NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

SPECIAL MEETING AGENDA

Wednesday, June 18, 2025, 5:00 P.M.

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

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

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

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

Join the Zoom Meeting to participate live at:
https://www.cityofpacificgrove.org/Zoom_Closed

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

AGENDA

CALL TO ORDER

SPECIAL MEETING

PUBLIC COMMENT ON SPECIAL MEETING MATTERS

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

A. Conference with Real Property Negotiators (Government Code § 54956.8)
Property: 77 Asilomar, Pacific Grove (Pacific Grove Golf Links)
Agency Negotiator(s): Matthew Mogensen, City Manager and Nick Cina, Management Analyst
Negotiating Party(ies): Michael Sharp, PGA, President/CEO, CourseCo Inc.
Under negotiation: Price and terms of payment

B. A. Conference with Real Property Negotiators (Government Code § 54956.8)
Property: 79 Asilomar (Point Pinos Grill)
Agency Negotiator(s): Matthew Mogensen, City Manager and Nick Cina, Management Analyst
Negotiating Party(ies): Tamie Aceves, owner, La Crème Hospitality, Inc.
Under negotiation: Price and terms of payment

1. Written Public Comment

ADJOURNMENT

NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING AGENDA

Wednesday, June 18, 2025, 6:00 P.M.

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

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

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

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

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

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

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

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

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

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE: Councilmember Walkingstick

1. **APPROVAL OF AGENDA**

2. **PRESENTATIONS**

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

   A. Report on Closed Session by City Attorney

   B. Other

4. **GENERAL PUBLIC COMMENT**

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

   A. Written General Public Comment

CONSENT AGENDA

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

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

Items pulled from this section will be placed under 12. Unfinished and Ongoing Business

   A. Minutes of the City Council June 4, 2025 Special and Regular Meetings **PG 9**
   Reference: Sandra Kandell, City Clerk
   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. Resolution Setting the Appropriations Limit for FY 2025-2026 **PG 17**

Reference: Fred Marsh, Administrative Services Director

Recommended Action: Approve a resolution setting the Appropriations Limit for Fiscal Year 2024-2025

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

7. **ORDINANCES**

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

A. Second Reading of an Ordinance Amending the Salary Classification Schedule

Reference: Leticia Livian, Human Resources Director **PG 90**

Recommended Action: Hold second reading and adopt an ordinance to amend the salary classification schedule and approve the amendment.

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

B. Second Reading of an Ordinance to Adopt the Fiscal Years 25-26 and 26-27 Operating and Capital Improvement Budget **PG 97**

Reference: Fred Marsh, Administrative Services Director

Recommended Action: Hold second reading of an ordinance to adopt the Fiscal Years 25-26 and 26-27 Operating and Capital Improvement Budget

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

C. Second Reading of an Ordinance Repealing Chapter 3.40 of the Pacific Grove Municipal Code on the Economic Development Commission **PG 277**

Reference: Matthew Mogensen, City Manager

Recommended Action: Hold second reading of an Ordinance of the City Council of the City of Pacific Grove Repealing Chapter 3.40 of the Pacific Grove Municipal Code on the Economic Development Commission.

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. Check Register and Core Fund Summary - May 2025 **PG 285**

Reference: Nicholas Cina, Finance Management Analyst

Recommended Action:

1. Receive the Check Register and Core Fund Summary.
2. Alternatively, discuss and take other action related to this item.

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

9. **REPORTS – REQUIRING ACTION**

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

A. Amended Agreement with HdL Companies for Sales Tax, Business Licenses, and TOT Collection and Compliance Services **PG 295**

Reference: Lori Frati, Finance Manager

Recommended Action: 1. Authorize the Mayor to amend the existing agreement with HdL Companies for a 2-year extension to June 30, 2027 (renewable for an additional 2 years thereafter) in the amount not to exceed $60,000 for the following:

- Sales, Use and Transactions Tax Auditing and Information Services;
- Business License Tax Operations and Compliance Services;
- Transient Occupancy Tax Operations Management Services; and

2. Alternatively, discuss and take other action related to this item.

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

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

A. Historic Resources Committee Meeting Minutes: December 2024 through April 2025

Reference: Garrett McCown, Associate Planner **PG 326**

Recommended Action: Receive 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.

A. Consider Appeals of Coastal Development Permit (CDP) 25-0031, Recreation Trail Realignment within the Ocean View Blvd Right-of-Way, Pacific Grove **PG 349**
Reference: Joseph Sidor, Contract Planner
Recommended Action: Staff recommends the City Council deny the appeals and approve Coastal Development Permit (CDP) 25-0031, subject to the findings, recommended conditions, and CEQA Class 1 and 2 categorical exemptions.
CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class I, Existing Facilities

B. First reading of an Amendment to Cannabis Licensing Ordinance, Approval of Cannabis Administrative Regulations & Adoption of Cannabis License Application Fee **PG 377**
Reference: Matthew Mogensen, City Manager
Recommended Action:

1. Request the City Attorney to read the title of the Amendment to the Cannabis Licensing Ordinance.
2. Motion to waive further reading of the ordinance.
3. Introduce and hold first reading of the Amendment to the Cannabis Licensing Ordinance.
4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.
5. Adopt the Resolution Approving the Application Procedures & Guidelines for Storefront Retail Commercial Cannabis Business License.
6. Adopt the Resolution Establishing the Application Fee for a Storefront Retail Commercial Cannabis Business License.

CEQA: Proposed Ordinance not subject to CEQA based on Guideline Sections: 15060(c)(3) and 15378; 15060(c)(2); 15061(b)(3); and 150308

C. First Reading of an Ordinance Repealing and Replacing PGMC Chapter 18.32.080 to adopt the 2025 Fire Hazard Severity Zone Map for the City as identified by the California State Fire Marshall in Accordance with Government Code Section 51178 **PG 403**
Reference: Matthew Mogensen, City Manager
Recommended Action:

1. Request the City Attorney to read the title of the Ordinance.
2. Motion to introduce an Ordinance Repealing and Replacing PGMC Chapter 18.32.080 to adopt the 2025 Fire Hazard Severity Zone Map for the City as identified by the California State Fire Marshall in Accordance with Government Code Section 511783.
3. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.
4. Other action related to this Agenda Item

CEQA: Statutory Exemption, CEQA Guidelines Section 15268, Ministerial Projects

12. **UNFINISHED AND ONGOING BUSINESS**

13. **NEW BUSINESS**

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

A. Conference with Labor Negotiators (Government Code § 54957.6)
City designated representative: City Attorney
Employee: City Manager

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: June 18, 2025

SUBJECT: Minutes of the City Council June 4, 2025 Special and Regular Meetings.

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

RECOMMENDATION

Approve minutes.

Attachments

Draft Minutes 6-4-25

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

SPECIAL MEETING

Wednesday, June 4, 2025, 5:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

Join the Zoom Meeting to participate live at:
https://www.cityofpacificgrove.org/Zoom_Closed

CALL TO ORDER
Mayor called the meeting to order at 5:00 p.m. Present in Chamber: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, and Rau. Absent: Councilmembers Poduri and Walkingstick. Councilmember Poduri arrived at approximately 5:05 p.m.

APPROVAL OF THE AGENDA
Action: Closed Session Agenda item B was incorrectly noticed and removed from the Closed Session Agenda.

Action: Upon motion by Mayor Pro Tem Amelio and seconded to Councilmember Rau, Council voted 5-0-2, Councilmembers Poduri and Walkingstick absent, to approve the agenda as amended removing item B from the Closed Session Agenda.

SPECIAL MEETING

PUBLIC COMMENT ON SPECIAL MEETING MATTERS
No public comment received.

A. Public Employment, (Government Code § 54957)
Title: City Manager Performance Evaluation

B. ~~Conference with Labor Negotiators (Government Code Section 54957.6)~~ ***This item removed from the Closed Session Agenda.***
~~City Negotiators: Matthew Mogensen, City Manager, Fred Marsh, Administrative Services Director, Che Johnson, Esq. Liebert, Cassidy Whitmore~~
~~Employee Organization: Police Officers Association~~

1. Written Public Comment

DRAFT

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING

Wednesday, June 4, 2025, 6:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

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

CALL TO ORDER
Mayor called the meeting to order at 6:00 p.m. Present in Chamber: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Poduri, Rau, and Walkingstick.

PLEDGE OF ALLEGIANCE:
Councilmember Garfield led the pledge of allegiance.

1. **APPROVAL OF AGENDA**
Upon motion by Councilmember Poduri and seconded by Mayor Pro Tem Amelio, Council voted 6-0-1, Councilmember Walkingstick absent, to approve the agenda.

2. **PRESENTATIONS**
A. Pride Month Proclamation
Action: Received the presentation.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

3. **COUNCIL AND STAFF ANNOUNCEMENTS (City-Related Items Only)**
A. Report on Closed Session by City Attorney

Public Employment, (Government Code § 54957)
Title: City Manager Performance Evaluation

City Attorney Brian Pierik reported no action taken as to the closed session agenda item.

B. Council and staff made general announcements.

4. **GENERAL PUBLIC COMMENT**
General Public Comment received from Mike Gibbs, unnamed speaker, Lisa Ciani, Vince Tuminello, and Inge Lorentzen Daumer.

A. Written General Public Comment

CONSENT AGENDA
Action: Consent Agenda item 6A and pulled and considered immediately following the Consent

Agenda.

Action: Consent Agenda items 8A and 9B were pulled and considered at the end of the Regular Agenda.

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Poduri, Council voted 6-0-1, Councilmember Walkingstick absent, to approve the Consent Agenda as modified.

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

A. Minutes of the City Council May 21, 2025 Regular Meeting
Action: Approved the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

6. **RESOLUTIONS**

A. GreenWaste FY 25/26 Rate Increase ***This item was pulled and considered immediately following the Consent Agenda.***
Reference: George Fuerst, Environmental Programs Manager.
Recommended Action: Adopt a resolution affirming the accuracy of GreenWaste Recovery rate increase, per the franchise agreement, of 3.80% for FY 25/26.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

7. **ORDINANCES**

A. Local Coastal Program Amendment - Coastal Hazards
Action: Held a second reading and adopted Ordinance No. 25-008 amending Pacific Grove Municipal Code Section 23.90.140(b); and directed City Staff to transmit the amendments to the California Coastal Commission for confirmation by the Coastal Commission at their next regular meeting and incorporation into the City's Local Coastal Program.
CEQA: Statutory Exemption, CEQA Guidelines Section 15265, Adoption of Coastal Plans and Programs

8. **REPORTS – INFORMATION ONLY**

A. Housing Element Monthly Status Update ***This item was pulled and considered at the end of the Regular Agenda.***
Reference: Joe Sidor, Contract Planner
Recommended Action: Receive the report.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

9. **REPORTS – REQUIRING ACTION**

A. Monterey Regional Waste Management District MOU
Action: Authorized a Memorandum of Understanding (MOU) between Monterey Regional Waste Management District and the City regarding assistance with California Senate Bill 1383 compliance.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

DRAFT

B. FY26/27 Extension with Topes Tree Service Inc. for Tree Maintenance Services in Public Right of Way ***This item was pulled and considered at the end of the Regular Agenda.***
Reference: Daniel Gho, Public Works Director/Deputy City Manager
Recommended Action:
1. Authorize FY26/27 extension with Topes Tree Service Inc. to provide Tree Maintenance Services for trees in the public right-of-way and on City-owned properties in an amount not to exceed $250,000.
2. Alternatively, take other action related to this item.

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

C. Emergency removal and replacement of a manhole at Beach Street and Del Monte
Action: Authorized the execution of an agreement with Monterey Peninsula Engineering for the emergency removal and replacement of a manhole at Beach Street and Del Monte Boulevard for a cost not to exceed $49,850 plus a 15% contingency.
CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class I, Existing Facilities

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

*****

6.A. GreenWaste FY 25/26 Rate Increase ***This item was pulled and considered immediately following the Consent Agenda.***
Public comment was received from Inge Lorentzen Daumer.

Action: Upon motion by Councilmember Poduri and seconded by Mayor Pro Tem Amelio, Council voted to adopt Resolution No. 25-013 affirming the accuracy of GreenWaste Recovery rate increase, per the franchise agreement, of 3.80% for FY 25/26.

Motion carried 6-0-1 with the following roll-call vote:

AYES: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Poduri, and Rau.
NOES: None.
ABSENT: Councilmember Walkingstick.

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

REGULAR AGENDA

11. **PUBLIC HEARINGS**

A. Ordinance Amending the Salary Classification Schedule
No public comment received.

Action: Mayor Pro Tem Amelio requested the City Attorney read the title of the ordinance.

DRAFT

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Rau, Council voted 6-0-1, Councilmember Walkingstick absent, to
2. Waive further reading of the ordinance;
3. Introduce and hold a first reading of an ordinance to amend the salary classification schedule; and approve the amendment; and
4. Direct that a summary of a proposed ordinance be published as approved by the City Attorney.

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

B. Ordinance to Adopt the Fiscal Years 25-26 and 26-27 Operating and Capital Improvement Budget
No public comment received.

Action: Mayor Smith requested the City Attorney read the title of the ordinance.

Action: Upon motion by Mayor Smith and seconded by Mayor Pro Tem Amelio, Council voted 6-0-1, Councilmember Walkingstick absent, to
2. Waive further reading of the ordinance;
3. Introduce and hold the first reading of an ordinance to adopt the Fiscal Years 25-26 and 26-27 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.

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

C. Consideration of Potential Ordinance of the City Council of the City of Pacific Grove Repealing Chapter 3.40 of the Pacific Grove Municipal Code on the Economic Development Commission
Public comment received from Antony Tersol.

Action: Council discussed potential Ordinance of the City Council of the City of Pacific Grove Repealing Chapter 3.40 of the Pacific Grove Municipal Code on the Economic Development Commission.

Action: Mayor Pro Tem Amelio requested the City Attorney read the title of the ordinance.

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Mayor Smith, the Council voted 6-0-1, Councilmember Walkingstick absent, to
2. Waive further reading of the ordinance;
3. Introduce and hold a first reading of an Ordinance of the City Council of the City of Pacific Grove Repealing Chapter 3.40 of the Pacific Grove Municipal Code on the Economic Development Commission; and
4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

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

DRAFT

Section 15378

12. **UNFINISHED AND ONGOING BUSINESS**

A. Pedestrian Safety - Central/Fountain Ave & Grand/Fountain Ave ***This item was pulled from the 5/7 Consent Agenda and continued to the next available City Council meeting.***
Public comment received from Sally Moore, Carmelita Garcia, and Inge Lorentzen Daumer.

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Rau, Council voted 6-0-1, Councilmember Walkingstick absent, to
1. Approve the Central, Grand and Fountain Avenue reconfiguration; and
2. Authorize staff to issue a call for bids for the project.

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

B. Housing Element Monthly Status Update ***This item was pulled from the Consent Agenda.***
Public comment received from Jane Haines.

Action: Council received the report.

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

C. FY26/27 Extension with Topes Tree Service Inc. for Tree Maintenance Services in Public Right of Way ***This item was pulled from the Consent Agenda.***
Public comment received from Carmelita Garcia and Inge Lorentzen Daumer.

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Rau, Council voted 6-0-1, Councilmember Walkingstick absent, to authorize FY26/27 extension with Topes Tree Service Inc. to provide Tree Maintenance Services for trees in the public right-of-way and on City-owned properties in an amount not to exceed $250,000.

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

13. **NEW BUSINESS**

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

DRAFT

ADJOURNMENT
Council adjourned the regular meeting at 7:54 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: Fred Marsh, Administrative Services Director

MEETING DATE: June 18, 2025

SUBJECT: Resolution Setting the Appropriations Limit for FY 2025-2026

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

RECOMMENDATION

Approve a resolution setting the Appropriations Limit for Fiscal Year 2024-2025

DISCUSSION

Article XIII B of the California Constitution requires cities to adopt an annual Appropriations Limit, based on population and economic growth factors, as prescribed by State law. Staff has calculated the Appropriations Limit for FY 2025-2026 and recommends that Council adopt a resolution establishing the limit at $53,132,095. Estimated City tax revenue appropriations subject to the limit total $27,861,900, indicating that the City is not at risk of exceeding its limit.

California's State Appropriations Limit places a "ceiling" each year on the amount of monies that can be spent from local government tax proceeds. Most appropriations are subject to the Appropriations Limit, however, the law does allow exemptions for capital outlay, debt service, and subventions. Tax proceeds in excess of the Limit over a two-year period must be rebated to taxpayers.

The adoption of Proposition 4 in 1979 and amended by Proposition 98 in 1998 and Proposition 111 in 1990 established the requirement and procedure for establishing an Appropriations Limit for local agencies. In brief, the amount of revenue that the City is annually authorized to appropriate is limited by factors relating to changes in population and the economy. The population factor selected may either be the higher of the rate of change in population for the City or for the County. The economic factor selected is the change in California's per capita. The value determined by the formula set forth above is then applied to the previous year's Limit to yield the new Appropriations Limit for the fiscal year.

