018-19 Adopted budget	2019-20 Preliminary estimate	2020-21 Preliminary estimate
<b>Operations</b>					
Operating revenues	71,236,846	72,221,038	74,547,812	76,803,314	78,989,273
Operating expenditures	(69,319,363)	(71,641,381)	(74,500,452)	(78,342,599)	(81,038,170)
Operating transfers					
Gas Tax Fund	6,000	51,000	51,000	6,000	6,000
Public Safety Grant Fund	100,000	100,000	100,000	100,000	100,000
Parking for custodial/parks/streets	262,134	269,998	278,098	286,441	295,034
Scholze Trust funds	50,000	30,000	50,000	50,000	50,000
Tidelands Fund for parks/streets	215,895	220,213	224,617	229,110	233,692
From other funds	634,029	671,211	703,715	671,550	684,726
Alvarado St. Maint. Dist.	(42,023)	(42,863)	(43,721)	(44,595)	(45,487)
Equipment Replacement Fund					
Storm Water Fund (operational subsidy)	-	-	(50,000)	(500,000)	(500,000)
Debt Service Fund		(4,000)	(3,500)		
To other funds	(42,023)	(46,863)	(97,221)	(544,595)	(545,487)
Total Net Operating Transfers	592,006	624,347	606,494	126,955	139,239
Capital Improvement Projects (CIP)	(1,350,000)	(1,000,000)	(1,400,000)	(1,400,000)	(1,400,000)
Debt service	(542,487)	(546,070)	(544,073)	(541,689)	(543,918)
Net Operations surplus (deficit)	617,002	(342,065)	(1,290,219)	(3,354,018)	(3,853,577)
<b>Non-operating activities</b>					
Beginning Budgetary Fund Balance	24,549,874	24,808,725	24,019,220	22,281,494	18,479,626
Non-operating Transfers from/(to):					
Cemetery Fund	100,000	-	-	-	-
Parking Fund	(41,000)	(29,957)	(275,300)	(350,000)	(350,000)
Marina Fund	(45,000)	(45,000)	(33,688)	(33,688)	(33,688)
Presidio Fund (Equipment Replacement)	(250,000)	-	-	-	-
Employee Benefits Fund	(22,150)	(22,483)	(22,820)	(23,162)	(23,510)
Equipment Replacement Fund	(100,000)	(350,000)	(115,700)	-	-
Net Non-Operating Transfers In/(Out)	(358,150)	(447,440)	(447,508)	(447,850)	(448,198)
Ending Budgetary Fund Balance	24,808,725	24,019,220	22,281,494	18,479,626	14,177,851
<b>General Fund reserves</b>					
Economic uncertainty	10,116,677	10,746,207	11,175,068	11,751,390	12,155,725
Operational contingencies	250,000	250,000	250,000	250,000	250,000
Encumbrances	1,876,136	1,876,136	1,876,136	1,876,136	1,876,136
Capital facilities renewal	1,669,317	1,969,317	1,969,317	1,969,317	1,969,317
Continuing & closed capital projects	5,925,070	5,925,070	5,925,070	5,925,070	5,925,070
General Plan Updates	103,743	103,743	103,743	103,743	103,743
Cultural arts	177,360	177,360	177,360	177,360	177,360
Total General Fund reserves	20,118,302	21,047,833	21,476,693	22,053,015	22,457,351
Available Fund Balance per Budget	4,690,423	2,971,388	804,801	(3,573,390)	(8,279,499)

## Measure P

Measure P was approved by 74% of voters in November 2014. It authorized a one-cent local district tax (sales and use tax) to be used “to address significant deferred maintenance by fixing streets, sidewalks, and potholes; improve related access and safety for senior citizens, disabled residents, and others; and repair its 100-year-old storm drain system to protect our beaches/Monterey Bay.”



The tax is effective from April 1, 2015 through March 31, 2019.

The plan for Measure P includes:

- **\$17.2 million for 728 street segments** – A street segment is a portion of a street defined from intersection to intersection (i.e. each block). These streets were identified for inclusion by the City's pavement management system. The street listing was identified at Council meetings and actions that led to the justification for a ballot initiative.
- **\$10.08 million for ADA upgrades** – Federal law requires that facilities be brought into compliance with the Americans with Disabilities Act (ADA) when rehabilitation work is performed on infrastructure (i.e. streets). Activities such as asphalt overlay or road reconstruction require that additional work be completed to bring accessory components (i.e. curb ramps) into compliance with current standards. Work such as pothole repair and slurry seals are considered maintenance and do not meet the threshold to mandate compliance.
- **\$2.72 million for storm drain repair** – Work has been identified to bring the lowest rated storm drain pipes into a state of good repair (approximately 5400 lf). Additional funding was identified to maintain storage ponds and replace pumping infrastructure.
- **\$2 million for sidewalk repairs** – Sidewalk work will be performed to repair the highest prioritized sidewalk displacement (type 3– displaced more than 3/4").

During discussions as the Measure language was being developed, City staff predicted that it would require 10 years of the additional tax revenue to raise the City streets' average PCI rating from the original 54 to a very acceptable 75. Voters approved a 4 year tax increase, allowing an opportunity to ensure sufficient progress was being made before voting again on an extension of the measure. As of June 30, 2016, the average street PCI stands at 54. While this may not seem like progress, the PCI deteriorated further by the time the ballot measure was passed and work began. The PCI is expected to increase at a faster rate as work progresses.

The City's strategy has been to start with quicker, less-expensive projects first, such as slurry seals. Then progressively move to more time-consuming and expensive projects, such as

complete pavement replacements. In the planning process, the City has partnered with the Cannery Row Company, NIP and a host of other contractors such as PG&E, Granite Construction, Cal Am, etc., to ensure there would be no duplication of work, or work that would need to be redone, thus maximizing the Measure P dollars being spent.

