NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

CLOSED SESSION MEETING AGENDA

Wednesday, February 15, 2023, 5:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

THIS MEETING WILL BE HELD IN PERSON AND VIRTUALLY (HYBRID).

CHAMBER CAPACITY SEATING IS LIMITED AND PROVIDED ON A FIRST COME, FIRST SERVED BASIS.

THE VIRTUAL MEETING IS COMPLIANT WITH THE GOVERNOR'S EXECUTIVE ORDERS ALLOWING FOR A DEVIATION OF TELECONFERENCE RULES REQUIRED BY THE BROWN ACT.

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AGENDA

CALL TO ORDER

A. Remote Teleconference - AB 361

Reference: Sandra Kandell, City Clerk

Recommended Action: Ratify Resolution No. 21-029 Emergency Teleconferencing authorizing remote teleconference meetings of all City legislative bodies for the following 30 days in accord with the Ralph M. Brown Act.

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

APPROVAL OF AGENDA

CLOSED SESSION

PUBLIC COMMENT ON CLOSED SESSION MATTERS

Comments from the public will not receive Council action. Comments must deal with matters on the Closed Session agenda and will be limited to three minutes

A. Conference with Legal Counsel - Initiation of Litigation; Government Code §54956.9(d)(4))
Number of Cases: One

B. Conference with Legal Counsel – Pending Litigation (Gov. C. §54956.9)
Enayati v. City of Pacific Grove, Case No. 21CV002786 (Enayati I) and Mark A. Enayati v. City of Pacific Grove, Case No. 22CV001017 (Enayati II)

ADJOURNMENT

NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING AGENDA

Wednesday, February 15, 2023, 6:00 P.M.

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

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

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

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MEETING INSTRUCTIONS

The public may also view the meeting on the Peninsula Channel 25.

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Smith

1. **APPROVAL OF AGENDA**

2. **PRESENTATIONS**

   A. Pacific Grove Presentation, by Jeanne Byrne

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

   A. Report on Closed Session by City Attorney

   B. Other

4. **GENERAL PUBLIC COMMENT**

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

   A. General Public Comment

   Reference: Sandra Kandell, City Clerk

   Recommended Action: Receive written general public comment, if applicable.

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

CONSENT AGENDA

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

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

A. Minutes of the City Council Special, Closed and Regular Meetings of February 1, 2023
Reference: Sandra Kandell, City Clerk **PG 11**
Recommended Action: Approve minutes.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

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

A. Approve a Resolution authorizing a grant application to the California Automated Permit Processing Program (CALAPP) **PG 23**
Reference: Anastacia Wyatt, Community Development Director
Recommended Action: Approve a Resolution authorizing a grant application to the California Automated Permit Processing Program (CALAPP).
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Resolution Approving Standard Contracts **PG 28**
Reference: Brian A Pierik, City Attorney
Recommended Action: Motion to adopt Resolution Approving Standard Contracts
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

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

A. Scope of Public Comments At Meetings of Legislative Bodies **PG 129**
Reference: Brian Pierik, City Attorney
Recommended Action: Hold second reading and adopt an Ordinance Amending Pacific Grove Municipal Code Section 2.04.050 Regarding Public Comment.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

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

A. Second Quarter Capital Project Budget Report & Update **PG 139**

Reference: Mark Sullivan, Accountant
Recommended Action: Receive the report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Check Register Report - January 2023 **PG 144**
Reference: Audrey Cray, Finance & Risk Manager
Recommended Action: Receive the report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

C. Core Revenue Report - January 2023 **PG 180**
Reference: Audrey Cray, Finance & Risk Manager
Recommended Action: Receive the report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

D. Status of Records Management System and Online Contracts **PG 183**
Reference: Sandra Kandell, City Clerk and Nikita McKinder, IT Management Analyst
Recommended Action: Receive the report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

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

A. Ratification of New Local Emergency Actions **PG 186**
Reference: Ben Harvey, City Manager
Recommended Action: Receive report of emergency directives/modifications.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Appointment to Economic Development Commission **PG 188**
Reference: Bill Peake, Mayor
Recommended Action: Approve appointment of R. Venuti to Economic Development Commission ending January 31, 2025.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

10. **MEETING MINUTES OF COMMISSIONS, BOARDS, AND COMMITTEES**
Items pulled from this section will be placed under 13. New Business

A. Recreation Board Minutes: June, August, November and December 2021 **PG 190**

Reference: Daniel Gho, Public Works Director / Deputy City Manager

Recommended Action: Receive the minutes.

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

REGULAR AGENDA

11. **PUBLIC HEARINGS**

For public hearings involving a quasi-judicial determination by the Council, the proponent of an item may be given 10 minutes to speak and others in support of the proponent's position may be given three minutes each. A designated spokesperson for opposition to the item may be given 10 minutes to speak and all others in opposition may be given three minutes each. Very brief rebuttal and surrebuttal may be allowed in the sole discretion of the Council. In public hearings not involving a quasi-judicial determination by the Council, all persons may be given three minutes to speak on the matter. Public hearings on non-controversial matters or for which testimony is not anticipated may be placed on the Consent Agenda, but shall be removed if any person requests a staff presentation or wishes to be heard on the matter.

A. Mayor Pro Tempore Role and Appointment **PG 199**

Reference: Brian A. Pierik, City Attorney

Recommended Action:

1. Request a reading of the Title of the Ordinance.
2. Motion to waive further reading and introduce and hold first reading of an Ordinance of the City Council of the City of Pacific Grove Amending Chapter 2.05 of the Pacific Grove Municipal Code Codifying the Mayor Pro Tempore's Role and Appointment.
3. Motion to adopt a City Council Policy to establish the nomination procedure for appointing the Mayor Pro Tempore

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

B. Fiscal Year 2022-23 Mid-Year Budget Modifications and First Reading of an Ordinance Amending the Fiscal Year 2022-23 Budget **PG 205**

Reference: Tori Hannah, Administrative Services Director/Assistant City Manager

Recommended Action: Hold a first reading of an ordinance to amend the Fiscal Year 2022-23 Budget, authorize publication of a summary of the measure as approved by the City Attorney

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

12. **UNFINISHED AND ONGOING BUSINESS**

A. Golf Course **PG 217**

Reference: Bill Peake, Mayor and Luke Coletti, Councilmember

Recommended Action: Direct City Manager to return to Council with agreement to hire Pro Forma Advisors, LLC to

1. conduct a golf course financial analysis (pro forma) and
2. provide golf course lease recommendations.

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

13. NEW BUSINESS

A. 2023-2024 Special Events Calendar **PG 369**

Reference: Katie Clark, Recreation Manager

Recommended Action:

1. Approve the Fiscal Year 2023-2024 Special Events Calendar
2. Approve 7 proposed events as Special Events to be billed at full cost recovery rates
3. Approve 20 proposed events as City Sponsored Events and waive the fees for City staff support and equipment/facility usage
4. Allow alcohol to be served in the confines of a tent for the 4 music series events at Jewell Park per Municipal Code Section 11.04.020, Consumption in Public Spaces

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

B. Historic Determination 22-0255 for 1352 Lighthouse Avenue (APN 007-011-005)

Reference: Steven Lilley, Planning Commission Chair **PG 378**

Recommended Action: The Planning Commission recommends that the City Council fund a Phase 1 historical resource assessment by an independent, qualified historical consultant to determine if the property at 1352 Lighthouse Avenue is eligible to be put on the Historic Resources Inventory (HRI).

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

C. Wildlife Disturbances Caused by Operation of Unmanned Aircraft Systems ("drones")

Reference: Councilmembers Lori McDonnell and Luke Coletti **PG 381**

Recommended Action: Receive report regarding wildlife disturbances caused by operation of unmanned aircraft systems ("drones").

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

14. FULL PRESENTATIONS

15. CLOSED SESSION

ADJOURNMENT

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

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Sandra Kandell, City Clerk/DEI Coordinator

MEETING DATE: February 15, 2023

SUBJECT: General Public Comment

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

RECOMMENDATION

Receive written general public comment, if applicable.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Sandra Kandell, City Clerk/DEI Coordinator

MEETING DATE: February 15, 2023

SUBJECT: Minutes of the City Council Special, Closed and Regular Meetings of February 1, 2023

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

RECOMMENDATION

Approve minutes.

Attachments

Draft Minutes

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

AMENDED CLOSED SESSION MEETING

Wednesday, February 1, 2023, 5:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

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THE BROWN ACT.**

Join the Zoom Meeting to participate live at:
https://us02web.zoom.us/j/692219855

DRAFT

CALL TO ORDER
Mayor Peake called the meeting to order at 5:00 p.m. City Clerk conducted roll call with the following Council present in Chamber: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, and McDonnell. Councilmember Poduri presented via Zoom.

APPROVAL OF AGENDA

Action: Mayor Peake reported Closed Session Agenda item C is continued to a future date uncertain. City Attorney Brian Pierik recommended, and Mayor Peake complied and called to order the Closed Session and Special Closed Session meetings simultaneously.

Action: Upon motion by Mayor Pro Tem Smith and seconded by Councilmember Amelio, Council voted to approve the agenda, as amended.

Motion carried 7-0, by the following roll call vote:

AYES:	Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES:	None.
ABSENT:	None.

CLOSED SESSION

PUBLIC COMMENT ON CLOSED SESSION MATTERS
No public comment was received.

A. Conference with Labor Negotiators (Government Code Section 54957.6)
City Negotiators: Ben Harvey, City Manager, Tori Hannah, Administrative Services Director/Assistant City Manager, and Leticia Livian, Human Resources Director
Employees: ***General Employees Association, Management Employees Association***,

Unrepresented Management, Confidential Employees, and Unrepresented Department Heads

B. Conference with Real Property Negotiators (Government Code § 54956.8)
Property: Union Pacific Railroad Right-of-Way from the border of the Monarch Pines Mobile Home Park (outside of Monarch Pines) to near Sinex Avenue, alongside the Pacific Grove Golf Links (no property address or APN available)
Agency Negotiator(s): Ben Harvey, City Manager
Negotiating Party(ies): Peter Kinney, Senior Manager-Field Operations Real Estate, Union Pacific Under negotiation: Price and terms of payment

C. Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9) ***This item was continued to a future date uncertain.***
Worker's Compensation (W/C) Claim No. 4020102DA72-0001 (Billy Hawkins)

DRAFT

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

SPECIAL CLOSED SESSION MEETING

Wednesday, February 1, 2023, 5:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

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THE BROWN ACT.**

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DRAFT

CALL TO ORDER
Mayor Peake called the meeting to order at 5:00 p.m. City Clerk conducted roll call with the following Council present in Chamber: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, and McDonnell. Councilmember Poduri presented via Zoom.

APPROVAL OF AGENDA

Action: City Attorney Brian Pierik recommended, and Mayor Peake complied and called to order the Closed Session and Special Closed Session meetings simultaneously.

Action: Upon motion by Mayor Pro Tem Smith and seconded by Councilmember Amelio, Council voted to approve the agenda, as amended.

Motion carried 7-0, by the following roll call vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: None.

CLOSED SESSION

PUBLIC COMMENT ON CLOSED SESSION MATTERS
No public comment was received.

A. Conference with Legal Counsel – Existing Litigation (Government Code § 54956.9)
City of Arcata, et al. v. PG&E, et al.
Case No. CGC-20-585483

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING

Wednesday, February 1, 2023, 6:00 P.M.
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TELECONFERENCE RULES REQUIRED BY THE BROWN ACT.**

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DRAFT

CALL TO ORDER
Mayor Peake called the meeting to order at 6:00 p.m. City Clerk conducted roll call with the following Council present in Chamber: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.

PLEDGE OF ALLEGIANCE
Councilmember Amelio led the pledge of allegiance.

1. **APPROVAL OF AGENDA**
Action: Mayor Peake recommended 12C be heard by 8:00 p.m.
Action: Upon motion by Mayor Pro Tem Smith and seconded by Councilmember Amelio, Council voted to approve the agenda with as recommended.

Motion carried 7-0, by the following roll call vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: None.

2. **PRESENTATIONS**

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

A. Report on Closed Session by City Attorney

Conference with Labor Negotiators (Government Code Section 54957.6)
City Negotiators: Ben Harvey, City Manager, Tori Hannah, Administrative Services Director/Assistant City Manager, and Leticia Livian, Human Resources Director

Employees: ***General Employees Association, Management Employees Association***, Unrepresented Management, Confidential Employees, and Unrepresented Department Heads

City Attorney Brian Pierik stated there was no reportable action on this item.

Conference with Real Property Negotiators (Government Code § 54956.8)
Property: Union Pacific Railroad Right-of-Way from the border of the Monarch Pines Mobile Home Park (outside of Monarch Pines) to near Sinex Avenue, alongside the Pacific Grove Golf Links (no property address or APN available)
Agency Negotiator(s): Ben Harvey, City Manager
Negotiating Party(ies): Peter Kinney, Senior Manager-Field Operations Real Estate, Union Pacific Under negotiation: Price and terms of payment

City Attorney Brian Pierik stated there was no reportable action on this item.

Conference with Legal Counsel - Existing Litigation (Government Code Section 54956.9)
Worker's Compensation (W/C) Claim No. 4020102DA72-0001 (Billy Hawkins)

City Attorney Brian Pierik stated there was no reportable action on this item.

Conference with Legal Counsel – Existing Litigation (Government Code § 54956.9)
City of Arcata, et al. v. PG&E, et al.
Case No. CGC-20-585483

City Attorney Brian Pierik stated there was no reportable action on this item.

B. Council and staff made general announcements.

4. **GENERAL PUBLIC COMMENT**
General public comment was received from Cathy Wooten, Mike Gibbs, Vince Tuminello, Colleen Ingram, Adam de Boor, Marsha, and Inge Lorentzen Daumer.

CONSENT AGENDA

Action: Consent Agenda item 9B was pulled and considered as Regular Agenda item 12D.

Action: Upon motion by Mayor Pro Tem Smith and seconded by Councilmember Amelio, Council voted to approve the Consent Agenda as amended.

Motion carried 7-0, by the following roll call vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: None.

5. **APPROVAL OF CITY COUNCIL MEETING MINUTES**

A. Minutes of the City Council Special and Regular Meetings of January 18, 2023 and City Council Goal Setting Meeting of January 25, 2023
Action: Approved minutes.

DRAFT

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

6. **RESOLUTIONS**

A. Adoption of a Resolution Granting Consent to the City of Pacific Grove to Renew the Monterey County Tourism Improvement District (MCTID) and Include the City of Monterey in the MCTID
Action: Adopted Resolution No. 23-001 granting consent to the City of Pacific Grove to renew the Monterey County Tourism Improvement District ("MCTID") and include the City of Monterey in the MCTID.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Amendment of Resolution 22-048, Authorizing Examination of Sales or Transactions and Use Tax Records
Action: Approved the Proposed Amendment of Resolution 22-048, Authorizing Examination of Sales or Transactions and Use Tax Records
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

7. **ORDINANCES**

8. **REPORTS – INFORMATION ONLY**

A. Second Quarter Treasurer's Quarterly Report – Fiscal Year 2022-23
Action: Received the Report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Second Quarter 22/23 Workers' Compensation Report
Reference: Audrey Cray, Finance & Risk Manager
Action: Received the report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

C. Second Quarter Budget Report
Action: Received the report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

D. Second Quarter Purchase Order Report
Action: Received the Second Quarter Purchase Order Report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

E. Update on Code Compliance Program
Action: Received staff report regarding Code Compliance program and short term rental enforcement update.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

DRAFT

F. Teleconference Rules For Attendance at Meetings of Legislative Bodies
Action: Received and filed Agenda Report on Teleconference Rules for attendance at meetings of legislative bodies.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

G. 2022 Planning Commission Annual Report
Action: Received the 2022 Planning Commission Annual Report.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

9. **REPORTS – REQUIRING ACTION**

A. Ratification of New Local Emergency Actions
Action: Received report of emergency directives/modifications.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

B. Authorize Agreement for the Del Monte Blvd. Storm Drain Project ***This item was pulled and considered as Regular Agenda item 12D.***
Reference: Joyce Halabi, Deputy Public Works Department
Action: Authorize an agreement with Monterey Peninsula Engineering for the Del Monte Blvd Storm Drain Improvements Project in an amount not to exceed $227,125 plus a 15% contingency.
CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class I, Existing Facilities

C. Agreement for Comprehensive Fee Study, Development Impact Fees, and/or a Cost Allocation Plan
Action: Authorized the Mayor to sign an agreement with the Matrix Consulting Group for comprehensive fee study, development impact fees, and/or a cost allocation plan, in an amount not to exceed $67,890.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

D. Contract Amendment with Rincon Consultants Inc.
Action: Approved the proposed contract amendment with Rincon Consultants, Inc. relating to a development project located at 1661 Sunset Drive based on a contract time extension.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

E. Appointment to Historic Resources Committee
Action: Approved the appointment of J. Bicket to Historic Resources Committee ending January 31, 2025.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

DRAFT

10. **MEETING MINUTES OF COMMISSIONS, BOARDS, AND COMMITTEES**

A. Planning Commission Meeting Minutes: September 8, October 13, November 10, and December 8, 2022
Action: Received the minutes.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

REGULAR AGENDA

11. **PUBLIC HEARINGS**

A. Scope of Public Comments At Meetings of Legislative Bodies
Public comment was received from Sally Moore, Nadja Mark, Adam de Boor, Colleen Ingram, Marsha, Inge Lorentzen Daumer, and Lisa Ciani.

Action: Upon motion by Mayor Pro Tem Smith and seconded by Councilmember Amelio, Council voted to

1. Request a reading of title of Ordinance;
2. Waive further reading and introduce for a first reading of Ordinance Amending Pacific Grove Municipal Code Section 2.04.050 Regarding Public Comment; and
3. Adopt proposed amendment to Council Policy 000-017 Order of Agenda for Council Meetings

Motion carried 7-0, by the following roll call vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: None.

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

12. **UNFINISHED AND ONGOING BUSINESS**

A. Climate Action and Adaptation Planning
Public comment was received from Colleen Ingram and Inge Lorentzen Daumer.

Action: Upon motion by Mayor Peake and seconded by Councilmember Amelio, Council voted to

1. Request that the City Council prioritize and initiate Climate Action and Adaptation Planning in 2023 tied to Council goals.
2. Seek the services of a consultant to develop and produce a Climate Action and Adaptation Plan.
3. Establish a Council Brown Act subcommittee on Climate Action and Adaptation Planning comprising of Councilmember Coletti, McDonnell and Poduri to end when a Climate Action and Adaptation Plan is complete.

Motion carried 7-0, by the following roll call vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.

DRAFT

NOES: None.
ABSENT: None.

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

B. Council Alternates for Regional and State Agencies and Associations
No public comment was received.

Action: Upon motion by Mayor Pro Tem Smith and seconded by Councilmember Beck, Council voted to appoint Councilmember Amelio as alternate for TAMC.

Motion carried 7-0, by the following roll call vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: None.

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

C. Goal Setting Subcommittee
No public comment was received.

Action: Upon motion by Councilmember and seconded by Councilmember Beck, Council voted to appoint a City Council Goals ad hoc subcommittee comprised of Mayor Peake, Councilmembers Coletti and McDonnell to assist Council with finalizing goal language and establishing goal priorities through April 2023 or upon completion of the task at hand.

Motion carried 7-0, by the following roll call vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: None.

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

D. Authorize Agreement for the Del Monte Blvd. Storm Drain Project ***This item was pulled from the Consent Agenda.***
Public comment was received from Andrew Kubica and Lisa Ciani.

Action: Upon motion by Mayor Pro Tem Smith and seconded by Councilmember Beck, Council voted to authorize an agreement with Monterey Peninsula Engineering for the Del Monte Blvd Storm Drain Improvements Project in an amount not to exceed $227,125 plus a 15% contingency.

DRAFT

Motion carried 7-0, by the following roll call vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Beck, Coletti, McDonnell, and Poduri.
NOES: None.
ABSENT: None.

CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class I, Existing Facilities

13. **NEW BUSINESS**

A. Council Access to City Committee Email Groups
Public comment was received from Nadja Mark, Colleen Ingram, Inge Lorentzen Daumer, Adam de Boor, Marsha, Sierra North and Mari Adams.

Action: Upon motion by Mayor Pro Tem Smith and seconded by Councilmember Beck, Council voted to direct the City Attorney to prepare a Resolution amending Council Policy 000-5 to implement the proposed policy (see Attachment #1).

Motion carried 5-2, by the following roll call vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Beck, Coletti, and McDonnell.
NOES: Councilmembers Amelio and Poduri.
ABSENT: None.

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

B. Presentation of the City's New Transparency Software
Public comment was received from Inge Lorentzen Daumer and Marsha.

Action: Council received the presentation.
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

DRAFT

ADJOURNMENT
Council adjourned the meeting at approximately 8:38 p.m.

Respectfully Submitted,

Sandra Kandell
City Clerk

Approved by Mayor: _____Date_____

Attest by City Manager: _____Date_____

DRAFT

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Anastacia Wyatt, Community Development Director

MEETING DATE: February 15, 2023

SUBJECT: Approve a Resolution authorizing a grant application to the California Automated Permit Processing Program (CALAPP).

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

RECOMMENDATION

Approve a Resolution authorizing an application to the California Automated Permit Processing Program (CALAPP).

DISCUSSION

On September 16, 2022, SB 379 was signed into law. This legislation requires most California cities and counties to implement an online, automated permitting platform that verifies code compliance and issues permits in real time for residential solar energy systems. This is defined as a system that is no larger than 38.4 kilowatts alternating current nameplate rating and a residential energy storage system, as defined, paired with a residential solar energy system that is no larger than 38.4 kilowatts alternating current nameplate rating. More information on SB 379 can be found here. A City with a population of fewer than 50,000 and not exempt is required to comply with SB379 requirements by September 30, 2024. The City of Pacific Grove is not exempt and meets this criteria due to being a population of over 5,000.

On June 1, 2022, the California Energy Commission (CEC) released a grant solicitation and application for CALAPP through a Notice of Proposed Awards (NOPA). This grant solicitation offers an opportunity for jurisdictions to fund the establishment of an online solar permitting program. The grant solicitation announced the availability of up to $20 million statewide in grant funding. This grant is on a first come, first serve basis. Applications will be accepted until May 1, 2023.

The City is proposing in its application to utilize the SolarAPP+ Software tool that was designed to be utilized to comply with SB 379 and is free to adopt. The software was developed by local governments, code bodies such as the International Code Council (ICC), solar industry groups, environmental organizations, and building safety groups. This software would simplify and streamline single-family rooftop solar permits. Solar App+ can approve most applications without delay and streamline application processes for the City. When customers need residential rooftop solar panels on their home, the software would review, approve, and process the permit instantly. The software will be updated with code requirements regularly. The customer would bring that approval to the City's building department for final approval. The installer would pay a small fee of approximately $25.00 to utilize the software.

This fee allows the Solar App + Software to maintain the tool. The steps for a customer to use the software include: the Installer submits an application with design specifications through SolarAPP; SolarAPP checks the application to ensure the system design is code compliant; and finally, Code compliant applications are issued a permit instantly after fee payment.

The City of Pacific Grove is able to apply for up to $40,000 based on the City's population size of under 50,000 people. The funds would be utilized to comply with SB 379 for in-house staff labor costs and cost associated with the hardware, software, maintenance, and training to implement the software program. The City has worked with in-house IT to ensure coordination and IT requirements are compatible with City systems.

OPTIONS

1. Take no action.
2. Provide alternate direction.

FINANCIAL IMPACT:

This funding would augment the City's ability to meet SB 379 requirements to implement the software with up to $40,000 in grant funding. Without this funding, the City would need to find other funds to pay for the implementation of the software tool.

GOAL ALIGNMENT: Not Applicable.

Attachments

Resolution SolarAPP+ Grant

RESOLUTION NO. 22-xxx

A RESOLUTION OF THE CITY OF PACIFIC GROVE CITY COUNCIL AUTHORIZING THE APPLICATION FOR THE CALIFORNIA AUTOMATED PERMIT PROCESSING (CALAPP) PROGRAM

The City of Pacific Grove ("Applicant") hereby consents to, adopts, and ratifies the following resolution.

A. WHEREAS, the California Energy Commission (CEC) released a grant solicitation and application package entitled "California Automated Permit Processing Program." This grant solicitation is an offer to fund California cities, counties, or cities and counties to establish online solar permitting. The grant solicitation announced the availability of up to $20 million to fund agreements resulting from this solicitation and that the CEC, at its sole discretion, reserves the right to increase or reduce the amount of funds available under this solicitation.

B. WHEREAS The "Notice of Proposed Awards" (NOPA) identifies each applicant selected and recommended for funding by CEC staff and includes the amount of recommended funding. The NOPA will be updated regularly with new awardees and posted in the same location.

C. WHEREAS Funding of proposed agreements resulting from this solicitation is contingent upon the approval of these agreements by CEC staff and execution of a grant agreement. This notice is posted on the CEC's website at https://www.energy.ca.gov/funding-opportunities/awards.

D. WHEREAS the City of Pacific Grove is eligible to receive a maximum of $40,000, and the online, automated solar permitting platform the City will be utilizing is SolarApp+.

E. WHEREAS The funds will be used for ongoing in-house staff labor costs associated directly with adoption and maintenance of the platform, ongoing third-party or consultant time associated directly with adoption and maintenance of the platform, ongoing staff training and education, specific to platform, essential hardware or equipment necessary to support adoption of the platform, and maintenance, such as adding support for energy storage paired with solar energy system permitting, and subscription cost for permitting,

and subscription cost for permit tracking software in support of adopted permitting platform.

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

1. If Applicant receives a grant of California Automated Permit Processing Program funds from the California Energy Commission pursuant to the above referenced Notice of Proposed Awards, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the California Automated Permit Processing Program, as well as any and all contracts Applicant may have with the California Energy Commission.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE

this _____ day of _____, _____, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

_____

BILL PEAKE, Mayor

ATTEST:

DATED:_____

_____

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____

BRIAN A. PIERIK, City Attorney

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Brian A. Pierik, City Attorney

MEETING DATE: February 15, 2023

SUBJECT: Resolution Approving Standard Contracts

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

RECOMMENDATION

Moiton to adopt Resolution Approving Standard Contracts.

DISCUSSION

On September 21, 2022, the City Council approved the action proposed in an Agenda Report submitted by Mayor Bill Peake requesting the City Council to direct the City Attorney to return with a (1) draft ordinance to clarify purchasing authorization procedures and (2) resolution for approval of standard contracts.

On October 19, 2022, the City Council introduced for first reading Ordinance No. 22-017 Amending Chapters 2.05 and 2.16 and 6.20 of the Pacific Grove Municipal Code on Authority of Mayor to Sign Contracts and Purchasing System and Procedures and Warrants.

On November 2, 2022, the City Council adopted by second reading Ordinance No. 22-017 Amending Chapters 2.05 and 2.16 and 6.20 of the Pacific Grove Municipal Code on Authority of Mayor to Sign Contracts and Purchasing System and Procedures and Warrants.

On December 2, 2022, 30 days after the second reading, Ordinance No. 22-017 became effective.

The attached Resolution is presented to the City Council for the approval of standard contracts attached to the Resolution as follows:

a. Construction Services Standard Contract
b. Design Professional Services Standard Contract
c. Maintenance Services Standard Contract
d. Professional Services Standard Contract
e. Vendor Services Standard Contract

As provided in the Resolution, when City staff submits a contract to the City Council for approval, reference shall be made in the Agenda Report to the applicable Standard Contract, if there is one, without attaching the Standard Contract to the Agenda Report and the Agenda Report will identify any provisions of the Standard Contract that are being added including Term and compensation and

changes, if any, to the Standard Contract. If the proposed contract is not a City Standard Contract, then the entire contract shall be attached to the Agenda Report.

OPTIONS

Do not adopt Proposed Resolution Approving Standard Contracts.

FINANCIAL IMPACT:

There is no fiscal impact.

GOAL ALIGNMENT: Not Applicable.

Attachments

1 - Reso with Contracts

RESOLUTION NO. 22-XXX

RESOLUTION APPROVING STANDARD CONTRACTS

FINDINGS

1. On September 21, 2022, the City Council approved the action proposed in an Agenda Report submitted by Mayor Bill Peak requesting the City Council to direct the City Attorney to return with a (1) draft ordinance to clarify purchasing authorization procedures and (2) resolution for approval of standard contracts.

2. On October 19, 2022, the City Council introduced for first reading Ordinance No. 22-017 Amending Chapters 2.05 and 2.16 and 6.20 of the Pacific Grove Municipal Code on Authority of Mayor to Sign Contracts and Purchasing System and Procedures and Warrants.

3. On November 2, 2022, the City Council adopted by second reading Ordinance No. 22-017 Amending Chapters 2.05 and 2.16 and 6.20 of the Pacific Grove Municipal Code on Authority of Mayor to Sign Contracts and Purchasing System and Procedures and Warrants.

4. On December 2, 2022, 30 days after the second reading, Ordinance No. 22-017 became effective.

5. This Resolution is presented to the City Council for the approval of standard contracts.

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

1. The Council determines that each of the Findings set forth above is true and correct, and by this reference incorporates those Findings as an integral part of this Resolution.

2. The Council hereby approves the following standard contracts which are attached to this Resolution and are hereby incorporated by reference:

    a. Construction Services Standard Contract

    b. Design Professional Services Standard Contract

    c. Maintenance Services Standard Contract

    d. Professional Services Standard Contract

    e. Vendor Services Standard Contract

3. When City staff submits a contract to the City Council for approval, reference shall be made in the Agenda Report to the applicable Standard Contract, if there is one, without attaching the Standard Contract to the Agenda Report and the Agenda Report will identify any provisions of the Standard Contract that are being added including Term and compensation and changes, if any, to the Standard Contract. If the proposed contract is not a City Standard Contract, then the entire contract shall be attached to the Agenda Report.

4. This Resolution shall become effective immediately following passage and adoption thereof.

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

AYES:

NOES:

ABSENT:

APPROVED:

_____
BILL PEAKE, Mayor

ATTEST:
DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

CITY OF PACIFIC GROVE
CONSTRUCTION SERVICES AGREEMENT

This CONSTRUCTION SERVICES AGREEMENT ("Agreement") is made and effective [insert date**],** by and between the City of Pacific Grove, a municipal corporation ("City"), and [insert contractor name]_ ("CONTRACTOR"), License Number _____. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

   This Agreement shall commence on [insert date] and shall remain and continue in effect until tasks described herein are completed, but in no event later than [insert date], unless sooner terminated pursuant to the provisions of this Agreement.

2. SCOPE OF WORK

   CONTRACTOR shall perform within the time set forth in the project specifications and shall furnish all labor, materials, equipment, tools, utility services, and transportation and perform and complete all services required in connection with the construction of [describe work/services] ("Work") for the [describe project] (hereinafter "Project"). The Scope of Work is attached as Exhibit A.

   By entering into this Agreement, CONTRACTOR acknowledges that there may be other contractors on the site whose work will be coordinated with that of its own. CONTRACTOR expressly warrants and agrees that it will cooperate with other contractors and will do nothing to delay, hinder, or interfere with the work of other separate contractors, the City, the Construction Manager, the Architect, or utilities. CONTRACTOR also expressly agrees that, in the event its Work is hindered, delayed, interfered with, or otherwise affected by a separate contractor, its sole remedy will be a direct action against the separate contractor. To the extent allowed by law, CONTRACTOR shall have no remedy, and hereby expressly waives any remedy against the City, the Construction Manager, or the Architect on account of delay, hindrance, interference or other events caused by a separate contractor.

3. PERFORMANCE

   a. CONTRACTOR shall at all times faithfully, competently and to the best of its ability, experience, and talent, perform all tasks described herein. CONTRACTOR shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of CONTRACTOR hereunder in meeting its obligations under this Agreement.

b. CONTRACTOR shall conform to the rules and regulations pertaining to safety established by the California Division of Industrial Safety. CONTRACTOR further agrees to take all necessary precautions for the safety of its employees and shall comply with all applicable provisions of federal, state and local regulations, ordinances and codes. CONTRACTOR shall be responsible for erecting and properly maintaining at all times as required by the conditions and progress of the Work, all necessary safeguards for the protection of workers and the public and shall post danger signs warning against known or reasonably foreseeable or unusual hazards.

c. CONTRACTOR shall possess at the time of commencing Work and throughout the Project duration, a Contractor's License, issued by the State of California, which is current and in good standing. CONTRACTOR shall ensure that any subcontractor working on the Project possesses at the time of commencing Work and throughout the Project duration, a Contractor's License, issued by the State of California, which is current and in good standing.

d. CONTRACTOR shall obtain a valid City Business License and shall maintain said Business License for the term of this Agreement and any extensions.

e. CONTRACTOR shall keep itself informed of State and Federal laws and regulations that in any manner affect those employed by CONTRACTOR or in any way affect the performance of its service pursuant to this Agreement. CONTRACTOR shall at all times observe and comply with all such laws and regulations. City, and its officers, employees, and agents shall not be liable at law or in equity occasioned by failure of CONTRACTOR to comply with this Section.

f. CONTRACTOR agrees to comply with all the applicable provisions of Sections 1777.5 and 1777.6 of the Labor Code, which Sections are hereby specifically referred to, incorporated herein by reference and made a part hereof as though set forth at length herein.

g. CONTRACTOR agrees that in the performance of this Agreement or any sub-agreement hereunder, neither CONTRACTOR nor any person acting on CONTRACTOR's behalf shall refuse to employ or refuse to continue in any employment or discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, genetic information, marital status, sexual orientation, sex, gender identity, gender expression, military or veteran status or age. Harassment in the workplace is not permitted in any form. CONTRACTOR further agrees to comply with all laws with respect to employment when performing this Agreement.

h. CONTRACTOR shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached to and part of this Agreement.

i. To ensure performance, CONTRACTOR shall provide Faithful Performance and Labor and Material/Payment Bonds in favor of City, each in the amount of one hundred percent (100%) of the value of the Agreement.

j. CONTRACTOR declares and warrants that no undue influence or pressure shall be used against or in concert with any officer, employee or agent of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial agreement or financial inducement. No officer, employee or agent of the City shall receive compensation, directly or indirectly, from CONTRACTOR, or from any officer, employee or agent of CONTRACTOR, in connection with the award of this Agreement or any Work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.

4. REGISTRATION REQUIREMENTS

a. CONTRACTOR shall be registered with the Department of Industrial Relations ("DIR") of the State of California to be eligible to work on this Project. CONTRACTOR shall ensure registration with the DIR that is active and in good standing.

b. This Project shall be subject to compliance monitoring and enforcement by the DIR.

c. CONTRACTOR is not subject to public works requirements (including registration with the DIR) if the public works project is under $1,000, unless the City knows that the same CONTRACTOR will be awarded total project costs in excess of $1,000 for a given year.

5. FEDERAL GRANT REQUIREMENTS

This Project may be subject to Federal Grant Requirements. If applicable, CONTRACTOR shall comply with the Requirements set forth in Exhibit F, attached hereto and incorporated by reference.

6. CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

CONTRACTOR is bound by the contents of City's Request for Proposal on file at the Public Works Department Contents of the CONTRACTOR's proposal, available on file at the Public Works Department and incorporated herein by this reference. In the event of conflict, the requirements of City's Request for Proposal and this Agreement shall take precedence over those contained in CONTRACTOR's proposal.

7. CITY MANAGEMENT

The Public Works Director shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by

CONTRACTOR, but not including the authority to enlarge the Scope of Work or change the compensation due to CONTRACTOR. The City Manager shall be authorized to act on City's behalf and to execute all necessary documents that enlarge the Scope of Work or change CONTRACTOR's compensation, subject to Section 7 hereof.

8. PAYMENT

a. City agrees to pay CONTRACTOR monthly, in accordance with the Proposal on file at the Public Works Department based upon actual time spent on the above tasks. **THIS AMOUNT SHALL NOT EXCEED _____** which sum shall include all costs, if any, for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

b. The City Manager's contract authority is limited to $39,999.99, which includes all costs. Contracts, including any amendments or change orders that exceed the total threshold, shall require City Council approval. Any contracts, including contract amendments or change orders that exceed the total threshold, which do not have City Council approval, shall be void.

c. CONTRACTOR shall submit invoices monthly for actual Work performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for Work provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of CONTRACTOR's fees, it shall give written notice to CONTRACTOR within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

d. Retention of securities: Public Contract Code Section 22300 permits the substitution of securities for any monies withheld by a public agency to ensure performance under a contract, at the request and expense of CONTRACTOR.

e. Final Payment: Final payment, constituting the entire unpaid balance of the Agreement Sum, shall be paid by the City to the CONTRACTOR no sooner than thirty-five (35) days after a Notice of Completion has been recorded, unless otherwise stipulated in the Notice of Completion, provided the Work has then been completed, the Agreement fully performed, and a final Certificate for Payment has been issued by the Architect.

9. INSPECTION

City shall at all times have the right to inspect the Work and materials. CONTRACTOR shall furnish all reasonable aid and assistance required by City for the proper examination of the Work and all parts thereof. Such inspection shall not relieve CONTRACTOR from any obligation to perform said Work strictly in accordance with the specifications or any modifications thereof and in compliance with the law.

10. CONTRACTOR'S FAILURE TO PROCURE COMPLETION OF PROJECT

In the event CONTRACTOR fails to furnish tools, equipment, or labor in the necessary quantity or quality, or fails to prosecute the Work or any part thereof contemplated by this Agreement in a diligent and workmanlike manner, and if CONTRACTOR for a period of three (3) calendar days after receipt of written demand from City or its designated representative to do so, fails to furnish tools, equipment, or labor in the necessary quantity or quality, and to prosecute its Work and all parts thereof in a diligent and workmanlike manner, or after commencing to do so within said three (3) calendar days, fails to continue to do so; then City may exclude the CONTRACTOR from the premises, or any portion thereof, and take possession of said Project premises or any portion thereof, together with all material and equipment thereon, and may complete the Work contemplated by this Agreement or any portion of said Work, either by furnishing the tools, equipment, labor or material necessary, or by letting the unfinished portion of said Work, or the portion taken over by the City to another contractor or by a combination of such methods. In any event, the procuring of the completion of said Work, or the portion thereof taken over by the City, shall be a charge against the CONTRACTOR, and may be deducted from any money due or becoming due to CONTRACTOR from the City, or the CONTRACTOR shall pay the City the amount of said charge, or the portion thereof unsatisfied. The sureties provided for under this Agreement shall become liable for payment should CONTRACTOR fail to pay in full any said cost incurred by the City.

11. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a. City may at any time, for any reason, without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon CONTRACTOR at least thirty (30) days prior written notice. Upon receipt of said notice, CONTRACTOR shall immediately cease all Work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, City shall pay to CONTRACTOR the actual value of the Work performed up to the time of termination, provided that the Work performed is of value to City. Upon termination of the Agreement pursuant to this Section, CONTRACTOR will submit an invoice to City pursuant to Section 7.c.

12. DEFAULT OF CONTRACTOR

a. CONTRACTOR's failure to comply with the provisions of this Agreement shall constitute a default. In the event CONTRACTOR is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating CONTRACTOR for any Work performed after the date of default and can terminate this Agreement immediately by written notice to CONTRACTOR. If

such failure by CONTRACTOR to make progress in the performance of Work hereunder arises out of causes beyond CONTRACTOR's control, and without fault or negligence of CONTRACTOR, it shall not be considered a default.

b. If the City Manager or designee determines CONTRACTOR is in default in the performance of any of the terms or conditions of this Agreement, they shall cause to be served upon CONTRACTOR a written notice of the default. CONTRACTOR shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event CONTRACTOR fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

13. OWNERSHIP OF DOCUMENTS

a. CONTRACTOR shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of Work under this Agreement. CONTRACTOR shall maintain adequate records of Work provided in sufficient detail to permit an evaluation of Work. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONTRACTOR shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records at CONTRACTOR's office; shall permit City to make copies and transcripts there from as necessary; and shall allow inspection of all Work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained at City Hall for a minimum period of five (5) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the Work to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of CONTRACTOR. With respect to computer files, CONTRACTOR shall make available to City, at City's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

14. RECORD AUDIT

In accordance with Government Code, Section 8546.7, for expenditures of funds greater than $10,000, records of both City and CONTRACTOR shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.

15. INDEMNIFICATION

CONTRACTOR shall indemnify, defend with legal counsel approved by City, and hold harmless City, its officers, employees, agents and volunteers (collectively, City) from and against all liability, loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONTRACTOR's negligence, recklessness or willful misconduct in the performance of Work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole or active negligence or willful misconduct of the City. Should conflict of interest principles preclude a single legal counsel from representing both City and CONTRACTOR, or should City otherwise find CONTRACTOR's legal counsel unacceptable, then CONTRACTOR shall reimburse the City its costs of defense, including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation. The CONTRACTOR shall promptly pay any final judgment rendered against the City (and its officers, employees, agents and volunteers) with respect to claims determined by a trier of fact to have been the result of the CONTRACTOR's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

CONTRACTOR obligations under this section apply regardless of whether such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or penalty, or liability was caused in part or contributed to by City. However, without affecting the rights of City under any provision of this Agreement, CONTRACTOR shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of CONTRACTOR will be for that entire portion or percentage of liability not attributable to the active negligence of City.

16. INSURANCE

Prior to the beginning of and throughout the duration of the Work, CONTRACTOR and its subcontractors shall maintain insurance in conformance with the requirements set forth below. CONTRACTOR will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so.

CONTRACTOR acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to CONTRACTOR or its subcontractors in excess of the limits and

coverage identified in this Agreement and which is applicable to a given loss, claim or demand, will be equally available to City.

17. INDEPENDENT CONTRACTOR

a. CONTRACTOR is and shall at all times remain as to City a wholly independent contractor. The personnel performing the Work under this Agreement on behalf of CONTRACTOR shall at all times be under CONTRACTOR's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR's officers, employees, or agents, except as set forth in this Agreement. CONTRACTOR shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. CONTRACTOR shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to CONTRACTOR in connection with the performance of this Agreement. Except for the fees paid to CONTRACTOR as provided in the Agreement, City shall not pay salaries, wages, or other compensation to CONTRACTOR for performing Work hereunder for City. City shall not be liable for compensation or indemnification to CONTRACTOR for injury or sickness arising out of performing Work hereunder.

c. Any and all employees or sub-contractors of CONTRACTOR under this Agreement, while engaged in the performance of any Work required by CONTRACTOR under this Agreement, shall be considered employees or sub-contractors of CONTRACTOR only and not of City. Any and all claims that may arise under the Workers' Compensation Act on behalf of said employees or sub-contractors, while so engaged and all claims made by a third party as a consequence of any negligent act or omission on the part of the CONTRACTOR's employees or sub-contractors, while so engaged in any of the Work provided for or rendered herein shall not be City's obligation.

18. PREVAILING WAGE

Wage rates for this Project shall be in accordance with the "General Wage Determination Made by the Director of Industrial Relations Pursuant to California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1", for Monterey County. Wage rates shall conform with those posted by CONTRACTOR and at the Project site. The following Labor Code sections are hereby referenced and made a part of this Agreement:

a. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
b. Section 1777.4 - Apprenticeship Requirements.
c. Section 1777.5 - Apprenticeship Requirements.
d. Section 1813 - Penalty for Failure to Pay Overtime.
e. Sections 1810 and 1811 - Working Hour Restrictions.

f. Section 1775 - Payroll Records.
g. Section 1773.8 - Travel and Subsistence Pay.
h. Section 1778 – Kickbacks.
i. Section 1779, 1780 – Acceptance of Fees.
j. Section 1771.4 – Certified Payroll.

Pursuant to the Labor Code, City is required to withhold from any progress payments owed to CONTRACTOR any amount that has been forfeited as penalties, or as wages owed to employees who have not been paid the prevailing wage for Work performed. This allows the intervention by the Division of Labor Standards Enforcement, which is headed by the State Labor Commission, in a contractor's lawsuit for recovery of amounts withheld by an awarding body. All withheld wages and penalties will be transferred to the Labor Commissioner for disbursement in those cases where a contractor fails to bring a lawsuit for amounts withheld within ninety (90) days after completion of the public works contract and formal acceptance of the job by the awarding body. The Labor Commissioner is then permitted to intervene in any lawsuit brought by CONTRACTOR against an awarding body for recovery of amounts withheld.

19. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

No officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for Work to be performed in connection with the Project performed under this Agreement.

20. CONFLICT OF INTEREST

CONTRACTOR shall at all times avoid conflicts of interest, or the appearance of conflicts of interest, in the performance of this Agreement.

CONTRACTOR covenants that neither they nor any officer or principal of their firm have any interest in, or shall acquire any interest, directly nor indirectly, which will conflict in any manner or degree with the performance of their services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by them as an officer, employee, agent, or sub-contractor. CONTRACTOR further covenants that CONTRACTOR has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area and further covenants and agrees that CONTRACTOR and/or its sub-contractors shall provide no service or enter into any agreement or agreements with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area prior to the completion of the Work under this Agreement.

If City determines CONTRACTOR comes within the definition of Contractor under the Political Reform Act (Government Code §87100 et seq.), CONTRACTOR shall complete and file and shall require any other person doing Work under this Agreement to complete and file a "Statement of Economic Interest" with CITY disclosing CONTRACTOR's and/or such other person's financial interests.

21. NO WAIVER OF BREACH/TIME

The waiver by CITY of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement. Time is of the essence in carrying out the duties hereunder.

22. CONFIDENTIAL INFORMATION/RELEASE OF INFORMATION

a. All information gained by CONTRACTOR in performance of this Agreement shall be considered confidential and shall not be released by CONTRACTOR without City's prior written authorization. CONTRACTOR, its officers, employees, agents, or sub-contractors, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the Work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided CONTRACTOR gives City notice of such court order or subpoena.

b. CONTRACTOR shall promptly notify City should CONTRACTOR, its officers, employees, agents, or sub-contractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the Work performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent CONTRACTOR and/or be present at any deposition, hearing, or similar proceeding. CONTRACTOR agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by CONTRACTOR. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

23. SUBSURFACE HAZARDOUS MATERIALS

a. In the event trenches or other excavations extend deeper than four (4) feet below the surface, CONTRACTOR shall promptly, and before the following conditions are disturbed, notify the City in writing of any:

i. Material CONTRACTOR believes may be hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to

a Class I, Class II or Class III disposal site in accordance with the provisions of existing law;

ii. Subsurface or latent physical conditions at the site differing from those indicated; or

iii. Unknown physical conditions at the Project site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in the Work or the character provided for in the Agreement.

b. Upon receipt of said notification, City will investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the CONTRACTOR's cost of or the time required for performance of any part of the Work, the City will issue a change order under the procedures described in the Specifications.

c. In the event a dispute arises between the City and CONTRACTOR whether the conditions materially differ, or involve hazardous waste or cause a decrease or increase in the CONTRACTOR's cost of or time required for performance of any part of the Work, CONTRACTOR shall not be excused from any scheduled completion date provided for by the Agreement, but shall proceed with all Work to be performed under the Agreement. CONTRACTOR shall retain any and all rights provided either by Agreement or by law which pertain to the resolution of disputes and protests between the contracting parties.

24. LIQUIDATED DAMAGES

Pursuant to Government Code Section 53069.85, if Work is not completed within the Agreement time or in strict accordance with the Project Schedule, it is understood, acknowledged and agreed that the City will suffer damage. It is therefore agreed CONTRACTOR shall pay to the City the $1,000 for each and every calendar day of delay beyond the Agreement Term, or beyond any completion schedule, construction schedule or Project milestones established in or pursuant to the Project Schedule, or beyond the time indicated in the Project Schedule for any individual Agreement activity.

CONTRACTOR expressly understands, acknowledges and agrees that such Liquidated Damages can and shall be imposed if the CONTRACTOR does not meet each and every aspect of any activity schedule, completion schedule, construction schedule or Project milestones established in or pursuant to the Project Schedule. If the City accepts Work or makes any payment under this Agreement after a default by reason of delays, the acceptance of such Work and/or payment(s) shall in no respect constitute a waiver or modification of any provisions regarding Agreement Time, a completion schedule, the Project Schedule or the accrual of liquidated damages. In the event the same is not paid, the CONTRACTOR further agrees that City may deduct the amount thereof from any money due or that may become due the CONTRACTOR under the Agreement. This

Section does not exclude recovery of damages under provisions of the Agreement Documents and is expressly in addition to the City's ability to seek other damages.

Parties will meet and agree on a Project schedule. Liquidated damages may be assessed if any individual activity duration exceeds the time indicated for that activity on the Project Construction Schedule.

25. WARRANTY

In addition to any and all warranties provided or implied by law or public policy, CONTRACTOR warrants that all Work (including but not limited to all equipment and materials supplied in connection therewith) shall be free from defects in design and workmanship, and that CONTRACTOR shall perform all Services in accordance with all applicable engineering, construction and other codes and standards, and with the degree of high professional skill normally exercised by or expected from recognized professional firms engaged in the practice of supplying services of a nature similar to the Services in question. CONTRACTOR further warrants that, in addition to furnishing all tools, equipment and supplies customarily required for performance of Work, CONTRACTOR shall furnish personnel with the training, experience and physical ability, as well as adequate supervision, required to perform the Services in accordance with the preceding standards and the other requirements of this Agreement. In addition to all other rights and remedies which City may have, City shall have the right to require, and CONTRACTOR shall be obligated at its own expense to perform, all further services which may be required to correct any deficiencies which result from CONTRACTOR's failure to perform any Services in accordance with the standards required by this Agreement. Moreover, if, during the term of this Agreement (or during the one (1) year period following the term hereof), any equipment, goods or other materials or Services used or provided by CONTRACTOR under this Agreement fail due to defects in material and/or workmanship or other breach of this Agreement, CONTRACTOR shall, upon any reasonable notice from City, replace or repair the same to City's satisfaction. Unless otherwise expressly permitted, all materials and supplies to be used by CONTRACTOR in the performance of the Services shall be new and best of kind.

CONTRACTOR hereby assigns to City all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Services.

26. CLAIM PROCEDURES UNDER PUBLIC CONTRACT CODE SECTION 9204

CONTRACTOR shall comply with the procedure set forth in Public Contracts Code section 9204 for any claim, as that term is defined therein, for one or more of the following: 1) a time extension, including, without limitation, for relief from damages or penalties for delay, 2) payment of money or damages arising from Work done pursuant to this Agreement, and/or 3) payment of an amount disputed by the City under this Agreement.

27. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, by first class mail, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City Representative
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

To CONTRACTOR: _____
_____
_____
_____

Notice is effective on the date of personal service, or 5 days following deposit in a United States mailbox, or date of postmark. The parties may agree to notice by email. The parties may agree to notice by email.

28. THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

29. ASSIGNMENT

CONTRACTOR shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Subject to the foregoing, all terms of the Agreement will be binding upon, enforceable by and inure to the benefit of the parties and their successors and assigns.

30. GOVERNING LAW

City and CONTRACTOR understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or the federal district court with jurisdiction over the City. CONTRACTOR agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the

aforementioned courts and irrevocably consents to the exclusive personal jurisdiction and venue of the aforementioned courts.

31. ATTORNEY'S FEES AND COURT VENUE

Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the party prevailing in such action shall be entitled to reasonable attorney's fees, which shall be fixed by the judge, mediator or arbitrator hearing the case, and such fee shall be included in the judgment together with all costs.

32. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of CONTRACTOR warrants and represents that they have the authority to execute this Agreement on behalf of the CONTRACTOR and the authority to bind CONTRACTOR to the performance of its obligations hereunder.

33. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. Any modification or amendment to this Agreement must be in writing.

34. WAIVER

Neither City nor CONTRACTOR shall be deemed to have waived any obligation of the other, or to have agreed to any modification to this Agreement unless it is in writing, and signed by the party giving the waiver.

35. INTERPRETATION OF CONFLICTING PROVISIONS

In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control

36. SEVERABILITY

If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF PACIFIC GROVE	CONTRACTOR
By:_____ Department Director	By:_____ Contractor
Date: _____	Date: _____
By: _____ City Manager or Mayor	By: _____ City Administrative Services Department
Date: _____	Date: _____

Approved As To Form: _____
City Attorney

_____
Date

Attachments:

Exhibit A	Scope of Services
Exhibit B	Payment Schedule
Exhibit C	Insurance Requirements
[Exhibit D	Request for Proposal]
[Exhibit E	Contractor's Proposal]
[Exhibit F	Federal Grant Requirements]

Exhibit A

Scope of Work/Services

Exhibit B

Insurance Specifications

General liability insurance. CONTRACTOR shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage, and a $2,000,000 completed operations aggregate. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. CONTRACTOR shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the CONTRACTOR arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Workers' compensation insurance. CONTRACTOR shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000) for CONTRACTOR's employees in accordance with the laws of the State of California, Section 3700 of the Labor Code In addition, CONTRACTOR shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California, Section 3700 for all of the subcontractor's employees.

CONTRACTOR shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

Builder's risk insurance (construction contracts as applicable). Upon commencement of construction and with approval of City, CONTRACTOR shall obtain and maintain builder's risk insurance for the entire duration of the Project until only the City has an insurable interest. The Builder's Risk coverage shall include the coverages as specified below.

The named insureds shall be CONTRACTOR and City, including its officers, employees, and agents. All Subcontractors (excluding those solely responsible for design Work) of any tier and suppliers shall be included as additional insureds as their interests may appear. CONTRACTOR shall not be required to maintain property insurance for any portion of the Project following transfer of control thereof to City. The policy shall contain a provision that all proceeds from the builder's risk policy shall be made payable to the City. The City will act as a fiduciary for all other interests in the Project.

Policy shall be provided for replacement value on an "all risk" basis for the completed value of the project. There shall be no coinsurance penalty or provisional limit provision in any such policy. Policy must include: (1) coverage for any ensuing loss from faulty workmanship, Nonconforming Work, omission or deficiency in design or specifications; (2)

coverage against machinery accidents and operational testing; (3) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures and all other properties constituting a part of the Project; (4) Ordinance or law coverage for contingent rebuilding, demolition, and increased costs of construction; (5) transit coverage (unless insured by the supplier or receiving contractor), with sub-limits sufficient to insure the full replacement value of any key equipment item; (6) Ocean marine cargo coverage insuring any Project materials or supplies, if applicable; (7) coverage with sub-limits sufficient to insure the full replacement value of any property or equipment stored either on or off the Site or any staging area. Such insurance shall be on a form acceptable to City to ensure adequacy of terms and sublimits and shall be submitted to the City prior to commencement of construction.

Other provisions or requirements

Proof of insurance. CONTRACTOR shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's risk manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. CONTRACTOR shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by CONTRACTOR, his agents, representatives, employees or subcontractors. CONTRACTOR must maintain general liability and umbrella or excess liability insurance for as long as there is a statutory exposure to completed operations claims. City and its officers, employees, and agents shall continue as additional insureds under such policies.

Primary/noncontributing. Coverage provided by CONTRACTOR shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

Products/completed operations coverage. Products/completed operations coverage shall extend a minimum of three (3) years after project completion. Coverage shall be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using subcontractors, the Policy must include work performed "by or on behalf" of the insured. Policy shall contain no language that would invalidate or remove the insurer's duty to defend or indemnify for claims or suits expressly excluded from coverage. Policy shall specifically provide for a duty to defend on the part of the insurer. The City, its

officers, agents, and employees, shall be included as additional insureds under the Products and Completed Operations coverage.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by CONTRACTOR or City will withhold amounts sufficient to pay premium from CONTRACTOR payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, employees and volunteers or shall specifically allow CONTRACTOR or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. CONTRACTOR hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of Agreement provisions (non estoppel). CONTRACTOR acknowledges and agrees that any actual or alleged failure on the part of the City to inform CONTRACTOR of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the CONTRACTOR maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. CONTRACTOR agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, employees, agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that CONTRACTOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. CONTRACTOR agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by CONTRACTOR, provide the same minimum insurance coverage and endorsements required of CONTRACTOR. CONTRACTOR agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONTRACTOR agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

City's right to revise requirements. The City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving the CONTRACTOR a ninety (90)-day advance written notice of such change. If such change results in substantial additional cost to the CONTRACTOR, the City and CONTRACTOR may renegotiate CONTRACTOR's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

Timely notice of claims. CONTRACTOR shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from CONTRACTOR's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. CONTRACTOR shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work

[Exhibit F]

Federal Grant Requirements

[Procurement of Recovered Materials (§200.323)**]**

Contractor shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Domestic Preference (§ 200.322)

As appropriate and to the extent consistent with law, City, to the greatest extent practicable under this Agreement, establishes a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products).

Contractor shall include the following requirements in all subawards including all contracts and purchase orders for work or products under this Agreement. For purposes of this section:

(1) "Produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) "Manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms (§ 200.321)

City shall take all necessary affirmative steps to assure minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Accordingly, Contractor, and any of its subcontracts, shall comply with the following affirmative steps:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and

(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

CITY OF PACIFIC GROVE
DESIGN PROFESSIONAL SERVICES AGREEMENT

This DESIGN PROFESSIONAL SERVICE AGREEMENT ("Agreement"), is made and effective as of [Insert date], between the City of Pacific Grove ("City"), a municipal corporation and [Insert consultant], [a sole proprietorship, partnership, limited liability partnership, corporation] ("CONSULTANT"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

   This Agreement shall commence on [Insert date] and shall remain and continue in effect until tasks described herein are completed, but in no event later than [Insert date], unless sooner terminated pursuant to the provisions of this Agreement.

2. SCOPE OF WORK

   CONSULTANT shall perform the tasks and services ("Services") described and set forth in Exhibit A, Scope of Services, attached hereto and incorporated herein as though set forth in full. CONSULTANT shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A. To the extent that Exhibit A is a Proposal from CONSULTANT, such Proposal is incorporated only for the description of the Scope of Services and no other terms and conditions from any such proposal shall apply to this Agreement unless specifically agreed to in writing.

3. PERFORMANCE

   CONSULTANT shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all tasks described herein. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of CONSULTANT hereunder in meeting their obligations under this Agreement. CONSULTANT has the duty to prepare design documents free from defects.

   [IF RFP, ADD: CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

   CONSULTANT is bound by the contents of City's Request for Proposal on file hereto and incorporated herein as Exhibit D, and the contents of the proposal submitted by CONSULTANT, available on file at the [insert location], hereto and incorporated herein as Exhibit E. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in CONSULTANT's Proposal.]

4. CITY MANAGEMENT

   The City Manager, or designee, shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by CONSULTANT, but not including the authority to enlarge the Scope of Services or change the compensation due to CONSULTANT. The City Manager shall be authorized to act on City's

behalf and to execute all necessary documents that enlarge the Scope of Services or change CONSULTANT's compensation, subject to Section 6 hereof.

5. PAYMENT

a. City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed [Insert amount] dollars ($__.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

b. The City Manager's contract authority is limited to $39,999.99, which includes all costs. Contracts, including any contract amendments that exceed the total threshold, require City Council approval. Any contracts, including contract amendments that exceed the total threshold, which do not have City Council approval, shall be void.

c. CONSULTANT shall not be compensated for any Services rendered in connection with its performance of this Agreement that are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager or the City Council. CONSULTANT shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and CONSULTANT at the time City's written authorization is given to CONSULTANT for the performance of said Services.

d. CONSULTANT shall submit invoices monthly for actual Services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for Services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of CONSULTANT's fees it shall give written notice to CONSULTANT within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within forty-five (45) days of receipt of an invoice therefore.

6. INSPECTION

City shall at all times have the right to inspect the work and materials. CONSULTANT shall furnish all reasonable aid and assistance required by City for the proper examination of the work and all parts thereof. Such inspection shall not relieve CONSULTANT from any obligation to perform said work strictly in accordance with the specifications or any modifications thereof and in compliance with the law.

7. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a. City may at any time, for any reason, without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon CONSULTANT at least thirty (30) days prior written notice. Upon receipt of said notice, CONSULTANT shall immediately cease all Services under this Agreement, unless the notice provides otherwise. If City suspends or

terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, the City shall pay to CONSULTANT the actual value of the Services performed up to the time of termination, provided the Services performed are of value to the City. Upon termination of the Agreement pursuant to this Section, CONSULTANT will submit an invoice to the City pursuant to Section 6.

8. DEFAULT OF CONSULTANT

a. CONSULTANT's failure to comply with the provisions of this Agreement shall constitute a default. In the event that CONSULTANT is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating CONSULTANT for any Services performed after the date of default and can terminate this Agreement immediately by written notice to the CONSULTANT. If such failure by the CONSULTANT to make progress in the performance of Services hereunder arises out causes beyond the CONSULTANT's control, and without fault or negligence of the CONSULTANT, it shall not be considered a default.

b. If the City Manager or designee determines that CONSULTANT is in default in the performance of any of the terms or conditions of this Agreement, they shall cause to be served upon CONSULTANT a written notice of the default. The CONSULTANT shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event CONSULTANT fails to cure its default within such period of time or fails to present City with a written plan for the cure of the default, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. OWNERSHIP OF DOCUMENTS

a. CONSULTANT shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of Services under this Agreement. CONSULTANT shall maintain adequate records of Services provided in sufficient detail to permit an evaluation of Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONSULTANT shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. If there is a substantial billing deviation adverse to City, then the cost of an audit shall be borne by CONSULTANT. Such records, together with supporting documents, shall be maintained for a period of five (5) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the Services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of CONSULTANT. With respect to computer files, CONSULTANT shall make available to City, at CONSULTANT's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. CONSULTANT hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by CONSULTANT in the course of providing the Services under this Agreement.

10. RECORD AUDIT

In accordance with Government Code, Section 8546.7, for expenditures of funds greater than $10,000, records of both City and CONSULTANT shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.

11. INDEMNIFICATION AND DEFENSE

Indemnification and Defense for Professional Services

To the fullest extent permitted by law, CONSULTANT shall indemnify, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all claims, losses, liabilities, damages, costs and expenses, including attorney's fees and costs, to the extent they arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT. CONSULTANT's duty to defend shall consist of reimbursement of defense costs incurred by City in direct proportion to the Consultant's proportionate percentage of fault. CONSULTANT's percentage of fault shall be determined, as applicable, by a court of law, jury or arbitrator. In the event any loss, liability or damage is incurred by way of settlement or resolution without a court, jury or arbitrator having made a determination of the CONSULTANT's percentage of fault, the parties agree to mediation with a third party neutral to determine the CONSULTANT's proportionate percentage of fault for purposes of determining the amount of indemnity and defense cost reimbursement owed to City.

For all Other Liabilities

Notwithstanding the foregoing and without diminishing any rights of City above for any liability, claim, demand, allegation against City arising out of, related to, or pertaining to any act or omission of CONSULTANT, but which is not a design professional service, CONSULTANT shall defend, indemnify, and hold harmless City, its officials, employees, and agents ("Indemnified Parties") from and against any and all damages, costs, expenses (including reasonable attorney fees and expert witness fees), judgments, settlements, and/or arbitration awards, whether for personal or bodily injury, property damage, or economic injury, and arising

out of, related to, any concurrent or contributory negligence on the part of the City, except for the sole or active negligence of, or willful misconduct of the City.

12. INSURANCE

CONSULTANT shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this Agreement.

13. INDEPENDENT CONSULTANT

a. CONSULTANT is and shall at all times remain as to City a wholly independent consultant and/or independent contractor. The personnel performing the Services under this Agreement on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees, or agents, except as set forth in this Agreement. CONSULTANT shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. CONSULTANT shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to CONSULTANT in connection with the performance of this Agreement. Except for the fees paid to CONSULTANT as provided in the Agreement, City shall not pay salaries, wages, or other compensation to CONSULTANT for performing Services hereunder for City. City shall not be liable for compensation or indemnification to CONSULTANT for injury or sickness arising out of performing Services hereunder.

14. LEGAL RESPONSIBILITIES

CONSULTANT shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its Services pursuant to this Agreement. CONSULTANT shall at all times observe and comply with all such laws and regulations. City, and its officers, employees, and agents shall not be liable at law or in equity occasioned by failure of CONSULTANT to comply with this Section.

15. UNDUE INFLUENCE

CONSULTANT declares and warrants that no undue influence or pressure was used against or in concert with any officer, employee or agent of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer, employee or agent of the City has or will receive compensation, directly or indirectly, from CONSULTANT, or from any officer, employee or agent of CONSULTANT, in connection with the award of this Agreement or any

Services to be performed as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.

16. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

No officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Services performed under the Agreement during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Services performed under this Agreement.

17. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

a. All information gained by CONSULTANT in performance of this Agreement shall be considered confidential and shall not be released by CONSULTANT without City's prior written authorization. CONSULTANT, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives City notice of such court order or subpoena.

b. CONSULTANT shall promptly notify City should CONSULTANT, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless City is a party to any lawsuit, arbitration, or administrative proceeding connected to such Discovery, or unless CONSULTANT is prohibited by law from informing City of such Discovery. City retains the right, but has no obligation, to represent CONSULTANT and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to CONSULTANT in such proceeding, CONSULTANT agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by CONSULTANT. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

c. If City determines CONTRACTOR comes within the definition of Contractor under the Political Reform Act (Government Code §87100 et seq.), CONTRACTOR shall complete and file and shall require any other person doing Work under this Agreement to complete and file a "Statement of Economic Interest" with CITY disclosing CONTRACTOR's and/or such other person's financial interests.

18. DISCRIMINATION

CONSULTANT agrees that in the performance of this Agreement, neither CONSULTANT nor any person acting on CONSULTANT's behalf shall discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, genetic information, marital status, sexual orientation, sex, gender identity, gender expression, military or veteran status or age.

19. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, by first class mail, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: [Insert City Employee]
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950
Attention: City Clerk

To CONSULTANT: _____

_____

Notice is effective on the date of personal service, or 5 days following deposit in a United States mailbox, or date of postmark. The parties may agree to notice by email. The parties may agree to notice by email.

20. THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

21. ASSIGNMENT

CONSULTANT shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City. Because of the personal nature of the Services to be rendered pursuant to this Agreement, only CONSULTANT shall perform the Services described in this Agreement. CONSULTANT may use assistants, under their direct supervision, to perform some of the Services under this Agreement.

[*If specific to Consultant*, add: CONSULTANT shall provide City fourteen (14) days' notice prior to the departure of [Insert name of particular person with expertise] from CONSULTANT's employ. Should [Insert name] leave CONSULTANT's employ, City shall have the option to immediately terminate this Agreement, within three (3) days of the close of said notice period. Upon termination of this Agreement, CONSULTANT's sole compensation shall be payment for actual Services performed up to, and including, the date of termination or

as may be otherwise agreed to in writing between City and the CONSULTANT. Before retaining or contracting with any sub-consultant for any Services under this Agreement, CONSULTANT shall provide City with the identity of the proposed sub-consultant, a copy of the proposed written contract between CONSULTANT and such sub-consultant, which shall include and indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed sub-consultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from City for such insurance.]

22. LICENSES

At all times during the term of this Agreement, CONSULTANT shall have in full force and effect, all licenses required of it by law for the performance of the Services described in this Agreement. CONSULTANT shall obtain a valid City Business License and shall maintain said Business License for the term of this Agreement and any extensions.

23. GOVERNING LAW

City and CONSULTANT understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or federal district court with jurisdiction over City. CONSULTANT agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the aforementioned courts and irrevocably consents to the exclusive personal jurisdiction and venue of the aforementioned courts

24. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. No amendment shall be valid unless in writing, executed by both parties.

25. DISPUTE RESOLUTION; ATTORNEY'S FEES

CONSULTANT shall continue to perform under this Agreement during any dispute. CONSULTANT and City hereby agree to make good faith efforts to resolve disputes as quickly as possible. In the event any dispute arising from or related to this Agreement results in litigation or arbitration, the prevailing party shall be entitled to recover all reasonable costs incurred, including court costs, attorney fees, expenses for expert witnesses (whether or not called to testify), expenses for accountants or appraisers (whether or not called to testify), and other related expenses. Recovery of these expenses shall be as additional costs awarded to the prevailing party, and shall not require initiation of a separate legal proceeding.

26. WORK SCHEDULED/TIME OF COMPLETION

City and CONSULTANT agree that time is of the essence in this Agreement.

[*Note: This section is optional and should be included only when the project is particularly time-sensitive.*

City and CONSULTANT further agree that CONSULTANT's failure to perform Services on or at the times set forth in this Agreement will damage and injure City, but the extent of such damage and injury is difficult or speculative to ascertain. Consequently, City and CONSULTANT agree that any failure to perform by CONSULTANT at or within the times set forth herein shall result in liquidated damages of [Insert amount] dollars ($__.00) per day for each and every day such performance is late or delayed. City and CONSULTANT agree that such sum is reasonable and fair. Furthermore, City and CONSULTANT agree that this Agreement is subject to Government Code Section 53069.85 and that each party hereto is familiar with and understands the obligations of said Section of the Government Code.]

27. INTERPRETATION OF CONFLICTING PROVISIONS

In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

28. SEVERABILITY

If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

29. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of CONSULTANT warrants and represents that they have the authority to execute this Agreement on behalf of the CONSULTANT and have the authority to bind CONSULTANT to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF PACIFIC GROVE	CONSULTANT
By:_____	By:_____
Department Director	Consultant

Date: _____ Date: _____

By: _____ By: _____
City Manager or Mayor City Administrative Services Department

Date: _____ Date: _____

Approved As To Form: _____
City Attorney

_____
Date

Attachments:

Exhibit A	Scope of Services
Exhibit B	Payment Schedule
Exhibit C	Insurance Requirements
[Exhibit D	Request for Proposal]
[Exhibit E	Consultant's Proposal]

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT B

PAYMENT SCHEDULE

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting CONSULTANT's indemnification of City, and prior to commencement of Work, CONSULTANT shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

General liability insurance. CONSULTANT shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. CONSULTANT shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Professional liability (errors & omissions) insurance. CONSULTANT shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and CONSULTANT agrees to maintain continuous coverage through a period no less than three (3) years after completion of the Services required by this Agreement.

Note: May need to delete workers' compensation and employer's liability insurance requirements for certain sole proprietorships, partnerships, or corporations without employees.

Workers' compensation insurance. CONSULTANT shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000).

CONSULTANT shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

Umbrella or excess liability insurance. [Optional depending on limits required]. CONSULTANT shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrency of effective dates with primary policies;

- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Other provisions or requirements

Proof of insurance. CONSULTANT shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by CONSULTANT, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by CONSULTANT shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by CONSULTANT or City will withhold amounts sufficient to pay premium from CONSULTANT payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow CONSULTANT or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. CONSULTANT hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). CONSULTANT acknowledges and agrees that any actual or alleged failure on the part of the City to inform CONSULTANT of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. CONSULTANT agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by CONSULTANT, provide the same minimum insurance coverage and endorsements required of CONSULTANT. CONSULTANT agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONSULTANT agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the CONSULTANT ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the CONSULTANT, the City and CONSULTANT may renegotiate CONSULTANT's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

Timely notice of claims. CONSULTANT shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from CONSULTANT's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. CONSULTANT shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

EXHIBIT D

REQUEST FOR PROPOSAL

EXHIBIT E

CONSULTANT'S PROPOSAL

CITY OF PACIFIC GROVE
MAINTENANCE SERVICES AGREEMENT

This MAINTENANCE SERVICES AGREEMENT ("Agreement") is made and effective _____**,** by and between the City of Pacific Grove, a municipal corporation ("City"), and _____ ("CONTRACTOR").

City wishes to retain the services of an experienced and qualified CONTRACTOR to provide [Describe services to be provided] ("Services"). CONTRACTOR represents and warrants that it is qualified to perform those Services. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

   Unless terminated in accordance with Section 8 below, the AGREEMENT will continue in full force and effect from the Effective Date through [Insert Date]. Upon mutual written AGREEMENT, the term of this AGREEMENT can be extended annually for an additional one (1) year period, or longer as the parties agree.

2. SCOPE OF SERVICES

   CONTRACTOR will provide the Services listed in the Scope of Services attached hereto as Exhibit A. CONTRACTOR warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

3. PERFORMANCE

   a. CONTRACTOR shall at all times faithfully, competently and to the best of its ability, experience, and talent, perform all tasks described herein. CONTRACTOR shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of CONTRACTOR hereunder in meeting its obligations under this Agreement.

   b. CONTRACTOR shall obtain a valid City Business License and shall maintain said Business License for the term of this Agreement and any extensions.

   c. CONTRACTOR shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by CONTRACTOR or in any way affect the performance of its Services pursuant to this Agreement. CONTRACTOR shall at all times observe and comply with all such laws and regulations. City, and its officers, employees, and agents shall not be liable at law or in equity occasioned by failure of CONTRACTOR to comply with this Section.

   d. CONTRACTOR must maintain a valid California Contractor's License throughout the term of this Contract.

e. CONTRACTOR agrees that in the performance of this Agreement or any sub-agreement hereunder, neither CONTRACTOR nor any person acting on CONTRACTOR's behalf shall refuse to employ or refuse to continue in any employment any person or discriminate on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, genetic information, marital status, sexual preference, sex, gender identity, gender expression, military or veteran status or age. Harassment in the workplace is not permitted in any form. CONTRACTOR further agrees to comply with all laws with respect to employment when performing this Agreement.

f. CONTRACTOR shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit D attached to and part of this Agreement.

g. CONTRACTOR declares and warrants that no undue influence or pressure is used against or in concert with any officer, employee or agent of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial agreement or financial inducement. No officer, employee, or agent of City will receive compensation, directly or indirectly, from CONTRACTOR, or from any officer, employee or agent of CONTRACTOR, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.