Data on the change in California per capita income, county population, and city population for use in the calculation are provided by the State Department of Finance. Section 65009(b)(2) of the California Government Code provides that legal challenges to the City's action on this proposed matter shall be limited to issues raised in testimony during the public hearing process. In the review of this matter, the City has followed those guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Section 15000, et seq.

OPTIONS

- Approve a resolution setting the Appropriations Limit for Fiscal Year 2025-2026.
- Provide alternate direction.

FINANCIAL IMPACT:

There is no fiscal impact from the adoption of this report.

FOCUSED PRIORITY AREA: Financial Sustainability

Attachments

5 Gann Limit Resolution

Department of Finance Gann Limit Factors

Gann Limit Calculation

RESOLUTION NO. 25-

RESOLUTION OF THE CITY OF PACIFIC GROVE ESTABLISHING THE FISCAL YEAR 2025-26 APPROPRIATION LIMIT

FINDINGS

1. The City is required to establish an appropriations limit for each fiscal year in accordance with Article XIIIB of the Constitution of the State of California (related to Proposition 4 on the November 6, 1979 ballot) and Proposition 111 passed by the voters in June 1990 expanding the growth factors that can be used in the calculation.

2. The City Council conducted a public hearing regarding the City's Fiscal Year 2025-2026 Appropriation limit on June 18, 2025.

3. The public hearing was noticed and advertised as required by law.

4. The Council received testimony and other evidence regarding the Appropriation Limit to be established for the City.

5. The Council elects to use the change in California per capita personal income and change in population for the County of Monterey as adjustment factors to calculate the City's Appropriation Limit for the Fiscal Year 2025-2026.

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

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

2. The Appropriation Limit for Fiscal Year 2025-2026 shall be $ 53,132,095.

3. The Notice of Public Hearing and State of California Department of Finance calculation factors are hereby approved and by this reference are incorporated as set forth in its entirety.

4. This Resolution shall take effect immediately following passage and adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 18th day of June 2025, by the following vote:

AYES:

NOES:

ABSENT:

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

April 30, 2024

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit
California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2024**. Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer

Attachment

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2024-25 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: $1.0362 \times 1.0017 = 1.0379$

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Alameda				
Alameda	1.21	76,309	77,234	78,071
Albany	-0.14	20,354	20,325	20,325
Berkeley	0.12	125,181	125,327	125,327
Dublin	-0.03	71,600	71,575	72,917
Emeryville	4.95	12,686	13,314	13,314
Fremont	-0.63	230,713	229,250	229,250
Hayward	-0.58	160,699	159,770	159,770
Livermore	-0.48	85,235	84,828	84,828
Newark	-2.36	47,762	46,635	46,635
Oakland	-0.52	427,085	424,873	425,093
Piedmont	-0.88	10,878	10,782	10,782
Pleasanton	-1.17	76,861	75,960	75,960
San Leandro	-1.01	87,984	87,098	87,098
Union City	-1.26	67,279	66,432	66,432
Unincorporated	-1.18	147,743	146,006	146,067
County Total	-0.54	1,648,369	1,639,409	1,641,869

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Alpine				
Unincorporated	-0.34	1,183	1,179	1,179
County Total	-0.34	1,183	1,179	1,179

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January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Amador				
Amador	-1.53	196	193	193
Ione	-0.06	5,032	5,029	8,856
Jackson	-1.34	4,933	4,867	4,867
Plymouth	-0.19	1,063	1,061	1,061
Sutter Creek	-1.39	2,589	2,553	2,553
Unincorporated	-0.95	22,278	22,067	22,081
County Total	-0.89	36,091	35,770	39,611

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Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Butte				
Biggs	-5.02	1,951	1,853	1,853
Chico	1.81	107,639	109,589	109,589
Gridley	-4.15	7,235	6,935	6,935
Oroville	-3.78	18,841	18,129	18,129
Paradise	16.14	9,205	10,691	10,691
Unincorporated	-4.82	61,708	58,731	58,731
County Total	-0.32	206,579	205,928	205,928

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Calaveras				
Angels City	-0.47	3,604	3,587	3,587
Unincorporated	-0.12	41,249	41,199	41,255
County Total	-0.15	44,853	44,786	44,842

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Colusa				
Colusa	0.28	6,429	6,447	6,447
Williams	-0.72	5,568	5,528	5,528
Unincorporated	-0.67	9,834	9,768	9,768
County Total	-0.40	21,831	21,743	21,743

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Contra Costa				
Antioch	0.30	115,282	115,632	115,632
Brentwood	0.49	64,496	64,811	64,811
Clayton	-0.04	10,687	10,683	10,683
Concord	-0.12	121,663	121,513	121,513
Danville	-0.40	42,736	42,567	42,567
El Cerrito	1.15	25,409	25,700	25,700
Hercules	-0.53	26,202	26,063	26,063
Lafayette	-0.06	24,823	24,808	24,808
Martinez	0.04	36,425	36,439	36,439
Moraga	-0.44	16,858	16,784	16,784
Oakley	1.80	44,929	45,736	45,736
Orinda	-0.21	19,231	19,191	19,191
Pinole	-0.47	18,278	18,192	18,192
Pittsburg	0.47	74,736	75,085	75,085
Pleasant Hill	-0.28	33,447	33,352	33,352
Richmond	-0.34	113,122	112,735	112,735
San Pablo	-0.24	31,163	31,088	31,088
San Ramon	-0.28	82,754	82,525	82,525
Walnut Creek	0.61	69,010	69,433	69,433
Unincorporated	0.15	174,023	174,289	174,289
County Total	0.12	1,145,274	1,146,626	1,146,626

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Del Norte				
Crescent City	0.52	4,019	4,040	5,564
Unincorporated	-0.19	20,768	20,728	20,781
County Total	-0.08	24,787	24,768	26,345

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January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
El Dorado				
Placerville	0.12	10,517	10,530	10,540
South Lake Tahoe	0.42	20,703	20,790	20,790
Unincorporated	0.25	156,754	157,143	157,253
County Total	0.26	187,974	188,463	188,583

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Fresno				
Clovis	1.42	124,361	126,133	126,133
Coalinga	-0.13	13,291	13,274	17,107
Firebaugh	-0.77	8,480	8,415	8,415
Fowler	2.85	7,163	7,367	7,367
Fresno	0.71	542,600	546,467	546,971
Huron	3.74	6,119	6,348	6,348
Kerman	1.81	16,950	17,256	17,256
Kingsburg	1.04	12,908	13,042	13,042
Mendota	0.55	12,462	12,531	12,531
Orange Cove	0.67	9,453	9,516	9,516
Parlier	-0.10	14,382	14,368	14,368
Reedley	1.09	25,376	25,653	25,653
Sanger	0.27	26,286	26,357	26,357
San Joaquin	-0.11	3,620	3,616	3,616
Selma	-0.10	24,395	24,371	24,371
Unincorporated	0.06	157,158	157,254	158,380
County Total	0.69	1,005,004	1,011,968	1,017,431

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Glenn				
Orland	4.86	8,141	8,537	8,537
Willows	0.06	6,317	6,321	6,321
Unincorporated	0.04	13,872	13,878	13,878
County Total	1.43	28,330	28,736	28,736

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Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Humboldt				
Arcata	-1.54	18,830	18,540	18,540
Blue Lake	-1.29	1,164	1,149	1,149
Eureka	-0.80	26,116	25,906	26,073
Ferndale	-1.45	1,376	1,356	1,356
Fortuna	-1.11	12,318	12,181	12,181
Rio Dell	-1.49	3,290	3,241	3,241
Trinidad	-1.34	298	294	294
Unincorporated	-1.07	70,959	70,199	70,266
County Total	-1.11	134,351	132,866	133,100

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Imperial				
Brawley	2.58	27,633	28,345	28,345
Calexico	1.70	38,606	39,262	39,262
Calipatria	4.60	6,063	6,342	6,342
El Centro	1.37	44,305	44,911	44,952
Holtville	1.27	5,513	5,583	5,583
Imperial	2.59	21,583	22,141	22,141
Westmorland	2.86	1,993	2,050	2,050
Unincorporated	1.65	30,586	31,091	34,206
County Total	1.95	176,282	179,725	182,881

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Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Inyo				
Bishop	-0.13	3,853	3,848	3,848
Unincorporated	-0.17	14,973	14,948	15,008
County Total	-0.16	18,826	18,796	18,856

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Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Kern				
Arvin	0.98	19,460	19,651	19,651
Bakersfield	0.80	407,835	411,109	411,109
California City	0.60	13,001	13,079	13,079
Delano	0.96	45,119	45,554	52,484
Maricopa	0.00	1,004	1,004	1,004
McFarland	1.45	13,765	13,965	13,965
Ridgecrest	0.75	27,098	27,300	27,940
Shafter	4.31	21,266	22,183	22,226
Taft	0.13	6,944	6,953	6,953
Tehachapi	0.48	9,297	9,342	11,092
Wasco	1.35	22,945	23,254	27,028
Unincorporated	0.39	300,172	301,340	303,769
County Total	0.77	887,906	894,734	910,300

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County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Kings				
Avenal	-0.28	9,373	9,347	13,981
Corcoran	0.07	13,405	13,415	21,633
Hanford	0.43	59,034	59,286	59,286
Lemoore	-0.27	26,929	26,855	26,855
Unincorporated	-0.42	24,775	24,672	30,872
County Total	0.04	133,516	133,575	152,627

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January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Lake				
Clearlake	1.14	16,367	16,553	16,553
Lakeport	0.12	4,976	4,982	4,982
Unincorporated	0.27	45,276	45,398	45,466
County Total	0.47	66,619	66,933	67,001

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County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Lassen				
Susanville	-0.22	9,355	9,334	11,639
Unincorporated	0.01	14,950	14,952	16,558
County Total	-0.08	24,305	24,286	28,197

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County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Los Angeles				
Agoura Hills	-0.44	19,928	19,841	19,841
Alhambra	0.05	81,753	81,790	81,811
Arcadia	-0.13	55,855	55,783	55,783
Artesia	-0.21	16,053	16,019	16,019
Avalon	-0.57	3,332	3,313	3,313
Azusa	-0.35	49,595	49,420	49,420
Baldwin Park	-0.06	70,700	70,660	70,660
Bell	-0.34	33,414	33,301	33,301
Bellflower	-0.03	77,014	76,990	76,990
Bell Gardens	-0.49	38,569	38,381	38,381
Beverly Hills	-0.45	31,950	31,806	31,806
Bradbury	-0.77	905	898	898
Burbank	0.11	105,484	105,603	105,603
Calabasas	-0.50	22,857	22,742	22,742
Carson	-0.52	92,399	91,920	91,924
Cerritos	-0.53	48,063	47,806	47,806
Claremont	0.03	37,673	37,686	37,686
Commerce	0.57	12,055	12,124	12,124
Compton	-0.37	94,016	93,671	93,671
Covina	0.19	50,390	50,485	50,485
Cudahy	-0.52	22,327	22,210	22,210
Culver City	0.89	39,859	40,213	40,213
Diamond Bar	-0.43	53,566	53,335	53,335
Downey	-0.15	111,656	111,493	111,493
Duarte	3.04	22,958	23,656	23,656
El Monte	0.08	106,649	106,738	106,786
El Segundo	-0.08	16,953	16,939	16,964
Gardena	0.22	59,896	60,028	60,028
Glendale	-0.25	192,072	191,586	191,586
Glendora	-0.32	51,374	51,209	51,209
Hawaiian Gardens	-0.29	13,600	13,560	13,560
Hawthorne	-0.37	85,886	85,566	85,566
Hermosa Beach	-0.42	19,169	19,088	19,088
Hidden Hills	0.17	1,724	1,727	1,727
Huntington Park	-0.31	53,374	53,209	53,219
Industry	-0.23	427	426	426
Inglewood	-0.53	106,628	106,065	106,065
Irwindale	0.74	1,488	1,499	1,499

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County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
La Canada Flintridge	-0.20	20,089	20,048	20,048
La Habra Heights	-0.45	5,513	5,488	5,488
Lakewood	-0.25	80,365	80,162	80,162
La Mirada	-0.40	48,271	48,077	48,077
Lancaster	-0.10	169,939	169,776	172,631
La Puente	-0.19	37,530	37,459	37,459
La Verne	0.06	31,678	31,697	31,697
Lawndale	-0.55	31,026	30,855	30,855
Lomita	-0.38	20,397	20,320	20,320
Long Beach	-0.18	459,315	458,498	458,813
Los Angeles	0.27	3,800,438	3,810,548	3,814,318
Lynwood	-0.23	66,424	66,271	66,271
Malibu	-0.18	10,640	10,621	10,621
Manhattan Beach	-0.50	34,367	34,195	34,195
Maywood	-0.49	24,572	24,451	24,451
Monrovia	1.39	37,563	38,087	38,087
Montebello	0.32	61,730	61,930	61,930
Monterey Park	-0.42	59,592	59,340	59,347
Norwalk	-0.39	100,732	100,341	101,172
Palmdale	-0.02	166,089	166,055	166,055
Palos Verdes Estates	-0.44	13,031	12,974	12,974
Paramount	-0.34	52,331	52,153	52,153
Pasadena	1.09	138,187	139,692	139,692
Pico Rivera	-0.32	61,014	60,820	60,820
Pomona	0.68	151,132	152,166	152,166
Rancho Palos Verdes	-0.50	41,106	40,902	40,919
Redondo Beach	-0.27	68,424	68,239	68,239
Rolling Hills	-0.53	1,686	1,677	1,677
Rolling Hills Estates	0.46	8,495	8,534	8,534
Rosemead	0.08	50,503	50,541	50,541
San Dimas	-0.31	34,027	33,920	33,920
San Fernando	0.04	23,633	23,643	23,643
San Gabriel	-0.09	38,648	38,613	38,613
San Marino	0.23	12,350	12,379	12,379
Santa Clarita	-0.27	231,045	230,428	230,428
Santa Fe Springs	-0.34	18,574	18,511	18,640
Santa Monica	0.34	92,598	92,912	92,912
Sierra Madre	-0.15	10,925	10,909	10,909
Signal Hill	-0.35	11,488	11,448	11,448
South El Monte	-0.21	19,482	19,441	19,441

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January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
South Gate	0.03	92,701	92,729	92,729
South Pasadena	-0.37	26,367	26,270	26,270
Temple City	-0.18	36,040	35,975	35,975
Torrance	-0.36	143,433	142,910	142,910
Vernon	-0.49	206	205	205
Walnut	-0.10	27,896	27,867	27,867
West Covina	0.65	108,404	109,105	109,105
West Hollywood	-0.44	35,229	35,075	35,075
Westlake Village	-0.45	7,938	7,902	7,902
Whittier	0.22	87,333	87,527	87,527
Unincorporated	-0.19	998,818	996,956	997,587
County Total	0.05	9,810,925	9,815,428	9,824,091

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County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Madera				
Chowchilla	-0.47	13,600	13,536	18,930
Madera	0.44	66,269	66,560	66,560
Unincorporated	1.34	72,865	73,838	73,838
County Total	0.79	152,734	153,934	159,328

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County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Marin				
Belvedere	-0.15	2,046	2,043	2,043
Corte Madera	-0.44	9,916	9,872	9,882
Fairfax	-0.38	7,399	7,371	7,371
Larkspur	0.13	12,638	12,655	12,655
Mill Valley	-0.44	13,695	13,635	13,635
Novato	-1.08	51,415	50,861	51,140
Ross	-0.26	2,278	2,272	2,272
San Anselmo	-0.14	12,443	12,426	12,426
San Rafael	-0.45	59,855	59,585	59,585
Sausalito	-0.55	6,894	6,856	6,856
Tiburon	-0.36	8,841	8,809	8,809
Unincorporated	-0.45	62,940	62,656	66,170
County Total	-0.53	250,360	249,041	252,844

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January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Mariposa				
Unincorporated	-0.04	16,912	16,905	16,966
County Total	-0.04	16,912	16,905	16,966

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Mendocino				
Fort Bragg	2.16	7,027	7,179	7,179
Point Arena	-0.45	447	445	445
Ukiah	-0.42	16,176	16,108	16,108
Willits	-0.10	4,835	4,830	4,830
Unincorporated	-0.24	61,011	60,862	60,914
County Total	-0.08	89,496	89,424	89,476

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Merced				
Atwater	0.02	31,390	31,397	31,397
Dos Palos	-0.02	5,634	5,633	5,633
Gustine	-0.07	5,940	5,936	5,936
Livingston	0.09	14,273	14,286	14,286
Los Banos	0.25	47,300	47,419	47,419
Merced	1.91	90,120	91,837	91,837
Unincorporated	0.23	89,424	89,630	90,795
County Total	0.72	284,081	286,138	287,303

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Modoc				
Alturas	-0.19	2,664	2,659	2,659
Unincorporated	-0.21	5,837	5,825	5,825
County Total	-0.20	8,501	8,484	8,484

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Mono				
Mammoth Lakes	-2.67	7,305	7,110	7,110
Unincorporated	-2.37	5,792	5,655	5,751
County Total	-2.53	13,097	12,765	12,861