Revenues and expenditures are as follows:

	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>Total</b>
<b>Beginning Balance</b>	\$0	\$873,232	
<b>Revenue</b>			
Tax Revenue	\$1,609,936	\$9,027,743	\$10,682,093
Interest	\$659	\$43,755	\$44,414
<b>Total Revenues</b>	<b>\$1,610,595</b>	<b>\$9,071,498</b>	<b>\$10,682,093</b>
<b>Expenditures</b>			
Storm Drains	\$16,866	\$412,590	\$429,475
Sidewalks	\$81,992	\$512,123	\$594,114
Pavement	\$551,749	\$1,568,216	\$2,119,965
ADA	\$86,736	\$686,032	\$772,769
<b>Total Expenditures</b>	<b>\$737,363</b>	<b>\$3,178,960</b>	<b>\$3,916,324</b>
<b>Ending Balance</b>	<b>\$873,232</b>	<b>\$6,765,769</b>	<b>\$6,765,769</b>

Information regarding the status of Measure P projects is available on line at [www.monterey.org/City-Hall/Featured-Projects/Fixing-Streets](http://www.monterey.org/City-Hall/Featured-Projects/Fixing-Streets)

#### DID YOU KNOW?

- Spring 2017 Slurry Project is Complete
- The total amount of slurry seal placed was 1.28 million square feet. This equates to almost 30 acres or a little more than 22 football fields.
- The total number of streets that will be touched by Measure P is a little more than 9 million square feet.
- All public works projects have a one year warranty. If you have feedback about the work done, please let us know. Call us at 646-3448, email us at [MontereySuggests@monterey.org](mailto:MontereySuggests@monterey.org), or complete the online form.

## Monterey Sports Center Impact

The Monterey Sports Center is a 72,000 square foot recreation facility that offers services and amenities to approximately 3,000 participants daily, including two indoor pools, waterslide, sun deck, saunas, a three-court gymnasium, weight training and cardio fitness centers, sports café and pro shop, fitness assessment center, babysitting service and two group exercise studios. Services provided include aquatic programs, sports programs and camps, group exercise classes, fitness programs, physical therapy, special events and more. The Sports Center serves all ages, as well as school and educational groups, residential care facilities and more than 100 organizations and non-profits per year. The Sports Center was built in 1992 and expanded by 20,000 square feet in 2002.

The Sports Center was funded by a combination of lease revenue bonds, endowments and donations. The Sports Center operations are accounted for in the General Fund; revenues are projected to cover an average of 79% of operating expenditures in FY17/18 and FY18/19, not including debt service and infrastructure renewal. The portion of expenses covered by revenues has been declining from above 90% in prior fiscal years to less than 80% forecast in FY 18/19. This decrease is due to increasing salary and benefit costs due to a combination of mandated cost increases (CalPERS and minimum wage) and negotiated cost of living increases, with little or no fee increases.

	FY14/15 (Actual)	FY15/16 (Actual)	FY16/17 (Actual*)	FY17/18 (Budget)	FY18/19 (Budget)
<b>Revenues/Fees</b>	<b>\$4,507,304</b>	<b>\$4,614,406</b>	<b>\$4,633,135</b>	<b>\$4,559,833</b>	<b>\$4,559,833</b>
<b>Expenses</b>					
Salaries & Benefits	3,864,109	4,092,274	4,287,699	4,445,914	4,641,001
Services & Supplies	1,083,813	1,159,530	1,055,705	1,152,276	1,145,497
Equipment Outlay	115,713	185,542	67,213	91,000	87,000
<b>Total Expenses</b>	<b>\$5,063,635</b>	<b>5,437,346</b>	<b>5,410,617</b>	<b>5,689,190</b>	<b>5,873,498</b>
<b>Net General Fund</b>	<b>\$(556,331)</b>	<b>\$(822,940)</b>	<b>\$(777,482)</b>	<b>\$(1,129,357)</b>	<b>\$(1,313,665)</b>
Revenue Coverage	89%	85%	86%	80%	78%
Debt Service Expense	\$538,965	\$543,516	\$542,487	\$546,070	\$544,073
Capital Improvement Program	\$0	\$0	\$0	\$0	\$0

\*Unaudited

## PERS Retirement Liabilities

CalPERS provides retirement and disability benefits to all full-time and regular part-time City employees. Eligible employees participate in separate Safety (police and fire) or Miscellaneous (all other) employee plans. Employees hired prior to January 1, 2013 are considered “classic” members. Employees new to the PERS system hired after January 1, 2013 are considered PEPRAs members, and receive a lower statutory benefit formula. Funding contributions for all plans are determined annually by CalPERS on an actuarial basis as of June 30th.

The plans, provisions, and benefits in effect as of July 1, 2017 are as follows:

Classic	Safety-Fire	Safety-Police	Miscellaneous
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	55
Benefits per year of service, as a percent of salary	3.00%	3.00%	2.70%
Required employee contribution rates*	12%	13%	11%
Required employer contribution rate (FY 2018)	16.723%	15.723%	8.052%
Unfunded Actuarial Accrued Liability (UAAL)**	\$2,978,833		\$4,935,386
Employer rate with UAAL	40.813%	39.813%	28.692%