[IF RFP ADD: CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

CONTRACTOR is bound by the contents of City's Request for Proposal on file hereto and incorporated herein as Exhibit E, and the contents of the proposal submitted by CONTRACTOR, available on file at the [insert location], hereto and incorporated herein as Exhibit E. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in CONTRACTOR's Proposal.]

4. CITY MANAGEMENT

The City Manager, or designee, shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by CONTRACTOR, but not including the authority to enlarge the Scope of Work or change the compensation due to CONTRACTOR. The City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Scope of Work or change CONTRACTOR's compensation, subject to Section 6 hereof.

5. PAYMENT

a. For Services rendered pursuant to this AGREEMENT, CONTRACTOR shall be paid in accordance with the Payment Schedule attached hereto as Exhibit B, provided, however, that in no event will the total amount of money paid the CONTRACTOR, for the Services initially contemplated by this AGREEMENT, exceed the sum of [Insert amount], unless otherwise first approved in writing by the City.

b. The City Manager's contract authority is limited to $39,999.99, which includes all costs. Contracts, including any contract amendments that exceed the total threshold, require City Council approval. Any contracts, including contract amendments that exceed the total threshold, which do not have City Council approval, shall be void.

c. CONTRACTOR shall submit invoices monthly for actual Services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for Services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If City disputes any of CONTRACTOR's fees, it shall give written notice to CONTRACTOR within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. LABOR CODE AND PREVAILING WAGE REQUIREMENTS**:**

a. CONTRACTOR agrees to comply with the requirements of California Labor Code sections 1810 through 1815. Eight hours of labor constitutes a legal day's work per Labor Code section 1810. CONTRACTOR will forfeit the statutory penalty to City for each worker employed in the execution of this Agreement by CONTRACTOR or any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Labor Code sections 1810 through 1815.

b. Copies of the determination of the Director of the Department of Industrial Relations of the prevailing rate of per diem wages for each craft, classification or type of worker needed to execute this Agreement are available for download from the State website:

http://www.dir.ca.gov/OPRL/dprewagedetermination.htm.

c. CONTRACTOR must post at the work site, or if there is no regular work site then at its principal office, for the duration of the Contract, a copy of the determination by the Director of the Department of Industrial Relations of the specified prevailing rate of per diem wages. (Labor Code § 1773.2.) When applicable, copies of the prevailing rate of per diem wages will be on file at City's Administrative Services Department and available to CONTRACTOR and any other interested party upon request.

d. CONTRACTOR, and any subcontractor engaged by CONTRACTOR, may pay not less than the specified prevailing rate of per diem wages to all workers employed in the execution of the contract. (Labor Code § 1774.) CONTRACTOR is responsible for

compliance with Labor Code section 1776 relative to the retention and inspection of payroll records.

e. CONTRACTOR must comply with all provisions of Labor Code section 1775. Under Section 1775, CONTRACTOR will forfeit the statutory penalty to City for each worker employed in the execution of the Agreement by CONTRACTOR or any subcontractor for each calendar day, or portion thereof, in which the worker is paid less than the prevailing rates. CONTRACTOR may also be liable to pay the difference between the prevailing wage rates and the amount paid to each worker for each calendar day, or portion thereof, for which each worker was paid less than the prevailing wage rate.

   Nothing in this Agreement prevents CONTRACTOR or any subcontractor from employing properly registered apprentices in the execution of the Contract. CONTRACTOR is responsible for compliance with Labor Code section 1777.5 for all apprenticeable occupations. This statute requires that contractors and subcontractors must submit contract award information to the applicable joint apprenticeship committee, must employ apprentices in apprenticeable occupations in a ratio of not less than one hour of apprentice's work for every five hours of labor performed by a journeyman (unless an exception is granted under § 1777.5), must contribute to the fund or funds in each craft or trade or a like amount to the California Apprenticeship Council, and that contractors and subcontractors must not discriminate among otherwise qualified employees as apprentices solely on the ground of sex, race, religion, creed, national origin, ancestry or color. Only apprentices defined in Labor Code section 3077, who are in training under apprenticeship standards and who have written apprentice contracts, may be employed on public works in apprenticeable occupations.

f. CONTRACTOR has reviewed and agrees to comply with any applicable provisions for any public work subject to Department of Industrial Relations (DIR) Monitoring and Enforcement of prevailing wages, including the registration requirements of Labor Code Section 1771.1(a). City hereby notifies CONTRACTOR that CONTRACTOR is responsible for submitting certified payroll records directly to the State Compliance Monitoring Unit (CMU). For further information concerning compliance monitoring please visit the website location at: http://www.dir.ca.gov/dlse/cmu/cmu.html.

g. CONTRACTOR must comply with Labor Code section 1771.1(a), which provides that CONTRACTOR may award any contracts and subcontracts for work that qualifies as a "public work" only to subcontractors which are at that time registered with the DIR and qualified to perform public work pursuant to Labor Code section 1725.5. CONTRACTOR must obtain proof of such registration from all such subcontractors."

h. If federal funds are used to pay for the Work, CONTRACTOR and any subcontractor agree to comply, as applicable, with the labor and reporting requirements of the Davis-Bacon Act (40 USC § 276a-7), the Copeland Act (40 USC § 276c and 18 USC §874), and the Contract Work Hours and Safety Standards Act (40 USC § 327 and following).

7. INSPECTION

City shall at all times have the right to inspect the work and materials. CONTRACTOR shall furnish all reasonable aid and assistance required by City for the proper examination of the work and all parts thereof. Such inspection shall not relieve CONTRACTOR from any obligation to perform said work strictly in accordance with the specifications or any modifications thereof and in compliance with the law.

8. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a. City may at any time, for any reason, without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon CONTRACTOR at least thirty (30) days prior written notice. Upon receipt of said notice, CONTRACTOR shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement, such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, City shall pay to CONTRACTOR the actual value of the Services performed up to the time of termination, provided that the Services performed are of value to the City. Upon termination of the Agreement pursuant to this Section, CONTRACTOR shall submit an invoice to City pursuant to Section 6.c.

9. DEFAULT OF CONTRACTOR/FORCE MAJEURE

a. CONTRACTOR's failure to comply with the provisions of this Agreement shall constitute a default. In the event that CONTRACTOR is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating CONTRACTOR for any Services performed after the date of default and can terminate this Agreement immediately by written notice to the CONTRACTOR. If such failure by the CONTRACTOR to make progress in the performance of Services hereunder arises out causes beyond the CONTRACTOR's control, and without fault or negligence of the CONTRACTOR, it shall not be considered a default.

b. If the City Manager or designee determines CONTRACTOR is in default in the performance of any of the terms or conditions of this Agreement, they shall cause to be served upon CONTRACTOR a written notice of the default. The CONTRACTOR shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event CONTRACTOR fails to cure its default within such period of time or fails to present City with a written plan for the cure of the default, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

10. OWNERSHIP OF DOCUMENTS

a. CONTRACTOR shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of Services under this Agreement. CONTRACTOR shall maintain adequate records of Services provided in sufficient detail to permit an evaluation of Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONTRACTOR shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records at CONTRACTOR's office; shall permit City to make copies and transcripts there from as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. If there is a substantial billing deviation adverse to City, then the cost of an audit shall be borne by CONSULTANT. Such records, together with supporting documents, shall be maintained at City Hall for a minimum period of five (5) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the Services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of CONTRACTOR. With respect to computer files, CONTRACTOR shall make available to City, at City's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. RECORD AUDIT

In accordance with Government Code, Section 8546.7, for expenditures of greater than $10,000, records of both City and CONTRACTOR shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.

12. INDEMNIFICATION

CONTRACTOR shall indemnify, defend with legal counsel approved by City, and hold harmless City, its officers, employees, agents, and volunteers (collectively, City) from and against all liability, loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONTRACTOR's negligence, recklessness or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole or active negligence or willful misconduct of the City. Should conflict of interest principles preclude a single legal counsel from representing both City and CONTRACTOR, or should City otherwise find CONTRACTOR's legal counsel

unacceptable, then CONTRACTOR shall reimburse the City its costs of defense, including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation. The CONTRACTOR shall promptly pay any final judgment rendered against the City (and its officers, employees, agents and volunteers) with respect to claims determined by a trier of fact to have been the result of the CONTRACTOR's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

CONTRACTOR obligations under this section apply regardless of whether such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or penalty, or liability was caused in part or contributed to by City. However, without affecting the rights of City under any provision of this agreement, CONTRACTOR shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of CONTRACTOR will be for that entire portion or percentage of liability not attributable to the active negligence of City.

No City officer, employee or agent shall be personally liable to CONTRACTOR, in the event of any default or breach by City or for any amount that may become due to CONTRACTOR.

13. INSURANCE

Without limiting CONTRACTOR's indemnification of City, and prior to commencement of work, CONTRACTOR shall obtain, provide, and maintain at its own expense during the term of this AGREEMENT, policies of insurance of the type and amounts described in Exhibit C and in a form that is satisfactory to City.

14. INDEPENDENT CONTRACTOR

a. CONTRACTOR is and shall at all times remain as to City a wholly independent contractor. The personnel performing the services under this Agreement on behalf of CONTRACTOR shall at all times be under CONTRACTOR's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of CONTRACTOR or any of CONTRACTOR's officers, employees, or agents, except as set forth in this Agreement. CONTRACTOR shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. CONTRACTOR shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to CONTRACTOR in connection with the performance of this Agreement. Except for the fees paid to CONTRACTOR as provided in the Agreement, City shall not pay salaries, wages, or other compensation to CONTRACTOR for performing services hereunder for City. City shall not be liable for compensation or indemnification to CONTRACTOR for injury or sickness arising out of performing services hereunder.

c. Any and all employees or sub-contractors of CONTRACTOR under this Agreement, while engaged in the performance of any work or services required by CONTRACTOR under this Agreement, shall be considered employees or sub-contractors of CONTRACTOR only and not of City. Any and all claims that may arise under the Workers' Compensation Act on behalf of said employees or sub-contractors, while so engaged and all claims made by a third party as a consequence of any negligent act or omission on the part of the CONTRACTOR's employees or sub-contractors, while so engaged in any of the work or services provided for or rendered herein shall not be City's obligation.

15. SUBCONTRACTORS

Before CONTRACTOR retains or hires a subcontractor to provide any work, labor, or services relative to this AGREEMENT, CONTRACTOR must:

a. Present the name and identifying information of the subcontractor that will provide any work, labor, or services to City.

b. Present to the City the form of subcontract that will be used with the subcontractor for City's approval, which approval will not be unreasonably withheld. Such subcontract AGREEMENT must include an indemnity agreement that is generally in accord with the indemnity obligations contained in Section 11 of this Agreement and must specifically name the City as an indemnified party; and

c. Secure from the subcontractor evidence of insurance coverage that meets with this Agreement including naming the City as an additional insured as required by this Agreement, unless such requirement is waived in writing by the City.

16. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

No City officer, employee of City, or their designees or agents, and no public officer who exercises authority over or responsibilities with respect to the Services provided under the Agreement during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Services performed under this Agreement.

17. CONFLICT OF INTEREST

CONTRACTOR shall at all times avoid conflicts of interest, or the appearance of conflicts of interest, in the performance of this Agreement, and shall comply with the City's conflict of interest code.

If City determines CONTRACTOR comes within the definition of Contractor under the Political Reform Act (Government Code §87100 et seq.), CONTRACTOR shall complete and file and shall require any other person performing Services under this Agreement to complete and file a "Statement of Economic Interest" with City disclosing CONTRACTOR's and/or such other person's financial interests.

18. NO WAIVER OF BREACH/TIME

The waiver by City of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement. Time is of the essence in carrying out the duties hereunder.

19. CONFIDENTIAL INFORMATION/RELEASE OF INFORMATION

a. All information gained by CONTRACTOR in performance of this Agreement shall be considered confidential and shall not be released by CONTRACTOR without City's prior written authorization. CONTRACTOR, its officers, employees, agents, or sub-contractors, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided CONTRACTOR gives City notice of such court order or subpoena.

b. CONTRACTOR shall promptly notify City should CONTRACTOR, its officers, employees, agents, or sub-contractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the Services performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent CONTRACTOR and/or be present at any deposition, hearing, or similar proceeding. CONTRACTOR agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by CONTRACTOR. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

20. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: (City Employee/Department)
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

To CONTRACTOR: _____
_____
_____
_____

Notice is effective on the date of personal service, or 5 days following deposit in a United States mailbox, or date of postmark. The parties may agree to notice by email.

21. THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

22. ASSIGNMENT

CONTRACTOR shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City. Subject to the foregoing, all terms of the Agreement will be binding upon, enforceable by and inure to the benefit of the parties and their successors and assigns.

23. GOVERNING LAW

City and CONTRACTOR understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or the federal district court with jurisdiction over the City. CONTRACTOR agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the aforementioned courts and irrevocably consents to the exclusive personal jurisdiction and venue of the aforementioned courts.

24. DISPUTE RESOLUTION; ATTORNEY'S FEES

CONTRACTOR shall continue to perform under this Agreement during any dispute. CONTRACTOR and City hereby agree to make good faith efforts to resolve disputes as quickly as possible. In the event any dispute arising from or related to this Agreement results in litigation or arbitration, the prevailing party shall be entitled to recover all reasonable costs incurred, including court costs, attorney fees, expenses for expert witnesses (whether or not called to testify), expenses for accountants or appraisers (whether or not called to testify), and other related expenses. Recovery of these expenses shall be as additional costs awarded to the prevailing party, and shall not require initiation of a separate legal proceeding.

25. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of CONTRACTOR warrants and represents that they have the authority to execute this Agreement on behalf of the CONTRACTOR and the authority to bind CONTRACTOR to the performance of its obligations hereunder.

26. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to their obligations described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

27. AMENDMENT

a. Any modification or amendment to this Agreement must be in writing.

b. Neither City nor CONTRACTOR shall be deemed to have waived any obligation of the other, or to have agreed to any modification to this Agreement unless it is in writing, and signed by the party giving the waiver.

28. INTERPRETATION OF CONFLICTING PROVISIONS

In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control

29. SEVERABILITY

If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF PACIFIC GROVE	CONTRACTOR
By:_____	By:_____
Department Director	CONTRACTOR
Date: _____	Date: _____
By: _____	By: _____
City Manager or Mayor	City Administrative Services Department
Date: _____	Date: _____

Approved As To Form: _____
City Attorney

_____
Date

Attachments:

Exhibit A	Scope of Services
Exhibit B	Payment Schedule
Exhibit C	Insurance Requirements
[Exhibit D	Request for Proposal]
[Exhibit E	CONTRACTOR's Proposal]

Exhibit A

Scope of Work/Services

Exhibit B

Payment Schedule

Exhibit C

Insurance Specifications

General liability insurance. CONTRACTOR shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. CONTRACTOR shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the CONTRACTOR arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Umbrella or excess liability insurance. [Optional depending on limits required] CONTRACTOR shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrency of effective dates with primary policies;
- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Workers' compensation insurance. CONTRACTOR shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000).

CONTRACTOR shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

Other provisions or requirements

Proof of insurance. CONTRACTOR shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. CONTRACTOR shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by CONTRACTOR, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by CONTRACTOR shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

Agency's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by CONTRACTOR or City will withhold amounts sufficient to pay premium from CONTRACTOR payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, employees and volunteers or shall specifically allow CONTRACTOR or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. CONTRACTOR hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). CONTRACTOR acknowledges and agrees that any actual or alleged failure on the part of the City to inform CONTRACTOR of non-compliance with any requirement imposes no additional obligations on the AGENCY nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the CONTRACTOR maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. CONTRACTOR agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, employees, and agents shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that CONTRACTOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. CONTRACTOR agrees to ensure that its sub-consultants, sub-contractors, and any other party involved with the project who is brought onto or involved in the project by CONTRACTOR, provide the same minimum insurance coverage and endorsements required of CONTRACTOR. CONTRACTOR agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONTRACTOR agrees that upon request, all AGREEMENTS with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

Agency's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the CONTRACTOR ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the CONTRACTOR, the City and CONTRACTOR may renegotiate CONTRACTOR's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

Timely notice of claims. CONTRACTOR shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from CONTRACTOR's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. CONTRACTOR shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

VERIFICATION OF CALIFORNIA CONTRACTOR'S LICENSE

I certify, under penalty of perjury, that I have a valid California Contractor's license issued pursuant to Business and Professions Code section 7000 and following, and was so licensed at the time that the bid was awarded:

California Contractor's License:

License Number	Class	Expiration Date

CONTRACTOR (PRINT OR TYPE)

Date

Signature

(Public Contract Code § 6100)

CERTIFICATE REGARDING WORKERS' COMPENSATION

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

_____
Name (print or type)

_____ _____
Date Signature

CERTIFICATE REGARDING DEPARTMENT OF INDUSTRIAL RELATIONS CONTRACTOR REGISTRATION

I certify, under penalty of perjury, that Contractor is registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

Contractor's Department of Industrial Relations registration number is _____.

_____
Name & Title (print or type)

_____ _____
Date Signature

(Labor Code section 1725.5)

LIST OF SUBCONTRACTORS

WORK IDENTIFICATION:

_____

NAME AND ADDRESS OF BIDDER: _____

_____

Name/Address/Phone No./State License Number of Subcontractor/City of Pacific Grove Business License Number	Department of Industrial Relations Registration Number*	Items of Work	Portion of Work (% of Contract Price)
		% of Total Contract Price by Subcontract	
		% of Total Contract Price by Contractor	

*Pursuant to Division 2, Part 7, Chapter 1, (commencing with section 1720 including section 1725.5) of the Labor Code

CITY OF PACIFIC GROVE
PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICE AGREEMENT ("PSA") FOR NON-CONSTRUCTION PROJECTS ("Agreement"), is made and effective as of [Insert date], between the City of Pacific Grove ("City"), a municipal corporation and [Insert consultant], [a sole proprietorship, partnership, limited liability partnership, corporation] ("CONSULTANT"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

   This Agreement shall commence on [Insert date] and shall remain and continue in effect until the tasks described herein are completed, but in no event later than [Insert date], unless sooner terminated pursuant to the provisions of this Agreement.

2. SCOPE OF WORK

   CONSULTANT shall perform the tasks and services ("Services") described and set forth in Exhibit A, Scope of Services, attached hereto and incorporated herein as though set forth in full. CONSULTANT shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A. To the extent that Exhibit A is a proposal from CONSULTANT, such proposal is incorporated only for the description of the Scope of Services and no other terms and conditions from any such proposal shall apply to this Agreement unless specifically agreed to in writing.

3. PERFORMANCE

   CONSULTANT shall at all times faithfully, competently and to the best of their ability, experience, and talent, perform all Services described herein. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of CONSULTANT hereunder in meeting their obligations under this Agreement.

   [IF RFP ADD: CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

   CONSULTANT is bound by the contents of City's Request for Proposal on file hereto and incorporated herein as Exhibit D, and the contents of the proposal submitted by CONSULTANT, available on file at _____, hereto and incorporated herein as Exhibit E. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in CONSULTANT's proposals.]

4. CITY MANAGEMENT

   The City Manager, or their designee, shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by CONSULTANT, but not including the authority to enlarge the Scope of Work or change the

compensation due to CONSULTANT. The City Manager shall be authorized to act on City's behalf and to execute all necessary documents that enlarge the Scope of Work or change CONSULTANT's compensation, subject to Section 6 hereof.

5. PAYMENT

a. The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed [Insert amount] dollars ($__.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

b. The City Manager's contract authority is limited to $39,999.99, which includes all costs. Contracts, including any contract amendments that exceed the total threshold, require City Council approval. Any contracts, including contract amendments that exceed the total threshold, which do not have City Council approval, shall be void.

c. CONSULTANT shall not be compensated for any Services rendered in connection with its performance of this Agreement that are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager or the City Council. CONSULTANT shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and CONSULTANT at the time City's written authorization is given to CONSULTANT for the performance of said services.

d. CONSULTANT shall submit invoices monthly for actual Services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for Services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of CONSULTANT's fees it shall give written notice to CONSULTANT within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within forty-five (45) days of receipt of an invoice therefore.

6. INSPECTION

City shall at all times have the right to inspect the work and materials. CONSULTANT shall furnish all reasonable aid and assistance required by City for the proper examination of the work and all parts thereof. Such inspection shall not relieve CONSULTANT from any obligation to perform said work strictly in accordance with the specifications or any modifications thereof and in compliance with the law.

7. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a. The City may at any time, for any reason, without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon CONSULTANT at least thirty (30) days prior written notice. Upon receipt of said notice, CONSULTANT shall immediately cease all Services under this Agreement, unless the notice provides otherwise. If the City

suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, the City shall pay to CONSULTANT the actual value of the Services performed up to the time of termination, provided that the Services performed are of value to the City. Upon termination of the Agreement pursuant to this Section, CONSULTANT will submit an invoice to the City pursuant to Section 6.

8. DEFAULT OF CONSULTANT

a. CONSULTANT's failure to comply with the provisions of this Agreement shall constitute a default. In the event that CONSULTANT is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating CONSULTANT for any Services performed after the date of default and can terminate this Agreement immediately by written notice to the CONSULTANT. If such failure by the CONSULTANT to make progress in the performance of Services hereunder arises out causes beyond the CONSULTANT's control, and without fault or negligence of the CONSULTANT, it shall not be considered a default.

b. If the City Manager or designee determines CONSULTANT is in default in the performance of any of the terms or conditions of this Agreement, they shall cause to be served upon CONSULTANT a written notice of the default. The CONSULTANT shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event CONSULTANT fails to cure its default within such period of time or fails to present City with a written plan for the cure of the default, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. OWNERSHIP OF DOCUMENTS

a. CONSULTANT shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of Services under this Agreement. CONSULTANT shall maintain adequate records of Services provided in sufficient detail to permit an evaluation of Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONSULTANT shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. If there is a substantial billing deviation adverse to City, then the cost of an audit shall be borne by CONSULTANT. Such records, together with supporting documents, shall be maintained for a period of five (5) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the Services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of CONSULTANT. With respect to computer files, CONSULTANT shall make available to City, at CONSULTANT's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. CONSULTANT hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by CONSULTANT in the course of providing the Services under this Agreement.

10. RECORD AUDIT

In accordance with Government Code, Section 8546.7, for expenditures of greater than $10,000, records of both City and CONSULTANT shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.

11. INDEMNIFICATION AND DEFENSE

Indemnity

To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless City and any and all of its officers, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs, caused in whole or in part by the negligent or wrongful act, error or omission of CONSULTANT, its officers, agents, employees or subconsultants (or any City or individual that CONSULTANT shall bear the legal liability thereof) in the performance of Services under this Agreement. CONSULTANT's duty to indemnify and hold harmless City shall not extend to the City's sole or active negligence.

Duty to defend

In the event City, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the Services encompassed by this Agreement, and upon demand by City, CONSULTANT shall defend City at CONSULTANT's cost or at City's option, to reimburse City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters to the extent the matters arise from, relate to or are caused by CONSULTANT's negligent acts, errors or omissions. Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and City, as to whether liability arises from the sole or active negligence of the City or its officers, employees, or agents, CONSULTANT will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely or actively negligent. CONSULTANT will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

12. INSURANCE

CONSULTANT shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this Agreement.

13. INDEPENDENT CONSULTANT

a. CONSULTANT is and shall at all times remain as to City a wholly independent consultant and/or independent contractor. The personnel performing the Services under this Agreement on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees, or agents, except as set forth in this Agreement. CONSULTANT shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. CONSULTANT shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to CONSULTANT in connection with the performance of this Agreement. Except for the fees paid to CONSULTANT as provided in the Agreement, City shall not pay salaries, wages, or other compensation to CONSULTANT for performing Services hereunder for City. City shall not be liable for compensation or indemnification to CONSULTANT for injury or sickness arising out of performing Services hereunder.

14. LEGAL RESPONSIBILITIES

CONSULTANT shall keep itself informed of State and Federal laws and regulations that in any manner affect those employed by it or in any way affect the performance of its Services pursuant to this Agreement. CONSULTANT shall at all times observe and comply with all such laws and regulations. City, and its officers, employees, and agents shall not be liable at law or in equity occasioned by failure of the CONSULTANT to comply with this Section.

15. UNDUE INFLUENCE

CONSULTANT declares and warrants that no undue influence or pressure was used against or in concert with any officer, employee or agent of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer, employee or agent of City has or will receive compensation, directly or indirectly, from CONSULTANT, or from any officer, employee or agent of CONSULTANT, in connection with the award of this Agreement or any Services to be performed as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.

16. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

No officer, employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Services performed under the Agreement

during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Services performed under this Agreement.

17. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

a. All information gained by CONSULTANT in performance of this Agreement shall be considered confidential and shall not be released by CONSULTANT without City's prior written authorization. CONSULTANT, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives City notice of such court order or subpoena.

b. CONSULTANT shall promptly notify CITY should CONSULTANT, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless City is a party to any lawsuit, arbitration, or administrative proceeding connected to such Discovery, or unless CONSULTANT is prohibited by law from informing City of such Discovery. City retains the right, but has no obligation, to represent CONSULTANT and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to CONSULTANT in such proceeding, CONSULTANT agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by CONSULTANT. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

[Note: The following paragraph is only to be used when the City will be taking in a fee or deposit from an applicant and uses those funds to retain the CONSULTANT to prepare an EIR, Specific Plan, or some other specific document or where the City is funding a similar development-type study.

c. [CONSULTANT covenants that neither CONSULTANT nor any officer or principal of their firm have any interest in, or shall acquire any interest, directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONSULTANT further covenants that in the performance of this Agreement, no person having such interest shall be employed by them as an officer, employee, agent, or sub-consultant. CONSULTANT further covenants that CONSULTANT has not contracted with nor is performing any Services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area and further covenants and

agrees that CONSULTANT and/or its subconsultants shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area prior to the completion of the Services under this Agreement.]

d. If City determines CONTRACTOR comes within the definition of Contractor under the Political Reform Act (Government Code §87100 et seq.), CONTRACTOR shall complete and file and shall require any other person doing Work under this Agreement to complete and file a "Statement of Economic Interest" with CITY disclosing CONTRACTOR's and/or such other person's financial interests.

18. DISCRIMINATION

CONSULTANT agrees that in the performance of this Agreement, neither CONSULTANT nor any person acting on CONSULTANT's behalf shall discriminate against any person on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, genetic information, marital status, sexual orientation, sex, gender identity, gender expression, military or veteran status or age.

19. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, by first class mail, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: [Insert City Employee]
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950
Attention: City Clerk

To CONSULTANT: _____

_____

Notice is effective on the date of personal service, or 5 days following deposit in a United States mailbox, or date of postmark. The parties may agree to service by email.

20. THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

21. ASSIGNMENT

CONSULTANT shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of CITY. Because of the personal nature of the Services to be rendered pursuant to this Agreement, only CONSULTANT shall perform the Services described in this Agreement. CONSULTANT may use assistants, under their direct supervision, to perform some of the Services under this Agreement.

[If specific to Consultant, add: CONSULTANT shall provide City fourteen (14) days' notice prior to the departure of [Insert name of particular person with expertise] from CONSULTANT's employ. Should [insert name] leave CONSULTANT's employ, City shall have the option to immediately terminate this Agreement, within three (3) days of the close of said notice period. Upon termination of this Agreement, CONSULTANT's sole compensation shall be payment for actual Services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between City and the CONSULTANT. Before retaining or contracting with any sub-consultant for any Services under this Agreement, CONSULTANT shall provide City with the identity of the proposed sub-consultant, a copy of the proposed written contract between CONSULTANT and such sub-consultant, which shall include and indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed sub-consultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from City for such insurance.]

22. LICENSES

At all times during the term of this Agreement, CONSULTANT shall have in full force and effect, all licenses required of it by law for the performance of the Services described in this Agreement. CONSULTANT shall obtain a valid City Business License and shall maintain said Business License for the term of this Agreement and any extensions.

23. GOVERNING LAW

City and CONSULTANT understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or federal district court with jurisdiction over City. CONSULTANT agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the aforementioned courts and irrevocably consents to the exclusive personal jurisdiction and venue of the aforementioned courts.

24. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to their obligations described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this

Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. No amendment shall be valid unless in writing, executed by both parties.

25. DISPUTE RESOLUTION; ATTORNEY'S FEES

CONSULTANT shall continue to perform under this Agreement during any dispute. CONSULTANT and City hereby agree to make good faith efforts to resolve disputes as quickly as possible. In the event any dispute arising from or related to this Agreement results in litigation or arbitration, the prevailing party shall be entitled to recover all reasonable costs incurred, including court costs, attorney fees, expenses for expert witnesses (whether or not called to testify), expenses for accountants or appraisers (whether or not called to testify), and other related expenses. Recovery of these expenses shall be as additional costs awarded to the prevailing party, and shall not require initiation of a separate legal proceeding.

26. WORK SCHEDULED/TIME OF COMPLETION

City and CONSULTANT agree that time is of the essence in this Agreement.

27. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of CONSULTANT warrants and represents that they have the authority to execute this Agreement on behalf of the CONSULTANT and have the authority to bind CONSULTANT to the performance of its obligations hereunder.

28. INTERPRETATION OF CONFLICTING PROVISIONS

In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

29. SEVERABILITY

If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF PACIFIC GROVE	CONSULTANT
By:_____ Department Director	By:_____ Consultant
Date: _____	Date: _____
By: _____ City Manager or Mayor	By: _____ City Administrative Services Department
Date: _____	Date: _____

Approved As To Form: _____
City Attorney

_____
Date

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Payment Schedule
	Exhibit C	Insurance Requirements
	[Exhibit D	Request for Proposal]
	[Exhibit E	Consultant's Proposal]

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT B

PAYMENT SCHEDULE

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting CONSULTANT's indemnification of City, and prior to commencement of Work, CONSULTANT shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

General liability insurance. CONSULTANT shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. CONSULTANT shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Professional liability (errors & omissions) insurance. CONSULTANT shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and CONSULTANT agrees to maintain continuous coverage through a period no less than three (3) years after completion of the Services required by this Agreement.

Note: May need to delete workers' compensation and employer's liability insurance requirements for certain sole proprietorships, partnerships, or corporations without employees.

Workers' compensation insurance. CONSULTANT shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000).

CONSULTANT shall submit to CITY, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of CITY, its officers, agents, employees and volunteers.

Umbrella or excess liability insurance. [Optional depending on limits required]. CONSULTANT shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;

- Concurrency of effective dates with primary policies;
- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Other provisions or requirements

Proof of insurance. CONSULTANT shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. CONSULTANT shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by CONSULTANT, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by CONSULTANT shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by CONSULTANT or City will withhold amounts sufficient to pay premium from CONSULTANT payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against CITY, its elected or appointed officers, agents, employees and volunteers or shall specifically allow CONSULTANT or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. CONSULTANT hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). CONSULTANT acknowledges and agrees that any actual or alleged failure on the part of the City to inform CONSULTANT of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to CITY with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, employees, agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. CONSULTANT agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by CONSULTANT, provide the same minimum insurance coverage and endorsements required of CONSULTANT. CONSULTANT agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. CONSULTANT agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the CONSULTANT ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the CONSULTANT, the City and CONSULTANT may renegotiate CONSULTANT's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

Timely notice of claims. CONSULTANT shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from CONSULTANT's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. CONSULTANT shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

EXHIBIT D

REQUEST FOR PROPOSAL

EXHIBIT E

CONSULTANT'S PROPOSAL

CITY OF PACIFIC GROVE
VENDOR SERVICES AGREEMENT

This VENDOR SERVICES AGREEMENT ("Agreement") is made and effective _____**,** by and between the City of Pacific Grove, a municipal corporation ("City"), and _____ ("VENDOR").

City wishes to retain the services of an experienced and qualified VENDOR to provide [Describe services to be provided] ("Services"). VENDOR represents and warrants that it is qualified to perform those Services. In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

   Unless terminated in accordance with Section 8 below, the AGREEMENT will continue in full force and effect from the Effective Date through [Insert Date]. Upon mutual written AGREEMENT, the term of this AGREEMENT can be extended annually for an additional one (1) year period, or longer as the parties agree.

2. SCOPE OF SERVICES

   VENDOR will provide the Services listed in the Scope of Services attached hereto as Exhibit A. VENDOR warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

3. PERFORMANCE

   a. VENDOR shall at all times faithfully, competently and to the best of its ability, experience, and talent, perform all tasks described herein. VENDOR shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of VENDOR hereunder in meeting its obligations under this Agreement.

   b. VENDOR shall obtain a valid City Business License and shall maintain said Business License for the term of this Agreement and any extensions.

   c. VENDOR shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by VENDOR or in any way affect the performance of its Services pursuant to this Agreement. VENDOR shall at all times observe and comply with all such laws and regulations. City, and its officers, employees, and agents shall not be liable at law or in equity occasioned by failure of VENDOR to comply with this Section.

d. VENDOR agrees that in the performance of this Agreement or any sub-agreement hereunder, neither VENDOR nor any person acting on VENDOR's behalf shall refuse to employ or refuse to continue in any employment any person or discriminate on the basis of race, religious creed, color, national origin, ancestry, disability, medical condition, genetic information, marital status, sexual preference, sex, gender identity, gender expression, military or veteran status or age. Harassment in the workplace is not permitted in any form. VENDOR further agrees to comply with all laws with respect to employment when performing this Agreement.

e. VENDOR shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached to and part of this Agreement.

f. VENDOR declares and warrants that no undue influence or pressure is used against or in concert with any officer, employee or agent of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial agreement or financial inducement. No officer, employee, or agent of City will receive compensation, directly or indirectly, from VENDOR, or from any officer, employee or agent of VENDOR, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling City to any and all remedies at law or in equity.

[IF RFP ADD: CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL

VENDOR is bound by the contents of City's Request for Proposal on file hereto and incorporated herein as Exhibit D, and the contents of the proposal submitted by VENDOR, available on file at the [insert location], hereto and incorporated herein as Exhibit E. In the event of conflict, the requirements of City's Request for Proposals and this Agreement shall take precedence over those contained in VENDOR's Proposal.]

4. CITY MANAGEMENT

The City Manager, or designee, shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by VENDOR, but not including the authority to enlarge the Scope of Work or change the compensation due to VENDOR. The City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Scope of Work or change VENDOR's compensation, subject to Section 6 hereof.

5. PAYMENT

a. For Services rendered pursuant to this AGREEMENT, VENDOR shall be paid in accordance with the Payment Schedule attached hereto as Exhibit B, provided, however, that in no event will the total amount of money paid the VENDOR, for the

Services initially contemplated by this AGREEMENT, exceed the sum of [Insert amount], unless otherwise first approved in writing by the City.

b. The City Manager's contract authority is limited to $39,999.99, which includes all costs. Contracts, including any contract amendments that exceed the total threshold, require City Council approval. Any contracts, including contract amendments that exceed the total threshold, which do not have City Council approval, shall be void.

c. VENDOR shall submit invoices monthly for actual Services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for Services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If City disputes any of VENDOR's fees, it shall give written notice to VENDOR within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. INSPECTION

City shall at all times have the right to inspect the work and materials. VENDOR shall furnish all reasonable aid and assistance required by City for the proper examination of the work and all parts thereof. Such inspection shall not relieve VENDOR from any obligation to perform said work strictly in accordance with the specifications or any modifications thereof and in compliance with the law.

7. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a. City may at any time, for any reason, without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon VENDOR at least thirty (30) days prior written notice. Upon receipt of said notice, VENDOR shall immediately cease all work under this Agreement, unless the notice provides otherwise. If City suspends or terminates a portion of this Agreement, such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, City shall pay to VENDOR the actual value of the Services performed up to the time of termination, provided that the Services performed are of value to the City. Upon termination of the Agreement pursuant to this Section, VENDOR shall submit an invoice to City pursuant to Section 6.c.

8. DEFAULT OF VENDOR/FORCE MAJEURE

a. VENDOR's failure to comply with the provisions of this Agreement shall constitute a default. In the event that VENDOR is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating VENDOR for any Services performed after the date of default and can terminate this Agreement immediately by written notice to the VENDOR. If such failure by the VENDOR to make progress in the performance of Services hereunder arises out causes beyond the

VENDOR's control, and without fault or negligence of the VENDOR, it shall not be considered a default.

b. If the City Manager or designee determines VENDOR is in default in the performance of any of the terms or conditions of this Agreement, they shall cause to be served upon VENDOR a written notice of the default. The VENDOR shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event VENDOR fails to cure its default within such period of time or fails to present City with a written plan for the cure of the default, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. OWNERSHIP OF DOCUMENTS

a. VENDOR shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of Services under this Agreement. VENDOR shall maintain adequate records of Services provided in sufficient detail to permit an evaluation of Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. VENDOR shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records at VENDOR's office; shall permit City to make copies and transcripts there from as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. If there is a substantial billing deviation adverse to City, then the cost of an audit shall be borne by CONSULTANT. Such records, together with supporting documents, shall be maintained at City Hall for a minimum period of five (5) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the Services to be performed pursuant to this Agreement shall become the sole property of City and may be used, reused, or otherwise disposed of by City without the permission of VENDOR. With respect to computer files, VENDOR shall make available to City, at City's office and upon reasonable written request by City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

10. RECORD AUDIT

In accordance with Government Code, Section 8546.7, for expenditures of greater than $10,000, records of both City and VENDOR shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.

11. INDEMNIFICATION

VENDOR shall indemnify, defend with legal counsel approved by City, and hold harmless City, its officers, employees, agents, and volunteers (collectively, City) from and against all liability, loss, damage, expense, cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with VENDOR's negligence, recklessness or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole or active negligence or willful misconduct of the City. Should conflict of interest principles preclude a single legal counsel from representing both City and VENDOR, or should City otherwise find VENDOR's legal counsel unacceptable, then VENDOR shall reimburse the City its costs of defense, including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation. The VENDOR shall promptly pay any final judgment rendered against the City (and its officers, employees, agents and volunteers) with respect to claims determined by a trier of fact to have been the result of the VENDOR's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

VENDOR obligations under this section apply regardless of whether such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or penalty, or liability was caused in part or contributed to by City. However, without affecting the rights of City under any provision of this agreement, VENDOR shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of VENDOR will be for that entire portion or percentage of liability not attributable to the active negligence of City.

No City officer, employee or agent shall be personally liable to VENDOR, in the event of any default or breach by City or for any amount that may become due to VENDOR.

12. INSURANCE

Without limiting VENDOR's indemnification of City, and prior to commencement of work, VENDOR shall obtain, provide, and maintain at its own expense during the term of this AGREEMENT, policies of insurance of the type and amounts described in Exhibit C and in a form that is satisfactory to City.

13. INDEPENDENT CONTRACTOR

a. VENDOR is and shall at all times remain as to City a wholly independent contractor. The personnel performing the services under this Agreement on behalf of VENDOR shall at all times be under VENDOR's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of VENDOR or any of VENDOR's officers, employees, or agents, except as set forth in this Agreement. VENDOR shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. VENDOR shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to VENDOR in connection with the performance of this Agreement. Except for the fees paid to VENDOR as provided in the Agreement, City shall not pay salaries, wages, or other compensation to VENDOR for performing services hereunder for City. City shall not be liable for compensation or indemnification to VENDOR for injury or sickness arising out of performing services hereunder.

c. Any and all employees or sub-contractors of VENDOR under this Agreement, while engaged in the performance of any work or services required by VENDOR under this Agreement, shall be considered employees or sub-contractors of VENDOR only and not of City. Any and all claims that may arise under the Workers' Compensation Act on behalf of said employees or sub-contractors, while so engaged and all claims made by a third party as a consequence of any negligent act or omission on the part of the VENDOR's employees or sub-contractors, while so engaged in any of the work or services provided for or rendered herein shall not be City's obligation.

14. SUBCONTRACTORS

Before Vendor retains or hires a subcontractor to provide any work, labor, or services relative to this AGREEMENT, VENDOR must:

a. Present the name and identifying information of the subcontractor that will provide any work, labor, or services to City.

b. Present to the City the form of subcontract that will be used with the subcontractor for City's approval, which approval will not be unreasonably withheld. Such subcontract AGREEMENT must include an indemnity agreement that is generally in accord with the indemnity obligations contained in Section 11 of this Agreement and must specifically name the City as an indemnified party; and

c. Secure from the subcontractor evidence of insurance coverage that meets with this Agreement including naming the City as an additional insured as required by this Agreement, unless such requirement is waived in writing by the City.

15. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

No City officer, employee of City, or their designees or agents, and no public officer who exercises authority over or responsibilities with respect to the Services provided under the Agreement during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Services performed under this Agreement.

16. CONFLICT OF INTEREST

VENDOR shall at all times avoid conflicts of interest, or the appearance of conflicts of interest, in the performance of this Agreement, and shall comply with the City's conflict of interest code.

If City determines VENDOR comes within the definition of Contractor under the Political Reform Act (Government Code §87100 et seq.), VENDOR shall complete and file and shall require any other person performing Services under this Agreement to complete and file a "Statement of Economic Interest" with City disclosing VENDOR's and/or such other person's financial interests.

17. NO WAIVER OF BREACH/TIME

The waiver by City of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement. Time is of the essence in carrying out the duties hereunder.

18. CONFIDENTIAL INFORMATION/RELEASE OF INFORMATION

a. All information gained by VENDOR in performance of this Agreement shall be considered confidential and shall not be released by VENDOR without City's prior written authorization. VENDOR, its officers, employees, agents, or sub-contractors, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided VENDOR gives City notice of such court order or subpoena.

b. VENDOR shall promptly notify City should VENDOR, its officers, employees, agents, or sub-contractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the Services performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to

represent VENDOR and/or be present at any deposition, hearing, or similar proceeding. VENDOR agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by VENDOR. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

19. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: (City Employee/Department)
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

To Vendor: _____
_____
_____
_____

Notice is effective on the date of personal service, or 5 days following deposit in a United States mailbox, or date of postmark. The parties may agree to notice by email.

20. THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

21. ASSIGNMENT

VENDOR shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of City. Subject to the foregoing, all terms of the Agreement will be binding upon, enforceable by and inure to the benefit of the parties and their successors and assigns.

22. GOVERNING LAW

City and VENDOR understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in Monterey County, or the federal district court with jurisdiction over the City. VENDOR agrees not to commence or prosecute any dispute arising out of or in connection with this Agreement other than in the aforementioned courts and irrevocably consents to the exclusive personal jurisdiction and venue of the aforementioned courts.

23. DISPUTE RESOLUTION; ATTORNEY'S FEES

VENDOR shall continue to perform under this Agreement during any dispute. VENDOR and City hereby agree to make good faith efforts to resolve disputes as quickly as possible. In the event any dispute arising from or related to this Agreement results in litigation or arbitration, the prevailing party shall be entitled to recover all reasonable costs incurred, including court costs, attorney fees, expenses for expert witnesses (whether or not called to testify), expenses for accountants or appraisers (whether or not called to testify), and other related expenses. Recovery of these expenses shall be as additional costs awarded to the prevailing party, and shall not require initiation of a separate legal proceeding.

24. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of VENDOR warrants and represents that they have the authority to execute this Agreement on behalf of the VENDOR and the authority to bind VENDOR to the performance of its obligations hereunder.

25. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to their obligations described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

26. AMENDMENT

a. Any modification or amendment to this Agreement must be in writing.

b. Neither City nor VENDOR shall be deemed to have waived any obligation of the other, or to have agreed to any modification to this Agreement unless it is in writing, and signed by the party giving the waiver.

27. INTERPRETATION OF CONFLICTING PROVISIONS

In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control

28. SEVERABILITY

If any term of this Agreement is held invalid by a court of competent jurisdiction or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF PACIFIC GROVE	VENDOR
By:_____	By:_____
Department Director	Vendor
Date: _____	Date: _____
By: _____	By: _____
City Manager or Mayor	City Administrative Services Department
Date: _____	Date: _____

Approved As To Form: _____
City Attorney

_____
Date

Attachments: Exhibit A Scope of Services
Exhibit B Payment Schedule

Exhibit C Insurance Requirements
[Exhibit D Request for Proposal]
[Exhibit E Vendor's Proposal]

Exhibit A

Scope of Work/Services

Exhibit B

Insurance Specifications

General liability insurance. VENDOR shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. VENDOR shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the VENDOR arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Umbrella or excess liability insurance. [Optional depending on limits required] VENDOR shall obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;
- Pay on behalf of wording as opposed to reimbursement;
- Concurrency of effective dates with primary policies;
- Policies shall "follow form" to the underlying primary policies; and
- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Workers' compensation insurance. VENDOR shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000).

VENDOR shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

Other provisions or requirements

Proof of insurance. VENDOR shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. VENDOR shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Work hereunder by VENDOR, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by VENDOR shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

Agency's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by VENDOR or City will withhold amounts sufficient to pay premium from VENDOR payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, employees and volunteers or shall specifically allow VENDOR or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. VENDOR hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). VENDOR acknowledges and agrees that any actual or alleged failure on the part of the City to inform VENDOR of non-compliance with any requirement imposes no additional obligations on the AGENCY nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the VENDOR maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the VENDOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. VENDOR agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, employees, and agents shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that VENDOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. VENDOR agrees to ensure that its sub-consultants, sub-contractors, and any other party involved with the project who is brought onto or involved in the project by VENDOR, provide the same minimum insurance coverage and endorsements required of VENDOR. VENDOR agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. VENDOR agrees that upon request, all AGREEMENTS with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

Agency's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the VENDOR ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the VENDOR, the City and VENDOR may renegotiate VENDOR's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

Timely notice of claims. VENDOR shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from VENDOR's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. VENDOR shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

Exhibit C

Payment Schedule

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Brian Pierik, City Attorney

MEETING DATE: February 15, 2023

SUBJECT: Scope of Public Comments At Meetings of Legislative Bodies

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

RECOMMENDATION

Hold second reading and adopt an Ordinance Amending Pacific Grove Municipal Code Section 2.04.050 Regarding Public Comment.

DISCUSSION

Minor revisions were made changing Oral Communications verbiage to General Public Comment. No substantive changes were made between the first and second reads. The City Clerk cause a summary of the ordinance to be published on February 9, 2023.

A. Summary

The general rule regarding the scope of public comment is that members of the public must be afforded the opportunity to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item that is within the subject matter jurisdiction of the legislative body during a regular meeting.

So long as public comment regards the subject matter jurisdiction of the agency – meaning anything that is before, or could properly be before, the Council – and does not create an actual disturbance that impedes the meeting from continuing, the public comment must be allowed. However, the public comment may be excluded if it causes actual disturbances or impedes a public meeting and the presiding member of the legislative body first warns the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal.

B. Government Code Sections

Government Code Section 54954.3 (a) provides, in part, that every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action has been lawfully added after the posting of the agenda.

Government Code Section 54954.3 (b)(1) provides, in part, that the legislative body of a local agency

may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

Government Code Section 54954.3 (c) provides, in part, that the legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body.

On January 1, 2023, Government Code Section §54957.95 became effective provides that the presiding member of the legislative body conducting a meeting or their designee may remove, or cause the removal of, an individual for disrupting the meeting. Prior to removing an individual, the presiding member or their designee must first warn the individual (unless the behavior constitutes a use of force or a true threat of force) that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding member or their designee may then cause the removal of the individual if they do not promptly cease their disruptive behavior. "Disrupting" means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting.
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C. Proposed Ordinance To Amend Pacific Grove Municipal Code Section 2.04.050 Subsection (d)

Attachment 1 is Pacific Grove Municipal Code Section 2.04.050 as it currently exists. Attachment 2 shows the proposed track changes to Section 2.04.050. Attachment 3 is the proposed Ordinance to amend Section 2.04.050 (d).

1. Pacific Grove Municipal Code Section 2.04.050 subsection (d) currently reads:

(d) Comments from the Audience. The purpose of the city council agenda item allowing comments from the audience is to provide the public an opportunity to address the council on matters within the subject matter jurisdiction of the city. Comments will be received on items either on or not on the agenda. (Comments on nonconsent agenda items will be heard when the matter is addressed by council.) Whenever possible, letters should be submitted to the council in advance of the meeting. The following rules and regulations govern the comments from the audience item on the agenda:

(1) The subject matter must be a matter of concern or interest to the city and/or within the purview of the council's authority to determine policy. It shall be the responsibility of the chair to stop the speaker if there is a deviation from such subject matter.

(2) Persons wishing to address the council must come to the podium and will be asked to state their name, address and subject matter of their communication. (Refusal to provide any or all of this information is not grounds to deny speakers' privileges.)

(3) Comments to the council under this section shall be limited to three minutes.

(4) Council or staff may briefly respond (but shall not engage in discussion or dialogue) to statements or questions, may ask questions for clarification, and may refer matters raised by statements for further consideration at a later date.

(5) These rules regarding comments from the audience may be suspended at any time by an affirmative vote of no fewer than four councilmembers.

2. Recommendation: It is recommended that Section 2.04.050 subsection (d) be revised to replace

the current language in subsection (d) with the following:

(d) Public Comment
(1) The City Council may adopt a policy or policies to ensure that the public will be provided an opportunity to address the City Council on matters on the Agenda and on matters not on the Agenda that are within the subject matter jurisdiction of the City Council.
(2) The City Council shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the City Council.
This change to the Municipal Code will allow the City Council with the flexibility to make changes as may be necessary by revising existing policies and/or adopting a new policy including the amendment discussed below.
D. Proposed Amendment to Council Policy 000-17
Attachment 4 to this Agenda Report is a copy of the current Council Policy 000-17. Attachment 5 to this Agenda Report contains track changes which are proposed to Council Policy 000-17. Attachment 6 to this Agenda Report is Council Policy 000-17 which includes the proposed changes.
The proposed changes to Council Policy 000-17 are consistent with the requirements of Government Code Sections mentioned above in this Agenda Report including Sections 54954.3; 54957.9 and 54957.95.

Here are the proposed amendments to Section 4 of Council Policy 000-17:

4. Public Comment

These are comments from the public on matters that are on the agenda (including the Consent Agenda) as well as for matters not on the agenda during General Public Comment which are within the subject matter jurisdiction of the City.

Persons who wish to address the Council shall use the microphone and are asked to state their name. It is helpful if speakers also indicate the subject matter of their comments. (Note: Even if a speaker refuses to state his or her name or the subject matter of the comment, the speaker shall not be denied the right to speak.) Accommodations will be made for persons with disabilities.

Public comment shall be limited to three minutes per speaker for each item on the Agenda. For General Public Comment, each speaker shall be limited to three minutes.

In the discretion of the Mayor, the length of the public comment on an item on the Agenda may be reduced to lower than three minutes when appropriate based on the number of speakers for an item and/or the Mayor may limit the total time for public comment on an item on the Agenda.

Communication to the Council under General Public Comment will be received without comment while the public comment period is open. When public comment during General Public Comment is closed, questions from the public may be referred to staff for a brief response.

Pursuant to Government Code Section 54954.3 (c), the City Council shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body.

Pursuant to Government Code Section 54957.9, in the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the Mayor

may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. After the meeting room has been cleared, the Mayor may readmit an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

Pursuant to Government Code Section 54957.95, the Mayor may cause the removal of any individual for disrupting the meeting subject to the following rules:

(1) Prior to removing an individual, the Mayor shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal.

(2) The Mayor may then cause the removal of the individual if they do not promptly cease their disruptive behavior.

(3) "Disrupting" means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, one of the following: (A) A failure to comply with reasonable and lawful regulations adopted by a legislative body pursuant to Section 54954.3 or any other law. (B) Engaging in behavior that constitutes use of force or a true threat of force.

(4) "True threat of force" means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

(5) If there has been a use of force or a true threat of force, there is no obligation for the Mayor to provide a warning to the individual before causing the individual to be removed from the meeting.

OPTIONS

Do not adopt Proposed Ordinance.

FINANCIAL IMPACT:

There is no fiscal impact.

GOAL ALIGNMENT: Not Applicable.

Attachments

1 - PGMC Section 2.04.050 Current Version

2 - PGMC Section 2.04.050 Proposed revisions in track changes

3 - Proposed Ordinance No ___ amending PGMC Section 2.04.050

ATTACHMENT 1

2.04.050 Agenda and consideration of unlisted matters.

(a) Order of Agenda. The city manager shall prepare, circulate and post in conformity with the provisions of the Ralph M. Brown Act and council policy, not less than 72 hours before any regular and special council meetings, an agenda, which shall list and describe the items to be considered at the meeting.

(b) Emergency Meetings. Agendas for emergency situations as defined by Section 54956.5 of the California Government Code shall comply with noticing prescribed in Section 54956.5.

(c) Request. Any councilmember may place items on the agenda by requesting the city manager to do so by 12:00 noon on Wednesday of the week preceding a regular council meeting, and three days in advance of any special meeting, except that special meetings called during any meeting of the council shall have those items on the agenda for which request has been made in open council meeting without further request. The city manager may also place items on the agenda which he or she deems of interest to the council.

(d) Comments from the Audience. The purpose of the city council agenda item allowing comments from the audience is to provide the public an opportunity to address the council on matters within the subject matter jurisdiction of the city. Comments will be received on items either on or not on the agenda. (Comments on nonconsent agenda items will be heard when the matter is addressed by council.) Whenever possible, letters should be submitted to the council in advance of the meeting. The following rules and regulations govern the comments from the audience item on the agenda:

(1) The subject matter must be a matter of concern or interest to the city and/or within the purview of the council's authority to determine policy. It shall be the responsibility of the chair to stop the speaker if there is a deviation from such subject matter.

(2) Persons wishing to address the council must come to the podium and will be asked to state their name, address and subject matter of their communication. (Refusal to provide any or all of this information is not grounds to deny speakers' privileges.)

(3) Comments to the council under this section shall be limited to three minutes.

(4) Council or staff may briefly respond (but shall not engage in discussion or dialogue) to statements or questions, may ask questions for clarification, and may refer matters raised by statements for further consideration at a later date.

(5) These rules regarding comments from the audience may be suspended at any time by an affirmative vote of no fewer than four councilmembers.

(e) Minutes shall be prepared following all council meetings and shall provide a record of when and where a meeting took place, who was present, type of meeting, what was considered, and any action taken and the vote or abstention on that action of each member present for the action pursuant to California Government Code Section 54953(c)(2).

(f) Reportable actions taken by council in closed session shall be reported when council next convenes in open session in compliance with the Ralph M. Brown Act. [Ord. 21-025 § 2, 2021; Ord. 01-08 § 1, 2001; Ord. 1953 N.S. § 2, 1994; Ord. 1832 N.S. § 2, 1992; Ord. 1812 N.S. § 2, 1991; Ord. 1806 N.S. § 2, 1991; Ord. 1774 N.S. § 2, 1991; Ord. 1556 N.S. § 1, 1986; Ord. 1493 N.S., 1985; Ord. 1338 N.S. § 1, 1983; Ord. 1101 N.S. § 1, 1979; Ord. 1047 N.S. § 1, 1978; Ord. 920 N.S. § 1, 1977; Ord. 847 N.S. § 1, 1975; Ord. 541 N.S., 1966].

ATTACHMENT 2

2.04.050 Agenda and consideration of unlisted matters.

(a) Order of Agenda. The city manager shall prepare, circulate and post in conformity with the provisions of the Ralph M. Brown Act and council policy, not less than 72 hours before any regular and special council meetings, an agenda, which shall list and describe the items to be considered at the meeting.

(b) Emergency Meetings. Agendas for emergency situations as defined by Section 54956.5 of the California Government Code shall comply with noticing prescribed in Section 54956.5.

(c) Request. Any councilmember may place items on the agenda by requesting the city manager to do so by 12:00 noon on Wednesday of the week preceding a regular council meeting, and three days in advance of any special meeting, except that special meetings called during any meeting of the council shall have those items on the agenda for which request has been made in open council meeting without further request. The city manager may also place items on the agenda which he or she deems of interest to the council.

(d) Public Comment

(1) The City Council may adopt a policy or policies to ensure that the public will be provided an opportunity to address the City Council, and other legislative bodies of the City, on matters on the Agenda and on matters not on the Agenda that are within the subject matter jurisdiction of the legislative body.

(2)` The City Council, and other legislative bodies of the City, shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the City Council and other legislative bodies of the City.

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~~(d) Comments from the Audience. The purpose of the city council agenda item allowing comments from the audience is to provide the public an opportunity to address the council on matters within the subject matter jurisdiction of the city. Comments will be received on items either on or not on the agenda. (Comments on nonconsent agenda items will be heard when the matter is addressed by council.) Whenever possible, letters should be submitted to the council in advance of the meeting. The following rules and regulations govern the comments from the audience item on the agenda:~~

~~(1) The subject matter must be a matter of concern or interest to the city and/or within the purview of the council's authority to determine policy. It shall be the responsibility of the chair to stop the speaker if there is a deviation from such subject matter.~~

~~(2) Persons wishing to address the council must come to the podium and will be asked to state their name, address and subject matter of their communication. (Refusal to provide any or all of this information is not grounds to deny speakers' privileges.)~~

~~(3) Comments to the council under this section shall be limited to three minutes.~~

~~(4) Council or staff may briefly respond (but shall not engage in discussion or dialogue) to statements or questions, may ask questions for clarification, and may refer matters raised by statements for further consideration at a later date.~~

~~(5) These rules regarding comments from the audience may be suspended at any time by an affirmative vote of no fewer than four councilmembers.~~

~~(d) Comments from the Audience. The purpose of the city council agenda item allowing comments from the audience is to provide the public an opportunity to address the council on matters within the subject matter jurisdiction of the city. Comments will be received on items either on or not on the agenda. (Comments on nonconsent agenda items will be heard when the matter is addressed by council.) Whenever possible, letters should be submitted to the council in advance of the meeting. The following rules and regulations govern the comments from the audience item on the agenda:~~

(f) Reportable actions taken by council in closed session shall be reported when council next convenes in open session in compliance with the Ralph M. Brown Act. [Ord. 21-025 § 2, 2021; Ord. 01-08 § 1, 2001; Ord. 1953 N.S. § 2, 1994; Ord. 1832 N.S. § 2, 1992; Ord. 1812 N.S. § 2, 1991; Ord. 1806 N.S. § 2, 1991; Ord. 1774 N.S. § 2, 1991; Ord. 1556 N.S. § 1, 1986; Ord. 1493 N.S., 1985; Ord. 1338 N.S. § 1, 1983; Ord. 1101 N.S. § 1, 1979; Ord. 1047 N.S. § 1, 1978; Ord. 920 N.S. § 1, 1977; Ord. 847 N.S. § 1, 1975; Ord. 541 N.S., 1966].

ATTACHMENT 3

ORDINANCE NO. 20-____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING SECTION 2.04.050 OF THE PACIFIC GROVE MUNICIPAL CODE REGARDING PUBLIC COMMENT

FACTS

1. Pacific Grove Municipal Code Section 2.04.050 is entitled "Agenda and consideration of unlisted matters."

2. Pacific Grove Municipal Code Section 2.04.050 should revised to allow for the Council policies to specify the rules regarding public comment at meetings of the City Council and other legislative bodies.

3. Pacific Grove Municipal Code Section 2.04.050 should also be revised to confirm that the City Council, and other legislative bodies of the City, shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the City Council and other legislative bodies of the City.

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

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

SECTION 1. Incorporation of Facts. The City Council hereby finds that the foregoing Facts are true and correct and incorporates those Facts here by this reference.

SECTION 2. Revision to Pacific Grove Municipal Code Section 2.04.050 (d).

Pacific Grove Municipal Code Section 2.04.050 (d) is to be replaced in its entirety and shall read as follows:

(d) Public Comment

(1) The City Council may adopt a policy or policies to ensure that the public will be provided an opportunity to address the City Council, and other legislative bodies of the City, on matters on the Agenda and on matters not on the Agenda that are within the subject matter jurisdiction of the legislative body.

(2) The City Council, and other legislative bodies of the City, shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the City Council and other legislative bodies of the City.

SECTION 3. Severability. If any provision, section, paragraph, sentence, clause or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

SECTION 4. Effective Date. In accord with Article 15 of the City Charter, this ordinance shall become effective on the thirtieth (30th) day following its adoption.

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

AYES:

NOES:

ABSENT:

APPROVED:

_____
BILL PEAKE, Mayor

ATTEST:

DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Mark Sullivan, Accountant

MEETING DATE: February 15, 2023

SUBJECT: Second Quarter Capital Project Budget Report & Update

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

RECOMMENDATION

Receive the report.

DISCUSSION

In Fiscal Year 19/20, the City added capital improvement budgetary updates to the Quarterly Budget Report. In response to recommendations received from the Council Finance Reporting Subcommittee, this information is now presented in a separate report. An additional column reflecting the Adopted Budget has been added based on Council direction.

The attached report provides information on the Adopted and Amended Budgets for each capital improvement project, as well as expenditures. The Amended Budget column references projects that were approved in the last fiscal year but were not completed by June 30, 2022.

As of December 31, 2022, approximately 15.9% of the funds included in the Fiscal Year 22/23 Amended Budget have been expended. The CIP Update report has more details on project phases, the number of projects in each phase, and notable accomplishments achieved during the quarter.

OPTIONS

N/A

FINANCIAL IMPACT:

There is no financial impact associated with receiving this report.

GOAL ALIGNMENT: Not Applicable.

Attachments

22-23 Q2 CIP budget report

22-23 Q2 CIP Update

Capital Improvement Project Budget Report
Second Quarter - Fiscal Year 22/23

Project	Fund Name	Fund	Account	Project Name	Adopted Budget	Amended Budget	Expenditures as of 12/31/22
CIP22-04	Museum Improvement	08	6021	Museum Window Replacement & Lead Abatement	$ -	$ 39,075	$ 39,233
CIP22-06	Museum Improvement	08	6021	Museum Roof Repair	-	59,142	162
CIP23-07	Museum Improvement	08	6021	Museum Mezzanine Upgrades	75,000	75,000	-
CIP23-08	Museum Improvement	08	6021	Museum Basement Moisture Control	40,000	40,000	-
		08 Total			***$ 115,000***	***$ 213,217***	***$ 39,395***
CIP22-01	Local Streets and Roads	17	6041	FY 21/22 Street Rehabilitation	$ -	$ 123,513	$ 236,647
CIP22-02	Local Streets and Roads	17	6041	FY 21/22 Crack & Slurry Seal	-	91,144	41,174
CIP23-01	Local Streets and Roads	17	6041	FY 22/23 Street Rehabilitation Project	396,304	396,304	-
CIP23-02	Local Streets and Roads	17	6041	FY 22/23 Crack & Slurry Seal	100,000	100,000	-
CIP23-04	Local Streets and Roads	17	6041	David Ave Street Rehabilitation	400,000	400,000	8,322
		17 Total			***$ 896,304***	***$ 1,110,961***	***$ 286,143***
CIP23-09	Gas Tax	18	6041	Street Sign Upgrades	$ 30,000	$ 30,000	$ -
		18 Total			***$ 30,000***	***$ 30,000***	***$ -***
CIP23-03	RSTP (TAMC)	20	6041	Cedar, Sunset, & Congress Intersection	$ 1,000,000	$ 1,000,000	$ -
		20 Total			***$ 1,000,000***	***$ 1,000,000***	***$ -***
CIP20-14	Recreation Donation	25	6051	Youth Center Heater	$ -	$ 8,500	$ -
		25 Total			***$ -***	***$ 8,500***	***$ -***
CIP23-05	Lighthouse	27	6021	Point Pinos Lighthouse Roof Repair	$ 60,000	$ 60,000	$ -
		27 Total			***$ 60,000***	***$ 60,000***	***$ -***
CIP22-09	Yount Income Fund	41	6031	GW Park Management Plan	$ -	$ 12,929	$ 3,683
		41 Total			***$ -***	***$ 12,929***	***$ 3,683***
CIP21-05	Strong Disbursement	46	6021	ADA Compliance Assessment & Transition Plan	$ 26,550	$ 26,550	$ -
CIP22-12	Strong Disbursement	46	6021	Del Monte Blvd Storm Drain Improvements	75,524	75,524	-
		46 Total			***$ 102,074***	***$ 102,074***	***$ -***
CIP22-01	RMRA SB1	47	6041	FY 21/22 Street Rehabilitation	$ -	$ 310,428	$ 250,688
CIP23-01	RMRA SB1	47	6041	FY 22/23 Street Rehabilitation Project	354,138	354,138	-
		47 Total			***$ 354,138***	***$ 664,566***	***$ 250,688***
CIP18-46	Capital Improvement	63	6031	Tide Pool & Point Pinos	$ 37,953	374,198	$ 8,070
CIP22-01	Capital Improvement	63	6041	FY 21/22 Street Rehabilitation	-	5,690	2,562
CIP22-12	Capital Improvement	63	6054	Del Monte Blvd Storm Drain Improvements	75,000	75,000	134
TRC21-02 [(1)]	Capital Improvement	63	6021	PW Fire and Reconstruction	787,500	990,082	226,665
CIP23-01	Capital Improvement	63	6041	FY 22/23 Street Rehabilitation Project	300,000	300,000	68,979
CIP23-02	Capital Improvement	63	6041	FY 22/23 Crack & Slurry Seal	200,000	200,000	2,252
		63 Total			***$ 1,400,453***	***$ 1,944,970***	***$ 308,661***

Capital Improvement Project Budget Report
Second Quarter - Fiscal Year 22/23

Project	Fund Name	Fund	Account	Project Name	Adopted Budget	Amended Budget	Expenditures as of 12/31/22
CIP20-13	Sewer	76	6051	Main Sewer Line Imp (Ovb W/ Phase 4 Urban Diversion)	$ -	$ 130,020	$ 1,760
CIP22-01	Sewer	76	6051	FY 21/22 Street Rehabilitation	-	363,758	273,345
CIP22-03	Sewer	76	6051	Phase 9 Sewer Improvements	850,000	1,045,106	38,849
CIP23-01	Sewer	76	6051	FY 22/23 Street Rehabilitation Project	250,000	250,000	9,992
CIP23-06	Sewer	76	6051	Pump Station Replacement	110,000	110,000	-
		76 Total			***$ 1,210,000***	***$ 1,898,884***	***$ 323,946***
CIP22-11	Golf Course	77	6021	Golf Course Clubhouse HVAC Replacement	$ -	$ 25,000	$ 23,608
		77 Total			***$ -***	***$ 25,000***	***$ 23,608***
CIP22-12	ARPA	84	6021	Del Monte Blvd Storm Drain Improvements	$ -	$ 132,351	$ -
CIP22-21	ARPA	84	6031	GW Park Playground & ADA Compliant Playground	-	25,000	-
CIP22-17	ARPA	84	6031	Caledonia Park Children'S Picnic Area	-	6,173	-
CIP23-10	ARPA	84	6021	Fire Station Roof Repair	35,000	35,000	-
CIP23-11	ARPA	84	6021	Fire Dept. Exhaust System/HVAC & Filtration Cleaning	20,000	20,000	18,178
CIP23-12	ARPA	84	6021	Fire Dept. Bathroom & Shower Remodel	50,000	50,000	-
CIP23-13	ARPA	84	6021	Chautauqua Hall Bathroom Repairs	27,000	27,000	-
CIP23-14	ARPA	84	6021	Chautauqua Hall Main Roof Repairs	54,000	54,000	163
CIP23-15	ARPA	84	6021	Crespi Pond Bathroom Replacement	50,000	50,000	-
CIP23-16	ARPA	84	6041	Wig-Wag Lights At Robert Down School	20,000	20,000	-
CIP23-17	ARPA	84	6021	Chautauqua Hall Preservation Plan	25,000	25,000	-
CIP23-18	ARPA	84	6021	City Hall Roof Repair	80,000	80,000	-
CIP23-19	ARPA	84	6031	Purple Pipe Project	120,000	120,000	10,140
CIP23-20	ARPA	84	6031	Skate Park	158,000	158,000	2,605
CIP23-21	ARPA	84	6041	David Ave Sidewalk	360,000	360,000	4,708
CIP23-22	ARPA	84	6031	Recreation Board's Park Inventory	50,000	50,000	11,285
		84 Total			***$ 1,049,000***	***$ 1,212,524***	***$ 47,079***
CIP22-13	McIndoo Donation	92	6031	Backstop Replacement Municipal Ball Park	$ 17,529	$ 17,529	$ -
		92 Total			***$ 17,529***	***$ 17,529***	***$ -***
CIP22-10	Koo Estate Donation	93	6031	Lovers' Point Pier Repair	$ -	$ 63,429	$ 47,202
CIP22-13	Koo Estate Donation	93	6031	Backstop Replacement Municipal Ball Park	7,000	7,000	-
		93 Total			***$ 7,000***	***$ 70,429***	***$ 47,202***
(1) Amended budget reflects PW estimate of remaining costs and will be adjusted at mid-year							
				Grand Total	***$ 6,241,498***	***$ 8,371,583***	***$ 1,330,404***
				Percentage Expended			***15.9%***

FY22/23 Q2
Capital Improvement Project (CIP) Update

This report provides an update on the City's 39 CIP projects.

PROJECT PHASE*	# OF PROJECTS
Project Development	15
RFP/Bids	6
Contract	1
Construction/Work in Progress	12
Complete	5

*****Definitions of project phases can be found below.*

Throughout the fiscal year, staff works diligently on executing the CIP. Successfully completing a project generally requires progression through the following project phases. Below is an update on notable project accomplishments for the current quarter.

Notable Q2 Accomplishment

Project Development Phase
The project development phase is the starting phase for each project. It requires determination of vital project details in anticipation of the RFP/bid phase. This often requires engineering, development of specifications and/or construction drawings and plans.

Notable Quarterly Accomplishments for the Project Development Phase:

- Completed engineering of $1.9M of road and sewer rehabilitation associated with the City's FY22/23 Street Rehab Project; Successfully coordinated with California American Water to allow for water main replacements in coordination with the City's road projects.
- Internal review of an Initial Study/Mitigated Negative Declaration for the Phase 9 Sewer Improvement Project.
- Release of the community skatepark survey (open from 11/18/22-12/23/22) and survey analysis. Survey results, and immediate next steps, are available on the project. website: www.cityofpg.org/skateparkproject.
- Commencement of design of the Fire Station Bathroom & Shower Remodel Project.

RFP/Bid Phase.
This phase requires solicitation and review of proposals/bids, as well as a selection of a consultant or contractor to provide the specific commodity or service within the parameters outlined in the Pacific Grove Municipal Code.

Notable Quarterly Accomplishments for the Bids/RPS Phase:

- Drafted and released a Request for Qualifications (RFQ) for the intersection safety improvements project on State Route 68 at the Cedar St, Congress Ave, and Sunset Dr.
- Drafted and released RFQ for the Pump Station 15.5 Replacement Project.
- Finalized plans, specifications, and released a call for bids for the FY22/23 Street Rehabilitation Project.
- Drafted a Request for Proposals for the George Washington Park play equipment project; currently under internal review and will be released in February.

Contract Phase
The contract phase ensures the City has legally binding agreements with the entities performing work. This phase also requires City Council authorization of agreements over $40,000.

Notable Quarterly Accomplishments for projects in the Contract Phase:

- A contract award was brought forth to the Council at the February 1, 2023 meeting, for the Del Monte Blvd. Storm Water Improvement Project.
- Contract executed for Chataqua Hall Main Roof Repairs; construction to commence shortly pending delivery of roofing materials.

Construction/Work in Progress.
This phase of the project often includes street closures and ground disturbance to install new infrastructure and/or repair existing infrastructure. CIP projects are not solely limited to traditional construction projects, the City has several essential projects that are more inconspicuous. Examples include interior improvements to city facilities and preparation of environmental documents or plan sets for multiyear infrastructure projects. In the latter scenario, the first year of funding is often designated solely for design or environmental document preparation, and subsequent years for construction.

Notable Quarterly Accomplishments for projects in the Bids/RPS Phase:

- Construction of the Public Works Fire Repair Project continues. Notable construction updates include completion of the metal warehouse construction and installation of a new roof on the Public Works Administrative Office; electrical repairs will commence in the coming month.
- Commencement of construction of the Roof Repair Project at the Pacific Grove Museum of Natural History.
- Fire station roof repair project construction scheduled to commence in mid-February 2023.
- George Washington Management Plan reviewed by the Beautification and Natural Resources Commission (BNRC) at their November 15, 2022, meeting; it is anticipated that the item will be brought forth to the City Council in March 2023.
- Completed installation of the Fire Department Niederman Exhaust System.
- Completed Window Repair and Lead Abatement Project at the Pacific Grove Museum of Natural History.
- Completed installation of new heater at the Youth Center.

Other Relevant CIP Updates
This section provides relevant updates on CIP projects and administration.

- Receipt of a Transportation Excellence Project of the Year Award from the Transportation Agency of Monterey County (TAMC) Board for the Point Pinos Coastal Trail Project.
- Receipt of a Project of the Year Award from the American Public Works Association (APWA), Monterey Bay Chapter for the Point Pinos Coastal Trail Project.
- Development of the capital projects module in the City's new Transparency Software which is anticipated to "go-live" on February 3, 2023.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Audrey Cray, Finance & Risk Manager

MEETING DATE: February 15, 2023

SUBJECT: Check Register Report - January 2023

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

RECOMMENDATION

Receive the report.