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Monterey				
Carmel-By-The-Sea	0.55	3,105	3,122	3,122
Del Rey Oaks	0.64	1,559	1,569	1,569
Gonzales	0.98	8,384	8,466	8,466
Greenfield	2.01	20,155	20,561	20,561
King City	1.78	13,968	14,216	14,216
Marina	1.91	22,269	22,695	22,695
Monterey	0.56	24,096	24,232	27,106
Pacific Grove	0.63	14,872	14,966	14,966
Salinas	0.73	160,870	162,037	162,037
Sand City	0.26	378	379	379
Seaside	0.04	28,075	28,085	30,197
Soledad	2.94	19,565	20,140	26,966
Unincorporated	0.75	104,372	105,157	105,334
County Total	0.94	421,668	425,625	437,614

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Napa				
American Canyon	1.77	21,379	21,758	21,758
Calistoga	0.29	5,127	5,142	5,142
Napa	0.13	77,074	77,174	77,174
St Helena	0.57	5,284	5,314	5,314
Yountville	0.09	2,180	2,182	2,781
Unincorporated	-0.08	21,772	21,754	22,860
County Total	0.38	132,816	133,324	135,029

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Nevada				
Grass Valley	-0.58	13,478	13,400	13,400
Nevada City	-0.09	3,350	3,347	3,347
Truckee	0.46	16,702	16,778	16,778
Unincorporated	-0.45	66,891	66,590	66,652
County Total	-0.30	100,421	100,115	100,177

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Orange				
Aliso Viejo	-0.43	50,284	50,068	50,068
Anaheim	0.29	339,105	340,090	340,160
Brea	-0.34	47,886	47,725	47,725
Buena Park	0.07	82,632	82,689	82,689
Costa Mesa	-0.31	109,765	109,423	109,423
Cypress	0.11	49,291	49,345	49,345
Dana Point	-0.38	32,721	32,596	32,596
Fountain Valley	0.18	56,233	56,333	56,333
Fullerton	-0.32	140,756	140,311	140,311
Garden Grove	1.17	169,024	171,002	171,024
Huntington Beach	-0.30	193,078	192,503	192,503
Irvine	0.97	311,537	314,550	314,550
Laguna Beach	0.07	22,433	22,449	22,449
Laguna Hills	-0.42	30,442	30,315	30,315
Laguna Niguel	0.67	63,865	64,291	64,291
Laguna Woods	-0.43	17,222	17,148	17,148
La Habra	-0.21	61,028	60,901	60,901
Lake Forest	0.70	86,311	86,917	86,917
La Palma	-0.40	15,131	15,071	15,071
Los Alamitos	-0.19	11,970	11,947	11,947
Mission Viejo	0.09	91,221	91,304	91,304
Newport Beach	-0.35	82,707	82,419	82,419
Orange	-0.16	138,842	138,621	138,621
Placentia	0.08	52,182	52,226	52,226
Rancho Santa Margarita	-0.43	46,507	46,305	46,305
San Clemente	-0.29	62,481	62,297	62,297
San Juan Capistrano	1.05	34,627	34,992	34,992
Santa Ana	0.89	308,041	310,797	310,797
Seal Beach	-0.37	24,200	24,110	24,350
Stanton	3.55	38,914	40,297	40,297
Tustin	0.42	78,515	78,844	78,844
Villa Park	-0.19	5,716	5,705	5,705
Westminster	0.10	89,400	89,490	89,490
Yorba Linda	-0.27	66,268	66,087	66,087
Unincorporated	0.72	130,381	131,325	131,335
County Total	0.31	3,140,716	3,150,493	3,150,835

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Placer				
Auburn	-0.94	13,344	13,218	13,218
Colfax	-1.09	2,010	1,988	1,988
Lincoln	1.79	52,296	53,231	53,231
Loomis	0.06	6,597	6,601	6,601
Rocklin	0.26	71,420	71,609	71,609
Roseville	1.05	152,726	154,329	154,329
Unincorporated	0.16	111,692	111,868	111,868
County Total	0.67	410,085	412,844	412,844

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Plumas				
Portola	-1.14	2,099	2,075	2,075
Unincorporated	-0.76	16,894	16,766	16,766
County Total	-0.80	18,993	18,841	18,841

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Riverside				
Banning	0.54	31,046	31,213	31,213
Beaumont	2.03	56,275	57,416	57,416
Blythe	-0.33	12,566	12,524	17,378
Calimesa	-0.39	10,909	10,867	10,867
Canyon Lake	-0.13	10,846	10,832	10,832
Cathedral City	-0.27	51,012	50,873	50,911
Coachella	2.36	42,179	43,173	43,173
Corona	0.22	156,268	156,615	156,615
Desert Hot Springs	0.85	32,380	32,654	32,654
Eastvale	-0.35	69,123	68,884	68,884
Hemet	0.37	89,333	89,663	89,663
Indian Wells	1.35	4,733	4,797	4,797
Indio	0.78	89,978	90,680	90,680
Jurupa Valley	0.12	104,541	104,663	104,721
Lake Elsinore	0.14	71,351	71,452	71,452
La Quinta	1.44	37,824	38,370	38,370
Menifee	1.97	109,401	111,560	111,560
Moreno Valley	0.12	206,903	207,146	207,146
Murrieta	-0.17	109,364	109,177	109,177
Norco	-0.15	22,084	22,050	25,068
Palm Desert	1.22	50,274	50,889	50,889
Palm Springs	-0.03	43,802	43,791	43,791
Perris	1.13	78,424	79,311	79,311
Rancho Mirage	0.74	16,868	16,992	16,992
Riverside	0.30	315,747	316,690	316,690
San Jacinto	-0.39	53,746	53,538	53,538
Temecula	0.49	108,173	108,700	108,700
Wildomar	0.65	36,093	36,327	36,327
Unincorporated	0.95	399,653	403,438	403,563
County Total	0.55	2,420,896	2,434,285	2,442,378

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Sacramento				
Citrus Heights	-0.58	86,056	85,554	85,554
Elk Grove	0.69	177,446	178,679	178,679
Folsom	2.41	81,478	83,443	88,023
Galt	0.69	25,608	25,785	25,785
Isleton	-0.65	772	767	767
Rancho Cordova	0.62	81,604	82,109	82,109
Sacramento	0.18	519,466	520,407	520,407
Unincorporated	-0.40	599,989	597,614	597,614
County Total	0.12	1,572,419	1,574,358	1,578,938

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
San Benito				
Hollister	0.76	42,547	42,872	42,872
San Juan Bautista	0.00	2,032	2,032	2,032
Unincorporated	1.76	20,586	20,949	20,949
County Total	1.06	65,165	65,853	65,853

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
San Bernardino				
Adelanto	-0.80	36,422	36,131	36,131
Apple Valley	-0.24	74,500	74,322	74,322
Barstow	-0.34	24,124	24,043	24,669
Big Bear Lake	0.20	4,948	4,958	4,958
Chino	0.57	88,580	89,088	92,585
Chino Hills	-0.17	76,547	76,414	76,414
Colton	-0.12	52,841	52,778	52,778
Fontana	0.68	212,772	214,223	214,223
Grand Terrace	-0.17	12,793	12,771	12,771
Hesperia	0.75	99,338	100,087	100,087
Highland	0.12	55,612	55,676	55,676
Loma Linda	-0.02	24,923	24,919	24,965
Montclair	-0.09	37,246	37,211	37,211
Needles	-0.23	4,780	4,769	4,769
Ontario	0.93	179,555	181,224	181,224
Rancho Cucamonga	0.56	172,344	173,316	173,316
Redlands	1.28	71,776	72,696	72,696
Rialto	0.71	102,367	103,097	103,097
San Bernardino	0.39	224,316	225,188	226,541
Twentynine Palms	-1.12	15,397	15,224	25,346
Upland	0.56	77,849	78,285	78,285
Victorville	0.96	132,537	133,805	138,202
Yucaipa	0.33	53,635	53,810	53,810
Yucca Valley	0.40	21,509	21,594	21,594
Unincorporated	0.02	286,864	286,926	295,763
County Total	0.42	2,143,575	2,152,555	2,181,433

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
San Diego				
Carlsbad	-0.63	115,045	114,319	114,319
Chula Vista	0.54	276,517	277,997	278,247
Coronado	-0.54	17,332	17,238	21,589
Del Mar	0.03	3,918	3,919	3,919
El Cajon	-0.60	104,804	104,180	104,180
Encinitas	-0.37	61,254	61,028	61,028
Escondido	-0.38	150,571	150,002	150,002
Imperial Beach	-0.05	26,109	26,096	26,096
La Mesa	-0.22	60,753	60,620	60,620
Lemon Grove	0.19	27,517	27,568	27,568
National City	0.32	56,350	56,531	58,555
Oceanside	-0.41	172,186	171,483	171,483
Poway	1.34	48,620	49,273	49,273
San Diego	0.08	1,368,583	1,369,714	1,385,379
San Marcos	1.24	94,823	95,998	95,998
Santee	-0.64	59,574	59,195	59,195
Solana Beach	0.44	12,831	12,887	12,887
Vista	-0.39	100,113	99,723	99,723
Unincorporated	0.31	478,424	479,928	511,040
County Total	0.07	3,235,324	3,237,699	3,291,101

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
San Francisco				
San Francisco	0.11	841,745	842,644	843,071
County Total	0.11	841,745	842,644	843,071

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Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
San Joaquin				
Escalon	0.07	7,244	7,249	7,249
Lathrop	5.39	35,138	37,033	37,033
Lodi	0.50	66,164	66,492	66,492
Manteca	2.67	88,552	90,917	90,917
Ripon	0.10	15,726	15,741	15,741
Stockton	0.48	315,655	317,174	317,204
Tracy	1.33	95,341	96,609	96,609
Unincorporated	0.29	157,407	157,866	160,163
County Total	1.01	781,227	789,081	791,408

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
San Luis Obispo				
Arroyo Grande	-0.54	18,039	17,941	17,941
Atascadero	-0.15	29,278	29,233	30,279
El Paso De Robles	0.37	30,792	30,907	30,907
Grover Beach	-0.49	12,542	12,481	12,481
Morro Bay	-0.52	10,315	10,261	10,261
Pismo Beach	-0.29	7,869	7,846	7,846
San Luis Obispo	0.90	48,249	48,684	48,684
Unincorporated	-0.42	118,457	117,954	120,070
County Total	-0.08	275,541	275,307	278,469

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
San Mateo				
Atherton	0.06	6,972	6,976	6,976
Belmont	-0.92	27,180	26,931	26,931
Brisbane	-0.72	4,695	4,661	4,661
Burlingame	0.34	30,410	30,513	30,513
Colma	-1.12	1,426	1,410	1,410
Daly City	-1.03	102,513	101,458	101,458
East Palo Alto	0.42	28,957	29,078	29,078
Foster City	-1.03	32,921	32,581	32,581
Half Moon Bay	-0.79	11,328	11,238	11,238
Hillsborough	-0.19	11,137	11,116	11,116
Menlo Park	0.61	32,814	33,015	33,140
Millbrae	1.79	22,687	23,093	23,093
Pacifica	-0.89	37,388	37,057	37,062
Portola Valley	-0.79	4,283	4,249	4,249
Redwood City	-0.34	82,144	81,863	81,863
San Bruno	-0.94	42,550	42,152	42,152
San Carlos	-0.94	29,700	29,420	29,420
San Mateo	-0.79	104,180	103,352	103,352
South San Francisco	-0.25	64,765	64,601	64,601
Woodside	-0.83	5,176	5,133	5,133
Unincorporated	-0.65	61,942	61,538	61,538
County Total	-0.50	745,168	741,435	741,565

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Santa Barbara				
Buellton	0.04	4,968	4,970	4,970
Carpinteria	0.08	12,734	12,744	12,744
Goleta	0.04	32,503	32,515	32,515
Guadalupe	1.10	8,582	8,676	8,676
Lompoc	-0.06	40,571	40,545	43,610
Santa Barbara	0.35	85,362	85,659	85,679
Santa Maria	0.84	109,687	110,608	110,608
Solvang	0.05	5,660	5,663	5,663
Unincorporated	-0.07	136,235	136,144	139,158
County Total	0.28	436,302	437,524	443,623

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Santa Clara				
Campbell	-0.22	43,191	43,095	43,095
Cupertino	-0.31	59,656	59,471	59,471
Gilroy	0.80	60,419	60,904	61,033
Los Altos	-0.19	31,316	31,255	31,255
Los Altos Hills	-0.01	8,477	8,476	8,476
Los Gatos	-0.41	33,368	33,230	33,230
Milpitas	0.17	81,635	81,773	81,773
Monte Sereno	0.51	3,564	3,582	3,582
Morgan Hill	0.11	46,333	46,384	46,384
Mountain View	2.45	84,463	86,535	86,535
Palo Alto	-0.21	68,093	67,953	67,973
San Jose	-0.13	970,772	969,491	969,491
Santa Clara	-0.26	132,386	132,048	132,048
Saratoga	-0.08	30,845	30,819	30,819
Sunnyvale	0.24	157,187	157,566	157,566
Unincorporated	-0.53	90,063	89,584	90,467
County Total	0.02	1,901,768	1,902,166	1,903,198

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Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Santa Cruz				
Capitola	-0.64	9,558	9,497	9,497
Santa Cruz	-0.24	62,929	62,776	62,776
Scotts Valley	-0.47	11,872	11,816	11,816
Watsonville	0.42	50,820	51,032	51,032
Unincorporated	-0.56	128,103	127,388	127,451
County Total	-0.29	263,282	262,509	262,572

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Shasta				
Anderson	-0.46	10,994	10,943	10,943
Redding	0.31	92,039	92,323	92,446
Shasta Lake	-0.31	10,162	10,131	10,131
Unincorporated	-0.16	65,728	65,622	65,675
County Total	0.05	178,923	179,019	179,195

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Sierra				
Loyalton	-0.41	727	724	724
Unincorporated	-0.53	2,460	2,447	2,447
County Total	-0.50	3,187	3,171	3,171

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Siskiyou				
Dorris	-0.24	838	836	836
Dunsmuir	-0.42	1,658	1,651	1,651
Etna	-0.30	667	665	665
Fort Jones	-0.30	676	674	674
Montague	-0.25	1,202	1,199	1,199
Mount Shasta	-0.25	3,211	3,203	3,203
Tulelake	-0.23	872	870	870
Weed	0.67	2,692	2,710	2,710
Yreka	-0.19	7,820	7,805	7,805
Unincorporated	-0.18	23,794	23,750	23,796
County Total	-0.15	43,430	43,363	43,409

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Solano				
Benicia	-0.85	26,255	26,033	26,033
Dixon	1.80	19,060	19,403	19,403
Fairfield	0.32	115,266	115,632	120,339
Rio Vista	0.35	9,969	10,004	10,004
Suisun City	1.04	28,543	28,840	28,840
Vacaville	0.10	96,096	96,192	102,173
Vallejo	-0.54	122,220	121,558	121,558
Unincorporated	-0.52	17,392	17,301	18,076
County Total	0.04	434,801	434,963	446,426

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Sonoma				
Cloverdale	-1.11	8,808	8,710	8,710
Cotati	-1.06	7,381	7,303	7,303
Healdsburg	-0.32	11,020	10,985	10,985
Petaluma	-0.02	58,457	58,445	58,445
Rohnert Park	-0.04	43,838	43,821	43,821
Santa Rosa	-0.07	175,013	174,890	174,890
Sebastopol	-0.96	7,366	7,295	7,295
Sonoma	-0.98	10,636	10,532	10,532
Windsor	-0.91	25,628	25,394	25,394
Unincorporated	-0.40	130,333	129,812	130,777
County Total	-0.27	478,480	477,187	478,152

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Stanislaus				
Ceres	0.58	49,035	49,319	49,319
Hughson	2.28	7,539	7,711	7,711
Modesto	0.52	216,734	217,862	217,862
Newman	0.15	12,103	12,121	12,121
Oakdale	0.29	22,942	23,008	23,008
Patterson	1.49	24,426	24,790	24,790
Riverbank	1.59	24,614	25,006	25,006
Turlock	0.55	70,885	71,273	71,273
Waterford	0.08	9,103	9,110	9,110
Unincorporated	0.16	108,372	108,544	108,544
County Total	0.55	545,753	548,744	548,744

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Sutter				
Live Oak	2.33	9,448	9,668	9,668
Yuba City	1.84	68,984	70,256	70,256
Unincorporated	1.87	19,816	20,186	20,186
County Total	1.90	98,248	100,110	100,110

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Tehama				
Corning	0.29	8,053	8,076	8,076
Red Bluff	-0.94	14,435	14,300	14,300
Tehama	-0.71	425	422	422
Unincorporated	-0.67	41,665	41,384	41,510
County Total	-0.61	64,578	64,182	64,308

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Trinity				
Unincorporated	-0.11	15,878	15,860	15,915
County Total	-0.11	15,878	15,860	15,915

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Tulare				
Dinuba	0.45	25,458	25,573	25,573
Exeter	0.08	10,171	10,179	10,179
Farmersville	1.78	10,146	10,327	10,327
Lindsay	1.07	12,461	12,594	12,594
Porterville	0.70	62,320	62,758	62,934
Tulare	1.77	69,565	70,799	70,799
Visalia	1.10	142,821	144,385	144,532
Woodlake	0.17	7,700	7,713	7,713
Unincorporated	0.42	133,652	134,219	134,267
County Total	0.90	474,294	478,547	478,918