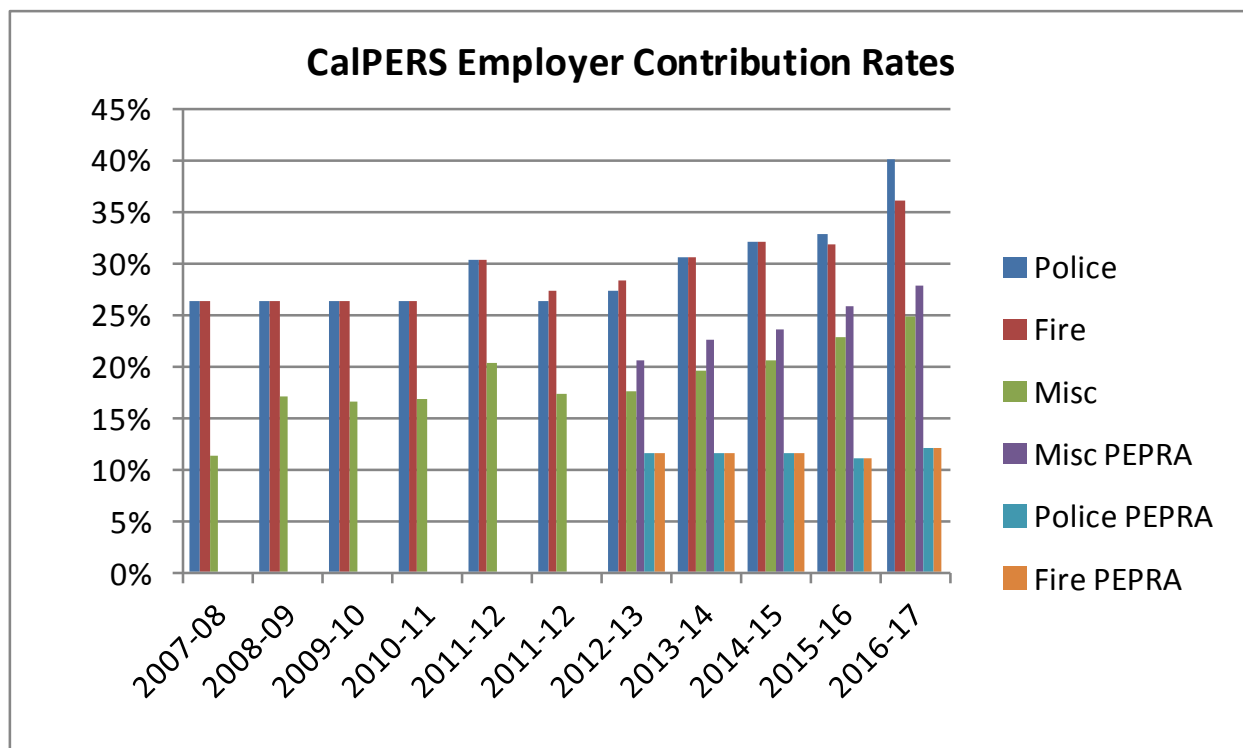
\*Beginning in September 2011, Classic employees began to pay a portion of the employer rate in addition to paying their own required contributions. All Classic Miscellaneous and Safety-Police employees currently pay an additional 3%, and Classic Safety-Fire 5% above the required 8% (9% for Safety), which is reflected in the figures above.

\*\* Beginning in FY 15/16, PERS employer contribution is divided into “normal cost,” which is the expected cost of providing retirement services for current employees and is expressed as a percent of payroll, and “unfunded actuarial accrued liability,” which is the additional cost of benefits previously earned, and is expressed in dollars and amortized over time.

PEPRA	Safety-Fire	Safety-Police	Miscellaneous
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	57	57	62
Benefits per year of service, as a percent of salary	2.70%	2.70%	2.00%
Required employee contribution rates*	11.50%	11.50%	6.25%
Required employer contribution rate (FY 2018)	11.99%	11.99%	11.052%

For the year ended June 30, 2016, the Miscellaneous Plan was 65.1% funded, with an unfunded actuarial accrued liability of \$82 million. As of June 30, 2016, the Safety Plan was 65.8% funded, with an unfunded actuarial accrued liability of \$58 million. Included in the \$58 million is the liability of the Side Fund, which was \$12.8 million at June 30, 2016.

The City's historical and projected contributions are as follows:



## Other Post Employment Benefits (OPEB)

The City of Monterey Retiree Health Plan provides healthcare benefits to eligible employees retiring directly from the City under the California Public Employees Retirement System (CalPERS). The City pays a portion of the retiree healthcare premiums as required by law, equal to the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum contribution (\$128/month in 2017 increasing to \$133/month in 2018). Retirees and their beneficiaries pay the annual premium cost not paid by the City.

There is no statutory requirement for the City to prefund its OPEB obligation. However, in FY12/13, the City adopted a policy to pre-fund its obligation through the California Employers' Retiree Benefit Trust (CERBT) with the goal to achieve full funding of the Annual Required Contribution (ARC) by FY16/17. This goal was achieved and continued full funding of the ARC is included in the biennial budget. For FY17/18 and 18/19, contributions to the trust have been factored into the budget totaling \$940,547 per fiscal year. Annual contributions include funding for current benefits, as well as unfunded accrued liabilities, which totaled \$10.1 million as of the last actuarial report dated 6/30/15.



## **Redevelopment Wind-Down**

The City's three former Redevelopment Areas were eliminated as part of the State of California's 2011 Budget Act, which ultimately dissolved all Redevelopment Areas as of February 1, 2012. Through the dissolution process, the Successor Agency was able to transfer all but one former Redevelopment property to the City. These transfers were approved by the Oversight Board, and subsequently by the Department of Finance. The City received a "Finding of Completion" on September 10, 2013. The final process required by the Department of Finance was to complete a Long-Range Property Management Plan identifying any remaining properties not previously transferred. The only remaining property is the property at 300 Pacific Street, which is subject to a long term ground lease with the Hotel Pacific. The City has sent letters to the affected Taxing Entities requesting approval of a "Compensation Agreement" and transfer of the former City of Monterey Redevelopment Agency property to the City. As of June 30, 2017, this continues to progress.

The remaining Redevelopment funds held in reserve of the Successor Housing Agency are designated to complete the Monterey Hotel Apartments, an 18 unit low/median income housing project. These apartments are expected to be completed in October, 2017 and funds fully spent in accordance with the Recognized Obligation Payment Schedule.

## **Tidelands Fund**

The Tidelands Fund was established to record activities occurring in the region including shoreline property within the city limits and offshore to a depth of 60 feet. The State of California granted the tidelands region in trust to the City of Monterey and generally describes allowable uses and administrative requirements in the California Public Resources Code. The City has been working with the State since 2015 to specifically define the areas subject to the Tidelands Trust, and to clarify which expenses may be charged against Tidelands revenues.

When the Tidelands Fund was originally established, it was used to record revenues and expenditures from leases on Cannery Row and the Coast Guard Pier. During Fiscal Year 16/17, budgets associated with the following activities were transferred from the General Fund to the Tidelands Fund:

- Harbor administration, maintenance and security
- Wharves I and II
- Fire shore operations, including the fire boat and excluding lifeguard services
- A pro rata share of maintenance costs for the city parks that include tidelands
- Property Management costs associated with wharf leases
- Capital projects in the tidelands area
- Revenues, including rent, generated in the Harbor and on Wharves I and II

The biennial budget for FY17/18 and FY18/19 incorporates these assumptions and reflects a total of \$2.7 million in appropriations, 6.62 positions, and \$3 million in estimated revenues in the Tidelands Fund.