DISCUSSION

The check register is a detailed account of monthly expenditures. It provides budgetary insight and promotes transparency. It is an excellent counterpart to the City's monthly Core Revenue Report; and is a practice followed by many other local jurisdictions.

The check register is produced from the City's financial system. The report groups the checks by the respective city fund and vendor. The check register includes the check number, the check issue date, the name of the vendor, and a description of the purchase and the amount of the check.

Attached is the check register report for January 2023.
The monthly total is provided on the last page of the report.

OPTIONS

N/A - This is an informational report only.

FINANCIAL IMPACT:

There is no fiscal impact. This is informational only.

GOAL ALIGNMENT: Not Applicable.

Attachments

Check Register - January 2023

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104800	01/06/23	5621	ACCENT CLEAN & SWEE	504	5201	FY22/23 STREET SWEE	0.00	17,100.00
101	104801	01/06/23	7555	ADT SECURITY SERVIC	503	5223	SECURITY	0.00	1.00
101	104802	01/06/23	8330	AMAZON CAPITAL SERV	501	5301	PAPER	0.00	56.78
101	104803	01/06/23	8818	AMAZON.COM	401	5303	ZIPBOOKS	0.00	59.51
101	104804	01/06/23	9828	ANGELA CHAVEZ	01	214	DEPOSIT REFUND	0.00	196.00
101	104805	01/06/23	9430	ARAMARK UNIFORM & C	301	5201	DEPARTMENT LINEN AN	0.00	114.85
101	104805	01/06/23	9430	ARAMARK UNIFORM & C	301	5201	DEPARTMENT LINEN AN	0.00	114.85
101	104805	01/06/23	9430	ARAMARK UNIFORM & C	301	5201	DEPARTMENT LINEN AN	0.00	114.85
TOTAL CHECK								0.00	344.55
101	104807	01/06/23	9805	AT&T	133	5206	LH INTERNET 3200212	0.00	100.23
101	104808	01/06/23	5363	AT&T CALNET 3	133	5212	ADMIN 10/28-11/27/2	0.00	23.65
101	104808	01/06/23	5363	AT&T CALNET 3	133	5206	LIB INTRNT 11/7-12/	0.00	186.20
TOTAL CHECK								0.00	209.85
101	104809	01/06/23	213	BAKER & TAYLOR COMP	401	5301	LIBRARY SUPPLIES	0.00	13.83
101	104809	01/06/23	213	BAKER & TAYLOR COMP	401	5301	LIBRARY SUPPLIES	0.00	85.71
101	104809	01/06/23	213	BAKER & TAYLOR COMP	401	5301	BOOKS & MATERIALS	0.00	191.12
101	104809	01/06/23	213	BAKER & TAYLOR COMP	401	5303	BOOKS & MATERIALS	0.00	1,342.52
TOTAL CHECK								0.00	1,633.18
101	104810	01/06/23	6329	BURKE, WILLIAMS & S	111	5203	CITY ATTORNEY SERVI	0.00	23,842.50
101	104811	01/06/23	5303	VERIZON BUSINESS	301	5206	VERIZON PORT ACCESS	0.00	583.66
101	104812	01/06/23	4061	GREG PATTERSON	503	5223	PW YARD GATE	0.00	361.97
101	104813	01/06/23	5378	CA BUILDING STANDAR	01	231	CBSC OCT-DEC 2022	0.00	405.00
101	104814	01/06/23	395	CA DEPT OF CONSERVA	01	219	SMIP OCT-DEC 2022	0.00	1,058.28
101	104815	01/06/23	424	CA MOBILITY & PARKI	301	5261	CMPA MEMBERSHIP	0.00	250.00
101	104816	01/06/23	522	CDW GOVERNMENT INC	133	5229	VMWARE CARBON BLACK	0.00	2,299.00
101	104818	01/06/23	5171	COMCAST	133	5206	PW INTRNT 11/28-12/	0.00	110.98
101	104818	01/06/23	5171	COMCAST	133	5206	TV SERV 12/15-01/14	0.00	18.80
101	104818	01/06/23	5171	COMCAST	133	5206	CH INTRNT 12/11-01/	0.00	163.23
TOTAL CHECK								0.00	293.01
101	104819	01/06/23	622	CHOMP	301	5291	DRAWS 11/01-11/30	0.00	27.00
101	104820	01/06/23	8332	COMMUNITY HOSPITAL	121	5201	HEALTH FAIR/EE WELL	0.00	200.00
101	104823	01/06/23	9688	DEENA HAKIM	130	5601	FACADE IMPV PROGRAM	0.00	3,024.50

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104825	01/06/23	7424	EDGES ELECTRICAL GR	351	5223	ELECTRICAL WORK	0.00	62.88
101	104826	01/06/23	4173	FASTENAL	503	5309	RAIN GEAR	0.00	327.70
101	104827	01/06/23	952	FEDERAL EXPRESS COR	121	5211	POSTAGE	0.00	33.44
101	104828	01/06/23	592	FOREST HILL ACE HAR	503	5223	HEATER	0.00	60.08
101	104829	01/06/23	1044	GALLS PARENT HOLDIN	301	5291	BATON RINGS CREDIT	0.00	-274.89
101	104829	01/06/23	1044	GALLS PARENT HOLDIN	301	5291	BATON RING	0.00	301.32
TOTAL CHECK								0.00	26.43
101	104830	01/06/23	7884	GARDAWORLD	131	5202	JANUARY 2023	0.00	85.01
101	104831	01/06/23	1105	GRANITE ROCK COMPAN	505	5309	STREET SUPPLIES	0.00	1,717.90
101	104832	01/06/23	3378	DON CHAPIN CO., INC	513	5351	TREE WELLS	0.00	4,080.00
101	104833	01/06/23	1138	GROVE MARKET	421	5361	PROGRAM SUPPLIES	0.00	4.91
101	104833	01/06/23	1138	GROVE MARKET	421	5361	PROGRAM SUPPLIES	0.00	16.26
101	104833	01/06/23	1138	GROVE MARKET	421	5361	PROGRAM SUPPLIES	0.00	25.19
TOTAL CHECK								0.00	46.36
101	104834	01/06/23	9829	GUILLERMO MAZA	01	214	DEPOSIT REFUND	0.00	196.00
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	503	5223	B&G SUPPLIES	0.00	520.54
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	503	5227	B&G VEH SUPPLIES	0.00	29.44
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	503	5223	B&G SUPPLIES	0.00	9.80
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	503	5227	B&G VEH SUPPLIES	0.00	73.49
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	503	5227	B&G VEH SUPPLIES	0.00	82.44
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	503	5223	B&G SUPPLIES	0.00	38.21
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	503	5223	B&G SUPPLIES	0.00	196.44
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	503	5223	B&G SUPPLIES	0.00	208.20
TOTAL CHECK								0.00	1,158.56
101	104836	01/06/23	8975	HEIHACHIRO TAKARABE	421	5208	TAI CHI 12/7-12/28/	0.00	140.00
101	104837	01/06/23	7433	IPS GROUP, INC	301	5224	IPS METER MAINTENAN	0.00	4,442.25
101	104838	01/06/23	9830	KAREN WILKINSON	01	214	DEPOSIT REFUND	0.00	531.00
101	104839	01/06/23	9831	KIERSTIN WEST-FERGU	01	214	DEPOSIT REFUND	0.00	531.00
101	104840	01/06/23	3521	KIMBALL MIDWEST	502	5309	MECH STOCK	0.00	82.47
101	104841	01/06/23	9826	LAPIN CONSULTING IN	121	5202	DEI PRESENTATION	0.00	13,553.16
101	104843	01/06/23	4534	HOMETEK	503	5223	MEMORIAL BENCH PROG	0.00	165.00
101	104843	01/06/23	4534	HOMETEK	503	5201	MEMORIAL BENCH PROG	0.00	165.00
TOTAL CHECK								0.00	330.00
101	104844	01/06/23	4481	DON MARTINE	01	4161	NOV TOT OVERPAYMENT	0.00	800.00

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FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104845	01/06/23	9445	MICHAEL HARVEY TRUC	505	5331	HAULING SERVICES	0.00	1,038.75
101	104846	01/06/23	3304	MIDWEST TAPE	401	5303	SALES TAX ADJUSTMEN	0.00	0.23
101	104847	01/06/23	1771	MONTEREY COUNTY SHE	301	5201	CRIMINAL JUSTICE IN	0.00	19,175.39
101	104848	01/06/23	3807	MONTEREY COUNTY WEE	101	5221	ORDINANCE 22-020	0.00	108.81
101	104849	01/06/23	7417	MP EXPRESS	301	5301	NOTICE OF CORRECTIO	0.00	184.13
101	104850	01/06/23	9834	MUNISERVICES, LLC	131	5291	ACFR REPORT SEPT 20	0.00	1,870.00
101	104851	01/06/23	4299	NOLAND, HAMERLY, ET	111	5205	ENAYATI CASE #22CV0	0.00	32.50
101	104851	01/06/23	4299	NOLAND, HAMERLY, ET	111	5205	ENAYATI CASE #22CV0	0.00	544.00
101	104851	01/06/23	4299	NOLAND, HAMERLY, ET	111	5205	ENAYATI CASE #22CV0	0.00	798.25
101	104851	01/06/23	4299	NOLAND, HAMERLY, ET	111	5205	ENAYATI CASE #22CV0	0.00	1,360.16
TOTAL CHECK								0.00	2,734.91
101	104852	01/06/23	1958	ODP BUSINESS SOLUTI	131	5301	OFFICE SUPPLIES	0.00	100.67
101	104852	01/06/23	1958	ODP BUSINESS SOLUTI	121	5301	OFFICE SUPPLIES	0.00	59.39
101	104852	01/06/23	1958	ODP BUSINESS SOLUTI	121	5301	OFFICE SUPPLIES	0.00	80.72
101	104852	01/06/23	1958	ODP BUSINESS SOLUTI	131	5301	OFFICE SUPPLIES	0.00	255.16
101	104852	01/06/23	1958	ODP BUSINESS SOLUTI	501	5301	TONER/OFFICE SUPPLI	0.00	267.54
TOTAL CHECK								0.00	763.48
101	104853	01/06/23	9576	O'REILLY AUTO ENTER	501	5227	UNIT 41	0.00	-9.32
101	104853	01/06/23	9576	O'REILLY AUTO ENTER	503	5227	UNIT 51	0.00	83.01
101	104853	01/06/23	9576	O'REILLY AUTO ENTER	301	5227	UNIT 7	0.00	50.23
TOTAL CHECK								0.00	123.92
101	104854	01/06/23	2024	PACIFIC GAS & ELECT	501	5222	PW11/29-12/27 1212-	0.00	1,165.47
101	104854	01/06/23	2024	PACIFIC GAS & ELECT	505	5222	GOLF11/30-12/28 343	0.00	15.01
101	104854	01/06/23	2024	PACIFIC GAS & ELECT	505	5222	GOLF11/30-12/28 417	0.00	234.36
101	104854	01/06/23	2024	PACIFIC GAS & ELECT	411	5802	11/15-12/14 4440-1	0.00	270.67
101	104854	01/06/23	2024	PACIFIC GAS & ELECT	421	5222	REC11/28-12/26 4030	0.00	290.33
TOTAL CHECK								0.00	1,975.84
101	104855	01/06/23	2034	PACIFIC GROVE HARDW	421	5361	PROGRAM SUPPLIES	0.00	184.51
101	104856	01/06/23	8383	POWER DMS	301	5201	CONTENT & ACCREDIT	0.00	350.00
101	104857	01/06/23	6411	QUADIENT LEASING US	421	5225	FY 22/23 MAIL MACHI	0.00	15.00
101	104857	01/06/23	6411	QUADIENT LEASING US	101	5225	FY 22/23 MAIL MACHI	0.00	15.03
101	104857	01/06/23	6411	QUADIENT LEASING US	401	5225	FY 22/23 MAIL MACHI	0.00	25.01
101	104857	01/06/23	6411	QUADIENT LEASING US	131	5225	FY 22/23 MAIL MACHI	0.00	30.01
101	104857	01/06/23	6411	QUADIENT LEASING US	201	5225	FY 22/23 MAIL MACHI	0.00	45.02
101	104857	01/06/23	6411	QUADIENT LEASING US	121	5225	FY 22/23 MAIL MACHI	0.00	45.02
101	104857	01/06/23	6411	QUADIENT LEASING US	501	5225	FY 22/23 MAIL MACHI	0.00	115.06
101	104857	01/06/23	6411	QUADIENT LEASING US	301	5225	FY 22/23 MAIL MACHI	0.00	200.10
TOTAL CHECK								0.00	490.25

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FUND - 01 - GENERAL FUND

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101	104858	01/06/23	6859	REED & GRAHAM INC.	505	5309	OIL FLUSH	0.00	2,525.00
101	104859	01/06/23	9334	RUSSELL AURIA PEST	513	5309	TREE FEEDING LOVERS	0.00	3,100.00
101	104860	01/06/23	3828	SAME DAY SHRED	121	5291	CONFIDENTIAL SHRED	0.00	45.00
101	104861	01/06/23	3975	SAN DIEGO POLICE EQ	301	5316	DEPARTMENT AMMUNITI	0.00	4,818.67
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	7.64
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	22.97
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	26.29
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	45.49
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	47.51
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	54.60
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	75.86
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	233.21
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	334.18
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	1,054.99
101	104862	01/06/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	1,056.90
TOTAL CHECK								0.00	2,959.64
101	104863	01/06/23	9795	TAKE THE LEAP LLC	121	5236	EE TRAINING/ABOVE T	0.00	1,250.00
101	104864	01/06/23	9107	TASHA STEVENS	01	4462	PROGRAM REFUND	0.00	37.50
101	104865	01/06/23	7867	UPS	301	5211	UPS SHIPPING	0.00	3.01
101	104866	01/06/23	2786	VERIZON WIRELESS	301	5206	WIRELESS MOBILE CON	0.00	513.22
101	104867	01/06/23	2796	VICTORY TOYOTA	502	5309	STOCK	0.00	235.85
101	104869	01/06/23	9305	WATSONVILLE FORD	301	5227	UNIT 7	0.00	470.82
101	104869	01/06/23	9305	WATSONVILLE FORD	301	5227	PD STOCK	0.00	517.41
101	104869	01/06/23	9305	WATSONVILLE FORD	351	5227	UNIT 6474	0.00	725.16
101	104869	01/06/23	9305	WATSONVILLE FORD	503	5227	UNIT 51	0.00	995.25
101	104869	01/06/23	9305	WATSONVILLE FORD	301	5227	UNIT 3	0.00	85.02
101	104869	01/06/23	9305	WATSONVILLE FORD	301	5227	UNIT 1	0.00	270.14
TOTAL CHECK								0.00	3,063.80
101	104870	01/06/23	6216	ALBERT WEISFUSS	513	5201	FY22/23 ARBORIST SE	0.00	3,400.00
101	104872	01/06/23	438	CALIFORNIA AMERICAN	131	5222	300 FOREST FIRE-50%	0.00	23.84
101	104872	01/06/23	438	CALIFORNIA AMERICAN	201	5222	300 FOREST FIRE-50%	0.00	23.84
101	104872	01/06/23	438	CALIFORNIA AMERICAN	131	5222	300 FOREST IRRIG	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	131	5222	308 16TH ST.	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	800 LIGHTHSE PLANTE	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	792 LIGHTHSE IRRIG	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	582 LIGHTHSE IRRIG	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	2100 SUNSET DRIVE	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	840 LIGHTHSE PLANTE	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	850 LIGHTHSE PLANTE	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	882 LIGHTHSE PLANTE	0.00	38.58

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101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	106 7TH ST PARK	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	411	5222	165 FOREST AVE FIRE	0.00	47.68
101	104872	01/06/23	438	CALIFORNIA AMERICAN	351	5222	600 PINE AVE FIRE	0.00	47.68
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	CENTRAL 4 IN FIRE	0.00	47.68
101	104872	01/06/23	438	CALIFORNIA AMERICAN	501	5222	MECH 5%	0.00	31.13
101	104872	01/06/23	438	CALIFORNIA AMERICAN	351	5222	643 HYDRANTS HYDT	0.00	36.68
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	748 LIGHTHSE IRRG	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	765 LIGHTHSE IRRIG	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	139 GRAND AVE	0.00	58.97
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	B & G 15%	0.00	93.38
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	585 LAUREL	0.00	94.34
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	1025 MORSE-PLATT PK	0.00	94.34
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	130 LIGHTHOUSE IRRI	0.00	94.34
101	104872	01/06/23	438	CALIFORNIA AMERICAN	501	5222	SUNSET-CORPYARD18%	0.00	112.06
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	611 CENTRAL AVE	0.00	185.46
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	100 OCEANVW IRRIG	0.00	187.27
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	196 OCEANVW IRRIG	0.00	187.27
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	980 PIEDMONT BALL P	0.00	187.27
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	429 LIGHTHOUSE IRRG	0.00	187.27
101	104872	01/06/23	438	CALIFORNIA AMERICAN	131	5222	300 FOREST AVE	0.00	187.27
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	619 OCEANVIEW IRRIG	0.00	187.27
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	616 OCEANVIEW IRRG	0.00	191.01
101	104872	01/06/23	438	CALIFORNIA AMERICAN	201	5222	304 16TH ST FIRE	0.00	79.99
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	230 17-MILE DRIVE	0.00	191.36
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	165 FOREST-MUSEUM	0.00	196.31
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	515 JUNIPERO	0.00	313.36
101	104872	01/06/23	438	CALIFORNIA AMERICAN	301	5222	580 PINE	0.00	327.00
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	114 CALEDONIA PK	0.00	336.77
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	930 SINEX	0.00	363.53
101	104872	01/06/23	438	CALIFORNIA AMERICAN	131	5222	300 FOREST	0.00	374.71
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	1051 OCEANVIEW IRRG	0.00	401.87
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	711 OCEANVIEW IRRG	0.00	471.32
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	263 GROVE ACRES	0.00	605.91
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	863 OCEANVIEW IRRG	0.00	674.26
101	104872	01/06/23	438	CALIFORNIA AMERICAN	401	5222	550 CENTRAL	0.00	761.50
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	150 FOREST-JEWELL P	0.00	246.17
101	104872	01/06/23	438	CALIFORNIA AMERICAN	351	5222	600 PINE	0.00	267.69
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	707 OCEANVIEW-NAIAD	0.00	298.80
101	104872	01/06/23	438	CALIFORNIA AMERICAN	201	5222	304 16TH ST BDOM-FI	0.00	306.44
101	104872	01/06/23	438	CALIFORNIA AMERICAN	421	5222	616 OCEANVW-SWIM PL	0.00	964.67
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	610 OCEANVW IRRIGPK	0.00	1,061.60
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	620 OCEANVIEW/BATH	0.00	1,198.11
101	104872	01/06/23	438	CALIFORNIA AMERICAN	503	5222	391 OCEANVW-BERWICK	0.00	2,050.97
TOTAL CHECK								0.00	14,261.35
101	104873	01/10/23	3393	EFT	01	202	4TH QTR 22 HARVEY A	0.00	380.02
101	104874	01/13/23	2952	AFLAC	01	202	DED:5201 AFLAC P/T	0.00	1,686.53
101	104874	01/13/23	2952	AFLAC	01	202	DED:5291 AFLAC P/T	0.00	69.24
101	104874	01/13/23	2952	AFLAC	01	202	DED:5200 AFLAC PREM	0.00	634.02
TOTAL CHECK								0.00	2,389.79

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FUND - 01 - GENERAL FUND

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101	104875	01/13/23	2935	CALIF LAW ENFORCMEN	01	202	DED:3200 LTD PD	0.00	567.00
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:110 HEALTH	0.00	1,128.83
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:126 HEALTH	0.00	1,155.62
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:125 HEALTH	0.00	1,155.62
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:0563 HEALTH FAM	0.00	1,187.86
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:108 HEALTH	0.00	1,560.16
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:103 HEALTH	0.00	1,651.24
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:124 HEALTH	0.00	2,311.24
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:107 HEALTH	0.00	2,400.24
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:104 HEALTH	0.00	2,476.83
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:2072 HEALTH	0.00	2,812.50
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:2071 HEALTH	0.00	2,887.50
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:123 HEALTH	0.00	3,555.76
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:533 HEALTH	0.00	4,293.20
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:2073 HEALTH FAM	0.00	5,750.00
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:122 HEALTH	0.00	5,778.11
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:106 HEALTH	0.00	6,000.60
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:121 HEALTH	0.00	444.47
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:120 HEALTH	0.00	564.42
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:531 HEALTH	0.00	701.24
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:116 HEALTH	0.00	825.62
101	104876	01/13/23	1	CALPERS HEALTH	01	202	DED:105 HEALTH	0.00	1,073.30
TOTAL CHECK								0.00	49,714.36
101	104877	01/13/23	3134	CITY OF PACIFIC GRO	01	202	DED:3301 AFLAC MED	0.00	2,058.79
101	104877	01/13/23	3134	CITY OF PACIFIC GRO	01	202	DED:3300 AFLAC DEP	0.00	348.00
TOTAL CHECK								0.00	2,406.79
101	104878	01/13/23	3393	EFT	01	202	DED:*FM MEDICARE	0.00	10,838.28
101	104878	01/13/23	3393	EFT	01	202	DED:*SCA STATE TAX	0.00	16,026.25
101	104878	01/13/23	3393	EFT	01	202	DED:*FT FEDERAL TX	0.00	42,887.24
TOTAL CHECK								0.00	69,751.77
101	104879	01/13/23	9589	FOREMAN FINANCIAL,	01	202	DED:7506 WAGE ORDER	0.00	555.29
101	104880	01/13/23	2946	PACIFIC GROVE CITY	01	202	DED:7000 ASSOC DUES	0.00	791.00
101	104881	01/13/23	2938	MASS MUTUAL (457 PL	01	202	DED:4000 DEF COMP	0.00	12,887.72
101	104881	01/13/23	2938	MASS MUTUAL (457 PL	01	202	DED:3999 ROTH IRA	0.00	765.00
TOTAL CHECK								0.00	13,652.72
101	104882	01/13/23	2936	MTRY COUNTY DEPT OF	01	202	DED:0023 GARNISH	0.00	236.30
101	104883	01/13/23	2949	PACIFIC GROVE MANAG	01	202	DED:7203 ASSOC DUES	0.00	30.00
101	104884	01/13/23	2051	CITY OF PACIFIC GRO	01	202	DED:1005 WORK COMP	0.00	1,419.32
101	104884	01/13/23	2051	CITY OF PACIFIC GRO	01	202	DED:1010 WORK COMP	0.00	2,901.20
101	104884	01/13/23	2051	CITY OF PACIFIC GRO	01	202	DED:1003 WORK COMP	0.00	6,359.05
101	104884	01/13/23	2051	CITY OF PACIFIC GRO	01	202	DED:1006 WORK COMP	0.00	23.00
101	104884	01/13/23	2051	CITY OF PACIFIC GRO	01	202	DED:1009 WORK COMP	0.00	70.89
TOTAL CHECK								0.00	10,773.46

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FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104885	01/13/23	2052	CITY OF PACIFIC GRO	01	202	DED:7510 PERS REIMB	0.00	29.42
101	104886	01/13/23	2053	CITY OF PACIFIC GRO	01	202	DED:201 DENTAL	0.00	37.59
101	104886	01/13/23	2053	CITY OF PACIFIC GRO	01	202	DED:2101 DENTAL	0.00	265.30
101	104886	01/13/23	2053	CITY OF PACIFIC GRO	01	202	DED:200 DENTAL	0.00	492.70
101	104886	01/13/23	2053	CITY OF PACIFIC GRO	01	202	DED:2102 DENTAL	0.00	498.49
101	104886	01/13/23	2053	CITY OF PACIFIC GRO	01	202	DED:2103 DENTAL FAM	0.00	853.38
TOTAL CHECK								0.00	2,147.46
101	104887	01/13/23	2054	CITY OF PACIFIC GRO	01	202	DED:0005 SUTA	0.00	135.64
101	104888	01/13/23	2133	PERS	01	202	DED:0009 PERS OTHER	0.00	1,149.31
101	104888	01/13/23	2133	PERS	01	202	DED:2000 PERS EMPLY	0.00	1,179.00
101	104888	01/13/23	2133	PERS	01	202	DED:0002 PERS	0.00	5,670.87
101	104888	01/13/23	2133	PERS	01	202	DED:07 PERS CITY	0.00	5,784.69
101	104888	01/13/23	2133	PERS	01	202	DED:0017 PERS RG SF	0.00	6,980.50
101	104888	01/13/23	2133	PERS	01	202	DED:0011 PERS ER SF	0.00	7,914.56
101	104888	01/13/23	2133	PERS	01	202	DED:0021 PERS REG M	0.00	8,961.73
101	104888	01/13/23	2133	PERS	01	202	DED:0020 PERS ER M3	0.00	10,184.03
101	104888	01/13/23	2133	PERS	01	202	DED:01 PERS	0.00	11,432.65
101	104888	01/13/23	2133	PERS	01	202	DED:0006 PERS CITY	0.00	11,793.30
101	104888	01/13/23	2133	PERS	01	202	DED:0019 PERS RT SF	0.00	-3.25
101	104888	01/13/23	2133	PERS	01	202	DED:0004 SURV BEN	0.00	85.56
101	104888	01/13/23	2133	PERS	01	202	DED:0022 PERS SP MS	0.00	239.25
101	104888	01/13/23	2133	PERS	01	202	DED:08 PERS OTHER	0.00	392.97
101	104888	01/13/23	2133	PERS	01	202	DED:2001 PERS	0.00	880.32
101	104888	01/13/23	2133	PERS	01	202	DED:0018 PERS SP SF	0.00	1,073.58
TOTAL CHECK								0.00	73,719.07
101	104889	01/13/23	2943	POLICE OFFICERS ASS	01	202	DED:7204 ASSOC DUES	0.00	8.00
101	104889	01/13/23	2943	POLICE OFFICERS ASS	01	202	DED:7205 ASSOC DUES	0.00	931.24
TOTAL CHECK								0.00	939.24
101	104890	01/13/23	2940	LEGAL SHIELD	01	202	DED:6100 LEGAL SVC	0.00	14.95
101	104891	01/13/23	7956	STATE DISABILITY TA	01	202	DED:0026 SDI	0.00	4,146.50
101	104892	01/13/23	8211	STANDARD INSURANCE	01	202	DED:3500 LIFE INS	0.00	1,401.75
101	104893	01/13/23	8352	TRANSAMERICA EMPLOY	01	202	DED:5202 TRANSAMERI	0.00	627.08
101	104894	01/13/23	4177	UNION BANK OF CALIF	01	202	DED:4005 PARS-457	0.00	409.23
101	104895	01/13/23	632	VISION SERVICE PLAN	01	202	DED:301 VISION	0.00	30.00
101	104895	01/13/23	632	VISION SERVICE PLAN	01	202	DED:2502 VISION	0.00	76.78
101	104895	01/13/23	632	VISION SERVICE PLAN	01	202	DED:300 VISION	0.00	181.48
101	104895	01/13/23	632	VISION SERVICE PLAN	01	202	DED:2503 VISION FAM	0.00	450.00
TOTAL CHECK								0.00	738.26
101	104898	01/20/23	4943	US BANK	133	5307	KHASIMI CC DEC 22	0.00	-492.53
101	104898	01/20/23	4943	US BANK	121	5301	LINDSTROM CC DEC 22	0.00	6.56

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FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104898	01/20/23	4943	US BANK	131	5291	LATE FEE CC DEC 22	0.00	12.38
101	104898	01/20/23	4943	US BANK	501	5261	GHO CC DEC 22	0.00	15.96
101	104898	01/20/23	4943	US BANK	401	5303	WEIRICK CC DEC 22	0.00	16.38
101	104898	01/20/23	4943	US BANK	301	5301	FRANCIS CC DEC 22	0.00	17.43
101	104898	01/20/23	4943	US BANK	121	5261	LINDSTROM CC DEC 22	0.00	34.00
101	104898	01/20/23	4943	US BANK	101	5215	KANDELL CC DEC 22	0.00	38.98
101	104898	01/20/23	4943	US BANK	301	5261	FRANCIS CC DEC 22	0.00	50.50
101	104898	01/20/23	4943	US BANK	301	5301	PD TRAVEL CC DEC 22	0.00	52.44
101	104898	01/20/23	4943	US BANK	201	5201	WATT CC DEC 22	0.00	56.50
101	104898	01/20/23	4943	US BANK	121	5291	LIVIAN CC DEC 22	0.00	72.10
101	104898	01/20/23	4943	US BANK	133	5306	KHASIMI CC DEC 22	0.00	72.95
101	104898	01/20/23	4943	US BANK	301	5261	PD TRAVEL CC DEC 22	0.00	115.00
101	104898	01/20/23	4943	US BANK	301	5201	FRANCIS CC DEC 22	0.00	119.40
101	104898	01/20/23	4943	US BANK	133	5229	KHASIMI CC DEC 22	0.00	136.42
101	104898	01/20/23	4943	US BANK	301	5275	PD TRAVEL CC DEC 22	0.00	150.69
101	104898	01/20/23	4943	US BANK	301	5227	GHO CC DEC 22	0.00	162.08
101	104898	01/20/23	4943	US BANK	201	5224	WATT CC DEC 22	0.00	178.49
101	104898	01/20/23	4943	US BANK	133	5301	KHASIMI CC DEC 22	0.00	186.23
101	104898	01/20/23	4943	US BANK	121	5261	HARVEY CC DEC 22	0.00	191.62
101	104898	01/20/23	4943	US BANK	301	5261	MADALONE CC DEC 22	0.00	230.00
101	104898	01/20/23	4943	US BANK	301	5215	MADALONE CC DEC 22	0.00	232.96
101	104898	01/20/23	4943	US BANK	133	5224	KHASIMI CC DEC 22	0.00	241.42
101	104898	01/20/23	4943	US BANK	401	5301	GODWIN CC DEC 22	0.00	248.95
101	104898	01/20/23	4943	US BANK	501	5309	GHO CC DEC 22	0.00	255.00
101	104898	01/20/23	4943	US BANK	201	5215	WATT CC DEC 22	0.00	268.43
101	104898	01/20/23	4943	US BANK	301	5301	MADALONE CC DEC 22	0.00	273.10
101	104898	01/20/23	4943	US BANK	421	5361	CLARK CC DEC	0.00	304.31
101	104898	01/20/23	4943	US BANK	101	5291	HARVEY CC DEC 22	0.00	307.87
101	104898	01/20/23	4943	US BANK	133	5212	KHASIMI CC DEC 22	0.00	387.17
101	104898	01/20/23	4943	US BANK	301	5275	SANTOS CC DEC 22	0.00	392.35
101	104898	01/20/23	4943	US BANK	131	5261	HANNAH CC DEC 22	0.00	440.00
101	104898	01/20/23	4943	US BANK	301	5291	SANTOS CC DEC 22	0.00	471.54
101	104898	01/20/23	4943	US BANK	501	5309	GHO CC DEC 22	0.00	540.01
101	104898	01/20/23	4943	US BANK	131	5215	FRATI CC DEC 22	0.00	575.00
101	104898	01/20/23	4943	US BANK	121	5215	HARVEY CC DEC 22	0.00	1,321.51
101	104898	01/20/23	4943	US BANK	301	5215	PD TRAVEL CC DEC 22	0.00	2,095.55
101	104898	01/20/23	4943	US BANK	121	5236	LIVIAN CC DEC 22	0.00	866.81
101	104898	01/20/23	4943	US BANK	301	5291	PD TRAVEL CC DEC 22	0.00	883.81
TOTAL CHECK								0.00	11,529.37
101	104899	01/20/23	8890	4LEAF	201	5201	BUILDING DEPARTMENT	0.00	6,770.40
101	104899	01/20/23	8890	4LEAF	201	5201	BUILDING DEPARTMENT	0.00	68,663.00
TOTAL CHECK								0.00	75,433.40
101	104900	01/20/23	5621	ACCENT CLEAN & SWEE	504	5201	FY22/23 STREET SWEE	0.00	17,100.00
101	104901	01/20/23	7555	ADT SECURITY SERVIC	133	5201	FIN DEPT	0.00	283.71
101	104902	01/20/23	3970	ALHAMBRA & SIERRA S	351	5291	DEC 22 WATER SERVIC	0.00	102.32
101	104903	01/20/23	4965	ALVAREZ TECHNOLOGY	133	5201	AFTER HOURS SUPPORT	0.00	450.00

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FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104904	01/20/23	8330	AMAZON CAPITAL SERV	201	5301	OFFICE SUPPLIES	0.00	481.53
101	104905	01/20/23	106	AMERICAN SUPPLY COM	503	5305	JANITORIAL SUPPLIES	0.00	315.19
101	104905	01/20/23	106	AMERICAN SUPPLY COM	503	5305	JANITORIAL SUPPLIES	0.00	786.27
101	104905	01/20/23	106	AMERICAN SUPPLY COM	503	5305	JANITORIAL SUPPLIES	0.00	645.67
101	104905	01/20/23	106	AMERICAN SUPPLY COM	503	5305	JANITORIAL SUPPLIES	0.00	1,399.44
101	104905	01/20/23	106	AMERICAN SUPPLY COM	503	5305	JANITORIAL SUPPLIES	0.00	1,435.65
101	104905	01/20/23	106	AMERICAN SUPPLY COM	503	5305	JANITORIAL SUPPLIES	0.00	78.17
TOTAL CHECK								0.00	4,660.39
101	104906	01/20/23	9430	ARAMARK UNIFORM & C	301	5201	DEPARTMENT LINEN AN	0.00	114.85
101	104907	01/20/23	9805	AT&T	133	5206	LH INTRNT 320021267	0.00	100.23
101	104908	01/20/23	5363	AT&T CALNET 3	133	5206	PHONES 9391063242	0.00	1,933.85
101	104908	01/20/23	5363	AT&T CALNET 3	133	5212	ADMIN 9391063342	0.00	24.04
101	104908	01/20/23	5363	AT&T CALNET 3	133	5212	CH GEN ALM 93910632	0.00	24.60
TOTAL CHECK								0.00	1,982.49
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5301	LIBRARY SUPPLIES	0.00	4.60
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5301	LIBRARY SUPPLIES	0.00	22.44
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5301	LIBRARY SUPPLIES	0.00	25.19
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5301	LIBRARY SUPPLIES	0.00	31.54
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5303	BOOKS & MATERIALS	0.00	86.60
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5301	LIBRARY SUPPLIES	0.00	246.91
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5303	BOOKS & MATERIALS	0.00	272.64
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5303	BOOKS & MATERIALS	0.00	396.56
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5303	BOOKS & MATERIALS	0.00	397.68
101	104909	01/20/23	213	BAKER & TAYLOR COMP	401	5303	BOOKS & MATERIALS	0.00	2,933.37
TOTAL CHECK								0.00	4,417.53
101	104913	01/20/23	4372	CALIFA GROUP	401	5201	EBSCO DATABASE PACK	0.00	7,342.87
101	104915	01/20/23	7532	CHAVAN & ASSOCIATES	131	5201	AUDIT, ACFR, & GANN	0.00	13,500.00
101	104915	01/20/23	7532	CHAVAN & ASSOCIATES	131	5201	AUDIT, ACFR, & GANN	0.00	14,125.00
101	104915	01/20/23	7532	CHAVAN & ASSOCIATES	131	5201	AUDIT, ACFR, & GANN	0.00	14,250.00
TOTAL CHECK								0.00	41,875.00
101	104916	01/20/23	4467	WM.J. CLARK TRUCKIN	505	5309	STREET SUPPLIES	0.00	1,226.63
101	104916	01/20/23	4467	WM.J. CLARK TRUCKIN	505	5331	STREET SUPPLIES	0.00	3,458.29
TOTAL CHECK								0.00	4,684.92
101	104917	01/20/23	5198	CODE PUBLISHING, IN	101	5201	CODE UPDATES	0.00	534.00
101	104918	01/20/23	5171	COMCAST	133	5206	PW 8155100260194117	0.00	238.76
101	104918	01/20/23	5171	COMCAST	133	5206	REC 815510026021497	0.00	103.75
101	104918	01/20/23	5171	COMCAST	133	5206	PW 8155100260389527	0.00	110.98
101	104918	01/20/23	5171	COMCAST	133	5206	PD 8155100260387836	0.00	151.23
TOTAL CHECK								0.00	604.72
101	104919	01/20/23	649	CPS HR CONSULTING	301	5201	BILINGUAL TESTING	0.00	344.30
101	104919	01/20/23	649	CPS HR CONSULTING	301	5201	APPLICANT SKILLS TE	0.00	475.00

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FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
TOTAL CHECK								0.00	819.30
101	104920	01/20/23	5987	CREEKSIDE CENTER FO	513	5201	MONARCH BUTTERFLY H	0.00	1,600.00
101	104922	01/20/23	904	ENGINEERED FIRE SYS	351	5201	PLAN REVIEW OCT 202	0.00	312.50
101	104922	01/20/23	904	ENGINEERED FIRE SYS	351	5201	PLAN REVIEW AUG 202	0.00	687.50
101	104922	01/20/23	904	ENGINEERED FIRE SYS	351	5201	PLAN REVIEW NOV 202	0.00	625.00
TOTAL CHECK								0.00	1,625.00
101	104923	01/20/23	926	EWING IRRIGATION PR	503	5223	TREE TIES	0.00	200.59
101	104924	01/20/23	5094	COASTAL FABRICATION	503	5223	BROKEN SWING	0.00	380.63
101	104925	01/20/23	9837	FARIS NEMRI	130	5601	FACADE PROGRAM	0.00	1,211.00
101	104926	01/20/23	7889	FASTRAK	301	5291	BRIDGE TOLL 1176539	0.00	7.00
101	104927	01/20/23	952	FEDERAL EXPRESS COR	301	5211	SHIPPING LATE FEE	0.00	5.67
101	104929	01/20/23	592	FOREST HILL ACE HAR	503	5223	SUPPLIES	0.00	4.34
101	104929	01/20/23	592	FOREST HILL ACE HAR	503	5309	SUPPLIES	0.00	28.37
TOTAL CHECK								0.00	32.71
101	104930	01/20/23	7127	GACHINA LANDSCAPE M	503	5201	FY22/23 PARK MOWING	0.00	639.63
101	104931	01/20/23	1044	GALLS PARENT HOLDIN	301	5275	HIGH-VIS RAIN GEAR	0.00	3,074.50
101	104932	01/20/23	9838	GLORIA WILES	01	214	DEPOSIT REFUND	0.00	196.00
101	104933	01/20/23	1105	GRANITE ROCK COMPAN	505	5309	STREET SUPPLIES	0.00	914.79
101	104935	01/20/23	1138	GROVE MARKET	421	5361	PROGRAM SUPPLIES	0.00	25.24
101	104936	01/20/23	6743	HANA GARDENS SEASID	503	5223	GARDEN SUPPLIES	0.00	116.89
101	104937	01/20/23	8993	HR & ASSOCIATES	225	5201	ATC PLANNING SERVIC	0.00	350.00
101	104938	01/20/23	4123	INTERSTATE TRAFFIC	505	5331	GREEN BIKE LANE PAI	0.00	5,481.73
101	104939	01/20/23	7433	IPS GROUP, INC	301	5213	IPS PARKING METER B	0.00	1,133.47
101	104942	01/20/23	9839	LUCY'S ON LIGHTHOUS	130	5601	FACADE PROGRAM	0.00	2,076.58
101	104944	01/20/23	1693	MISSION LINEN SUPPL	351	5291	LINEN SERVICES	0.00	74.33
101	104944	01/20/23	1693	MISSION LINEN SUPPL	351	5291	LINEN SERVICES	0.00	74.33
101	104944	01/20/23	1693	MISSION LINEN SUPPL	351	5291	LINEN SERVICES	0.00	74.33
101	104944	01/20/23	1693	MISSION LINEN SUPPL	351	5291	LINEN SERVICES	0.00	74.33
TOTAL CHECK								0.00	297.32
101	104947	01/20/23	1694	MISSION UNIFORM SER	502	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	503	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	505	5309	LINEN & UNIFORM CLE	0.00	12.89

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FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104947	01/20/23	1694	MISSION UNIFORM SER	502	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	503	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	505	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	502	5309	LINEN & UNIFORM CLE	0.00	12.99
101	104947	01/20/23	1694	MISSION UNIFORM SER	503	5309	LINEN & UNIFORM CLE	0.00	12.99
101	104947	01/20/23	1694	MISSION UNIFORM SER	505	5309	LINEN & UNIFORM CLE	0.00	12.99
101	104947	01/20/23	1694	MISSION UNIFORM SER	421	5201	LINEN & UNIFORM CLE	0.00	13.34
101	104947	01/20/23	1694	MISSION UNIFORM SER	421	5201	LINEN & UNIFORM CLE	0.00	13.34
101	104947	01/20/23	1694	MISSION UNIFORM SER	421	5201	LINEN & UNIFORM CLE	0.00	72.88
101	104947	01/20/23	1694	MISSION UNIFORM SER	421	5201	LINEN & UNIFORM CLE	0.00	72.88
101	104947	01/20/23	1694	MISSION UNIFORM SER	505	5309	LINEN & UNIFORM CLE	0.00	77.92
101	104947	01/20/23	1694	MISSION UNIFORM SER	502	5309	LINEN & UNIFORM CLE	0.00	77.93
101	104947	01/20/23	1694	MISSION UNIFORM SER	503	5309	LINEN & UNIFORM CLE	0.00	77.93
101	104947	01/20/23	1694	MISSION UNIFORM SER	505	5309	LINEN & UNIFORM CLE	0.00	79.20
101	104947	01/20/23	1694	MISSION UNIFORM SER	502	5309	LINEN & UNIFORM CLE	0.00	79.21
101	104947	01/20/23	1694	MISSION UNIFORM SER	503	5309	LINEN & UNIFORM CLE	0.00	79.21
101	104947	01/20/23	1694	MISSION UNIFORM SER	502	5309	LINEN & UNIFORM CLE	0.00	79.21
101	104947	01/20/23	1694	MISSION UNIFORM SER	503	5309	LINEN & UNIFORM CLE	0.00	79.21
101	104947	01/20/23	1694	MISSION UNIFORM SER	505	5309	LINEN & UNIFORM CLE	0.00	81.20
101	104947	01/20/23	1694	MISSION UNIFORM SER	502	5309	LINEN & UNIFORM CLE	0.00	81.21
101	104947	01/20/23	1694	MISSION UNIFORM SER	503	5309	LINEN & UNIFORM CLE	0.00	81.21
101	104947	01/20/23	1694	MISSION UNIFORM SER	505	5309	LINEN & UNIFORM CLE	0.00	79.20
101	104947	01/20/23	1694	MISSION UNIFORM SER	502	5309	LINEN & UNIFORM CLE	0.00	4.40
101	104947	01/20/23	1694	MISSION UNIFORM SER	503	5309	LINEN & UNIFORM CLE	0.00	4.40
101	104947	01/20/23	1694	MISSION UNIFORM SER	505	5309	LINEN & UNIFORM CLE	0.00	4.40
101	104947	01/20/23	1694	MISSION UNIFORM SER	351	5291	LINEN & UNIFORM CLE	0.00	12.60
101	104947	01/20/23	1694	MISSION UNIFORM SER	351	5291	LINEN & UNIFORM CLE	0.00	12.60
101	104947	01/20/23	1694	MISSION UNIFORM SER	502	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	503	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	505	5309	LINEN & UNIFORM CLE	0.00	12.89
TOTAL CHECK								0.00	1,318.46
101	104948	01/20/23	8665	MMANC	201	5261	MEMBERSHIP RENEWAL	0.00	75.00
101	104949	01/20/23	3443	MONTEREY BAY PEST C	351	5223	ANNUAL PEST CONTROL	0.00	180.00
101	104949	01/20/23	3443	MONTEREY BAY PEST C	503	5201	ANNUAL PEST CONTROL	0.00	490.00
TOTAL CHECK								0.00	670.00
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	351	5222	2022/2023 2ND PAYME	0.00	310.74
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	421	5222	2022/2023 2ND PAYME	0.00	436.33
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	503	5222	2022/2023 2ND PAYME	0.00	1,180.21
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	101	5222	2022/2023 2ND PAYME	0.00	90.48
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	201	5222	2022/2023 2ND PAYME	0.00	101.99
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	131	5222	2022/2023 2ND PAYME	0.00	156.60
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	401	5222	2022/2023 2ND PAYME	0.00	162.02
TOTAL CHECK								0.00	2,438.37
101	104951	01/20/23	3807	MONTEREY COUNTY WEE	201	5221	PH HRI REMOVAL 12/2	0.00	211.86
101	104951	01/20/23	3807	MONTEREY COUNTY WEE	201	5221	HRI INVENTORY REMOV	0.00	243.00
101	104951	01/20/23	3807	MONTEREY COUNTY WEE	101	5221	ADOPTION OF ORD	0.00	108.81
101	104951	01/20/23	3807	MONTEREY COUNTY WEE	201	5221	PH 542 LIGHTHOUSE	0.00	163.22
101	104951	01/20/23	3807	MONTEREY COUNTY WEE	201	5221	236 CYPRESS ST HRC	0.00	182.25

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FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104951	01/20/23	3807	MONTEREY COUNTY WEE	201	5221	PH HRI REMOVAL1/12/	0.00	199.49
TOTAL CHECK								0.00	1,108.63
101	104954	01/20/23	1958	ODP BUSINESS SOLUTI	201	5301	OFFICE SUPPLIES	0.00	58.00
101	104954	01/20/23	1958	ODP BUSINESS SOLUTI	201	5301	OFFICE SUPPLIES	0.00	-2.92
101	104954	01/20/23	1958	ODP BUSINESS SOLUTI	201	5301	OFFICE SUPPLIES	0.00	6.18
101	104954	01/20/23	1958	ODP BUSINESS SOLUTI	201	5301	26697077001 SHRT PA	0.00	6.56
101	104954	01/20/23	1958	ODP BUSINESS SOLUTI	201	5301	OFFICE SUPPLIES	0.00	51.34
101	104954	01/20/23	1958	ODP BUSINESS SOLUTI	401	5301	LIB SUPPLIES	0.00	51.56
101	104954	01/20/23	1958	ODP BUSINESS SOLUTI	201	5301	OFFICE SUPPLIES	0.00	81.05
101	104954	01/20/23	1958	ODP BUSINESS SOLUTI	201	5301	OFFICE SUPPLIES	0.00	30.57
TOTAL CHECK								0.00	282.34
101	104955	01/20/23	9576	O'REILLY AUTO ENTER	503	5227	UNIT 58	0.00	12.86
101	104955	01/20/23	9576	O'REILLY AUTO ENTER	503	5227	UNIT 58	0.00	18.21
101	104955	01/20/23	9576	O'REILLY AUTO ENTER	505	5226	CHAINSAW REPAIR	0.00	18.35
101	104955	01/20/23	9576	O'REILLY AUTO ENTER	503	5227	UNIT 58	0.00	22.08
101	104955	01/20/23	9576	O'REILLY AUTO ENTER	351	5227	UNIT 6474	0.00	26.63
101	104955	01/20/23	9576	O'REILLY AUTO ENTER	503	5227	UNIT 58	0.00	42.57
101	104955	01/20/23	9576	O'REILLY AUTO ENTER	503	5227	UNIT 58	0.00	169.01
TOTAL CHECK								0.00	309.71
101	104958	01/20/23	2024	PACIFIC GAS & ELECT	411	5802	MUSEUM 1932414440-1	0.00	270.67
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5227	B&G VEHICLE SUPPLIE	0.00	-27.31
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5223	PD B&G SUPPLIES	0.00	-16.39
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	2.17
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	3.26
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	3.70
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	4.36
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	5.45
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	351	5223	FIRE B&G SUPPLIES	0.00	6.11
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	6.54
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	6.97
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	7.64
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	7.64
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	7.82
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	8.29
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	8.73
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	9.80
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	10.90
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	10.90
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	351	5227	FIRE VEHICLE SUPPLI	0.00	10.91
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	11.73
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	12.00
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	13.10
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5223	PD B&G SUPPLIES	0.00	13.10
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	13.74
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	14.19
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	411	5223	MUSEUM SUPPLIES	0.00	14.19
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5227	PD VEHICLE SUPPLIES	0.00	14.19
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5223	PD B&G SUPPLIES	0.00	15.28

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FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	15.93
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5223	PD B&G SUPPLIES	0.00	16.39
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	16.58
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5227	B&G VEHICLE SUPPLIE	0.00	17.44
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	17.68
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	18.56
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	19.65
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	351	5223	FIRE B&G SUPPLIES	0.00	20.75
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	21.84
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	351	5223	FIRE B&G SUPPLIES	0.00	21.84
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5227	PD VEHICLE SUPPLIES	0.00	22.50
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	25.31
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	505	5309	STREETS SUPPLIES	0.00	26.18
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5227	B&G VEHICLE SUPPLIE	0.00	26.21
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	26.21
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5227	PD VEHICLE SUPPLIES	0.00	27.30
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	28.15
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	28.37
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	401	5223	LIBRARY SUPPLIES	0.00	31.66
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	505	5309	STREETS SUPPLIES	0.00	32.76
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	34.94
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5227	PD VEHICLE SUPPLIES	0.00	37.01
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5223	PD B&G SUPPLIES	0.00	40.51
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5227	PD VEHICLE SUPPLIES	0.00	44.05
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	49.15
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	301	5227	PD VEHICLE SUPPLIES	0.00	49.15
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	505	5309	STREETS SUPPLIES	0.00	54.60
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	502	5309	MECH SUPPLIES	0.00	60.08
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5227	B&G VEHICLE SUPPLIE	0.00	60.08
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	421	5301	OFFICE SUPPLIES	0.00	61.13
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	69.07
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5227	B&G VEHICLE SUPPLIE	0.00	76.35
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	81.88
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	505	5309	STREETS SUPPLIES	0.00	109.21
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	109.24
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	503	5223	B&G SUPPLIES	0.00	30.58
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	505	5309	STREETS SUPPLIES	0.00	130.97
TOTAL CHECK								0.00	1,758.32
101	104963	01/20/23	2059	PACIFIC SMOG	503	5227	SMOG TEST	0.00	46.75
101	104964	01/20/23	2062	PACIFIC WEST WATER	131	5301	OFFICE SUPPLIES	0.00	42.85
101	104964	01/20/23	2062	PACIFIC WEST WATER	201	5301	OFFICE SUPPLIES	0.00	42.85
TOTAL CHECK								0.00	85.70
101	104967	01/20/23	7621	READY REFRESH	301	5291	WATER/22L0022752414	0.00	210.91
101	104968	01/20/23	6816	REGIONAL GOVERNMENT	201	5202	ON-CALL PLANNING SE	0.00	1,190.00
101	104969	01/20/23	9702	RENNE PUBLIC LAW GR	111	5205	EMPLOYMENT RELATED	0.00	14,146.26
101	104970	01/20/23	9802	ROBERT HALF INTERNA	131	5201	CARRILLO TEMP EMP M	0.00	8,640.00

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CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104971	01/20/23	8734	SAVAGE TRAINING GRO	301	5215	FTO/APPLING	0.00	804.00
101	104973	01/20/23	6038	SPEAK WRITE BILLING	301	5201	TRANSCRIPTION SERVI	0.00	363.34
101	104974	01/20/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	62.62
101	104974	01/20/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	104.01
101	104974	01/20/23	2567	STAPLES CREDIT PLAN	301	5301	OFFICE SUPPLIES	0.00	215.83
TOTAL CHECK								0.00	382.46
101	104975	01/20/23	2606	SUMMIT UNIFORMS	301	5275	BALLISTICPANEL/MURR	0.00	983.28
101	104975	01/20/23	2606	SUMMIT UNIFORMS	301	5275	BALLISTICVEST/APPLI	0.00	983.28
101	104975	01/20/23	2606	SUMMIT UNIFORMS	301	5275	BALLISTICVEST/GRIFF	0.00	983.28
101	104975	01/20/23	2606	SUMMIT UNIFORMS	301	5275	BALLISTICVEST/BROWN	0.00	983.28
101	104975	01/20/23	2606	SUMMIT UNIFORMS	301	5275	BALLISTICVEST/GORDA	0.00	983.28
TOTAL CHECK								0.00	4,916.40
101	104976	01/20/23	9836	THE SHERWIN WILLIAM	505	5331	SUPPLIES	0.00	156.29
101	104977	01/20/23	2680	TOPE'S TREE SERVICE	513	5201	FY22/23 TREE MAINTE	0.00	825.00
101	104978	01/20/23	4650	TORO PETROLEUM CORP	351	5311	FIRE DEPT 600 PINE	0.00	1,866.34
101	104979	01/20/23	2684	TRACNET CORPORATION	301	5201	RECORDS MANAGEMENT	0.00	8,700.00
101	104980	01/20/23	8379	TRANSUNION RISK AND	301	5201	4170041/TLO12/1-12/	0.00	75.00
101	104982	01/20/23	2786	VERIZON WIRELESS	501	5212	PW	0.00	544.93
101	104982	01/20/23	2786	VERIZON WIRELESS	201	5212	CDD	0.00	34.04
101	104982	01/20/23	2786	VERIZON WIRELESS	133	5212	ADMIN	0.00	38.01
101	104982	01/20/23	2786	VERIZON WIRELESS	133	5212	ADMIN	0.00	51.20
101	104982	01/20/23	2786	VERIZON WIRELESS	351	5212	FIRE	0.00	63.24
101	104982	01/20/23	2786	VERIZON WIRELESS	421	5212	REC	0.00	83.15
101	104982	01/20/23	2786	VERIZON WIRELESS	121	5212	CM	0.00	84.23
101	104982	01/20/23	2786	VERIZON WIRELESS	201	5212	CDD	0.00	104.36
101	104982	01/20/23	2786	VERIZON WIRELESS	301	5212	PD	0.00	125.70
101	104982	01/20/23	2786	VERIZON WIRELESS	401	5212	LIBRARY	0.00	129.20
101	104982	01/20/23	2786	VERIZON WIRELESS	501	5212	PW	0.00	198.53
TOTAL CHECK								0.00	1,456.59
101	104983	01/20/23	9305	WATSONVILLE FORD	301	5227	UNIT 6	0.00	14.73
101	104983	01/20/23	9305	WATSONVILLE FORD	301	5227	PD UNIT 7	0.00	44.71
TOTAL CHECK								0.00	59.44
101	104984	01/20/23	8136	WELLS FARGO VENDOR	501	5225	FY 22/23 KONIKA LEA	0.00	134.66
101	104984	01/20/23	8136	WELLS FARGO VENDOR	401	5225	FY 22/23 KONIKA LEA	0.00	167.20
101	104984	01/20/23	8136	WELLS FARGO VENDOR	121	5225	FY 22/23 KONIKA LEA	0.00	177.70
101	104984	01/20/23	8136	WELLS FARGO VENDOR	131	5225	FY 22/23 KONIKA LEA	0.00	177.77
101	104984	01/20/23	8136	WELLS FARGO VENDOR	301	5225	FY 22/23 KONIKA LEA	0.00	177.77
101	104984	01/20/23	8136	WELLS FARGO VENDOR	201	5225	FY 22/23 KONIKA LEA	0.00	209.26
TOTAL CHECK								0.00	1,044.36

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CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104985	01/20/23	8989	WEX BANK	301	5311	FUEL	0.00	247.59
101	104985	01/20/23	8989	WEX BANK	301	5311	FUEL/FEES	0.00	10.00
TOTAL CHECK								0.00	257.59
101	104988	01/20/23	1204	WINNERS AWARDS & EN	101	5303	NAME PLATES	0.00	111.44
101	104991	01/24/23	9780	CHARLES CARROLL	01	214	DEPOSIT REFUND REIS	0.00	189.00
101	104992	01/24/23	9839	LUCY'S ON LIGHTHOUS	01	4401	PERMIT REFUND REISS	0.00	1,667.05
101	104994	01/24/23	9741	NIELSEN MERKSAMER	111	5205	CONSULTING/LEGAL SE	0.00	17,266.50
101	104994	01/24/23	9741	NIELSEN MERKSAMER	111	5205	CONSULTING/LEGAL SE	0.00	21,736.00
TOTAL CHECK								0.00	39,002.50
101	104995	01/27/23	2952	AFLAC	01	202	DED:5291 AFLAC P/T	0.00	116.04
101	104995	01/27/23	2952	AFLAC	01	202	DED:5200 AFLAC PREM	0.00	921.54
101	104995	01/27/23	2952	AFLAC	01	202	DED:5201 AFLAC P/T	0.00	1,783.17
TOTAL CHECK								0.00	2,820.75
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:121 HEALTH	0.00	444.47
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:120 HEALTH	0.00	564.42
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:531 HEALTH	0.00	701.24
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:116 HEALTH	0.00	825.62
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:105 HEALTH	0.00	1,073.30
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:110 HEALTH	0.00	1,128.83
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:126 HEALTH	0.00	1,155.62
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:125 HEALTH	0.00	1,155.62
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:0563 HEALTH FAM	0.00	1,187.86
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:108 HEALTH	0.00	1,560.16
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:103 HEALTH	0.00	1,651.24
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:124 HEALTH	0.00	2,311.24
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:107 HEALTH	0.00	2,400.24
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:104 HEALTH	0.00	2,476.83
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:2072 HEALTH	0.00	2,812.50
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:2071 HEALTH	0.00	2,887.50
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:123 HEALTH	0.00	3,555.76
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:533 HEALTH	0.00	4,293.20
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:106 HEALTH	0.00	5,400.54
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:2073 HEALTH FAM	0.00	5,750.00
101	104996	01/27/23	1	CALPERS HEALTH	01	202	DED:122 HEALTH	0.00	5,778.11
TOTAL CHECK								0.00	49,114.30
101	104997	01/27/23	3134	CITY OF PACIFIC GRO	01	202	DED:3300 AFLAC DEP	0.00	236.60
101	104997	01/27/23	3134	CITY OF PACIFIC GRO	01	202	DED:3301 AFLAC MED	0.00	2,888.56
TOTAL CHECK								0.00	3,125.16
101	104998	01/27/23	3393	EFT	01	202	DED:*FM MEDICARE	0.00	10,550.64
101	104998	01/27/23	3393	EFT	01	202	DED:*SCA STATE TAX	0.00	15,162.61
101	104998	01/27/23	3393	EFT	01	202	DED:*FT FEDERAL TX	0.00	40,760.83
101	104998	01/27/23	3393	EFT	01	202	DED:*FT FEDERAL TX	0.00	-121.70
101	104998	01/27/23	3393	EFT	01	202	DED:*SCA STATE TAX	0.00	-38.90
101	104998	01/27/23	3393	EFT	01	202	DED:*FM MEDICARE	0.00	-11.04

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
TOTAL CHECK								0.00	66,302.44
101	104999	01/27/23	9589	FOREMAN FINANCIAL,	01	202	DED:7506 WAGE ORDER	0.00	555.29
101	105000	01/27/23	2946	PACIFIC GROVE CITY	01	202	DED:7000 ASSOC DUES	0.00	791.00
101	105001	01/27/23	2938	MASS MUTUAL (457 PL	01	202	DED:4000 DEF COMP	0.00	14,225.42
101	105001	01/27/23	2938	MASS MUTUAL (457 PL	01	202	DED:3999 ROTH IRA	0.00	765.00
TOTAL CHECK								0.00	14,990.42
101	105002	01/27/23	2936	MTRY COUNTY DEPT OF	01	202	DED:0023 GARNISH	0.00	236.30
101	105003	01/27/23	2949	PACIFIC GROVE MANAG	01	202	DED:7203 ASSOC DUES	0.00	30.00
101	105004	01/27/23	2051	CITY OF PACIFIC GRO	01	202	DED:1006 WORK COMP	0.00	20.30
101	105004	01/27/23	2051	CITY OF PACIFIC GRO	01	202	DED:1009 WORK COMP	0.00	56.23
101	105004	01/27/23	2051	CITY OF PACIFIC GRO	01	202	DED:1005 WORK COMP	0.00	1,319.57
101	105004	01/27/23	2051	CITY OF PACIFIC GRO	01	202	DED:1010 WORK COMP	0.00	2,925.21
101	105004	01/27/23	2051	CITY OF PACIFIC GRO	01	202	DED:1003 WORK COMP	0.00	6,549.01
TOTAL CHECK								0.00	10,870.32
101	105005	01/27/23	2052	CITY OF PACIFIC GRO	01	202	DED:7510 PERS REIMB	0.00	29.42
101	105006	01/27/23	2053	CITY OF PACIFIC GRO	01	202	DED:201 DENTAL	0.00	37.59
101	105006	01/27/23	2053	CITY OF PACIFIC GRO	01	202	DED:2101 DENTAL	0.00	246.35
101	105006	01/27/23	2053	CITY OF PACIFIC GRO	01	202	DED:200 DENTAL	0.00	492.70
101	105006	01/27/23	2053	CITY OF PACIFIC GRO	01	202	DED:2102 DENTAL	0.00	498.49
101	105006	01/27/23	2053	CITY OF PACIFIC GRO	01	202	DED:2103 DENTAL FAM	0.00	853.38
TOTAL CHECK								0.00	2,128.51
101	105007	01/27/23	2054	CITY OF PACIFIC GRO	01	202	DED:0005 SUTA	0.00	132.21
101	105008	01/27/23	2133	PERS	01	202	DED:0011 PERS ER SF	0.00	7,477.35
101	105008	01/27/23	2133	PERS	01	202	DED:0021 PERS REG M	0.00	8,984.71
101	105008	01/27/23	2133	PERS	01	202	DED:0020 PERS ER M3	0.00	10,053.45
101	105008	01/27/23	2133	PERS	01	202	DED:01 PERS	0.00	11,236.19
101	105008	01/27/23	2133	PERS	01	202	DED:0006 PERS CITY	0.00	11,539.32
101	105008	01/27/23	2133	PERS	01	202	DED:0019 PERS RT SF	0.00	-3.25
101	105008	01/27/23	2133	PERS	01	202	DED:0004 SURV BEN	0.00	85.56
101	105008	01/27/23	2133	PERS	01	202	DED:0022 PERS SP MS	0.00	99.68
101	105008	01/27/23	2133	PERS	01	202	DED:08 PERS OTHER	0.00	392.97
101	105008	01/27/23	2133	PERS	01	202	DED:0018 PERS SP SF	0.00	628.84
101	105008	01/27/23	2133	PERS	01	202	DED:2001 PERS	0.00	880.32
101	105008	01/27/23	2133	PERS	01	202	DED:0009 PERS OTHER	0.00	1,002.45
101	105008	01/27/23	2133	PERS	01	202	DED:2000 PERS EMPLY	0.00	1,179.00
101	105008	01/27/23	2133	PERS	01	202	DED:0002 PERS	0.00	5,670.87
101	105008	01/27/23	2133	PERS	01	202	DED:07 PERS CITY	0.00	5,688.60
101	105008	01/27/23	2133	PERS	01	202	DED:0017 PERS RG SF	0.00	6,980.50
TOTAL CHECK								0.00	71,896.56
101	105009	01/27/23	2943	POLICE OFFICERS ASS	01	202	DED:7205 ASSOC DUES	0.00	931.24

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 01 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	105010	01/27/23	7956	STATE DISABILITY TA	01	202	DED:0026 SDI	0.00	4,041.73
101	105011	01/27/23	8352	TRANSAMERICA EMPLOY	01	202	DED:5202 TRANSAMERI	0.00	627.08
101	105012	01/27/23	4177	UNION BANK OF CALIF	01	202	DED:4005 PARS-457	0.00	279.52
101	105013	01/27/23	632	VISION SERVICE PLAN	01	202	DED:301 VISION	0.00	30.00
101	105013	01/27/23	632	VISION SERVICE PLAN	01	202	DED:2502 VISION	0.00	69.80
101	105013	01/27/23	632	VISION SERVICE PLAN	01	202	DED:300 VISION	0.00	181.48
101	105013	01/27/23	632	VISION SERVICE PLAN	01	202	DED:2503 VISION FAM	0.00	450.00
TOTAL CHECK								0.00	731.28
101	105014	01/27/23	2133	PERS	421	5145	JAN 2023 UAL	0.00	5,416.67
101	105014	01/27/23	2133	PERS	121	5145	JAN 2023 UAL	0.00	10,000.00
101	105014	01/27/23	2133	PERS	503	5145	JAN 2023 UAL	0.00	10,166.67
101	105014	01/27/23	2133	PERS	131	5145	JAN 2023 UAL	0.00	11,500.00
101	105014	01/27/23	2133	PERS	401	5145	JAN 2023 UAL	0.00	11,583.33
101	105014	01/27/23	2133	PERS	201	5145	JAN 2023 UAL	0.00	13,833.33
101	105014	01/27/23	2133	PERS	505	5145	JAN 2023 UAL	0.00	18,583.33
101	105014	01/27/23	2133	PERS	351	5145	JAN 2023 UAL	0.00	99,750.00
101	105014	01/27/23	2133	PERS	301	5145	JAN 2023 UAL	0.00	118,603.25
101	105014	01/27/23	2133	PERS	513	5145	JAN 2023 UAL	0.00	250.00
101	105014	01/27/23	2133	PERS	101	5145	JAN 2023 UAL	0.00	500.00
101	105014	01/27/23	2133	PERS	133	5145	JAN 2023 UAL	0.00	2,583.33
101	105014	01/27/23	2133	PERS	502	5145	JAN 2023 UAL	0.00	2,916.67
101	105014	01/27/23	2133	PERS	501	5145	JAN 2023 UAL	0.00	3,583.33
TOTAL CHECK								0.00	309,269.91
101	V1062023	01/06/23	3835	REPUBLIC ELEVATOR,	503	5223	YOUTH CENTER ELEVAT	0.00	625.80
101	V1062023	01/06/23	3835	REPUBLIC ELEVATOR,	411	5223	MUSEUM ELEVATOR	0.00	715.20
101	V1062023	01/06/23	3835	REPUBLIC ELEVATOR,	401	5223	LIBRARY ELEVATOR	0.00	894.00
TOTAL CHECK								0.00	2,235.00
101	V1062024	01/06/23	9799	OLGA BARABANOVA	421	5208	PIANO 12/1-12/15/20	0.00	189.00
101	V1202024	01/20/23	2987	HARRIS & ASSOCIATES	201	5202	CONTRACT PLANNING S	0.00	95.00
101	V1202024	01/20/23	2987	HARRIS & ASSOCIATES	201	5202	CONTRACT PLANNING S	0.00	13,117.50
TOTAL CHECK								0.00	13,212.50
101	V1202025	01/20/23	9570	TARGET SOLUTIONS LE	301	5201	COMMENDATION SYSTEM	0.00	2,105.96
TOTAL CASH ACCOUNT								0.00	1,223,979.82
TOTAL FUND								0.00	1,223,979.82

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 11 - LIBRARY BOOK FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104817	01/06/23	1040	CENGAGE LEARNING/GA	403	5303	BOOKS & MATS	0.00	28.83
101	104817	01/06/23	1040	CENGAGE LEARNING/GA	403	5303	BOOKS & MATS	0.00	30.58
101	104817	01/06/23	1040	CENGAGE LEARNING/GA	403	5303	BOOKS & MATS	0.00	33.20
TOTAL CHECK								0.00	92.61
101	104846	01/06/23	3304	MIDWEST TAPE	403	5303	BOOKS & MATS	0.00	38.22
101	104846	01/06/23	3304	MIDWEST TAPE	403	5303	BOOKS & MATS	0.00	96.91
TOTAL CHECK								0.00	135.13
101	104898	01/20/23	4943	US BANK	403	5303	WEIRICK CC DEC 22	0.00	639.70
101	104914	01/20/23	1040	CENGAGE LEARNING/GA	403	5303	BOOKS & MATS	0.00	30.58
101	104914	01/20/23	1040	CENGAGE LEARNING/GA	403	5303	BOOKS & MATS	0.00	114.47
101	104914	01/20/23	1040	CENGAGE LEARNING/GA	403	5303	BOOKS & MATS	0.00	93.48
TOTAL CHECK								0.00	238.53
101	104943	01/20/23	3304	MIDWEST TAPE	403	5303	BOOKS & MATS	0.00	41.50
101	104956	01/20/23	5567	OVERDRIVE, INC.	403	5303	BOOKS & MATS	0.00	8.97
101	104965	01/20/23	3042	PEAK ENTERPRISES	403	5303	BOOKS & MATS	0.00	1,344.60
TOTAL CASH ACCOUNT								0.00	2,501.04
TOTAL FUND								0.00	2,501.04

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 15 - HOUSING FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	105014	01/27/23	2133	PERS	204	5145	JAN 2023 UAL	0.00	916.67
TOTAL CASH ACCOUNT								0.00	916.67
TOTAL FUND								0.00	916.67

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 17 - LOCAL STREETS AND ROADS

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104934	01/20/23	3378	DON CHAPIN CO., INC	522	6041	CIP 23-04	0.00	3,371.40
TOTAL CASH ACCOUNT								0.00	3,371.40
TOTAL FUND								0.00	3,371.40

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 18 - GAS TAX FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104822	01/06/23	3566	DAVE'S REPAIR SERVI	508	5276	FUEL SYSTEM REPAIR	0.00	112.50
101	104854	01/06/23	2024	PACIFIC GAS & ELECT	508	5222	PW11/16-12/14 4482-	0.00	7,144.25
101	104872	01/06/23	438	CALIFORNIA AMERICAN	508	5222	ST FUND 50%	0.00	311.28
101	104928	01/20/23	8719	FLUIDSECURE	508	5276	ANNUAL RENEWAL	0.00	1,481.43
101	104955	01/20/23	9576	O'REILLY AUTO ENTER	508	5276	PW FUEL DIESEL PUMP	0.00	15.68
101	104955	01/20/23	9576	O'REILLY AUTO ENTER	508	5276	PW FUEL STATION	0.00	25.27
TOTAL CHECK								0.00	40.95
101	105014	01/27/23	2133	PERS	508	5145	JAN 2023 UAL	0.00	1,833.33
TOTAL CASH ACCOUNT								0.00	10,923.74
TOTAL FUND								0.00	10,923.74

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 24 - STILLWELL CHILDREN'S POOL

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104905	01/20/23	106	AMERICAN SUPPLY COM	425	5309	POOL CHLORINE	0.00	447.93
101	104905	01/20/23	106	AMERICAN SUPPLY COM	425	5309	POOL CHLORINE	0.00	447.93
TOTAL CHECK								0.00	895.86
101	104966	01/20/23	2115	PENINSULA POOL SERV	425	5309	POOL SUPPLIES	0.00	442.66
TOTAL CASH ACCOUNT								0.00	1,338.52
TOTAL FUND								0.00	1,338.52

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 27 - LIGHTHOUSE MAINT.& IMPV.