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Tuolumne				
Sonora	0.25	5,119	5,132	5,132
Unincorporated	-0.15	47,088	47,016	49,275
County Total	-0.11	52,207	52,148	54,407

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Ventura				
Camarillo	-0.35	69,256	69,014	69,014
Fillmore	0.57	16,965	17,061	17,061
Moorpark	-0.49	35,286	35,114	35,114
Ojai	-0.05	7,537	7,533	7,533
Oxnard	-0.10	197,737	197,536	197,536
Port Hueneme	-0.69	19,168	19,036	20,916
San Buenaventura	-0.20	107,723	107,512	107,569
Santa Paula	-0.14	31,400	31,355	31,355
Simi Valley	-0.11	124,165	124,029	124,029
Thousand Oaks	-0.38	123,111	122,643	122,643
Unincorporated	-0.44	89,813	89,421	91,093
County Total	-0.23	822,161	820,254	823,863

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Yolo				
Davis	0.20	64,922	65,054	65,054
West Sacramento	0.05	54,251	54,278	54,278
Winters	0.65	7,538	7,587	7,587
Woodland	1.03	60,052	60,672	60,672
Unincorporated	1.14	33,691	34,075	34,075
County Total	0.55	220,454	221,666	221,666

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Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Yuba				
Marysville	0.68	12,666	12,752	12,752
Wheatland	1.75	3,826	3,893	3,893
Unincorporated	1.33	64,180	65,034	67,076
County Total	1.25	80,672	81,679	83,721

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change	--- Population Minus Exclusions ---	
	23-24	1-1-23	1-1-24
Alameda			
Incorporated	-0.48	1,500,626	1,493,403
County Total	-0.54	1,648,369	1,639,409
Alpine			
Incorporated	0.00	0	0
County Total	-0.34	1,183	1,179
Amador			
Incorporated	-0.80	13,813	13,703
County Total	-0.89	36,091	35,770
Butte			
Incorporated	1.61	144,871	147,197
County Total	-0.32	206,579	205,928
Calaveras			
Incorporated	-0.47	3,604	3,587
County Total	-0.15	44,853	44,786
Colusa			
Incorporated	-0.18	11,997	11,975
County Total	-0.40	21,831	21,743
Contra Costa			
Incorporated	0.11	971,251	972,337
County Total	0.12	1,145,274	1,146,626
Del Norte			
Incorporated	0.52	4,019	4,040
County Total	-0.08	24,787	24,768
El Dorado			
Incorporated	0.32	31,220	31,320
County Total	0.26	187,974	188,463

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Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	1-1-24
Fresno			
Incorporated	0.81	847,846	854,714
County Total	0.69	1,005,004	1,011,968
Glenn			
Incorporated	2.77	14,458	14,858
County Total	1.43	28,330	28,736
Humboldt			
Incorporated	-1.14	63,392	62,667
County Total	-1.11	134,351	132,866
Imperial			
Incorporated	2.02	145,696	148,634
County Total	1.95	176,282	179,725
Inyo			
Incorporated	-0.13	3,853	3,848
County Total	-0.16	18,826	18,796
Kern			
Incorporated	0.96	587,734	593,394
County Total	0.77	887,906	894,734
Kings			
Incorporated	0.15	108,741	108,903
County Total	0.04	133,516	133,575
Lake			
Incorporated	0.90	21,343	21,535
County Total	0.47	66,619	66,933
Lassen			
Incorporated	-0.22	9,355	9,334
County Total	-0.08	24,305	24,286

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Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	1-1-24
Los Angeles			
Incorporated	0.07	8,812,107	8,818,472
County Total	0.05	9,810,925	9,815,428
Madera			
Incorporated	0.28	79,869	80,096
County Total	0.79	152,734	153,934
Marin			
Incorporated	-0.55	187,420	186,385
County Total	-0.53	250,360	249,041
Mariposa			
Incorporated	0.00	0	0
County Total	-0.04	16,912	16,905
Mendocino			
Incorporated	0.27	28,485	28,562
County Total	-0.08	89,496	89,424
Merced			
Incorporated	0.95	194,657	196,508
County Total	0.72	284,081	286,138
Modoc			
Incorporated	-0.19	2,664	2,659
County Total	-0.20	8,501	8,484
Mono			
Incorporated	-2.67	7,305	7,110
County Total	-2.53	13,097	12,765
Monterey			
Incorporated	1.00	317,296	320,468
County Total	0.94	421,668	425,625

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Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change	--- Population Minus Exclusions ---	
	23-24	1-1-23	1-1-24
Napa			
Incorporated	0.47	111,044	111,570
County Total	0.38	132,816	133,324
Nevada			
Incorporated	-0.01	33,530	33,525
County Total	-0.30	100,421	100,115
Orange			
Incorporated	0.29	3,010,335	3,019,168
County Total	0.31	3,140,716	3,150,493
Placer			
Incorporated	0.87	298,393	300,976
County Total	0.67	410,085	412,844
Plumas			
Incorporated	-1.14	2,099	2,075
County Total	-0.80	18,993	18,841
Riverside			
Incorporated	0.48	2,021,243	2,030,847
County Total	0.55	2,420,896	2,434,285
Sacramento			
Incorporated	0.44	972,430	976,744
County Total	0.12	1,572,419	1,574,358
San Benito			
Incorporated	0.73	44,579	44,904
County Total	1.06	65,165	65,853
San Bernardino			
Incorporated	0.48	1,856,711	1,865,629
County Total	0.42	2,143,575	2,152,555

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change	--- Population Minus Exclusions ---	
	23-24	1-1-23	1-1-24
San Diego			
Incorporated	0.03	2,756,900	2,757,771
County Total	0.07	3,235,324	3,237,699
San Francisco			
Incorporated	0.11	841,745	842,644
County Total	0.11	841,745	842,644
San Joaquin			
Incorporated	1.19	623,820	631,215
County Total	1.01	781,227	789,081
San Luis Obispo			
Incorporated	0.17	157,084	157,353
County Total	-0.08	275,541	275,307
San Mateo			
Incorporated	-0.49	683,226	679,897
County Total	-0.50	745,168	741,435
Santa Barbara			
Incorporated	0.44	300,067	301,380
County Total	0.28	436,302	437,524
Santa Clara			
Incorporated	0.05	1,811,705	1,812,582
County Total	0.02	1,901,768	1,902,166
Santa Cruz			
Incorporated	-0.04	135,179	135,121
County Total	-0.29	263,282	262,509
Shasta			
Incorporated	0.18	113,195	113,397
County Total	0.05	178,923	179,019

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Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	1-1-24
Sierra			
Incorporated	-0.41	727	724
County Total	-0.50	3,187	3,171
Siskiyou			
Incorporated	-0.12	19,636	19,613
County Total	-0.15	43,430	43,363
Solano			
Incorporated	0.06	417,409	417,662
County Total	0.04	434,801	434,963
Sonoma			
Incorporated	-0.22	348,147	347,375
County Total	-0.27	478,480	477,187
Stanislaus			
Incorporated	0.64	437,381	440,200
County Total	0.55	545,753	548,744
Sutter			
Incorporated	1.90	78,432	79,924
County Total	1.90	98,248	100,110
Tehama			
Incorporated	-0.50	22,913	22,798
County Total	-0.61	64,578	64,182
Trinity			
Incorporated	0.00	0	0
County Total	-0.11	15,878	15,860
Tulare			
Incorporated	1.08	340,642	344,328
County Total	0.90	474,294	478,547

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change 23-24	Population Minus Exclusions 1-1-23	Population Minus Exclusions 1-1-24
Tuolumne			
Incorporated	0.25	5,119	5,132
County Total	-0.11	52,207	52,148
Ventura			
Incorporated	-0.21	732,348	730,833
County Total	-0.23	822,161	820,254
Yolo			
Incorporated	0.44	186,763	187,591
County Total	0.55	220,454	221,666
Yuba			
Incorporated	0.93	16,492	16,645
County Total	1.25	80,672	81,679

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

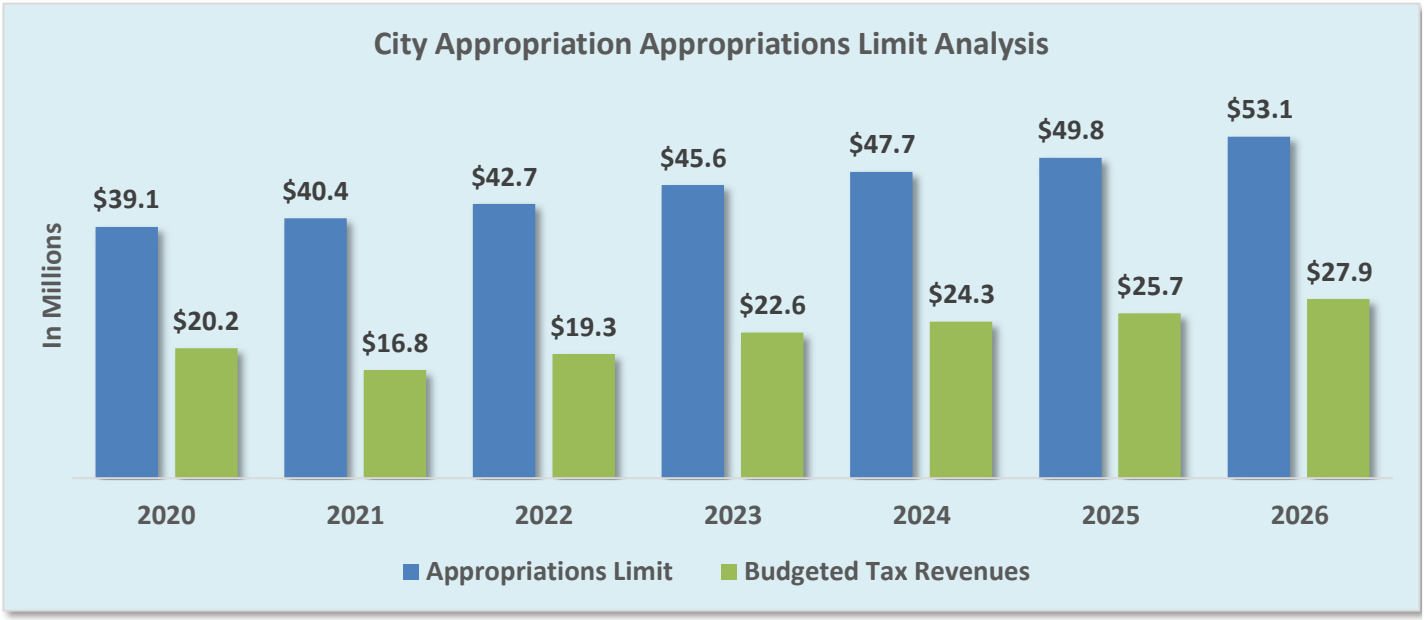
City of Pacific Grove Budget
Appropriations Limit
Fiscal Year 2025-26

The Gann Initiative was approved by California voters in November 1979. The purpose was to limit the spending of tax proceeds by government agencies by limiting expenditures. An agency is restricted from approving expenditures in excess of its limit. If a City receives more revenue than the appropriation limit, the revenue must be returned to the taxpayers through a tax reduction or refund.

Before each fiscal year, the City Council must adopt, by resolution, an appropriations limit using the cost of living data provided by the state of California, and population and per capita income data provided by the California Department of Finance. The limit is different for each agency and changes each year. The limit can be increased for an emergency as declared by the Governor.

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

Fiscal Year	Beginning Limit	County Population Factor	City Population Factor	California Per Capita Income	Ending Limit	Budgeted Tax Revenues	% of Limit	% Limit Increase
2020	37,310,602	1.0091	1.0048	1.0385	39,099,658	20,195,000	52%	4.80%
2021	39,099,658	0.99690	0.9938	1.0373	40,432,345	16,821,000	42%	3.41%
2022	40,432,345	0.99520	0.9978	1.0573	42,655,071	19,319,000	45%	5.50%
2023	42,655,071	0.99380	0.9879	1.0755	45,591,100	22,629,000	50%	6.88%
2024	45,591,100	1.00080	0.9984	1.0444	47,653,437	24,336,000	51%	4.52%
2025	47,653,437	1.00940	1.0063	1.0362	49,842,649	25,660,000	51%	4.59%
2026	49,842,649	1.00150	0.9957	1.0644	53,132,095	27,861,900	52%	6.60%



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Leticia Livian, Human Resources Director

MEETING DATE: June 18, 2025

SUBJECT: Second Reading of an Ordinance Amending the Salary Classification Schedule

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

RECOMMENDATION

Hold second reading and adopt an ordinance to amend the salary classification schedule and approve the amendment.

DISCUSSION

There were no changes between the first and second readings of this ordinance. The City Clerk caused a summary of the ordinance to be published on June 12, 2025.

The City salary classification schedule identifies the job classifications approved by Council (e.g., Office Assistant) and the hourly rates of pay for each classification at each step authorized by the Personnel Rules. Pursuant to Charter Article 25 and Pacific Grove Municipal Code (PGMC) Section 4.20.280, approval and amendment to the classification schedule must be adopted by the Council.

MOU & Benefit and Compensation Plans
In 2023, City Council approved the General Employees Association (GEA) and Management Employees Association (MEA) Memorandum of Understanding (MOU). City Council also approved the Benefits and Compensation Plans (Plans) for Non-represented Management and Confidential Group and the Department Head Group. Approval of the MOU's and Plans included a 3% cost of living adjustment (COLA) for three years (FY 23/24, FY 24/25, FY 25/26). This amendment would be the third installment of the approved COLA for fiscal year 25/26. The COLA is effective the first full pay period in July 2025.

In 2024, the City Council approved a Memorandum of Understanding (MOU) with the Police Officer Association (POA). The MOU includes a 3% cost of living adjustment (COLA) for each of the next three fiscal years: FY 24/25, FY 25/26, and FY 26/27.

As part of the agreement, a compensation study will be conducted during FY 25/26 to evaluate total compensation for POA classifications. Based on the results of this study, a market adjustment may be considered if it is determined that POA classifications are more than 3% below 95% of the market median in total compensation. As of the date of this report, the outcome of the market analysis and

subsequent discussions have not been finalized. Accordingly, the 3% COLA will be implemented as scheduled. Should a market adjustment be warranted, it will be applied retroactively to the first full pay period in July 2025.

Pursuant to Charter Article 25 and Pacific Grove Municipal Code (PGMC) Section 4.20.280, approval and amendment to the classification schedule must be adopted by the Council.

The requested changes are for GEA, MEA, POA, Non-represented Management and Confidential and the Department Head Groups and classifications that align with these groups. All other classifications in the salary schedule remain the same. To view the current salary schedule, click here.

The revised salary schedule reflecting the changes are incorporated into the attached ordinance with impacted classifications bolded in black.

OPTIONS

Provide alternative direction to staff.

FINANCIAL IMPACT:

The COLA's and market adjustments are budgeted in the FY 25/26 budget.

GEA

The increase for year 3 of the COLA is estimated to be approximately $140,653

MEA

The increase for year 3 of the COLA is estimated to be approximately $73,633

Non-represented Management and Confidential and Department Head Groups

The increase for year 3 of the COLA for non-represented confidential group is estimated to be approximately $73,471

The increase for year 3 of the COLA for the department head group is estimated to be approximately $64,686

The increase for year 3 COLA for POA is estimated to be approximately $68,637

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Ordinance

ORDINANCE NO. 25-_____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING THE CLASSIFICATION SCHEDULE

Findings

1. In 2023, City Council approved the General Employees Association (GEA) and Management Employees Association (MEA) Memorandum of Understanding (MOU). City Council also approved the Benefits and Compensation Plans (Plans) for Non-represented Management and Confidential Group and the Department Head Group; and

2. Approval of the MOU's and Plans included a 3% cost of living adjustment (COLA) for three years (FY 23/24, FY 24/25, FY 25/26); and

3. In 2024, the City Council approved a Memorandum of Understanding (MOU) with the Police Officer Association (POA). The MOU includes a 3% cost of living adjustment (COLA) for each of the next three fiscal years: FY 24/25, FY 25/26, and FY 26/27; and

4. The GEA, MEA, POA, Non-Represented and Confidential and Department Head Groups and classifications that align with those groups, salary ranges will be revised to reflect the 3% COLA increase; and

5. The COLA is effective the first full pay period in July 2025 for all groups and aligned classifications; and

6. Modifications to the salary classification plan must be amended to revise hourly rates; and

7. Amendment to the classification plan must be adopted by the City Council pursuant to Charter Article 25 and Pacific Grove Municipal Code (PGMC) Section 4.20.280; and

8. 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. 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 pursuant Section 15378.

Ordinance

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

SECTION 1. The foregoing findings of the City Council are incorporated into this Ordinance as if set forth in full.