These photos are used courtesy of the City of Monterey.

## Debt Management

### Introduction

California cities are authorized by state law to use debt financing for specific purposes that promote the public welfare. Debt is typically issued to finance the construction of large public facilities such as infrastructure, buildings, parks, and open space acquisitions when paying for these types of projects out of current revenues is not feasible.

The City of Monterey has been conservative in the past with regard to the use of debt for financing and currently has no general obligation debt outstanding. The City's existing non-tax supported debt has identifiable sources of debt repayments, and as such is not expected to significantly impact current operations.

### Credit Rating

The City has been assigned a high quality grade Aa2 issuer rating by Moody's and an Aa3 rating on the City of Monterey Lease Revenue Bonds, Series 1994.

### Types of Debt Financing Instruments

#### A. General Obligation Bonds:

The California Constitution provides for the issuance of General Obligation Bonds by cities subject to a two-thirds approval of voters on the bond proposition. General Obligation Bonds are secured by the full faith and credit of the City. Ad valorem taxes are levied on all real property within the City for the payment of annual principal and interest on the bonds. The City currently has no outstanding General Obligation Bonds.

#### B. Lease Revenue Bonds and Certificates of Participation:

Lease Revenue Bonds and Certificates of Participation are lease obligations secured by an installment sales agreement or by a leaseback agreement with a public entity. The City pledges general operating revenues to pay the lease payments. The lease payments are in turn used to pay principal and interest on the Certificates of Participation. Under State law, these obligations do not constitute indebtedness and are therefore not subject to voter approval. Lease payments may not be accelerated as they are only payable in the year in which used and if occupancy of the lease property is available. The City is obligated to annually budget for the rentals that are due and payable during each fiscal year that it has the use of the leased property.

### C. Public Enterprise Revenue Bonds:

Public Enterprise Revenue Bonds are issued to finance facilities for a revenue producing enterprise such as a water or sewer system. California courts have determined that under the State Constitution, cities may issue revenue bonds without a two-thirds voter approval in a bond election because the revenues are not payable from taxes or the general fund of the City. Rather, principal and interest on the bonds is payable from revenues produced by the enterprise including such items as service charges, tolls, connection fees, admission fees, and rents.

### D. Special Assessment Districts/Mello-Roos Community Facilities District Bonds:

The City may establish special assessment or Mello-Roos Community Facilities Districts under various sections of State law to issue bonds for the financing of infrastructure and public facilities improvements in connection with land development. The issuance of these bonds is subject to a two-thirds approval of the landowners voting within the proposed district. The security for the bonds is provided by properties within the district. The properties are assessed for amounts proportionate to the benefit received from the improvements financed for the payment of annual principal and interest on the bonds. The City is not liable for the repayment of these bonds, but rather acts as an agent for the property owners/bondholders in collecting and forwarding the special assessments.

## **City of Monterey Joint Powers Financing Authority**

The City of Monterey Joint Powers Financing Authority (Authority) was formed in July 1994 by a joint exercise of powers between the City of Monterey and the Redevelopment Agency of the City of Monterey (RDA). On February 1, 2012, the RDA was dissolved by the Dissolution Act (Assembly Bill XI 26) and the Successor Agency to the Redevelopment Agency of the City of Monterey assumed control of the former RDA operations and assets. The Authority provides financing of public capital improvements for the City and Successor Agency through the issuance of Lease Revenue Bonds. This form of debt allows investors to participate in a stream of future lease payments.

Improvements financed with Authority debt are leased to the City in return for rental payments which, together with restricted assets of the Authority, will be sufficient to meet the debt service obligations of the Authority. At the termination of the lease, title to the improvements will pass to the City.

## **Legal Debt Margin**

The Government Code of the State of California (Section 43605) states that a City shall not incur an indebtedness for public improvements which exceeds in the aggregate 15% of the assessed value of all real and personal property of the City. "Indebtedness" in this section does not include debt issued for the purpose of financing or refinancing the acquisition, construction, or completion of public improvements that is not a general obligation of the City, and is secured by a lien upon or levy of a special tax on real property within an identified district.

The City has no debt applicable to the debt limit and does not intend to issue debt in the near future.

Total FY2017 assessed valuation (less other exemptions): \$5,378,184,493

Debt limit (15% of assessed value)	806,727,674
Amount of debt applicable to the debt limit	<u>0</u>
Legal debt margin	<u>\$806,727,674</u>

## Summary of Debt

Description	Principal Outstanding at June 30, 2017	Debt Service Due in FY2018	Debt Service Due in FY2019	Funding Source
<b>JOINT POWERS FINANCING AUTHORITY</b>				
2013 Refunding Bonds (Sports Center/Catellus)	\$6,100,000	\$546,070	\$544,073	General Fund revenues
<b>CITY OF MONTEREY</b>				
State Water Resources Control Board	\$3,352,782	\$215,795	\$215,796	Sewer Fees
State Small Craft Harbor Loans	2,145,923	325,344	325,344	General Fund revenues
2008 California Energy Commission	593,674	111,208	111,208	General Fund revenues
2010 California Energy Commission	224,547	33,014	33,014	General Fund revenues
1994 Revenue Bonds (Materials Recovery Facility)	400,000	<sup>1</sup> 423,000	0	Materials Recovery Facility Fund revenues
US Bancorp Pierce Fire Apparatus Lease	253,658	36,227	36,227	General Fund revenues
<b>CONFERENCE CENTER FACILITIES DISTRICT</b>				
City of Monterey CCFD	\$49,488,977	\$2,535,759	\$3,465,535	Mello-Roos Special Assessments

<sup>1</sup> Debt Service includes interest

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## RESOLUTION NO. 17-098 C.S.