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104824	01/06/23	8501	DONNA FOOTE	413	5223	LH SUPPLIES-FLAG	0.00	156.75
101	104872	01/06/23	438	CALIFORNIA AMERICAN	413	5222	90 ASILOMAR	0.00	76.83
101	104908	01/20/23	5363	AT&T CALNET 3	413	5212	LH 9391063247	0.00	24.04
101	104941	01/20/23	8527	JOYCE HALABI	413	5223	LH CERT. HOLDERS	0.00	44.21
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	413	5222	2022/2023 2ND PAYME	0.00	75.32
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	413	5223	LH SUPPLIES	0.00	34.95
TOTAL CASH ACCOUNT								0.00	412.10
TOTAL FUND								0.00	412.10

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 40 - POETRY PROMOTION FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	405	5222	2022/2023 2ND PAYME	0.00	27.22
TOTAL CASH ACCOUNT								0.00	27.22
TOTAL FUND								0.00	27.22

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 41 - YOUNT INCOME FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104921	01/20/23	9506	DUDEK	510	6031	GWP MANAMGENET PLAN	0.00	620.00
101	105014	01/27/23	2133	PERS	510	5145	JAN 2023 UAL	0.00	166.67
TOTAL CASH ACCOUNT								0.00	786.67
TOTAL FUND								0.00	786.67

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 43 - SLESF FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	V1202023	01/20/23	9033	ENTERPRISE FM TRUST	304	5225	LEASED VEHICLES	0.00	2,135.37
TOTAL CASH ACCOUNT								0.00	2,135.37
TOTAL FUND								0.00	2,135.37

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 63 - CAPITAL IMPROV PROJ FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104953	01/20/23	1896	NEILL ENGINEERS COR	631	6041	CIP23-01 WO8469STRE	0.00	19,258.00
101	104986	01/20/23	9401	WILLIAMS SCOTSMAN,	631	6021	PW CONST. TRAILER L	0.00	1,225.46
101	104989	01/20/23	9325	ZANDER DESIGN	631	6031	POINT PINOS CONSTRU	0.00	280.00
TOTAL CASH ACCOUNT								0.00	20,763.46
TOTAL FUND								0.00	20,763.46

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 70 - EMP BENEFIT FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104896	01/13/23	1	CALPERS HEALTH	703	5123	JAN 2023 RET & CHGS	0.00	18,213.61
101	104957	01/20/23	9512	P&A ADMINISTRATIVE	703	5123	COBRA ADMIN FEES	0.00	500.00
101	104990	01/24/23	8211	STANDARD INSURANCE	703	5123	JAN 2023 PREMIUMS	0.00	2,710.00
TOTAL CASH ACCOUNT								0.00	21,423.61
TOTAL FUND								0.00	21,423.61

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 71 - WORKERS COMP FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104912	01/20/23	2445	CA DEPT OF INDUSTRI	701	5231	FY 21/22	0.00	10,444.28
101	105014	01/27/23	2133	PERS	701	5145	JAN 2023 UAL	0.00	666.67
TOTAL CASH ACCOUNT								0.00	11,110.95
TOTAL FUND								0.00	11,110.95

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 72 - LIABILITY INS FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104993	01/24/23	6724	JACKSON LEWIS	702	5205	LEGAL SERVICES	0.00	7,695.00
101	104993	01/24/23	6724	JACKSON LEWIS	702	5205	LEGAL SERVICES	0.00	29,522.50
TOTAL CHECK								0.00	37,217.50
101	105014	01/27/23	2133	PERS	702	5145	JAN 2023 UAL	0.00	500.00
TOTAL CASH ACCOUNT								0.00	37,717.50
TOTAL FUND								0.00	37,717.50

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 74 - LOCAL WATER PROJECT

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104821	01/06/23	5959	STATE WATER RESOURC	741	5201	LWP PERMIT & PHASE	0.00	7,770.00
101	104854	01/06/23	2024	PACIFIC GAS & ELECT	741	5222	LWP11/30-12/28 0792	0.00	4,459.79
101	104871	01/06/23	2894	WILSON'S PLUMBING &	741	5224	AC UNIT REPLACEMENT	0.00	7,133.45
101	104872	01/06/23	438	CALIFORNIA AMERICAN	741	5222	1313 OCEAN VIEW BLV	0.00	930.73
101	104952	01/20/23	9294	MOTOR CONTROLS INC.	741	5201	MODEM SERVICES	0.00	650.00
TOTAL CASH ACCOUNT								0.00	20,943.97
TOTAL FUND								0.00	20,943.97

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 75 - CEMETERY FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	601	5309	CEMETERY SUPPLIES	0.00	46.16
101	104835	01/06/23	1199	HAYWARD LUMBER COMP	601	5309	CEMETERY SUPPLIES	0.00	55.39
TOTAL CHECK								0.00	101.55
101	104842	01/06/23	9832	LOLA HOGAN	601	5502	DUPLICATE BURIAL FE	0.00	1,272.00
101	104857	01/06/23	6411	QUADIENT LEASING US	601	5225	FY 22/23 MAIL MACHI	0.00	9.90
101	104872	01/06/23	438	CALIFORNIA AMERICAN	601	5222	CEM 4%	0.00	24.90
101	104872	01/06/23	438	CALIFORNIA AMERICAN	601	5222	1254 DELMONTECEM70%	0.00	216.99
TOTAL CHECK								0.00	241.89
101	104898	01/20/23	4943	US BANK	601	5309	GHO CC DEC 22	0.00	921.92
101	104940	01/20/23	9835	JENSEN ENTERPRISES	601	5309	CEMETERY LINERS	0.00	6,423.90
101	104947	01/20/23	1694	MISSION UNIFORM SER	601	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	601	5309	LINEN & UNIFORM CLE	0.00	4.40
101	104947	01/20/23	1694	MISSION UNIFORM SER	601	5309	LINEN & UNIFORM CLE	0.00	79.20
101	104947	01/20/23	1694	MISSION UNIFORM SER	601	5309	LINEN & UNIFORM CLE	0.00	81.20
101	104947	01/20/23	1694	MISSION UNIFORM SER	601	5309	LINEN & UNIFORM CLE	0.00	79.20
101	104947	01/20/23	1694	MISSION UNIFORM SER	601	5309	LINEN & UNIFORM CLE	0.00	77.92
101	104947	01/20/23	1694	MISSION UNIFORM SER	601	5309	LINEN & UNIFORM CLE	0.00	12.99
101	104947	01/20/23	1694	MISSION UNIFORM SER	601	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	601	5309	LINEN & UNIFORM CLE	0.00	12.89
TOTAL CHECK								0.00	373.58
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	601	5309	CEMETERY SUPPLIES	0.00	30.44
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	601	5309	CEMETERY SUPPLIES	0.00	74.35
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	601	5309	CEMETERY SUPPLIES	0.00	135.43
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	601	5309	CEMETERY SUPPLIES	0.00	128.83
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	601	5309	CEMETERY SUPPLIES	0.00	11.01
TOTAL CHECK								0.00	380.06
101	104972	01/20/23	9754	SAVANNA SANDUSKY	601	5215	MILEAGE 10/04-12/29	0.00	69.88
101	105014	01/27/23	2133	PERS	601	5145	JAN 2023 UAL	0.00	1,333.33
TOTAL CASH ACCOUNT								0.00	11,128.01
TOTAL FUND								0.00	11,128.01

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 76 - SEWER FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104806	01/06/23	6154	AT&T	611	5212	PW 237 841-1326	0.00	33.97
101	104806	01/06/23	6154	AT&T	611	5212	PW 237 841-1323	0.00	33.97
101	104806	01/06/23	6154	AT&T	611	5212	PW 237 841-1324	0.00	33.97
101	104806	01/06/23	6154	AT&T	611	5212	PW 237 841-1330	0.00	33.97
TOTAL CHECK								0.00	135.88
101	104821	01/06/23	5959	STATE WATER RESOURC	611	5201	LWP PERMIT & PHASE	0.00	10,602.00
101	104826	01/06/23	4173	FASTENAL	611	5275	RAIN GEAR	0.00	262.16
101	104868	01/06/23	6777	WALLACE GROUP	611	5201	SSMP 5 YEAR UPDATE	0.00	216.25
101	104872	01/06/23	438	CALIFORNIA AMERICAN	611	5222	1273 CRESPI POND 50	0.00	59.92
101	104872	01/06/23	438	CALIFORNIA AMERICAN	611	5222	100 OCEANVW IRRIG	0.00	38.58
101	104872	01/06/23	438	CALIFORNIA AMERICAN	611	5222	SEWER 8%	0.00	49.80
TOTAL CHECK								0.00	148.30
101	104910	01/20/23	8579	BEFORE THE MOVIE IN	611	5221	ADVERTISING	0.00	199.00
101	104934	01/20/23	3378	DON CHAPIN CO., INC	612	6051	CIP 23-01	0.00	3,715.00
101	104947	01/20/23	1694	MISSION UNIFORM SER	611	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	611	5309	LINEN & UNIFORM CLE	0.00	12.89
101	104947	01/20/23	1694	MISSION UNIFORM SER	611	5309	LINEN & UNIFORM CLE	0.00	12.98
101	104947	01/20/23	1694	MISSION UNIFORM SER	611	5309	LINEN & UNIFORM CLE	0.00	77.92
101	104947	01/20/23	1694	MISSION UNIFORM SER	611	5309	LINEN & UNIFORM CLE	0.00	79.20
101	104947	01/20/23	1694	MISSION UNIFORM SER	611	5309	LINEN & UNIFORM CLE	0.00	81.20
101	104947	01/20/23	1694	MISSION UNIFORM SER	611	5309	LINEN & UNIFORM CLE	0.00	79.20
101	104947	01/20/23	1694	MISSION UNIFORM SER	611	5309	LINEN & UNIFORM CLE	0.00	4.40
101	104947	01/20/23	1694	MISSION UNIFORM SER	611	5309	LINEN & UNIFORM CLE	0.00	12.89
TOTAL CHECK								0.00	373.57
101	104953	01/20/23	1896	NEILL ENGINEERS COR	612	6051	CIP23-01 WO8469-SS	0.00	5,412.00
101	104958	01/20/23	2024	PACIFIC GAS & ELECT	611	5222	PW 0601805126-5	0.00	855.37
101	104962	01/20/23	2034	PACIFIC GROVE HARDW	611	5309	SEWER SUPPLIES	0.00	28.56
101	104987	01/20/23	2894	WILSON'S PLUMBING &	611	5207	MAIN LINE CLEANOUT	0.00	1,156.06
101	105014	01/27/23	2133	PERS	611	5145	JAN 2023 UAL	0.00	10,416.67
TOTAL CASH ACCOUNT								0.00	33,520.82
TOTAL FUND								0.00	33,520.82

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 77 - GOLF FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104872	01/06/23	438	CALIFORNIA AMERICAN	621	5222	77 ASILOMAR FIRE SV	0.00	79.99
101	104872	01/06/23	438	CALIFORNIA AMERICAN	621	5222	1254 DELMONTEGOLF30	0.00	93.00
101	104872	01/06/23	438	CALIFORNIA AMERICAN	621	5222	1273 CRESPI POND 50	0.00	59.92
101	104872	01/06/23	438	CALIFORNIA AMERICAN	625	5222	77 ASILOMAR GOLF HS	0.00	1,495.00
TOTAL CHECK								0.00	1,727.91
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	625	5222	2022/2023 2ND PAYME	0.00	620.14
101	104950	01/20/23	1772	MONTEREY COUNTY TAX	621	5222	2022/2023 2ND PAYME	0.00	2,740.98
TOTAL CHECK								0.00	3,361.12
101	104981	01/20/23	7381	UMPQUA BANK	622	5801	INTEREST OWING	0.00	39,625.76
101	104981	01/20/23	7381	UMPQUA BANK	622	5802	PRINCIPAL	0.00	96,422.70
TOTAL CHECK								0.00	136,048.46
TOTAL CASH ACCOUNT								0.00	141,137.49
TOTAL FUND								0.00	141,137.49

SELECTION CRITERIA: transact.ck_date between '20230101 00:00:00.000' and '20230131 00:00:00.000'
ACCOUNTING PERIOD: 8/23

FUND - 84 - AMERICAN RESCUE PLAN-ARPA

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	DIVISION	ACCNT	----DESCRIPTION----	SALES TAX	AMOUNT
101	104911	01/20/23	9704	BOWMAN CONSULTING G	841	6031	PURPLE PIPE FEASIBI	0.00	2,094.40
TOTAL CASH ACCOUNT								0.00	2,094.40
TOTAL FUND								0.00	2,094.40
TOTAL REPORT								0.00	1,546,232.76

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Audrey Cray, Finance & Risk Manager

MEETING DATE: February 15, 2023

SUBJECT: Core Revenue Report - January 2023

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

RECOMMENDATION

Receive the report.

DISCUSSION

The City of Pacific Grove's General Fund revenues are primarily derived from Property Tax, Transient Occupancy Tax, and Sales and Use Tax revenues. In the Fiscal Year 22/23 Adopted Budget, these three revenue sources were estimated to generate $20.3 million. These revenues account for approximately 70% of the General Fund's on-going revenues.

Details on the budgeted amounts and revenues to date are included in Attachments 1.

OPTIONS

N/A - This is informational only.

FINANCIAL IMPACT:

There is no fiscal impact associated with receiving this report.

GOAL ALIGNMENT: Not Applicable.

Attachments

Core Revenue Report - January 2023

Core Revenue Report
Fiscal Year 2022/23 - January 2023

The following tables include the FY22/23 budget and year to date revenues. The receipts represent funds received to date.

PROPERTY TAX

Property Tax is the first largest source of the General Fund revenue. The City typically receives property tax payments in December, April, and June. Unlike other tax revenues, property taxes were not impacted by COVID-19. The following table presents Fiscal Year 2022/23 budget, and revenues received to date.

Property Tax	Adopted Budget	YTD Receipts	% of Adopted Budget
FY22/23	8,840,000	5,299,211	59.9%

TRANSIENT OCCUPANCY TAX (TOT)

Transient Occupancy Tax (TOT) is the General Fund's second largest source of revenue which the City receives on a monthly basis. Unlike property taxes, TOT was significantly impacted by COVID-19 in Fiscal Years 2019/20 and 2020/21. The following table presents Fiscal Year 2022/23 budget and revenues received to date.

Transient Occupancy Tax	Adopted Budget	YTD Receipts	% of Adopted Budget
FY22/23	5,867,000	3,628,349	61.8%

The City receives transient occupancy tax in the month following the stay. The revenues received in December are for the November lodging period.

The following table shows a monthly breakdown of TOT revenues when compared to the same month last year. The reduction in the 2020/21 TOT in December and January primarily resulted from temporary COVID-19 restrictions.

Lodging Period	2020/21	2021/22	2022/23	Net Difference
July	289,435	673,475	797,756	124,281
August	340,019	730,578	818,939	88,361
September	327,958	578,129	639,644	61,515
October	347,103	475,290	589,714	114,424
November	216,516	431,862	411,136	-20,726
December	90,066	378,655	371,160	-7,495
January	109,118	314,248	-	-
February	205,512	412,711	-	-
March	334,004	476,041	-	-
April	379,613	568,275	-	-
May	428,612	612,496	-	-
June	518,002	621,212	-	-
Total	3,585,958	6,272,972	3,628,349	360,360
January 2023 revenues are anticipated to be received in late February.				

SALES AND USE TAX

Sales and Use tax are the third largest source of the City's General Fund revenues. The City receives a 1% Bradley Burns Tax and a 1% Measure U Transactions and Use Tax.

The Fiscal Year 22/23 Adopted Budget reflects the addition of Measure A revenues, a 0.50% Transactions and Use Tax. This tax become effective on October 1, 2022. Three quarters of Measure A funds have been incorporated into the annual projections. The first Measure A revenues will not be received until the end of December. These revenues should appear on this report in February 2023.

The impact of COVID-19 on the Sales and Use tax revenues was less significant when compared to TOT. The following table presents Fiscal Year 22/23 budget and revenues received to date.

Sales and Use Tax	Adopted Budget	YTD Receipts	% of Adopted Budget
FY22/23	5,616,000	2,027,202	36.1%

The following table presents Fiscal Year 2022/23 revenues received to date.

Remittance Period	2020/21	2021/22	2022/23	Net Difference
July Advance	358,945	303,144	350,801	47,657
August Advance	427,105	507,200	364,694	-142,506
September True-up	243,269	287,224	475,273	188,049
October Advance	343,188	311,118	411,967	100,849
November Advance	333,869	324,181	424,467	100,286
December True-up	302,359	479,810	-	-
January Advance	281,830	260,937	-	-
February Advance	339,550	316,738	-	-
March True-up	239,864	471,617	-	-
April Advance	314,606	329,326	-	-
May Advance	395,212	436,035	-	-
June True-Up	481,058	513,452	-	-
Total	4,060,855	4,540,782	2,027,202	294,335
December 2022 payments are anticipated to be received in late February as the State pays the city two months in arrears				

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

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Sandra Kandell, City Clerk and Nikita McKinder, IT Management Analyst
MEETING DATE:	February 15, 2023
SUBJECT:	Status of Records Management System and Online Contracts
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Receive the report.

DISCUSSION
Background
At the April 7, 2021, meeting, Council directed staff to provide a recommendation with options, pros, and cons on how best to post online agreements that have a value of $5,000 or more. A meeting was held between key staff and a summary of the discussion and preliminary findings were provided to Council in its May 19, 2021 packet. Due to time constraints, the item was continued to the Council's June 2, 2021, where Council subsequently directed staff to take the additional time to conduct the research, evaluation, and assessment of available document and records management software options based on the city's overall need for managing documents, workflows, and records, including a formal request for proposal if needed. At Council's direction, the posting of online contracts is the short-term portion and priority of this project. At its April 6, 2022, staff provided a brief status report to inform the Council that key staff had met and prepared an RFP. Additionally, staff provided a timeline that included dates when the RFP was issued and when a contract would be awarded. At its August 3, 2022, meeting, s taff reported it had received 7 proposals and selected the top 3 to proceed with interviews and demonstrations of their respective software. Based upon the proposals, interviews, demonstrations, and the City's needs, a contract was awarded, however, staff was in the midst of contract preparation and execution. Staff reported the proposal fell within the City Manager's spending limit. A contract was awarded to Cities Digital Inc. (CDI). Said contract commenced on August 24, 2022 and shall remain and continue in effect until all tasks are completed. Staff has had weekly meetings with the assigned CDI Project Manager. Upon approval of the City's Retention Schedule on October 19, 2022, staff met CDI on October 25, 2022, and the discussion commenced with CDI regarding all things contracts. Relative information was forwarded to CDI on October 26, 2022 with respect to the directed priority.

Current Update
Phase I with the posting of the vendor contracts to the public portal is close to completion. The goal is to make the portal live prior to the Mayor's State of the City Address on February 22, 2023. There are a few more steps staff would like to take to address confidential vendor contracts, and we have also discovered a few bugs to resolve in regard to the portal's search capability. An

announcement/presentation will return to Council as soon these items have been accomplished. Phase II of the public portal will be to include the display of other types of City agreements such as lease agreements, grant agreements, and other types, with the capability of the portal to search by agreement type.

OPTIONS

N/A

FINANCIAL IMPACT:

There is no fiscal impact in providing this status report. Funds have been included in the Fiscal Year 22/23 Budget.

GOAL ALIGNMENT: Not Applicable.

Attachments

Public Comment

Nov. 2 agenda item 8b

Jane Haines <janehaines80@gmail.com>

Mon 10/31/2022 3:01 PM

To: **City Council Members <citycouncil@cityofpacificgrove.org>**;Pierik, Brian A. <bpierik@bwslaw.com>;Rubens, Gregory J. <grubens@bwslaw.com>

[**NOTICE:** This message originated outside of the City of Pacific Grove email system -- **DO NOT CLICK** on **links** or open **attachments** unless you are sure the content is safe.]

Dear City Council,

The records management system described in the agenda report for item 8b seems to me like it will substantially increase the City's transparency. Thank you to all who are making that happen.

Appreciatively,
Jane Haines

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Ben Harvey, City Manager

MEETING DATE: February 15, 2023

SUBJECT: Ratification of New Local Emergency Actions

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

RECOMMENDATION

Receive report of emergency directives/modifications.

DISCUSSION

The City Manager during this Local Emergency is authorized to directly mitigate effects of the Local Emergency to protect life or property.

This report apprises the City Council of emergency directives taken under the continuing local emergency proclaimed by Resolution 20-007. This report fulfills the City Council's review obligation under that Resolution and Government Code 8630. This agenda item also enables ratification of select actions taken since the City Council's last review.

City expenditures for legal services related to COVID-19 issues (specifically to related to COVID 19-COM (Communications); COVID 19-TRN (Training); COVID 19-LAW (Legal Support); and COVID-19 (Other)) are eligible for State and Federal Emergency Service reimbursement, including but not limited to FEMA or other emergency grant funding.

Actions not subject to Ratification. Since the time of the revised Monterey County Shelter in Place Order issued Friday, April 3, 2020, the City Manager has taken the following new or modified actions pursuant to the Emergency Proclamation:

- None to report at this time.

No action is necessary with respect to the above new or modified measures, as each is responsive to requirements of the revised Monterey County Shelter in Place Order falling within the regular management discretion of the City Manager.

Actions subject to Ratification. Certain mitigation measures that have been enacted by the City Manager in response to the Monterey County Shelter in Place Order issued Friday, May 8, 2020, and in accord with Council's Local Emergency under Article 19, subparagraph l, of the Pacific Grove City Charter, and Chapter 3.20 of the Pacific Grove Municipal Code (PGMC), are subject to ratification. Any mitigation measures that qualify are subject to ratification as required by Government Code 8630

and City Council Resolution 20-007, and are listed below:

1. None to report at this time.

Discussion of Circumstances Needing Emergency Response. The discussion part of this item allows comment on circumstances which may benefit from further or different emergency responses. Matters identified will be referred to the City Manager for appropriate consideration in accord with the Emergency Management System protocols set by PGMC Chapter 3.20. These delegate exclusive emergency management response authority to the City Manager.

CEQA Exemption. Actions taken to prevent or mitigate an emergency are exempt from CEQA pursuant to section 15260 of the CEQA Guidelines.

OPTIONS

Actions not subject to ratification are reported for information only.

FINANCIAL IMPACT:

There is no financial impact in receiving the report.

GOAL ALIGNMENT: Not Applicable.

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Bill Peake, Mayor
MEETING DATE: February 15, 2023
SUBJECT: Appointment to Economic Development Commission
CEQA: Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Approve appointment of R. Venuti to Economic Development Commission ending January 31, 2025.

DISCUSSION
The appointment of R. Venuti, Business Owner/Manager, fills a vacancy on the Economic Development Commission.

City committees play a vital role in city government and provide opportunities for residents to become engaged in civic activities and work to improve local governance. We are very fortunate to have many highly qualified and talented residents willing to serve on City committees.

The term for EDC positions are 2 years as this is a non-Charter committee.

Mayoral appointments to City committees must be confirmed by Council (Charter Article 26). Further regulations and policy regarding appointments can be found in PGMC Chapter 3.02 and Policy 000-5.

OPTIONS
N/A

FINANCIAL IMPACT:
There is no fiscal impact.

GOAL ALIGNMENT: Not Applicable.

Attachments

Redacted Application - Venuti

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

RECEIVED
CITY MANAGER'S OFFICE
2022 DEC 19 P 4:56
CITY OF PACIFIC GROVE

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

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

Name:
Robin Venuti

[redacted]

City:	State:	ZIP Code:
Pacific Grove	CA	93950

Residence Telephone Number:	Work Telephone Number:	E-Mail Address:
[redacted]		[redacted]

Name of Board, Commission, or Committee on which you would like to serve:
Economic Development Commission

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

My late husband, Joe Rock was very involved in City Committees. In fact, as I was working out of the city and gone all day, he used to tell me that I didn't know PG. For most of my professional life, I was a senior level fundraiser or Executive Director in organizations outside of Pacific Grove. These include:

*Carmel Bach Festival where I established the Business Partners program
*York School
*National Steinbeck Center - working with businesses to market the NSC as a local and tourist downtown destination
*Monterey Museum of Art where I created business partners for Third Thursdays at the MMA
*Monterey Peninsula College Foundation (ED)
*Montage Health Foundation

When Joe passed, I knew I did not want to work in the hospital setting anymore but wanted to be more involved in my community and my recent role as Grandmother to my daughter's child Oscar. (She is expecting identical twins at EOY 2022.)

Joe and I bought our house on Caledonia in 1985 and raised our two children here. Since he was an architect, you can imagine that we have done additions and renovations over the years. I count my blessings to have this house and to be here in Pacific Grove.

While Joe was ill, I got my real estate license. Both my parents were realtors and so knew the landscape of what that meant. Now I realize I should have done this while Joe was alive. He would have been so helpful! I am so pleased to be with Over the Moon Realty – two blocks from my house.

I submit my application for the Economic Development Committee because I want to give back and be involved. I hope you will seriously consider my application.

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

Signature of Applicant:	Date:
Robin Venuti	12.10.22

FOR CITY USE ONLY

Appointed to: _____

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

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

Date Certification of Appreciation Awarded: _____

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Daniel Gho, Public Works Director/Deputy City Manager

MEETING DATE: February 15, 2023

SUBJECT: Recreation Board Minutes: June, August, November and December 2021.

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

RECOMMENDATION

Receive the minutes.

Attachments

June 2021 Minutes

August 2021 minutes

November 2021 minutes

December 2021 Minutes

CALL TO ORDER – The meeting was called to order at 4:04 pm

ROLL CALL – Charles Gibson, Jay Tulley, Daryl Smith, Elliot Hazen, Colleen Goldsmith. Also present: Public Works – Dan Gho, Amy Colony, and Katie Clark. City Council Liaison – Amy Tomlinson.

1. **Approval of Agenda:** Approved 5-0-0 (Tulley / Smith)
2. **Board and Staff Announcements:** Introduction and welcome to Recreation Manager Katie Clark. Dan Gho reported on unfunded repairs made to Jewel Park gazebo; Colleen Goldsmith stated meeting is planned with Amy Colony to expand volunteer base for parks.
3. **Council Liaison Comments:** Amy Tomlinson formally welcomed new manager, Katie Clark, to her PG recreation manager position.
4. **General Public Comments:**

   A. Written Communication: emails regarding hazard of electric bikes in neighborhoods; Chase Park; request for skate park; and maintenance in Caledonia Park & George Washington Park

   B. Oral Communication: none
5. **Approval of Minutes from February 25 and April 22, 2021 Meeting:** Smith/Tulley – Approved 5-0-0
6. **Meeting Dates:** Dan Gho: reported that pre-pandemic, the Recreation Board met the 4th Thursday of the month at 5:30 pm. Commission comments: board consensus to go back to monthly meetings (approximately 10 per year) and preference is for in-person, after-work, hybrid type meeting. Council member Tomlinson will take feedback to City Council.
7. **Parks Asset Inventory Assessment:** Chair Gibson: update that Chase Park has been mostly renovated. Dan Gho: clarified that recreation budget is for staffing/programs and Public Works budget is for park maintenance, which is primarily complaint driven for repairs etc. Commission comments: Tulley: inquired about scheduling of proposed park projects in the calendar for city budget using the assessment information; Smith: how should Board respond to public emails; Gibson: staff point person would be good to do initial response.

8. **2021/22 Goals:** Dan Gho: recommended sub-committee to develop commission goals with Smith and Tulley volunteering and staff person Clark to assist. List of Goals will be presented to Recreation Board at August 26, 2021 meeting.
9. **Joint Use Agreement:** Dan Gho: the agreement, finalized by the city and school district in 2020, pertains to programs on school property which are administered by the city. Public Comment: none. Commission comments: Hazen inquired about fees (per Dan Gho, none); Tulley commented that since parks have few grassy fields, this agreement is good opportunity for kids & adults, although there is need for better athletic fields. Dan Gho: does not recommend city put any funds into improving school property. The Joint Use Agreement formalizes overlap usage.
10. **Discussion Items:** skate park options; bike traffic emails concerns about speeding and Enforcement (Dan Gho to forward/re-direct emails to appropriate board) on ebikes.
11. **Next Agenda:** report by PW on recreation budget, youth programming, capital improvement projects and special events.

Meeting was adjourned at 5:27 pm.

Submitted by Colleen Goldsmith

CALL TO ORDER – The meeting was called to order at 5 pm.

ROLL CALL – Charles Gibson, Jay Tulley, Daryl Smith, Elliot Hazen, Colleen Goldsmith. Also present: Public Works Director: Dan Gho; Recreation Manager: Katie Clark; and Amy Colony. City Council Liaison – Amy Tomlinson.

1. **Approval of Agenda:** Approved 5-0-0
2. **Board and Staff Announcements:** Daryl Smith thanked both Dan Gho and Katie Smith for WAVE program; Colleen Goldsmith thanked Amy Colony for her efforts to reinvigorate the park/gardening volunteers and announced volunteer opportunity at Chautauqua/Elmarie Dyke Park on Sunday at 10 am.
3. **Council Liaison Comments:** Amy Tomlinson reported no updates.
4. **General Public Comments:**

   A. Written Communication: email received regarding pickle ball noise at tennis courts.

   B. Oral Communication: Steve Albert at 523 Gibson likes improvements at Pt. Pinos; commented on excessive noise at pickle ball courts; and requested that hours of play not be increased from current hours permitted.
5. **Approval of Minutes from June 24, 2021:** Hazen/Tulley – Approved 5-0-0
6. **Regular Agenda:**

   A. Recreation Board Goals: Jay Tulley presented worksheet outlining 2021/2022 goals of the commission; main tasks to be completed; and multiple sub-tasks for each; Tulley stated that he would like to see a goals document that evolves as needed. Commissioner comments: Elliot Hazen suggested adding "new opportunities for rec activities"; Jay Tulley would like broad goals adopted; Chair Gibson proposed board members email Jay with goal suggestions and that item be placed on agenda for discussion next month. PW Dan Gho suggested that goals sub-committee add additional tasks to worksheet.

   B. Recreation Department Update: Recreation Manager Katie Clark provided report that summer program had total 595 registrations for June 1 to July 31.

Due to Covid safety concerns, there were modifications to programs offered and there was a waiting list to participate. The fall pre-school started 8/05 as 5 day program with Caterpillars (age 3) attending Tuesday and Thursday and Butterflies (age 4) attending Monday-Wednesday-Friday. Currently 19 children enrolled with more expected to be added. Fall recreation classes include various dance classes and chess academy. Additional programs are being planned for: afterschool; kid's night out; and fall break camp. Special Events this calendar year included: July 4th, Bike Night Out; Car Week; and National Night. Dan Gho noted that previous years showed greater enrollments. but with Rec programs canceled last year, summer numbers were good. Katie noted that hiring was challenging this summer. Katie researching recreational half day sports program for both kids and adult sports.

C. City Meeting Preference: City Council voted for monthly commission meetings to resume. In person meetings are not permitted at this time. Rec Board meets the 4th Thursday of the month.

D. Park Asset Inventory Assessment Update: Chair Gibson updated the report to include Chase Park. Motion to bring updated report to city council for their receipt of the Inventory Assessment (Smith/Goldsmith) carried 4-0-0 (Commissioner Hazen left meeting early).

E. Recreation Budget and Capital Improvements: PW Dan Gho presented operating Budget information showing total of $854,944 with a large part of the budget allocated to salaries (259k) and utilities/water (165k). No revenue data was provided. Examples of CIP include a management plan for George Washington Park to review park management and issues such as fire suppression (46k for analysis and report) and repair of roof leak at Chautauqua Hall ($18,654)

Next Agenda: discussion of Recreation Board goals

Meeting was adjourned at 6:20 pm.

Submitted by Colleen Goldsmith

CITY OF PACIFIC GROVE
RECREATION BOARD MEETING MINUTES
November 18, 2021 – 4:00 pm

Call to Order - The meeting was called to order at 4:04 pm

Roll Call – Gibson, Tulley, Hazen, & Staff-members Gho, Clark, and Colony & Council Liaison Tomlinson present. (Goldsmith arrived at 4:08)

1. **Call to Order -** The meeting was called to order at 4:04 pm

2. **Approval of Agenda** – Tulley/Hazen – Approved 3-0

3. **Board and Staff announcements** – None

4. **Council Liason Comments -** Tomlinson noted that there would be two allotments of funds from the federal government for COVID relief. The first allotment would help replenish the general fund. The second would be ARPA funds that would go, in part, to parks improvements. The council is looking to get input from the rec board on priorities.

5. **General Public Comments**
   A. Written Communications – None.
   B. Oral Communications – None.

6. **Approval of Minutes from September 23, 2021 –** Tulley/Hazen – Approved 4-0.

7. **Regular Agenda**

   A. Recreation Board Goals. Tulley reviewed goal worksheet. Discussion on how to get community input into the goals worksheet in a better way. Approved overall goals for calendar year 2022 as listed on the worksheet. (Goldsmith/Hazen, 4-0)

   B. Special Events Update – Gho and Clark reviewed list of recent, upcoming and pending special events. No required actions or motions.

   C. Volunteer Activities – Colony provided brief presentation of the volunteer program focused on the clean-up activities of the Pacific Grove Garden Club.

   D. Parks Tour – Gibson outlined strategy to assess parks on periodic basis. Tulley requested a method to get public comments embedded into the assessments. Gibson proposed January 13th at 4:00 at George Washington Park but it will be finalized later.

8. **Next Meeting –** Next virtual meeting is proposed for December 23 at 4:00.

9. **Adjournment –** Meeting was adjourned a 5:13 pm

Respectfully submitted,

Jay Tulley

1. **CALL TO ORDER –** The meeting was called to order at 4:08 pm.

ROLL CALL – Charles Gibson, Daryl Smith, Colleen Goldsmith. Also present: Public Works Director: Dan Gho; Recreation Manager: Katie Clark. Absent: Jay Tulley, Elliot Hazen

2. **Approval of Agenda:** Approved 3-0-0
3. **Board and Staff Announcements:** Daryl Smith reported schedule conflict attending 4 pm meetings; no Staff announcements
4. **Council Liaison Comments:** Amy Tomlinson absent
5. **General Public Comments:**

   A. Written Communication: two emails received from Tony Ciani and Lisa Ciani.

   B. Oral Communication: none
6. **Approval of Minutes from November 18,2020 to be approved January 27, 2022**
7. **Regular Agenda:**

   A. Recreation Board Goals: Daryl Smith reported that he will meet with subcommittee member Jay Tulley to do goals update for January meeting; PW Dan Gho suggested that board members decide on CIP goals by March for consideration by PG city council.
   No public comment.

   B. Parks Assessment/Budgeted Items: PG City Council received the Parks Assessment Report. PW Dan Gho reported that approximately 74 thousand has been approved by the city council for immediate park needs for items such as picnic tables, ADA playground equipment etc., with possible additional funding. These funds have been earmarked but are not yet available for disbursement. PG finance staff is working on ARPA funding timeline. Refer to Agenda Report.
   No public comment.

   C. Parks and Open Space Study: Chair Gibson proposal that Pacific Grove do a comprehensive study of city parks and open space, based on the city general plan that calls for periodic review and updates. Gibson referenced prior park proposals such as

an adult physical fitness course proposed for the north end of Caledonia Park; the various proposals circulating for the NOAA building; and the outside consultants tasked with the SMP. A comprehensive study would also query the public about the parks and provide survey information for the city to develop future projects. Refer to Agenda Report.

Public Comment: Inge Lorentzen recommended maintenance, upgrades and further improvements for all PG parks.

Commission Comment: Chair Gibson would like to explore opportunities for the city such as the NOAA building; PW Director Gho suggested that proposal go to city council as CIP, which he and Katie Clark reviewing the parks portion of the PG City General Plan.

D. Parks Tour: a tour of Washington Park is scheduled for January 13th at 4 pm for all Recreation Board members and the public

Public Comment: none

Meeting was adjourned at 4:56 pm.

Submitted by Colleen Goldsmith

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Brian A. Pierik, City Attorney

MEETING DATE: February 15, 2023

SUBJECT: Mayor Pro Tempore Role and Appointment

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

RECOMMENDATION

1. Request a reading of the Title of the Ordinance.
2. Motion to waive further reading and introduce and hold first reading of an Ordinance of the City Council of the City of Pacific Grove Amending Chapter 2.05 of the Pacific Grove Municipal Code Codifying the Mayor Pro Tempore's Role and Appointment.
3. Motion to adopt a City Council Policy to establish the nomination procedure for appointing the Mayor Pro Tempore

DISCUSSION

At the City Council meeting on December 7, 2022, Councilmember Luke Coletti presented an item to the Council for direction to the City Attorney to draft an ordinance to amend Chapter 2.05 of the Pacific Grove Municipal Code codifying the role and appointment of the Mayor pro tempore.

The City Attorney has reviewed the draft ordinance prepared by Councilmember Coletti and has no recommended changes to that draft ordinance. Therefore, the recommendation is for the City Council to consider introducing by first reading the attached Ordinance of the Council of the City of Pacific Grove Amending Chapter 2.05 of the Pacific Grove Municipal Code Codifying the Mayor Pro Tempore's Role and Appointment.

In addition to the proposed Ordinance. Councilmember Coletti also provided a draft City Council Policy to establish the nomination procedure for appointing the Mayor Pro Tempore which is attached to this Agenda Report. The City Attorney has reviewed the draft City Council Policy and has no recommended changes to this draft City Council Policy. Therefore, the recommendation is for the City Council to adopt the proposed City Council Policy to establish the nomination procedure for appointing the Mayor Pro Tempore.

OPTIONS

Do not adopt the Proposed Ordinance and Proposed Policy.

FINANCIAL IMPACT:

There is no fiscal impact to enactment of the Ordinance.

GOAL ALIGNMENT: Not Applicable.

Attachments

1 - Proposed Draft Ordinance
2 - Proposed Companion Council Policy

ORDINANCE NO. 2023 – xxx

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING CHAPTER 2.05 OF THE PACIFIC GROVE MUNICIPAL CODE CODIFYING THE MAYOR PRO TEMPORE'S ROLE AND APPOINTMENT

PROPOSED

FACTS

1. The City of Pacific Grove became a Charter City on April 22, 1927.

2. The Pacific Grove Charter, in Article 11, currently provides, in part: "The Council shall choose one of its members to serve as Mayor pro tempore during the absence of the Mayor."

3. No specific implementation regarding the role and appointment of the Mayor pro tempore is currently provided in the Pacific Grove Charter, the Municipal Code, or in Council Policies.

4. Codifying the role and appointment of the Mayor pro tempore supports compliance with Charter Article 11, and better defines Council's organizational structure.

5. The Pacific Grove Municipal Code (PGMC) sets forth rules regarding Administration and City Government in Title 2. Chapter 2.05 sets forth processes related to the Mayor.

6. This ordinance does not constitute a Project as that term is defined by Section 15378 of the California Environmental Quality Act (CEQA) as it is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

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

SECTION 1. Facts.

The facts set forth above are true and correct and are adopted as findings of the City Council as though set forth fully within the body of this ordinance.

SECTION 2. Amendment of Pacific Grove Municipal Code to Add Section 2.05.050

Section 2.05.050 Mayor pro tempore role and appointment

(a) Pursuant to Article 11 of the city charter the Council shall choose one of its members to serve as Mayor pro tempore during the absence of the Mayor.

(b) The Mayor pro tempore shall act as Mayor during the absence or disability of the Mayor and shall possess the powers and discharge the duties of the Mayor during such absence or disability only; provided, however, that the Mayor pro tempore shall have no authority to appoint persons to serve on any City Board, Committee, or Commission.

(c) At the meeting at which the declaration of the election results for a general municipal election is made, the City Council shall by election appoint one of its members as Mayor pro tempore, who shall serve in such capacity at the pleasure of the City Council. The procedure for nominating the Mayor pro tempore shall be prescribed by City Council Policy.

(d) If the Mayor and the Mayor pro tempore are absent from a meeting, the City Council shall elect an attending member to preside over such meeting.

SECTION 3. Interpretation.

This Ordinance shall be liberally construed to implement its purposes.

SECTION 4. Severability.

If any provision, section, paragraph, sentence, clause or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

SECTION 5. Effective Date.

In accord with Article 15 of the City Charter, this ordinance shall take effect thirty (30) days following adoption on second reading by the City Council.

SECTION 6. No Sunset Date.

This ordinance shall have continuing effect and shall not expire.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE THIS ____ day of _____, 2023, by the following vote:

AYES:

NOES:

PROPOSED

ABSENT:

APPROVED:

_____

BILL PEAKE, Mayor

ATTEST:

_____

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____

BRIAN PIERIK, City Attorney

U:\GENERAL (NEW)\City of Pacific Grove\Ordinances\Mayor Signature Ord\Contract Signature Ordinance - (draft).doc

PROPOSED

City of Pacific Grove, California
City Council Policy

Policy Governing	Policy No.	Effective Date	Page
Nomination of the Mayor Pro Tempore	000-28		1 of 1

PURPOSE:

This policy establishes the nomination procedure for appointing the Mayor pro tempore.

POLICY & PROCEDURE:

1. Nomination of the Mayor pro tempore

Pursuant to PGMC Section 2.05.050(c) The procedure for nominating the Mayor pro tempore shall be prescribed by City Council Policy.

2. Nomination Procedure

- The choice of Mayor pro tempore must be by four (4) affirmative votes.
- Any single Councilmember can nominate another member, including themself, to be chosen as Mayor pro tempore.
- Multiple nominations can be made, until a motion to close nominations is made, and seconded, and receives a majority vote.
- Upon the close of nominations, Councilmembers – by roll call – are asked to cast a single vote by the name of a candidate.
- If one nominee receives four (4) affirmative votes, that person is deemed chosen as Mayor pro tempore.
- If no single candidate receives four (4) affirmative votes, a new round of nominations is made, and the process is repeated until one candidate receives four (4) affirmative votes.

Adopted _____ - Minute Motion
Amended _____ – Minute Motion

PROPOSED

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Tori Hannah, Administrative Services Director/Assistant City Manager
MEETING DATE:	February 15, 2023
SUBJECT:	Fiscal Year 2022-23 Mid-Year Budget Modifications and First Reading of an Ordinance Amending the Fiscal Year 2022-23 Budget
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Request the City Attorney read the title of the ordinance;
2. Motion to waive further reading of the ordinance;
3. Introduce and hold first reading of an ordinance amending the Fiscal Year 2022/23 Operating and Capital Improvement Budget; and
4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

DISCUSSION

The City Council approved the Fiscal Year 2022-23 Budget on June 15, 2022. It is customary at this time of the fiscal year to amend the current budget to reflect any updates to revenues and expenditures.

The City Council's approval is needed to amend the budget. An ordinance reflecting those changes, as well as an overview of significant changes are included in this agenda report. Supplementary information related to the General Fund, as well as to other funds are included in Attachments 1-4. Additional details will also be provided during the presentation.

GENERAL FUND

During the few months of Fiscal Year 2021/22, the City's primary revenues were demonstrating strong performance, with most receipts exceeding mid-year projections. The Fiscal Year 2022-23 Budget was developed with conservative optimism, with assumptions that reflected more traditional growth. The Adopted General Fund Budget includes $800,000 in American Rescue Plan Act (ARPA) Funds to supplement operating revenues. The remaining ARPA receipts of $1,049,000 were appropriated from the ARPA Fund to support additional Council priorities.

At the time the budget was adopted, it was anticipated that there would be a Fiscal Year 2022-23 General Fund net operating difference of ($31,490). When this is applied to the Fiscal Year 2022/23 beginning *unassigned* fund balance, the City was estimated to end the year with approximately $12.0 million. The budget was adjusted for key unexpended contracts, purchases, and grants that were carried

forward into Fiscal Year 2022-23; and later amended to purchase a new fire engine and fund additional legal services. It is anticipated that the Fiscal Year 2022-23 General Fund *unassigned* ending fund balance will be approximately $11.3 million. This is approximately $1 million above the reserve level requirements. These unprogrammed funds are primarily the result of budgetary savings, increased revenues in the prior fiscal year that contributed to a greater than anticipated beginning fund balance; and increased revenue performance in the current year. The additional drawdown from fund balance of $745,906, predominantly reflects the purchase of a new fire engine. A table reflecting the projected change in the budget, along with key variances is listed in the subsequent table, with details included in Attachment 1.

General Fund Balance Projections			
	FY 22/23 Adopted	FY 22/23 Amended	FY 22/23 Mid-Year Est.
Actual Beginning Fund Balance	$ 12,010,279	$ 12,010,279	$ 12,010,279
Estimated Revenues	30,380,119	30,395,069	31,253,000
Estimated Expenses	30,411,609	31,855,301	31,998,906
Net Operating Difference	($31,490)	(1,460,232)	($745,906)
Estimated Ending Fund Balance	$ 11,978,789	$ 10,550,047	$ 11,264,373

Revenues
The mid-year projections include an estimated increase in revenues of approximately $858,000 when compared to the Amended Budget. This includes greater than anticipated tax receipts in the amount of approximately $757,000, with net increases of $101,000 in other categories. While there is a projected $520,000 increase in transient occupancy taxes, this is primarily driven by building upon the prior year's strong performance, with $133,000 of the projected amount attributed to growth within this fiscal year. All revised estimates are based on current trends, with sales tax adjusted based on revised estimates from the City's sales tax consultant HdL and internal projections. These estimates include Measure A tax revenues for three-quarters of the fiscal year.

Expenditures

Expenses are initially projected to be approximately $143,000 greater than anticipated, with $100,000 of the increase related to a new a Coastal Commission Grant. The grant expenditures are offset by an increase in Intergovernmental Revenues. Additional adjustments include $152,351 for a true-up of prior year fire contract costs, adjustments to legal expenditures, a new actuarial report to evaluate the impact of salary increases on the City's unfunded pension liability; and consulting services to facilitate Council goal setting.

The budget also includes additional capital outlay requests for new Council Chamber chairs, outfitting a police vehicle, and replacing parking meters. A reduction in transfers is primarily related to the timing of proceeds from a Promissory Note of $151,550 that were received and transferred to the Local Water Project in the prior fiscal year.

As part of the mid-year budget, staff is requesting the following position changes, that would result in

an increase of 1.50 positions:

- Addition of a half-time Community Service Officer (CSO) to establish a full-time CSO to provide additional departmental support and assist with wildlife protection efforts. (0.50 FTE)
- Addition of a 0.250 Information Technology Support Specialist to establish a full-time IT Support Specialist to provide technical support for City Boards, Commissions, and Committee Meetings; as well as assist with technology initiatives and public facing systems. (0.25 FTE)
- Addition of a three-quarter time Office Assistant to the Recreation Department to provide administrative support; and allow the Recreation Manager to focus on programs (0.75 FTE)
- Retain unexpended funding for the Recreation Department to expand summer programs

Additional reclassifications and adjustments are included in Attachment 2.

OTHER FUNDS

Listings of all projected changes to revenues and expenditures within Other Funds are included in Attachments 3 and 4. To facilitate stronger budgetary management, staff would like to amend the budget to reflect the identified changes. None of the changes represented would result in negative available fund balances.

These estimates do not include a potential proposed adjustment for recycled water fees that may increase the Local Water Project revenues; and increase the Cemetery and Golf Course expenditures. If this adjustment is made as part of an update to the Master Fee Schedule, a budget amendment will be brought forward at that time.

OPTIONS

1. Make no adjustments
2. Provide alternate direction to staff

FINANCIAL IMPACT:

The modifications to the General Fund are anticipated to result in a drawdown of *unassigned* fund balance in the amount of $745,906. This is primarily related to the purchase of a new fire engine. This is projected to result in an estimated ending *unassigned* General Fund balance of approximately $11.3 million. This places the estimated ending fund balance $1 million above the City's updated reserve threshold of $10.2 million.

The combined net change to all other funds is $1.3 million.

GOAL ALIGNMENT: Not Applicable.

Attachments

General Fund Overview
Summary of Position Requests
Other Fund Revenues
Other Fund Expenditures
Budget Amendment Ordinance

Mid-Year Budget Estimates

	FY 22/23 Adopted	FY 22/23 Amended	FY 22/23 Mid-Year	Difference from Amended	
Beginning Fund Balance	$ 12,010,279	$ 12,010,279	$ 12,010,279		
Revenues					
Property Taxes	$ 8,840,000	$ 8,840,000	$ 9,102,000	$ 262,000	(1)
TOT and Licenses	5,962,000	5,962,000	6,482,000	520,000	(2)
Sales and Use Tax	5,616,000	5,616,000	5,564,000	(52,000)	
Franchise and Utility User Taxes	3,475,000	3,475,000	3,520,000	45,000	
Business Licenses	322,000	322,000	365,000	43,000	
Other Taxes	237,000	237,000	176,000	(61,000)	
License, permits, and impact fees	1,045,000	1,045,000	987,000	(58,000)	
Intergovernmental Revenues	292,382	292,382	401,000	108,618	(3)
Charges for Services	1,928,000	1,928,000	2,061,000	133,000	(4)
Fines and Forfeitures	49,000	49,000	106,000	57,000	
Interest, rents, and concessions	310,000	310,000	378,000	68,000	
Other revenues	1,503,737	1,518,687	1,311,000	(207,687)	(5)
Other revenues - ARPA	800,000	800,000	800,000	-	
Transfers	-	-	-	-	
	$ 30,380,119	$ 30,395,069	$ 31,253,000	$ 857,931	
Expenditures					
Departments					
City Council	$ 385,227	$ 435,227	$ 646,831	211,604	(6)
City Manager	1,230,107	1,243,756	1,223,495	(20,261)	
Economic Development	124,833	124,833	203,677	78,844	(7)
City Attorney	762,100	812,100	711,100	(101,000)	(8)
Finance	1,392,325	1,476,067	1,443,702	(32,365)	
Information Systems	870,666	951,166	914,389	(36,777)	
Community Development	2,813,339	2,913,339	2,912,968	(371)	
Police	7,928,629	7,895,899	7,925,586	29,687	
Fire	4,246,200	4,246,200	4,365,373	119,173	(9)
Public Works	4,239,165	4,320,643	4,296,703	(23,940)	
Library	1,125,728	1,125,728	1,116,332	(9,396)	
Recreation	920,638	920,638	905,065	(15,573)	
Museum	314,500	314,500	325,500	11,000	
Capital Outlay	145,000	1,162,053	1,244,221	82,168	(10)
Capital Project Transfers	575,000	575,000	575,000	-	
Debt Service	2,237,415	2,237,415	2,239,777	2,362	
Interfund Transfers	1,100,737	1,100,737	949,187	(151,550)	(11)
Total	$ 30,411,609	$ 31,855,301	$ 31,998,906	$ 143,605	
Net Difference	$ (31,490)	$ (1,460,232)	$ (745,906)	$ 714,326	
Estimated Ending Fund Balance	$ 11,978,789	$ 10,550,047	$ 11,264,373		
Reserve Calculation					
Expenditures applicable to policy	$ 28,590,872	$ 29,017,511	$ 29,230,498		
Policy percentage - 35%	$ 10,006,805	$ 10,156,129	$ 10,230,674		
Difference from policy	$ 1,971,984	$ 393,918	$ 1,033,699		

Notes:

(1) Projected increase based on the first property tax disbursement.

(2) TOT increased significantly during the last half of Fiscal Year 21/22. This adjustment reflects the higher base, as well as current trends.

(3) Receipt of a $100,000 Coastal Commission Grant, which has corresponding expenditures in the Community Development Department budget.

(4) Various increases, which include a single receipt of approximately $100,000 in Planning Fees, net of changes within other categories.

(5) Reduction for $151,550 in promissory note proceeds for water entitlement sales that were received in the prior year; and misc. revenues.

(6) Council proposed actuarial services to evaluate the impact of salary increases $25,000, Council goals consultant, and various closed session legal agreements.

(7) Moved $39,999 from the City Manager for HdL Economic Development (ED) Services, $25,000 for ED consultant, and misc. adjustments.

(8) Reflect the estimated amount of special legal services needed through the end of the fiscal year.

(9) Includes a $152,351 invoice for the prior year true-up of fire contract services, net of other adjustments.

(10) Primarily $43,500 for new Council Chamber chairs, $23,000 for Police vehicle outfitting, and $19,000 for parking meter replacements.

(11) Includes a reduction of $151,550 in water entitlement transfers to the Local Water Project, which took place in the prior year.

Fiscal Year 22/23 Mid-Year Position Requests

CURRENT POSITION AUTHORIZATION	PROPOSED POSITION AUTHORIZATION	TIME	BUDGET UNIT	CHANGE IN FTE	FY 22/23 APPLICABLE COSTS	ESTIMATED ANNUAL COSTS
FINANCE DEPARTMENT [1]						
MANAGEMENT ANALYST (0.75)	SENIOR ACCOUNTING ASSISTANT (1.00)	F	131	0.44	10,007	30,022
ACCOUNTANT	SENIOR ACCOUNTANT	F	131	-	4,201	12,602
SENIOR ACCOUNTING ASST (ALLOCATION ONLY)		F	131	(0.15)	(4,996)	($14,987)
FINANCE MGR/DEPUTY (ALLOCATION ONLY)		F	131	(0.15)	(8,805)	($26,414)
				0.14	**$408**	**$1,223**
INFORMATION TECHNOLOGY DEPARTMENT						
IT SUPPORT SPECIALIST	IT SUPPORT SPECIALIST	F	133	**0.25**	**$6,037**	**$18,111**
POLICE						
POLICE RECORDS SUPERVISOR	MANAGEMENT ANALYST	F	301	-	$6,520	$19,560
POLICE SERVICES TECH II	PROPERTY & EVIDENCE TECH	F	301	-	$1,395	$4,185
ADMINISTRATIVE SERVICES MANAGER / PIO	POLICE COMMANDER	F	301	-	$2,500	$7,500
COMMUNITY SERVICE OFFICER (HALF-TIME)	COMMUNITY SERVICE OFFICER (FULL-TIME)	F	301	0.50	$18,178	$54,535
				0.50	**$28,593**	**$85,780**
RECREATION						
SEASONAL/PART-TIME SALARIES	SEASONAL/PART-TIME SALARIES	P	421	-	-	$40,000
(ADDITIONAL FUNDING TO SUPPORT VARIOUS TEMPORARY POSITIONS - FUNDING AVAILABLE THROUGH EXISTING BUDGET)						
OFFICE ASSISTANT		F	421	0.75	$17,240	$51,721
				0.75	**$17,240**	**$91,721**
COMBINED CHANGES TO THE GENERAL FUND				**1.64**	**52,278**	**196,835**
CEMETERY [1]						
OFFICE ASSISTANT (TWO HALF-TIME POSITIONS)	OFFICE ASST. (CONSOLIDATE TO A BENEFITTED 3/4 TIME POSITION	P	611	(0.25)	($126)	(378)
MANAGEMENT ANALYST (ALLOCATION ONLY)		F	611	0.10	$3,602	$ 10,806
COMBINED CHANGES TO THE CEMETERY FUND				**(0.15)**	**$3,476**	**$ 10,428**
WORKERS COMPENSATION AND RISK MANAGEMENT FUNDS [1]						
MANAGEMENT ANALYST (ALLOCATION ONLY)		F	702	(0.10)	($3,602)	(10,806)
MANAGEMENT ANALYST (ALLOCATION ONLY)		F	701, 702	(0.19)	($7,224)	(21,673)
SENIOR ACCOUNTING ASST (ALLOCATION ONLY)		F	701	0.15	$4,996	$14,987
FINANCE MGR/DEPUTY (ALLOCATION ONLY)		F	701, 702	0.15	$8,805	$26,414
COMBINED CHANGES TO THE WORKERS COMP. AND RISK MANAGEMENT FUNDS				**0.01**	**2,974**	**$8,922**
COMBINED CITY-WIDE POSITION CHANGES				**1.50**	**58,729**	**$216,186**

(1) Several Finance Department staff have hours allocated to the General, Cemetery, Risk Management, and Workers Compensation Funds. The combined adjustments associated with these positions do not result in an increase in the number of positions. The combined cost of the Finance Department position allocations and proposed changes is $20,573, with $1,223 allocated to the General Fund.

OTHER FUNDS - REVENUE ADJUSTMENT SUMMARY

FUND	AMENDED BUDGET	MID-YEAR ESTIMATE	DIFFERENCE	NOTES
06 - State Franchise PEG	59,500	52,000	(7,500)	Adjustment to reflect current revenue patterns.
07 - Library Bldg & Equip Fund	170,025	200,825	30,800	Primarily related to receipt of Laws Local History Fund grant
08 - Museum Improvement Fund	3,000	4,200	1,200	Miscellaneous budgetary adjustments
09 - Downtown Business District	24,000	34,300	10,300	Adjustment based on receipting patterns
10 - Hospitality Imprvmt District	500,000	475,750	(24,250)	Adjustment based on receipting patterns
11 - Library Book Fund	40,000	44,672	4,672	Adjustment based on receipting patterns
12 - Fire Emerg. Equip Fund	19,650	20,350	700	Miscellaneous budgetary adjustments
15 - Housing Fund	75,000	192,000	117,000	Reflects repayment of housing loans and related interest
18 - Gas Tax Fund	447,875	374,951	(72,924)	Adjustment based on revised State estimates.
20 - RSTP-(TAMC)	1,000,000	1,082,430	82,430	Anticipated grant revenues to support new projects.
21 - Drug Awareness (DARE)	1,150	1,020	(130)	Miscellaneous budgetary adjustments.
24 - Stillwell Children'S Pool	400	500	100	Miscellaneous budgetary adjustments.
25 - Recreation Donation Fund	1,300	1,400	100	Miscellaneous budgetary adjustments.
27 - Lighthouse Maint.& Impv.	97,250	48,500	(48,750)	Adjustment for minimal activity in first part of year.
28 - Senior Housing Fund	-	100	100	Miscellaneous budgetary adjustments.
30 - Operating Grants	20	10	(10)	Miscellaneous budgetary adjustments.
31 - Operating Donations	3,600	1,600	(2,000)	Adjustment based on current receipting patterns.
40 - Poetry Promotion Fund	36,120	35,620	(500)	Miscellaneous budgetary adjustments.
42 - Pub Safety Aug Fund	376,500	375,000	(1,500)	Miscellaneous budgetary adjustments.
43 - SLESF Fund	248,000	267,000	19,000	Receipt of $20,000 State grant.
45 - Abandoned Vehicle Program	12,250	12,200	(50)	Miscellaneous budgetary adjustments.
47 - RMRA Fund	355,638	325,978	(29,660)	Adjustment to reflect receipting patterns.
70 - Emp Benefit Fund	341,050	345,568	4,518	Increased employee deposits in flexible health care spending.
71 - Workers Comp Fund	746,600	789,384	42,784	Aligned with transfers as part of payroll processing.
72 - Liability Ins Fund	543,000	555,500	12,500	Primarily related to reimbursable legal fees.
74 - Local Water Project	1,451,737	1,356,187	(95,550)	Primarily due to $151,550 in water entitlement transfers that were received and transferred in the prior year.
75 - Cemetery Fund	636,750	672,800	36,050	Increased sales and related services.
76 - Sewer Fund	4,313,135	4,316,666	3,531	Recognition of additional one-time fee.
77 - Golf Fund	386,500	797,500	411,000	Reflects receipt of percentage-based revenue and performance.
78 - Sewer Lateral Loans	11,500	12,700	1,200	Miscellaneous budgetary adjustments.
85 - Library Trust Fund	2,500	5,500	3,000	Adjustment to reflect current receipting patterns.
86 - Cemetery Endowment Fund	64,000	95,000	31,000	Increased sales and services, with corresponding endowments.
90 - Yount Nonexpendable Fund	7,500	5,000	(2,500)	Adjustment to align with expected interest.
	$ 17,686,193	$ 18,212,854	$ 526,661	

OTHER FUNDS - EXPENDITURE ADJUSTMENT SUMMARY

FUND	AMENDED BUDGET	MID-YEAR ESTIMATE	DIFFERENCE	NOTES
04 - Hyperbaric Chamber	22,000	22,345	345	Miscellaneous budgetary adjustments.
06 - State Franchise PEG	53,000	59,000	6,000	Budgetary adjustments to equipment.
07 - Library Bldg & Equip Fund	149,825	179,825	30,000	Expenditures related to new Laws Local History Fund grant.
09 - Downtown Business District	24,000	34,000	10,000	Pass through amount, aligned with estimated revenues.
10 - Hospitality Imprvmt Dist.	500,000	474,390	(25,610)	Pass through amount, aligned with estimated revenues.
11 - Library Book Fund	40,000	44,182	4,182	Revised estimate for printed materials.
15 - Housing Fund	216,181	187,721	(28,460)	Net adjustment for position vacancies.
17 - Local Streets And Roads	1,110,961	1,556,478	445,517	Additional funding of $619,000 for the Fiscal Year 22/23 Street Rehabilitation Project, net of completed project savings.
18 - Gas Tax Fund	462,614	450,689	(11,925)	Reductions for supplies and minor salary adjustments.
20 - RSTP-(TAMC)	1,000,000	332,430	(667,570)	Addition of Stormwater and Flashing Beacon projects, net of a $750,000 reduction in annual planned spending on the Cedar, Sunset, and Congress intersection improvements.
21 - Drug Awareness (DARE)	292	700	408	Miscellaneous budgetary adjustments.
25 - Recreation Donation Fund	8,500	7,500	(1,000)	Miscellaneous budgetary adjustments.
27 - Lighthouse Maint.& Impv.	155,708	124,791	(30,917)	Reduction for position vacancies at the first part of the year.
40 - Poetry Promotion Fund	9,700	16,700	7,000	Increased miscellaneous property expenses.
41 - Yount Income Fund	16,929	12,929	(4,000)	Adjustment for removal of allocated benefits.
43 - SLESF Fund	304,793	342,522	37,729	Increased grant and contract expenditures.
47 - RMRA Fund	664,566	604,806	(59,760)	Updated for estimated year-end project expenditures.
63 - Capital Improvement Fund	2,550,245	1,857,393	(692,852)	The variance is primarily related to a $376,000 revision for the Public Works Fire Project; and reductions in the $374,000 remaining project budget that was carried forward for the Point Poinos Coastal Trail Project. Only approx. $60,000 is needed in this year.
70 - Emp Benefit Fund	341,000	362,062	21,062	Increased health insurance contributions.
71 - Workers Comp Fund	751,264	814,482	63,218	Estimated increase in claims expense.
72 - Liability Ins Fund	544,239	582,747	38,508	Increased insurance premiums and reimburseable legal costs.
74 - Local Water Project	1,373,448	1,592,536	219,088	Increased utility costs and contract expenditures associated with operator agreement.
75 - Cemetery Fund	576,258	605,669	29,411	Increased utility costs of $25,000 and other net budgetary updates.
76 - Sewer Fund	4,348,574	4,161,871	(186,703)	Completed project savings of $90,000; and a $90,000 reduction to the estimated year-end project expenditures.
77 - Golf Fund	332,097	427,500	95,403	Primarily attributed to approx. $64,000 for est. capital improvement contributions and $25,000 for study.
84 - American Rescue Plan (ARPA)	2,111,524	2,005,199	(106,325)	Chataqauqua Hall Preservation Plan placed on hold at $25,000; with carry-forward of $81,325 related to the Purple Pipe Project.
	19,013,482	18,206,231	(807,251)	

ORDINANCE NO. xx-xxx

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE ADOPTING THE OPERATING AND CAPITAL PROJECTS BUDGET FOR THE FISCAL YEAR (FY) 2022-23

FACTS

1. The City Council approved the Fiscal Year 2022-23 Budget on June 15, 2022.

2. It is customary to amend the budget to adjust revenues and expenditures to reflect updated information since the adoption of the Fiscal Year 2022-23 Budget.

3. The City Manager is recommending amendments to the Fiscal Year 2022-23 Budget to reflect the City Council goals for the fiscal year budget.

4. The Council has determined it is appropriate to amend the approved budget for FY 2022-23.

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

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

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

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

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

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

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

REVENUE ADJUSTMENT SUMMARY

FUND	DIFFERENCE
01 - General Fund	857,931
06 - State Franchise PEG	(7,500)
07 - Library Bldg & Equip Fund	30,800
08 - Museum Improvement Fund	1,200
09 - Downtown Business District	10,300
10 - Hospitality Imprvmt District	(24,250)
11 - Library Book Fund	4,672
12 - Fire Emerg. Equip Fund	700
15 - Housing Fund	117,000
18 - Gas Tax Fund	(72,924)
20 - RSTP-(TAMC)	82,430
21 - Drug Awareness (DARE)	(130)
24 - Stillwell Children'S Pool	100
25 - Recreation Donation Fund	100
27 - Lighthouse Maint.& Impv.	(48,750)
28 - Senior Housing Fund	100
30 - Operating Grants	(10)
31 - Operating Donations	(2,000)
40 - Poetry Promotion Fund	(500)
42 - Pub Safety Aug Fund	(1,500)
43 - SLESF Fund	19,000
45 - Abandoned Vehicle Program	(50)
47 - RMRA Fund	(29,660)
70 - Emp Benefit Fund	4,518
71 - Workers Comp Fund	42,784
72 - Liability Ins Fund	12,500
74 - Local Water Project	(95,550)
75 - Cemetery Fund	36,050
76 - Sewer Fund	3,531
77 - Golf Fund	411,000
78 - Sewer Lateral Loans	1,200
85 - Library Trust Fund	3,000
86 - Cemetery Endowment Fund	31,000
90 - Yount Nonexpendable Fund	(2,500)

SECTION 3. The expenditure budget for the following funds is amended, as stated herein. Which by reference are incorporated as set forth in its entirety.

EXPENDITURE ADJUSTMENTS	
FUND	DIFFERENCE
01 - General Fund	143,605
04 - Hyperbaric Chamber	345
06 - State Franchise PEG	6,000
07 - Library Bldg & Equip Fund	30,000
09 - Downtown Business District	10,000
10 - Hospitality Imprvmt Dist.	(25,610)
11 - Library Book Fund	4,182
15 - Housing Fund	(28,460)
17 - Local Streets And Roads	445,517
18 - Gas Tax Fund	(11,925)
20 - RSTP-(TAMC)	(667,570)
21 - Drug Awareness (DARE)	408
25 - Recreation Donation Fund	(1,000)
27 - Lighthouse Maint.& Impv.	(30,917)
40 - Poetry Promotion Fund	7,000
41 - Yount Income Fund	(4,000)
43 - SLESF Fund	37,729
47 - RMRA Fund	(59,760)
63 - Capital Improvement Fund	(692,852)
70 - Emp Benefit Fund	21,062
71 - Workers Comp Fund	63,218
72 - Liability Ins Fund	38,508
74 - Local Water Project	219,088
75 - Cemetery Fund	29,411
76 - Sewer Fund	(186,703)
77 - Golf Fund	95,403
84 - American Rescue Plan (ARPA)	(106,325)

SECTION 4. The Fiscal Year 2022/23 estimated fund balances based on this adjustment, are referenced herein [(1)]:

FUND	BEGINNING BALANCE	EST REV	EST EXP	EST. ENDING FUND BALANCE
01 - GENERAL FUND	12,010,279	31,253,000	31,998,906	11,264,373
04 - HYPERBARIC CHAMBER	12,146	10,600	22,345	401
06 - STATE FRANCHISE PEG	104,343	52,000	59,000	97,343
07 - LIBRARY BLDG & EQUIP FUND	88,303	200,825	179,825	109,303
08 - MUSEUM IMPROVEMENT FUND	414,069	4,200	213,217	205,052
09 - DOWNTOWN BUSINESS DISTRICT	1,972	34,300	34,000	2,272
10 - HOSPITALITY IMPRVMT DIST.	(1,360)	475,750	474,390	0
11 - LIBRARY BOOK FUND	26,059	44,672	44,182	26,549
12 - FIRE EMERG EQUIP FUND	159,222	20,350	22,000	157,572
15 - HOUSING FUND	281,845	192,000	187,721	286,124
17 - LOCAL STREETS AND ROADS	955,564	774,992	1,556,478	174,078
18 - GAS TAX FUND	172,309	374,951	450,689	96,571
20 - RSTP / TAMC	-	1,082,430	332,430	750,000
21 - DRUG AWARENESS (DARE)	302	1,020	700	622
24 - STILLWELL CHILDREN'S POOL	51,583	500	15,000	37,083
25 - RECREATION DONATION FUND	32,512	1,400	7,500	26,412
27 - LIGHTHOUSE MAINT.& IMPV.	183,380	48,500	124,791	107,089
28 - SENIOR HOUSING FUND	10,211	100	-	10,311
30 - OPERATING GRANTS	681	10	-	691
31 - OPERATING DONATIONS	57,736	1,600	-	59,336
40 - POETRY PROMOTION FUND	99,035	35,620	16,700	117,955
41 - YOUNT INCOME FUND	4,875	8,300	12,929	246
42 - PUB SAFETY AUG FUND	156,871	375,000	404,015	127,856
43 - SLESF FUND	115,890	267,000	342,522	40,368
45 - ABANDONED VEHICLE PROGRAM	12,955	12,200	-	25,155
47 - RMRA FUND	476,538	325,978	604,806	197,710
63 - CAPITAL IMPROV PROJ FUND	(21,195)	2,875,233	1,857,393	996,645
70 - EMP BENEFIT FUND	48,819	345,568	362,062	32,325
71 - WORKERS COMP FUND	49,555	789,384	814,482	24,457
72 - LIABILITY INS FUND	30,341	555,500	582,747	3,094
74 - LOCAL WATER PROJECT	1,434,833	1,356,187	1,592,536	1,198,484
75 - CEMETERY FUND	723,195	672,800	605,669	790,326
76 - SEWER FUND	21,575,089	4,316,666	4,161,871	21,729,884
77 - GOLF FUND	3,180,321	797,500	427,500	3,550,321
78 - SEWER LATERAL LOANS	197,277	12,700	-	209,977
84 - AMERICAN RESCUE PLAN-ARPA	293,369	1,849,559	2,005,199	137,729
85 - LIBRARY TRUST FUND	517,528	5,500	-	523,028
86 - CEMETERY ENDOWMENT FUND	1,858,607	95,000	-	1,953,607
90 - YOUNT NONEXPENDABLE FUND	790,564	5,000	7,500	788,064

(1) The estimated ending "available" fund balance for the enterprise funds, are as follows: Local Water Project at $25,807; Cemetery Fund at $720,122; Sewer Fund at $6,435,156; Golf Fund at $512,872.

SECTION 5. In accord with Article 15 of the City Charter, this ordinance shall become effective upon adoption hereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 1st day of March, 2023, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

_____
BILL PEAKE, Mayor

ATTEST:

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Bill Peake, Mayor, Luke Coletti, Councilmember

MEETING DATE: February 15, 2023

SUBJECT: Golf Course

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

RECOMMENDATION

Direct City Manager to return to Council with agreement to hire Pro Forma Advisors, LLC to

1. conduct a golf course financial analysis (pro forma) and
2. provide golf course lease recommendations.

DISCUSSION

BACKGROUND

October 7, 2020 – D. Gho presented a Local Water Project (LWP) update and recommended simultaneously pursuing renegotiating the golf course lease agreement with CourseCo and leasing the LWP facility. Council did not endorse a LWP lease.

August 4, 2021 – Closed session Conference with Real Property Negotiators Property: 77 Asilomar (Pacific Grove Golf Links) and 1313 Ocean View Blvd. (LWP). Staff provided an update. Council directed staff to hire a consultant to analyze the LWP financial operation and bring back recommendations as to what is required for break-even operations.

October 20, 2021 – D. Gho recommended the City enter into an agreement with DTA to evaluate the costs, revenue needs, and break-even calculations included in the City's Draft Local Water Project Business Plan, for a cost not to exceed $12,500. Council approved on consent.

May 4, 2022 – D. Gho presented DTA's Peer Review of LWP Business Plan (attachment 1). Council:

- approved a loan repayment plan for the Sewer Fund Interfund Loan and request that Public Works and Finance Departments provide a report on the LWP income and expenses every six months consistent with the investment portfolio rates with interest paid on a quarterly basis.
- authorized staff to begin negotiations with CourseCo. regarding the contract, not limited to new rates, and return to Council within three months with the results of said negotiations.

August 17, 2022 – Closed session Conference with Real Property Negotiators Property: 77 Asilomar, Pacific Grove (Pacific Grove Golf Links). No reportable action was taken.

FACTS

1. LWP cost of recycled water is $0.030 per gallon.
2. LWP revenue is $.018 per gallon.
3. LWP operates at an annual loss of $205,000.
4. LWP utility costs are significantly higher than projected in the DTA Break Even Analysis.
5. 80% LWP recycled water goes to golf course.
6. Golf course is operated by CourseCo with lease ending September 30, 2029.
7. CourseCo is a good golf course operator and leasee.
8. Lease payments consist of two components: base and percentage.
9. Base rent is $325,000 increasing $5,000 per year.
10. Percentage rent was $0 for years 2015-2020 and $256,460 for 2021.
11. Lease amendment contains water payment clauses.

DISCUSSION

Recent golf course meetings were held with City Managers (Harvey, Hannah, and Gho) and City Attorney Pierik on the dates listed below. Councilmembers in attendance were Tomlinson (until end of her office) and Coletti and Mayor Peake. The meetings were held to discuss status and direction of the golf course lease (attachments 2&3), finances, utility costs (attachment 4), water usage, and water sources.

- September 9, 2022
- October 4, 2022
- October 28, 2022
- January 20, 2023

Since September 2022 we have obtained, with staff assistance, additional information on the golf course and LWP. This information provided new insights and led to questioning how PG's golf course finances compare to other municipal golf courses in California, and what is the golf industry outlook? A report by Pro Forma Advisors, LLC (attachment 5) describes just this type of study. A study can provide Council and Staff with expert analysis necessary to make informed golf course decisions. We believe this company is well, if not the best, qualified to provide this specialized service (attachment 6).

The scope of work would include:

- Prepare a description of Pacific Grove Golf Links (PGGL) facilities and historical operating review.
- Provide an overview of the golf market, including national and regional demographics and trends.
- Complete a comparative performance review of regional golf courses, including rounds of play, average revenue per round, revenues, and operational costs including maintenance.
- Describe and compare various operating models employed by municipal golf courses in California, including PGGL.
- Review the economics of alternative operating models related to PGGL (confidential).

From City staff's perspective, there are some risks with proceeding with Pro Forma Advisors (or other vendor). Specifically: This action could be seen as "hostile" by CourseCo (it's an evaluation of their operations), and they may elect to cease bargaining with the City regarding proposed amendments to the current lease.

OPTIONS

- Do nothing.
- Provide alternate direction.

FINANCIAL IMPACT:

ProForma, LLC indicated that the study should not go above $25,000; however, it would be dependent upon the scope of work.

GOAL ALIGNMENT: Not Applicable.

Attachments

1 - Peer Review of City Business Plan Jan 7 2022

2 - Golf Course Lease Sept 17 2014

3 - Golf Course Lease Amendment #1 Dec 6 2016

4 - Local Water Project Utility Costs 2020-2022

5 - Evaluation of Operating Options Santa Barbara Golf Club Nov 2014

6 - Overview of ProForma LLCs qualifications

www.FinanceDTA.com

January 7, 2022

To: Tori Hannah

Daniel Gho

From: Andrea Roess, Managing Director, DTA

Steve Runk, Vice President Engineering, DTA

Subject: Peer Review of City Business Plan

The City of Pacific Grove ("City") recently constructed a 0.250 MGD reclaimed water treatment plant ("Plant") for the purpose of replacing potable water deliveries with reclaimed water to three principal customers, Pacific Grove Golf Links, El Carmelo Cemetery and Point Pinos Lighthouse landscaping. A detailed background of the existing physical and financial conditions of the reclaimed water system can be found in Pacific Grove Local Water Project Business Plan dated June 21, 2021 ("Business Plan"). City has asked DTA to conduct a peer review, consisting of: 1) an evaluation of the assumptions, methodology and calculations used to determine the proposed reclaimed water rate described in the Business Plan; and 2) provide a break-even rate analysis.