SECTION 2. The position classification plan approved and adopted by the City Council pursuant to Charter Article 15 and PGMC § 4.20.280 is amended for GEA, MEA, POA, Non-represented Management and Confidential and Department Head Groups classifications and aligned classifications, with the following salary schedule:

City of Pacific Grove
Salary Schedule - Hourly Rate
Full-time and Part-time

Code	Classification	Hourly Salary Steps							
		Step 1A	Step 2B	Step 3C	Step 4D	Step 5E	Step 6F	Step 7G	Step 8H
124-001	Accountant	**35.82**	**37.62**	**39.50**	**41.47**	**43.55**	**44.63**	**45.75**	**46.89**
219-000	Accountant, Chief	**42.83**	**44.97**	**47.22**	**49.58**	**52.06**	**54.01**	**56.04**	
218-003	Accountant, Senior	**40.88**	**42.93**	**45.07**	**47.32**	**49.69**	**51.55**	**53.49**	
120-001	Accounting Assistant	**28.28**	**29.69**	**31.18**	**32.73**	**34.37**	**35.23**	**36.11**	**37.01**
125-01	Accounting Assistant, Senior	**30.07**	**31.57**	**33.15**	**34.80**	**36.54**	**37.46**	**38.39**	**39.35**
304-001	Administrative Services Director (ASD)	**71.79**	**75.38**	**79.15**	**83.10**	**87.26**	**91.62**	**96.20**	
302-001	ASD/ Assistant City Manager	**80.80**	**84.84**	**89.08**	**93.53**	**98.21**	**103.12**	**108.27**	
212-000	Administrative Services Manager	**57.46**	**60.33**	**63.35**	**66.52**	**69.84**	**73.33**	**77.00**	
170-000	Administrative Analyst	**36.15**	**37.96**	**39.85**	**41.85**	**43.94**	**45.04**	**46.16**	**47.32**
104-001	Administrative Assistant	**24.38**	**25.60**	**26.88**	**28.22**	**29.63**	**30.37**	**31.13**	**31.91**
171-001	Administrative Coordinator	**27.61**	**28.99**	**30.44**	**31.96**	**33.56**	**34.40**	**35.26**	**36.14**
505-001	Animal Control Officer	**28.54**	**29.97**	**31.47**	**33.04**	**34.69**	**35.99**	**37.34**	
216-002	Assistant Finance Manager	**39.13**	**41.08**	**43.14**	**45.29**	**47.56**	**49.34**	**51.19**	
090-000	Cashier	16.50	17.33	18.19	19.10	20.06			
243-001	City Clerk	**58.64**	**61.58**	**64.66**	**67.89**	**71.28**	**74.85**	**78.59**	
244-001	City Clerk/DEI Coordinator	**61.58**	**64.66**	**67.89**	**71.29**	**74.85**	**78.59**	**82.52**	
002-000	City Council Member	420	per month						
301-001	City Manager	121.00							
300-001	City Manager Pro Tempore	121.00							
164-002	Code Compliance Officer	**35.56**	**37.34**	**39.20**	**41.16**	**43.22**	**44.30**	**45.41**	**46.54**
205-000	Community Development Director	**73.97**	**77.67**	**81.55**	**85.63**	**89.91**	**94.41**	**99.13**	
507-001	Community Service Officer	**29.15**	**30.61**	**32.14**	**33.75**	**35.44**	**36.76**	**38.14**	
209-000	Construction Project Manager	**44.54**	**46.77**	**49.11**	**51.56**	**54.14**	**56.17**	**58.28**	
40-000	Custodian	**17.64**	**18.52**	**19.45**	**20.42**	**21.44**			
204-001	Deputy City Clerk	**35.31**	**37.07**	**38.93**	**40.87**	**42.92**	**45.06**	**47.32**	
305-001	Deputy City Manager	**68.57**	**72.00**	**75.60**	**79.38**	**83.35**	**87.52**	**91.89**	
156-001	Equipment Mechanic	**35.97**	**37.77**	**39.66**	**41.64**	**43.72**	**44.81**	**45.93**	**47.08**
157-000	Equipment Mechanic, Senior	**38.29**	**40.20**	**42.21**	**44.32**	**46.54**	**47.70**	**48.89**	**50.12**
256-000	Finance Director	**71.79**	**75.38**	**79.15**	**83.10**	**87.26**	**91.62**	**96.20**	
208-001	Financial Analyst	**32.99**	**34.64**	**36.37**	**38.19**	**40.10**	**41.60**	**43.16**	
310-001	Human Resources Director	**71.98**	**75.58**	**79.36**	**83.33**	**87.49**	**91.87**	**96.46**	
210-001	Human Resources Manager	**51.39**	**53.96**	**56.66**	**59.49**	**62.47**	**65.59**	**68.87**	
105-001	IT Support Specialist	**28.41**	**29.83**	**31.32**	**32.89**	**34.53**	**35.39**	**36.28**	**37.19**
64-000	Intern	16.50	17.33	18.19	19.10	20.06			
64-3	Intern II	**21.38**	**22.45**	**23.58**	**24.75**	**25.99**			
208-002	Librarian	**33.98**	**35.67**	**37.46**	**39.33**	**41.30**	**42.85**	**44.45**	
122-001	Library Assistant	**26.23**	**27.54**	**28.92**	**30.36**	**31.88**	**32.68**	**33.50**	**34.33**
144-002	Library Assistant, Senior	**28.12**	**29.52**	**31.00**	**32.55**	**34.18**	**35.03**	**35.91**	**36.80**
199-000	Library Clerk	**19.70**	**20.69**	**21.72**	**22.81**	**23.95**			
219-000	Library Director	**69.52**	**73.00**	**76.65**	**80.48**	**84.50**	**88.73**	**93.17**	
50-004	Lighthouse Docent Coordinator	16.50	17.33	18.19	19.10	20.06			
154-000	Maintenance Supervisor	**38.22**	**40.13**	**42.14**	**44.25**	**46.46**	**47.62**	**48.81**	**50.03**
132-000	Maintenance Worker	**30.51**	**32.03**	**33.63**	**35.31**	**37.08**	**38.01**	**38.96**	**39.93**
146-001	Maintenance Worker, Senior	**34.23**	**35.94**	**37.73**	**39.62**	**41.60**	**42.64**	**43.71**	**44.80**
208-003	Management Analyst	**40.66**	**42.69**	**44.83**	**47.07**	**49.42**	**51.28**	**53.20**	
001-000	Mayor	700	per month						

City of Pacific Grove
Salary Schedule - Hourly Rate
Full-time and Part-time

Code	Classification	Hourly Salary Steps							
		Step 1A	Step 2B	Step 3C	Step 4D	Step 5E	Step 6F	Step 7G	Step 8H
506-001	Parking Enforcement Officer	**27.42**	**28.80**	**30.24**	**31.75**	**33.33**	**34.58**	**35.88**	
165-001	Planner, Assistant	**37.24**	**39.10**	**41.05**	**43.10**	**45.26**	**46.39**	**47.55**	**48.74**
168-002	Planner, Associate	**41.38**	**43.45**	**45.62**	**47.90**	**50.29**	**51.55**	**52.84**	**54.16**
241-002	Planner, Principal	**51.73**	**54.32**	**57.03**	**59.88**	**62.88**	**65.23**	**67.68**	
169-001	Planner, Senior	**46.86**	**49.20**	**51.66**	**54.24**	**56.96**	**58.38**	**59.84**	**61.34**
201-000	Police Adm. Services Manager (ASM)	**57.46**	**60.34**	**63.35**	**66.52**	**69.85**	**73.34**	**77.00**	
211-001	Police ASM/Public Information Officer	**60.33**	**63.35**	**66.52**	**69.84**	**73.33**	**77.00**	**80.85**	
602-001	Police Chief	**90.46**	**94.98**	**99.73**	**104.71**	**109.95**	**115.45**	**121.22**	
601-001	Police Commander	**64.09**	**67.30**	**70.66**	**74.19**	**77.90**	**81.80**	**85.89**	
516-001	Police Officer	**49.15**	**51.61**	**54.19**	**56.90**	**59.75**	**62.74**	**65.87**	
513-000	Police Officer Recruit	**25.08**	**26.34**	**27.65**	**29.04**	**30.49**	**32.01**	**33.61**	
521-002	Police Records Supervisor	**33.08**	**34.74**	**36.48**	**38.30**	**40.21**	**41.72**	**43.29**	
524-001	Police Sergeant	**56.79**	**59.63**	**62.61**	**65.74**	**69.03**	**72.48**	**76.11**	
508-001	Police Services Technician	**29.15**	**30.61**	**32.14**	**33.75**	**35.44**	**36.76**	**38.14**	
62-001	Pre School Manager	**19.88**	**20.88**	**21.92**	**23.02**	**24.17**			
206-002	Principal Civil Engineer	**57.46**	**60.33**	**63.35**	**66.52**	**69.84**	**73.34**	**77.00**	
219-001	Program Manager	**46.58**	**48.91**	**51.36**	**53.92**	**56.62**	**58.74**	**60.95**	
206-000	Program Manager, Senior	**57.46**	**60.33**	**63.35**	**66.52**	**69.84**	**73.33**	**77.00**	
509-001	Property and Evidence Technician	**30.61**	**32.14**	**33.75**	**35.43**	**37.21**	**38.60**	**40.05**	
207-000	Public Works (PW) Director	**74.22**	**77.94**	**81.83**	**85.92**	**90.22**	**94.73**	**99.47**	
303-001	PW Director/ Deputy City Manager	**77.57**	**81.45**	**85.52**	**89.80**	**94.29**	**99.00**	**103.95**	
220-002	Public Works Superintendent	**50.64**	**53.17**	**55.83**	**58.62**	**61.56**	**63.86**	**66.26**	
10-001	Recreation Assistant I	16.50	17.33	18.19	19.10	20.06			
51-001	Recreation Assistant II	20.21	21.22	22.28	23.39	24.56			
118-001	Recreation Coordinator	**30.12**	**31.62**	**33.20**	**34.86**	**36.61**	**37.52**	**38.46**	**39.42**
217-003	Recreation Coordinator, Senior	**41.84**	**43.93**	**46.13**	**48.44**	**50.86**	**52.77**	**54.74**	
62-002	Recreation Program Supervisor	**26.06**	**27.36**	**28.73**	**30.17**	**31.68**			
216-003	Risk Manager	**39.12**	**41.08**	**43.13**	**45.29**	**47.55**	**49.34**	**51.19**	
209-000	Senior Librarian	**39.32**	**41.29**	**43.35**	**45.52**	**47.80**	**49.59**	**51.45**	
219-005	Urban Forester	**46.58**	**48.91**	**51.36**	**53.92**	**56.62**	**58.74**	**60.95**	
170-001	Volunteer Coordinator	**29.64**	**31.12**	**32.68**	**34.32**	**36.03**	**36.93**	**37.86**	**38.80**

	Classification	Hourly Salary Range
203	Extra-Help Retired Annuitant	**16.50 - 121.00**

SECTION 3. The City Manager is directed to execute all documents and to perform all other necessary City acts to implement this Ordinance.

SECTION 4. In accord with Article 15 of the City Charter, this ordinance shall become effective on July 6, 2025.

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

AYES:

NOES:

ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN PIERIK, City Attorney

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Fred Marsh, Administrative Services Director
MEETING DATE:	June 18, 2025
SUBJECT:	Second Reading of an Ordinance to Adopt the Fiscal Years 25-26 and 26-27 Operating and Capital Improvement Budget
CEQA:	Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Hold second reading of an ordinance to adopt the Fiscal Years 25-26 and 26-27 Operating and Capital Improvement Budget

DISCUSSION

There were no changes between the first and second readings of this ordinance. The City Clerk caused a summary of the ordinance to be published on June 12, 2025.

On May 7, 2025, staff presented the draft FY 2025/26 and 2026/27 Capital Improvement Program and received comments and feedback from the City Council and community for inclusion in the final draft budget document.

On May 21, 2025 and June 4, 2025, the City Council received a presentation on the draft budget for FY 2025/26 and 2026/27, the draft investment and financial polices, and information related to the City's pension challenges. These topics received comments and feedback from the City Council and community for inclusion in the final draft budget document.

The action before the City Council is to adopt an Ordinance (Attachment No. 1) for the draft Fiscal Years 25-26 and 26-27 Operating and Capital Improvement Budget (Attachment No. 2). The final draft budget document incorporates all prior comments and feedback from the City Council and Community into the final draft budget document. A complete version of the budget for the City as well as an executive summary are included as attachments to this report.

There were no substantive changes that occurred between the first and second reading of this ordinance. The City Clerk caused a summary of the ordinance to be published in June 2025.

OPTIONS

- Approve ordinance
- Provide alternate direction

FINANCIAL IMPACT:
The fiscal impact of the proposed budget for Fiscal Years 25-26 and 26-27 is contained in the attached budget document.

FOCUSED PRIORITY AREA: Financial Sustainability

Attachments

Budget Ordinance
Budget Executive Summary
Budget Draft 06-11-25

ORDINANCE NO. 25-xxx

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE ADOPTING THE OPERATING AND CAPITAL PROJECTS BUDGET FOR THE FISCAL YEAR (FY) 2025-26;

FACTS

1. The City Council held a public hearing and first reading of an ordinance to adopt the FY 2025-26 Operating and Capital Projects Budget.

2. The City Manager is recommending adoption of the FY 2025-26 Budget to reflect the City Council's expressed goals for the fiscal year budget.

3. Pursuant to Charter Article 15, adoption of the annual budget and or amendment of the budget must be approved by ordinance.

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

5. 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.

6. Enactment of this ordinance does not constitute a "project" as defined by California Environmental Quality Act (CEQA) and as such is not subject to/exempt from CEQA because it is an administrative activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment and involves the creation of a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment.

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

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

SECTION 2. That the City Council does hereby approve and adopt the operating budget and capital improvement program for the City for FY 2025-26, and that they hereby authorize the City Manager and Administrative Services Director to make any non-substantive changes as needed to meet Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officer (CSMFO) budget award program comments and criteria.

SECTION 3. That the City Council authorizes at the closeout of Fiscal Year 2024-25 by the Finance Division of the Administrative Services Department the carryover of any unspent and encumbered funds for operations and capital projects and any other unspent funds for active capital projects, to be reappropriated in the Fiscal Year 2025-26 budget for continued use in the same manner so long as there are sufficient available fund balances to finance these commitments.

SECTION 4. 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 18th day of June, 2025, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN PIERIK, City Attorney

City of Pacific Grove California

Executive Budget Summary

Fiscal Years 2025-2026 and 2026-2027



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

Pacific Grove Budget Executive Summary Fiscal Year 25-26 / 26-27

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Mission and Vision

- Mission: To deliver quality professional public services in the City and region
- Vision: To thoughtfully grow as an inclusive community, protecting its character

Core Values

- Leadership: Uphold the highest work ethic
- Inclusiveness: Cultivate an environment of trust
- Integrity: Safeguard public trust
- Collaboration: Promote transparent engagement
- Stewardship: Protect our natural environment

Focused Priority Areas and Goals

- Sustainability: Ensure delivery of City services
- Infrastructure: Maintain community assets
- Stewardship: Implement sustainable practices
- Development: Promote Housing / Development

City Council FY 2025-26

Mayor:	Nick Smith
Councilmembers:	Joe Amelio
	Cynthia Garfield
	Lori McDonnell
	Chaps Poduri
	Tina Rau
	Paul Walkingstick

Welcome Message From the City Manager

The City of Pacific Grove presents its two year Executive Budget Summary for Fiscal Years 2025-26 and 2026-27.

The executive summary is designed to present the City's financial condition in a concise, easy to read format for all users.



Matthew Mogensen
City Manager

Summary of Adopted Budget

This report summarizes the City's operating budget, which contains more detailed financial information.

Certain disclosures required by generally accepted accounting principles (GAAP) are omitted.



Audit Opinion / Awards for Excellence

The City has received a "clean" unmodified audit opinion for its ACFR, and a Certificate of Achievement for Excellence in Financial Reporting (COA) from the Government Finance Officers Association (GFOA). In addition, the City has received awards for excellence for its operating budget from GFOA and the California Society of Municipal Finance Officers. These awards focus on providing quality documents that are easy to understand by the public.