### A RESOLUTION OF THE COUNCIL OF THE CITY OF MONTEREY

#### ADOPT THE 2017/18 AND 2018/19 OPERATING BUDGETS OF THE CITY OF MONTEREY

WHEREAS, the proposed operating budget of the City of Monterey for the fiscal years 2017/18 and 2018/19 was prepared and submitted to the City Council by the City Manager in accordance with Section 6.3 of the City Charter; and

WHEREAS, the City Council reviewed the proposed operating budget and thereafter caused a public appearance to be held concerning the budget; and

WHEREAS, the City of Monterey determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 (CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MONTEREY that it hereby adopts and approves the Proposed Operating Budget for 2017/18 and 2018/19 containing information as required in Section 6.3 of the Monterey City Charter, as amended by the City Council, as the budget of the City of Monterey in the following amounts:

	General Fund		Other Operating Funds	
	FY17/18	FY18/19	FY17/18	FY18/19
Proposed Operating Budget	\$72,303,343	\$74,899,395	\$52,862,064	\$52,550,758
Amendments (Attachment 2 to Report)	165,000	0	3,000	0
<b>Final Adopted Budget</b>	<b>\$72,468,343</b>	<b>\$74,899,395</b>	<b>\$52,865,064</b>	<b>\$52,550,758</b>

A copy of said budget, as modified and amended, is on file in the office of the City Clerk and is hereby referred to for further particulars.

BE IT FURTHER RESOLVED THAT the following increases to reserves are authorized from the General Fund ending balance:

1. Increase the Designation for Capital Renewal by \$300,000



2. Increase the Reserve for Economic Uncertainty to \$10,746,000 to maintain approximately 15% of General Fund expenditures

BE IT FURTHER RESOLVED THAT monies may be transferred from one account to another with the approval of the City Manager or his designee except for the following transfers which may be made only with the approval of the City Council:

- a. Transfers to or from Special Funds where state or federal regulations require Council approval;
- b. Transfers from unappropriated reserves or fund balances.

BE IT FURTHER RESOLVED THAT sixteen (16%) of the total projected revenue from Transient Occupancy Taxes is hereby appropriated in the amount of \$3,921,159 for use in the Neighborhood Improvement Program for 2017/18. This amount is the total appropriation from which all applicable City administration and program expenses will be deducted as appropriate.

BE IT FURTHER RESOLVED THAT the following reserve is hereby approved and the monies therein appropriated for operational contingencies in both FY 2017/18 and FY 2018/19 as approved by the City Manager or Finance Director:

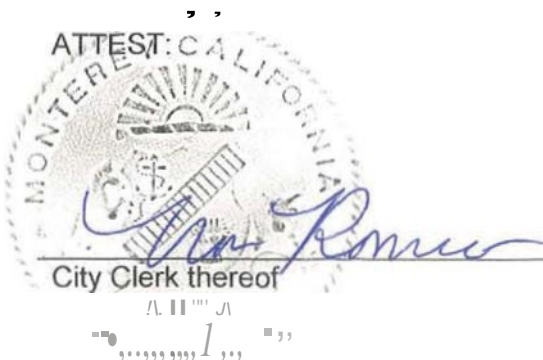
- |  |           |
|--|-----------|
| 1. Reserve for Operational Contingencies | \$250,000 |
|--|-----------|

BE IT FURTHER RESOLVED THAT the proposed transfers included in the Interfund Transfers schedule that is part of the 2017/18 and 2018/19 Proposed Operating Budget as amended are hereby adopted and approved; and that the Finance Director is hereby authorized to make administrative budget adjustments to the schedule as deemed necessary.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF MONTEREY this 5th day of June, 2017, by the following vote:

AYES:	4	COUNCILMEMBERS:	Albert, Barrett, Haffa, Roberson
NOES:	0	COUNCILMEMBERS:	None
ABSENT:	1	COUNCILMEMBERS:	Smith
ABSTAIN:	0	COUNCILMEMBERS:	None

APPROVED:



  
\_\_\_\_\_  
Mayor of said City

## Miscellaneous Demographic and Statistical Summary

### Setting

Location	Central coast of California, 110 miles south of San Francisco and 335 miles north of Los Angeles, on the south side of Monterey Bay
Founded	1770
Incorporated	1850
Area	8.47 square miles
Government	Council-Manager

### Demographics<sup>1</sup>

Economic	2011-15 Estimate <sup>2</sup>	2006-10 Estimate
Population	28,283	27,827
Median age	37.1	37.1
Bachelor's degree or higher	48.9%	47.8%
Average household size	2.21	2.07
Average family size	2.95	2.77
Veterans	13.0%	11.5%

Economic	2011-15 Estimate <sup>2</sup>	2006-10 Estimate
Per capita income	\$ 37,915	\$ 35,283
Median household income	\$ 66,166	\$ 61,271
Median family income	\$ 84,941	\$ 75,482
Families whose income is below poverty level	3.3%	5.8%
Owner-occupied housing unit	34.4%	36.3%
Median price single-family home	\$ 628,500	\$ 766,800
Median monthly housing cost (for units with mortgage)	\$ 2,377	\$ 2,291
Median real estate taxes	\$ 3,517	\$ 3,069
Median monthly rent	\$ 1,460	\$ 1,258
Mean travel time to work (minutes)	15.1	15.1
Unemployment rate	5.1%	7.2%

<sup>1</sup>U.S. Census, American Community Survey, 2011-15 and 2006-10 5 year estimates.

<sup>2</sup>The 2011-15 five year estimate is the most recent data set available.



Occupation categories (civilian only)	2011–15 Estimate <sup>2</sup>	2006–10 Estimate
Management, business, science, and the arts	49.1%	45.9%
Service	24.7%	21.0%
Sales and office	17.5%	24.5%
Natural resources, construction, and maintenance	4.8%	5.1%
Production, transportation, and material moving	3.9%	3.5%

**Voter Participation – Last Election (November 8, 2016)<sup>3</sup>**

Registered Voters	15,178
Ballots Cast	12,361
Voter turn-out	81.44%

**Top 25 Sales Tax Generators (for calendar year 2016, in alphabetical order)<sup>4</sup>**

1	After the Quake	6	CVS Pharmacy	11	Intercontinental: The Clement
2	Apple Store	7	EarlyChildhood.com	12	Lalla Grill
3	AT&T Mobility	8	Edges Electrical Group	13	M&S Buildings Supply
4	Bubba Gump Shrimp Co.	9	Fish Hopper Restaurant	14	Macy's Department Store
5	Chevron Service Stations	10	Hyatt Hotel & Resort	15	Monterey Bay Aquarium

16	Monterey Plaza Hotel	21	Stahl Motor Company
17	Old Fisherman's Grotto	22	Tesoro Service Stations
18	Portola Plaza Hotel	23	Union 76 Service Stations
29	Quik Stop Markets	24	Verizon Wireless
20	Scales	25	Whole Foods Market

<sup>2</sup>The 2011–15 five year estimate is the most recent data set available.