After review of the City's Business Plan and rate analysis, DTA has determined that the City's analysis of revenues and costs, debt service and available fund balances on an annual basis is rational, supportable and is consisted with industry practice. The City's financial model follows closely with the recommendations of American Water Works Association (AWWA) Manual of Water Supply Practices, M1. Furthermore, DTA has determined that to achieve a sustained, breakeven operation, City must impose steep increases in early years to reach a rate level of over $0.03 per gallon with modest increases thereafter.

EVALUATION OF THE BUSINESS PLAN

City looked at proposed revenues and expected expenses through FY28/29 (Year 11) for seven different revenue and cost assumption scenarios. Scenarios I-VII considered various combinations of supplementary water entitlement sales and debt repayment of operating loans. An overview of the findings for the seven scenarios can be found in the "Alternatives" section of the Business Plan. A rate analysis for Scenario VI, titled LWP Proforma, Scenario VI, was provided by City ("rate model"). This rate model was subsequently updated by City to include actual operating costs for FY20/21 as well as adjustments for recent average water demand. This analysis included one-time water rights sales in years 4 through 8. Also included are proceeds in year 3 from a $600,000 sewer fund loan, with loan repayments plus interest occurring in years 4 and 5. Operating costs were adjusted for inflation in subsequent years. Investment earnings on annual reserve balances included as a revenue source.

Revenues

The rate revenue in any given year is determined by multiplying the expected reclaimed water consumption, in gallons of reclaimed water, by the assumed rate, in dollars per gallon for that year. The expected consumption for each fiscal year is based on historical data and is discussed in the Business Plan. Other revenue shown in Scenario VI included one-time sales of water rights in years 4 through 8, and interest earned on fund balances.

Operating Expenses

Annual expenses such as contract services and utilities are based on actual costs incurred for FY20/21 and adjusted for inflation every year thereafter. In FY20/21 equipment repair and maintenance costs were incorporated into the contract services line item, in the amount of $21,000. Indirect costs are adjusted annually for inflation. Internal service charges are

assumed constant at $4,356 annually. Membranes have a useful life significantly greater than one year and therefore its replacement cost is considered a capital outlay.

Capital Outlay

Capital outlay costs, which include capital expenditures and membrane replacement, are identified in the Business Plan by fiscal year. In this model capital outlays occur in FY22/23 and FY 27/28. The remainder of the 30-year C.I.P. expenses occur in fiscal years beyond this study horizon. Funding for the capital outlay will be on a pay-as-you-go basis from the fund balances and therefore there will be no debt service related to capital outlays. The amount and timing of capital outlays are based on engineering estimates and are as shown in the Business Plan.

Debt Service

The rate model includes annual debt service payments for a State Revolving Loan of $206,448. In FY 21/22 and FY22/23 the project will repay a sewer fund loan of $600,000, with interest, in lump sum payments.

City Rate Increase Recommendations and Fund Balances

In Scenario VI the City proposes rate increases of 20% in Year 4 and Year 5, with 4% and 5% annual increases thereafter. This will result in positive fund balances in year 4 and each year thereafter, with a positive fund balance of $423,300 in Year 11. A substantial fund balance in year 11 is necessary to assist in providing sufficient funds in later years to pay for the remainder of the C.I.P. program.

BREAK EVEN ANALYSIS

As stated in the Business Plan, the project has been operating at an annual loss. City Staff has asked DTA to provide an independent analysis of rates that assumes that 1) annual revenues will cover annual expenses, and 2) provide fund balances that can pay for capital improvements in the near term as well as establish a reserve fund that will assist in funding future capital improvements beyond the horizon of this analysis. For the purposes of DTA's analysis, it is assumed that steep increases are imposed in the first two years to remove all annual negative operating balances, with modest increases thereafter. For instance, the attached model shows that rate increases of 35% and 21% in the first two years are required to prevent negative operating fund balances, and annual increases of 3% thereafter will build a fund balance of just under $500,000 in year 7 that will assist in meeting the C.I.P. requirements in later years.

Revenue, Expense and Debt Service Assumptions

DTA's analysis uses the same annual water consumption and annual expense data shown in the City's rate model discussed above. Also, the Capital Outlay expenses are repeated from the City's rate model. This analysis includes annual debt service payments for a State Revolving Loan. The interfund transfer of $76,507 was provided by the General Fund and repayment was not required. In FY20/21 the project received a loan of $600,000 from the sewer fund, as well as $37,000 in temporary funds to assist with cash flow. City staff assumes that this will be repaid through other sources also, rather than operating revenues shown herein. This analysis also assumes that any water rights sales that occur during this study period are not made a part of this analysis.

Findings

Based on the above assumptions, DTA finds that rate increases of 35% in Year 4, 21% in year 5 and 3% per year in Years 6 through 11 are necessary to achieve positive fund balances from this point forward, while accumulating a fund balance of just under $500,000 by year 11, to be used to fund capital improvements in later years. Steep increases in Years 4 and 5 are necessary to increase the rate levels from 0.017 per gallon to around $0.03 per gallon by Year 8. A rate level of around $0.03 per gallon with modest annual increases thereafter will enable City to not only achieve a break-even operation but allow fund balances to accumulate so that by year 11 these balances can carry forward to help fund future C.I.P. projects.

If the City choses to increase rates at a slower pace, the enterprise will continue to experience annual budget shortfalls, which will need to be offset by other sources.

BREAK EVEN ANALYSIS MODEL

Key Assumptions:

No water rights sales revenue Included in this model

Debt repayment for sewer fund loan made from other sources

Interfund transfer repayment made from other sources

	DTA Break Even Analysis									
	Cost per gallon	Cost per gallon	Cost per gallon	Cost per gallon	Cost per gallon	Cost per gallon	Cost per gallon	Cost per gallon	Cost per gallon	Cost per gallon
		$ 0.01721	0.0232	0.0281	0.0290	0.0298	0.0307	0.0316	0.0326	0.0336
	Actual	***Actual***	35.0%	21.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Beginning Fund Balance	(326,361)	(527,571)	311	21,003	77,924	250,740	436,308	635,624	849,180	237,954
Operating Revenues										
Reclaimed Water	524,041	597,833	740,641	896,176	923,061	950,753	979,275	1,008,654	1,038,913	1,070,081
Interest Earned	421	-		107	495	1,643	3,435	5,360	7,424	5,436
Non Opereating Revenues										
One Time Entitlement Sales										
Interfund Transfers	76,507									
Operating Loan Proceeds	-	637,000	-	-	-	-	-	-	-	-
Subtotal - Revenues	600,969	1,234,833	740,641	896,282	923,556	952,396	982,711	1,014,013	1,046,337	1,075,516
Expenses										
Contract Services	356,606	335,610	345,678	356,049	366,730	377,732	389,064	400,736	412,758	425,141
Legal Services	-	-	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-
Utilities	206,168	138,317	142,467	146,741	151,143	155,677	160,347	165,158	170,112	175,216
Internal Service Charges	4,357	5,000	4,356	4,356	4,356	4,356	4,356	4,356	4,356	4,356
Indirect Costs	28,600	20,000	21,000	21,525	22,063	22,615	23,180	23,760	24,354	24,962
Equipment Repair	-	1,576	-	-	-	-	-	-	-	-
Misc. Expense	-	-	-	-	-	-	-	-	-	-
subtotal - Expenses	595,731	500,503	513,501	528,670	544,292	560,380	576,947	594,009	611,580	629,675
Net operating difference	5,238	734,330	227,140	367,612	379,264	392,016	405,763	420,004	434,757	445,841
Non-Operating:										
Capital Outlay				**(104,243)**					**(839,535)**	
Debt										
Debt Service - State Loan	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)
Repayment of Interfund Transfer			-	-	-	-	-	-	-	-
Debt Service - Sewer Loan				-						
sub total - Debt	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)	(206,448)
Net Revenue/Deficit	(201,210)	527,882	20,692	56,921	172,816	185,568	199,315	213,556	(611,226)	239,393
Ending Fund Balance	(527,571)	311	21,003	77,924	250,740	436,308	635,624	849,180	237,954	477,347

GOLF COURSE LEASE

Pacific Grove Golf Links

Landlord: **City of Pacific Grove**

Tenant: **Pacific Grove Golf, LLC an affiliate of CourseCo, Inc**

Premises: **77 and 79 ASILOMAR AVENUE, LOCATED IN THE CITY OF PACIFIC GROVE, CALIFORNIA**

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GOLF COURSE

Landlord: **City of Pacific Grove**

Tenant: **Pacific Grove Golf, LLC an affiliate of CourseCo, Inc**

77 and 79 ASILOMAR AVENUE, LOCATED IN THE CITY OF PACIFIC GROVE, CALIFORNIA

THIS GOLF COURSE LEASE ("Lease") dated for reference purposes as of February 19, 2014 ("Effective Date"), is by and between the CITY of Pacific Grove, a Charter City of the State of California ("City" or "Landlord"), and Pacific Grove Golf, LLC, a California limited liability company ("Tenant").

RECITALS

A. City owns certain real property commonly known as the Pacific Grove Municipal Golf Course Links located in the City of Pacific Grove, County of Monterey, State of California, as more particularly described in **Exhibit A** attached hereto, which includes an operating 18-hole golf course, driving range, irrigation system, club house, restaurant, parking areas and related facilities.

B. Until April 1, 2014, the Golf Course was operated and managed by the City. The restaurant and food and beverage services are being operated by an independent third party under contract with the City.

C. City has determined that Tenant has the necessary experience, qualifications, and community values to manage, operate and maintain the Golf Course to the mutual advantage of Tenant and the City, and to enhance and maximize the public use thereof by providing a safe and attractive place to enjoy the game of Golf.

D. City and Tenant wish to enter into this lease as the most cost-effective and beneficial means for City to satisfy its desire to improve, operate and maintain Golf Course as a high-value recreational opportunity and economic development resource for the residents and visitors to the city.

E. Tenant desires to lease from City and City desires to lease to Tenant, the Premises described herein upon and subject to the terms and conditions set forth below in this Lease.

F. Tenant has managed, operated, and maintained the course since April 1, 2014 under a management agreement. The activities undertaken and the outcomes realized are integral to this lease arrangement. Thus, the financial terms for the first six months of this lease, when aggregated with the revenues accrued and the expenses incurred during the six months of the management agreement, constitute the first year of the financial projections and targets.

G. Therefore, for mutually acknowledged valuable consideration, the Parties hereby covenant and agree as follows:

ARTICLE 1
BASIC LEASE INFORMATION

The following is a summary of basic lease information applicable to the Lease. Each item below shall be deemed to incorporate all of the terms set forth in this Lease pertaining to such item. In the event of any conflict between the information in this Article and any more specific provision of this Lease, the more specific provision shall control.

Landlord:	**City of Pacific Grove**
Tenant:	**Pacific Grove Golf, LLC, a California limited liability company**
Premises:	Land (as defined herein) located in Pacific Grove, owned by City, as more particularly described in **Exhibit A** attached hereto, together with the existing **Golf Course** and related **Improvements** thereon, as those terms are defined herein.
Effective Date:	September 17, 2014
Commencement Date:	October 1, 2014
Term:	The initial Term of this Lease shall commence on the Commencement Date and shall end on the Expiration Date unless extended or sooner terminated.
Expiration Date (initial Term):	September 30, 2024
Extension Options:	Two (2) contingent options to extend the Term for five (5) years each (10 years total) as provided in **Article 4.2**
Initial Base Rent:	$300,000.00 per year (The Base Rent shall be payable in monthly installments on or before the first day of each month as provided in **Article 5.1**)
Fixed Adjustments to Base Rent:	Base Rent adjusted commencing on the date as set forth in **Article 5.2** and annually thereafter in accordance with **Article 5.2**
Percentage Rent:	Percentage Rent shall be paid in addition to Base Rent calculated on Gross Golf Revenue as described in **Article 5.3**.
Permitted Use:	Operation of public golf course, driving range and related facilities.
Security Deposit:	**$25,000** (See Article 23)
Tenant's Capital Investment Sum:	**$100,000** (See Article 8.1)

Tenant's Contribution to Capital Improvement Fund:	**1% of Gross Revenues adjusted to 1.5% after 2nd year** (See Article 8.3)
City's Contribution to Capital Improvement Fund:	**1% of Gross Revenues adjusted to 1.5% after 2nd year** (See Article 8.3)
Notice Address of City:	City Manager City of Pacific Grove 300 Forest Avenue Pacific Grove, CA 93950
Telephone:	(831) 648-3106
Facsimile:	(831) 657-9361
Notice Address of Tenant:	**Pacific Grove Golf, LLC** Post Office Box 5668 Petaluma, California 94953-1019 Fax: (707) 763-8355
With a copy to:	Mr. John C. Telischak Corte Madera Business Center 45 Koch Road, Suite A Corte Madera, California 94925-1250 Fax: (415) 945-9909
Primary Tenant Contact:	Tom Isaak
Telephone:	(707) 763-0335
Alternate Tenant Contact:	John Telischak
Telephone:	(415) 945-9982

List of Exhibits and Schedules:

Exhibit A Description of Premises
Exhibit B Maintenance Standards
Exhibit C Schedule of Personal Property

ARTICLE 2
DEFINITIONS

For purposes of this Lease, the following capitalized terms shall have the meanings ascribed to them in this Article:

"Additional Charges" means any and all real and personal property taxes, possessory interest taxes and other costs, impositions and expenditures described in Article 6 hereof or otherwise payable by Tenant under this Lease.

"Advance Deposits" means and includes any payments for reservations or other events which have been received by Landlord prior to the Commencement Date but not yet earned. Advance Deposits shall include, but are not limited to, outstanding gift certificates, annual passes, and other vouchers.

"Affiliate of Tenant" means any person or entity which directly or indirectly, through one or more intermediaries, controls, is controlled by or is under the common control with, Tenant. As used above, the words "control", "controlled" and "controls" mean the right and power, directly or indirectly through one or more intermediaries, to direct or cause the direction of substantially all of the management and policies of a person or entity through ownership of voting securities or by contract, including, but not limited to, the right to fifty percent (50%) or more of the capital or earnings of a partnership or, alternatively, ownership of fifty percent (50%) or more of the voting stock of a corporation.

"Agents" means, when used with reference to either Party to this Lease, the officers, directors, employees, agents and contractors of such Party, and their respective heirs, legal representatives, successors and assigns.

"Alterations" means any alterations, installations or additions to any Improvements or to the Premises, but excluding maintenance and repair work.

"Assignment" has the meaning given in Article 15.1 hereof.

"Award" means all compensation, sums or value paid, awarded or received for a Taking, whether pursuant to judgment, agreement, settlement or otherwise.

"Base Rent" means the annual Base Rent specified in the Basic Lease Information and described in Article 5.1 hereof.

"Basic Lease Information" means the information with respect to this Lease summarized in Article 1 hereof.

"Capital Improvement Fund" means the account described in Article 8.3 and all moneys deposited therein and interest accrued thereon.

"City" means the City of Pacific Grove, a charter city of the State of California.

"City Manager" means the City Manager of the City.

"Commencement Date" means the date described as such on the Basic Lease Information.

"CPI" means the Consumer Price Index, All Urban Consumers, San Francisco-Oakland-San Jose area; base years 1982-1984 = 100 published by the U.S. Dept. of Labor or any comparable replacement or successor index.

"Date of Taking" means the earlier of (i) the date upon which title to the portion of the Premises taken passes to and vests in the condemner or (ii) the date on which Tenant is dispossessed pursuant to an order of possession issued in the subject eminent domain proceeding.

"Default Rate" means a rate of interest equal to eight percent (8%) per annum.

"Effective Date" means the date set forth as such in the Basic Lease Information.

"Encumber" means create any Encumbrance; "Encumbrance" means any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance.

"Encumbrancer" means a mortgagee, beneficiary of a deed of trust or other holder of an Encumbrance.

"Environmental Laws" means any present or future federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises (including any permitted Improvements) and any other property, including, without limitation, soil, air and groundwater conditions.

"Event of Default" means any one of the events of default described in Article 16.1 hereof.

"Expiration Date" means the date which is 10 years from the Commencement Date unless and as extended in accordance with Article 4.2.

"Force Majeure" means circumstances that delay or prevent the performance of obligations hereunder due to acts of God, and/or other circumstances beyond the reasonable control of Tenant.

"Golf Course" means the 18-hole golf course, driving range, club house, pro shop, parking areas and related facilities currently existing and being operated on the Premises. Notwithstanding the foregoing or anything to the contrary in this Lease, the term "Golf Course" as used in this Lease shall specifically exclude, for all purposes, the restaurant, the interior of

the restaurant building (except for the portion of such building constituting the rest rooms and the cart barn which is located beneath the restaurant and which portion shall be deemed part of the Golf Course and the Premises), food and beverage facilities, and related equipment, improvements and appurtenances.

"Gross Golf Revenues" means the gross revenues derived from admission fees, entry fees, green fees, tournament fees, advance booking fees, membership and club dues and other fees and dues of any kind including nonrefundable deposits, driving range use fees and ball fees, rental fees for motorized golf carts. Gift certificates, or similar vouchers, shall not be included until such time as they shall have been converted into a sale by redemption.

"Gross Revenues" means Gross Golf Revenues, plus revenues from lessons, classes or other instructional fees (net of amounts paid to the golf professional staff),and from the selling price of merchandise, golf clubs and other golf equipment, golf supplies, goods and, clothing or delivered in or from the Premises by Tenant, whether for cash or on credit (whether collected or not), including the gross amount received by reason of orders taken on the Premises although filled elsewhere, provided however that, for purposes of inclusion in Gross Revenues, there shall be subtracted from such selling price of merchandise, goods, clothing and equipment, the cost of goods sold. Gross Revenues and Gross Golf Revenues in credit card transactions shall include only the actual amount received by Tenant from the credit card issuer. Gross Revenues shall not include, or if included there shall be deducted (but only to the extent they have been included), the following: (a) the selling price of all merchandise returned by customers and accepted for full credit, or the amount of discounts, refunds, and allowances made on such merchandise; (b) merchandise returned to sources or transferred to another store or warehouse owned by or affiliated with Tenant; (c) sums and credits received in the settlement of claims for loss of or damage to merchandise; (d) the price allowed on all merchandise traded in by customers for credit or the amount of credit for discounts and allowances made instead of acceptance of merchandise; (e) gift certificates, or similar vouchers, until such time as they shall have been converted into a sale by redemption; and (f) sales and use taxes, so-called luxury taxes, consumers' excise taxes, gross receipts taxes, and other similar taxes now or in the future imposed on the sale of merchandise or services.

"Gross Golf Revenue Baseline" means, for the period from April 1, 2014 through December 31, 2014, the seasonally adjusted sum of $1,938,750, and thereafter, the sum of $2,350,000 per calendar year increased on January 1st of each year during the Term beginning on January 1, 2015 in the same proportion as changes in the Consumer Price Index, All Urban Consumers, San Francisco-Oakland-San Jose area; base years 1982-1984 = 100 published by the U.S. Dept. of Labor, ("CPI") shall have occurred since January 1st of the preceding year and the adjusted amount shall be effective for the following twelve months. If the CPI is discontinued or revised during the Term such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or revised. If no replacement index is promulgated the Landlord and Tenant shall mutually select another government index measuring changes in the cost of living

in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued, and the same shall thereafter be used in adjusting Base Rent hereunder.

"Hazardous Material" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Land, any Improvements to be constructed on; the Land by or on behalf of Tenant, or are naturally occurring substances on, in or about the Land; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids.

"Hazardous Material Claims" means any and all enforcement, Investigation, Remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws, together with any and all Losses made or threatened by any third party against City, its Agents, or the Premises or any Improvements, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law. Hazardous Materials Claims include, without limitation, Investigation and Remediation costs, fines, natural resource damages, damages for decrease in value of the Premises or any Improvements, the loss or restriction of the use or any amenity of the Premises or any Improvements, and attorneys' fees and consultants' fees and experts' fees and costs.

"Improvements" means any and all buildings, structures, fixtures and other improvements constructed, installed or placed on the Premises by or on behalf of Tenant pursuant to this Lease, including, without limitation, any signs, roads, trails, driveways, parking areas, curbs, walks, fences, walls, stairs, poles, plantings and landscaping. Notwithstanding the foregoing or anything to the contrary in this Lease, the term "Improvements" as used in this Lease shall specifically exclude, for all purposes, the restaurant, the restaurant building (except for the restrooms and for the portion of such restaurant building constituting the cart barn which is located beneath the restaurant and which portions shall be deemed Improvements as that terms is used herein[1]), food and beverage facilities, and related equipment, improvements and appurtenances.

[1] Responsibility for the cost of repair, maintenance and operation of the portions of the building containing the restaurant, cart barn and restrooms shall be reasonably and equitably allocated between Tenant on the one hand and the operator of the restaurant on the other. The operator of the restaurant shall be responsible for cleaning

"Indemnified Parties" means the Party being indemnified and such Party's officers, Agents, shareholders, partners, employees, and their respective Agents, heirs, legal representatives, successors and assigns.

"Indemnify" means indemnify, protect, defend and hold harmless forever.

"Institutional Lender" means any commercial, national or savings bank, savings and loan association, trust company, insurance company, real estate investment trust or pension or retirement fund or similar source of funds.

"Investigation" when used with reference to Hazardous Material means any activity undertaken to determine the nature and extent of Hazardous Material that may be located in, on, under or about the Premises, any Improvements or any portion thereof or which have been, are being, or threaten to be Released into the environment. Investigation shall include, without limitation, preparation of site history reports and sampling and analysis of environmental conditions in, on, under or about the Premises or any Improvements.

"Invitees" when used with respect to Tenant means the clients, customers, invitees, guests, members and licensees, assignees and subtenants of Tenant.

"Land" means the real property located in Pacific Grove, more particularly described in the attached **Exhibit A**. Notwithstanding the foregoing or anything to the contrary in this Lease, the term "Land" as used in this Lease shall specifically exclude, for all purposes, the restaurant, the restaurant building, food and beverage facilities, and related equipment, improvements and appurtenances.

"Landlord" means the City.

"Law" means any law, statute, ordinance, resolution, regulation, proclamation, order or decree of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties.

"Lease" means this Lease as it may be amended in accordance with its terms.

"Lease Year" is a calendar year, except that the first Lease Year of the Original Lease shall commence on the Commencement Date and the last Lease Year shall end on the date this Lease expires or terminates.

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and maintaining the restrooms, and shall be responsible for all repairs, maintenance and operational costs of the interior of the restaurant and related fixtures, improvements and equipment including related electrical and plumbing. Tenant shall be responsible for normal repair and maintenance of the exterior of the building and the landscaping and shall be responsible for any repair of the restrooms.

"Losses" means any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenditures, including, without limitation, reasonable attorneys' and consultants' fees and costs.

"Maintenance" means maintenance of the Premises including maintenance of the greens, tees, fairways, rough, cart paths and other turf areas comprising the Golf Course in accordance with the provisions of **Exhibit B**.

"Official Records" means the official records of Monterey County.

"Party" means City or Tenant; "Parties" means both City and Tenant.

"Percentage Rent" means additional rent payable by Tenant in the amounts calculated as a percentage of Gross Golf Revenue as more particularly described and provided in Article 5.3 hereof.

"Percentage Rent Period" means each calendar year or portion thereof following the Effective Date of the Lease (as set forth in the Basic Lease Information), whether or not consisting of twelve (12) months.

"Personal Property" means all of the furnishings, fixtures, equipment, tools, golf carts and other moveable personal property used to operate the Golf Course as described and referenced in Article 3.3.

"Premises" means the Land and the Improvements, together with any additions, replacements, modifications or other Alterations thereto permitted hereunder and together with and including, any and all riparian rights, water and water rights (subject to compliance by Tenant with any applicable requirements of law generally applicable to the use of such water rights), including, but not limited to (i) any and all surface water and surface water rights, including, without limitation, riparian rights and appropriative water rights to surface streams and the underflow of streams, and (ii) any and all groundwater and subterranean water rights; provided, however, subject to the right of Tenant's first priority for the use of the foregoing water rights in respect of the Premises, City may use such additional water as may be available at its sole cost and expense and without interference with Tenant's use of the Premises including the foregoing water rights. Notwithstanding the foregoing or anything to the contrary in this Lease, the term "Premises" as used in this Lease shall specifically exclude, for all purposes, the restaurant, the restaurant building (except for the portion of such building constituting the cart barn which is located beneath the restaurant and which portion shall be deemed part of the Premises), food and beverage facilities, and related equipment, improvements and appurtenances.

"Release" when used with respect to Hazardous Material means any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping,

leaching, dumping, or disposing into or inside any existing improvements or any Improvements constructed hereunder by or on behalf of Tenant, or in, on, under or about the Premises.

"Remediation" when used with reference to Hazardous Material means any activities undertaken to clean up, remove, contain, treat, stabilize, monitor or otherwise control Hazardous Materials located in, on, under or about the Premises or which have been, are being, or threaten to be Released into the environment. Remediate includes, without limitation, those actions included within the definition of "remedy" or "remedial action" in California Health and Safety Code Section 25322 and "remove" or "removal" in California Health and Safety Code Section 25323.

"Rent" means the Base Rent, as adjusted pursuant to the provisions of Article 5.2 hereof, together with Percentage Rent calculated pursuant to the provisions of Article 5.3 hereof, and any and all Additional Charges.

"Resale Inventory" means unsold current merchandise and items held for sale to customers of the pro shop.

"Taking" means a taking or damaging, including severance damage, by eminent domain, inverse condemnation or for any public or quasi-public use under Law. A Taking may occur pursuant to the recording of a final order of condemnation, or by voluntary sale or conveyance in lieu of condemnation or in settlement of a condemnation action.

"Tenant" means the Party identified as Tenant in the Basic Lease Information and the successors and assigns of Tenant's interests under this Lease, provided that the rights and obligations of Tenant's successors and assigns shall be limited to only those rights and obligations that this Lease permits to be transferred and that have been transferred in accordance with this Lease.

"Tenant's Capital Investment Sum" means the sum of $100,000, in cash or cash equivalent, which Tenant shall expend on capital acquisitions and improvements for the Premises as provided in Article 8.1.

"Term" means the term of this Lease (including the term of any validly exercised extension option) as determined under Article 4.1 hereof.

"Transfer" means any Assignment or Sublease.

"Transferee" means any recognized assignee of any part of Tenant's leasehold interest hereunder or any recognized subtenant of any portion of the Premises, pursuant to a Transfer that complies with Article 15 hereof.

ARTICLE 3
LEASE OF PREMISES AND PERSONAL PROPERTY

3.1 Lease. City hereby leases to Tenant and Tenant hereby leases from City, the Premises, the Improvements and the Personal Property, subject to all of the terms, covenants and conditions set forth in this Lease.

3.2 Condition of Premises.

(a) City Disclosure. City represents to Tenant that City has provided Tenant with all documents and information in the possession and control of the City concerning the physical condition of the Premises including the presence of any Hazardous Material. To the best knowledge of the City, no Hazardous Material is present on or has been released from the Premises in amounts or under circumstances which violate Environmental Laws and there are no Hazardous Material Claims pending or threatened in respect of the Premises.

(b) Premises As-Is. Except as expressly provided in subparagraph (a) above or elsewhere in this Lease, Tenant acknowledges and agrees that the Premises are being leased and accepted in their present condition, without representation or warranty of any kind, and subject to all applicable Laws governing the use, occupancy, management, operation and possession of the Premises.

3.3 Personal Property. All of the Personal Property specifically described and itemized on **Exhibit C** has been purchased by Tenant from Landlord for fair market value as determined by an independent third party appraiser as of the Commencement Date, such purchase price to be paid by Tenant to Landlord in 60 equal monthly installments, without interest. All other miscellaneous Personal Property (other than such property itemized on **Exhibit C**) on the Premises and Improvements as of the Commencement Date shall remain the property of Landlord, but is leased to Tenant pursuant to the terms of this Lease. All items purchased by Tenant shall at all times remain the property of Tenant and may be removed and retained by Tenant at the termination of this Lease. Tenant, at its sole cost and expense shall insure, repair and maintain all Personal Property during the term of this Lease. Tenant agrees to keep said Personal Property in safe and good condition and repair, and to obtain policies of casualty insurance for such Personal Property in an amount equal to their full insurable value. As to any personal property of which Landlord is the owner, during the term of this Lease, Tenant shall have the right to dispose of any of said Personal Property provided concurrently Tenant replaces same with additional Personal Property having the same or greater value and having substantially the same use. Any Personal Property acquired by Tenant in replacement of any of the specific Personal Property which is itemized on **Exhibit C** shall belong to Tenant during the term of this Lease and upon expiration or termination hereof. Upon the termination of the Lease only Personal Property consisting of hand tools, replacement parts, supplies, and miscellaneous small items, shall be surrendered to Landlord and shall thereupon, without further consideration, belong to Landlord (but subject to wear and tear and to any lease financing which may be applicable to any of the Personal Property). Any and all additional Personal Property acquired by Tenant during the Term for the exclusive use in connection with

the operation of the Premises, shall be owned by Tenant during the Term and shall, upon the expiration or termination of this Lease, not be surrendered to Landlord but shall belong to Tenant (but subject to any lease financing which may be applicable to any of the Personal Property).

3.4 Personal Property As-Is. Tenant acknowledges that (a) Landlord is not the manufacturer of the Personal Property or manufacturer's agent; (b) Tenant has accepted the Personal Property based solely on Tenant's inspection, and expressly disclaims any reliance upon any statements or representations made by Landlord, and (c) that the Personal Property is of a design, size, fitness and capacity acceptable to Tenant and that Tenant is satisfied that the same is suitable and fit for its use and purposes. Tenant is leasing the Personal Property "AS-IS" without warranty, express or implied, including but not limited to the fitness for any particular purpose, use, quality, design, condition, durability, suitability, merchantability or any other matter. Tenant specifically waives all right to make any claim against Landlord for breach of any warranty of any kind whatsoever. Tenant agrees that Landlord is not responsible to Tenant for any loss, damage, claim or expense of any kind or nature caused, directly or indirectly by the Personal Property, the use thereof, the failure of operation thereof, the repairs, services, or adjustments thereto or by any interruption of service or loss of business or damage whatsoever and howsoever caused, including, but not limited to, any personal injury related thereto or other third party claim, and also including any product liability claims. No defect or unfitness of the Personal Property shall relieve Tenant of the obligation to pay rent or of any of the other obligations under this lease.

3.5 Golf Carts. Tenant shall assume, pay or reimburse to Landlord, and will indemnify Landlord, for all lease payments and other amounts which become due under the existing golf cart lease after the Commencement Date and during the term of this Lease. Upon expiration of the existing golf cart lease, Tenant shall procure new or additional power-driven golf carts in sufficient numbers to reasonably meet the public demand. Upon expiration or termination of this Lease, Landlord will assume, pay or reimburse to Tenant and will indemnify Tenant, for all lease payments and other amounts which become due after such expiration or termination upon any then existing golf cart lease.

3.6 Advance Deposits. Landlord has delivered to Tenant a written accounting and description of all Advance Deposits. Tenant received a credit toward the purchase price of the Personal Property described on **Exhibit C**, in the full amount of any outstanding and unused Advance Deposits on the Commencement Date including the pro rata amount of outstanding annual passes. Landlord included true, correct, and complete copies of all written agreements and commitments pertaining to the Advance Deposits. Landlord represents and warrants to Tenant that Landlord's written account and description of Advance Deposits and copies of all agreements and commitments were complete, true, and correct. Tenant has agreed to honor all such Advance Deposits.

3.7 Resale Inventory. Prior to the Commencement Date, Landlord sold and delivered to Tenant all undamaged Resale Inventory together with invoices showing Landlord's acquisition

cost thereof, and Tenant shall pay to Landlord an amount equal to 80% of Landlord's actual cost for such Resale Inventory delivered to Tenant.

ARTICLE 4
TERM; OPTIONS TO EXTEND

4.1 Term of Lease. The initial Term of this Lease shall commence on the Commencement Date specified in the Basic Lease Information and shall end on the Expiration Date unless and as extended in accordance with Article 4.2 below.

4.2 Extension Options.

(a) Options; Exercise. Tenant shall have two (2) consecutive options to renew and extend the Term of this Lease, each for a period of five (5) years (each, a "Renewal Term") upon and subject to the following terms and conditions: Not later than 270 days before the last day of the then-expiring Term, Tenant shall give Landlord written notice exercising the option to extend the Lease, and within 90 days thereafter, Landlord shall notify Tenant in writing whether or not Landlord agrees to such extension. If Landlord does not agree to such extension, the Lease shall terminate at the end of its term without extension. Landlord shall not negotiate with any other prospective Tenant unless and until Landlord shall have notified Tenant following Tenant's notice of exercise, as provided herein, that Landlord does not agree to Tenant's extension

(b) Renewal Term. In the event Tenant elects and is entitled to exercise the first option to renew and extend the Lease Term, the period of the first Renewal Term shall be five (5) years. In the event Tenant elects and is entitled to exercise the second option to renew and extend the Lease Term, the period of the second Renewal Term shall be five (5) years. Each such renewal shall be an opportunity for either Party to identify potential improvements in the lease, designed to benefit any stakeholder, including either or both Parties, the golfing public, the environment, and the community as a whole, and to negotiate with the other Party to achieve mutual agreement, such agreement to be incorporated in a revised lease.

(c) Terms of Lease Renewal. In the event the Lease is renewed and extended as herein provided, all of the terms and conditions of this Lease shall remain in effect during the Renewal Term and shall continue to determine the rights and obligations of Landlord and Tenant.

ARTICLE 5
RENT

5.1 Base Rent. Subject to the terms and conditions set forth herein, Tenant shall, beginning on the Commencement Date, pay to City during the Term of this Lease, the annual Base Rent specified in the Basic Lease Information (the "Base Rent"). The Base Rent shall be payable on or before the first day of each month in the amount of $20,000.00 for the months of October, November, December, January, February and March and $30,000.00 for the months of April, May, June, July, August and September.

5.2 Adjustments to Base Rent. The Base Rent shall be adjusted as follows: on the 3rd anniversary of the Commencement Date and thereafter upon each subsequent anniversary of the Commencement date during the term of the Lease the annual Base Rent shall be increased by the sum of $5,000.00.

5.3 Percentage Rent. In addition to the Base Rent, Tenant, commencing at the end of the each calendar year following the Commencement Date, shall pay Percentage Rent subject to the following terms and conditions:

(a) Payment. Commencing for the Percentage Rent Period beginning on the Commencement Date and ending on December 31st thereafter, and for each Percentage Rent Period thereafter during the Term, Tenant shall pay Percentage Rent in addition to Base Rent to the extent that Percentage Rent is greater than zero. Percentage Rent shall be equal to 65% of the amount, if any, by which Gross Golf Revenues during the Percentage Rent Period exceeds the Gross Golf Revenues Baseline. Tenant shall not be required to accrue or pay Percentage Rent for any period prior to the Commencement Date of the Lease. Tenant shall compute and pay to City, the Percentage Rent for each Percentage Rent Period on or before the forty fifth (45th) day following the close of each Percentage Rent Period. Percentage Rent shall be in addition to the Base Rent that Tenant has paid during the Percentage Rent Period.

(b) Reports. Tenant shall furnish to City a statement of Gross Revenues and Gross Golf Revenues within twenty (20) days after the end of each calendar quarter and an annual statement of Gross Revenues and Gross Golf Revenues within forty-five (45) days after the end of each Lease Year. Such statements shall be in a form acceptable to City. Each statement shall be signed and certified to be correct by Tenant or, if Tenant is a corporation, by a duly authorized officer of Tenant. In addition, each annual statement shall be reviewed by an independent certified public accountant, at Tenant's expense, reasonably acceptable to City. Tenant shall keep at the Premises or at Tenant's business office in Petaluma, California, complete and accurate books of account, records, cash receipts and other pertinent data, in accordance with good accounting practices and in a form approved by City, showing its Gross Golf Revenues and Gross Revenues, including without limitation, accurate records of every sale and other transaction made from the Premises and any Improvements. Such books of account, records, cash receipts and other pertinent data shall be kept for a period of ten (10) years after the end of each Lease Year. The receipt by City of any statement, or any payment of Percentage Rent for any period, shall not bind City as to the correctness of the statement or payment.

(c) Inspection and Audit. City shall be entitled at any time and from time to time during the Term and within three (3) years after the Expiration Date or other termination of this Lease, to inspect, examine, copy and audit Tenant's books, records and, cash receipts as related to Gross Golf Revenues and Gross Revenues. The purpose of such examination is to enable City to ascertain, clearly and accurately, Tenant's Gross Golf Revenues and Gross Revenues and to verify that the form and method of Tenant's

record keeping provide adequate and proper control and check of all such revenues. Tenant shall cooperate fully with City and City's Agents in making the examination. City shall also be entitled at City's option, once during each Lease Year and once after the Expiration Date or other termination of this Lease, to cause an independent audit of such records to be performed by a certified public accountant designated by City. The audit shall be conducted during usual business hours at the Premises. If the audit shows that there is a deficiency in the payment of any Percentage Rent, then Tenant shall immediately upon notice pay the deficiency to City, together with interest thereon at the Default Rate, which interest shall accrue from the date on which such deficient amount would have been due until such deficiency is paid. City shall pay the costs of the audit unless the audit shows that Tenant understated Gross Golf Revenues or Gross Revenues by more than two percent (2%), in which case Tenant shall pay all City's costs of the audit. Tenant's understatement of Gross Golf Revenues or Gross Revenues for any Lease Year by more than five percent (5%) due to Tenant's gross negligence or willful misconduct shall constitute an Event of Default

5.4 Late Charge. If Tenant fails to pay any Rent within fifteen (15) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to five percent (5%) of the unpaid amount in each instance. The late payment charge has been agreed upon by City and Tenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that City will incur as a result of any such failure by Tenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate City for its damages resulting from such failure to pay and Tenant shall promptly pay such Late Charge to City together with the unpaid Rent.

5.5 Default Interest. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the Default Rate. However, interest shall not be payable on late charges incurred by Tenant nor on any amounts on which late charges are paid by Tenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Tenant.

ARTICLE 6
TAXES, ASSESSMENTS AND OTHER EXPENDITURES

6.1 Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) Possessory Interest Tax. Tenant recognizes and agrees that this Lease may create a possessory interest subject to property taxation and Tenant shall be obligated to pay possessory interest property taxes. Tenant's obligation to pay possessory interest property taxes shall be limited to those assessed on the Premises as described herein, and Tenant will not be obligated to pay such taxes on or relating to the restaurant, food and beverage facilities, or related equipment, improvements and appurtenances (the "F&B Possessory Interest"). Landlord will cooperate in attempting to have the F&B

Possessory Interest separately assessed. Unless and until Landlord and Tenant are unable to have the F&B Possessory Interest separately assessed, then Landlord will cause the operator/tenant of the restaurant and food and beverage possessory interest to reimburse Tenant for the share of the possessory interest property taxes allocable to the F&B Possessory Interest and Landlord agrees to indemnify Tenant for such possessory interest taxes on the F&B Possessory Interest. In addition, Tenant shall pay any and all Tenant's personal property taxes, assessments, licenses, and permit fees levied on personal property. Tenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency, subject to Tenant's right to contest the validity of such charge pursuant to subsection (b) below.

(b) No Liens. Tenant shall not allow or suffer a lien for any taxes payable by Tenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without promptly discharging the same. Tenant may have a reasonable opportunity to contest the validity and or amount of any such taxes. Tenant shall Indemnify City, the other Indemnified Parties, and the Premises from and against any Losses arising out of any proceeding or contest provided for hereunder.

6.2 Other Expenditures. Tenant shall be responsible for any and all other costs and expenditures for garbage pickup, utilities, cable television, internet services or other services for its use, occupancy, operation or enjoyment of the Premises or any Improvements permitted thereon. Notwithstanding the foregoing:

(a) During the first three (3) years of the term of this Lease, Tenant shall pay up to $600,000.00 per year for water supplied to the Premises up to 27,200,000 gallons per year. Landlord shall pay the cost of water supplied to the Premises up to 27,200,000 gallons per year to the extent such cost exceeds $600,000.00. Tenant shall be solely responsible for the cost of all water used in excess of 27,200,000 gallons per year regardless of the cost per gallon. Notwithstanding the foregoing, to encourage Tenant to use the most efficient water conservation and management practices, to the extent Tenant consumes less than 27.2 million gallons of irrigation water in any year, the monetary savings from this reduced water consumption (effective water rate for the year times the number of gallons used which are less than 27.2 million gallons) shall be split 50/50 between City and Tenant.

(b) After the third anniversary of the Commencement Date, Tenant shall pay up to $443,332.00 per year (which sum shall be increased by 2% upon each anniversary of the Commencement Date commencing on the fourth anniversary of the Commencement Date and yearly thereafter) for water supplied to the Premises up to 27,200,000 gallons per year. Landlord shall pay the cost of water supplied to the premises up to 27,200,000 gallons per year to the extent such cost exceeds $443,332.00 (as such sum is increased as provided above). Tenant shall be solely responsible for the cost of all water used in excess of 27,200,000 gallons per year regardless of the cost per

gallon. Notwithstanding the foregoing, to encourage Tenant to use the most efficient water conservation and management practices, to the extent Tenant consumes less than 27.2 million gallons of irrigation water in any year, the monetary savings from this reduced water consumption (effective water rate for the year times the number of gallons used which are less than 27.2 million gallons) shall be split 50/50 between City and Tenant.

6.3 Evidence of Payment of Taxes. Tenant shall, upon City's request, furnish to City within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to City, evidencing payment thereof.

ARTICLE 7
USE; COVENANTS TO PROTECT PREMISES AND CITY FACILITIES

7.1 Tenant's Permitted Use. Tenant may use the Premises and any Improvements allowed hereunder only for the use specified in the Basic Lease Information, as more fully described in this Article 7, and for no other purpose.

7.2 Covenants Regarding Use. As a material inducement to City to enter into this Lease, Tenant covenants with City as follows:

(a) No Unlawful Uses or Nuisances. Tenant shall not use or occupy any of the Premises or any Improvements, or permit the use or occupancy thereof, in any unlawful manner or for any illegal purpose, or permit to be carried on any offensive, immoral, noisy or hazardous use or any use in violation of the conditions of any certificate of occupancy, or zoning code. Tenant shall take all precautions to eliminate immediately any nuisances or hazards relating to its activities, or activities of third parties, on or about the Premises or any Improvements permitted hereunder.

(b) Covenant against Waste. Tenant shall not cause or permit any waste, damage or injury to the Premises.

(c) Covenant against Dumping; Waste Disposal. Tenant shall not cause, or permit, or suffer the dumping or other disposal on, under or about the Premises or any Improvements of landfill, refuse, Hazardous Material or other materials that are unsightly, illegal, or could pose a hazard to the human health or safety, native vegetation or wildlife, or the environment.

(d) Golf Course Operation. Tenant shall operate the Golf Course and related facilities located on the Premises as a public golf course. Tenant shall operate the Golf Course and related facilities located on the Premises every day of the year at least from dawn to dusk, except in the event of emergency or inclement weather. Tenant shall at all times operate the Premises and conduct all operation on the Premises in a good and businesslike manner and at least comparable to the standards of comparable golf

courses. Tenant shall provide services customarily associated with the operation of a golf course and the related facilities located on the Premises, including, without limitation, the rental of golf-related equipment, provision of golf instruction, and sale of golf supplies, apparel and equipment, but specifically **excluding** food and beverage service. The quality and grade of service shall be equal to or greater than the quality and grade of service of the Comparable Courses as established from time-to-time pursuant to Article 7.2(h).

(e) Use by City for Non-Golf Events. Tenant shall make the Golf Course available for the use of the City, or as directed by City, for a non-cumulative maximum of 3 days per calendar year on the following conditions. For this purpose, a "day" shall mean a 24-hour period during which more than 50% of Golf Play is interrupted or displaced by reason of the City's use of the Golf course. (i) City shall notify Tenant in writing not less than 60 days in advance of such use and may not schedule such any use during, or in conflict with, any other special event or tournament previously scheduled by Tenant. (ii) Tenant shall receive a rent credit equal to one half (50%) of the daily average gross income for that month multiplied by the number of event days. (iii) City shall pay all direct costs relating to each such use, including, but not limited to clean up, trash removal and disposal, and security services. (iv) City shall pay for any and all repair and/or replacement of any damage caused during such use, including damage caused by invitees.

(f) Inventory and FF&E. Without limiting any other provision contained in this Lease, Tenant shall, at its sole expense (except for allowable use of the Capital Improvement Fund), acquire and maintain throughout the Term sufficient furniture, fixtures, equipment, and inventory as are required to operate the Golf Course and related facilities located on the Premises as contemplated by this Lease.

(g) Golf Carts. Tenant shall provide, through purchase or lease at its sole cost and expense, a sufficient number of golf carts to meet the public demand therefor at the Premises. Tenant shall provide all maintenance, repair and service required by such golf carts, and shall replace them as reasonably required or appropriate. Tenant shall charge reasonable market fees for golf cart use.

(h) Golf Course Fees and Prices. The Golf Course and related facilities shall be open to the public at rates established by Tenant. Such rates shall be determined based on the economics of the Premises and the competitive market, and may include a temporary surcharge, if needed. Tenant may vary the rates by season, by time of day, and by any other appropriate factor. Tenant may also develop stay and play packages with local hoteliers. City and Tenant will meet and confer if a problem arises with any aspect of the rate structure, as determined by either Party.

(i) Golf Use Reserved to City. During times when the Golf Course is open to the public and Tenant is not conducting any special tournament or event, Tenant shall, upon proof of identity and affiliation reasonably acceptable to Tenant, provide complimentary

no-charge golf rounds (limited to one 18-hole round per month per eligible person on a non-cumulative and non-transferable basis) to:

(1) active Coast Guard members; and

(2) current City employees or retired City employees whose names are on a written list provided from time to time by the City.

In addition, former Mayor Morris Fisher shall have the right to play the Golf Course pursuant to the Stipulation and Judgment between him and the City, dated January 18, 2008.

Users of complimentary golf rounds will be subject to all rules, policies, restrictions, regulations, and other limitations applicable to all users and may be denied use for failure to abide by such rules, policies, restrictions, regulation, and limitations.

ARTICLE 8
CAPITAL INVESTMENT; IMPROVEMENTS

8.1 Tenant's Capital Investment. Tenant shall contribute the sum of $100,000 to the Capital Improvement Fund to be established pursuant to Article 8.3 below. Tenant will perform an inspection of the Golf Course irrigation system within sixty (60) days of the Commencement Date to determine, in its reasonable judgment, whether any of the $100,000 initial contribution should be used to repair or upgrade the system. In addition, Tenant agrees to pay directly, the cost of completing the dune restoration project on the Golf Course as generally described in the 2012 Annual Dune Restoration and Monitoring Report dated November 19, 2012 prepared by Rana Creek Habitat Restoration, up to the maximum sum of $75,000. These sums shall be in addition to the periodic contributions made by Tenant and City as provided in Article 8.3 below. Except for Tenant's obligation to contribute to the Capital Improvement Fund and to contribute to the cost of completing the dune restoration project as described above, Tenant shall not be obligated to expend moneys for improvements, additions or upgrades to the Premises and all such improvements, additions and upgrades shall be funded solely from the Capital Improvement Fund.

8.2 Construction of Improvements. Except as otherwise expressly provided in this Lease, Tenant shall not construct or install any Improvements nor make or permit any Alterations in, to or about the Premises or any Improvements, without City's prior written consent in each instance, which City shall not unreasonably withhold or delay; provided, however, such requirement to obtain the City's prior written consent shall not apply to any work that costs $25,000 or less. Subject to City's consent as provided above, any permitted Improvements or Alterations shall be done at Tenant's sole expense (i) in strict accordance with plans and specifications approved in advance by City in writing, (ii) by Tenant or duly licensed contractors, (iii) in a good and professional manner, and (iv) in strict compliance with all Laws, including but not limited to, the City's Building Code. Tenant acknowledges that the City's role as landlord hereunder is separate and distinct from its role as the issuer of building permits, grading permits, etc., and that the terms and conditions of this Lease pertain to the review and

reasonable approval by City of plans for Improvements and construction in its capacity as landlord hereunder.

8.3 Capital Improvement Program.

(a) On the Commencement Date Tenant shall, on behalf of City, establish and maintain a separate, interest-bearing trust account (the "Capital Improvement Fund") for the funding of capital acquisitions and improvements to the Premises. Commencing on and after July 1, 2014, Tenant and City shall, each quarter, on or before the twentieth day following each date upon which Tenant furnishes to City the statement of Gross Revenues as required by Article 5.3(b), each separately deposit into the Capital Improvement Fund an amount equal to one percent (1%) of the Gross Revenues from the preceding calendar quarter (combined contribution will equal 2% of Gross Revenues). Commencing on April 1, 2016 and thereafter, the contributions of Tenant and City to the Capital Improvement Fund shall each increase to one and one-half percent (1.5%) of the Gross Revenues from the preceding calendar quarter (combined contribution will equal 3% of Gross Revenues).

(b) All such funds are to be held by Tenant in trust for the benefit of the City's interest in the Premises, including its reversionary interest in the Premises upon the expiration or earlier termination of this Lease. Interest earned on funds held in such account shall become part of the Capital Improvement Fund and all amounts remaining in the Capital Improvement Fund at the end of the Term or any earlier termination of this Lease shall be remitted to City. City and Tenant will develop written procedures for approval and release of funds from the Capital Improvement Fund, including the accounting and auditing procedures with respect thereto.

(c) Funds held in the Capital Improvement Fund shall be used exclusively for additional capital items or the repair and replacement of capital items which are needed to repair or replace, over time, capital items which are subject to wearing out after a useful life and which are included in, located on or used in connection with the Premises, and which if not replaced or repaired, could adversely affect the City's interest in the Premises, including Gross Revenues and its reversionary interest upon the expiration or earlier termination of this Lease, and for the reimbursement of funds advanced for such purposes by Tenant in accordance with Article 8.3(e) below. Funds held in the Capital Improvement Fund may be expended only in accordance with a Capital Improvement Plan approved by City in accordance with Article 8.3(c).

(d) Not later than the first June 30 following the creation of the Capital Improvement Fund and thereafter on April 1st of every second year of the Term thereafter, Tenant shall submit to City a biannual plan for the use of the Capital Improvement Fund moneys in the subsequent two Lease Years (each, a "Capital Improvement Plan"). Each Capital Improvement Plan shall include the description of each proposed expenditure of Capital Improvement Fund monies, the purpose for each expenditure, and the proposed timeframe for such expenditure. City shall review each

Capital Improvement Plan and shall not unreasonably withhold its consent thereto. The failure of City to respond within forty-five (45) days of delivery of any proposed Capital Improvement Plan shall be deemed to be the consent of City to such plan.

(e) Notwithstanding the provisions hereof, Tenant shall be entitled to be reimbursed (with interest at the prime rate) from the Capital Improvements Fund for any expenditure incurred by Tenant prior to the accumulation of funds for such expenditures in the Capital Improvement Fund if, and to the extent, such expenditures otherwise meet the requirements of Article 8.3(c) and would have been appropriate to be approved (including the approval of the City as provided in subparagraph (c) above) for inclusion in the Capital Improvement Plan if there had been sufficient funds in the Capital Improvement Fund at the time such expenditures were made.

8.4 Disruption of Play due to Capital Projects. Certain City projects, including but not limited to street improvements, undergrounding of utilities, and construction of the City's Local Water Project, may impact access to the Premises or portions of the Premises. The City will ensure that City staff and contractors coordinate with Tenant to minimize any negative impacts of these projects, to the extent reasonable.

ARTICLE 9
REPAIRS AND MAINTENANCE

9.1 Tenant's Responsibility for Maintenance and Repair. City shall not be obligated to perform any repairs, changes or alterations to the Premises or Improvements, nor shall City be liable for the cost thereof. Tenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises and any permitted Improvements or Alterations, from and after the Commencement Date; provided, however, this obligation shall not include the assumption of any liability or responsibility by Tenant for the presence of any Hazardous Materials or underground tanks or the failure of the Premises to comply with any Environmental Laws, in each case as of the Commencement Date. In addition, if any portion of the Premises or any of City's property located on or about the Premises is damaged by any of the activities conducted by Tenant or its Agents or Invitees hereunder, Tenant shall repair any and all such damage and restore the Premises or City's property to its previous condition.

9.2 Utilities; Roads. City shall be responsible for maintaining and repairing access roads and sewer and water facilities providing sewer and water service to the Premises, except for access roads that are located on the Land and sewer and water facilities that solely or primarily benefit the golf course.

9.3 Maintenance Standards. Tenant shall perform the Maintenance of the greens, tees, fairways, rough, cart paths and other turf areas comprising the Golf Course in accordance with the standards for Maintenance described on **Exhibit B**.

ARTICLE 10
LIENS

Tenant shall keep the Premises and all of City's property free from any liens arising out of any work performed, material furnished or obligations incurred by or for Tenant. In the event Tenant does not, within five (5) days following the recordation of any such lien, cause the lien to be released of record by payment or posting of a proper bond, City shall have in addition to all other remedies provided herein and by Law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by City and all expenditures it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to City by Tenant upon demand. City shall have the right at all times to post and keep posted on the Premises any notices permitted or required by Law or that City deems proper for its protection and protection of the Premises and City's property, from mechanics' and materialmen's liens. Tenant shall give City at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises. Notwithstanding the foregoing, Tenant shall have the right, upon posting of an adequate bond or other security acceptable to the City Manager, to contest any such lien, and in such case City shall not seek to satisfy or discharge such lien unless Tenant has failed to do so within ten (10) days after final determination of the validity thereof. Tenant shall Indemnify City, the other Indemnified Parties and the Premises against any and all Losses arising out of any such contest.

ARTICLE 11
COMPLIANCE WITH LAWS

11.1 Compliance with Laws. Tenant shall promptly, at its sole expense, maintain the Premises and Tenant's use and operations thereon in compliance with all Laws, including, without limitation, the Americans with Disabilities Act, 42 U.S.C.S. §§ 12101 et seq. and Title 24 of the California Code of Regulations, and all Environmental Laws with respect to Hazardous Materials first released on the Premises during the Term.

11.2 Regulatory Approvals. Tenant understands and agrees that Tenant's use and operation of the Premises and construction of the Improvements and Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Tenant shall be solely responsible for obtaining any and all such regulatory approvals and City shall use its best efforts to cooperate with Tenant and expedite the processing of such regulatory approvals.

ARTICLE 12
FINANCING; ENCUMBRANCES; SUBORDINATION

12.1 Encumbrance of Landlord's Fee Interest. The following provisions shall apply notwithstanding anything to the contrary contained in this Lease.

(a) Encumbrance by City. To the extent permitted by applicable Law, City may at any time sell or otherwise transfer or encumber its fee estate in any portion of the Premises provided that (i) any such sale or Encumbrance shall be subject and subordinate to all of the terms of this Lease and the leasehold estate created hereby, (ii) the right of possession of Tenant to the Premises shall not be affected or disturbed by any such sale or Encumbrance, or by the exercise of any rights or remedies by any purchaser or Encumbrancer arising out of any instrument reflecting such sale or Encumbrance.

(b) Encumbrance by Tenant. Tenant shall not under any circumstances whatsoever Encumber in any manner the Landlord's interest in the Premises, the City Facilities, City's estate in the Premises or any adjoining property, City's interest under this Lease, or any portion thereof.

ARTICLE 13
DAMAGE, DESTRUCTION OR ROAD CLOSURE

13.1 Insured Damage or Destruction to the Premises or Improvements. In the case of insured damage to or destruction of the Premises or Improvements by fire or any other casualty, Tenant shall, with reasonable promptness and diligence and as soon as reasonably possible, restore, repair, replace or rebuild the Premises as nearly as possible to the same condition, quality and class the Premises and Improvements were in immediately before such damage or destruction.

13.2 Uninsured or Underinsured Damage or Destruction. In the case of uninsured damage to or destruction of the Premises or Improvements by fire or any other casualty, or in the event available insurance proceeds are not sufficient to effect such repair, Tenant shall contribute the shortage in proceeds up to a maximum of $2,000,000. If the insurance proceeds together with Tenant's contribution as provided herein are not sufficient to effect such repair, Tenant may elect by written notice to Landlord within 10 days after such determination to: (i) contribute the shortage in proceeds necessary to make such restoration and repair, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. In either case, Tenant shall contribute any available insurance proceeds, along with the aforementioned maximum contribution, to the repair or reconstruction of the Premises. In the event Tenant elects to terminate this Lease under this provision, Landlord shall have the right within 30 days after receipt of the termination notice from Tenant to give written notice to Tenant of Landlord's commitment to pay for the repair of such damage without reimbursement from Tenant. In such event this Lease shall continue in full force and effect, and Tenant shall proceed to make such repairs at Landlord's expense as soon as reasonably possible. If Landlord does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

13.3 Abatement in Rent. The Base Rent (but not Percentage Rent) payable hereunder during the period from the date of the casualty until completion of the restoration, repairs, replacement or rebuilding shall be abated and Tenant shall be entitled to abatement of Base

Rent in the event of, and for so long as, damage to or closure of Asilomar Avenue materially interferes with access to the Premises by Tenant's customers for two (2) or more consecutive days; provided, however, any such abatement in rent shall be limited to the extent to which Tenant does not receive proceeds from business interruption insurance in respect of the occurrence that would otherwise entitle Tenant to abatement of rent.

13.4 Waiver. The Parties understand and agree that the foregoing provisions of this Article are intended to govern fully the rights and obligations of the Parties in the event of any damage or destruction of the Premises or Improvements, and City and Tenant each hereby waives and releases any right to terminate this Lease in whole or in part under sections 1932 subdivision 2 and 1933 subdivision 4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

ARTICLE 14
EMINENT DOMAIN

14.1 General. If during the Term, any Taking of all or any part of the Premises or any interest in this Lease occurs, the rights and obligations of the Parties hereunder, and, to the extent applicable, Tenant's Encumbrancer, shall be determined pursuant to this Article. City and Tenant intend that the provisions hereof govern fully in the event of a Taking and accordingly, the Parties each hereby waives any right to terminate this Lease in whole or in part under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure or under any similar Law now or hereafter in effect.

14.2 Total Taking; Automatic Termination. If a Total Taking of the Premises occurs, then this Lease shall terminate as of the Date of Taking. For purposes of this Article 14 a "Total Taking" shall occur when the whole of the Premises shall be permanently taken by exercise of the right of eminent domain or if so much of the area of the Golf Course is taken that it is not reasonably feasible to operate a golf course in the Premises, or at Tenant's election, where the fair market value of the Premises as golf courses as a consequence of the Taking is seventy-five percent (75%) or less after the Taking then before the Taking. In the event of a Total Taking, Tenant shall continue to pay Rent hereunder and observe all of the terms and conditions of this Lease until the Date of Taking, but not thereafter, provided that Tenant and City shall remain subject to those provisions of this Lease which expressly survive the termination of this Lease.

14.3 Partial Taking. In case of a condemnation of a portion of the Premises that is not a Total Taking (a "Partial Taking"), this Lease shall remain in full force and effect as to the portion of the Premises remaining immediately after such taking, without any abatement or reduction of Rent (other than Base Rent, as set forth below) or any other sum payable hereunder, and, Tenant shall promptly repair, reconstruct and restore the Premises so as to render the same as nearly as possible a complete and satisfactory architectural unit of the same type and class immediately preceding such Partial Taking. In the event of a Partial Taking, Tenant and any Tenant's Encumbrancer shall be entitled to participate in such condemnation proceedings if, and to the extent, Tenant and/or Tenant's Encumbrancer is entitled to any award or compensation as provided herein.

Effective as of the date of any such Partial Taking, the Base Rent payable by Tenant during the remainder of the term of this Lease shall be reduced in proportion to the reduction in the fair market value of the Premises as a golf course as a consequence of such Partial Taking, provided however, that in no event shall the monthly Base Rent be reduced to less than seventy-five percent (75%) of the monthly Base Rent immediately prior to the Date of Taking. Any Base Rent becoming due and payable hereunder between the date of any such Partial Taking and the date of final determination of the amount of the Base Rent reduction, if any, to be made in respect thereof, shall, subject to correction upon such final determination, be temporarily adjusted so that Tenant shall pay, in the interim, as Base Rent, a sum of money equal to such portion of the then current Base Rent as shall be reasonably estimated by Landlord in accordance with the foregoing proportion formula; provided, however, that after such final determination Landlord, within fifteen (15) days after Tenant's request, shall pay to Tenant an amount equal to the amount by which any Base Rent theretofore paid by Tenant for such interim period shall exceed the amount of the Base Rent for such period as so finally determined; provided further, that in the event such final determination shall disclose that the Base Rent paid during such interim period was at a rate less than that finally determined, Tenant covenants and agrees to pay the deficiency as Rent within fifteen (15) days after Landlord's request therefor.

14.4 Collection and Distribution of Condemnation Awards. If this Lease shall terminate pursuant to the provisions of Article 14.2 or if there is a Partial Taking as described in Article 14.3, the total award in the condemnation proceedings for the taking shall be apportioned and paid, to the extent available, in the following order of priority:

(a) Tenant shall be entitled to its expenditures and charges, including, without limitation, reasonable attorneys' fees incurred in connection with the prosecution of its claims with the condemning authority;

(b) If the taking is a Partial Taking, from the remaining portion of the award Tenant shall be paid (1) the cost of restoring the affected portion of the Premises, provided Tenant actually so restores the Premises and (2) any additional amounts attributable to Tenant's use or occupancy of the Premises;

(c) From the remaining portion of the award, Landlord shall be entitled to an amount equal to the value, on the date of the taking, of its reversionary interest in the whole or the affected portion of the Premises taken;

(d) From the remaining portion of the award, Tenant's Encumbrancer shall be paid the amount of any indebtedness then owed by Tenant to Tenant's Encumbrancer up to the value of the Tenant Improvements or portion thereof taken and not restored, valued as of the date of the taking, less the value of the Landlord's reversionary interest in the Tenant Improvements;

(e) From the remaining portion of the award (i) Landlord shall be paid the value of its reversionary interest in improvements made by Tenant pursuant to Article 8

("Tenant Improvements") on the Premises or that portion thereof taken and not restored, such reversionary interest being determined on the basis of the unexpired Term and (ii) Tenant shall be entitled to an amount equal to the value, on the date of the taking, of its remaining interest in the leasehold of the Premises, such remaining interest being determined on the basis of the unexpired Term, provided, however, if there is not sufficient funds available to pay all of the amounts provided for in this subparagraph (e), Landlord and Tenant shall share the amounts pro rata based upon the amounts they would have been entitled to under clauses (i) and (ii) if sufficient funds were available.

Tenant shall also be entitled to apply for a separate award made with respect to a taking of its personal property and/or to compensate Tenant for Tenant's loss of good will and its removal or relocation costs, so long as such award does not otherwise reduce Landlord's award.

14.5 Temporary Taking. If the temporary use of the whole or any part of the Premises shall be taken by any lawful power or authority by the exercise of the right of condemnation or eminent domain, or by agreement between Tenant and those authorized to exercise such right, Tenant shall promptly so notify Landlord, the Term shall not be reduced or affected in any way, Tenant shall continue to pay in full the Rent and other charges herein reserved, without reduction or abatement, and, except to the extent that Tenant is prevented from so doing by reason of any order of the condemning authority, shall continue to perform and observe all of the other covenants, conditions and agreements of this Lease to be performed or observed by Tenant as though such taking had not occurred; and Tenant shall be entitled to receive for itself any and all awards or payments attributable to Tenant's use or occupancy of the Premises during the Term; provided, however, that if possession of the whole or any such part of the Premises as shall have been taken for such temporary use shall revert to Tenant prior to the expiration or earlier termination of the Term, Tenant promptly shall, at Tenant's sole cost and expense, repair any damage to the Premises, or any part thereof; resulting from such taking and shall restore the Tenant Improvements as nearly as may be reasonably possible to the condition existing prior to the taking. The proceeds of any award or payment, up to the total rent owing by Tenant for the period of the Taking, shall be made available for such restoration and shall be paid to Tenant for such purposes. City shall be entitled to receive the balance of any award.

14.6 Award of Subtenants. Any provision in this Article 14 to the contrary notwithstanding, in the event any subtenant, licensee or concessionaire of Tenant or anyone hold under Tenant shall become entitled to any portion of the award or awards in any condemnation proceedings or by the exercise of any right to eminent domain as provided in this Lease, such award or the aggregate thereof, together with any additional sums to which any such Person, its legal representatives, successors or assigns shall become entitled in connection therewith, shall be deducted entirely from the share of Tenant in each and every instance, and Landlord's share not in any way or in any instance be affected or decreased thereby.

14.7 Participation in Eminent Domain Process. Landlord shall not prevent Tenant from participating in any eminent domain proceeding to the extent participation is provided for or otherwise available under applicable law and is consistent with the terms and conditions of this Article 14.

14.8 Eminent Domain Proceeds Initiated by City. The provisions of this Article 14 shall not apply to any eminent domain proceeding initiated in respect of Tenant's interest in the Premises of the City. Any such eminent domain proceedings initiated by the City shall be treated as a breach of the Lease by the City.

14.9 Reversion to United States of America. If, during the Term, the United States of America or any official agency thereof exercises any right of reversion or any right reserved in the "Quitclaim Deed" dated September 17, 1951 or the "Quitclaim Deed" dated August 23, 2006, each recorded in the official records of Monterey County, which exercise materially interferes with the ability of Tenant to efficiently and economically operate the Golf Course on the Premises or any portion thereof, Tenant shall have the right in its sole election to terminate this Lease upon not less than 60 days written notice to Landlord subject to the transition provisions set forth in Section 24.13 hereof.

ARTICLE 15
ASSIGNMENT AND SUBLETTING

15.1 Assignment. Subject to Article 12.1 relating to Leasehold Encumbrances, Tenant may assign its interest in this Lease, sublet any portion of the Premises (each, and "Assignment"), only with Landlord's written consent, which shall not be unreasonably withheld. For purposes of this provision, the term "Assignment" shall include the transfer of any interest in the ownership of Tenant which results in a change of control of Tenant to any person other than, Tom Isaak or John Telischak or Michael Sharp. In the event of the death or disability of both Tom Isaak and John Telischak, and continued major ownership and active management by Michael Sharp, no assignment shall be deemed to occur if the Lease is thereupon assigned to CourseCo Inc. or a wholly owned subsidiary of CourseCo Inc. Tenant agrees that it shall not be unreasonable for Landlord to condition its approval, among other things, upon the proposed assignee or subtenant having a financial net worth, according to a current financial statement prepared by a certified public accountant, which is reasonably acceptable to Landlord, upon the proposed assignee having a reputation for, and qualifications and at least five (5) years' experience in, operating and maintaining golf course properties comparable to the Premises, and upon the proposed assignee having a first-class business reputation. Tenant shall promptly provide Landlord with any information reasonably requested by Landlord relating to the identity of any proposed assignee, the nature of such assignee's business and the proposed assignee's financial responsibility.

15.2 Notice of Proposed Transfer. If Tenant desires to enter into an assignment or a sublease, then it shall give not less than 30 days written notice (a "Notice of Proposed Transfer") to City of its intention to do so. The Notice of Proposed Transfer shall identify the Transferee and state the terms and conditions under which Tenant is willing to enter into such

proposed Assignment or Sublease, including a copy of the proposed assignment or sublease agreement. Tenant shall provide City with financial statements for the proposed Transferee and such additional information regarding the proposed Transfer as City may reasonably request. In connection with any assignment, to be effective, the assignee shall be obligated to assume all of the obligations of Tenant hereunder accruing from and after the effective date of such assignment.

ARTICLE 16
DEFAULT; REMEDIES

16.1 Events of Default. Any of the following shall constitute an event of default ("Event of Default") by Tenant hereunder:

(a) Rent. Any failure to pay any Rent or other sums as and when due, provided Tenant shall have a period of three (3) business days from the date of written notice of such failure from City within which to cure any default in the payment of Rent or other sums.

(b) Covenants, Conditions and Representations. Any failure to perform or comply with any other covenant, condition or representation made under this Lease (including Tenant's obligation to make the deposits into the Capital Improvement Fund pursuant to Article 8.3 and perform the Maintenance pursuant to Article 9.3, provided Tenant shall have a period of thirty (30) days from the date of written notice of such failure from City (or if such matter was the subject of any court proceeding, then following final resolution of such proceeding) within which to cure such default under this Lease, or, if such default is not capable of cure within such 30-day period, Tenant shall have a reasonable period to complete such cure if Tenant promptly undertakes action to cure such default within such 30-day period and thereafter diligently prosecutes the same to completion and Tenant uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from City;

(c) Vacation or Abandonment. Any vacation or abandonment of the Premises for more than fourteen (14) consecutive days; and

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or an assignment by Tenant for the benefit of creditors, or any action taken or suffered by Tenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted, if any such receiver, assignment or action is not released, discharged, dismissed or vacated within sixty (60) days.

16.2 Remedies. Upon the occurrence of an Event of Default by Tenant, City shall have the following rights and remedies in addition to all other rights and remedies available to City at Law or in equity:

(a) Terminate Lease and Recover Damages. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Tenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Base Rent and Additional Charges for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. City's efforts to mitigate the damages caused by Tenant's breach of this Lease shall not waive City's rights to recover damages upon termination.

(b) Continue Lease and Enforce Rights. The rights and remedies provided by California Civil Code Section 1951.4 (continuation of lease after breach and abandonment), which allows City to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due, for so long as City does not terminate Tenant's right to possession, if Tenant has the right to sublet or assign, subject only to reasonable limitations. For purposes hereof, none of the following shall constitute a termination of Tenant's right of possession: acts of maintenance or preservation; efforts to relet the Premises or the appointment of a receiver upon City's initiative to protect its interest under this Lease; or withholding consent to an Assignment or Sublease, or terminating an Assignment or Sublease, if the withholding or termination does not violate the rights of Tenant specified in subdivision (b) of California Civil Code Section 1951.4. If City exercises its remedy under California Civil Code Section 1951.4, City may from time to time sublet the Premises or any part thereof for such term or terms (which may extend beyond the Term) and at such rent and upon such other terms as City in its sole discretion may deem advisable, with the right to make alterations and repairs to the Premises. Upon each such subletting, Tenant shall be immediately liable for payment to City of, in addition to Base Rent and Additional Charges due hereunder, the cost of such subletting and such alterations and repairs incurred by City and the amount, if any, by which the Base Rent and Additional Charges owing hereunder for the period of such subletting (to the extent such period does not exceed the Term) exceeds the amount to be paid as Base Rent and Additional Charges for the Premises for such period pursuant to such subletting. No action taken by City pursuant to this subsection shall be deemed a waiver of any default by Tenant and, notwithstanding any such subletting without termination, City may at any time thereafter elect to terminate this Lease for such previous default.

(c) Self Help. After final adjudication of Tenant's default in respect of any obligation hereunder, City may (but shall not be obligated to) perform the obligation that Tenant failed to perform in respect of such adjudication and charge Tenant for the reasonable cost and expenditures, including attorneys' fees, incurred by City in connection therewith.

ARTICLE 17
WAIVER OF CLAIMS; INDEMNIFICATION

17.1 Waiver of Claims. Tenant covenants and agrees that City shall not be responsible for or liable to Tenant for, and, to the fullest extent allowed by law, Tenant hereby waives all rights against City and releases City from, any and all losses, including, but not limited to incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises from any cause whatsoever except for (i) a breach of this Lease by City, (ii) the negligence or willful misconduct of City or its employees, Agents or contractors, or (iii) the presence of any Hazardous Materials or underground tanks or the failure of the Premises to comply with any Environmental Laws, in each case in respect of this clause (iii) as of the Commencement Date (collectively "Exceptions").

17.2 Tenant's Indemnity. Tenant shall indemnify, defend with counsel approved by City, and hold harmless City, its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with Tenant's performance of work hereunder or its failure to comply with any of its obligations contained herein, and including, without limitation, any and all claims for injuries or damages to persons and/or property incurred in connection with or arising directly or indirectly, whole or in part, out of (a) the use of the Premises; (b) a condition of the Premises arising after the Commencement Date; (c) any construction or other work undertaken by Tenant; (d) any acts, omissions or negligence of Tenant, its Agents or Invitees; (e) any accident, injury to or death of a person, including Agents and Invitees of Tenant, except for the Exceptions described in Article 17.1 above. Should conflict of interest principles preclude a single lawyer from representing both City and Tenant, or should City otherwise find Tenant's legal counsel unacceptable, then Tenant shall reimburse the City its costs of defense, including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation. The Tenant shall promptly pay any final judgment rendered against the City (and its officers, officials, employees and volunteers) covered by this indemnity obligation. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Lease.

ARTICLE 18
INSURANCE

18.1 Tenant's Insurance. Tenant shall procure and maintain throughout the Term of this Lease and pay the cost thereof, insurance in the following amounts and coverages:

(a) Property insurance, on an all-risk form, excluding earthquake and flood, for 100% of the full insurable value of the Premises and the permitted Improvements, with any deductible not to exceed $10,000 each occurrence. Such insurance shall be in Tenant's name and City shall be named as additionally insured, as their respective

interests may appear. With respect to the City's interests, such insurance shall include rental interruption coverage in an amount equal to twelve months Base Rent. "Full insurable value" shall mean the actual replacement cost of the Improvements and the existing improvements which are included in the Premises (excluding foundation and excavation costs but without deduction for physical depreciation).

(b) Boiler and Machinery insurance, comprehensive form, covering damage to pressure vessels, heating and air conditioning systems, electrical apparatus and similar property in an amount not less than One Million Dollars ($1,000,000) each occurrence, including Tenant and City as named insureds as their respective interests may appear, with any deductible not to exceed $10,000 each accident. Effective April 1, 2024, insurance coverage under this provision shall increase to an amount not less than Two Million Dollars ($2,000,000) each occurrence.