Social Media for the City

Website: cityofpacificgrove.org

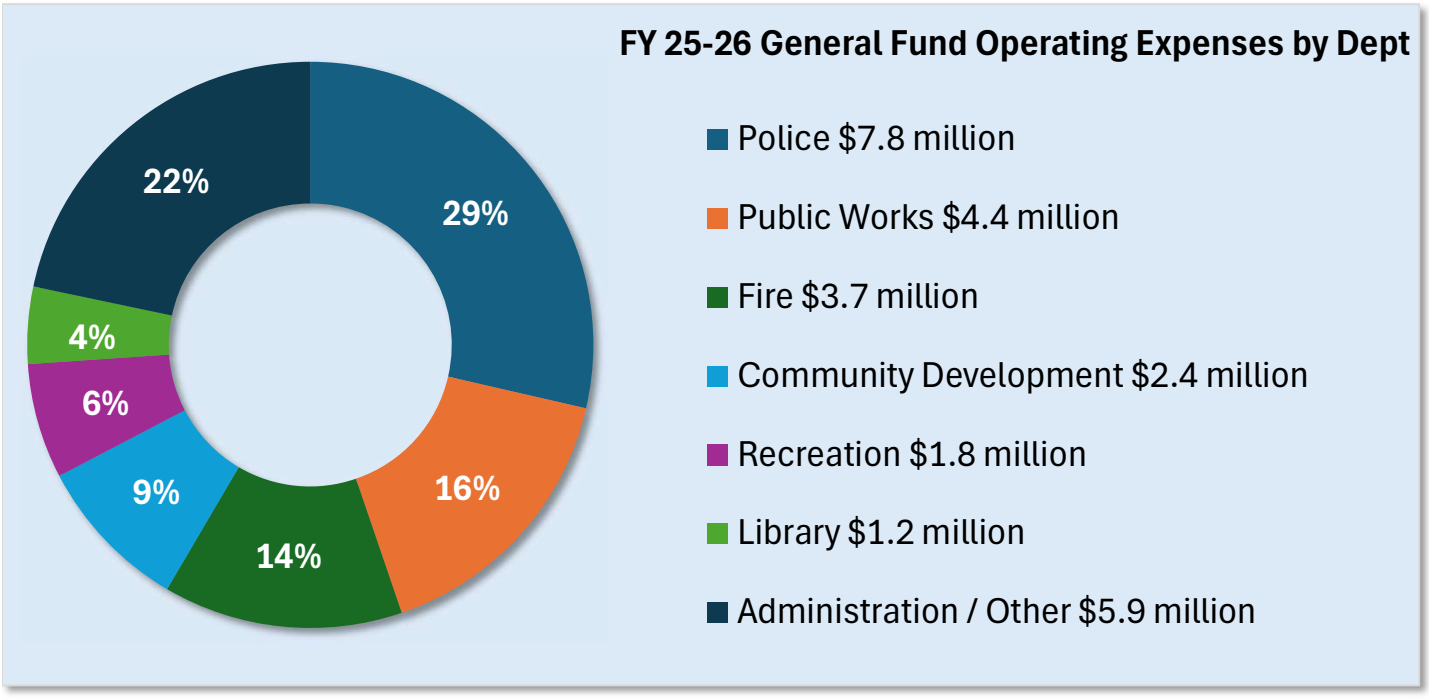
Facebook: CityofPacificGrove

X/Twitter: @PacificGrove

Additional information on General Fund operating expenses by department, including proposed personnel changes and capital outlay contained in the departmental budgets, are discussed in subsequent pages.

Community Development includes Building, Planning and Housing. Public Works includes Street Maintenance and Cleaning, Buildings and Grounds and Forestry. Note that Building, Fire, City Attorney and Museum services are provided on a contract basis to the City.

Department	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimated	FY 25/26 Estimated	Variance from CY Budget	FY 26/27 Estimated
Police	$ 6,536,910	$ 7,615,502	$ 7,029,118	$ 7,816,343	$ 200,841	$ 8,234,744
Public Works	4,054,763	5,352,860	5,098,796	4,416,192	(936,668)	4,578,799
Fire	3,313,322	3,599,600	3,632,149	3,734,497	134,897	3,899,514
Community Development	2,444,041	3,213,158	3,150,469	2,439,320	(773,838)	2,498,225
Recreation	1,145,986	1,554,839	1,488,636	1,792,832	237,993	1,832,987
City Council	178,800	324,089	293,423	276,365	(47,724)	339,800
City Manager	1,091,458	1,109,498	1,079,609	1,154,639	45,141	1,191,399
Finance	1,351,030	1,355,331	1,396,091	1,371,823	16,492	1,428,045
Information Services	817,924	1,202,362	1,132,879	1,327,725	125,363	1,370,741
Library	1,000,084	1,097,776	1,097,750	1,203,659	105,883	1,279,385
City Attorney	1,098,047	1,184,360	915,000	915,000	(269,360)	915,000
Economic Development	298,842	393,321	264,458	454,615	61,294	463,252
Museum	346,495	384,300	383,363	424,493	40,193	441,843
Total GF Dept Expenses	$ 23,677,702	$ 28,386,996	$ 26,961,741	$ 27,327,503	$ (1,059,493)	$ 28,473,733

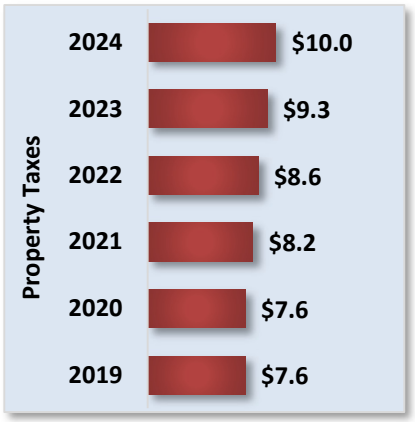


Economic Factors Affecting General Fund Revenues

Information related to major revenues categories is provided within this section**. All graphs are in millions**. The revenues listed represent over 75% of the General Fund's revenues. Estimates of user fees and other operating revenues and fees are prepared by Finance based upon revenue trends in these categories and economic information for the County of Monterey.

Property Taxes

Proposition 13 sets the Fiscal Year 75-76 assessed values as the base year, with a growth rate limited to 2% for any given year. The County Assessor also reappraises each real property parcel when there are purchases, construction, or other statutorily defined changes in ownership. Proposition 13 limits the property tax to 1% of each property's full value, plus any additional percentages for specific voter approved indebtedness. The City receives approximately 16% of every dollar of property tax, with the balance distributed to the School District, County and local special districts. Property taxes are less likely to quickly respond to changes in the economy. The continued increases in property taxes is attributed to both demand for homes in the area and rising property values; however higher interest rates could impact future home sales.



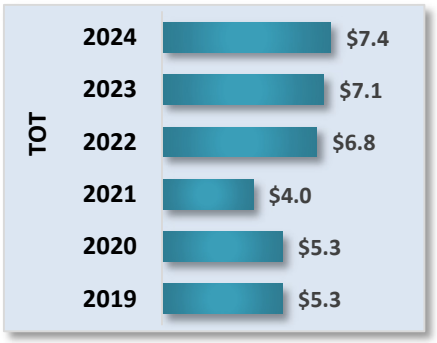
Sales and Use Taxes

Voters approved Measure A, a new 0.50% transaction and use tax. This increased the combined sales tax rate to 9.25% in October 2022. The General Fund portion of the City sales tax is comprised of a 1% Bradley-Burns statutory sales tax rate; and Measure U, a 1% transaction and use tax that was approved by voters in 2008. The transactions and use tax portion of the rate increased to 1.5% resulting from the passage of these measures. Restaurants and Hotels are the largest providers of sales tax to the City, followed by businesses in the building and construction category and from the County/State sales tax pool. Administrative Services works closely with HdL, the City's sales tax consultant, on tax recovery and projections. Estimates are based on a combination of information from HdL and trends over the past few fiscal years.



Transient Occupancy (Hotel) Taxes (TOT) / Other Taxes

Transient Occupancy / Hotel Tax (TOT) - Is a lodging tax that is collected on overnight rental accommodation stays of 30 consecutive days or less. In 2010, the City updated its municipal code and began collecting TOT on residential or short-term rental properties (STRS). In Fiscal Year 17/18, the City approved an ordinance to reduce the number of short-term rentals, with an effective date of April 30, 2019. In November of 2018 voters approved Measure U, increasing the TOT rate to 12%. This increased tax was partially offset by Measure M, eliminating STR's outside coastal and commercial zones.



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

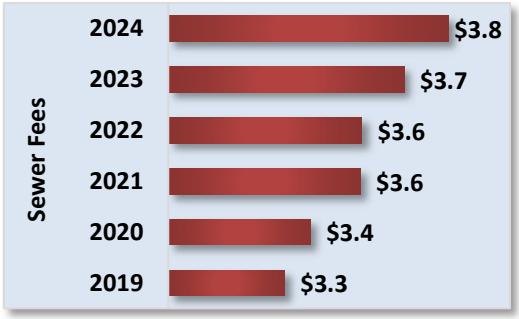
Franchise Taxes - The City grants franchises to utilities to construct, maintain, lay infrastructure, or operate transportation on or over streets, alleys, lanes, or other public places within the City. New franchises or their renewal are levied a tax of at least 2% of gross annual receipts from franchises in the City.

Economic Factors Affecting Other Fund Revenues

Information related to major revenues categories is provided within this section. All graphs are in millions. The revenues listed represent over 75% of non General Fund revenues.

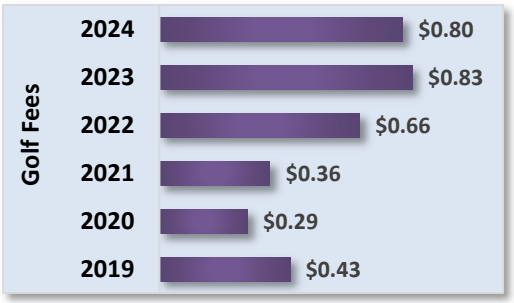
Sewer Fees

In May 2014, a Sewer Collection System Master Plan (SCSMP) was developed to evaluate the existing sewer infrastructure and develop an asset replacement schedule. In February 2015, a Ten-Year Sewer Collection System Financial Plan and Rate Study was prepared to support funding for the capital improvements. These documents were used as the basis to successfully implement multi-year fee increases. The revenues received from the fees are used to support operating costs, as well as the identified improvements.



Golf Course Fees

The City contracts the services of the golf course to CourseCo Inc. for the management and operations of the golf course and related facilities. Golf operations are funded entirely through golf fee revenues. CourseCo is responsible for managing the 18-hole golf course, driving range, putting greens and the clubhouse. The golf course restaurant is run by a separate third party. The business model for golf operations provides discounted golf for residents and a direct economic benefit to the community.



Cemetery and Local Water Project (LWP) Fees

The City operates and maintains the El Carmelo Cemetery. The City coordinates with area mortuaries and other individuals for services at the cemetery. The City establishes fees on an annual basis for the services provided at its cemetery.

The City entered into an agreement with PERC Water to design and build the Local Water Project to replace approximately 123 acre-feet/year (.11 million gallons daily average) of irrigation demands with nonpotable supplies for the irrigation of the Municipal Golf Links and the El Carmelo Cemetery and provide toilet flushing for two public restrooms.



Other Restricted Revenues

Public Safety - The City receives a variety of funds from other governments to supplement the funding of police and fire, including funds received for Asset Seizure, Abandoned Vehicle Abatement, Fire Emergency Equipment, Public Safety Augmentation and Supplemental Law Enforcement Services. These funds are part of the Police Fund restricted for use for specific types of activities.

Streets - The County passed a supplemental sales tax of 0.5% as overseen by the Transportation Agency for Monterey County (TAMC). These funds are used to support a variety of local and regional transportation projects and are accounted for in the Streets Fund. The City also receives from the State Gas Tax and Road Maintenance and Rehabilitation (RMRA) funds that can also be used for street maintenance.

Business/Tourism Fees - The Downtown Business District Fund accounts for fees from businesses within the Business Improvement District, which are paid to the Grove Chamber of Commerce. The Hospitality and Tourism Improvement Districts Fund accounts for fees paid by hotels, with half of the fees remitted to the Chamber of Commerce and the other half remitted to the Monterey County Convention and Visitor's Bureau.

Economic Analysis

Local Economy:

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



National Economy:

Stock Market: Market volatility increased in April to levels last seen at the onset of the pandemic as initial tariff announcements far exceeded market expectations. Even after some tariffs were paused for 90 days, a blanket 10% rate for most countries remains in effect, as does tariffs on steel, aluminum, autos, and imports from Canada and Mexico not covered by the USMCA, along with tariffs on China, with a few exclusions. The effective tariff rate is at the highest level in over 100 years.

Interest Rates: The Federal Reserve (Fed) continues to follow a wait-and-see approach. Fed Chair Jerome Powell said he expects tariffs to move the Fed further away from both sides of its dual mandate goals of stable prices and maximum employment, and will make policy adjustments only in reaction to any increase in inflation or deterioration of labor markets.

Consumer Spending: The soft data from business and consumer surveys deteriorated markedly, while hard data, like employment and retail sales, were remarkably firm. U.S. gross domestic product (GDP) shrank in Q1 by -0.3% as a surge in imports – a subtraction from GDP dragged down reported growth. Final sales to domestic purchasers, a metric used by the Fed to gauge private sector demand remained strong. However, prospects for consumer spending remain uncertain given the pull-forward of demand in advance of tariffs which may weigh on growth later in the year.

Inflation: The Core Personal Consumption Expenditures Index (PCE), which is the Fed's preferred measure of inflation, was flat in April on a month-over-month basis, marking the slowest pace of price increases in five years. The annual rate was 2.3%, still over the Fed's desired target of 2%.

Employment: Non-farm payrolls continued to beat expectations, growing by 177,000 in April while the unemployment rate remained at 4.2%. The data points toward labor market strength and provides the Fed cover to keep policy rates unchanged while it analyzes the impact of tariffs.

Other U.S. Economic Statistics from Bloomberg as of March and April 2025 are shown below:

Economic Statistic	Amount / Change
Housing Starts	↑ 11.2%
Housing Prices	↑ 4.7%
Existing Home Sales	↓ 5.9%
Trade Balance	($123 Billion)
Labor Participation Rate	62.5%
Gross Domestic Product (GDP)	↓ 0.3%

Economic Statistic	Amount / Change
Crude Oil	$82/barrel
2 Year Treasury	5.0%
Consumer Sentiment	52
Retail Sales	↑ 4.6%
U-6 Unemployment Rate	8.00%
U.S. Dollar vs. Euro	$1.07

Staffing

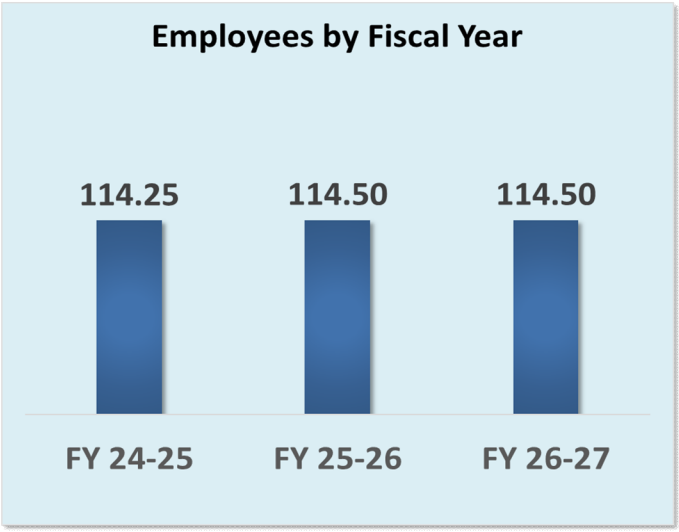
The City provides a competitive salary and benefits package to address the strategic goal of attracting and retaining skilled staff. The City pays most of the full premiums of health, dental and vision for the employee, and some of the costs of premiums for their dependents.

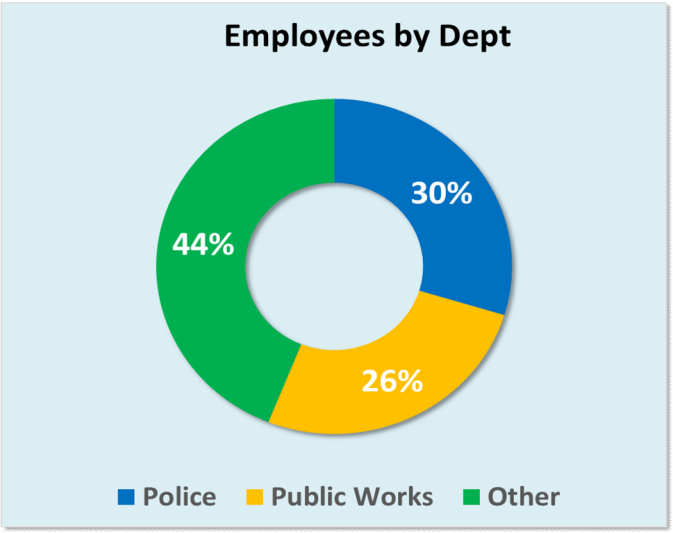
See the City's website for salary schedules and employee MOUs, including benefit provisions, and subsequent pages of this document for detailed position listings**. No significant changes are proposed in staffing levels for the next two fiscal years.** The position counts below include the FTEs of full-time and part-time positions.