<sup>3</sup>Monterey County Elections "Statement of the Vote" 11/8/16

<sup>4</sup>MuniServices, 2016 Sales Tax Summary

## **Financial Policies**

This section summarizes the policies the City follows in managing its finances.

### **Revenue Policies**

- The City will set fees and user charges for each enterprise fund at a level that fully supports the total direct and indirect program costs. Indirect costs will ultimately include the cost of annual depreciation of fixed assets.
- The City Council will establish fees for non-enterprise funds based upon an awareness of the total direct and indirect costs of offering a service. It is recognized that certain services may be subsidized by general taxes based upon a level of subsidy determined by the Council.
- The City will aggressively pursue collection of all revenues when due.

### **Operating Budget Policies**

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

## **Capital Improvement Policies**

- All estimated construction, maintenance and operating costs and potential funding sources for each proposed capital improvement and neighborhood improvement will be identified before it is submitted to the City Council for approval.
- The City will finance only those capital improvements that are consistent with the adopted capital improvement plan and City priorities. All capital improvement operating and maintenance costs will be included in operating budget forecasts.

## **Debt Policies**

- Only capital improvements that cannot be financed from current revenues will be financed with debt borrowing except for enterprise funds. The City will determine and use the least costly financing method for all new capital improvement projects.
- The term for repayment of long-term financing for capital improvements will not exceed the expected useful life of the project.
- Interfund loans may be used from one City fund to another City fund for a specific purpose with a requirement for repayment. Interfund loans should be considered temporary or short-term borrowing of cash and should not hinder the accomplishment of any function or project for which the lending fund was established. Interfund loans must be approved by the City Council; the Finance Director will establish appropriate repayment terms and ensure that loan repayment is budgeted as part of the annual budget process.

## **Fund Balance Classification**

- At year-end, restricted fund balances for specific purposes are determined (excluding non-spendable amounts). Remaining fund balance, considered spendable, is classified into committed, assigned or unassigned categories depending upon the intended use of the balances. Fund balance amounts for other governmental funds are classified as restricted or committed depending upon the purpose and restrictions imposed on each specific fund. The City applies expenditures to the most restrictive available balances first, then less restricted funds as required.
- Any year-end surplus (unassigned) which results in the General Fund fund balance exceeding the level required by the Reserve Policy shall be available for allocation for the following, subject to Council approval:
  - Transfer to the Capital Renewal Reserve for appropriation within the Capital Improvement Program Budget and/or Deferred Maintenance for non-recurring needs
  - Re-appropriation within the subsequent year's operating budget to provide for one-time, non-recurring needs

## **Reserve Policies**

- The City maintains reserves to mitigate risk, which include a stabilization arrangement in the form of the “Reserve for Economic Uncertainty” and a “Reserve for Pension Liability”. The City Council retains the authority to establish these reserves as Committed Fund Balance. The City goal is to maintain a combination of reserves equivalent to 16.6% of the General Fund annual operating budget. The Reserve for Economic Uncertainty is established for the purpose of providing funds for an unforeseen, urgent event that affects the operations or safety of the City (e.g. natural disaster). The recognition of an urgent event must be established by the City Council, and a budget revision must be approved. In the event that the balance drops below the established minimum level, the City Council will develop a plan to replenish the reserve(s). Any related reimbursement funds received (ex: insurance, FEMA) will be used to replenish the reserve.
- The City will maintain appropriate reserves in the Self-Insurance Funds based on statutory requirements and actuarially projected needs.

## **Property Management Policies**

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

## Glossary

### Accounts Payable

A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

### Accounts Receivable

An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government.

### Accrual Basis of Accounting

A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

### Adopted Budget

The City Council approved annual budget establishing the legal authority for the expenditure of funds as set forth in the adopting Council budget resolution.

### Amortization

The process of decreasing or allocating a lump sum amount over a period of time, particularly for loans and other forms of finance, including related interest and other finance charges.

### Appropriation

Legal authorization, as required by the City Charter, granted to the City Manager by the City Council to expend monies, and/or to incur legal obligations for specific departmental purposes. An appropriation is usually limited in amount, as well as to the time when it may be expended.

### Assessed Valuation

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

### Assets

Property owned by a government, which has monetary value.

### Audit

Prepared by an independent certified public accountant (CPA), the primary objective of an audit is to determine if the City's financial statements fairly present the City's financial position and results of operations in conformity with generally accepted accounting principles.

### Authorized Positions

Regular positions authorized in the budget to be employed during the fiscal year.

### Basis of Accounting

The timing of recognition, that is, when the effects of transactions or events are recognized for financial reporting or budgeting purposes. The three basis of accounting for governmental agencies are: (1) cash basis (when cash is received or paid), (2) accrual basis (when the underlying transaction or event takes place), and (3) modified accrual basis (revenues are recognized in the accounting period in which they become available and measurable and expenditures are recognized in the accounting period in which the fund liability occurred).

### Balance Sheet

A statement purporting to present the financial position of an entity by disclosing the value of its assets, liabilities, and equities as of a specific date.

### Balanced Budget

When the total of revenues and other financing sources is equal to or greater than the total of expenditures and other financing uses, the budget is balanced.

### Beginning Fund Balance

Fund balance available in a fund from the end of the prior year for use in the following year.

### Bond

A city may raise capital by issuing a written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, together with periodic interest at a special rate.

### Bond Rating

An evaluation of a bond issuer's credit quality and perceived ability to pay the principal and interest on time and in full. Two agencies regularly review city bonds and generate bond ratings: Moody's Investors Service and Standard and Poor's Ratings Group.

### BRAC

An acronym which stands for base realignment and closure. It is the process the Department of Defense (DoD) has used previously to reorganize its installation infrastructure to support its forces in more cost effective ways (e.g. budget reductions).

### Budget

A plan of financial and program operation listing an estimate of proposed appropriations or expenses and the proposed means of financing them, for a particular time period. The budget is proposed or preliminary until it has been adopted by the City Council.