(c) Comprehensive or commercial general liability insurance with limits not less than Five Million Dollars ($5,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Broad form Property Damage, Independent Contractors, Liquor Liability, Personal Injury, Products and Completed Operations. Effective April 1, 2024, insurance coverage under this provision shall increase to an amount not less than Ten Million Dollars ($10,000,000) each occurrence.

(d) Comprehensive Builder's Risk insurance, on an all-risk form, excluding earthquake and flood, for 100% of the completed value of any Improvements, Alterations or other new construction, including materials in transit and storage off-site, in the event that such construction is beyond the scope of coverage in the property policy for remodeling or renovation. Such policy shall include as named insureds Tenant, City, any contractor in connection with such construction and subcontractors of all tiers, with any deductible not to exceed $10,000 each occurrence.

(e) Worker's compensation insurance with coverage in compliance with State statutory limits.

(f) Comprehensive or Business Automobile Liability Insurance Code 1 (any auto) with limits not less than Two Million Dollars ($2,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

18.2 General Requirements. All insurance provided for under this Lease shall be affected under valid enforceable policies issued by insurers of recognized responsibility (with an A.M. Best Rating of A.VII or higher, or its equivalent) and reasonably approved by the City Manager.

(a) Should any of the required insurance be provided under a claims-made form, Tenant shall maintain such coverage continuously throughout the Term of this Lease and, without lapse, for a period of three (3) years beyond the expiration or termination

of this Lease, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Lease, such claims shall be covered by such claims-made policies.

(b) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claim investigation or legal defense costs are included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

(c) All General Liability and Automobile Liability Insurance policies shall be endorsed to provide the following:

(i) Name Tenant as the insured and the City, its officers, Agents and employees (and unpaid City volunteers), as Additional Insured, as their respective interests may appear hereunder.

(ii) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Lease, and that insurance applies separately to each insured against whom claim is made or suit is brought. Such policies shall also provide for severability of interests and that an act, or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

(d) All policies shall be endorsed to provide thirty (30) days' advance written notice by certified mail to City of cancellation, non-renewal or reduction in coverage, mailed to the address(es) for City set forth in the Basic Lease Information.

18.3 Proof of Insurance. Tenant shall deliver to City certificates of insurance and endorsements in form and with insurers satisfactory to City, evidencing the coverages required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon City's request, and Tenant shall provide City with certificates and endorsements or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates, the City Manager may, at its option, procure the same for the account of Tenant, and the cost thereof shall be paid to City within five (5) days after delivery to Tenant of bills therefor.

18.4 Review of Insurance Requirements. Tenant and City shall periodically review the limits and types of insurance carried pursuant to this Article. If the general commercial practice in the City is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Tenant with respect to risks comparable to those associated with the Premises, then, at the City Manager's option, Tenant shall increase at its

sole cost the amounts or coverages carried by Tenant to conform to such general commercial practice.

18.5 No Limitation on Indemnities. Neither Tenant's compliance with the provisions of this Article, nor any approval by City of Tenant's insurance coverage, shall in any way relieve or decrease Tenant's indemnification obligations under Articles 17.2 above and 22.2 below, or any of Tenant's other obligations or liabilities under this Lease.

18.6 Lapse of Insurance. Notwithstanding anything to the contrary in this Lease, this Lease shall terminate immediately, at the City Manager's election, made in his or her sole and absolute discretion by delivery of written notice to Tenant, upon the lapse of any required insurance coverage, unless Tenant reinstates the required insurance coverage within thirty (30) days of such lapse and no event shall have occurred which gives rise to any Claim.

18.7 Tenant's Personal Property. Tenant shall be responsible, at its expense, for separately insuring its personal property.

18.8 City's Self Insurance. Tenant acknowledges that City self-insures against casualty, property damage and public liability risks and agrees City shall not be required to carry any third party insurance with respect to the Premises or otherwise.

18.9 Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, to the extent permitted by their respective policies of insurance, City and Tenant each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance covering the Premises or other City property and their contents, or any portion thereof, for any loss or damage maintained by such other party with respect to the Premises, other City property or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party. If any policy of insurance relating to the Premises or other City property carried by Tenant does not permit the foregoing waiver or if the coverage under any such policy would be invalidated due to such waiver, Tenant shall obtain, if possible, from the insurer under such policy a waiver of all rights of subrogation the insurer might have against City or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by such policy.

ARTICLE 19
ACCESS BY CITY

19.1 Access to Premises by City.

(a) General and Emergency Access. City reserves for itself and its designated Agents, the right to enter the Premises and any portion thereof at all reasonable times for any of the following purposes:

(i) To determine whether the Premises are in good condition and to inspect the Premises (including, without limitation, soil borings or other Hazardous Material Investigations);

(ii) To determine whether Tenant is in compliance with its obligations hereunder and to cure or attempt to cure any such default in accordance with the provisions of Article 16.1 hereof;

(iii) To serve, post or keep posted any notices required or allowed under any of the provisions of this Lease;

(iv) To do any maintenance or repairs to the Premises that City has the right or the obligation, if any, to perform hereunder; and

(v) To show it to any prospective purchasers, brokers, Encumbrancers or public officials, or, during the last year of the Term of this Lease, exhibiting the Premises to prospective tenants, bidders, proposers, operators or other occupants, and to post any "for sale" or "for lease" signs in connection therewith.

(b) Minimize Disruption. City shall use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Article in a manner that, to the extent practicable, will minimize any disruption to Tenant's use hereunder.

ARTICLE 20
ESTOPPEL CERTIFICATES

Either Party hereto shall, from time to time during the Term upon not less than twenty (20) days' prior written notice from the other Party, execute, acknowledge and deliver to the other Party, or such persons or entities designated by such other Party, a statement in writing certifying: (a) the Commencement Date and Expiration Date of this Lease, (b) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), (c) that there are no defaults under this Lease (or if so, specifying the same), (d) the dates, if any, to which the Rent has been paid, and (e) any other information that may be reasonably required by any such persons or entities. Any such certificate delivered pursuant to the provisions hereof may be relied upon by the other Party or any prospective purchaser or Encumbrancer of its estate. The City Manager shall be authorized to execute, acknowledge and deliver any such certificate on behalf of City.

ARTICLE 21
SURRENDER OF THE PREMISES

Upon the Expiration Date or any earlier termination of this Lease pursuant hereto, Tenant shall surrender to City the Premises, in as good condition as it was on the Commencement Date (subject to ordinary wear and tear), order and repair, free from debris

and hazards, and free and clear of all liens, easements and other Encumbrances created or suffered by, through or under Tenant. On or before the Expiration Date or any earlier termination hereof, Tenant shall, at its sole cost, remove any and all of Tenant's personal property from the Premises. In addition, Tenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Improvements or Alterations which are removed. In connection therewith, Tenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Tenant's obligations under this Article shall survive the Expiration Date or other termination of this Lease. Any items of Tenant's personal property remaining on or about the Premises after the Expiration Date of this Lease may, at City's option, be deemed abandoned and in such case City may dispose of such property in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by Law.

ARTICLE 22
HAZARDOUS MATERIALS

22.1 No Hazardous Materials. Tenant covenants and agrees that neither Tenant nor any of its Agents shall cause any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or any Improvements or transported to or from the Premises or any Improvements, provided that Tenant may store and use such substances in the Premises and any Improvements in such limited amounts as are customarily used for general office purposes (such as copy toner and supplies) or for maintenance, equipment and supplies for power golf carts, so long as such storage and use is at all times in full compliance with all applicable Environmental Laws and further provided Tenant may use and store quantifies of pesticides and herbicides customarily used in connection with the operation and maintenance of golf courses. Tenant shall immediately notify City if and when Tenant learns or has reason to believe there has been any Release of Hazardous Material in, on or about the Premises or any Improvements. City may from time to time request Tenant to provide adequate information for City to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable Environmental Laws, and Tenant shall promptly provide all such information. City and its Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Tenant (except in the event of an emergency).

22.2 Tenant's Environmental Indemnity. If Tenant breaches any of its obligations contained in Article 22.1 above, and such breach results in any Release of Hazardous Material in, on, under or about the Premises, without limiting Tenant's general Indemnity contained in Article 17.2 above, Tenant, on behalf of itself and its successors and assigns, shall Indemnify City and the Indemnified Parties, and each of them, from and against all Hazardous Materials Claims arising during or after the Term of this Lease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the Investigation and

Remediation of Hazardous Material and with the restoration of the Premises or any other City property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other City property.

22.3 Landlord's Environmental Indemnity. Landlord agrees to indemnify and hold harmless Tenant from and against any and all and losses, liabilities and claims arising out of the presence, use, generation, storage, release, or disposal of Hazardous Materials occurring prior to the Commencement Date or by Landlord, its agents or contractors whether before or after the Commencement Date. In no event shall Tenant be liable or responsible for any Hazardous Materials existing at the Premises prior to the Commencement Date.

ARTICLE 23
SECURITY DEPOSIT

Upon execution of this Lease Tenant shall deposit with City the sum specified for the security deposit in the Basic Lease Information as security for the faithful performance of all terms, covenants and conditions of this Lease. Should City use any portion of the Security Deposit to cure any Event of Default by Tenant hereunder, Tenant shall immediately replenish the Security Deposit to the original amount, and Tenant's failure to do so within ten (10) days of City's notice shall constitute a material Event of Default under this Lease. City's obligations with respect to the Security Deposit are solely that of debtor and not trustee. City shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to any interest on such Security Deposit. The amount of the security deposit shall not be deemed to limit Tenant's liability for the performance of any of its obligations under this Lease. If Tenant is not in default at the expiration or termination of this Lease, Landlord shall return the Security Deposit to Tenant.

ARTICLE 24
GENERAL PROVISIONS

24.1 Notices; Reasonable Approvals.

(a) Except as otherwise expressly provided in this Lease, any notice given hereunder shall be effective only if in writing and given by delivering the notice in person, or by sending it first-class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to: (a) Tenant (i) at Tenant's address set forth in the Basic Lease Information, if sent prior to Tenant's taking possession of the Premises, or (ii) at the Premises if sent on or subsequent to Tenant's taking possession of the Premises, or (iii) at any place where Tenant or any Agent of Tenant may be found if sent subsequent to Tenant's vacating, abandoning or surrendering the Premises; or (b) City at City's address set forth in the Basic Lease Information; or (c) to such other address as either City or Tenant may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Article at least ten (10) days prior to the effective

date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first-class or certified mail, one day after the date it is made if sent by commercial overnight courier or upon the date personal delivery is made. For convenience of the Parties, copies of notices may also be given by telefacsimile to the telephone number set forth in the Basic Lease Information or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

(b) Wherever the approval or consent (or similar words or phrases) of either Party is required hereunder, such Party shall not unreasonably withhold or delay such approval or consent.

24.2 Amendments. Neither this Lease nor any term or provisions hereof may be changed, waived, discharged, terminated or amended, except by a written instrument signed by the Parties hereto.

24.3 Authority. If Tenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing entity, that Tenant has and is qualified to do business in California, that Tenant has full right and authority to enter into this Lease, and that each and all of the persons signing on behalf of Tenant are authorized to do so. Upon City's request, Tenant shall provide City with evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

24.4 Interpretation of Lease. The captions preceding the articles and sections of this Lease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Lease. This Lease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Lease. Provisions in this Lease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or City holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Lease, whether or not language of non-limitation, such as "without limitation" or similar words, are used.

24.5 Successors and Assigns. Subject to the provisions of Article 12 and Article 15 hereof relating to Leasehold Encumbrances and Assignment and Subletting, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of City and Tenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any sale, assignment or transfer by City named herein (or by any

subsequent landlord) of its interest in the Premises as owner or lessee, including any transfer by operation of Law, City (or any subsequent landlord) shall be relieved from all subsequent obligations and liabilities arising under this Lease subsequent to such sale, assignment or transfer.

24.6 Brokers. Neither Party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the lease contemplated herein except as identified in the Basic Lease Information, whose commission, if any is due, shall be paid pursuant to a separate written agreement between such broker and the Party through which such broker contracted. In the event that any other broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the Party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other Party from any and all Losses incurred by the indemnified Party in defending against the same. The provisions of this Article shall survive any termination of this Lease.

24.7 Severability. If any provision of this Lease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Lease shall be valid and be enforceable to the fullest extent permitted by Law.

24.8 Governing Law. This Lease shall be construed and enforced in accordance with the Laws of the State of California. Venue for any action shall be in the County of Monterey.

24.9 Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Lease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Lease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Lease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Lease. Tenant hereby acknowledges that neither City nor City's Agents have made any representations or warranties with respect to the Premises or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth herein.

24.10 Attorneys' Fees and Costs. If any action is commenced that arises out of or related to this Lease, the prevailing party shall be entitled to recover from the other party such sums as the court may adjudge to be reasonable attorneys' fees, expert fees, and expenditures in the action, in addition to costs and expenditures otherwise allowed by law. In any matter arising out of or relating to the bankruptcy of Tenant, Tenant agrees to pay all of Landlord's costs and expenditures, including attorneys' fees and expert fees, which may be incurred in enforcing or protecting Landlord's rights or interests.

24.11 Holding Over. Any holding over after the expiration of the Term with the express consent of the City Manager shall be construed to automatically extend the Term of this Lease on a month-to-month basis only, at a Base Rent equal to one hundred twenty-five percent (125%) of the latest Base Rent payable by Tenant hereunder prior to such expiration, together with an amount estimated by City for the monthly Additional Charges payable under this Lease, and shall otherwise be on the terms and conditions herein specified so far as applicable (except for those pertaining to the Term). Any holding over without City's consent shall constitute a default by Tenant and entitle City to exercise any or all of its remedies as provided herein, notwithstanding that City may elect to accept one or more payments of Rent, and whether or not such amounts are at the holdover rate specified above or the rate in effect at the end of the Term of the Lease. Nothing in this Article 24.11 shall preclude City from initiating an unlawful detainer action where appropriate.

24.12 Cumulative Remedies. All rights and remedies of either party hereto set forth in this Lease shall be cumulative, except as may otherwise be provided herein.

24.13 Transition Procedures. Upon the expiration of the Term or earlier termination of this Lease, for whatever reason, Tenant and City shall do the following (and the provisions of this Article 24.13 shall survive the expiration or termination of this Lease until they have been fully performed) and, in general, shall cooperate in good faith to effect an orderly transition of the management of the Premises.

(a) Transfer of Licenses. Upon the expiration or earlier termination of the Lease, Tenant shall use its best efforts (i) to transfer to City or City's nominee all licenses, operating permits and other governmental authorizations and all contracts which City elects to assume, including contracts with governmental or quasi-governmental entities and management contracts, that may be necessary for the operation of the Premises and completion of any repairs, maintenance, Improvements or Alterations (collectively, "Licenses"), or (ii) if such transfer is prohibited by law or City otherwise elects, to cooperate with City or City's nominee in connection with the processing by City or City's nominee of any applications for all Licenses; provided, in either case, that the costs and expenditures of any such transfer or the processing of any such application shall be paid by City or City's nominee.

(b) Leases and Concessions. Tenant shall assign to City or City's nominee simultaneously with the termination of this Lease, and the assignee shall assume all leases, subleases, and concession agreements in effect with respect to the Premises then in Tenant's possession, which City or City's nominee elects to assume.

(c) Books and Records. All books and records for the Premises kept by Tenant shall be delivered promptly to City or City's nominee, simultaneously with the termination of this Lease, but such books and records shall thereafter be available to Tenant at all reasonable times for inspection, audit, examination, and transcription for a period of one year and Tenant may retain (on a confidential basis) copies or computer records thereof.

(d) Personal Property. Tenant shall negotiate in good faith with City or City's nominee for the sale of all or any portion of Tenant's personal property which City or City's nominee elects to purchase.

24.14 Survival of Indemnities. Termination of this Lease shall not affect the right of either Party to enforce any and all indemnities and representations and warranties given or made to the other Party under this Lease, nor shall it affect any provision of this Lease that expressly states it shall survive termination hereof. Tenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Lease, Tenant has an immediate and independent obligation to defend City and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Tenant by City and continues at all times thereafter.

24.15 Relationship of Parties. City is not, and none of the provisions in this Lease shall be deemed to render City, a partner in Tenant's business, or joint venture or member in any joint enterprise with Tenant. Neither Party shall act as the agent of the other Party in any respect hereunder, and neither Party shall have any authority to commit or bind the other Party without such party's consent as provided herein. This Lease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Lease by City does not constitute authorization or approval by City of any activity conducted by Tenant on, in or relating to the Premises. Tenant, its employees, assignees, subcontractors, or agents shall at no time be deemed employees of City.

24.16 Transfer by City. If City sells or otherwise transfers the Premises, City shall be released from its obligations hereunder arising on or after the date of such sale or transfer and Tenant shall look solely to the successor-in-interest to City. Upon a sale of the Premises by City, Tenant shall attorn to the purchaser or transferee, such attornment to be effective and self-operative without the execution of any further instruments on the part of the Parties to this Lease. This Lease shall not be deemed to constitute any commitment by City, or create any priority or right in favor of Tenant, with regard to any future sale or other disposition of the Premises, or any portion thereof.

24.17 Non-Liability of City Officials, Employees and Agents. No elective or appointive board, commission, member, officer, employee or other Agent of City shall be personally liable to Tenant, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Tenant, its successors and assigns, or for any obligation of City under this Agreement.

24.18 Consents, Approvals, Elections and Options. Any consent or approval required by the City, or any election or option exercisable by the City, must be given or exercised by the City Manager of the City.

24.19 Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

24.20 Waiver. No waiver of any default by Tenant hereunder shall be implied from any acceptance by City of any rent or other payments due hereunder or any omission by City to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than as specified in said waiver. The consent or approval of City to any act by Tenant requiring City's consent or approval shall not be deemed to waive or render unnecessary City's consent or approval to any subsequent similar acts by Tenant.

24.21 Voluntary Agreement; Authority to Execute. City and Tenant each represent that they have read this Lease in full and understand and voluntarily agree to all provisions herein. The Parties further declare that prior to signing this Lease they each had the opportunity to apprise themselves of relevant data, through sources of their own selection, including consultation with legal counsel of their choosing if desired, in deciding whether to execute this Lease. The signatories to this Lease represent that they have the proper authority to execute this Lease on behalf of the respective Party.

City and Tenant have executed this Golf Course Lease in triplicate as of the date first written above.

TENANT:

By: _____ Its: President

By: _____ Its: _____

CITY:

By: _____ Its: City Manager

Per Ordinance No. 14-018, adopted by the City Council at its meeting of September 17, 2014.

APPROVED AS TO FORM:

By: _____ Its: City Attorney

Exhibit A
Description of Premises

Exhibit B
Maintenance Standards

Exhibit C
Schedule of Personal Property

	Year	Condition	Hours
Greens Mowers			
1. 7 Greensmaster 1000	1993-1997	Fair – Good	N/A
2. Toro 3150	2005	Fair	4,090
Collar/Tees/Approach Mowers			
1. Toro 3150 3wd	2007	Good	2,544
2. John Deere 2243	1998	Fair	3,605
Fairway Mowers			
1. John Deere 8700	2008	Good	3,302
2. John Deere 3235c	2006	Fair	2,834
Rough Mowers/ Green Banks			
1. Jacobson AR-5	2005	Fair	2,115
2. Toro GM 3500-D	2004	Good	2,909
3. Toro GM 3500	2002	Good	2,354
Utility Vehicles			
1. Toro Workman HD	1997	Fair	5,976
2. Toro Workman HD	1998	Fair	6,925
3. Toro Workman HD	1999	Fair	4,148
4. Toro Workman HD	2002	Good	3,867
5. Toro Workman HD	2003	Good	2,564
6. Toro Workman MD	2011	Excellent	353
Miscellaneous Equipment			
1. Cushman Truckster/GA 60	1999	Excellent	320
2. Cushman Corehavestor	1993	Fair	899
3. Buffalo Turbine Blower	2002	Good	N/A
4. Toro Greens Aerifier	2001	Good	N/A
5. Toro Greens Aerifier	2003	Good	N/A
6. John Deere 1800 Sprayer	1995	Fair	N/A
7. Hahn Top dresser	1991	Bad	N/A

AMENDMENT #1 GOLF COURSE LEASE
Pacific Grove Golf Links

Landlord: **City of Pacific Grove**

Tenant: **Pacific Grove Golf, LLC an affiliate of CourseCo, Inc**

Premises: **77 and 79 ASILOMAR AVENUE, LOCATED IN THE CITY OF PACIFIC GROVE, CALIFORNIA**

AMENDMENT #1 TO GOLF COURSE LEASE

Landlord: **City of Pacific Grove**

Tenant: **Pacific Grove Golf, LLC an affiliate of CourseCo, Inc**

77 and 79 ASILOMAR AVENUE, LOCATED IN THE CITY OF PACIFIC GROVE, CALIFORNIA

THIS GOLF COURSE LEASE AMENDMENT ("Amendment #1") shall amend, supersede, and restate that Golf Course Lease entered into between the Parties and dated February 19, 2014 by and between the CITY of Pacific Grove, a Charter City of the State of California ("City" or "Landlord"), and Pacific Grove Golf, LLC, a California limited liability company ("Tenant").

FACTS

There shall be no change to any Recital set forth in the Golf Course Lease.

Landlord and Tenant desire this Amendment #1 to amend, supersede, and restate the GOLF COURSE LEASE, and its exhibits and attachments, dated February 19, 2014 pertaining to the Premises known as Pacific Grove Golf Links or 77 and 79 Asilomar Avenue, located in the City of Pacific Grove, California. This Amendment #1 shall be incorporated into the Golf Course Lease and shall be a part thereof.

Tenant has exercised its first option to renew and extend the Term of the Lease for a period of five (5) years pursuant to Section 4.2(a) of the Golf Course Lease ("First Renewal Term"). Landlord agrees to such extension of this First Renewal Term upon the terms and conditions as set forth in Article 4 of the Golf Course Lease. The Parties agree that the current Expiration Date of the Golf Course Lease as extended by the First Renewal Term shall be September 30, 2029.

Except as modified by this Amendment #1, the Parties intend this Amendment to republish and restate the Golf Couse Lease. Where terms set forth in the Golf Course Lease may be inconsistent with terms of this Amendment #1, this Amendment #1 shall control.

ARTICLES 1-5

There shall be no changes to any provisions in Articles 1 – 5, inclusive, of the Golf Course Lease.

ARTICLE 6

Effective on and after October 1, 2016, Paragraph 6.2 (Other Expenditures) of the Golf Course Lease shall be deleted in its entirety, and in its place the following provision shall take effect:

6.2 **Other Expenditures.** Tenant shall be responsible for any and all other costs and expenditures for garbage pickup, utilities, cable television, internet services or other services for its use, occupancy, operation or enjoyment of the Premises or any Improvements permitted thereon. Notwithstanding the foregoing,

a) Tenant shall use the most efficient water conservation and management practices available.

b) Tenant shall pay actual costs billed by California American Water Company for potable water supplied to the Golf Course or properties located at 77 or 79 Asilomar Avenue.

c) For the first 27.2 million gallons supplied per water year (October 1 – September 30) upon the Golf Course, Tenant shall pay actual costs billed by California American Water Company, or the City of Pacific Grove, or any other purveyor for sub-potable irrigation water to the Golf Course or properties located at 77 or 79 Asilomar Avenue, up to a cap of $443,332 per year for such water. Effective each September 1st this cost cap shall be increased by 2%. To the extent billed costs for sub-potable irrigation water (up to 27.2 million gallons per water year) supplied to the Golf Course or properties at 77 or 79 Asilomar Avenue exceed the referenced cost cap, Landlord shall reimburse Tenant any excess water costs.

d) For water use exceeding 27.2 million gallons supplied per water year (October 1 – September 30), Tenant shall pay actual costs billed by California American Water Company, or the City of Pacific Grove, or any other purveyor for sub-potable irrigation water to properties located at 77 or 79 Asilomar Avenue, without any cost cap for such irrigation water. Landlord shall have no obligation to pay any cost for water use exceeding 27.2 million gallons per water year.

e) Should Tenant pay less than $375,000 per water year for water usage pursuant to paragraph c) above, Tenant shall pay to Landlord a "Minimum Annual Water Charge" set at $375,000 less the actual annual water charge paid by Tenant pursuant to paragraph c).

ARTICLES 7 - 24

There shall be no changes to any provisions in Articles 7 – 24, inclusive, of the Golf Course Lease.

Except as modified by this Amendment #1, all of the remaining terms and conditions of the Golf Course Lease shall remain in effect and continue to determine the rights and obligations of Landlord and Tenant.

City and Tenant execute this Golf Course Lease Amendment #1 in triplicate as of this day, December 6, 2016.

TENANT:

By: _____ Its: President and COO

By: _____ Its: _____ 2/5/16

CITY:

By: _____ Its: City Manager

APPROVED AS TO FORM:

By: _____ Its: City Attorney

FUND	ACCT	ACCT TITLE	VENDOR	FROM	TO	DUE DATE	AMT	ACCOUNT
741	5222	UTILITIES	CAL AM	10/16/19	11/16/19	12/10/19	9,112.18	1015-210019640544
741	5222	UTILITIES	CAL AM	11/17/19	12/15/19	1/8/20	600.03	1015-210019640544
741	5222	UTILITIES	CAL AM	12/16/19	1/14/20	2/8/20	769.95	1015-210019640544
741	5222	UTILITIES	CAL AM	1/15/20	2/12/20	3/9/20	815.00	1015-210019640544
741	5222	UTILITIES	CAL AM	2/13/20	3/10/20	4/3/20	3,258.93	1015-210019640544
741	5222	UTILITIES	CAL AM	3/11/20	4/12/20	5/6/20	800.41	1015-210019640544
741	5222	UTILITIES	CAL AM	4/13/20	5/13/20	6/8/20	1,988.12	1015-210019640544
741	5222	UTILITIES	CAL AM	5/14/20	6/12/20	7/7/20	3,004.01	1015-210019640544
741	5222	UTILITIES	CAL AM	6/13/20	7/13/20	8/6/20	12,679.17	1015-210019640544
741	5222	UTILITIES	CAL AM	7/14/20	9/15/20	10/8/20	20,872.29	1015-210019640544
741	5222	UTILITIES	CAL AM	9/16/20	10/14/20	11/9/20	1,474.27	1015-210019640544
741	5222	UTILITIES	CAL AM	10/15/20	11/13/20	12/28/20	882.23	1015-210019640544
741	5222	UTILITIES	CAL AM	11/14/20	12/13/20	1/6/21	876.44	1015-210019640544
741	5222	UTILITIES	CAL AM	12/14/20	1/10/21	2/3/21	929.55	1015-210019640544
741	5222	UTILITIES	CAL AM	1/11/21	2/10/21	3/8/21	895.70	1015-210019640544
741	5222	UTILITIES	CAL AM	2/11/21	3/12/21	4/6/21	3,847.45	1015-210019640544
741	5222	UTILITIES	CAL AM	4/14/21	5/15/21	6/8/21	5,982.42	1015-210019640544
741	5222	UTILITIES	CAL AM	5/16/21	6/11/21	7/7/21	12,656.45	1015-210019640544
741	5222	UTILITIES	CAL AM	6/12/21	7/14/21	8/9/21	30,245.11	1015-210019640544
741	5222	UTILITIES	CAL AM	7/15/21	8/12/21	9/7/21	10,140.32	1015-210019640544
741	5222	UTILITIES	CAL AM	8/13/21	9/14/21	10/8/21	11,231.75	1015-210019640544
741	5222	UTILITIES	CAL AM	9/15/21	10/13/21	11/8/21	896.39	1015-210019640544
741	5222	UTILITIES	CAL AM	10/14/21	11/11/21	12/7/21	779.86	1015-210019640544
741	5222	UTILITIES	CAL AM	11/11/21	12/10/21	1/5/22	855.29	1015-210019640544
741	5222	UTILITIES	CAL AM	12/14/21	1/12/22	2/7/22	840.74	1015-210019640544
741	5222	UTILITIES	CAL AM	1/13/22	3/11/22	4/11/22	27,428.22	1015-210019640544
741	5222	UTILITIES	CAL AM	3/12/22	4/13/22	5/16/22	17,504.14	1015-210019640544
741	5222	UTILITIES	CAL AM	4/14/22	5/12/22	6/9/22	18,520.66	1015-210019640544
741	5222	UTILITIES	CAL AM	5/13/22	6/13/22	7/11/22	18,333.15	1015-210019640544
741	5222	UTILITIES	CAL AM	6/14/22	7/14/22	8/19/22	40,555.64	1015-210019640544
741	5222	UTILITIES	CAL AM	7/15/22	10/13/22	11/14/22	62,512.91	1015-210019640544
741	5222	UTILITIES	CAL AM	10/14/22	11/11/22	12/8/22	939.87	1015-210019640544

FUND	ACCT	ACCOUNT TITLE	YEAR	DATE	REFERENCE	VENDOR	EXPENDITURES	DESCRIPTION
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	08/06/20	97129	2024 PACIFIC GAS & EL	9,849.64	06/30/2020-07/28/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	09/17/20	97515	2024 PACIFIC GAS & EL	10,419.56	07/29/2020-08/27/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	10/14/20	97749	2024 PACIFIC GAS & EL	10,591.61	08/28/2020-09/28/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	11/12/20	98011	2024 PACIFIC GAS & EL	8,869.63	09/29/2020-10/28/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	12/09/20	98260	2024 PACIFIC GAS & EL	6,173.78	10/29/2020-11/30/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	01/07/21	98457	2024 PACIFIC GAS & EL	3,062.75	12/01/2020-12/29/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	02/17/21	98885	2024 PACIFIC GAS & EL	2,515.14	12/30/2020-01/28/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	03/17/21	99134	2024 PACIFIC GAS & EL	5,371.83	/29/2021-03/01/2021 (two mths)
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	04/14/21	99369	2024 PACIFIC GAS & EL	129.46	03/02/2021-03/30/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	05/12/21	99645	2024 PACIFIC GAS & EL	4,769.34	03/31/2021-04/29/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	06/10/21	99890	2024 PACIFIC GAS & EL	7,852.31	04/30/2021-05/31/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	07/21/21	100220	2024 PACIFIC GAS & EL	9,734.85	06/01/2021-06/29/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	09/01/21	100618	2024 PACIFIC GAS & EL	10,564.48	06/30/2021-07/29/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	09/15/21	100724	2024 PACIFIC GAS & EL	11,057.07	07/30/2021-08/30/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	10/14/21	100973	2024 PACIFIC GAS & EL	10,459.41	08/31/2021-09/29/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	11/23/21	101344	2024 PACIFIC GAS & EL	7,021.27	09/30/2021-10/28/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	12/23/21	101568	2024 PACIFIC GAS & EL	3,216.52	10/29/2021-11/30/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	01/21/22	101766	2024 PACIFIC GAS & EL	2,534.85	12/01/2021-12/28/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	03/18/22	102236	2024 PACIFIC GAS & EL	2,474.30	12/29/2021-01/27/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	03/18/22	102236	2024 PACIFIC GAS & EL	3,559.10	01/28/2022-02/28/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	04/15/22	102479	2024 PACIFIC GAS & EL	4,615.48	03/01/2022-03/29/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	05/13/22	102754	2024 PACIFIC GAS & EL	4,505.80	03/30/2022-04/28/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	06/10/22	102983	2024 PACIFIC GAS & EL	7,403.21	04/29/2022-05/30/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	07/08/22	103219	2024 PACIFIC GAS & EL	9,465.77	05/31/2022-06/28/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	23	08/19/22	103601	2024 PACIFIC GAS & EL	12,665.96	06/29/2022-07/28/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	23	09/16/22	103845	2024 PACIFIC GAS & EL	11,894.05	07/29/2022-08/29/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	23	10/14/22	104094	2024 PACIFIC GAS & EL	11,132.95	08/30/2022-09/28/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	23	11/10/22	104406	2024 PACIFIC GAS & EL	9,202.50	09/29/2022-10/27/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	23	12/09/22	104651	2024 PACIFIC GAS & EL	0.07	09/29/2022-10/27/20 (true-up)
74 - LOCAL WATER PROJECT	5222	UTILITIES	23	12/09/22	104651	2024 PACIFIC GAS & EL	5,896.03	10/28/2022-11/29/2022

FUND	ACCT	ACCOUNT TITLE	YEAR	DATE	REFERENCE	VENDOR	EXPENDITURES	DESCRIPTION
74 - LOCAL WATER PROJECT	5222	UTILITIES	20	12/31/19	95099	1798 MONTEREY ONE WAT	8,100.69	11/1/19 - 12/31/19
74 - LOCAL WATER PROJECT	5222	UTILITIES	20	2/20/20	95603	1798 MONTEREY ONE WAT	8,100.69	01/01/2020-02/29/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	20	5/1/20	96356	1798 MONTEREY ONE WAT	7,115.75	3/1/2020-4/30/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	20	6/18/20	96743	1798 MONTEREY ONE WAT	7,115.75	5/01/20-6/30/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	8/20/20	97285	1798 MONTEREY ONE WAT	7,115.75	7/1/2020-8/31/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	10/14/20	97744	1798 MONTEREY ONE WAT	8,078.89	09/01/20-10/3120
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	1/15/21	98551	1798 MONTEREY ONE WAT	7,353.99	11/1/2020-12/31/2020
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	2/17/21	98880	1798 MONTEREY ONE WAT	6,942.46	01/01/21-02/28/21
74 - LOCAL WATER PROJECT	5222	UTILITIES	21	4/14/21	99365	1798 MONTEREY ONE WAT	7,057.74	3/01/21 - 04/30/21
74 - LOCAL WATER PROJECT	5222	UTILITIES			7050	JE MONTEREY ONE	7,057.74	5/1/2021-6/30/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	8/18/21	100493	1798 MONTEREY ONE WAT	8,315.62	7/1/2021-8/30/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	10/27/21	101088	1798 MONTEREY ONE WAT	9,515.01	09/01/21-10/31/21
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	12/23/21	101559	1798 MONTEREY ONE WAT	9,515.01	11/01/2021-12/31/2021
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	3/4/22	102107	1798 MONTEREY ONE WAT	10,045.70	01/01/2022-02/28/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	4/15/22	102468	1798 MONTEREY ONE WAT	10,068.40	3/1/2022-4/30/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	22	6/20/22	103034	1798 MONTEREY ONE WAT	14,753.14	05/01/2022-06/30/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	23	8/19/22	103593	1798 MONTEREY ONE WAT	17,519.37	07/01/2022-08/31/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	23	10/20/22	104129	1798 MONTEREY ONE WAT	17,991.08	09/30/2022-10/31/2022
74 - LOCAL WATER PROJECT	5222	UTILITIES	23	12/9/22	104647	1798 MONTEREY ONE WAT	17,991.08	11/01-12/31 04-007087

Evaluation of Operating Options
Santa Barbara Golf Club
Santa Barbara, California

Prepared for: **City of Santa Barbara**
Prepared by: **Pro Forma Advisors, LLC**

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General Limiting Conditions

Certain information included in this report contains forward-looking estimates, projections and/or statements. Pro Forma Advisors LLC has based these projections, estimates and/or statements on expected future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," “project,” or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

No warranty or representation is made by Pro Forma Advisors that any of the projected values or results contained in this study will actually be achieved.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, Pro Forma Advisors accepts no liability in relation to the estimates provided herein.

In the production of this report, Pro Forma Advisors has served solely in the capacity of consultant and Pro Forma Advisors has not rendered any “expert” opinions and does not hold itself out as an “expert” (as the term “expert” is defined in Section 11 of the Securities Act of 1933).

This report is not to be used in conjunction with any public or private offering of securities, and may not be relied upon without the express written consent of Pro Forma Advisors.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions, and considerations.

I. Introduction and Background

Background

The City of Santa Barbara municipal golf course, the Santa Barbara Golf Club (SBGC or "Muni"), has served the community of Santa Barbara since 1958 under the leadership of the Parks and Recreation Department. SBGC provides the Santa Barbara community, residents and visitors alike, with affordable golf in a well-designed and maintained golf course facility. The 108-acre, 18-hole regulation, par-70 golf course is located in the north side of town and features sweeping views of the Santa Ynez foothills and the Pacific Ocean.

SBGC is managed by the Parks and Recreation Department. The Department also provides the golf course maintenance operation, staffed with City employees. The Department manages two concession contracts associated with the operation of the course, the Director of Golf/Pro Shop concession and the Food and Beverage concession. Although concession rents provide revenue to the golf course, over 80% of City golf revenue derives from greens fees paid by golfers.

Operated as an enterprise fund within the City, SBGC receives no tax revenue support through the City's General Fund and is funded solely by revenues generated at the course. Since 1987, the course has seen a gradual decline in the number of rounds being played, affecting revenue. Discussed in the report, the decline in play is largely attributed to a national decline in golf participation and an unprecedented increase in the number of golf courses serving golfers, including in the Santa Barbara area. This industry decline has been compounded in recent years as people changed their leisure and spending habits in response to the deep national recession. Concurrently, SBGC experienced a significant decline in play resulting from two major construction projects at the facility. Although the level of play has recovered and stabilized to some degree, it has not returned to pre-2009 levels and the outlook is that play will likely remain relatively flat in the near-term, with slow growth over the longer time frame.

With sluggish growth in play/revenues and increasing expenses, the longer term fiscal health of SBGC became a focus for the Parks and Recreation Department and the City. This study was undertaken to provide the City with information on trends within the golf industry, the comparative performance of SBGC to comparable regional facilities, various operating models used for municipal golf courses, strengths and weaknesses of the various models, and how the various models compare to the current operating model in place for the City of Santa Barbara.

Basic Assignment Objectives

Key objectives of the assignment included:

- Prepare a description of SBGC facilities and historical operating review.
- Provide an overview of the golf market, including national and regional demographics and trends.
- Complete a comparative performance review of regional golf courses, including rounds of play, average revenue per round, revenues, and operational costs including maintenance.

- Describe and compare various operating models employed by municipal golf courses in California, including Santa Barbara.
- Review the economics of alternative operating models related to SBGC.

Overall Work Process

The overall work process for this assignment has occurred over about a two-year time frame. A significant portion of the analysis was conducted in 2013 and updated in mid-2014. The work tasks completed during this study process included the following:

- Discussions and interviews with selected stakeholders, including the concessionaires and Parks and Recreation staff, and industry representatives, including a series of private golf management companies.
- A review of historical operating and financial statements for SBGC.
- Inspection of the golf course and support facilities.
- Analysis of current and anticipated future golf course market conditions.
- A review of future capital improvement requirements at the golf facility.
- Identification and analysis of the various operating models employed by municipal golf courses.
- Projections of near- and mid-term operating performance of SBGC.
- Comparative evaluation of prospective operating models with the current SBGC operating structure.

The Parks and Recreation Department contracted with Gene Krekorian, a Principal with Pro Forma Advisors LLC, to provide the majority of the information provided in this report. Mr. Krekorian was well qualified for this effort having prepared various operational analysis reports on the City's golf course over the years. Additionally, Mr. Krekorian has undertaken similar studies for other golf courses in the Tri-County area so he is familiar with golf operations in the region. Staff worked with Mr. Krekorian to provide assistance and information to complete the report.

The final report, drafted by Pro Forma Advisors, is the product of a collaborative effort of Pro Forma Advisors and Parks and Recreation staff.

II. Summary

The following section presents a summary of principal findings related to future operations at Santa Barbara Golf Club (SBGC). Substantiation and documentation of these summary findings are contained in the subsequent sections of the report.

Background

The Santa Barbara Golf Club (known as SBGC or "Muni") has served as the City's municipal golf course since 1958. The course is operated as an enterprise fund, whereby revenue generated at the club sustains maintenance and operations of the golf course. The golf course receives no tax support.

Santa Barbara Golf Club is managed by the City Department of Parks and Recreation, which also maintains the golf course. Golf operations is the responsibility of a golf concessionaire who pays rent to the City based on a percentage of gross revenue. Similarly, the food and beverage operations at SBGC are provided under a concession agreement.

Santa Barbara's municipal golf course has experienced increasing fiscal challenges due to a continuing decline in the number of rounds played at the course. The sport of golf has seen declines nationally and regionally primarily due to fewer people playing golf or playing less frequently, an over-expansion of the golf course inventory, and more recently the effects of a struggling economy. Additionally, SBGC has yet to see play fully rebound from 2010 losses due to the lingering effects from two major construction projects on the golf course and the national economic recession. The course has seen play decline an average of nearly 3% per year, down from over 100,000 rounds in 1990 to 62,500 in Fiscal Year (FY) 2014.

Presently, over 80 percent of golf course revenue is generated by user fees charged to the golfers (greens fees). Fewer rounds mean less revenue. A number of measures have been taken over recent years to decrease expenses, restructure debt, and increase play. The golf course has limited ability to further reduce expenses without negatively affecting course conditions, which would have a reciprocal effect on play. Similarly, extraordinary fee increases intended to generate additional revenue will have the opposite effect, as the local golf market offers golfers many choices today with competitive pricing.

Despite the actions which have been taken, and given some stability in the golf market, SBGC sustained negative cash flow in FY2014, and the outlook suggests financial performance may deteriorate further. Actual financial results for FY2014 are summarized as follows:

SBGC Net Cash Flow-2014 ($000)	
City Revenue/Rent	
Greens Fees Revenue	$1,664.7
Concession/Other Revenues	378.4
Total	$2,043.1
Operating Expenses	
Course Maintenance	1,369.1
Other Operating Expenses	263.0
Total	$1,632.1
Net Operating Income (EBITDA)[1/]	$411.0
Less: Debt Costs	264.8
Capital Improvement Allowance	214.5
Net Cash Flow	(68.2)

[1/] Earnings before interest, taxes, debt and amortization, and capital improvements.

Golf Market Overview

Nationwide, golf play increased steadily between the mid-1980s and 2000. Over the period 1990-2010, the national inventory of golf courses increased by 34% while golf demand only increased 12%. Since 2000, first signs of industry problems surfaced and have persisted for the last 10 years. Since 2007, the golf market has been further impacted by the national and regional recession. In response, promotions, discounts and special rate loyalty programs which offer reduced fees have become the norm and increased local competition.

Regionally, similar patterns were seen over the same period. The Tri-County region has 38 public access golf courses, expressed as 18-hole equivalent courses, of which 7.5 are located in Santa Barbara County. Inventory has increased 58 per cent since 1995. While only two new courses were added to the golf inventory in Santa Barbara County since 1995, and none since 1998, the significant expansion in Ventura County has provided many more options for residents of the region. The Tri-County public golf market is highly competitive. In addition to numerous municipal facilities, there are a number of higher quality public access courses available at relatively affordable greens fees.

Since 2011, the regional golf market has been generally flat, benefitting from favorable weather. Golf industry leaders project limited growth over the next 10- to 20-year term. Most of this growth will result from the aging

population trend (60 to 74 age cohort) where the propensity to, and frequency of, play increase compared to younger age cohorts. While the regional market appears to have stabilized, there are no indications that portend much, if any, growth in the near- to mid-term.

Regional Comparative Metrics

With the inventory of golf courses increasing by one, the aggregate annual play at 10 selected Ventura and Santa Barbara public courses declined by only 5.3 percent over the 2004-2013 period. However, the survey shows that the average play per course declined 15 per cent over the nine-year period. (By comparison, play at all regulation length public access courses in Los Angeles County declined 14 per cent.) Play at SBGC declined from 86,400 rounds in 2004 to 61,000 in 2013, or nearly 30 per cent. Factors contributing to decline in SBGC rounds included:

- Glen Annie Golf Club has repositioned toward the mid-market, thus becoming more competitive with SBGC.
- Higher end daily fee courses (i.e., Sandpiper Golf Club and Rancho San Marcos) have been targeting Tri-County residents with discounts.
- City of Ventura recently renovated both of their municipal courses (Buenaventura and Olivas Links) resulting in fewer Ventura area players traveling to Santa Barbara, and more Santa Barbara players traveling to the newly renovated courses.
- Promotional programs and greens fees discounting by competitive courses in the region has reduced their effective fee structures relative to SBGC.
- Lost play following 2010 SBGC construction.

When compared to the performance of seven municipal courses and three daily fee courses, revenue per round ranged from $19 to $35.30. SBGC FY 2014 performance was $26.57 per round. For comparison, Buenaventura was $24.80 and Olivas Links was $28.89. SBGC merchandise revenue performs slightly superior to most other courses in the region. Average cart fee is consistent with similar courses in the region. Practice range revenue is relatively low at SBGC compared to others due to facility limitations. Food and beverage (Mulligans Bar & Cafe) performance is strong.

When compared to five municipal courses and four mid-market daily fee courses, the greatest expense variance was the cost of maintenance labor. With staffing levels ranging from 9 to 15 FTE at 18-hole golf courses in the region, the majority of payroll and benefit cost was in the range of $311,000 to $555,000 while SBGC direct labor cost was $929,000 with 12 FTE. Santa Barbara operates SBGC with a City employee workforce which is the primary reason for the higher labor cost.

Golf Course Operating Options

Golf courses have four primary operational areas, including Administration/Management, Course Maintenance, Golf Operations (daily golfer services), and Food and Beverage service. Five basic golf course operating options employed by municipalities are presented, including the current model used by the City of Santa Barbara.

- Hybrid – current model in Santa Barbara (City maintenance)
- Modified Hybrid – alternate model with contract maintenance
- Management Agreement
- Golf Facility Lease
- Full Self-Operation

A brief description of each model is below. The following table provides an overview of the responsibilities for each function in the various models.

Responsibility for Function				
Model	**Course Maintenance**	**Golf Operations**	**Food & Beverage**	**Administration/ Management**
SBGC Hybrid*	**City**	**Concession**	**Concession**	**City**
Modified Hybrid**	City/Private	Private/ Concession	Concession	City/Private
Management Agreement	Private	Private	Private	Private
Golf Facility Lease	Private	Private	Private/ Concession	Private
Full Self-Operation	City	City	City/Concession	City

* Represents current SBGC Hybrid model.
** Hybrid model with City course maintenance and golf operations concession represents the current city model, with some modifications of terms/expenses.

In addition to these basic options, there are numerous permutations which would create alternative hybrid models. These alternative hybrid models combine some form of self-operation, concession agreements, and/or management/contract agreement.

The **Hybrid** model consists of any combination of concession agreements and service contracts. The City of Santa Barbara currently employs a Hybrid model with City employees providing Administration/Management and golf course maintenance; golf operations and food and beverage services are provided by two concessionaires: Director of Golf - Chris Talerico/Channel Islands Golf Enterprises, Inc., and Mulligans Café LLP – Mario and Lani Medina. The "hybrid model" (golf operations concession, with City maintenance), currently accounts for 6 percent of the 83 municipal golf courses in Southern California.

A **Modified Hybrid** model respective to the City of Santa Barbara could entail the City retaining the current golf operations and food and beverage concessions, with golf course maintenance shifted to a private landscape maintenance entity on a contract basis. The City would still be responsible for overall golf course management, and overseeing the three contracts. The "modified hybrid model" (golf operations concession, with

contract/private maintenance), also currently accounts for 6 percent of the 83 municipal golf courses in Southern California.

The **Management Agreement** model, although observed at only about one-quarter of the Southern California municipal golf courses, is the most common model employed in the municipal golf market today. The City would enter into a fee-for-service agreement with a Director of Golf, General Manager, or an outside management company. Under a typical management agreement, the facility owner (City) receives all revenues and is responsible for funding all capital improvements, operating expenses and capital reserves . In addition, the City pays the operator a fee for management of the facility. In effect, the professional operator serves as the City's agent in managing, operating and maintaining the golf facility. Management compensation typically consists of a base fee, plus performance incentives. The "management agreement model" currently accounts for 23 percent of the 83 municipal golf courses in Southern California, although in recent years the model has been employed in the majority of the municipal transactions.

Under the **Golf Facility Lease** model, the City would enter into a long-term facility lease with a private golf course operator who provides course maintenance, golf operations, and overall facility management. The food and beverage operation may be included or provided through a separate lease. Typically, the lease model has been utilized when a private entity will be investing significant capital into the facility. The operator's lease payments typically are based on a minimum rental payment versus a percentage of gross revenues derived from golf, merchandise, food and beverage, etc. Under a typical facility lease, the lessee receives 100 percent of the revenue and is obligated to fund required front-end capital improvements, operating expenses, and a capital reserve fund. This model is not as common in today's municipal golf market, although it is the model employed in over one-half of the municipal golf courses in Southern California. The "golf facility lease model" currently accounts for 57 percent of the 83 municipal golf courses in Southern California, although in recent years the model has been employed in a much smaller percentage of the municipal transactions.

The **Full Self-Operation** model, whereby the facility is operated fully by the City with a City workforce, is very uncommon and movement away from this model continues given higher public employee compensation labor costs. This model is not seen as a viable option for Santa Barbara at this time. Currently, the "full self-operation model" accounts for 6 percent of the 83 municipal golf courses in Southern California. In addition, there are two recreation districts (two percent) in Southern California which operate municipal golf courses.

There are economic and non-economic advantages and disadvantages of the various types of operating structures, and the most appropriate structure generally is strongly influenced by the the objectives of the owner (City). Most of the advantages and disadvantage of each approach are summarized in the following table.

Strengths and Weaknesses of Golf Course Operating Options			
Hybrid (Current Model)	**Facility Lease**	**Management Agreement**	**Modified Hybrid**
STRENGTHS			
• Provides high level of City control over rates, policies, practices, and overall golf experience • Availability of City overhead support functions • Strong participation in upside financial performance • Provides opportunity to retain specialists in golf operations and food and beverage • Preserves option to convert to alternative operating option	• Provides reasonably strong financial return to City • Produces guarantee minimum rent payment to City • Minimizes financial risk • Minimizes political influence with less direct involvement of City with setting fees, policies, and practices • Offers potential benefits in golf management expertise and specialized maintenance support services • May provide private capital investment in facilities	• Provides strong financial return to City. • Provides high level of City control • Greater potential quality assurance • Opportunity to provide shorter term contracts • Potentially more compatible with multiple operator options • Provides opportunity to retain specialists in professional golf management • Captures benefits of private sector wage and benefit structure	• Provides high level of City control over rates, policies, practices, and overall golf experience • Availability of City overhead support functions • Strong participation in upside financial performance • Potential benefits from lower private sector maintenance payroll/ benefits • Provides opportunity to retain specialists in golf operations and food and beverage • Preserves option to convert to alternative operating option
WEAKNESSES			
• Constrains ability of management to adapt and respond to dynamic market conditions • Entails high level of financial risk • Involves higher public sector wage and benefit structure for maintenance • Reduces opportunity to attract private capital due to reduced lessee control • Potential conflicts of multiple concessionaires • Relatively high City monitoring requirements	• Minimum operational and quality control • May involve long-term contractual commitment • Minimizes financial upside, particular in current market • Current weak market for facility leases • Potential conflicts over capital reinvestment responsibilities of contracting parties	• Requires more City involvement than facility lease option • Minimizes private capital investment in facilities. • Entails greatest level of City financial risk	• May constrain ability of management to adapt and respond to dynamic market conditions • Entails high level of financial risk • May involve higher public sector wage and benefit structure • Reduces opportunity to attract private capital due to reduced lessee control • Potential conflicts of multiple concessionaires • Relatively high City monitoring requirements

In general, there are three factors which influence the preferred structure:

- Level of control desired by public entity in terms of fee structure, operating policies, and other procedures.
- Ability or willingness to fund significant capital improvements required.
- Degree of financial risk tolerance related to market and other events.

Options Economics

The report provides detailed economics of how each model might compare if implemented in Santa Barbara. In general, the primary difference in net operating income and cash flow derives from whether golf course maintenance is provided by a City employee workforce or a private entity.

A comparative summary of the economics associated with the various operating models is presented in the following table. The comparative analysis is predicated on the assumption that revenue is constant among the various models. General experience suggests that revenue (play levels) are likely to be greater under the management agreement model and the facility lease model. To the extent that revenues are higher, the differential between the management agreement (and facility lease) model and the hybrid model would likely be substantially greater.

Comparative Baseline Operating Options Economics (thousands of constant 2014 dollars)						
Department	City Hybrid Actual FY2014	Hybrid		Management Agreement		Facility Lease[1/]
		City Maint*	Contract Maint with Living Wage	No Living Wage	With Living Wage	
City Revenue/Rent						
Greens Fees Revenue	$1,664.7	$1664.7	$1664.7	$1,664.7	$1,664.7	---
Golf Operations Revenue	---	---	---	793.4	793.4	---
Facility/Golf Ops Concession Rent	189.6	161.5	161.5	---	---	$449.9
Food & Beverage Rent	139.1	137.8	137.8	206.7	206.7	137.8
Other Revenue	49.7	49.7	49.7	49.7	49.7	10.0
Total	$2,043.1	$2,013.7	$2,013.7	$2,714.5	$2,714.5	$597.7
Less: Cost of Sales	---	---	---	142.7	142.7	---
Gross Profit	$2,043.1	$2,013.7	$2,013.7	$2,571.8	$2,571.8	$597.7
Operating Expenses						
Course Maintenance	$1,369.1	$1,370.0	$1,140.7[2/]	$880.0	$1,037.0	---
Golf Operations	---	---	---	313.0	378.0	---
G & A/Clubhouse	71.4	71.4	71.4	420.0	420.0	---
City Contract Administration	118.1	118.1	150.0	80.0	80.0	80.0
Citywide Overhead Allocation	73.5	73.5	73.5	73.5	73.5	73.5
Total	$1,632.1	$1,633.0	$1,435.6	$1,766.5	$1,988.5	$153.5
Net Operating Income (EBITDA)[3/]	$411.0	$380.7	$578.1	$805.3	$583.3	$445.2
Less: CIP Replacement Reserve	214.5	225.0	225.0	225.0	225.0	108.1
Debt Service	264.8	264.8	264.8	264.8	264.8	264.8
Net Cash Flow	($68.3)	($109.1)	$88.3	$315.5	$93.5	$71.3
Variance From Current Hybrid Model, With City Maintenance	$40.8	---	$197.4	$424.6	$202.6	$180.4

* Represents current City Hybrid model with current terms. [1/] Assumes no Living Wage ordinance; [2/] Assumes Living Wage ordinance; [3/] Earnings before interest, taxes, depreciation, debt service and amortization.

III. Description of Facilities and Historical Operating Review

The following section contains a brief description of Santa Barbara Golf Course (SBGC) and a review of historical operating performance.

Facilities

The Golf Course was designed and built in 1957 by Lawrence Hughes, and opened for play on January 12, 1958. The 18-hole golf course envelope is approximately 108 acres, of which 85 acres is irrigated turf. The regulation, par-70 golf course features sweeping views of the Santa Ynez foothills and the Pacific Ocean. Located in the north side of town, the course is surrounded by homes, Earl Warren Showgrounds, Las Positas Road, McCaw Road, Club House parking lot, and Adams Elementary School.

The amenities of the course include a practice putting green, electric golf cart storage facility, pro shop/office, restrooms, an unlighted driving range with fence which has 12 stalls for irons and woods, 6 stalls for irons only, and for the exclusive use of providing lessons only, an 1,800 square foot teaching area with easy access for 4-5 simultaneous lessons, a putting/chipping green, and a small sand bunker. The Santa Barbara Golf Club has a 210-space paved parking area.

The clubhouse, originally built with the golf course as a small food and beverage operation, was significantly expanded and remodeled in 1989 into the current configuration. The clubhouse includes a full-service restaurant, bar and banquet room as well as exterior patio dining areas on two sides of the facility overlooking the golf course, and a takeout counter serving golfers.

Existing Concessionaire Agreements

The pro shop concession, which provides the daily operation of the course and golfer services, is with Chris Talerico, Channel Islands Golf Enterprises, Inc. Golfer services include the tee reservations and starter function, carts, driving range operation, retail sales of golf supplies and equipment, lessons, tournaments, leagues, and the marshaling operation which oversees the pace of play on the course. The three-year agreement term ends June 30, 2016. The current pro shop concession terms include a base rent minimum of $125,000, plus percentage rents as follows: 30% on carts, 25% on the driving range, 4% on merchandise, and 4% on lessons and equipment rental sales. In FY 2014 annual income to the City from the pro shop concession was $189,600.

The food and beverage concession is with Mario and Lani Medina, Mulligan's Café LLP. Mulligans Café has served the SBGC since 1993. The restaurant serves breakfast, lunch and dinner seven days a week and draws a substantial business from the general community in addition to serving golfers. The current concession agreement term will conclude June 30, 2016. The Mulligans food and beverage concession terms include a base rent minimum of $116,774 plus 10% percentage rent on gross receipts above the base rent amount. In FY 2014 annual income to the City from the Food and Beverage concession was $139,060.

Municipal Water Quality Elements

The Santa Barbara Golf Club, located at the top of the Las Positas Creek watershed, receives storm water and urban runoff from surrounding streets and properties. The Creek Restoration and Water Quality Program constructed the Upper Las Positas Creek Restoration and Storm Water Management Project on the course in 2010. The project was designed to detain and treat storm water and incidental runoff and improve water quality downstream in Las Positas Creek, the Arroyo Burro Estuary, and Arroyo Burro Beach. This project added several new aesthetic elements to the course, including several large retention basins, as well as natural area creek and native landscape elements.

Staffing Levels

SBGC is supported with City employee resources in management, marketing and maintenance. After many years of consistent staffing levels, reductions were made in 2010 (-.20 FTE) and again in 2012 (-2.50 FTE) to reduce expense in response to decreased revenues, both at a management level and golf maintenance staffing.

Current Golf Fund staffing totals 12.75 full time equivalent employees. Management and marketing total .75 FTE (.20 FTE Parks and Recreation Director, .5 Business Analyst, .05 FTE Marketing Coordinator). Golf Maintenance is 12.0 FTE, comprised of the following:

- 1.0 FTE – Golf Superintendent
- 1.0 FTE – Maintenance Coordinator
- 1.0 FTE – Irrigation Tech
- 1.0 FTE - Automotive/Equipment Tech
- 1.0 FTE – Sr. Grounds Maintenance Worker
- 4.0 FTE – Grounds Maintenance Worker II
- 1.3 FTE – Grounds Maintenance Worker I
- 1.7 FTE – Grounds Maintenance Worker I (hourly)

Golf Fund Revenues and Expenses

Greens fees are the largest component of Golf Fund revenue, comprising over 80% of annual revenue. Any change in the number of rounds played has a corresponding effect on Golf Fund revenue. Since 1987, the number of rounds at SBGC has continued on a gradual decline. A number of factors for this are related to national trends and regional golf operations and discussed in more detail in the Golf Market Overview. In 2010, SBGC rounds hit their lowest point of 59,091, reflecting the impacts of two major golf course construction projects compounded by changes golfers made in their leisure and spending habits in response to the national recession. Although the level of play has partially recovered and stabilized to some degree, it has not returned to pre-2009 levels (see Table III-1).

As shown, in FY2014 SBGC accommodated approximately 62,500 total rounds of play. The majority of these rounds were played by about 6,000 individual golfers.

The distribution of 2014 play, by type of round, is presented in Table III-2. The following observations are offered:

- Residents of Santa Barbara County account for 93 percent of total play, with non-residents about 7 percent. The percentage of resident play on weekdays is slightly lower at 92.5 percent of total play, and slightly higher at 93.4 percent on weekends.
- Weekday play represents approximately 65 percent of total play, and weekend play about 35 percent. This pattern of play, which is slightly disproportional on weekends, is consistent with most municipal golf courses in Southern California.
- Seniors account for approximately 60 percent of total weekday 18-hole play. Senior play at most Southern California municipal golf courses, where discount rates are offered, typically accounts for 50 to 60 percent of total 18-hole weekday play.
- Tournament play at SBGC represents 3.1 percent of total play, slightly below the percentage observed at most Southern California municipal golf courses. Generally, tournament play accounts for about 5 percent of total play.
- Complimentary play represented 4.0 percent of total play in FY2014, consistent with the percentage seen at comparable municipal golf courses.

Golf fees have increased by an average of $1 per year, with occasionally larger increases ($2-3), to keep up with increasing operational expenses and decreases in play. Greens fee increases can affect play since the municipal course attracts many low to average income players and seniors who live on fixed incomes. The current greens fees structure at SBGC is as follows (residents are defined as golfers residing in Santa Barbara County):

SBGC Greens Fees		
	Resident/Non-Resident	
	Weekday	Weekend
Regular	$35/$50	$39/$60
Senior	28/50	37/60
Twilight	25/37	27/40
Super-Twilight	17/17	17/17
Junior	13/13	13/13

The cart fee is $15.00 per rider.

In response to the national recession, most golf operators, including SBGC, reduced rates and instituted discounts and special promotions to retain and attract golfers. As the economy has improved, SBGC has gradually and strategically been reducing the quantity and value of discounts put into place over the past several

years which will help to improve revenue. However, as the local golf market is particularly competitive, many golfers continue to be resistant to any increased fees or reduced discounts.

Gross revenue for 2014 at SBGC is presented in Table III-3. The City receives 100 percent of greens fees revenue and a share of the golf concession (carts, range, merchandise, and instruction) and food and beverage concession revenue.

Maintenance is the primary expense of the Golf Fund, and historically that budget has been relatively consistent from one year to the next except for the staffing changes discussed above, water costs based on varying weather patterns, and mandated increases to employee salary and benefits and costs allocated by the City for overhead, insurance, IS services, and other indirect support services.

Net operating income at SBGC for 2014, before capital expenditures, interest on debt, and other non-operating expenses, is shown in Table III-4. As indicated, net operating income totaled approximately $400,000 in 2014. Most of this net income was used for debt service obligations and capital expenditures (see Capital Improvements Section).

Table III-1: SBGC Historical Annual Play			
Fiscal Year	**Annual Rounds**	**Fiscal Year**	**Annual Rounds**
1982	97,742	1999	95,359
1983	103,147	2000	93,612
1984	113,710	2001	85,275
1985	114,174	2002	90,435
1986	109,562	2003	86,892
1987	112,032	2004	86,404
1988	111,354	2005	78,191[4/]
1989	105,170[1/]	2006	76,600[4/]
1990	108,216	2007	78,532[4/]
1991	79,194[2/]	2008	74,484
1992	99,145	2009	70,546
1993	96,634	2010	59,091[5/]
1994	99,274	2011	62,800
1995	95,221	2012	63,620
1996	98,320	2013	61,030
1997	98,796	2014	62,512
1998	93,052[3/]		

[1/] Clubhouse remodeled.
[2/] Drought conditions.
[3/] Glen Annie and Rancho San Marcos opened.
[4/] Construction.
[5/] Major construction/national recession.

Table III-2: SBGC Distribution of Rounds Played--2014			
	Resident	**Non-Resident**	**Total**
Weekday			
18-Hole Standard	7,537	1,786	9,323
18-Hole Senior	14,224	2	14,226
Twilight/9-Hole	11,818	989	12,807
Super-Twilight	770	---	770
Subtotal	34,349	2,777	37,126
Weekend			
18-Hole Standard	8,069	899	8,968
18-Hole Senior	2,737	---	2,737
Twilight/9-Hole	5,314	445	5,759
Super Twilight	2,879		2,879
Subtotal	18,999	1,344	20,343
Juniors	420	---	420
Tournament	1,853	---	1,853
Total Paid	55,621	4,121	59,742
Complimentary	---	---	2,489
Total	---	---	62,231

Table III-3: SBGC Gross Revenue--2014		
	Amount ($000)	
Department	Total	City Share
Greens Fees	$1,664.7	$1,664.7
Cart Rental Fees	422.4	138.4
Range	95.5	28.7
Merchandise	190.3	9.2
Instruction/Other Pro Shop	85.2	13.3
Food & Beverage	1,377.9	139.1
Other Revenue	49.7	49.7
Total	$3,882.2	$2,043.1

Table III-4: SBGC Net Operating Income-2014	
Department	**Amount ($000)**
City Revenue/Rent	
Greens Fees Revenue	$1,664.7
Golf Operations Revenue	---
Facility/Golf Ops Concession Rent	189.6
Food & Beverage Rent	139.1
Other Revenue	49.7
Total	$2,043.1
Less: Cost of Sales	---
Gross Profit	$2,043.1
Operating Expenses	
Course Maintenance	1,369.1
Golf Operations	---
G & A/Clubhouse	118.1
City Admin/Overhead	144.9[2/]
Total	$1,632.1
Net Operating Income (EBITDA)[1/]	$411.0
Less: Debt Costs	264.8
CIP Allowance	214.5
Net Cash Flow	(68.2)

[1/] Earnings before interest, taxes, debt and amortization, and capital improvements.
[2/] Includes vehicle replacement and maintenance, insurance, Citywide overhead allocation ($73,500) and other miscellaneous expenses.

IV. Capital Improvements

The following section presents a summary of the capital improvements program for Santa Barbara Golf Club. Capital improvements are separated into golf course maintenance equipment and golf course/support facility improvements.

Completed Capital Improvements

The current condition of the SBGC facility is very good. The course itself is maintained well, and routinely receives frequent compliments from golfers on the above average condition of the greens and course, especially for a municipal course. A number of improvements to the course have been completed since 2004, including a continuous concrete cart path around the course, updated irrigation system, two new greens, and several modifications to hole designs to improve play and safety. Within the past year, the clubhouse roof has been replaced and the clubhouse has been repainted. There are several components to the complex--primarily support facilities--where there is some deferred maintenance.

The golf course completed an analysis and developed the Golf Course Safety Improvement Master Plan in 2004. This plan addressed safety concerns at the course due to its design, constraint limitations due to size and the fact that it is surrounded by immediately adjacent streets, residences, an elementary school and businesses. The number of errant golf balls leaving the course exposed the City to increased liabilities. The plan included a number of projects to relocate holes, tee boxes, bunker and greens in order to redirect balls into the course, away from golfers and improve play. Since 2004 the course has seen a substantial number of the recommended improvements constructed, and a decrease in incidents and claims related to errant golf balls. Several of the recommended improvements have yet to be completed.

Golf Fund Debt Service

The Golf Fund debt service includes repayment of three loans for the clubhouse renovation (2022), 2008 Golf Course Safety Improvement Project (2018), and turf equipment replacement (2018). To help ease Golf Fund fiscal challenges, the City Council approved debt restructures in FY 2012 and again in FY 2013, reducing the annual payments and increasing the repayment period.

Debt service payments scheduled over the remaining amortization period are projected as follows:

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Principal	$213,052	$213,201	$233,399	$158,826	$165,182	$171,790	$174,732
Interest	49,070	40,689	31,838	26,821	20,469	13,861	10,919
Total	$262,122	$253,890	$265,237	$185,647	$185,651	$185,651	$185,651

Maintenance Equipment

The golf course maintains a full complement of golf course maintenance equipment, most of which was acquired through a City of Santa Barbara fleet fund loan purchase in April 2013. The equipment is in good condition. Going forward, a maintenance equipment replacement schedule is in place which provides for routine replacement of equipment. Commencing in FY2019, maintenance equipment replacement expenditures averaging about $80,000 annually are scheduled.

Golf Course/Support Facility Capital Improvements

SBGC has benefited from periodic improvements to the golf course infrastructure and support facilities such that most of the facilities generally are in relatively good condition. However, golf courses require continual capital reinvestment to maintain the quality of the golf experience and preserve asset value. In particular, there has been some recent deferred maintenance to support facilities, and some facilities such as golf course maintenance structures will have to be addressed at some point.

A 7-year capital improvement plan is presented in Table IV-1. Over the 2015-2021 period, capital improvement requirements at SBGC are projected at $1,794,900, or just over $250,000 per year. While there are no major capital needs required during this period, there are numerous capital items related to smaller projects which total nearly $1.18 million over the 7-year term. To the extent that the Players' Improvement Fund (PIF) contributions are used for slated capital improvements, the total amount of capital expenditures would be reduced accordingly.

Table IV-1: SBGC Projected Capital Improvement Plan								
Component	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total**
Maintenance Shop Addition	$5,000		$65,000					$70,000
Parking Lot & Other Asphalt	32,000	45,000						77,000
Club House Painting					$30,000			30,000
Irrigation Controller Upgrades					100,000			100,000
Driving Range Improvements		45,000				100,000		145,000
irrigation Mapping and Software			33,000					33,000
Club House Upgrades			15,000	30,000				45,000
Irrigation System Replacements	50,000	25,000					100,000	175,000
Rebuild Greens		75,000	75,000	150,000	30,000			330,000
Rebuild Tee Boxes		35,000				40,000		75,000
Other Course Improvements		32,000	7,500			3,000	14,500	57,000
Maintenance Equipment					80,000	80,000	80,000	240,000
Player Improvement Fund Imps	59,700	59,700	59,700	59,700	59,700	59,700	59,700	417,900
ANNUAL TOTAL	$146,700	$316,700	$255,200	$239,700	$299,700	$282,700	$254,200	$1,794,900

V: Golf Market Overview

The following section presents an overview of the demographic makeup of the Santa Barbara market area and an analysis of national, regional and local golf market conditions.

Market Area Demographics

The primary market area for a golf course is influenced by a number of factors including course quality, rate structure, transportation network and access, location and characteristics of competitive facilities, resident demographic attributes, and other such factors. The primary market area for SBGC, from which 80 to 90 percent of total play is expected to derive, is defined as the Tri-County region (Santa Barbara, San Luis Obispo and Ventura Counties), recognizing that the vast majority of support derives from Santa Barbara County. Most residents of Santa Barbara County are within about a 20- to 30- minute drive time (10-15 miles) of the golf complex, while residents of Ventura and San Luis Obispo Counties have a drive time of 30-60 minutes, or longer. Additional support derives primarily from overnight visitors to the area.

Comparative demographics of the Santa Barbara market area are presented in Table V-1. As noted, Santa Barbara County population has increased at a very modest rate over the past 20 years, and is projected to continue to increase marginally over the next 10 years, reaching just under 450,000 by 2020 (note that the projected population is based on applying projected California Department of Finance growth rates to actual 2010 population). The Tri-County area population has increased at a faster rate than Santa Barbara County, and is expected to continue to grow at a slightly faster rate, with the majority of the growth occurring in Ventura County. Residents of Santa Barbara County are somewhat older than the statewide benchmark, and of comparable overall affluence.

While Santa Barbara County population growth is projected to be very modest, the aging of the population will be a significant factor which is expected to positively impact golf demand as the propensity to play and frequency of play increase with age, particularly in the 60-74 age cohort.

Santa Barbara County Population Growth					
	Population			Average Annual Growth	
Year	60-74 Age Cohort	Total	Percent of Total	60-74 Age Cohort	Total Population
2000	39,500	399,300	9.9%	---	---
2010	48,900	423,900	11.5%	2.16%	0.60%
2020 (projected)	71,600	448,200	16.0%	3.88%	0.56%
2030 (projected)	82,300	472,700	17.4%	1.40%	0.53%

Note: Population projections are adjusted based on actual 2010 Census count.

Source: U.S. Department of Commerce, Bureau of the Census; State of California, Department of Finance, Demographic Unit;

As shown in Table V-2, Santa Barbara County's 60-74 age cohort, as a percentage of the total population, is slightly larger than the statewide average (11.5% versus 11.1%), but somewhat less than that of neighboring counties. Over the next 10 years, this age cohort in Santa Barbara County is forecast to increase at a significantly faster rate (3.88%) compared with the general County population (.56%). This rate of increase parallels that of the State as a whole and neighboring counties.

The south portion of Santa Barbara County, which accounts for approximately one-half of the total population, is demographically different from the north portion. In general, the South County population tends to be older and more affluent than North County, positive factors favoring golf demand in South County. However, North County population is expected to increase at a faster pace than South County over the next 10-20 years.

Santa Barbara (City) has extremely mild Mediterranean climate, as indicated in Table V-3, which compares favorably with many other areas of Southern California. Moderate year-round temperatures, and rainfall of about 16 inches annually, provide for year-round golf.

National Trends

Nationwide, golf play increased steadily between the mid-1980s and 2000. As shown in Table V-4, during this period, the total number of annual rounds played nationally increased at an average rate of 2.4 percent per year. Golf balls sold, perhaps the best indicator of play, increased at a similar rate (2.5 percent per year). This unprecedented growth in golf play was due to a number of factors including:

- An increase in the number of golfers,
- The increasing importance of golf-oriented real estate,

- Expansion of the golf tourism industry, and
- One of the longest economic expansions in the nation's history.

The increase in golf demand and the popularity of golf-related housing development during the 1990s stimulated extraordinary expansion of the national golf course inventory, primarily between 1995 and 2002, as summarized in Table V-5. Over the full 1990-2010 period, the inventory of golf courses in the United States increased by 34 percent, while the U.S. population registered only a 24 percent gain, and golf demand (play) increased only 12 percent over this same period.

Right after the new century started, the first signs of industry problems surfaced, and have persisted for the past 10 years. While total golfers and rounds played are down industrywide, individual golf courses have experienced steeper declines in utilization, along with revenue contraction and falling net operating income, as the market totals are spread over an increased supply of facilities. Further, golf course transaction prices have declined precipitously, bankruptcies and foreclosures have become routine, and new golf course construction has virtually ceased while the number of courses closing now well exceeds new openings. The impact of market softness has been widespread and affected all segments of the market and all geographic areas.