Department		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Police		34.00	34.00	34.00	34.00
Public Works		27.40	29.90	30.15	30.15
Other					
City Council		7.00	7.00	7.00	7.00
City Manager		4.43	5.18	5.18	5.18
Administrative Services		11.02	11.27	11.27	11.27
Community Development		7.50	8.75	8.75	8.75
Library		8.50	9.00	9.00	9.00
Recreation / Lighthouse		8.90	8.90	9.15	9.15
	Totals	**108.75**	**114.00**	**114.50**	**114.50**
Funded by					
General Fund		96.35	101.37	100.67	100.67
Other Funds		12.40	12.63	13.83	13.83
	Totals	**108.75**	**114.00**	**114.50**	**114.50**

City Volunteer Program

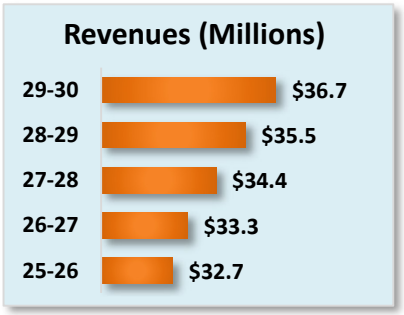
The City's Volunteer Program oversees the organization and management of various city volunteer programs including the Point Pinos Lighthouse, the Pacific Grove Library, the Hyperbaric Chamber, the Perkins Park and Chautauqua Hall Gardening Clubs, the Parks and Recreation Student Experience Program, the International Internship Program, the CSUMB Service Learning Program and various individual volunteers that assist city departments. Management of the programs include tracking hours, promoting programs and recruiting volunteers, providing volunteer orientations, planning recognition events and assisting programs with a variety of administrative duties. The volunteer program hosts an annual Volunteer Appreciation Event each year in April in recognition of National Volunteer Month.

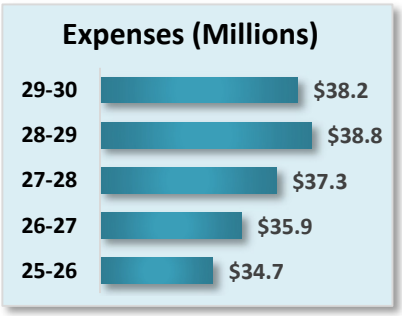




Five Year Forecast - General Fund

The table below summarizes the City's projected General Fund revenues and expenses over the next few years. **This forecast does not include any revenues associated with pending new hotel developments. Actual results could vary significantly from this forecast.** The forecast includes the following additional assumptions:





Revenues

Property Taxes: Assumes to grow at an annual rate of 4%, based upon Proposition 13 restrictions and assumed property transfers and some minimal growth within the City.

Other Taxes and Revenues: Assume to grow at a rate of between 1-3% based upon historical trends and analysis from other third parties.

Operating Expenses

Wages: Assumes no additional staffing for the five year period, assumes future annual COLA adjustments to be similar to those in the current employees' MOUs.

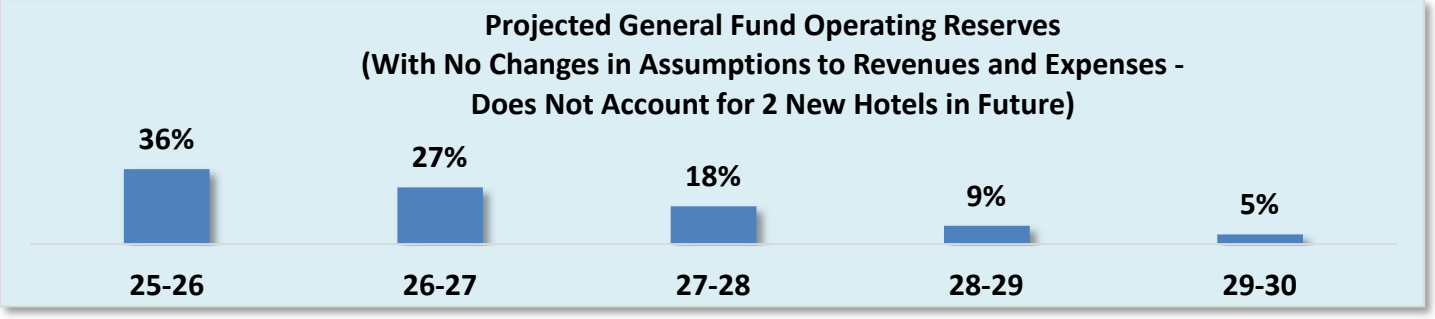
Other Operating Expenses: Increases of 3% annually, similar to the assumed future rate of inflation. Assumes no additional contributions to pension or capital reserves.

Non-Operating Expenses and Reserves

Debt Service: Incorporates debt service on debt through their maturities. Note that the Pension Obligation Bonds will mature in 2029.

Pension Actuarial Liabilities: Pension includes estimated amounts from CalPERS actuarials. Assumes CalPERS will attain its annual assumed rate of return of 6.8% in future years.

General Fund 5 Year Forecast	Proposed Two Year Budget		Future Trends with No Changes to Revenues and Expenses		
Category	Proposed 25-26	Projected 26-27	Projected 27-28	Projected 28-29	Projected 29-30
Revenues:	$ 32,729,400	$ 33,302,700	$ 34,385,000	$ 35,505,000	$ 36,663,000
Expenses:					
Operating Expenses	26,941,941	28,232,671	29,080,000	29,953,000	30,851,000
Pension / Debt Obligations	6,259,581	6,588,293	7,154,441	7,708,010	6,199,042
Capital Outlay / Transfers	1,487,600	1,055,500	1,087,000	1,119,000	1,153,000
Total Expenses	34,689,122	35,876,464	37,321,441	38,780,010	38,203,042
Net Change for Fiscal Year	(1,959,722)	(2,573,764)	(2,936,441)	(3,275,010)	(1,540,042)
Projected Ending Reserves	**12,021,945**	**9,448,181**	**6,511,740**	**3,236,730**	**1,696,688**
Projected Reserve Level	**36%**	**27%**	**18%**	**9%**	**5%**



Capital Program

A significant amount of capital improvements and capital outlay are planned in a two year time frame, all of which are designed to address some of the City's strategic goals. The capital improvements are based upon asset management studies and are designed to improve operations and address capital reinvestment in infrastructure at the City's facilities.

The Capital Improvement Program (CIP) is designed to meet community needs, with special emphasis on those projects that contribute to the City's economic vitality and quality of life. In addition to the items mentioned below, several capital projects originally authorized in FY 24-25 will be carried over to Fiscal Year 25-26, as discussed in detail in the capital program section of the budget.



Major Projects and Capital Outlay Funded in Proposed Two Year Plan

Streets / Wastewater Infrastructure

Street Rehabilitation Project	$3.4M
Mandated ADA Improvements	$450K
Crack and Slurry Seal	$450K
Sewer Force Main Replacement	$600K
Sewer Collection System (SCSMP) Projects	$7M
Urban Diversion Station Repair	$100K

Information Services Projects / Capital Outlay

VOIP Phone System Improvements	$10K
Network Upgrade	$62K
City Council Chambers Equipment	$10K
Police Door Access Upgrade	$100K
City Hall Door Access	$140K
Redundant Internet And Firewall	$43.5K

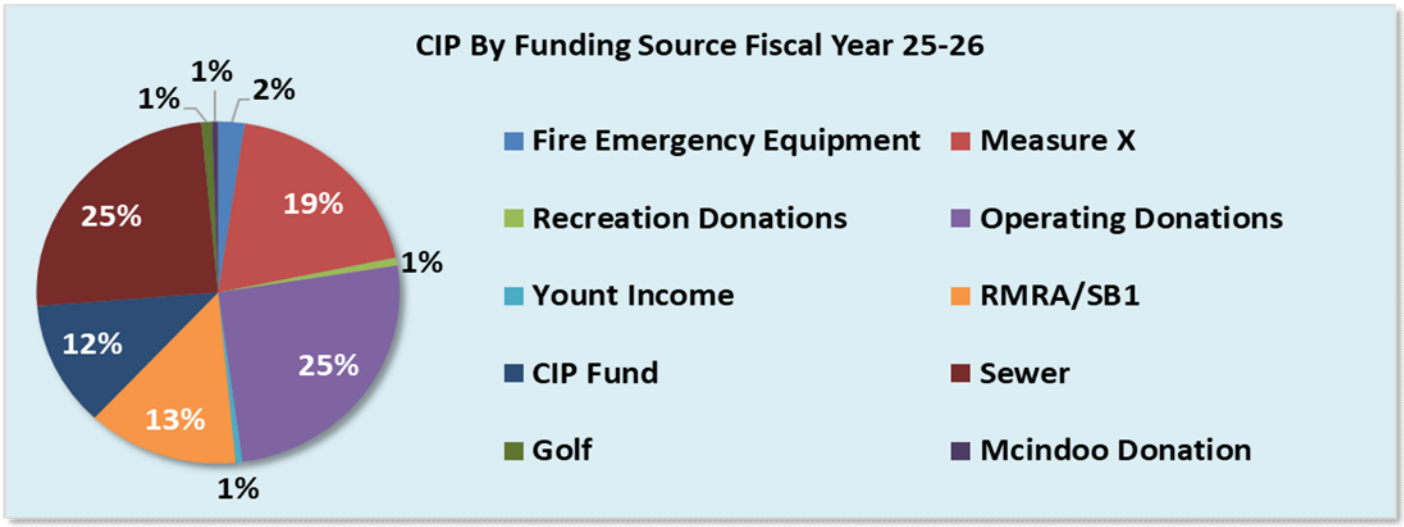
Facilities

Library Pillar Privacy / Study Booth ADA	$25K
Chautauqua Hall Building Improvements	$700K
City Hall Window and Door Replacement	$32K
Fire Station Alerting System	$100K
Roof Repairs Police Department	$70K
Youth Center Roof Repair	$32K

Other Projects and Capital Outlay

Chinese Pavillion / Moon Gate	$200K
Point Pinos Grill Boiler Replacement	$40K
Recreation Trail Improvements	$16K
Equipping New Fire Engine	$50K
Purchase Of Radios	$40K
Light Fixtures, Poles for Solar Lights	$100K

Funding Sources for Capital Projects for Fiscal Year 2025-26



Long Term Debt

The City's Budget and Financial Management Policy provides guidance on long-term borrowing. This includes limiting the use of long-term financing to fund capital improvement projects and equipment. The City is projecting sufficient revenues to fund all debt service requirements.

Standard and Poor's Rating Services and Moody's Investors Services, Inc., assigned a rating of SP-1+ and MIG 1, respectively to the City's 2006 Pension Obligation Bonds. The City has not received any updates to this rating. The City does not have any General Obligation (GO) Bonds. The California Government Code, Section 43605 caps GO debt at 15% of the assessed value of all real and personal property within the City. The legal debt margin based on the Fiscal Year 23-24 ACFR is $662 million. Good credit ratings are essential for the City to continue to be able to issue debt for future projects and to

Description of Bonds Outstanding:

Pension Obligation Bond: Payable from General Fund, to refund a prior CalPERS actuarial liability (i.e. side fund).

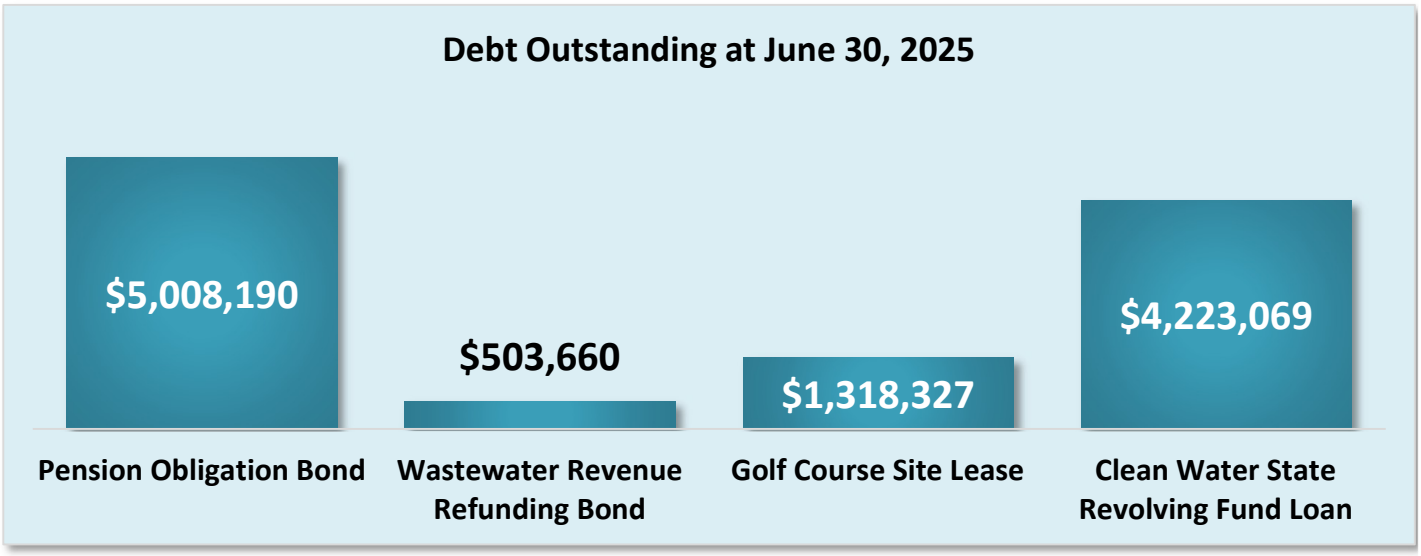
Wastewater Refunding Bond: Repayable from Sewer Fund, to refinance prior bonds, debt coverage of 125%.

Golf Course Lease: Repayable from Golf Fund, to refinance prior bonds, required debt coverage of 125%.

State Clean Water Loan: Repayable from the Local Water Fund, to fund the construction of a recycled water treatment plant and related infrastructure, with a required debt coverage of 125%.

Outstanding Debt Issues as of June 30, 2025

Bond Issue	Interest Rate	Maturity	Debt Service	Bonds Outstanding
Pension Obligation Bond	5.67%-6.12%	6/1/2029	$1.5-$1.6 million	$ 5,008,190
Wastewater Revenue Refunding Bond	3.35%	10/1/2031	$88,000	503,660
Golf Course Site Lease	4.35%	8/1/2030	$272,000	1,318,327
Clean Water State Revolving Fund Loan	1.00%	12/1/2048	$206,000	4,223,069
PG&E Financing Loan	None	12/1/2026	$13,000	18,841

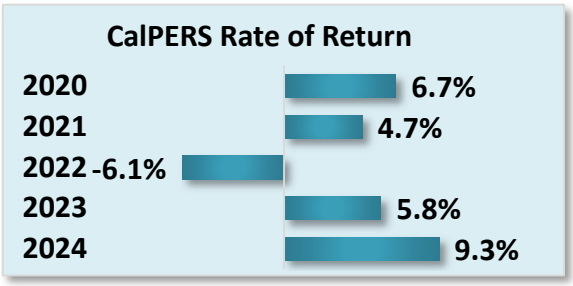


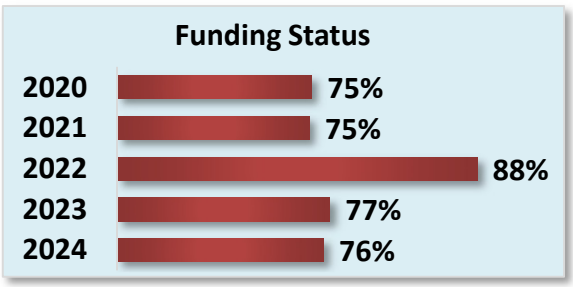
Pension Liability

Information contained in this section is based on the most recent risk analyses from CalPERS. Per the most recent CalPERS actuarial schedule, the Net Pension Liability is scheduled to be paid off in 2044. The City will look into establishing a pension trust fund to assist with the repayment of this liability. The $5.5 million of outstanding Pension Obligation Bonds have an interest rate of 6% and mature in 2029.

CalPERS targeted annual rate of return is 6.8%, its actual one year return was 9.3% and 20 year is 6.7%. if CalPERS reduces this discount rate by 1%, the City's projected liability would increase by $21 million. Reducing the amortization of this debt would result in projected savings of $4 million and $16 million by reducing the amortization period to either 15 and 10 years respectively.

The City requires employees to pay the entire amount of the employee pension contribution, plus between 3-5% of the City's employer contribution for classic members (Normal Cost), whereas employees covered under PEPRA pay ½ of the Normal Cost for their plan. In addition, to reduce its long-term overall liability for its three plans, the City will Fiscal Year 2025-26 make the annual payment on its unfunded liability to CalPERS at the beginning of the fiscal year, resulting in a reduction in the total paid on this liability for the fiscal year, resulting from reduced interest charges.