### Budget Calendar

The schedule of key dates or milestones which a government follows in preparation and adoption of a budget.

### Budget Adoption

Formal action by the City Council, which sets the spending path for the year.

### Budgetary Control

The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and revenues.

### CalPERS

State of California Public Employees' Retirement System.

### Capital Asset

A tangible, fixed asset that is long-term in nature, of significant value, and obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include land, buildings, equipment, improvements to buildings, and infrastructure (i.e., streets, highways, bridges, and other immovable assets). A capital asset is defined as an asset with a useful life extending beyond a single accounting period.

### Capital Budget

A financial plan of proposed capital improvement projects and the means of financing them for a given period of time.

### Capital Outlay

A budget category which budgets all equipment having a unit cost of more than \$5,000 and an estimated useful life of more than three years. Capital Outlay items are budgeted in the operating budget.

### Cash Basis of Accounting

A basis of accounting under which transactions are recognized only when cash is received or disbursed.

### Certificates of Participation (COPs)

This financing technique provides long-term financing through a lease, installment sale agreement or loan agreement. Certificates of Participation (COPs) allow the public to purchase (in \$5,000 increments) participation in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities.

### City Charter

Legal authority approved in 1925 by the voters of Monterey under the State of California Constitution establishing the current "Council – Manager" form of government organization.

### City Manager's Message

A general discussion of the proposed budget as presented in writing by the City Manager to the City Council. The message contains an explanation of the principal budget items and summarizes the proposed budget relative to the current year adopted budget.

### Community Priorities

Strategic work objectives that require collaborative action by several City departments and partnerships with other elements of the community.

### Comprehensive Annual Financial Report (CAFR)

The official annual report of the City's financial condition at the conclusion of the fiscal year. The report is prepared to conform to Generally Accepted Accounting Principles (GAAP) for governmental units and presentation of the financial data in conformity with the Adopted Budget.

### Conference Center Facilities District (CCFD)

Formed by resolution on November 19, 2013 to provide a vehicle for financing the renovation of the Monterey Conference Center under California's Mello-Roos Community Facilities Act of 1982. The CCFD provides a framework to levy a special tax on property developed for visitor accommodation facilities (i.e. hotel properties). The special tax ranges from 0.8% to 4.15% of all rent, depending on the classification of the hotel property.

### Consumer Price Index (CPI)

A statistical description of price levels provided by the U.S Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

### Contingency

A budgetary reserve set aside for emergency or unanticipated expenditures, revenue shortfalls, and/or unknown expenditures.

### Department

An operational and budgetary unit designated by the City Council to define and organize City operations, or a group of related operations within a functional area.

### Debt

An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

### Debt Financing

Issuance of bonds and other debt instruments to finance municipal improvements and services.

### Debt Service

Debt service refers to the interest and principal payments on bond issues and Certificate of Participation, and includes the issuance costs related to bond funding.

### Deficit

The excess of an entity's liabilities over its assets, or the excess of expenditures or expenses over revenue during a single accounting period.

### Depreciation

(1) Expiration in the service life of capital outlay assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) The portion of the cost of a capital asset that is charged as an expense during a particular period.

### Division

An organizational unit consisting of program(s) or activity(ies) within a department which furthers the objectives of the City Council by providing services or a product.

### Encumbrances

Financial commitments related to unperformed contracts for goods or services for which part of an appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

### Enterprise Fund

A type of fund established to account for the total costs of those governmental facilities and services which are operated in a manner similar to private enterprises. These funds are entirely or predominately self-supporting.

### Expenditure

The payment made for cost of services rendered, materials, equipment, and capital improvements.

### Expense

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges.

### Expense Category

Expense object categories: Salaries and Benefits, Supplies and Expenses, Internal Services, Capital Outlay

#### Fee

The payment for direct receipt of a public service by the party who benefits from the service.

#### Fiduciary Fund

A fund type to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund category includes pension, trust funds, investment trust funds, private-purpose trust funds, and agency funds.

#### Fiscal Year

A twelve-month accounting period of time to which the budget applies; for Monterey, it is July 1 through June 30.

#### Fringe Benefits

Benefits including employee retirement, Medicare, health, dental, vision, life insurance, uniforms, and deferred compensation plans.

#### FTE

Full Time Equivalent Employee (FTE) 2,080 hours per year = 1.0 Full-Time Equivalent position.

#### Fund

An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created. There are three major types of fund: Governmental (general, special revenue, debt service, capital projects, and permanent), Proprietary (enterprise and internal service), and Fiduciary (trust and agency).

#### Fund Balance

The amount of financial resources immediately available for use. Generally, this represents the excess of unrestricted current assets over current liabilities.

#### Gann Appropriation Limit

Article XIII B of the State constitution was amended by Proposition 4 (Gann initiative) in 1979. Article XIII B limits growth in the spending of tax proceeds to tax proceeds appropriated in the "base year" of 1978-79 times the product of the allowable annual percentage change in a cost-of-living factor and the allowable annual percentage change in a population change factor. The cost-of-living factor is the larger of the annual percentage change in the State per capita personal income or the annual percentage change in the local non-residential assessed valuation due to new construction. The population change factor is the larger of the annual percentage change of the jurisdiction's population or the annual percentage population change of the county in which the jurisdiction is located.

#### General Fund

The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use. Examples of departments financed by the General Fund include City Council, Police and Fire Departments.

#### General Obligation Bond

A type of bond that is backed by the full faith, credit, and taxing power of the City.

#### Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the GASB.

#### Goal

Goals are general statements of desired results and serve as points of reference to guide actions, decisions, and resource allocation.

#### Governmental Accounting

The composite activity of analyzing, recording, summarizing, reporting, and interpreting the financial transactions of governments.



### Governmental Accounting Standards Board (GASB)

The authoritative accounting and financial reporting standard-setting body for government entities

### Governmental Fund

A fund type to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

### Grant

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

### Indirect Cost Allocation Plan

The City uses an indirect cost allocation plan to ensure that enterprises and certain special revenue supported operations pay for themselves and are not subsidized by City taxpayers. General fund supported central services costs such as payroll, accounting, data processing, personnel, city management and facilities maintenance are allocated to those funds benefiting from these services based on statistical data reflecting use of these support services.