The National Golf Foundation (NGF) reports that over the 2001-2011 period, annual golf play in the United States declined from 518 million to 463 million rounds, or over 11 percent, rebounding somewhat in 2012 to 490 million rounds before declining again in 2013 to 465 million rounds. Golf ball sales, perhaps a better indicator of demand, declined by about 20-25 percent over this time period. The golf participation rate, after rising steadily through 2003, has fallen precipitously from 12.4 percent in 2004 to a current level estimated at just under 9.0 percent. (It should be noted that the golfer participation rate is based on the number of golfers relative to the population over the age of 6 years old). Since 2007, the golf market has been significantly impacted by the national economic recession. Annual rounds in the U.S., according to industry reports, have declined by nearly 5 percent since 2007. Other independent sources indicate a much more severe contraction, which is borne out by golf ball sales and other market indicators.

Since 2002, the construction of new courses has declined sharply, and the rate at which courses have closed has accelerated. Between 2006 and 2013, for example, the number of courses closed exceeded new course openings. New courses have been added to the inventory since 2006 at an annual rate of 50-60 courses per year, while course closings have averaged about 120 per year over this period. Despite the slowing expansion of new supply over the past eight years, golf market conditions in most markets continued to deteriorate, although most markets experienced some stability over the past three years.

Regional Market Trends

Golf demand in Southern California also increased steadily through the early-2000 period, with strong growth occurring since the mid- to late-1980s time period. Through the mid-1990s, there was relatively limited expansion of the inventory of public golf facilities. Note that the public golf course inventory is comprised of municipal golf courses and daily fee golf courses, defined as public access golf courses owned by a private sector entity. In the early 1990s, the municipal golf courses and limited number of daily fee golf courses in South-

ern California were performing exceptionally well, with municipal golf course play exceeding 100,000 rounds at many Southern California courses and play on daily fee courses in the range of 60,000-80,000 annual rounds.

In response to increasing demand and a static supply situation, a number of golf courses were developed. The total number of public regulation length golf courses that have opened in Southern California since 1995 is summarized in Table V-6. As shown, these 56 course additions represent a 33 percent increase in the Southern California public golf course inventory. At the same time, ten regulation length public golf courses have been closed in Southern California over the past 6-7 years, reducing the net increase to 46 courses (27%).

The Tri-County area, with a current inventory of 38 regulation length public courses, represents 18% of the total Southern California inventory, while the Tri-County area has accounted for 25% of the additions to the inventory since 1995. Although there have been only two new courses added to the golf course inventory in Santa Barbara County since 1995, and none since 1998, the significant expansion in Ventura County has provided many more options for residents of the region. No new golf courses have entered the Southern California golf market in the past five years, and none are expected to be added in the foreseeable term.

While the regional golf market largely mirrors the national golf market, there are year-to-year variations influenced by weather. The regional market, in terms of rounds played, improved somewhat in 2011, showing about a 3.0 percent increase over 2010. Much of this increase was related to favorable weather. Since 2011, regional golf market demand has been generally flat, benefitting from favorable weather. While the regional golf market appears to have stabilized over the 2011-2013 period, there are no indications that portend much, if any, growth in the near- to mid-term. Prospects for SBGC appear to be consistent with these expectations such that growth in play levels will likely be nominal over the foreseeable term.

Tri-County Golf Market

The Tri-County region (Ventura, Santa Barbara, San Luis Obispo) has a current inventory of 38 public access golf courses, expressed as 18-hole equivalent courses, of which 7.5 are located in Santa Barbara County. Table V-7 summarizes the number of new public golf courses that have opened in the Tri-County area since 1995, and Table V-8 presents a list of the new courses opened in the region.

As shown, these additions since 1995 represent a 58 percent increase in the Tri-County public regulation length golf course inventory, led by San Luis Obispo County with a near doubling of their golf course inventory. As noted above, since 1995, 14 regulation length daily fee golf courses have entered the market, with half of these opening in Ventura County.

Based on historical golf data for the Tri-County region, the following illustrates the approximate aggregate and average per golf course play levels for regulation length golf courses:

Year	Number of Golf Courses (18-Hole Equivalent)	Total Annual Play	Average Play Per Golf Course
1996	24.0	1,560,000	65,000
2004	36.0	1,950,000	54,200
2010	38.0	1,860,000	48,950
2013	38.0	1,840,000	48,420

The Santa Barbara County public regulation length golf course inventory consists of the following facilities:

- Santa Barbara Golf Club (Muni), Santa Barbara
- Glen Annie Golf Club, Goleta
- Rancho San Marcos, Lake Cachuma
- Sandpiper Golf Course, Goleta
- La Purisima, Lompoc
- River Course, Solvang
- Alisal, Solvang
- Twin Lakes (9 holes), Goleta

It also should be noted that the 9-hole regulation length (par-36) Ocean Meadows Golf Course in Goleta closed in March 2013 due in large part to poor operating performance. Reportedly, Ocean Meadows was generating approximately 30,000 rounds (starts) annually, although less than one-half of the rounds were paid. Most of the unpaid rounds were in exchange for goods/services provided by the golfers. The closure of Ocean Meadows has not significantly benefitted regional golf courses.

Golf Course Survey

A survey of selected public golf courses in the primary market area is presented in Table V-9. Play and greens fees at courses in the region for 2013 are summarized in Table V-10. Based on a review of area golf courses, the following observations regarding the overall local golf market are offered:

- The Tri-County public golf market is highly competitive. In addition to numerous municipal facilities, there are a number of higher quality public access golf courses available at relatively affordable greens fees.
- The Tri-County golf market, like virtually all other areas of Southern and Central California, has softened considerably over the past 5-10 years, and remains relatively soft at this time. Performance over the past three years, however, suggests that the golf market has stabilized. This recent improvement stems

from an improving economy, no expansion of the golf course inventory, and the aging population, where propensity to, and frequency of, play are positively correlated with age.

- The typical pattern of play at the higher quality public golf courses in Ventura and Santa Barbara Counties historically has been primarily local play on weekdays with more non-local play – primarily north Los Angeles County golfers – on weekends.
- Tri-County residents generally play at lower greens fees levels on municipal and daily fee golf courses while non-locals support higher fees. The greens fees discount offered Tri-County residents and loyalty club members varies widely from no discount to 45%, averaging approximately 20% on weekdays and slightly more on weekends.
- Over the past five years, posted greens fees have generally increased modestly, at or slightly below the Consumer Price Index (CPI) rate.
- Numerous specials and other discounts have increased in importance in recent years, primarily related to weekday play. Increasingly, player clubs and other loyalty programs have been offered which feature discounted greens fees.
- As a result, the average greens/cart fee has remained about the same, or declined slightly, at most courses between 2005 and 2013.
- There is strong competition for golf play during weekdays, while weekend play is slightly less competitive.
- Use of golf carts at most courses is optional, with utilization ranging from about 50% to 90% depending on the terrain, course distance, and profile of golfer. Cart fees per player for 18 holes generally are in the $14-$16 range.
- Senior rates are offered at many, but not all, courses. In particular, courses which offer loyalty programs or resident discounts often do not have senior rates.
- Annual play at courses in the Tri-County also ranges widely depending on the quality of the golf experience, rate structure, strength of market, and other such factors. Rounds at surveyed courses range from 30,000 to about 70,000 rounds per year, with most mid-market courses generating in the range of 60,000 rounds per year.

Table V-11 shows annual play at selected Ventura and Santa Barbara public golf courses over the 2004 through 2013 period. In 2004, the 9.0 golf courses (18-hole equivalents) open accommodated about 598,600 rounds, or an average of 66,500 rounds per course. In 2013, the 10 courses combined generated 566,900 rounds, or an average of 56,690 rounds per 18-hole course. Thus, the average play per course declined 15% over this 9-year period.

As noted, the total play at the selected market area courses declined from 598,600 in 2004 to 566,900 in 2013, or nearly 6%. By comparison, play at all of the regulation length public access courses in Los Angeles County declined from approximately 4.2 million to 3.6 million rounds, or about 14% over this same 9-year period. Play at SBGC declined from 86,400 rounds in 2004 to 61,000 in 2013, or nearly 30 percent. Over the more recent 2008-2013 period, play at SBGC has declined 18.1 percent.

Golf Market Outlook

The public golf market appears to have stabilized over the past three years, and some courses have experienced a slight improvement in rounds and revenues over this period, although part of this improvement is weather related. Nonetheless, the regional public golf market is likely to remain sluggish in the near-term as the market works to absorb the new supply. However, as development opportunities become limited due to lack of available land suitable for golf course development and as the population continues to grow and mature, it is anticipated that market area demand will eventually catch up with supply, such that the long-term outlook remains reasonably favorable. The consensus among recognized golf authorities is that golf demand, in real terms, will increase very modestly at about a 1.0 percent average annual growth rate over the next 10- to 20-year term. Most of this growth will result from the aging population trends shown above (60-74 age cohort), where the propensity to, and frequency of, play increase compared to younger age cohorts.

The same factors which influence future golf demand for the national and regional golf markets also apply to the local golf market and SBGC specifically. Very modest growth of perhaps 1.0 percent annually is expected, although virtually no growth may be realized over the near-term, and the long-term forecasts remain highly uncertain given the current state of the industry.

Table V-1: Regional Demographic Characteristics			
	Santa Barbara County	Tri-County Area	California
Population (000)			
1990	369.6	1,255.8	29,760.0
2000	399.3	1,399.2	33,871.7
2010	423.9	1,515.3	37,223.9
2020 (projected)	448.2	1,662.3	42,015.2
Average Annual Growth Rate			
1990-2000	0.78%	1.09%	1.30%
2000-2010	0.60%	0.81%	0.96%
2010-2020	0.56%	0.92%	1.21%
Median Age (2010)	33.8	36.0	34.9
Population 65+	12.8%	12.2%	11.4%
Median HH Income	$59,350	$67,100	$60,390

Note: Population projections are adjusted based on actual 2010 Census count.

Source: U.S. Department of Commerce, Bureau of the Census; State of California, Department of Finance, Demographic Unit;

Table V-2: Santa Barbara County 60-74 Age Cohort			
	2010	2020	2030
Population (60-74)			
Santa Barbara	48,900	71,600	82,300
San Luis Obispo	39,100	52,600	56,700
Ventura	100,300	144,400	150,000
Tri-County	188,300	268,600	289,000
State of California	4,131,800	6,078,200	7,123,100
Percent of Total Population			
Santa Barbara	11.5%	16.0%	17.4%
San Luis Obispo	14.55%	18.3%	18.2%
Ventura	12.2%	15.7%	14.5%
Tri-County	12.4%	16.1%	16.0%
State of California	11.1%	14.5%	15.2%
Average Annual Increase			
Santa Barbara	2.16%	3.88%	1.40%
San Luis Obispo	3.36%	3.01%	0.75%
Ventura	4.13%	3.71%	0.38%
Tri-County	3.42%	3.62%	0.73%
State of California	3.06%	3.94%	1.60%
Source: U.S. Department of Commerce, Bureau of the Census; State of California, Department of Finance, Demographic Unit; and Pro Forma Advisors, LLC.			

Table V-3: Santa Barbara Historical Climate Summary			
	Average Historical Monthly		
Month	High Temperature	Low Temperature	Precipitation (inches)
January	63	40	3.5
February	65	43	3.4
March	65	45	2.8
April	68	47	1.2
May	69	50	0.2
June	71	53	--
July	74	57	--
August	75	58	0.1
September	75	56	0.3
October	73	51	0.4
November	69	44	1.8
December	65	40	2.4
Total	---	---	16.1
Source: Station #723925, KSBA, Santa Barbara, CA			

Table V-4: Indicators of U.S. Golf Demand (1985-2013)				
Year	Rounds (millions)	Number of Golfers[1] (millions)	Participation Rate[2]	Golf Ball Sales[3] (millions of dozens)
1985	365	17.5	10.2	36.0
1990	400	27.8	13.5	42.0
1995	420	25.0	11.6	46.0
2000	518	28.8	11.7	52.2
2001	518	29.5	11.9	50.0
2002	502	29.5	12.0	46.7
2003	495	30.4	12.4	43.4
2004	499	29.5	11.5	43.4
2005	489	29.3	11.2	43.6
2006	493	29.4	11.2	44.0
2007	490	29.5	11.1	43.5
2008	481	28.6	10.7	42.2
2009	477	27.1	10.0	40.1
2010	475	26.1	9.6	--[5/]
2011	463	25.7	9.2	--[5/]
2012	490	25.3	9.0	--[5/]
2013	465	24.7	8.9	--[5/]
Average Annual Growth				
1985-1990	1.8%	9.7%	---	3.1%
1990-1995	1.0%	(2.1)%	---	1.8%
1995-2000	4.3%	2.9%	---	2.6%
Subtotal	2.4%	3.4%	---	2.5%
2000-2005	(1.1%)	0.3%	---	(3.5%)
2005-2010	(1.0%)	(2.3%)	---	(2.1%)[4/]
2010-2013	(0.7%)	(1.8%)	---	--[5/]

1/ Represents golfers over 12 years of age. 2/ Estimated by PFA. 3/ Estimated by PFA based on "soft goods" sales recorded by Data Tech and golf ball manufacture sales. 4/ For period 2005-2009. [5/] Data for 2010-2013 not available in comparable format.
Source: National Golf Foundation and Pro Forma Advisors LLC.

Table V-5: Number of Golf Courses[1] - U.S.				
Year	Average Annual Courses Added	Average Annual Courses Closed	Total Golf Courses[2]	Average Annual Percent Change
1990	---	---	11,105	---
2002	315	15	14,725	2.96%
2006	120	60	14,968	0.80%
2007	115	95	14,988	0.13%
2008	70	105	14,953	(0.23%)
2009	50	100	14,903	(0.33%)
2010	45	110	14,838	(0.44%)
2011	35	140	14,733	(0.71%)
2012	14	155	14,592	(0.96%)
2013	14	157	14,449	(0.98%)

1/ 18-hole equivalents.
2/ Includes courses added, less courses closed., 2006-2013
Source: National Golf Foundation; and Pro Forma Advisors.

Table V-6: Number of Regulation Length Public Golf Courses Opened by Year									
Year	Santa Barbara	Ventura	San Luis Obispo	Los Angeles	Orange	Inland Empire[1]	Kern	San Diego	Total
Up to 1995	6.5	12.5	5.0	40.5	21.0	44.5	7.0	33.0	170.0
1996	0.0	0.0	1.5	0.0	2.0	1.0	0.0	0.0	4.5
1997	0.0	0.0	1.0	0.0	1.0	1.0	0.0	0.0	3.0
1998	2.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	4.0
1999	0.0	2.0	1.0	1.0	2.5	2.0	1.0	2.0	13.5
2000	0.0	1.0	0.0	4.0	0.0	5.0	0.0	1.0	12.0
2001	0.0	1.0	0.0	0.0	3.0	1.0	0.0	1.0	7.0
2002	0.0	2.0	0.0	0.0	0.0	1.0	0.0	0.0	5.0
2003	0.0	0.0	0.0	1.0	0.0	1.0	0.0	0.5	2.5
2004	0.0	0.5	0.0	1.0	1.0	0.0	0.0	0.0	3.0
2005	0.0	0.5	1.0	0.0	0.0	0.0	0.0	1.0	3.0
2006	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2007	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	2.0
2008	0.0	0.5	0.0	0.0	0.0	2.0	0.0	0.0	3.0
2009	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2012	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	8.5	20.0	9.5	47.5	30.5	60.5	8.0	40.5	225.0
Change 1996-2013)									
Number	2.0	7.5	4.5	7.0	9.5	16.0	1.0	7.5	56.0
Percent	31%	60%	90%	17%	45%	36%	14%	23%	33%

[1]Excludes Coachella Valley.

Source: Pro Forma Advisors, LLC

Table V-7 Tri-County Public Access Golf Courses				
	Number of Public Access Golf Courses Opened by Year			
	Ventura	Santa Barbara	San Luis Obispo	Total Central
Up to 1995	12.5	6.5	5.0	24.0
1996	0.0	0.0	1.5	1.5
1997	0.0	0.0	1.0	1.0
1998	0.0	2.0	0.0	2.0
1999	2.0	0.0	1.0	3.0
2000	1.0	0.0	0.0	1.0
2001	1.0	0.0	0.0	1.0
2002	2.0	0.0	0.0	2.0
2003	0.0	0.0	0.0	0.0
2004	1.0	0.0	0.0	0.5
2005	0.0	0.0	1.0	1.0
2006	0.0	0.0	0.0	0.0
2007	0.0	0.0	0.0	0.0
2008	0.5	0.0	0.0	0.5
2009	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0
2012	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.0	0.0
Total	20.0	8.5	9.5	38.0
Change in Inventory (1995-2013)				
Number	7.5	2.0	4.5	14.0
Percent	60%	31%	90%	58%
Source: Pro Forma Advisors, LLC.				

Table V-8: New Public Regulation Length Golf Courses Added to Tri-County Market--1996-2013			
Course	**Location/County**	**Year Opened**	**Course Designer**
Vista del Ombre	Paso Robles/SLO	1996	Duran
Blacklake (9)	Nipomo/SLO	1996	Robinson
Dairy Creek	San Luis Obispo/SLO	1997	Harbottle
Glen Annie	Santa Barbara/SB	1998	Pascuzzo-Graves
Rancho San Marcos	Lake Cachuma/SB	1998	R.T. Jones, Jr.
Cypress Ridge	Arroyo Grande/SLO	1999	Jacobsen-Hardy
Sterling Hills	Camarillo/VTA	1999	Pascuzzo-Graves
Tierra Rejada	Moorpark/VTA	1999	Cupp
Lost Canyons-Sky	Simi Valley/VTA	2000	Pete Dye
Lost Canyons-Shadow	Simi Valley/VTA	2001	Pete Dye
Moorpark CC (18)	Moorpark/VTA	2002	Jacobsen/Hardy
Rustic Canyon	Moorpark/VTA	2002	Hanse
Moorpark (9)	Moorpark/VTA	2004	Jacobsen/Hardy
Victoria Lakes (9)	Oxnard/VTA	2004	Millhouse
Monarch Dunes	Nipomo/SLO	2005	Pascuzzo-Graves
Victoria Lakes (9)	Oxnard VTA	2008	Millhouse
Source: Pro Forma Advisors, LLC.			

Table V-9: Selected Characteristics of Tri-County Public Golf Courses					
Course	**SBGC**	**Glen Annie**	**Sandpiper**	**Rancho SM**	**La Purisima**
Location	**Santa Barbara**	**Goleta**	**Goleta**	**Lake Cachuma**	**Lompoc**
Course Type	Municipal	Daily Fee	Resort/Daily Fee	Daily Fee	Daily Fee
Architect	L. Hughes	Graves/Pascuzzo	William Bell	R.T. Jones II	R. M. Graves
Owner	City	Capital Crossings	Ty Warner Prop	Ty Warner Prop	Pro Tec Investment
Operator	City	Touchstone Golf	Ty Warner Prop	Ty Warner Prop	In-House
Year Opened	1958	1997	1972	1998	1986
Number of Holes/Par	18/70	18/71	18/72	18/71	18/72
Course Length (back/middle)	6037/5785	6417/5945	7068/6597	6817/6243	7105/6670
Rating (back/middle)	69.3/68.1	71.3/68.9	74.5/72.2	72.9/70.8	75.6/73.1
Slope (back/middle)	126/123	130/125	134/131	137/131	143/136
Greens Fees					
Standard (18 holes)					
Weekday	$30/35/50[1/]	$42/62[2/]	$70/140[2/]	$50/80[2/]	$29/55[3/]
Weekend	34/39/60[1/]	52/76[2/]	90/160[2/]	60/110[2/]	42/69[3/]
Twilight (9 holes)					
Weekday	$22/25/37[1/]	$26/36[2/]	75/75[2/]	$50/802/	$24/30[3/]
Weekend	$24/27/40[1/]	32/42[2/]	90/90[2/]	70	35/40[3/]
Super Twilight					
Weekday	$17	---	---	---	$15/19[3/]
Weekend	$17	---	---	---	15/19[3/]
Senior (18 holes)					
Weekday	$23/28/50[1/]	$46	---	---	---/55[3/]
Weekend	$32/37/60[1/]	---	---	---	---
Cart Fees (18/9 holes)	$15/9	$13/8	$20/12	$20/12	$14/15[3/]
Mandatory	No	no	no	no	no
Percent Using Carts	51%	85%	70%	70%	65%
Inventory	60	80	80	80	80
Facilities					
Clubhouse Size (sq.ft.)*	3,500	6,000	4,000	2,500	8,000
Banquet Seating Capacity	110	125	---	---	150
Snack Bar	Yes	yes	yes	yes	yes
Driving Range	Yes	yes	yes	yes	yes
Number of Tees	15	16	40	25	30
Annual Number of Rounds	62,500	50,000	38,000	32,000	30,000
Percent Twilight/9-Hole	35%	20%	15%	10%	10%

Table V-9 (continued): Selected Characteristics of Tri-County Public Golf Courses					
Course	**Buenaventura**	**Olivas Links**	**River Ridge**	**River Course**	**Rustic Canyon**
Location	**Ventura**	**Ventura**	**Oxnard**	**Solvang**	**Moorpark**
Course Type	Municipal	Municipal	Municipal	Daily Fee	Daily Fee
Architect	Bill Bell, Jr.	Forrest-Richardson	Bill Bell, Jr.	Hallsey/Daray	Gil Hanse
Owner	Ventura	Ventura	Oxnard	Alisal Ranch	Ventura Co.
Operator	Kemper Golf	Kemper Golf	High Tide & GG	Alisal Ranch	Highlands Golf
Year Opened	1932	1960s/2007[7/]	1986/2008[5/]	1992	April 2002
Number of Holes/Par	18/70	18/72	36/72	18/72	18/72
Course Length (back/middle)	6054/5737	6818/6530	6543/6111	6830/6451	6906/6585
Rating (back/middle)	69.2/67.7	73.7/72.4	70.7/68.7	72.7/70.9	73.1/71.3
Slope (back/middle)	118/115	135/132	114/109	125/121	130/125
Greens Fees					
Standard (18 holes)					
Weekday	$29/33/40[4/]	$33/41/50[4/]	$32/38[3/]	$60	$43/46[6/]
Weekend	$37/43/50[4/]	$42/50/60[4/]	45/50[3/]	72	$66
Twilight (9 holes)					
Weekday	$25	$29/33/404/	$24/26[3/]	$45	$28/30[6/]
Weekend	28	34	26/31[3/]	45	44
Super Twilight					
Weekday	$17	$21	$16/18[3/]	---	$18/20[6/]
Weekend	$17	$21	$15/17[3/]	---	25
Senior (18 holes)					
Weekday	$26	$29/33/404/	$23/28[3/]	$45	$28/306/
Weekend	---	No discount	No discount	No discount	No discount
Cart Fees (18/9 holes)	$15/10	$15/10	$15	$16/8	$15/10
Mandatory	No	No	No	no	No
Percent Using Carts	50%	60%	55%	60%	55%
Inventory	75	80	80	80	80
Facilities					
Clubhouse Size (sq.ft.)*	2,000	2,000 (mod)	13,000	10,000	5,000
Banquet Seating Capacity	200	---	200	200	50
Snack Bar	Yes	Yes	Yes	yes	Yes
Driving Range	No	Yes	Yes	yes	Yes
Number of Tees	---	25	25	12	25
Annual Number of Rounds	65,900	59,800	82,000	35,000	55,000

Table V-9 (concluded): Selected Characteristics of Tri-County Public Golf Courses					
Course	**Soule Park**	**Camarillo Sprgs**	**Los Robles**	**Simi Hills**	**Sterling Hills**
Location	**Ojai**	**Camarillo**	**Thousand Oaks**	**Simi Valley**	**Camarillo**
Course Type	Municipal	Daily Fee	Municipal	Municipal	Daily Fee
Architect	Bill Bell, Jr.	Ted Robinson	Baldock	Ted Robinson	Graves, Pascuzzo
Owner	Ventura County	Oak Creek Ranch	Thousand Oaks	RSH Rec. District	Oak Creek Ranch
Operator	Highlands Golf	Oak Creek Ranch	Eagle Golf	American Golf	Oak Creek Ranch
Year Opened	1962	1971	1964	1981	1999
Number of Holes/Par	18/72	18/72	18/70	18/71	18/71
Course Length (back/middle)	6730/6465	6375/5931	6274/5693	6411/6062	6813/6395
Rating (back/middle)	72.3/71.1	70.8/68.9	70.1/68.7	70.6/69.1	72.7/71.1
Slope (back/middle)	126/124	128/121	125/119	125/121	131/125
Greens Fees					
Standard (18 holes)					
Weekday	$28	$30	$32/41[9/]	$32	$41
Weekend	40	$55[8/]	$40/50[9/]	$42	$59
Twilight (9 holes)					
Weekday	$19	$24	$23/28[9/]	$23	$27
Weekend	27	$34	$28/33[9/]	$28	$39
Super Twilight					
Weekday	$12	$15	$15/18[9/]	$17	$17
Weekend	12	$22	$18/22[9/]	20	$24
Senior (18 holes)					
Weekday	$25	$20	$22/28[9/]	$20	$27
Weekend	45[8/]	No discount	No discount	No discount	$39
Cart Fees (18/9 holes)	$15/10	$13/10	$15/11	$13/10	$15/10
Mandatory	No	Weekend mornings	No	No	Weekends
Percent Using Carts	75%	80%	65%	65%	70%
Inventory	75	80	84	80	85
Facilities					
Clubhouse Size (sq.ft.)*	10,000	7,000	22,000	2,000	---
Banquet Seating Capacity	250	150	250	40	---
Snack Bar	Yes	Yes	Yes	Yes	Yes
Driving Range	Yes	Yes	Yes	Yes	Yes
Number of Tees	12	26	20	20	20
Annual Number of Rounds	42,000	55,000	78,200	73,000	45,000
Percent Twilight/9-Hole	15%	25%	30%	30%	20%

[1/] Resident loyalty program/standard resident/standard non-resident. [2/] Tri-County resident/non-resident. [3/] Loyalty club member/standard. [4/] City/county/non-resident. [5/] Vineyard Course/Victoria Lakes Course. [6]Monday-Thursday/Friday. [7]Originally opened/full redesign. [8/] Includes required cart. [9]City resident/non-resident.

Table V-10 Summary of Rounds and Rates at Selected Tri-County Public Golf Courses						
	Annual	18-hole Greens Fees (excluding cart)				
	Rounds	Standard/Non-Resident			Resident/Player Club	
Golf Course	2013	Weekdays	Weekends		Weekdays	Weekends
SBGC	61,000[2/]	$50	$60		$35/30[1/]	$39/34[1/]
Glen Annie	50,000	62	76		42	52
Sandpiper GC	37,000	140	160		70	90
Rancho San Marcos	30,000	80	110		50	60
Olivas Links	59,800	50	60		33/41[2/]	42/50[2/]
Buenaventura	65,900	40	50		29/33[2/]	37/43[2/]
River Ridge-Vineyard	37,000	38	50		32	45
River Ridge-Victoria Lakes	45,000	38	50		32	45
Rustic Canyon	55,000	43/46[3/]	66		43/46[3/]	66
Soule Park	42,000	28	40		28	40
Sterling Hills	45,000	41	59		41	59
Tierra Rejada	42,000	65[4/]	95[4/]		49[4/]	85[4/]
Alisal (River Course)	35,000	60	72		45	45
Camarillo Springs	55,000	30	55[4/]		25	30
Los Robles	78,200	41	50		32	40
Simi Hills	73,000	32	42		32	42
La Purisima	30,000	55	69		29	42
Blacklake (27 holes)	70,000	42	52		42	52
Monarch Dunes	39,000	67	87		50	60
Cypress Ridge	35,000	65	100[4/]		38	48

[1/] Tri-County Residents/Loyalty Club Members. [2/] Represents play for FY2013. Note that FY2014 play totaled 62,500 rounds [3] Monday-Thursday/Friday. [4/] Includes Cart. [5/] City Residents/County Residents.

Table V-11: Annual Rounds By Course (000)[1/]											
	Fiscal Year										2008-2013 Growth
Course	04	05	06	07	08	09	10	11	12	13	
SBGC	86.4	78.2	76.6	78.5	74.5	70.5	59.1	62.8	63.6	61.0	(18.1%)
Glen Annie	49.2	41.9	43.8	46.4	46.1	43.1	48.3	51.5	52.0	50.0	8.5%
Olivas Links	88.9	57.7	---	11.7	54.1	61.4	65.4	60.7	59.1	59.8	10.5%
Buenaventura	23.1	65.9	77.7	77.5	67.9	65.3	68.5	66.6	64.7	65.9	(2.8%)
River Ridge-Vineyard	71.4	68.7	68.6	67.3	61.6	42.0	42.0	37.0	38.0	37.0	(6.6%)
River Ridge-Victoria Lakes	---	12.7	23.2	25.6	26.2	37.0	37.0	37.0	39.0	45.0	(6.6%)
Rustic Canyon	50.0	39.0	50.3	54.1	50.8	55.2	54.1	56.6	56.0	55.0	8.3%
Soule Park	61.7	45.1	31.2	44.7	42.2	38.0	35.0	43.2	43.0	42.0	(0.5%)
Simi Hills	84.8	74.8	74.9	76.9	78.7	79.4	75.1	74.1	75.0	73.0	(7.2%)
Los Robles	83.1	80.1	79.8	79.0	85.4	83.0	82.5	78.9	77.8	78.2	(8.4%)
Total	598.6	564.1	526.1	561.7	587.5	574.9	567.0	568.4	568.2	566.9	(3.5%)

[1/] Includes complimentary rounds.

VI: Comparative Operating Revenues and Expenses

Current operating revenues and expenses at Santa Barbara Golf Club (SBGC) are compared with the performance at other courses in the region. The performance at any course is influenced by a number of factors including golf course characteristics, market positioning, operating structure, management objectives, and the like.

Annual Play

Annual play at selected Tri-County regional regulation length public golf courses over the 2004-2013 period is presented in Table VI-1. Note that annual play for SBGC in Fiscal Year 2010 was affected by the extensive construction during the year.

Aggregate annual play at the 10 courses shown has declined from 598,600 rounds in 2004 to 566,900 rounds in 2013, or approximately 5.3 percent over the 9-year period. One golf course was added (Victoria Lakes at River Ridge) in 2005, and the play trend was affected by the major re-construction of Olivas Links in 2006/2007. By contrast, play at SBGC has declined from 86,400 rounds in 2004 to 61,000 in 2013, or nearly 30 percent over the period. Since 2008, play at SBGC has declined approximately 18.1 percent. Play in FY2014 rebounded somewhat to 62,500 rounds.

SBGC's market share relative to the courses shown has declined sharply over the 2004-2013 period. Between 2004 and 2008, the golf course consistently captured 13%-14% of the regional play, with this market share declining to 10%-11% over the 2010-2013 period, as shown in Table VI-2. There appear to be several reasons which have contributed to this decline:

- In recent years, Glen Annie Golf Club in Goleta has been repositioned more toward the mid-market, and has thus become more competitive with Santa Barbara in terms of price point.
- The other higher end daily fee courses in the market--Sandpiper Golf Club and Rancho San Marcos Golf Club--have targeted Tri-County residents through greens fees discount and loyalty club programs.
- The City of Ventura recently fully renovated both of their golf courses--Buenaventura and Olivas Links--resulting in less "leakage" of golf rounds generated in Ventura County captured by Santa Barbara County courses.
- Competitive courses in the region have intensified promotional programs and greens fees discounting which has reduced their effective fee structure relative to Santa Barbara Muni.
- Construction at SBGC in 2010 resulted in many golfers electing to play at competitive courses. Recapturing lost play generally requires substantial time.
- As a result of historically high play levels, there remain perceptions in the golfing community that tee times are difficult to secure at SBGC.

Operating Revenues

The average revenue per round by department for selected public golf courses in Ventura and Santa Barbara Counties is shown in Table VI-3. The municipal golf courses are identified by name, while a sample of daily fee

courses operating in the region are designated as “Daily Fee-A”, Daily Fee-B”, and “Daily Fee-C” so as not to disclose proprietary information.

In terms of play levels, SBGC is affected by the design and market positioning of the golf course. In particular, the design of SBGC offers a playable golf course which caters to a broad range of golfer abilities, and is attractive to senior golfers, a group which generates substantial levels of play on weekdays.

Given the moderate topography and level of senior play at SBGC, the average cart fee is consistent with similar courses in the region.

Practice range revenue is relatively low at SBGC as the range serves primarily same day golfers. There is limited commercial practice range revenue due to the location, design and condition of the range (limited range depth). As well, the range is not lighted for night use.

Merchandise revenues at Santa Barbara have declined by about 50% over the past 5-6 years, and are currently about $3.04 per round. The decline in merchandise sales is consistent with all other courses where the competition from off-course discount golf merchandisers is intense. Even with the decline, SBGC’s current performance is slightly superior to most other courses in the region.

Food and beverage activities (Mulligan’s Cafe) at SBGC are very strong. The strong performance is due to the outstanding location and ambiance of the clubhouse site. Mulligan’s has successfully marketed the restaurant to non-golfers, and generated substantial special event business, despite having limited capacity for accommodating indoor non-golf special events/banquet business.

Operating Expenses

Annual operating expenses by department are shown in Table VI-4 for SBGC and a series of other mid-market oriented golf courses in the region. As noted, some of the courses are municipal, while four are upper-mid-market daily fee courses (designated as mid-market Daily Fee Courses “A”, “B”, “C” and “D”) which are considered reasonably comparable to SBGC. It should be noted that Santa Barbara Golf Club’s maintenance is provided by City Parks and Recreation employees, while maintenance at Olivas Links, Buenaventura, Los Robles, and all of the daily fee courses is provided by a private sector contractor. Thus, SBGC is the only golf course in the region where course maintenance is provided by City staff.

The table includes only “on-site” operating expenses. Contract administration and overhead support services provided off-site are not included. As well, for SBGC, since golf operations are provided by an independent concessionaire, there are no expenses shown in the table.

Comparative maintenance expenses, staffing and general golf course characteristics for SBGC and a series of other course is presented in Table VI-5.

Table VI-1: Annual Rounds By Course (000)[1/]										
	Fiscal Year									
Course	04	05	06	07	08	09	10	11	12	13
SBGC	86.4	78.2	76.6	78.5	74.5	70.5	59.1	62.8	63.6	61.0
Glen Annie	49.2	41.9	43.8	46.4	46.1	43.1	48.3	51.5	52.0	50.0
Olivas Links	88.9	57.7	---	11.7	54.1	61.4	65.4	60.7	59.1	59.8
Buenaventura	23.1	65.9	77.7	77.5	67.9	65.3	68.5	66.6	64.7	65.9
River Ridge-Vineyard	71.4	68.7	68.6	67.3	61.6	42.0	42.0	37.0	38.0	37.0
River Ridge-Victoria Lakes	---	12.7	23.2	25.6	26.2	37.0	37.0	37.0	39.0	45.0
Rustic Canyon	50.0	39.0	50.3	54.1	50.8	55.2	54.1	56.6	56.0	55.0
Soule Park	61.7	45.1	31.2	44.7	42.2	38.0	35.0	43.2	43.0	42.0
Simi Hills	84.8	74.8	74.9	76.9	78.7	79.4	75.1	74.1	75.0	73.0
Los Robles	83.1	80.1	79.8	79.0	85.4	83.0	82.5	78.9	77.8	78.2
Total	598.6	564.1	526.1	561.7	587.5	574.9	567.0	568.4	568.2	566.9
[1/] Includes complimentary rounds.										

Table VI-2: Santa Barbara Golf Club Market Share				
	Number of Courses in Market	Annual Rounds		Market Share
Year		SBGC	Market	
2004	9.0	86,400	598,600	14.4%
2005	8.5[1/]	78,200	564,100	13.9%
2006	8.5[1/]	76,600	526,100	14.6%
2007	8.5[1/]	78,500	561,700	14.0%
2008	9.5	74,500	587,500	12.7%
2009	10.0	70,500	574,900	12.3%
2010	10.0	59,100	567,000	10.4%
2011	10.0	62,800	568,400	11.0%
2012	10.0	63,600	568,200	11.2%
2013	10.0	61,000	566,900	10.8%

[1/] Ventura courses (Olivas Links and Buenaventura) under construction.

Table VI-3: Average Revenue per Round at Selected Public Access Golf Courses (FY2013-14)							
		Average Revenue Per Round					Annual
Course	Annual Total Rounds	Greens Fees[1/]	Cart Fees	Range	Merch	F&B golfers	F& B Banquet
SBGC	62,500	$26.57	$6.76	$1.53	$3.04	$5.00	$1,065,000
Olivas Links	59,800	28.89	5.65	4.32	1.38	2.40	---
Buenaventura	65,900	24.80	5.29	---	1.13	4.00	---
River Ridge[2/]	82,000	26.85	10.01	2.21	2.81	5.16	235,000
Los Robles	78,200	24.44	8.47	2.60	1.75	3.75	1,200,000
Soule Park	42,000	21.55	7.15	2.20	2.90	5.60	250,000
Simi Valley	73,000	26.10	7.76	2.74	2.27	4.37	---
Daily Fee-A	---	19.00	7.10	2.20	1.45	5.20	300,000
Daily Fee-B	---	35.30	7.60	2.20	2.90	4.55	175,000
Daily Fee-C	---	33.30	3.00	1.40	2.25	5.00	850,000

[1/] Includes passholders and/or annual membership play. [2/] 36 holes (revenues are expressed per paid round).

Table VI-4: Comparative On-Site Operating Expenses--FY 2013/FY2014 ($000)								
	Municipal Golf Courses				Mid-Mkt Daily Fee			
	SBGC	Olivas Links	Buena	Los Robles	Simi Hills	A	C	D
Course Maintenance								
Payroll and Benefits	$945	$412	$311	$415	$450	$555	$376	$477
Services and Supplies	198	265	237	175	225	142	182	165
Utilities	226	106	93	60	490	392	341	354
Maintenance Equipment	---	---	---	---	---	---	---	---
Subtotal	$1,369	$783	$641	$650	$1,165	1,089	$899	$996
Golf Operations								
Payroll and Benefits	---	$206	$196	$300	$175	183	$130	$105
Cart Leasing	---	---	---	70	70	21	74	79
Cart Operation	---	207	72	140	75	70	119	65
Range	---	19	---	25	---	---	10	6
Services and Supplies	---	14	10	100	15	39	5	13
Subtotal	---	$446	$277	$635	$335	$312	$338	$268
Undistributed/Clubhouse	---	$19	$49	$500	$60	100	$14	$86
General and Admin								
Payroll and Benefits	---	$64	$141	$150	$120	$209	$48	$167
Insurance	---	---	---	40	---	36	33	49
Property Taxes	---	---	---	5	---	4	93	106
Marketing/Promotion	---	90	12	60	5	9	5	72
Services and Supplies	---	174	115	145	145	130	183	60
Management Fee	---	109	64	200	---	115	120[3]	96
Subtotal	---	$437	$331	$600	$270	503	$478	$550
Total	**$1,369**	**$1,742**	**$1,298**	**$2,385**	**$1,830**	**$2,004**	**$1,733**	**$1,900**

1 Excludes food and beverage.
Source: PFA.

Table VI-5: Comparative Maintenance Expenses ($000)										
	Municipal Golf Courses						Mid-Mkt Daily Fee			
	SBGC	Buena ventura	River Ridge	Los Ro-bles	Simi Hills	Olivas Links	A	B	C	D
Number of Holes	18	18	36	18	18	18	18	18	18	18
Characteristics										
Age (orig/rennov)	54	80 (6)	26/8	48	33	43 (5)	35	50 (5)	10	15
Turf Area (acres)	100	90	220	120	100	90	90	110	80	90
Turf Type										
Greens	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa	bent/poa
Tees	berm hyb	rye/kiku	berm hyb	berm	berm	pas pal	berm hyb	berm hyb	berm hyb	berm
Fairways	berm hyb	rye/kiku	berm hyb	berm	berm	pas pal	berm hyb	berm hyb	berm hyb	berm
Over-seed	no	no	no	no	no	no	no	no	no	no
# Bunkers	30	35	100	32	53	40	30	50	50	55
Water Source	reclaim/ potable	reclaim	ground	potable	potable	reclaim	potable	ground	potable	reclaim
Annual Cost ($000)										
Water	$223	$93	$110	---	$460	$106	$392	$16	$341	$330
Power	3	---	105	60	30	---	---	58	---	25
Total	$226	$93	$215	$60	$490	$106	$392	$74	$341	$355
Staffing (FTE)										
Superintendent	1.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Mechanic	1.0	1.0	2.0	1.0	2.0	1.0	1.0	1.0	1.0	1.0
Irrigation Tech	1.0	0.0	1.0	0.0	1.0	0.0	1.0	1.0	1.0	1.0
Landscape	9.0	7.0	23.0	11.0	11.0	11.0	11.0	8.0	9.0	11.0
Total	12.0	9.0	28.0	13.0	15.0	13.0	14.0	11.0	12.0	14.0
Course Maint-000										
Payroll and Benefits	$945	$311	$910	$415	$500	$399	$555	$377	$376	$477
Services & Supplies	198	237	556	175	225	245	142	187	182	165
Utilities	226	93	215	60	510	73	392	74	341	354
Maintenance Equip	---	---	---	---	---	---	---	---	---	---
Total	$1,369	$641	$1,681	$650	$1,235	$716	$1,089	$638	$899	$996
Average Cost/Acre										
Payroll and Benefits	$9,450	$3,455	$4,130	$3,460	$5,000	$4,430	$6,170	$3,425	$4,700	$5,300
Services & Supplies	1,980	2,630	2,530	1,460	2,250	2,720	1,580	1,700	2,275	1,830

VII: Golf Course Operating Options

The following section presents a description and information regarding various forms of golf course operation and management available to the City of Santa Barbara. Presently, SBGC is operated under a hybrid structure whereby the City is responsible for golf course maintenance and overall management, with the golf course operations and the food and beverage functions provided under concessionaire agreements with two independent entities.

There are five basic golf course operating options that are available to the City of Santa Barbara:

- Full Self-Operation/Recreation District
- Current Hybrid Model (golf operations concession with City maintenance)
- Modified Hybrid Model (golf operations concession with contract/private maintenance)
- Management Agreement
- Golf Facility Lease

The distribution of the 83 municipal golf courses located in Southern California by type of operating model is indicated as follows (based on golf facilities, regardless of number of holes):

	Number of Southern California Municipal Facilities						
Region	Self-Operation	Recreation District	Concession w/City Maint	Concession w/Cont Maint	Management Agreement	Facility Lease	Total
San Diego County	---	---	3	---	3	5	11
Orange County	---	---	1	2	2	8	13
Ventura/Santa Barbara	---	1	1	---	4	3	9
Los Angeles County	5	---	---	3	3	25	36
Kern County	---	---	---	---	---	3	3
Western Inland Empire	---	1	---	---	2	3	6
Coachella Valley	---	---	---	---	5	---	5
Total	5	2	5	5	19	47	83
Percentage Distribution	6%	2%	6%	6%	23%	57%	100%

SBGC is shown under the model labeled “concession with City maintenance” which is the current hybrid model (golf operations concessionaire with City maintenance).

The above distribution presents a snap shot of the current situation. The “leased facility” numbers are skewed somewhat by Los Angeles County where 13 golf facilities are the County of Los Angeles’ municipal golf courses and four are the City of Long Beach golf courses, all of which are leased. In terms of City self-operation, all of the five facilities shown are Los Angeles City Department of Recreation and Parks properties.

There are two facilities--the Simi Hills Golf Course in Simi Valley and Hesperia Country Club in Hesperia--which are operated by public recreation districts.

In addition to the City of Los Angeles five golf facilities which are self-operated, there are five other facilities, including the City of Santa Barbara, which feature concessionaires for golf operations and City Parks and Recreation staff for golf course maintenance. In addition to Santa Barbara, these include two golf facilities owned by the City of San Diego (Torrey Pines and Balboa Park), Coronado Golf Course on Coronado Island, and the San Clemente municipal golf course in San Clemente.

The distribution does not present a clear picture of the trends established over the past 10-20 years. Nearly all of the management agreements at golf courses have been put in place within the past 20 years. Over this time span, there have been several golf courses which have converted from City maintenance to either facility leases or management agreements.

Responsibility for the basic maintenance, operation and management functions for each of these operating models is summarized as follows:

Responsibility for Function				
Model	**Course Maintenance**	**Golf Operations**	**Food & Beverage**	**Administration/ Management**
Full Self-Operation	City	City	City/Concession	City
Current Hybrid	City	Concession	Concession	City
Modified Hybrid	City/Private	Private/Concession	Concession	City/Private
Management Agreement	Private	Private	Private	Private
Golf Facility Lease	Private	Private	Private/Concession	Private

City determined that the full self-operation model is not a viable option at this time. There are very few municipal golf courses in California which are self-operated, and movement away from this form of operation continues. Sunnyvale Golf Course in Sunnyvale is one of the few remaining full self-operations in the State. In mid-2014, Pacific Grove Golf LInks in Pacific Grove converted from full self-operation to a fully privatized form of maintenance and golf operation (golf facility lease).

In addition to the basic options outlined above, there are numerous other permutations which would create alternative hybrid models. These alternative hybrid models, discussed later in this section, combine some form of self-operation, concession agreements, and/or management/contract private party agreements. All of the operating options require City oversight responsibilities including contract monitoring, budget preparation and review, management oversight, and the like. The degree of City participation varies by operating model.

Current Hybrid Model

Presently, SBGC's operating structure is described as a hybrid between full self-operation and a facility lease, combining elements of self operation (course maintenance and overall facility management) with elements of a facility lease (golf operations and food and beverage concession agreements). Under the current model, the City is responsible for maintaining the course and overall golf facility management, relying on concessionaires for the golf operations and food and beverage functions. The City sets pricing and policies, and administers the overall program. Under the current model, the City receives 100 percent of the greens fees, and a percentage of the concession (golf carts, driving range, pro shop merchandise, lessons, and food and beverage) gross revenue.

The current SBGC hybrid model, where a golf operations concessionaire is retained and the City provides golf course maintenance, is the most common type of hybrid structure. Historically, there have been many public agencies which have elected to maintain the golf course through their parks and recreation department, while retaining concessionaires for golf and food and beverage operations. In most of these instances, the reservations, starting, marshaling, and greens fees collection function is the responsibility of the concessionaire, although in some instances (e.g. City of Los Angeles and City of San Diego) the municipality fills this role, creating some level of redundancy in staffing. In addition to Santa Barbara Golf Club, the other examples of this hybrid model in California include Torrey Pines and Balboa Park in San Diego, Manteca Park in Manteca, Harding Park and Lincoln Park in San Francisco, San Clemente Golf Course in San Clemente, Poplar Creek Golf Course in San Mateo, DeLaveaga in Santa Cruz, Sharp Park Golf Course in Pacifca, and a few other municipal operations. Under all of these agreements, all of the maintenance is provided by City Parks and Recreation staff, and golf operations – pro shop merchandise, cart rentals, driving range, instruction – are provided by a concessionaire. Food and beverage operations may be provided by the golf operations concessionaire, but more often are the responsibility of a separate concessionaire.

Concessionaires normally pay rent to the City based on a percentage of gross revenue (percentage varies by revenue category). Sometimes the percentage rental rates are adjusted downward to reflect the concessionaire responsibility for reservation, greens fees collections, and starting, but in other cases a separate fee is paid to the concessionaire by the City for these services. In these cases, the City receives rent from the concessionaire, and also pays the concessionaire a fee for services. A summary of representative golf operations concession agreements is provided in Table VII-1).

The primary advantage of the current model is the level of control retained by the City in terms of setting policies, prices and standards. A case can also be made that under the current structure, the City has substantial overhead support functions at its disposal from other City departments. It also is often argued that a portion of the entrepreneurial compensation (profit for services rendered) is retained by the public agency under this model, and most of the financial upside related to better than anticipated performance accrues to the City. The validity and value of these advantages is subjective.

The principal potential disadvantages of the current model include higher wage and benefit packages related to public sector employment for the golf course maintenance function, more restrictive labor policies, the potential absence of "best practices" in revenue generation, and bureaucratic constraints which inhibit management's ability to adapt and respond quickly to changing market practices and conditions. In addition, the current model involves multiple providers of service other than the City which potentially may create conflicts and inconsistent service levels. Most golf analysts strongly believe that there are significant advantages to controlling the entire golfer experience through providing all of the functions at the golf course under one management entity. Under the current operation, most of the financial risk is borne by the City.

The number of California municipal golf courses where golf course maintenance is provided by municipal employees continues to dwindle, particularly during periods when Cities and Counties are fiscally challenged. Over recent years, the maintenance function has been privatized at Pacific Grove Golf Links in Pacific Grove, Palo Alto Muni in Palo Alto, Shoreline in Mountain View, Chuck Corica in Alameda, Indio municipal golf course in Indio, and Anaheim Hills and Dad Miller in Anaheim. Other than the larger Cities of San Diego, Los Angeles, and San Francisco, there are only a few municipalities which utilize municipal employees in maintaining their golf course.

Golf Facility Lease

Under this option, the golf course is leased to a private golf course operator who provides course maintenance, golf operations, and overall facility management services. The food and beverage operation may be included under the golf course facility lease or provided under a separate lease to a dedicated food and beverage operator. The operator's lease payments typically are based on a minimum rental payment versus a percentage of golf, merchandise, lessons, and food and beverage departmental gross revenue. Under a typical facility lease, the lessee receives 100 percent of the revenue and is obligated to fund required front-end capital improvements (if any), operating expenses, and a reserve for ongoing capital improvements. As such, the financial risk is largely borne by the lessee. The term of the lease is negotiable, although the length generally is related to operator capital improvement levels and rental payment terms.

There are many examples of the facility lease model, although most of these leases were negotiated 15-30 years ago. All of the Los Angeles County courses, the City of Long Beach courses, and the City of Pasadena's Brookside Golf Course are operated under a facility lease, as are numerous other courses in Southern California. The Simi Valley Recreation District, by contrast, recently elected to self-operate (through the District) the Simi Hills Golf Course after years of operation under a lease agreement with American Golf Corporation.

Tables VII-2 and VII-3 contain a summary of golf course "turnkey" lease terms — facilities where all operations are leased to a contract operator – for selected Southern and Northern California public properties, respectively. There has been limited activity in recent years, with Pacific Grove Golf Links in Pacific Grove, Oceanside Golf Course in Oceanside, Los Amigos Golf Course in Downey, the City of Pasadena Brookside Golf Course in Pasadena, and Chuck Corica Golf Course in Alameda among the few agreements negotiated since 2005. Soule Park in Ojai was leased in 2007 following significant improvements funded by Ventura County to repair flood damage. In general, the facilities are leased to a management company with a minimum lease payment versus percentage rents. The contract specifies performance standards, required capital improvements and a range of contractual terms. It is important to note the agreement date, as the improving economics of the golf market and competitiveness in the golf management industry during the 1990-2000 period are reflected in more favorable lease terms to the lessor, with the most recent agreements somewhat adversely influenced by soft golf market conditions since 2001.

The various terms of the leases are interrelated and the lease payments must be considered in the context of all the terms of the lease.

- Lease Term. The term of the facility leases shown generally ranges from 15-30 years. When front-end lessee capital improvements are required, which generally is the case, the term of the lease must be long enough to amortize these capital expenditures. The length of the term normally is a function of the level of capital improvements. Occasionally a short-term agreement (less than five years) is negotiated, but these are generally related to the continuation of an agreement with an operator where minimum capital improvements are required or where an option is exercised to extend the lease term.
- Minimum Rent. The minimum rent typically is established at about 75 to 80 percent of the expected "percentage rent" amount. The minimum often is adjusted annually to reflect about 80 percent of the average of percentage rents paid during the prior three to four years operation, but never less than the preceding minimum rent level.
- Percentage Rents. Percentage rents vary by golf department, although often a composite rate is applied to greens fees, cart revenue, and driving range revenue. Merchandise, food and beverage, and other minor departments generally have lower individual percentage rents primarily due to the relatively small operating profit margins on these goods and services. The percentage rents are a function of the length of term, required capital improvements, utility sharing agreements, and the replacement reserve requirements. The rent percentage may increase over the term of the lease. The higher the capital expenditure requirement, replacement reserve, and costs associated with utilities and other course operations, the lower the percentage rent structure. Also, the market strength and potential profitability of the course strongly influence percentage rents. For Los Angeles County, the rent payments shown include contributions from the golf course revenues to the capital improvements reserve fund, consisting of 10% of gross greens fees plus $1.50 per 18-hole and $.75 per 9-hole round of golf. These capital improvement contributions represent between 20 and 25 percent of the total gross rent paid. For El Dorado Park in Long Beach, the rent does not include food and beverage which is operated under a

separate concession agreement until AGC assumed responsibility for this function as well as golf operations.

- Fees and Operating Policies. Under most municipal facility leases, the lessor (City) retains substantial control over setting fees and establishing operating policies. As well, specific guidelines such as maintenance standards are in-place or negotiated as an integral part of the lease terms. While changes in fees and policies normally require City approval, in practice, the lessee has greater influence in modifying fees and terms which financially benefit the lessee. Moreover, regardless of the rigor of the lease agreement, a number of "gray" areas, such as level of course conditioning, generally remain which may be exploited by the lessee.
- Capital Improvements. Most facility leases call for capital improvements to be funded by the lessee. A list of improvements is specified and a time frame for their implementation is established. The capital improvements requirement varies widely for the facilities shown, from less than $1 million to over $8 million.
- Capital Improvement Replacement Reserve. Generally, some provision for establishing a reserve for ongoing future capital improvements is stipulated. The replacement reserve is normally a percentage of greens fee revenue, with the percentage depending on anticipated future capital requirements, the age of the course, and the front-end capital expenditure requirement. Usually, the replacement reserve is in addition to percentage rents, but sometimes the reserve funds are credited against rent payments.
- Utilities. Typically, the lessee is responsible for utility costs. However, due to the high cost of water in California, there may be some cost sharing of utilities, or some protection provided the lessee in terms of ceilings or caps on utility rate increases.

For facility lease agreements, the market potentials, specific course maintenance requirements, areas of lessor/lessee responsibility, and other contract terms must all be considered in establishing an equitable lease structure. Thus, while the experience of other courses can serve as a general guideline, specific consideration should be given to the unique characteristics of a city's golf course, such as the location and market strength. Further, the overall objectives of the City will influence the structure of contract terms.

The market for golf leases with municipalities has been substantially affected by the soft golf market conditions experienced over recent years. The number of qualified investor/operator groups which have an interest in such agreements has declined sharply, and the rent structure has generally been modified downward. In many instances, municipalities desiring leases are faced with the option of having to select groups with limited experience in exchange for the lessee's willingness to invest private capital and commit to reasonable rent payments.

It also should be noted that with the softening of golf markets in California, there have been a number of initiatives on the part of lessees to renegotiate lease terms, particularly relating to courses which negotiated new leases in the 1995-2000 period. Specifically, since 2001 a number of lessees have requested rent adjustments to compensate for declining golf play levels and associated revenues, and to assume continued lessee funding for capital improvement obligations. Eaton Canyon and Altadena Golf Course in Los Angeles County, Crystal Springs in Burlingame, Metropolitan Golf Links in Oakland, and Foxtail in Rohnert Park are examples

where leases have been renegotiated. In the cases where rent concessions have been granted by the lessor, rent terms have been modified by reducing base and percentage rent levels, often with significant increases in potential participation by the lessor in revenue above the current threshold.

The primary advantages of the facility lease option include a guaranteed minimum rent payment to the City, potential benefits of professional golf management, limited required participation by the lessor (City), minimum financial risk to the City, and private capital improvement funding availability. The primary disadvantages of the facility lease option include waiving some control over operating policies and procedures, commitment to longer term agreements, and limited participation in upside financial performance.

Management Agreement

This option relates to a fee-for-service agreement with a Director of Golf, General Manager or an outside management company. Golf and food and beverage functions may be combined or separated, but the structure is the same. All functions would be under the authority of the contract golf director, General Manager or management firm. Under a typical management agreement, the facility owner (City) receives all revenues and is responsible for funding all capital improvements, operating expenses, and reserves for ongoing capital reinvestment. In addition, the owner (City) pays the operator a fee for management of the facility. In effect, the professional operator serves as the City's agent in managing, operating, and maintaining the golf facility. Management compensation typically consists of a base fee, plus performance incentives.

Increasingly, public agencies are moving to a management contract approach to operations and maintenance. The City of Ventura retained Kemper Sports Management under a management agreement for operation of their two golf courses. Other examples of this structure include Los Robles in Thousand Oaks which is managed by EAGLE Golf Management, Green River Golf Club near Corona managed by CourseCo, Encinitas Ranch in Encinitas by JC Resorts, and Carlsbad Crossings in Carlsbad and Black Gold in Yorba Linda, both by Kemper Sports. In 2012, a municipal golf course management agreement was negotiated between the City of Mountain View and Touchstone Golf for the Shoreline Golf Course operation. A summary of selected management agreement terms and conditions relating to moderate and high quality municipal golf course operations in California is contained in Table VII-4.

As previously indicated, under this structure, the City receives all revenue and is obligated to fund all maintenance, operating and administrative expenses, including a management fee. The management fee is in addition to all on-site salaries and expenses. The basic terms and conditions of the agreements are discussed below.

Term

Generally, management terms are five years in length, long enough to allow a firm to amortize its initial efforts to establish policies, procedures, and systems, and to ensure sufficient job security for key employees. Longer terms offer little advantage to the owner. The renewal of an agreement typically is for a period of three to five years. The terms may be influenced by conditions dictated by the financing instrument used such as tax-exempt bond IRS regulations. For example, the IRS has a number of stipulations imposed to ensure a man-

agement contract does not result in private business use of a bond-financed facility. Among other things, the IRS restricts contracts which give the service provider an ownership or leasehold interest or provide compensation for services rendered based in whole, or in part, on a share of net profits from operations of the facility. Specifically, the IRS will allow agreement terms up to 15 years, but the structure of compensation is specific to the term. With 15-year agreements, at least 95 percent of the total compensation must be fixed/guaranteed. At 10 years, at least 80 percent; and at 5 years, at least 50 percent must be fixed/guaranteed. As well, in accordance with IRS regulations, incentive compensation cannot be based, in whole or in part, on a share of net profits, and thus must be based on gross revenue or expense thresholds.

The IRS also requires the management agreement to have an agreement cancellation option for the owner, typically at the end of three years. In cases where a cancellation provision is required by the financing authority, management companies have not objected.

Compensation Structure

For moderate volume courses ($2.0-$2.5 million in annual golf/greens, carts, range) revenue, the base fee generally ranges from $100,000 to $140,000 per year. Compensation typically consists of a base, or guaranteed fee, plus an incentive fee. Incentive fees are structured such that expected performance would result in additional compensation of $20,000 to $30,000. Total compensation, assuming budgets are met or slightly exceeded, for moderate volume 18-hole public courses, generally ranges from $130,000 to $160,000 per year.

For high volume courses ($3+ million in golf revenue), the base fee generally ranges from $150,000 to $180,000 per year for 18-hole courses. Incentive fees are structured such that expected performance would result in additional compensation of $30,000 to $50,000. Total compensation, assuming budgets are met or slightly exceeded, for high volume 18-hole public courses, generally ranges from $150,000 to $200,000 per year.

While there are many ways of structuring incentive agreements, it is generally more effective to key them off of net operating income, or gross revenue above established threshold levels, with incentive payments equaling anywhere from 25 to 100 percent of the base fee.

The compensation noted above relates to agreements where all management staff, including day-to-day accounting, are onsite, and there are no reimbursements for corporate support functions, marketing, or other normal offsite management services, including routine travel. The cost of some extraordinary services (e.g., legal, specialty agronomical consulting, etc.) may be borne by the golf course owner.

Incentive compensation normally is triggered by performance which exceeds predetermined levels of net operating income (defined as “earnings before interest, taxes, depreciation, and amortization,” or EBITDA) or gross revenue. Since expenses are reasonably predictable, incentive payments based on gross revenue exceeding specified threshold levels often are workable.

It should be noted that golf revenue (greens, carts, and range) has little associated variable cost, whereas merchandise and food and beverage have very high variable costs. Given this, each revenue category should be

treated independently, and incentive clauses should more greatly reward extraordinary golf revenue compared with merchandise, food and beverage, lessons, and other miscellaneous sources.

Overall, total compensation should represent about 4 percent of total gross revenue. The 4 percent allowance is an industry standard which most professional golf management firms utilize when allocating home office services for courses they own and operate.

It is generally desirable for at least one-quarter to one-third of total compensation to be incentive-based. Again, the type of financing may influence the structure of the compensation and limit the portion which is incentive-based.

Base Fee Adjustments

In many agreements, the base fee is inflation-adjusted. This is a negotiable point, and typically relates to the structure of incentive compensation, which often serves as an inflation hedge.

Management Services

Offsite management services covered under the management fee include, although are not necessarily limited to, the following functions:

- Personnel/Human Resources
- Training
- Payroll and Benefit Administration
- Management Reporting and Accounting Systems
- Internal Audits
- Budgeting Support
- Marketing Support
- Agronomical Support

Typically, all of these services are included under the management fee. If not, an accordingly lower management fee would be expected.

While the management company provides these services, they do so, in effect, as the agent for the City. The City determines the fee structure, establishes policies, and has the right to approve compensation, employment practices, and other similar items. Clearly, the management firms provide input and recommendations, but ultimately the City retains near-full control over all operating decisions.

Other Provisions

Daily accounting and management system reports are an integral part of the golf course operation. This daily function can be provided on-site by golf course administrative staff, or at the home office of the management company. When provided by on-site staff, the expense is borne by the course like any other operating expense. When provided off-site by the management company, there often is a separate charge to the City, in addition to the basic management fee.

There may be other services provided by the management company which are reimbursed by the City separately from the management fee. Examples include travel expenses by home-office management staff, outside agronomical evaluations, and the like. All of these elements of the management agreement are negotiable, and clearly, the overall compensation consists of the sum of the base fee, incentive fee, and reimbursements.

The primary advantages of the management agreement structure include the benefits related to professional golf course management, lower wage and benefit structure related to private sector employment, shorter term contractual commitments, full control over the overall golfer experience and operations, and full participation in upside financial performance. The major disadvantages of this form of operation include greater participation required on the part of the contractor (City), financial risk, and inability to attract private capital.

Modified Hybrid Model

There are numerous alternative hybrids which consist of some combination of concession agreements and service contracts, and often such hybrids involve City-provided golf course maintenance. A "Modified Hybrid Model" would involve one or more changes in the responsibilities for the various functions. One alternative hybrid would retain the current golf operations and food and beverage concessionaires, with golf course maintenance responsibility shifted to a private landscape maintenance entity on a contract basis. The City would still be responsible for overall golf course management.

An alternative model would involve retaining a golf operations professional (individual or firm) on a fee-for-service basis, who would also be responsible for overall golf facility management as well as the golf operations functions (reservations, starting, pro shop, range, carts). Under this alternative, golf course maintenance could continue to be provided by the City, or contracted to a private landscape maintenance provider. The City would receive all of the golf course revenues (greens, carts, range, merchandise) and bear most or all of the operating expenses, paying a fee to the contractor for their service. Examples of this form include Modesto's golf courses and the Anaheim courses. Generally, the agreement with the golf operations contractor has performance incentives structured in the compensation. Most of the benefits and constraints discussed under the full management agreement would transfer to this option, with a lower base fee.

There are several firms which provide contract golf course maintenance on a fee-for-service basis. The contractors employ private sector employees, paying private sector prevailing wages and benefits, which generally are well below the corresponding public sector wage/benefit scale. Maintenance is provided by a private landscape provider, such as Valley Crest or International Golf Management (IGM), on a fixed fee basis subject to standards and practices established by the public agency. Examples include DeBell in Burbank, Anaheim Hills and Dad Miller in Anaheim, and Alhambra Municipal in Alhambra. The responsibilities of the concessionaire and the structure of the golf operations concession agreement vary considerably. Under private contract maintenance, the annual cost of maintaining a mid-market 18-hole regulation length golf course is in the range of $650,000 ($35,000 per hole), including an allowance for maintenance equipment replacement/lease, but excluding utilities (water and power).

Concessionaires normally pay rent to the City based on a percentage of gross revenue (percentage varies by revenue category). Sometimes, the rent categories are adjusted downward to reflect the concessionaire responsibility for reservation, greens fees collections, and starting, but in other cases a separate fee is paid to the concessionaire by the City for these services. In these cases, the City receives rent from the concessionaire, and also pays the concessionaire a fee for services (refer to Table VII-1 for a summary of representative golf operations concession agreements).

Summary of Operating Options Strengths and Weaknesses

The strengths and weaknesses of the four basic options are outlined in Table VII-5. Each option offers advantages and disadvantages relative to economic performance, the cost of payroll and employee benefits, city control, maintenance, influence on policy-making, operator responsiveness, efficiencies relating to one operating entity, required city involvement, and other factors. As stated above the Modified Hybrid model would have the same strengths and weaknesses as the full management services.

The current hybrid model, while having some benefits in terms of quality control, support from other City departments, and upside financial participation, has many deficiencies. There are higher costs associated with public sector employment, financial risk, and absence of professional golf management "best practices." The most significant disadvantage, at least in the current structure, is the City's inability to operate in a business-oriented, entrepreneurial manner which allows management to adapt and respond to dynamic market conditions. As well, the absence of an on-site manager with the authority to manage and coordinate the various functions provided by multiple providers is problematic, potentially resulting in lower revenues, less efficient operations and a diminished golfer experience.

The strengths and weaknesses of a modified hybrid model would depend on the specific model. Contracting the maintenance function offers clear cost savings, but must be considered in the context of the City's policies with respect to outsourcing jobs. Retaining a fee-for-service golf operations management entity/individual offers similar advantages and disadvantage associated with the "management model"--principally offering greater City control and participation in upside revenues, while increasing operating and financial risk to the City.

The turnkey facility lease often yields a reasonable financial return to the City and requires the least City involvement, but maintenance and golf operations service levels may be below those desired by the City. As well, the City typically relinquishes at least some control over golf practices and policies, much of which may be due to contract "gray" areas. A major advantage of the turnkey operation is that normally substantial capital funds can be attracted from the private sector for course improvements, with the amount directly related to the length of the lease term.

A fee-for-service management agreement offers many advantages such as maintaining greater authority managing the facility. Since the City would receive all revenues and expenses under this option, the financial return to the City may exceed that of a turnkey facility lease, but carries with it additional financial exposure. At present, service contracts are more prevalent in the private sector (management of daily fee golf courses). How-

ever, there is an emerging trend toward this option primarily as a result of cities seeking to maintain greater control without giving up the benefits of private sector management and operation.

A full self-operation model, which is an extension of the current City hybrid model to include additional golf operations functions (merchandise, carts, and driving range), offers some advantages over the current model. The principal advantage is the ability to coordinate the various functions to a greater degree and potentially to achieve some operating expense efficiencies in golf operations. There are potentially additional disadvantages of moving from the existing hybrid to a full self-contained model, primarily higher payroll and benefits related to public employees in the golf operations department. As stated earlier, cities who self- operate are beginning to make certain that they are staffed appropriately with experienced “golf operators” in order to react to changing market conditions, driving both rounds and revenue to the facilities while maintaining the required golfer experience.

Table VII-1: Golf Operations Concession Agreements, Selected California Courses			
Course	**Santa Barbara GC**	**San Clemente**	**Alhambra**
Location	**Santa Barbara**	**San Clemente**	**Alhambra**
Lessor	City of Santa Barbara	City of San Clemente	City of Alhambra
Lessee	Chris Talerico Golf	Dave Cook	Jerry Wisz
Agreement Date	2013	2005	1995
Lease Term (years)			
Initial	3	10	5
Options	None	None	3 / 5-year
Discretion	---	---	Lessee
Concession Services			
Reservation	X	X	X
Starter	X	X	X
Green Fee Collect	X	X	X
Marshals	X	X	X
Range	X	X	X
Carts	X	X	X
Pro Shop	X	X	X
Lessons	X	X	X
Food and Beverage	O	X	O
Minimum Rent	$125,000	n.a.	n.a.
CPI Adjusted	Yes	---	---
Percentage Rent			
Carts	30%	20-30%[1/]	10/30/40%[2/]
Range	25%	25%	20/25/35/45%[3/]
Merchandise	4%	5%	4%
Lessons	4%	10%	---
Food and Beverage	---	13%	---
Liquor	---	13%	---
Other	4%	---	---
Investment Requirements	None	None	$500,000
Utilities	Lessor	Lessee	City
Incentive / Lessor Pymts	---	None	$50,000/yr. for marshal services
Reinvestment/Reserve	None	None	None

Table VII-1 (continued): Golf Operations Concession Agreements, Selected California Courses			
	Palo Alto Muni	Diablo Creek	Griffith Park (36 holes)
Location	**Palo Alto**	**Concord**	**Los Feliz**
Lessor	City of Palo Alto	City of Concord	City of L. A.
Lessee	Brad Lozares	J. Fernandez	Tom Barber
Agreement Date	2003	1998	5/1993
Lease Term (years)			
Initial	5	5	10
Options	1-year	2 / 5-year	None
Discretion	City	Lessee	Mo.-Mo.
Concession Services			
Reservation	X	X	O
Starter	X	X	O
Green Fee Collect	X	X	O
Marshals	X	X	O
Range	X	X	X
Carts	X	X	X
Pro Shop	X	X	X
Lessons	X	X	X
Food and Beverage	O	O	O
Minimum Rent	None	None	$250,000
CPI Adjusted	---		No
Percentage Rent			
Carts	60%	35% (0-450K)	---
Range	60%	25% (450K+)	30%
Merchandise	4%	30% (0-400K)	5%
Lessons	0%	25% (6-500K)	10%
Food and Beverage	---	5% (0-500K)	---
Liquor	---	---	---
Other	---	---	---
Investment Requirements	$100,000	None	---
Utilities	Lessor	Lessor	Lessee
Incentive / Lessor Pymts	$322,000 Base Fee[4]	Per Round[5]	None
Reinvestment/Reserve	None	$10,000/year	None

[1] Years 1-5 at 20%; increases 2% points annually beginning in year 6. [2/] 0-$100K; $100-200K; $200K+; [3/] 0-$100K; $100-200K; $200-300K; $300K+ [4]City pays operator base fee, CPI adjusted. Incentives include $3/rounds above 87,000 rounds, 20% cart revenue above $250,000, and range revenue above $440,000. [5]$1/round 93,000-98,000; $2/round 98,000-103,000; $3/round 103,000-108,000; $4/round (108,000+).

Source: Pro Forma Advisors

Table VII-2: Regulation Length Public Golf Course Facility Lease Terms--Southern California						
Course	**Soule Park**	**Brookside**	**Oceanside**	**Los Lagos**	**Mountain Meadows**	**Mission Trails**
Location	**Ojai**	**Pasadena**	**Oceanside**	**Costa Mesa**	**Pomona**	**San Diego**
Number of Holes	18	36	18	36	18	18
Lessor	Ventura County	Pasadena	Oceanside	Costa Mesa	L.A. County	San Diego
Lessee	Highlands Golf	American Golf	Jim Bellows/ Landscapes	Mesa Verde Partners	American Golf	American Golf
Agreement Date	2007	2011	2007	1992	1991	1986
Lease Term (years)						
Initial	10	5	30	18	10	35
Option Extension	1-5	---	10	2-5	---	---
Minimum Rent	$180,000	$1,825,000	None	$630K/720K	$890,000	$125,000
CPI Adjusted	No	No	---	No	No	No
Percentage Rents						
Greens	11.5%/50%[1/]	28.5%	20%	30 / 35% [2/]	35%	11.5%
Carts	11.5%/50%[1/]	28.5%	20%	30 / 35%	35%	10.5%
Range	11.5%/50%[1/]	28.5%	20%	30 / 35%	33%	10.5%
Merchandise	5%	---	20%	6%	5%	6.0%
Lessons	---	---	---	5%	10%	10.0%
Food and Beverage	5%	13.0%	20%	11%	10%	10.5%
Liquor	5%	13.0%	20%	11%	12%	10.5%
Banquet Room Rental	5%	20.0%	20%	25%	25%	---
Required Capital Imps	None	$100K/year	---	$1.938M	$500,000	$104,000
Repl Reserve Require	$1/round	9.5% of total gross	---	5% of greens	--- [3/]	---
Cost of Water	Lessee	Lessee	Lessee	Lessee	County	Lessee

Table VII-2 (continued): Regulation Length Public Golf Course Facility Lease Terms--Southern California						
Course	**La Mirada**	**DeBell**	**Los Verdes**	**Meadowlark**	**Los Amigos**	**Chula Vista**
Location	**La Mirada**	**Burbank**	**Palos Verdes**	**Huntington Beach**	**Downey**	**Chula Vista**
Number of Holes	18	18	18	18	18	18
Lessor	L.A. County	City of Burbank	L.A. County	Huntington Bch	L.A. County	Chula Vista
Lessee	American Golf	S. Scozzola	American Golf	Fore Golf	Los Amigos GP	American Golf
Agreement Date	1995 4/	2014	1994 4	1993	2012	1986
Lease Term (years)						
Initial	15	5.5	15	25	20	20
Option Extension	---	3 5-year	---	15 (city)	5 (county)	10
Minimum Rent	$805,000	$300,000	$970,000	$175K/300K/ 500K 6/	---5/	$124,000
CPI Adjusted	No	No	No	No	No	No
Percentage Rents						
Greens	40%	5.0/7.5%9/	40%		5%-43%8/	15%
Carts	40%	---	40%	8/10/18/25% 7/	5%-43%8/	15%
Range	30%	---	30%	-	5%-43%18	15%
Merchandise	5%	---	5%	8%	6%	6%
Lessons	---	---	---	---	---	6%
Food and Beverage	10%	---	10%	10%	8%	6%
Liquor	12%	---	12%	10%	12%	6%
Banquet Room Rental	10%	---	10%	---	25%	6%
Required Capital Imps	$700,000 4/	None	$800,000 4/	$3.5M	$500,000	$1.4M
Repl Reserve Require	---3/	25% of NOI	---3/	---	---3/	---
Cost of Water	Lessee	Lessee	Lessee	Lessee	Lessee	Lessee

1/ Percentage rent increases to 50% for gross greens fees exceeding $1,650,000, cart revenue of $425,000 and range revenue of $125,000.
2/ Higher percentage applied to monthly gross revenue exceeding $150,000 for greens fees, $40,000 for carts, and $20,000 for practice range.
3/ 10% of greens fees, credited against lessee rental payments.
4/ Term extended for an additional 15 years with commitment of additional capital improvements.
5/ None in first 5 years; then 80% of year 5 percentage rent.
6/ Rent percentages apply to the 5-year option period, exercised in 2005. Years 1-2/3-10/11+.
7/ Percentages relate to years 1-2, 3-10, 11-18, and 19-25, respectively.
8/ Year 1;5%; year 2-10%; year 3-15%; year 4-20%; year 5-27%; year 6-33%; year 7-36%; year 8-39%; year 9- 41%; years 10 through 20-43%.
9/ In addition to minimum rent, 5.0% of total gross revenue between $2.5-$3.5 million; 7.5% of total gross revenue exceeding $3.5 million.