### Infrastructure

Facilities on which the continuance and growth of a community depend on such as roads, water lines, sewers, public buildings, parks and airports.

### Interfund Transactions

These budgetary transactions consist of quasi-external transactions which would be treated as revenues and expenditures if they involved organizations external to the governmental unit, reimbursements of expenditures initially made in one fund which are attributable to another fund, and operating transfers where monies are appropriated from one fund to another fund to reimburse expenses which are of benefit to the first fund.

### Internal Service Fund

Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, on a cost-reimbursement basis.

### Liability

Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date. Note: This term does not include encumbrances.

### Line Item Detail

A budget that lists detailed expenditure categories (permanent salaries, utilities, travel, training, etc.) separately, along with the amount budgeted for each specified category.

### Long-Term Debt

Debt with a maturity of more than one year after the date of issue.

### Measure P

Measure P increases the sales tax rate by one percent in the City of Monterey for four years "to address significant deferred maintenance by fixing streets, sidewalks, and potholes; improve related access and safety for senior citizens, disabled residents, and others; and repair its 100-year-old storm drain system to protect our beaches/Monterey Bay." The ballot measure was approved by 74% of voters in November 2014. The tax is effective from April 1, 2015 through March 31, 2019.

### Mission

A description of the basic purpose and responsibility of the division or department.

### Modified Accrual Basis of Accounting

Basis of accounting whereby revenues are recognized in the accounting period in which they become available and measurable; expenditures are recognized in the accounting period in which the fund liability is incurred (if measurable), except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

### Municipal Code

A compilation of City Council approved ordinances currently in effect. The Code defines City policy in various categories, for example, Civil Service rules, traffic regulations, sanitation and health standards, building regulations, and planning and zoning regulations.

### Objective

Statement describing a significant result or service level change to be accomplished during the next fiscal year. It describes a specific, verifiable, and measurable actions, steps, or process undertaken in the service of a goal.

### Operating Budget

A financial, programmatic and organizational plan for furthering the goals of the City Council through the departments of the City, which does not include one-time capital improvements projects.

### Ordinance

A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it is in conflict with any higher form of law such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution.

### Patient Protection and Affordable Care Act

Patient Protection and Affordable Care Act is a United States federal statute signed into law by President Barack Obama on March 23, 2010 that is aimed at increasing the rate of health insurance coverage for Americans and reducing the overall costs of health care.

### Pay-As-You-Go Basis

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

### Performance Measure

Quantifiable indicators that measure program workload or progress in achieving program objectives.

### Program

An activity or division within a department which furthers the objectives of the City Council by providing services or a product.

### Proprietary Fund

Funds that focus on the determination of operating income, changes in net assets (cost recovery), financial position, and cash flows. There are two types of proprietary funds: Enterprise and Internal Service Funds.

### Purchase Order

A document issued to authorize a vendor to deliver specified merchandise or render a specified service for a stated estimated price. Outstanding purchase orders are called encumbrances.

### Re-appropriation

The amount of money that is budgeted for a project in a prior year but is not spent or encumbered and needs to be appropriated again in the current year in order to continue the program originally intended.

### Reimbursements

Payments of amounts remitted on behalf of another party, department or fund. They are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed (see Interfund Transactions).

### Reserve

An account used to set aside a portion of the fund balance as legally segregated for a specific use.

### Resolution

A special order of the City Council which requires less legal formality than an ordinance in terms of public notice and the number of public readings prior to approval. A resolution has lower legal standing than an ordinance. The adopted City budget is approved by resolution and requires a majority vote of the Council members present at budget adoption time. During the fiscal year other budget modifications made by the City Council require a majority plus one vote.

### Return on Investment

Requests for additional resources previously classified as enhancements are now categorized as Return on Investments. Requests will only be considered when the investment increases revenue, decreases operating expenses, or creates operating efficiency.

### Revenue

Sources of income used to finance City governmental services.

### Salaries and Wages

A budget category which generally accounts for full-time, part-time, and temporary employees' salaries, overtime costs and fringe benefits for a particular division or program.

### Self Insurance

A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or the activity of the agency.

### Service Benchmark

A short list of indicators (outputs, outcomes, trends over time) for the departmental or interdepartmental efforts important to Council and the community to communicate the City's strategic and day-to-day work.

### Special Revenue Funds

Revenues that can be spent only for specific purposes stipulated by the Constitution, external resource providers, or through enabling legislation

### Supplies and Expenses

A budget category which accounts for all non-personnel expenses. Examples include office supplies, utility costs, legal advertising, equipment maintenance, small tool purchases, building/structure maintenance and contractual services.

### Taxes

Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. This term does not include charges for services rendered only to those paying such charges, for example refuse collection.

### Tourism Improvement District

An assessment established by the Monterey County Tourism Improvement District (MCTID) in 2007, used to administer marketing programs to promote the County of Monterey as a tourism destination and to fund projects, programs, and activities that benefit lodging businesses within the district. The assessment levied on lodging businesses within the city of Monterey is \$2.00 per occupied room night for full service facilities and \$1.00 per occupied night for limited service. The City is entitled to retain one percent (1%) of the assessments collected to defer the administrative costs incurred. All of the assessments imposed are reviewed annually by City Council as the lead agency for the entire county, based on the annual reports prepared by the Monterey County Convention and Visitors Bureau.

### Transient Occupancy Tax (TOT)

A tax on hotel/motel stays thirty days or less. The rate in the City of Monterey is currently 10%.

### Trust and Agency Funds

Types of fiduciary funds which account for assets held by the City in a trustee capacity. The budget does not appropriate fiduciary funds.

### Vehicle License Fee

Vehicle License Fee (VLF) is an annual fee on the ownership of a registered vehicle in California. It has been assessed on all privately owned registered vehicles in California in place of taxing vehicles as personal property since 1935. The VLF is paid to the Department of Motor Vehicles (DMV) at the time of annual vehicle registration. A portion of VLF had traditionally been apportioned to cities on a per capita basis. However, effective July 1, 2011, virtually all VLF revenues previously apportioned to cities were shifted to fund law enforcement grants as a part of efforts to solve the State's chronic budget problems.





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