Table VII-3: Regulation Length Public Golf Course Facility Lease Terms--Northern California						
Course	**Spring Valley**	**Chuck Corica**	**Crystal Springs**	**Monarch Bay**	**Metropolitan**	**Pacific Grove**
Location	**Milpitas**	**Alameda**	**Burlingame**	**San Leandro**	**Oakland**	**Pacific Grove**
Number of Holes	18	45	18	27	18	18
Lessor	County of Santa Clara	City of Alameda	City/County of San Francisco	City of San Leandro	City of Oakland	City of Pacific Grove
Lessee	Jetters Golf	Greenway Golf	Crystal Springs Golf Partners	American Golf	Oakland Golf, LLC	CourseCo
Agreement Date	1993	2012	1997	1997	2001	2014
Lease Term (years)			(revised 2004)			
Initial	30	20	20	25	25	9.5
Option Extension	None	One 5-year	None	Two 5-year	Three 5-year	Two 5-year
Minimum Rent	$250,000	$300,000	$1.25 million 11/	$750,000	$400,000 5/	$300,000
CPI Adjusted	No	No	Yes	No	Yes	No
Percentage Rents						
Greens	10.5% 2/	8/10-8/12 1/	25/35/32% 12/	25/27/28/30 3/	0/15/17.5/20/22.5/ 25/27.5 7/	
Carts	10.5%	8/10-8/12 1/	25/35/32%	25/27/28/30 3/		Min + 65% of total golf revenue exceeding $2.35M
Range	10.5%	8/10-8/12 1/	25/35/32%	25/27/28/30 3/		
Merchandise	10.5%	8/10-8/12 1/	8%	5/6% 4/	0/4% 8/	
Lessons	10.5%	8/10-8/12 1/	25/35/32% 12/	5/6% 4/	0/4%	
Food and Beverage	10.5%	NA	8%	5/6% 4/	0/4%	---
Liquor	10.5%	NA	8%	5/6% 4/	0/4%	---
Banquet Room Rental	10.5%	NA	25/35/32% 12/	5/6% 4/	0/4%	---
Required Capital Imps	$2.5 million	$5.7 million	$1.98 million	$8.2 million	$8.0 million	$100,000
Repl Reserve Require	None	3.0% of total gross revenue	6% (yrs.1-5); 2%(yr.6+) of total gross revenue	2% of gross	0% (1-2), 2% (3-4); 4% (5+) of total gross	1.5% of total gross revenue
Cost of Water	Lessee	Lessee	Lessee	Lessee	Lessee	Lessee

1/ Rate applies to gross revenue from all sources.
2/ Percentages apply to first 15 years of agreement term. Beginning in year 16, rent equal to 10.5% of total gross revenue up to $3.0 million plus 15.0% of revenue between $3.0 and $4.0 million, plus 20.0% of gross revenue exceeding $4.0 million.
3/ Years 1-2 / 3-5 / 6-10 / 11+.
4/ Years 1-2 / 3+.
5/ Increases to $500,000 by Year 4.
6/ Escalates to $200,000 by Year 16.
7/ Years 1-2 / 3-5 / 6-10 / 11-15 / 16-20 / 21-25 / 26+.
8/ Years 1-2 / 3+.
9/ Years 1-5 / 6-10 / 11-15 / 16+.
10/ In addition to percentages, a supplemental contribution equal to 7% of total gross revenue is applied effective 10/1/2004. Further, the percentage rents are increased by CPI beginning in 2010
11/ Escalates steadily to $1,600,000 by Year 16.
12/ As revised – years 1-2 / 3-5 / 6-20.

Table VII-4: Management Agreement Terms at Selected California Public Golf Courses					
Golf Course	**Buenaventura/ Olivas Links**	**Los Robles**	**Carlsbad Cross-ings**	**Green River**	**Black Gold**
Location	**Ventura**	**Thousand Oaks**	**Carlsbad**	**Corona**	**Yorba Linda**
Course Type	Mid-market Muni	Municipal	Upscale Municipal	Mid-mkt Daily Fee	Upscale Municipal
Number of Holes	36	18	18	36	18
Owner	City of Ventura	City of Thousand Oaks	City of Carlsbad	County of Orange	City of Yorba Linda
Manager	Kemper Sports	EAGLE Golf	Kemper Sports	CourseCo	Kemper Sports Mgmt.
Agreement Date	2009	2006	2012	2014	2011
Term (years)	5	10	5	5	5
Options	One 5-year	Four 5-year	None	None	None
Options Holder	City	City	---	---	---
Annual Gross Revenue	$4,500,000	$5,000,000	$4,000,000	$2,500,000(18 hole)	$5,600,000
Base Annual Fee	$150,000	$100,000	$125,000	$160,000	$195,000
CPI Adjusted	Yes	2%/year	No	Yes	Yes
Incentive Structure	5% of gross "golf "revenue exceeding $4,800,000	12% of NOI, ex de-preciation	5.0% of gross reve-nue in excess of budget	None	5.0% of gross reve-nue in excess of $5,800,000, subject to maximum of 25% of fixed fee
Management Functions					
Course Maintenance	X	X	X	X	X
Golf Operation	X	X	X	X	X
Food and Beverage	X	X	X	X	X
Annual Compensation					
Base	$150,000	$100,000	$125,000	$160,000	$250,000
Incentive	---	75,000	25,000	---	---
Total	$150,000	$175,000	$150,000	$160,000	$250,000
% of Total Gross Rev	3.3%	3.5%	3.8%	6.4%	4.5%
Reimbursements	None	Accounting	None	None	None
Performance/Other De-posit	None	None	None	None	$50,000
Non-Compete Restrictions	None	None	None	None	No

Table VII-4 (continued): Management Agreement Terms at Selected California Public Golf Courses					
Golf Course	**Shoreline**	**SilverRock**	**Boundary Oak**	**Desert Willow**	**Encinitas Ranch**
Location	**Mountain View**	**La Quinta**	**Walnut Creek**	**Palm Desert**	**Encinitas**
Course Type	Municipal	Upscale Municipal	Municipal	Upscale Municipal	Municipal
Number of Holes	18	18	18	36	18
Owner	City of Mountain View	City of La Quinta	City of Walnut Creek	City of Palm Desert	Encinitas Ranch Golf Auth.
Manager	Touchstone Golf	Landmark Golf Mgmt.	CourseCo Inc	Kemper Sports	J.C. Resorts
Agreement Date	2012	2013	2009	2006	2012
Term (years)	5	5	5	2	10
Options	One 5-year	None	None	Two 1-year	None
Options Holder	City	---	---	City	---
Annual Gross Revenue	$3,000,000[3/]	$4,000,000	$4,000,000	$7,500,000	$4,500,000
Base Annual Fee	$102,000	$96,000	$156,000	$300,000	$180,000 [2/]
CPI Adjusted	No	No	Yes	No	Yes
Incentive Structure	10% of golf gross revenue in excess of $2,500,000	None	10% of golf gross revenue exceeding budget; 7.5% of F & B gross exceeding budget	5% of gross revenue in excess of $6,000,000	.75% of gross golf revenue Accounting reim-bursement direct
Management Func-tions					
Course Maintenance	X	X	X	X	X
Golf Operation	X	X	X	X	X
Food and Beverage		X	X	X	X
Annual Compensation					
Base	$108,000	$96,000	$156,000	$300,000	$180,000
Incentive	25,000	---	$6,000	75,000	35,000
Total	$133,000	$96,000	$162,000	$375,000	$215,000
% of Total Gross Rev	4.2%	2.4%	4.1%	5.0%	4.8%
Reimbursements	None	None	None	None	Accounting - $24K/ year
Performance/Other Deposit	None	$25,000	None	None	None
Non-Compete Restric-tions	None	None	None	2 years	None

Table VII-5: Strengths and Weaknesses of Golf Course Operating Options

Hybrid (Current Model)	Facility Lease	Management Agreement	Modified Hybrid
STRENGTHS			
• Provides high level of City control over rates, policies, practices, and overall golf experience • Availability of City overhead support functions • Strong participation in upside financial performance • Provides opportunity to retain specialists in golf operations and food and beverage • Preserves option to convert to alternative operating option	• Provides reasonably strong financial return to City • Produces guarantee minimum rent payment to City • Minimizes financial risk • Minimizes political influence with less direct involvement of City with setting fees, policies, and practices • Offers potential benefits in golf management expertise and specialized maintenance support services • May provide private capital investment in facilities	• Provides strong financial return to City. • Provides high level of City control • Greater potential quality assurance • Opportunity to provide shorter term contracts • Potentially more compatible with multiple operator options • Provides opportunity to retain specialists in professional golf management • Captures benefits of private sector wage and benefit structure	• Provides high level of City control over rates, policies, practices, and overall golf experience • Availability of City overhead support functions • Strong participation in upside financial performance • Potential benefits from lower private sector maintenance payroll/ benefits • Provides opportunity to retain specialists in golf operations and food and beverage • Preserves option to convert to alternative operating option
WEAKNESSES			
• Constrains ability of management to adapt and respond to dynamic market conditions • Entails high level of financial risk • Involves higher public sector wage and benefit structure for maintenance • Reduces opportunity to attract private capital due to reduced lessee control • Potential conflicts of multiple concessionaires • Relatively high City monitoring requirements	• Minimum operational and quality control • May involve long-term contractual commitment • Minimizes financial upside, particular in current market • Current weak market for facility leases • Potential conflicts over capital reinvestment responsibilities of contracting parties	• Requires more City involvement than facility lease option • Minimizes private capital investment in facilities. • Entails greatest level of City financial risk	• May constrain ability of management to adapt and respond to dynamic market conditions • Entails high level of financial risk • May involve higher public sector wage and benefit structure • Reduces opportunity to attract private capital due to reduced lessee control • Potential conflicts of multiple concessionaires • Relatively high City monitoring requirements

VIII. Economics of Golf Course Operating Options

The following section illustrates the comparative economics of the various golf course operating options available to the City of Santa Barbara. The options evaluated include the following:

- Management Agreement, with and without application of the City's Living Wage Ordinance
- Facility Lease
- Hybrid Model (current), assuming golf operations concessionaire, food and beverage concessionaire, and City maintenance
- Hybrid Model (modified), assuming golf operations concessionaire, food and beverage concessionaire, and contract maintenance

Summary Economics

A comparative summary of the economics related to each of the operating options outlined above is presented below. The economics illustrate the net cash flow accruing to the City under each option. An allowance for capital improvements/equipment costs and debt service (actual 2014 debt service) are deducted from net operating income, yielding net cash flow to the City for each option.

SBGC Comparative Baseline Operating Options Economics (thousands of constant 2014 dollars)						
	City Hybrid Actual FY2014	Hybrid		Management Agreement		Facility Lease
		City Maintenance*	Contract Maintenance	No Living Wage	With Living Wage	
Net Operating Income	$411.0	$380.7	$578.1	$805.3	$583.3	$445.2
Less: CIP Allowance	214.5	225.0	225.0	225.0	225.0	108.1
Less: Debt Service	264.8	264.8	264.8	264.8	264.8	264.8
Net Cash Flow	($68.3)	($109.1)	$88.3	$315.5	$93.5	$71.3
Variance From Hybrid Model w/ City Maint.	$40.8	---	$197.4	$424.6	$202.6	$180.4
* Represents current City hybrid model.						

Baseline Revenues

A baseline revenue estimate is first established in evaluating each of the golf course operating options. The revenue estimate is employed uniformly for the various options. The baseline revenue employed in the analysis is effectively actual FY2014 revenues, excluding any one-time revenue components. As shown in Table VIII-1, annual baseline revenue is indicated at just under $3.9 million, including nearly $1.4 million in food and beverage gross revenue.

Living Wage Ordinance

The City of Santa Barbara has adopted a "living wage" ordinance which stipulates a minimum hourly wage for businesses which are supplying services to the City on a contract basis, with some exemptions provided depending on the type of business and service provided. The current "living wage" is $16.70 per hour, with no additional benefits provided.

The living wage ordinance would apply to some of the operating options, while not affecting others. The following assumptions are employed in the analysis:

- The current hybrid model (golf operations concessionaire; food and beverage concessionaire; City course maintenance) is not subject to the Living Wage ordinance.
- A management agreement model may or may not be subject to the Living Wage ordinance, depending on the interpretation of the ordinance by City staff. This scenario is analyzed with and without the Living Wage.
- The Living Wage ordinance would not apply to the facility lease model.
- Contract golf course maintenance, in conjunction with any form of golf operations, would be subject to the Living Wage ordinance.
- The food and beverage operation would be structured such that it would be exempt from the Living Wage ordinance.

The effect of the Living Wage ordinance is reflected in higher operating expenses (payroll and benefits) for both golf course maintenance and golf operations relative to those operating options subject to the ordinance.

Operating Expenses

Annual operating expenses by major expense classification are shown in Table VIII-2. The expenses are shown both with and without application of the Living Wage ordinance, and are consistent with current staffing levels. The expenses relate to a single entity bearing responsibility for all of the golf course functions and departments. Note that food and beverage expenses are not included since the analysis is based on the premise that only the net contribution from food and beverage operations are included under revenue.

There is a $225,000 annual allowance or reserve for capital improvements replacement, which consists of approximately $150,000 for golf course and support facilities and $75,000 for maintenance equipment.

The expenses, which total $1.84 million per year assuming no Living Wage and $2.06 million with the Living Wage, are used in analyzing several of the operating options, including the management agreement model. The impact of the Living Wage is reflected in the golf course maintenance payroll and benefits line, golf operations (pro shop) payroll and benefits, and cart operation/outside services. In total, the differential in payroll and benefits between the scenario with the Living Wage versus the one without the Living Wage is approximately $220,000 per year, of which $150,000 is attributed to golf course maintenance.

Management Agreement

The economics of the management agreement operating option, whereby the City retains an outside management company or director of golf to administer all golf course functions (including food and beverage), is presented in Table VIII-3. As noted above, the management agreement model may or may not be subject to the Living Wage ordinance, and thus this option is evaluated with and without application of the ordinance.

Annual gross revenue totals $2,714,500, which includes the "net contribution" from the food and beverage operation, estimated at 15 percent of food and beverage gross revenue. That is, the net contribution of the food and beverage operation is included rather than total gross revenue, which reflects deductions for cost of sales and operating expenses. Cost of sales related to merchandise are deducted, resulting in gross profit of $2,571,800.

Assuming no Living Wage, deducting operating expenses from gross profit yields annual net operating income of $733,800. Allowances for City contract administration of $80,000 and the Citywide Overhead allocation of $73,500 are deducted, resulting in adjusted annual net operating income of $580,300. The current annual debt service obligation (264,800) is not deducted.

With the Living Wage applied, net operating income is projected at $511,800 after deducting cost of sales and operating expenses. Then, deducting an allowance for City contract administration and the Citywide Overhead allocation yields adjusted net operating income of $269,300 under the management agreement model. The current annual debt service ($264,800) is not deducted.

The management agreement model, assuming no Living Wage, produces the highest net operating income among the various models. The model also provides for a relatively high level of City control as the policies and fee structure is entirely set by the City, with input from the retained management individual/firm. The principal weakness of this model is that the City continues to bear most, if not all, of the financial risk.

Facility Lease

Based on the limited recent experience with municipal facility leases, the characteristics and performance of SBGC, and typical lessee operating economics, the economics related to a facility lease for all functions, excluding food and beverage operations, are based on the following representative lease terms. The terms are based on the assumption that the Living Wage ordinance does not apply. If the ordinance is applicable, the rental lease terms (minimum rent and percentage rental rates) would be adjusted downward to reflect the mandated higher wages.

Summary of Facility Lease Terms	
Term (years)	15
Renewal Options	none
Initial Lessee Capital Improvements	$500,000
Annual Base Rent	$300,000
Percentage Rent (% of departmental gross revenue	
Greens, Carts and Range	15.0%
Merchandise	5.0%
Instruction	5.0%
Food & Beverage	10.0%
Capital Improvement Replacement Reserve	5.0% of golf revenues (greens, carts, range)

Note that, given the current conditions of the golf course, a moderate level of initial lessee-funded capital improvements are required. To the extent that such improvements are not required, the minimum and percentage rent would be accordingly adjusted upward.

The rent paid by the lessee is equal to the greater of the minimum rent ($300,000 per year) or the percentage rents based on applying the rental rate factors to gross revenue. Typically, the minimum rent is set a about 75 percent of the expected percentage rent, and thus generally the minimum rent is exceeded by percentage rent.

Applying the percentage rent factors to the baseline annual gross revenue yields rent to the City, as shown in Table VIII-4 (note that rent due is the greater of “base rent” or “percentage rent” produced). Also included is the lessee’s required CIP replacement reserve contribution at 5.0% of “golf” gross revenue (greens fees, cart fees, and practice range revenue). A corresponding outflow for the City’s contribution to the capital improvement reserve fund and an allowance for City contract administration/overhead are deducted. Note that the capital improvement replacement reserve contribution is less than the scheduled allowance of $225,000 per year. The lower amount is attributed to the lessee providing maintenance equipment at their cost, and the initial lessee-funded capital improvements, estimated at $500,000, which reduces the ongoing capital needs.

As shown in the table, gross revenue (including the full food and beverage gross revenue) totals $3.85 million. Applying the percentage rental factors produces $597,700 to the City, including $108,100 in the capital improvement replacement reserve contribution. Deducting the reserve for capital improvements (assumed to be

equal to the contribution), a $80,000 allowance for City contract administration, and a $73,500 allowance for the Citywide Overhead allocation results in net cash flow to the City of $336,100. The current annual debt service ($264,800) is not deducted.

The facility lease option produces somewhat less net cash flow to the City than under the management model, but is accompanied by less financial risk. The level of City control and influence on the golf course operations and maintenance is clearly less than under the management model, although the City still retains control of greens fees and can set standards for maintenance. It should be noted that over the past 10-15 years, many municipalities have moved away from facility leases and towards management agreements. At the same time, the weakness in the golf market has curbed interest from the private sector for lease agreements.

Hybrid Agreement

There are numerous forms of operating agreements which combine aspects of the management and facility lease options. The current operating structure at SBGC--a golf operations concessionaire with City maintenance and overall administration--represents one such hybrid. An alternative hybrid operating agreement would involve a golf operations concessionaire and contract golf course maintenance. There are a number of private contractors which provide golf course maintenance on a fee-for-service basis. The analysis of this hybrid is predicated on application of the Living Wage ordinance under contract golf course maintenance.

Table VIII-5 illustrates the economics of these hybrid options. The projected revenue accruing to the City is shown with both continued City maintenance and with private contract maintenance, and compared with the current (FY 2014) actual results.

As with the current situation at SBGC, City revenue consists of 100 percent of greens fees, plus concession revenues from the golf operations and food and beverage functions, along with some miscellaneous income. In total, based on the assumed golf operations and food and beverage concession terms, total City revenue under this hybrid operating model is shown at $2,013,700. Note that the assumed concession terms are identical to the current terms recently negotiated between the City and the golf operations concessionaire. However, since the average percentage rent terms for FY2013 were slightly higher than the current term (the agreement was renegotiated during FY2014), the City revenue for the Hybrid model is slightly less than realized in FY2014.

Under the Hybrid model with City maintenance, golf course maintenance, clubhouse related expenses, general and administrative expenses, an allowance for capital improvements/equipment, and contract administration/ Citywide overhead are deducted, yielding $155,700 per year in net operating income. The current debt service is not deducted.

Under the Hybrid model with contract maintenance, the golf course maintenance expenses relate to private contract maintenance, based on application of the Living Wage ordinance. In addition, a 10 percent contractor fee is added to the projected cost, yielding a total maintenance budget of $1,140,700. The golf course maintenance expenses under contract maintenance are approximately $230,000 per year below

current City maintenance expenses. Deducting operating expenses, CIP reserves, and an allowance for contract administration/Citywide overhead results in net income of $353,100. Again, the current debt service is not deducted.

While there are some strengths of the hybrid model such as specialization in the various operating functions (maintenance, golf operations, food and beverage) and the City retains substantial control over operating policies, fees and maintenance quality, the hybrid model has a number of key weaknesses. Most notably is the absence of benefits related to a single coordinated operating entity where efficiencies of operation can be achieved and a more seamless and consistent product can be offered.

Summary of Options Economics

A comparative summary of the various operating models is presented in Table VIII-6. In comparing the economics of the various options, it is important to recognize that revenues are uniformly the same for each of the options--that is, all of the operating alternatives are assumed to be equally efficient, which may not be the case. Moreover, there clearly are varying degrees of risk, as well as upside participation, among the various alternatives.

Table VIII-1: SBGC Baseline Annual Gross Revenue (thousands of dollars)	
Department	**Baseline Projection (2014 dollars)**
Annual Total Rounds	62,500
Gross Revenue	
Greens Fees/Cards	$1,664.7
Cart Rentals	422.4
Practice Range	95.5
Merchandise	190.3
Food & Beverage	1,377.9
Other Pro Shop[1/]	85.2
Other Revenue	49.7
Total	$3,885.6
[1/] Includes pro shop rentals, lessons income, and other miscellaneous sources.	

Table VIII-2: Santa Barbara Golf Club Projected Annual Operating Expenses Management Agreement Model* (thousands of constant 2014 dollars)		
	No Living Wage	**With Living Wage**
Course Maintenance		
Payroll and Benefits	$480	$637
Services and Supplies	175	175
Utilities	225	225
Maintenance Equipment	---[1/]	---[1/]
Subtotal	$880	$1,037
Golf Operations		
Payroll and Benefits	$145	$180
Cart Leasing	58	58
Cart Operation/Outside Services	65	95
Range	20	20
Services and Supplies	25	25
Subtotal	$313	$378
Food & Beverage	---	
Undistributed Clubhouse	$30	$30
General & Administrative		
Payroll and Benefits	$120	$120
Insurance	40	40
Property Taxes	---	---
Marketing/Promotion	25	25
Credit Card	30	30
Services and Supplies	50	50
Management Fee	125	125
Subtotal	$390	$390
Total	$1,613	$1,835
Capital Improvement Replacement Reserve	$225	$225
Total	$1,838	$2,060

* Operating expenses relate to "management agreement" model, and thus assume non-City employment costs. The maintenance expenses also are employed in "hybrid model with living wage."

[1/] An annual allowance of $75,000 is included in CIP Reserve.

Table VIII-3: SBGC Projected Annual Net Operating Income--Management Agreement (thousands of constant 2014 dollars)		
Department	**No Living Wage**	**With Living Wage**
Gross Revenue		
Greens Fees/Cards	$1,664.7	$1,664.7
Cart Rentals	422.4	422.4
Practice Range	95.5	95.5
Merchandise	190.3	190.3
Food & Beverage--Net Contribution (@15%)	206.7	206.7
Other Pro Shop	85.2	85.2
Other Revenue	49.7	49.7
Total Gross Revenue	$2,714.5	$2,714.5
Less: Cost of Sales (merchandise)	142.7	142.7
Gross Profit	$2,571.8	$2,571.8
Operating Expenses		
Course Maintenance	$880.0	$1,037.0
Golf Operations	313.0	378.0
Food & Beverage	---	---
Clubhouse Undistributed	30.0	30.0
General & Administrative	390.0	390.0
Capital Improvement Replacement Reserve	225.0	225.0
Total Expenses	$1,838.0	$2,060.0
Net Operating Income (EBITDA)[1/]	$733.8	$511.8
Less: City Contract Administration	80.0	80.0
Citywide Overhead Allocation	73.5	73.5
Adjusted Net Operating Income (EBITDA)1/	$580.3	$269.3
[1/] Earnings before interest, taxes, debt and amortization, and before Citywide contract administration expenses.		

Table VIII-4: SBGC Projected Annual Net Lease Income Facility Lease (thousands of constant 2014 dollars)	
Department	**Annual Amount**
Gross Revenue	
Greens Fees/Cards	$1,664.7
Cart Rentals	422.4
Practice Range	95.5
Subtotal-Golf	$2,182.6
Merchandise	190.3
Food & Beverage--Net Contribution	1,377.9
Instruction/Other	97.5
Total Gross Revenue	$3,848.3
Percentage Rent to City	
Golf (greens fees, carts, range) @15%	$327.4
Merchandise @5%	9.5
Food & Beverage Rent (@10%)	137.8
Instruction/Other Pro Shop(@5%)	4.9
Other Revenue	10.0
CIP Reserve @5% of golf	108.1
Total Rent/CIP Contribution	$597.7
Less: CIP Expenditures/Reserve	108.1
City Contract Administration	80.0
Citywide Overhead Allocation	73.5
Net Income to City	$336.1
1/ Earnings before interest, taxes, depreciation and amortization, and before Citywide contract administration expenses.	

Table VIII-5: SBGC Projected Annual Net Operating Income--Hybrid Agreement With Golf Concessionaire (thousands of constant 2014 dollars)			
Department	**Current Hybrid Actual FY2014**	**City Maintenance***	**Contract Maintenance[2/]**
Gross Revenue			
Greens Fees/Cards	$1,664.7	$1,664.7	$1,664.7
Cart Rentals	422.4	422.4	422.4
Practice Range	95.5	95.5	95.5
Merchandise	190.3	190.3	190.3
Food & Beverage	1,377.9	1,377.9	1,377.9
Other Pro Shop	85.2	85.2	85.2
Other Revenue	12.3	12.3	12.3
Interest/Creeks Income	37.4	37.4	37.4
Total Gross Revenue	$3,885.6	$3,885.6	$3,885.6
City Revenue/Rent			
Greens Fees @100%	$1,664.7	$1,664.7	$1,664.7
Cart Rentals @ 30%	138.4	126.7	126.7
Practice Range @25%	28.7	23.8	23.8
Merchandise @4%	9.2	7.6	7.6
Food & Beverage @10%	139.1	137.8	137.8
Lessons/Other Pro Shop (@4%)	13.3	3.4	3.4
Other Revenue/Interest/Creeks	49.7	49.7	49.7
Total Revenue/Rent	$2,043.1	$2,013.7	$2,013.7
Less: Golf Course Maintenance	1,369.1	1,370.0	1,140.7[3/]
General & Admin/Clubhouse Expenses	71.4	71.4	71.4
City Contract Administration	118.1	118.1	150.0
CIP Reserve	214.5	225.0	225.0
Citywide Overhead Allocation	73.5	73.5	73.5
Subtotal	$1,846.6	$1,858.0	$1,660.6
Net Operating Income (EBITDA)[1/]	$196.5	$155.7	$353.1

* * Represents current City Hybrid model with current terms. [1/] Earnings before interest, taxes, debt and amortization; [2/] Assumes Living Wage ordinance; [3/] Represents maintenance expense with Living Wage, plus 10 percent contractor fee.

Table VIII-6: Comparative Baseline Operating Options Economics (thousands of constant 2014 dollars)						
Department	City Hybrid Actual FY2014	Hybrid		Management Agreement		Facility Lease[1/]
		City Maint*	Contract Maint with Living Wage	No Living Wage	With Living Wage	
City Revenue/Rent						
Greens Fees Revenue	$1,664.7	$1664.7	$1664.7	$1,664.7	$1,664.7	---
Golf Operations Revenue	---	---	---	793.4	793.4	---
Facility/Golf Ops Concession Rent	189.6	161.5	161.5	---	---	$449.9
Food & Beverage Rent	139.1	137.8	137.8	206.7	206.7	137.8
Other Revenue	49.7	49.7	49.7	49.7	49.7	10.0
Total	$2,043.1	$2,013.7	$2,013.7	$2,714.5	$2,714.5	$597.7
Less: Cost of Sales	---	---	---	142.7	142.7	---
Gross Profit	$2,043.1	$2,013.7	$2,013.7	$2,571.8	$2,571.8	$597.7
Operating Expenses						
Course Maintenance	$1,369.1	$1,370.0	$1,140.7[2/]	$880.0	$1,037.0	---
Golf Operations	---	---	---	313.0	378.0	---
G & A/Clubhouse	71.4	71.4	71.4	420.0	420.0	---
City Contract Administration	118.1	118.1	150.0	80.0	80.0	80.0
Citywide Overhead Allocation	73.5	73.5	73.5	73.5	73.5	73.5
Total	$1,632.1	$1,633.0	$1,435.6	$1,766.5	$1,988.5	$153.5
Net Operating Income (EBITDA)[3/]	$411.0	$380.7	$578.1	$805.3	$583.3	$445.2
Less: CIP Replacement Reserve	214.5	225.0	225.0	225.0	225.0	108.1
Debt Service	264.8	264.8	264.8	264.8	264.8	264.8
Net Cash Flow	($68.3)	($109.1)	$88.3	$315.5	$93.5	$71.3
Variance From Current Hybrid Model, With City Maintenance	$40.8	---	$197.4	$424.6	$202.6	$180.4

* Represents current City Hybrid model with current terms. [1/] Assumes no Living Wage ordinance; [2/] Assumes Living Wage ordinance; [3/] Earnings before interest, taxes, depreciation, debt service and amortization.

Pro Forma Advisors Qualifications and Experience

Pro Forma Advisors is a diversified consulting firm founded in 2008 which provides a wide range of research services in economics, finance, and market analysis. The four founding principals were senior partners at Economics Research Associates (ERA), one of the established and most experienced commercial recreation economic consulting firms in the country since its founding in 1958. ERA was acquired by AECOM in 2008 and incorporated in AECOM's planning and economics division. Pro Forma Advisors has carried on the commercial recreation practice, providing the same services and dedication to quality and client service ERA provided for over 50 years. The company website is www.proformaadvisors.com.

Pro Forma Advisors' principals are the most experienced golf economics consults servicing the western United States. Pro Forma's clients include municipalities, other public agencies, public / private joint ventures, private developers, financial institutions, and golf course operators. Pro Forma's assignments in the golf industry include market evaluations, financial analysis, management / operational audits, clubhouse evaluations, appraisals, and evaluations of golf course operating options.

Importantly, Pro Forma Advisors is a fully independent consulting firm with no other business lines such as brokerage, management, ownership, or association/affiliation with industry groups which would bias or prejudice the firm in any way. Advisory services offered include:

> Site Evaluation and Selection; Analysis of Market Feasibility; Financial Feasibility; Analysis of Financial Options; Operations Analysis; Analysis of Lease Arrangements; Developer/Operation Negotiations; Valuation/Appraisal.

The principals at Pro Forma Advisors have conducted well over 100 golf-related assignments in the western United States over the past 10 years. Pro Forma Advisors' golf advisory practice is heavily oriented to representing public entities, with the principals providing services to over 70 municipalities throughout the western U.S. region.

The principals at Pro Forma Advisors have conducted numerous relevant golf course operations assessments and business plan assignments. Mr. Krekorian, when employed at Economics Research Associates, was deeply involved with the planning and assessment of San Francisco's Harding Park redevelopment which will serve as the venue for the 2020 PGA Championship. As well, Mr. Krekorian was involved with some of the original planning and financial analysis for the Bandon Dunes Resort in southwest Oregon. Operational reviews for West Coast public agencies include the following:

West Coast Operational Review Assignments

1. City of Palo Alto (Palo Alto Municipal--Operations Review)
2. City of Oxnard (RiverRidge Golf Club--Operations Review)
3. County of Los Angeles (Marshall Canyon, Victoria Golf Course--Operations Review)
4. City of Los Angeles (Rancho Park, Griffith Park, Encino-Balboa--Master Plan Economics)
5. City of Mountain View (Shoreline Golf Links--Operations Review)
6. East Bay Regional Park District (Willow Park Golf Course--Operations Review)
7. City of Portland (Heron Lakes--Operations Review)

8. City of Modesto (Modesto Muni, Dryden Park, Creekside--Operations Review)
9. City of Santa Cruz (Delaveaga--Operations Review)
10. City of Walnut Creek (Boundary Oak Golf Club--Operations Review)
11. City of Anaheim (Dad Miller, Anaheim Hills--Operations Review)
12. City of Reno/County of Washoe (Rosewood Lakes, Washoe, Sierra Sage, Wildcreek, Northgate--Operations Review)
13. City of Ontario (Whispering Lakes--Operations Review)
14. City of Indian Wells (Golf Resort at Indian Wells--Operations Review)
15. City of Oceanside (Oceanside Municipal--Operations Review)
16. City of Chula Vista (Chula Vista Municipal--Operations Review)
17. City of Santa Barbara (Santa Barbara Muni--Operations Review)
18. City of Ventura (Olivas Links and Buenaventura--Operations Review)
19. City of Costa Mesa (Costa Mesa Country Club--Operations Review)
20. City of Manteca (Manteca Golf Course--Operations Review)
21. City of Seattle (West Seattle, Jackson Park, Jefferson Park--Operations Review)
22. City of Lynnwood (Lynnwood Golf Course--Operations Review)
23. City of Seattle (West Seattle, Jackson Park, Jefferson Park--Master Plan Economic Analysis)
24. City of Kent (Riverbend Golf Course--Operations Review)
25. County of Los Angeles (Marshall Canyon, Victoria Golf Courses--Strategic Master Plan)

Gene P. Krekorian, Principal, Pro Forma Advisors LLC

Mr. Krekorian has been involved with all of the assignments noted in Pro Forma Advisors' "experience and qualifications" material presented above. Highlights of his qualifications are outlined below:

- ✓ Principal Pro Forma Advisors LLC
- ✓ Over 35 years golf course consulting experience
- ✓ Major role in over 100 golf assignments over the past ten years
- ✓ Represented over 70 West Coast public agencies regarding golf issues
- ✓ Authored a series of articles on the golf industry, a principal contributor to ULI's "Golf Course Development and Real Estate, " and participated in numerous golf industry conferences
- ✓ Extensive knowledge and work experience on the Pacific Coast
- ✓ Certified General Real Estate Appraiser, specializing in golf course appraisal

A professional resume is presented below.

Gene P. Krekorian, Principal

Mr. Krekorian is a skilled golf course consultant with more than 35 years experience in the industry. He has been involved with various facets of the golf course industry including concept development, evaluation of market support for municipal, daily fee, and private country clubs, operations audits, analysis of public golf course operating options, analysis of financial performance, golf course valuation analysis, assessment of equity club conversion potential, and analysis of various other golf-related issues. The following are representative assignments conducted by Mr. Krekorian during tenure at multiple firms during his career.

Feasibility

- Harding Park Golf Course (redevelopment), San Francisco, California (City of San Francisco
- Sharp Park Golf Course (redevelopment), Pacifica, California (San Francisco Public Golf Alliance)
- Black Golf Golf Club, Yorba Linda, California (City of Yorba Linda)
- SilverRock Resort Golf Course, La Quinta, California (City of La Quinta)
- Tustin Ranch Golf Club, Tustin, California (The Irvine Company)
- Tijeras Creek Golf Club, Rancho Santa Margarita, California (Rancho Santa Margarita Company)
- The Raven at Sabino Springs, Tucson, Arizona (Perini Land and Development)
- Greyhawk Golf Club, Scottsdale, Arizona (Core North Associates)
- Desert Willow Golf Club, Palm Desert, California (City of Palm Desert)
- George Wright Golf Course (redevelopment), Boston, Massachusetts (Friends of George Wright/ Boston Parks Department)

Valuation/Appraisal

- Pelican Hill, Newport Coast, California (The Irvine Company)
- The Presidio Golf Club, San Francisco (National Park Service)
- Half Moon Bay Golf Links, Half Moon Bay, California (Ocean Colony Partners)
- Robert Trent Jones Golf Club, Lake Manassas, Virginia (Robert Trent Jones Golf Club)
- Shipyard/Port Royal Golf Club, Hilton Head, South Carolina (National Golf Properties)
- Orinda Country Club, Orinda, California (Aegon Insurance)
- Coyote Creek Golf Club, San Jose, California (Commonwealth Business Bank)
- Tour 18 Golf Club, Dallas, Texas (Wilshire State Bank)
- Oak Quarry Golf Club, Riverside, California (Wilshire State Bank)
- Lake Jovita Country Club, Lake Jovita, Florida (Wilshire State Bank)
- Horseshoe Bay, Texas (Horseshoe Bay Development)

Operations Audit/Reviews

- City of Los Angeles Golf Division (13 courses), Los Angeles, California (City of Los Angeles)
- Palo Alto Muni Golf Course, Palo Alto, California (City of Palo Alto)
- DeLaVeaga Golf Course, Santa Cruz, California (City of Santa Cruz)
- Wildcreek, Northgate, Rosewood Lakes, Sierra Sage, Washow, Reno Nevada (City of Reno, Washoe County, RSCVA)
- Jefferson Park, Jackson Park, West Seattle, Seattle, Washington (City of Seattle)
- Anaheim Hills Golf Course, Anaheim, California (City of Anaheim)
- Sunriver Resort, Sunriver, Oregon (Connecticut Mutual)
- Los Lagos Golf Course, Costa Mesa, California (City of Costa Mesa)
- Semiahmoo Resort, Blaine, Washington (Lehman Bros)
- Diablo Creek, Concord, California (City of Concord)
- Olivas Park, Ventura, California (City of Ventura)

Master Development Golf Strategies

- Irvine Ranch Long-term Golf Strategy, Irvine, California (The Irvine Company)
- The Woodlands Golf Development Strategy, Houston, Texas (The Woodlands Company)
- La Paloma Resort, Tucson, Arizona (La Paloma Development)

- Rancho Park/Encino-Balboa Golf Courses, Los Angeles, California (City of Los Angeles)
- Ventana Canyon Resort, Tucson, Arizona (Estes Company)

Public Agency Representation/Golf Operating Options

- Santa Barbara Golf Club, Santa Barbara, California (City of Santa Barbara)
- Shoreline Golf Links, Mountain View, California (City of Mountain View)
- Willow Park Golf Course, Castro Valley (East Bay Regional Park District)
- Mile Square Golf Course, Fountain Valley, California (Mile Square Associates)
- Oceanside Municipal Golf Course, Oceanside, California (City of Oceanside)
- Crystal Springs Golf Club, Burlingame, California (San Francisco PUC)
- Metropolitan Golf Links, Oakland, California (CourseCo/City of Oakland)
- Heron Lakes Golf Club, Portland, Oregon (City of Portland)
- Carlton Oaks Golf Club, Santee, California (City of San Diego)
- Trump National Golf Club, Rancho Palos Verdes, California (Palos Verdes Peninsula USD)

As demonstrated by the above sampling of completed assignments, Mr. Krekorian is a skilled golf course analyst. Some of the major clients he has served as consultant include The Irvine Company, The Woodlands Corporation, Connecticut Mutual, Los Angeles Athletic Club, Sunrise Corporation, the Bixby Ranch Company, Pacific Mutual, Lowe Enterprises, National Golf Properties, Lennar Homes, Starwood and other private developers/operators. Public clients include the City of Los Angeles, County of Los Angeles, City of Phoenix, San Francisco, Seattle, Anaheim, Santa Barbara, Poway, Rancho Palos Verdes, Carlsbad, Santa Ana, County of Los Angeles, Escondido, Costa Mesa, Ventura, Oxnard, Concord, and the National Park Service.

Prior to joining Pro Forma Advisors in 2010, Mr. Krekorian was a Partner with Economics Research Associates (ERA) for over 30 years until ERA was acquired by AECOM. Mr. Krekorian received a B.A. degree in Mathematics and Economics from Pomona College and a M.S. degree in Business Economics from the University of California at Los Angeles. Mr. Krekorian is a Certified General Real Estate Appraiser as licensed by the State of California.

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Katie Clark, Recreation Manager

MEETING DATE: February 15, 2023

SUBJECT: 2023-2024 Special Events Calendar

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

RECOMMENDATION

1. Approve the Fiscal Year 2023-2024 Special Events Calendar
2. Approve 7 proposed events as Special Events to be billed at full cost recovery rates
3. Approve 20 proposed events as City Sponsored Events and waive the fees for City staff support and equipment/facility usage
4. Allow alcohol to be served in the confines of a tent for the 4 music series events at Jewell Park per Municipal Code Section 11.04.020, Consumption in Public Spaces

DISCUSSION

At the beginning of each calendar year, the Recreation Board reviews a list of proposed Special Events scheduled to occur during the upcoming fiscal year (July – June) and then makes a recommendation for City Council to approve these events as classified pursuant to City Council Policy No. 900-1. The Recreation Board reviewed the proposed 2023-2024 Special Events Calendar, cost estimates and staff recommendations at the Recreation Board meeting held on January 26, 2023. The Recreation Board recommends that City Council approve the 2023-2024 Special Events Calendar and event classifications except for Pacific Grove Summer Lights. They recommend that a revised presentation for the Pacific Grove Summer Lights event be brought before the Recreation Board for review before being presented to City Council for final approval. After reviewing the Pacific Grove Summer Lights presentation, scheduled for the February 23, 2023 Recreation Board meeting, the Board will provide a recommendation to City Council with regards to the event. City Staff will bring forth the Pacific Grove Summer Lights event at a future Council meeting for approval and to include as an addition to the 2023-2024 Special Event Calendar.

The Fiscal Year 2023-2024 Special Events Calendar has 28 proposed events, which is an increase of 1 event from the prior year. The calendar and estimated costs associated with each event can be found within Attachment 1.

CITY COUNCIL POLICY 900-1: SPECIAL EVENTS

City Council Policy 900-1 Special Events provides clear guidance for all Special Events held within the City of Pacific Grove. This policy outlines the process for application submission, application review,

event classification, billing, late submissions and approval by City Council. Each year the application is posted during the summer. Completed applications are due by November 30th, reviewed by City Staff, presented to the Recreation Board in January, and then taken to City Council for final approval in February. This policy helps to ensure that a healthy and financially feasible balance between the number and scope of these events in relation to the ability of our neighborhoods, parks and facilities to accommodate such events remains in place. As such, Special Events are to be classified as either:

1. Special Events: These are Special Events that require exclusive use of City property and require support from Police, Fire and / or Public Works. Special Events will be deemed full cost recovery.

2. City Sponsored Events: These events include traditional events that are primarily hosted by the Chamber of Commerce, the School District, or the City and shall receive full City Support. These events will be noted annually on the Special Events Calendar for approval by the City Council.

PROPOSED CLASSIFICATIONS
Special Events (Full Cost Recovery): Events are billed at the full cost recovery rates for staff support and facility/equipment use. Most of these events consist of a variety of fundraisers, races, walks and car shows.

Special Events (Full Cost Recovery) include Hiroshima-Nagasaki Remembrance Day, Celebration of our Lady of Fatima, Classic Kick-Off Car Show, Legends of the Autobahn, AIM for Awareness Walk & Rally, BSIM Monterey Bay Half Marathon & 5K/By the Bay 3K, Rudolph Run 1K & 5K Walk/Run.
City Sponsored: All costs associated with these events including staffing and equipment/facility use are proposed to be waived, with an increased emphasis of utilizing volunteers whenever possible.

City Sponsored Events include 4th of July Celebration, Music in the Parks Series, Pet Parade, Pacific Grove Summer Lights Dance, National Night Out, Little Car Show, P.G. Concours Auto Rally, Walk with Pride, Butterfly Parade, Butterfly Days, Veterans Day Ceremony, Holiday Tree Lighting, Holiday Parade of Lights, Stillwell's Holiday in the Park, Quilt Show, Good Old Days, and the Walk of Remembrance.

Per Municipal Code Section 11.04.020, Consumption in public places, the City Council needs to approve the erection of a tent where beer and wine will be served in Jewell Park as part of the Music Series events. Per this section of the City's code, the City Council can grant permission for the consumption of alcohol as long as it is served in an enclosed building or a tent.

Pacific Grove Summer Lights: As specified previously, the Recreation Board requested to have City staff return to their February meeting with a revised report and presentation for the Pacific Grove Summer Lights event.

The Little Car Show: City Staff is recommending that the Little Car Show be a City Sponsored event as it has been in previous years. The Little Car Show is a unique event that draws hundreds to our downtown, but event organizers have expressed that they will not be able to continue to host the event unless it is once again City sponsored. When the event was City sponsored, the organizers donated all proceeds to the Youth Center and the Library, a pledge that they stated would continue if the event is City Sponsored. If the event is classified as full cost recovery, then they may have to withdraw their application and not proceed with the event in Pacific Grove. City staff feels that this unique event brings significant economic vitality to our downtown.

OPTIONS

1. Take no action
2. Provide alternate direction

FINANCIAL IMPACT:

Each application has been reviewed by City Staff including Public Works, Police, Fire and Recreation for safety, feasibility and all anticipated costs to be incurred by the City or sponsoring organization. City Staff is recommending that 7 events be classified as Special Events to be billed at full cost recovery rates. The fees for City personnel, equipment usage, facility rental, and all other permitting costs will be the responsibility of the organization hosting the event. City Staff is recommending 20 special events to be classified as City Sponsored Events. The fees for City personnel, including Public Works, Police, Fire and Recreation would be subsidized by the City of Pacific Grove. The fees for equipment usage, facility rentals, and any permitting charges would be waived.

Staffing costs for Public Works, Police, Fire and Recreation to provide city services such as setup and breakdown of equipment, crowd control and safety management, traffic control and other types of support have become very costly. The estimated staffing costs for all 28 events, including the Pacific Grove Summer Lights event, is $169,257.79. Fees for staffing, equipment/facility usage and permit processing from the full cost recovery events will provide an estimated $58,715.48 in revenue. The City of Pacific Grove will need to subsidize an estimated $110,542.31 in order to safely and successfully execute the 28 events listed on the proposed FY 2023-2024 Special Events Calendar. The estimated staffing costs for all 27 events and excluding the Pacific Grove Summer Lights event is $131,810.05. Fees for staffing, equipment/facility usage and permit processing from the full cost recovery events will provide an estimated $58,715.48 in revenue.The City of Pacific Grove will need to subsidize an estimated $73,094.57 in order to safely and successfully execute the 27 events listed on the FY 2023-2024 Calendar, excluding the Pacific Grove Summer Lights event. City staff will continue working with event organizers to reduce the City's associated costs of these events whenever possible by utilizing volunteers, community groups and students seeking community service hours.

The proposed Fiscal Year 2023-2024 Special Events Calendar provides a lineup of events that offer many benefits to our local community. These events allow our residents and visitors a chance to enjoy a variety of activities, support local businesses and non-profit groups, and engage with each other. The total economic impact and benefits in the form of increased Transient Occupancy and Sales taxes are not known, but special events traditionally have made a positive impact to the City's economy. Many of these events attract participants and visitors from outside the peninsula. Many of these same people return to participate in other Pacific Grove events.

GOAL ALIGNMENT: Not Applicable.

Attachments

2023-2024 Special Events Calendar
2023-2024 Special Events Cost Estimate
City Council Policy 900-1

City of Pacific Grove
2023-2024 Special Events Calendar

#	Event	Organization	Day	Date	Time	Location
1	4th of July Celebration	Chamber of Commerce	Tuesday	July 4, 2023	11:00 AM	Jewell Park
2	Music in the Park #1	Chamber of Commerce	Thursday	July 27, 2023	5:30 PM	Jewell Park
3	Pet Parade	Youth Ambassadors	Friday	July 28, 2023	2:00 PM	Downtown (Lighthouse Ave)
4	Pacific Grove Summer Lights Dance	Youth Ambassadors	Friday	July 28, 2023	6:00 PM	Chautauqua Hall
5	~~Pacific Grove Summer Lights~~	~~Youth Ambassadors~~	~~Saturday~~	~~July 29, 2023~~	~~11:00 AM~~	~~Lover's Point Park & Pier~~
6	National Night Out	City of Pacific Grove	Tuesday	August 1, 2023	5:00 PM	Caledonia Park
7	Hiroshima-Nagasaki Remembrance Day	Women's International League	Saturday	August 5, 2023	7:00 PM	Lover's Point Beach & Pier
8	Celebration of Our Lady of Fatima	Lady of Fatima Society	Sunday	August 13, 2023	Varies	Downtown (Lighthouse Ave)
9	Classic Motorsports Kick-Off	Classic Motorsports	Tuesday	August 15, 2023	2:00 PM	Downtown (Lighthouse Ave)
10	Little Car Show	Marina Motorsports	Wednesday	August 16, 2023	10:00 AM	Downtown (Lighthouse Ave)
11	Legends of the Autobahn	BMW Car Club	Thursday	August 17, 2023	9:00 AM	Pacific Grove Golf Links
12	PG Concours Auto Rally	PG Rotary Club	Friday	August 18, 2022	12:00 PM	Downtown| Chautauqua Hall
13	Music in the Park #2	Chamber of Commerce	Friday	August 25, 2023	5:30 PM	Jewell Park
14	AIM for Awareness Walk & Rally	AIM Youth Mental Health	Sunday	September 10, 2023	1:00 PM	Lovers Point Park
15	Walk With Pride	PG Pride	Saturday	September 16, 2023	9:00 AM	Recreation Trail
16	Music in the Park #3	Chamber of Commerce	Friday	September 29, 2023	5:30 PM	Jewell Park
17	Butterfly Parade	PG Unified School District	Saturday	October 7, 2023	10:30 AM	Downtown (Lighthouse Ave)
18	Butterfly Days	PG Heritage Society	Sat / Sun	October 7-8, 2023	Varies	Downtown |Chautauqua Hall
19	Music in the Park #4	Chamber of Commerce	Friday	October 27, 2023	5:30 PM	Jewell Park
20	Veterans Day Ceremony	City of Pacific Grove	Friday	November 11, 2023	TBD	TBD
21	BSIM 3K/5K & Mty Bay Half Marathon	Big Sur International	Sat / Sun	November 11-12, 2023	Varies	Lovers Point | Ocean View
22	Holiday Tree Lighting Ceremony	City of Pacific Grove	Monday	November 27, 2023	6:00 PM	Jewell Park
23	Holiday Parade of Lights	Chamber of Commerce	Friday	December 1, 2023	6:00 PM	Downtown (Lighthouse Ave)
24	Stillwell's Holiday in the Park	Chamber of Commerce	Saturday	December 2, 2023	11:00 AM	Caledonia Park | Chautauqua Hall
25	Rudolph Run 1K & 5K Walk/Run	Arthritis Research Coalition	Saturday	December 9, 2023	7:30 AM	Lovers Point | Ocean View
26	Quilt Show	Monterey Peninsula Quilters	Fri -Sun	May 4-6, 2024	Varies	Chautauqua Hall
27	Good Old Days	Chamber of Commerce	Fri-Sun	May 4-6, 2024	Varies	Downtown | Jewell Park
28	Walk of Remembrance	Museum of Natural History	Saturday	May 11, 2024	1:00 PM	Central Ave | Rec Trail
City Sponsored - 21		Full Cost Recovery (F. C. R.) - 7		~~Indicates event that requires additional information~~		

2023-2024 Special Events Budget Estimate

	Event Name	Staff Costs								Total Staff Costs	Other Fees	Usage Fees	Unsubsidized
		Public Works		Police		Fire		Recreation			All other fees	Facility/Parks	Without City Sponsorship
		Hrs	Costs	Hrs	Costs	Hrs	Costs	Hrs	Costs				
1	4th of July Celebration	8	$ 815.96							$ 815.96	$ 541.00	$ 1,432.00	$ 2,788.96
2	Music in the Park #1	10	$ 1,019.50	6	$ 1,463.88					$ 2,483.38	$ 245.00	$ 2,148.00	$ 4,876.38
3	Pet Parade	20	$ 1,826.00							$ 1,826.00	$ 219.00	$ 156.00	$ 2,201.00
4	Pacific Grove Summer Lights Dance	6	$ 547.80							$ 547.80	$ 350.00	$ 2,568.00	$ 3,465.80
5	~~Pacific Grove Summer Lights~~	~~175~~	~~$ 15,977.50~~	~~88~~	~~$ 21,470.24~~					~~$ 37,447.74~~	~~$ 1,422.00~~	~~$ 6,208.00~~	~~$ 45,077.74~~
6	National Night Out	4	$ 365.20							$ 365.20	$ -	$ -	$ 365.20
7	Hiroshima-Nagasaki Remembrance Day									$ -	$ 304.00	$ -	$ 304.00
8	Celebration of Our Lady of Fatima	4	$ 365.20							$ 365.20	$ 395.00	$ -	$ 760.20
9	Classic Motorsports Kick-Off	18	$ 1,771.74	10	$ 2,439.80					$ 4,211.54	$ 672.00	$ -	$ 4,883.54
10	Little Car Show	18	$ 1,771.74	22	$ 3,903.68					$ 5,675.42	$ 672.00	$ -	$ 6,347.42
11	Legends of the Autobahn	8	$ 730.40	28	$ 6,831.44					$ 7,561.84	$ 1,344.00	$ -	$ 8,905.84
12	PG Concours Auto Rally	18	$ 1,771.74	28	$ 6,831.44					$ 8,603.18	$ 672.00	$ -	$ 9,275.18
13	Music in the Park #2	10	$ 1,019.50	6	$ 1,463.88					$ 2,483.38	$ 245.00	$ 2,148.00	$ 4,876.38
14	AIM for Awareness Walk & Rally									$ -	$ 304.00	$ 1,638.00	$ 1,942.00
15	Walk With Pride									$ -	$ 304.00	$ 1,820.00	$ 2,124.00
16	Music in the Park #3	10	$ 1,019.50	6	$ 1,463.88					$ 2,483.38	$ 245.00	$ 2,148.00	$ 4,876.38
17	Butterfly Parade	50	$ 4,565.00	21	$ 5,123.58					$ 9,688.58	$ 1,059.00	$ -	$ 10,747.58
18	Butterfly Days	11	$ 1,004.30							$ 1,004.30	$ 1,177.00	$ 9,454.00	$ 11,635.30
19	Music in the Park #4	10	$ 1,019.50	6	$ 1,463.88					$ 2,483.38	$ 245.00	$ 2,148.00	$ 4,876.38
20	Veterans Day Ceremony	8	$ 730.40							$ 730.40			$ 730.40
21	BSIM 3K/5K & Mty Bay Half Marathon	30	$ 2,952.90	80	$ 19,518.40					$ 22,471.30	$ 4,540.00	$ 4,368.00	$ 31,379.30
22	Holiday Tree Lighting Ceremony	6	$ 611.97							$ 611.97			$ 611.97
23	Holiday Parade of Lights	60	$ 5,691.90	10	$ 2,439.80					$ 8,131.70	$ 1,059.00	$ -	$ 9,190.70
24	Stillwell's Holiday in the Park	6	$ 611.97							$ 611.97	$ 654.00	$ 468.00	$ 1,733.97
25	Rudolph Run 1K & 5K Walk/Run	30	$ 2,952.90	15	$ 3,659.70					$ 6,612.60	$ 1,016.00	$ 2,912.00	$ 10,540.60
26	Quilt Show	8	$ 730.40							$ 730.40	$ 350.00	$ 7,704.00	$ 8,784.40
27	Good Old Days	100	$ 23,894.50	64	$ 15,614.72					$ 39,509.22	$ 3,590.00	$ 4,833.00	$ 47,932.22
28	Walk of Remembrance	3	$ 338.07	6	$ 1,463.88					$ 1,801.95	$ 428.00	$ 728.00	$ 2,957.95
									Totals	**$ 169,257.79**	**$ 22,052.00**	**$ 52,881.00**	

City Sponsored = 21 Events
Full Cost Recovery (F. C. R.) = 7 Events

Total Staffing Costs*	**$ (169,257.79)**
Full Cost Recovery Staffing*	**$ 41,222.48**
Full Cost Recovery Fees	**$ 17,493.00**
Total Net Loss**	**$ (110,542.31)**

*All estimates are based on projected hours & resources submitted in application by event organizers.
*Employee costs are based on Fully Burdened Rates for employees.
**Model reflects amount to be subsidized by the City with approval of proposed City Sponsored Events

CITY OF PACIFIC GROVE
CITY COUNCIL POLICY

SUBJECT	POLICY NO.	EFFECTIVE DATE	PAGE NO.
Special Events	900-1	February 16, 2011	1 of 3

PURPOSE

The intent of this policy is to provide guidance for the conduct of special events in the City and ensure an appropriate balance between the number and scope of special events with the ability of City neighborhoods and facilities to adequately handle such events.

POLICY

I. General

The City shall have the discretion to limit the number of special events in any fiscal year.

All special events will be limited to those activities that benefit Pacific Grove residents or businesses.

Most special events are either one-time or annual. Certain special events, such as the Farmers' Market, are periodic and ongoing.

The Council reserves the right to take actions creating exceptions to this policy in the event of special circumstances.

Americans with Disabilities Act (ADA) Requirements

The ADA requires the City of Pacific Grove and public accommodations to provide equitable access for people with disabilities. Event organizers are expected follow ADA guidelines and provide and maintain access for people with disabilities. This may include providing a clear path of travel to and on sidewalks, curb cuts and restrooms; maintaining already-designated parking for people with disabilities, providing additional parking for people with disabilities if parking is provided; and providing accessible restrooms.

Non-Discrimination Policy

The City of Pacific Grove (City) requires that no person shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity on the grounds of race, color, sex, age, disability or national origin, as provided by Title VI of the Civil Rights Act of 1964, and the Civil Rights Restoration Act of 1987 (P.L. 100.259) or due to breastfeeding in a public place, gender identity, marital status, political ideology, religion, sexual orientation, or military status or veteran status. The City of Pacific Grove also includes immigration status, ethnic background and Neurodivergent people, in its non-discrimination policy. The City further assures every effort will be made to ensure nondiscrimination and inclusivity in all of its programs and activities, whether those programs and activities are federally funded or not. Permitted special events must comply with the City's nondiscrimination policy and all applicable City, state and federal laws, rules and regulations.

*Neurodivergent or ND refers to variations in the human brain and cognition, for instance in sociability, learning, attention, mood and other mental functions.

II. Types of Special Events

The City will create an annual calendar of special events. Events included in the annual calendar shall have first priority for the scheduled locations and times. Requests for inclusion in the annual calendar shall be submitted to the City by November 30th for any event to be held during the following fiscal year.

Such events will not be approved if they conflict with already approved events. Events requiring City Council approval are those that:

- Require City sponsorship or other City support;
- Preclude others from using an entire outdoor public facility (e.g., Caledonia Park);
- Are likely to have a significant impact on substantial numbers of residents or businesses (e.g., closure of multiple or high-traffic streets for a significant amount of time, as determined by the City Manager); or
- Have other characteristics that warrant public consideration by the Council.

More limited events may be approved by staff. A neighborhood event, requiring closure only of a neighborhood street, for example, would not require Council approval. In these cases, those persons incurring the costs of the street closure are the same persons benefiting from the event.

III. Information Required

Each application for special events shall contain the following information:

A. A description of the proposed event.
B. A statement of the purpose of the event and its benefits to the City including actions of inclusivity that are reflective of the diverse community which we aim to be.
C. The name of the sponsoring organization.
D. The date, location, and time (to include preparation and clean up) of the event. In the case of a race or parade, a map of the proposed route shall be submitted.
E. An estimate of the number of participants and/or spectators.
F. A description of City facilities, support, and personnel required.
G. A list of personnel to be provided by the sponsor.
H. A description of parking arrangements for the event.
I. If electronic sound amplification equipment will be used, an application for the necessary permit shall be made as required by Chapter 11.94 of the Pacific Grove Municipal Code.
J. A description of the proposed refuse management and recycling program for plastics, glass, paper, and aluminum during the event.
K. A listing of accommodations provided by the sponsor pursuant to the Americans with Disabilities Act.
L. A listing of fees proposed to be charged, commercial sales, commercial filming, and the service or sale of food and/or alcohol.

III. Conditions of Permit

Once the Council approves an application, the sponsoring organization shall comply with the following conditions:

A. At least 30 days prior to the event, furnish the City with a certificate of insurance in an amount not less than $2 million naming the City of Pacific Grove as an additional insured. Such insurance shall be primary to any City insurance, and the City must have at least ten days' notice of cancellation.

B. The sponsoring organization shall reimburse the City for all direct and incidental expenses for the use of the City personnel and facilities. The sponsor has the option of using volunteers or other non-City personnel for some functions (e.g., placing barricades, emptying public trash cans, etc.) Other functions (e.g., Police security) require City personnel. The City has the absolute discretion to determine the number of personnel who will be provided for a particular event.

C. The sponsor is responsible for all sign removal, litter control, clean-up activities, and for providing necessary containers and personnel for recycling activities, as determined by the City.

D. The sponsor shall provide portable restroom facilities if deemed necessary by the City and in compliance with the ADA.

E. The sponsor shall be advised that the sponsor is responsible for determining what, if any, accommodations are required of sponsor pursuant to the American with Disabilities Act.

F. An approved Special Event Application is required for all groups and shall be in the possession of the sponsor or representative at the event.

G. The City will review applications and additional approvals may be deemed necessary.

H. If amplification is to be used a deposit of $500 will need to be paid along with the application fee. If it is determined that amplification exceeds allowable levels or has locations have not been preapproved by City Staff then the deposit may not be returned.

The City of Pacific Grove reserves the right to revoke permissions for an event at any time.

IV. Event Classifications

The Council established the following classification of events to be used in determining the events scheduled for each calendar year: Special Events and City Sponsored Events.

Special Events: These are Special Events that require exclusive use of City property and require support from Police, Fire and / or Public Works. Special Events will be deemed full cost recovery

City Sponsored Events: These events include traditional events that are primarily hosted by the Chamber of Commerce, the School District, or the City and shall receive full City Support. These events will be noted annually on the Special Events Calendar for approval by the City Council.

V. Review, Approval, and Scheduling of Events

All activities approved are authorized for the subsequent year only and, continued Council approval should not be assumed. Activities may be discontinued if they become too large or if they create problems that would substantially disrupt the peace and quiet of a neighborhood.

Should the City receive requests for more activities than may be accommodated, the City will establish an appropriate random drawing type of system or other suitable method for determining those activities to be approved.

Completed special event applications received by November 30 will be given priority for the upcoming fiscal year July 1 – June 30. Key dates for review and approval are:

- November – Recreation Department receives completed applications
- December – Staff prepares recommendation
- January – Recreation Board prepares recommendation
- February – Council approves events, calendar, and city sponsorship
- March – Staff publishes Special Events calendar

Completed special event applications received after November 30 (off-cycle) shall be considered if:

1. Not in conflict with approved special events or issued park/facility permit
2. Received a minimum 150 days in advance of the event
3. Off-cycle events brought forward for review will not be recommended as "City
4. Sponsored" special events.

Off-cycle applications will undergo the same review and approval process as for applications received by November 30.

Adopted: July 20, 2022 by Minute Order.
Adopted: July 6, 2022 by Minute Order
Adopted: April 16, 1986-Resolution No. 5705
Amended: January 7, 1987-Resolution No. 5787
Amended: February 5, 1992-Resolution No. 6238
Amended: March 3, 1993-Resolution No. 6331
Amended: November 15, 1995-Resolution No. 6489
Amended: November 5, 1997-Resolution No. 7-057
Amended: June 2, 2010-Resolution No. 10-044
Amended: February 16, 2011-Resolution No. 11-012
Amended: October 17, 2018 – Resolution 18-037

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Steve Lilley, Planning Commission Chair

MEETING DATE: February 15, 2023

SUBJECT: Historic Determination 22-0255 for 1352 Lighthouse Avenue (APN 007-011-005)

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

RECOMMENDATION

The Planning Commission recommends that the City Council fund a Phase 1 historical resource assessment by an independent, qualified historical consultant to determine if the property at 1352 Lighthouse Avenue is eligible to be put on the Historic Resources Inventory (HRI).

DISCUSSION

With the recent sale of the NOAA building, located at 1352 Lighthouse Avenue, there has been significant public interest and comment about placing this property on the HRI. Pacific Grove Municipal Code (PGMC) 23.76.030 specifies that properties can be added or removed from that Historic Resources Inventory by initiation either of the Historic Resources Committee (HRC) or the property owner.

While the HRC can initiate the process of adding properties to the HRI, the City has neither the staff nor a consultant under contract with the necessary knowledge and qualifications to conduct historic screenings of buildings and provide the necessary evidence to list structures on the HRI. Therefore, in order to consider listing the NOAA building on the HRI, the City Council will need to approve a contract with a qualified individual and/or firm to evaluate the building and prepare a Phase I report using the criteria established in PGMC Section 23.76.025, as listed below:

(a) Whether the structure has significant character, interest or value as part of the development, heritage or cultural characteristics of the city of Pacific Grove, the state of California, or the United States;
(b) Whether it is the site of a significant historic event;
(c) Whether it is strongly identified with a person who, or an organization which, significantly contributed to the culture, history or development of the city of Pacific Grove;
(d) Whether it is a particularly good example of a period or style;
(e) Whether it is one of the few remaining examples in the city of Pacific Grove possessing distinguishing characteristics of an architectural type or specimen;
(f) Whether it is a notable work of an architect or master builder whose individual work has significantly influenced the development of the city of Pacific Grove;
(g) Whether it embodies elements of architectural design, detail, materials or craftsmanship that represent a significant architectural innovation;

(h) Whether it has singular physical characteristics uniquely representing an established and familiar visual feature of a neighborhood, community, or of the city of Pacific Grove;
(i) Whether a resource with historical or cultural significance retains historic integrity.

At its September 28, 2022, regular meeting, the HRC conducted a public hearing on this matter and voted, "To make a recommendation to the City Council to direct staff to contract with a qualified individual, different one than what the owner used, to evaluate the property and make a determination of eligibility, and that the chair will be speaking about this to the City Council."

At its October 13, 2022, regular meeting, the Planning Commission voted to call up this item for review at a public hearing scheduled for the November 10, 2022, meeting. Reasons for this action included the need to conduct a timely review of the Phase I report prepared by the property owner's historical consultant. The report was not available until the day prior to the HRC meeting. In addition, the HRC was unable to question the historical consultant about the Phase I report, as he could not log into the meeting. In addition, the HRC did not ask staff to describe protections already in place for the property through our local coastal plan or zoning.

At its regular meeting of November 10, 2022, the Pacific Grove Planning Commission conducted a de novo hearing on the item. The Commission received 20 letters from citizens regarding this item; at the public hearing, a total of 20 different people made presentations.

At the conclusion of the hearing, which lasted two (2) hours and twenty (20) minutes, the Planning Commission voted four (4) to three (3) to recommend, "The City Council request a historical resource assessment to determine if the property at 1352 Lighthouse Avenue is eligible to be put on the HRI, and the Chair represent the Planning Commission to the City Council at some future meeting to recommend we do a Phase I review of the property on Lighthouse." The Commission did not take a position on whether the property should be listed on the HRI.

GOAL ALIGNMENT:
The Planning Commission's recommendation complies with several goals or policies identified in the current General Plan.

- Parks and Recreation, Chapter 5

The property at 1352 Lighthouse Avenue is part of the Pt. Pinos Lighthouse Reservation, as identified as "Other Parks, Recreational Facilities, and Open Space Areas," #28 on figure 5-1, page 95 of the General Plan.

The Planning Commission's recommendation addresses the following goal/policy:
"Goal 2, Policy 4: Protect sensitive habitats, natural landforms, and scenic resources in planning for recreation facilities and for open space, taking into account the carrying capacity of the areas."

- Historical and Archaeological Resources, Chapter 7

As stated in Chapter 7.4, page 126 of the General Plan, "The purpose of preservation is to identify, protect, and preserve the structures of Pacific Grove's cultural and architectural history, to assert pride in the community and what makes it unique, and to draw on the past as an invaluable guide for future growth."

The Planning Commission's recommendation addresses the following goals/policy:
"Goal 1, Policy 9: Promote the preservation and enhancement of historic neighborhoods, commercial areas, and government districts.
"Goal 2: Foster an understanding and appreciation of Pacific Grove's history and architecture.
"Goal 4: Protect Pacific Grove's archaeological resources."

OPTIONS

1. Deny the recommendation of the Planning Commission to retain the services of a qualified, third-party historical consultant to complete a Phase I study of the property at 1352 Lighthouse in order to determine if it is eligible for listing on the HRI.
2. Determine the property at 1352 Lighthouse Avenue is ineligible for listing on the HRI.

FINANCIAL IMPACT:

There is a fiscal impact associated with retaining a qualified, third-party historical consultant. Funds have not been included in the Fiscal Year 22/23 Budget. It is believed that the cost for a historical consultant would fall within the City Manager's spending authority.

If this item is approved, a budget amendment ordinance will be generated to amend the Fiscal Year 22/23 Budget. It is anticipated there should be sufficient funds available in the unassigned general fund balance to support this contract.

GOAL ALIGNMENT: Not Applicable.

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

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Luke Coletti, Councilmember, Lori, McDonnell, Councilmember
MEETING DATE:	February 15, 2023
SUBJECT:	Wildlife Disturbances Caused by Operation of Unmanned Aircraft Systems ("drones")
CEQA:	Does not constitute a "Project" per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive report regarding wildlife disturbances caused by operation of unmanned aircraft systems ("drones").

DISCUSSION

The City of Pacific Grove is seeing an increase in the number of Recreational Unmanned Aerial Vehicles (UAVs) or Systems (UASs), also referred to as "drones," being flown within the city limits that are impacting our wildlife. Likely reasons for the increase include:

- An increasing hobbyist drone market, as evident from the number of interactions with Volunteer Naturalists monitoring our local wildlife along the city's coastline.
    - The researcher who ran Monterey Audubon's Seawatch migratory seabird census at Pt. Pinos for six weeks in November -December of 2022 reported "Almost every day of my 45-day stint at Pinos, I saw at least one UAV being flown in the immediate vicinity of Pt. Pinos. To see multiple (generally 2-3) UAVs being flown daily was the norm I observed, and on a few days there were at least 4."
    - Data from the Central Coast Black Oystercatcher Monitoring Program shows an increase in documented drone disturbances.
- Increased demand for drones used in research.
    - Data for permitted research drones being flown in the NOAA Overflight restricted area (NROZ) shows an increase in research drone flights from 1 flight in 2017 to 124 flights in 2022.

Detection of illegal flights often falls to the various agencies whose volunteers monitor the wildlife including Bay Net (NOAA) and the Central Coast Black Oystercatcher Monitoring Program (BLM/Monterey Audubon). Numerous cases of drone flights disturbing wildlife, including nesting shorebirds and harbor seals, have been documented by these volunteers, but they lack enforcement authority.

While the current Pacific Grove drone ordinance prohibits the flying of unmanned aircraft without a

permit, it does not contain language indicating that it is unlawful to disturb the wildlife as included in the Marine Mammal Protection Act, The Endangered Species Act, Migratory Bird Treaty Act, and Airborne Hunting Act (see below). These federal acts prohibit the disturbance of a variety of species and apply to drone operations.

PG Municipal Code 11.72.010: It is unlawful for any person to launch or land an aircraft, including a helicopter, drone, or other unmanned aircraft, without a permit. [Ord. 17-025 § 2, 2017; Ord. 1511 N.S. § 1, 1986].

The Code of Federal Regulations, in Subpart M - Monterey Bay National Marine Sanctuary, § 922.132 Prohibited or otherwise regulated activities. prohibits disturbances to marine mammals or seabirds. Although the City of Pacific Grove opted not to be included in the designated Marine Protected Areas (MPAs) at the time of their creation, this statute clearly indicates "Failure to maintain a minimum altitude of 1,000 feet above ground level above any such zone is presumed to disturb marine mammals or seabirds."

Airborne Hunting Act (16 U.S. Code § 742j–1):
Any person who—
(2) uses an aircraft to harass any bird, fish, or other animal; or
(3) knowingly participates in using an aircraft for any purpose referred to in paragraph (1) or (2);
shall be fined not more than $5,000 or imprisoned not more than one year, or both.
(*) "Aircraft" is defined in this provision as any contrivance used for flight in the air.

Next Steps:

Banning recreational drones flights is an important step in mitigating negative impact on our protected and sensitive wildlife and the privacy of our residents and visitors. It would enable research and limited commercial drone flights to be more easily monitored and managed, make enforcement easier, and provide regulatory consistency with Pebble Beach, Asilomar State Park, and all National Parks, which have outlawed recreational drones.

OPTIONS

Do nothing.
Provide alternate direction.

FINANCIAL IMPACT:

There is no financial impact in receiving a report.

GOAL ALIGNMENT: Not Applicable.