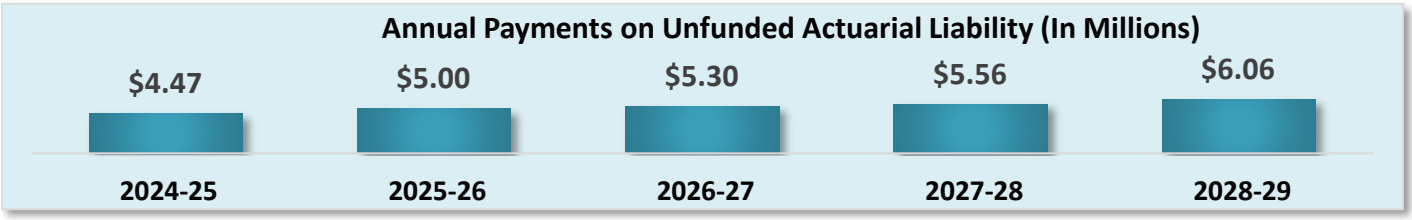




Key Pension Statistics	Amount
Net Pension Liability	$55.0 million
% of Gross Liability Funded	76%
Pension Bond Balance 6/30/25	$5.0 million
Debt Service on Pension Bonds	$1.5-1.6 million
City Contributions - Active Employees	$1.0 million
Number of Classic / PEPRA Employees	30/59
Active Employees	89
Retired Employees	272

Annual Unfunded Liability Payments	
Fiscal Year	Amount
2024-25	$ 4,465,163
2025-26	5,000,758
2026-27	5,299,352
2027-28	5,559,441
2028-29	6,058,012
Alternate Payment Schedules	
15 Years	5,984,912
10 Years	7,775,514

Normal Cost by Pension Plan	Total Normal Cost	Employer Share	Employee Share
Classic – Miscellaneous (2% at 55)	19.51%	7.51%	12.00%
Classic – Safety (3% at 50)	36.37%	24.37%	12.00%
PEPRA – Miscellaneous (2% at 62)	15.62%	7.87%	7.75%
PEPRA – Safety (2.7% at 57)	27.51%	13.76%	13.75%



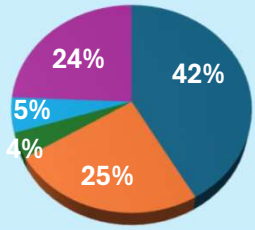
Fund Balance / Working Capital Estimates

General Fund: Reserves have been established at 25% per Council policy and are impacted by its revenues and expenses discussed in subsequent pages. The General Fund CIP is funded through transfers from the General Fund.

Internal Service Funds: These funds represent the collections of charges from other funds used to pay insurance premiums and claims and employee benefits, with reserve policies established at 75% of liabilities for the insurance funds.

Sewer/Other Funds: The Sewer fund reflects sewer service charges used for operations and system maintenance and improvements. A reserve policy has also been established for the Golf Fund (25% of revenues). Other funds reflect the receipt of grant and other funds for eligible projects and programs.

Fund	Projected Revenues / Transfers In	Proposed Expenses / Transfers Out	Change for Fiscal Year 25-26	Projected Ending Balance FY 25-26	Projected Revenues / Transfers In	Proposed Expenses / Transfers Out	Change for Fiscal Year 26-27	Projected Ending Balance FY 26-27
General Fund	$ 32,729,400	$ 34,689,122	$ (1,959,722)	$ 12,021,945	$ 33,302,700	$ 35,876,464	$ (2,573,764)	$ 9,448,181
Pension Reserve	25,000		25,000	525,000	25,000		25,000	550,000
General Fund	32,754,400	34,689,122	(1,934,722)	12,546,945	33,327,700	35,876,464	(2,548,764)	9,998,181
General Fund CIP	506,682	650,000	(143,318)	1,307,159	506,682	850,000	(343,318)	963,842
Capital Projects Fund	506,682	650,000	(143,318)	1,307,159	506,682	850,000	(343,318)	963,842
Employee Benefits	316,299	312,700	3,599	82,416	377,424	373,485	3,939	86,355
Liability Insurance	925,299	916,948	8,351	581,413	1,000,299	975,966	24,333	605,746
Workers Compensation	753,944	882,167	(128,223)	526,914	918,944	957,102	(38,158)	488,756
Internal Service Funds	1,995,542	2,111,815	(116,273)	1,190,743	2,296,667	2,306,553	(9,886)	1,180,857
Library	13,141		13,141	597,030	13,141		13,141	610,172
Cemetery	121,734		121,734	2,386,765	129,319		129,319	2,516,084
Yount	8,000	8,000		781,371	8,000	8,000		781,371
Permanent Funds	142,876	8,000	134,876	3,765,166	150,460	8,000	142,460	3,907,626
Cemetery	580,902	848,109	(267,207)	759,498	548,988	899,192	(350,205)	409,293
Golf	956,538	1,026,682	(70,144)	796,538	977,149	987,833	(10,684)	785,854
Local Water Project	1,288,746	1,025,105	263,641	81,803	1,001,146	1,066,388	(65,242)	16,561
Sewer	4,099,809	3,945,269	154,540	7,398,220	4,099,809	10,342,679	(6,242,870)	1,155,350
Enterprise Funds	6,925,996	6,845,166	80,830	9,036,058	6,627,092	13,296,092	(6,669,000)	2,367,058
Special Activities	576,479	578,950	(2,471)	142,723	602,840	605,310	(2,470)	140,253
Museum	8,073		8,073	198,308	8,073		8,073	206,380
Library	101,677	87,400	14,277	294,174	111,677	70,400	41,277	335,451
Recreation	139,996	187,908	(47,912)	267,604	148,431	141,946	6,485	274,089
Police	797,503	842,209	(44,706)	220,629	797,503	823,182	(25,679)	194,949
Fire	24,575	100,000	(75,425)	99,837	24,575	12,880	11,695	111,532
Streets	1,619,540	1,909,283	(289,743)	173,376	1,612,195	1,754,452	(142,257)	31,119
Housing / Developmnt	88,111	464,284	(376,173)	658,277	88,111	206,852	(118,741)	539,536
Grants	1,005,396	1,075,000	(69,604)	123,321	5,396		5,396	128,718
Cable Franchise PEG	49,171	120,000	(70,829)	13,363	49,171	60,000	(10,829)	2,534
City Facilities	10,548	48,003	(37,455)	58,432	10,548		10,548	68,980
Special Revenue Funds	4,421,069	5,413,037	(991,968)	2,250,043	3,458,519	3,675,022	(216,502)	2,033,541
Total All Funds	**$ 46,746,565**	**$ 49,717,141**	**$ (2,970,576)**	**$ 30,096,114**	**$ 46,367,122**	**$ 56,012,131**	**$ (9,645,010)**	**$ 20,451,105**



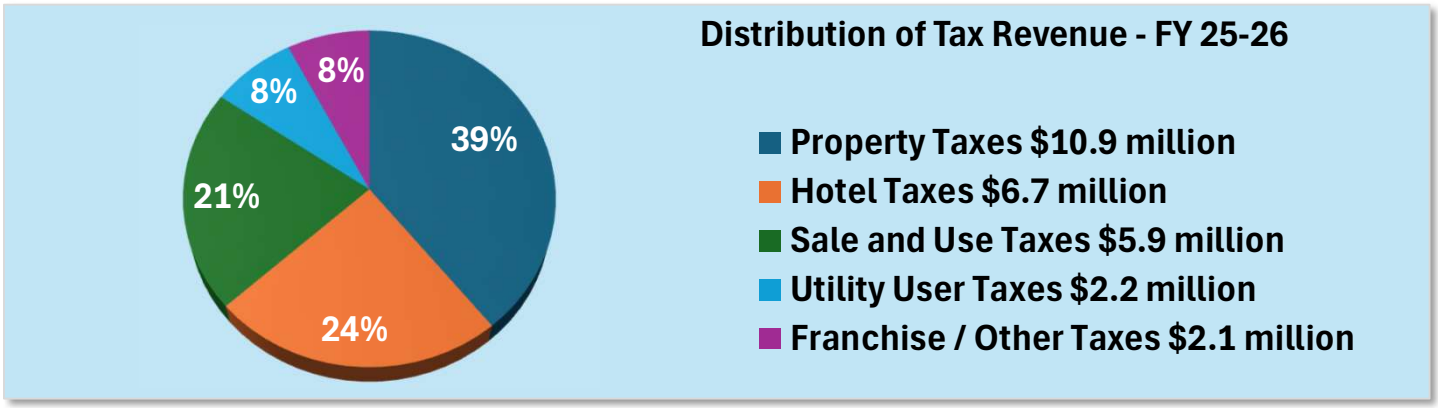
Reserves by Major Fund / Fund Type FY 2025-26

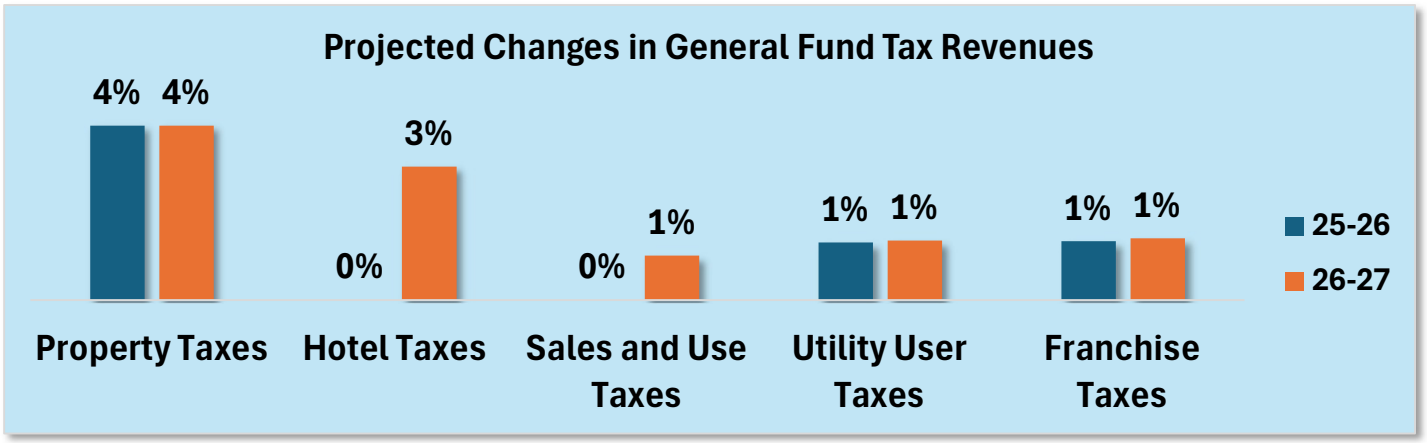
- General / Pension Trust $12.5 million
- Sewer $7.4 million
- Internal Service $1.2 million
- Other Enterprise $1.6 million

General Fund Revenues by Object Category

Information on General Fund Taxes are discussed in detail in subsequent pages of this document. Licenses and Permits include construction permits, plan check fees and zoning enforcement which can vary significantly from year to year based upon the expected level of development in the City. Charges for Services include charges for recreation programs, indirect cost reimbursements from other funds and parking meters and enforcement. Interest and rents include facility rentals interest earned on reserves.

Category / Department	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimated	FY 25/26 Estimated	Variance from CY Budget	FY 26/27 Estimated
Property Taxes	$ 10,001,562	$ 10,296,000	$ 10,519,100	$ 10,931,300	$ 635,300	$ 11,360,000
Transient Occupancy Taxes	6,820,365	7,012,000	6,736,700	6,736,700	(275,300)	6,938,800
Sale and Use Taxes	5,975,031	6,094,000	5,945,600	5,945,600	(148,400)	6,005,200
Utility User Taxes	2,118,069	2,043,000	2,155,500	2,183,500	140,500	2,212,700
Franchise Taxes	1,635,967	1,659,000	1,582,400	1,603,400	(55,600)	1,625,700
Business License Taxes	607,647	393,000	393,000	393,000		404,800
Other Taxes	159,401	240,000	113,100	117,600	4,500	122,300
Total Taxes	**27,318,041**	**27,737,000**	**27,445,400**	**27,911,100**	**301,000**	**28,669,500**
Intergovernmental Revenues	296,788	61,000	100,798	96,900	35,900	96,900
License, Permits, Fees	1,260,969	1,274,000	973,500	1,013,100	(260,900)	1,043,400
Charges for Services	2,030,259	2,278,840	2,032,987	2,049,900	(228,940)	2,089,400
Interest and Rents	1,074,388	630,000	747,600	619,700	(10,300)	623,500
Other Revenues	1,218,342	1,267,187	2,120,000	999,700	(267,487)	741,000
Fines and Forfeitures	36,868	115,000	13,500	39,000	25,500	39,000
Total General Fund	**$ 33,235,654**	**$ 33,363,027**	**$ 33,433,785**	**$ 32,729,400**	**$ (405,227)**	**$ 33,302,700**

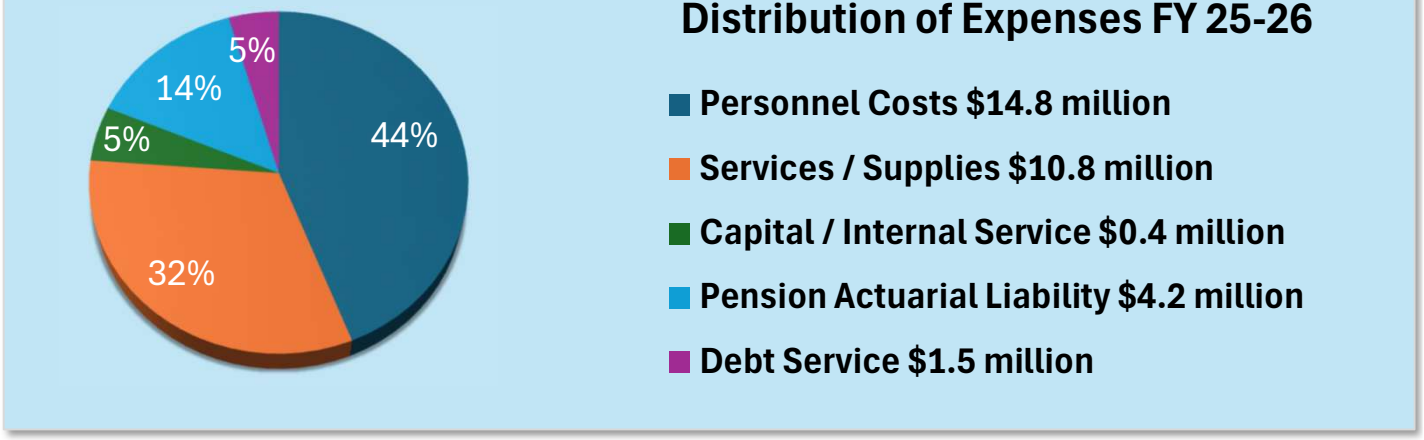


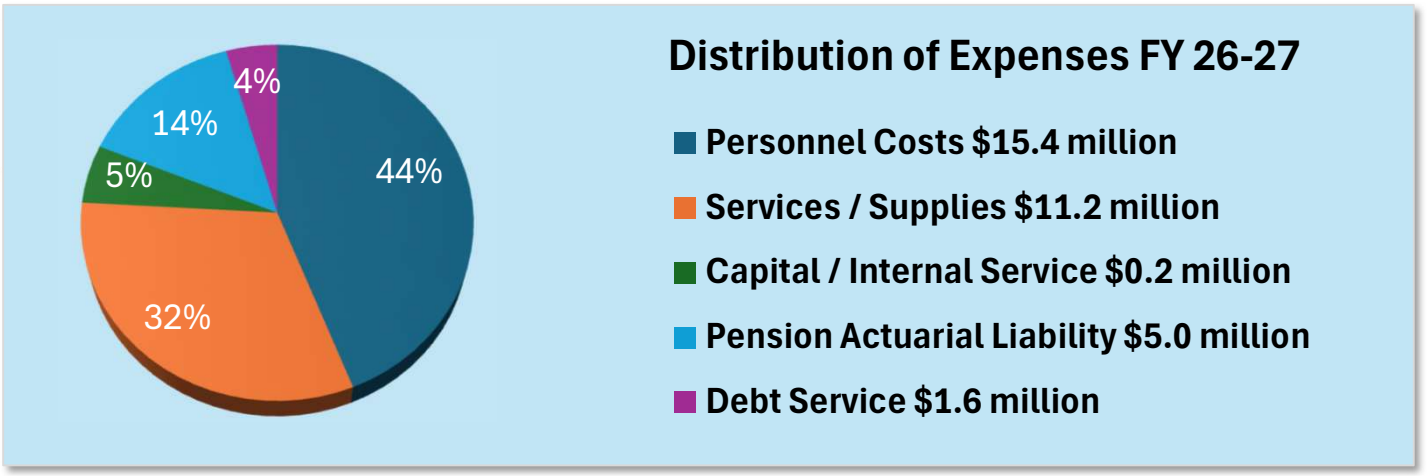


General Fund Expense Estimates by Object Category

Personnel Costs: These are based on proposed staffing levels for Fiscal Year 25-26 and 26-27, as shown in subsequent pages of this document. These costs incorporate additional personnel changes noted elsewhere in the transmittal letter. Salaries incorporate a 3% cost of living adjustment (COLA), scheduled step increases for employees and negotiated benefits in accordance with employee memorandums of understanding (MOUs) which are in effect through June 30, 2026. Pension costs incorporate revised estimates from CalPERS for normal pension costs and staff estimates for health insurance costs based upon the terms for cost sharing in the employee MOUs.

Object Category	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimated	FY 25/26 Proposed	Variance from CY Budget	FY 26/27 Proposed
By Object Category						
Regular Salaries and Benefits	$ 11,926,895	$ 14,135,011	$ 13,075,767	$ 14,779,664	644,653	$ 15,432,414
Internal Service Charges	1,483,000	1,090,000	1,090,000	1,364,000	274,000	1,632,000
Services and Supplies	10,342,411	12,764,625	12,499,274	10,798,277	(1,966,348)	11,168,257
Total Operating Costs	**23,752,306**	**27,989,636**	**26,665,041**	**26,941,941**	**(1,047,695)**	**28,232,671**
Non-Operating Costs:						
Debt Service	1,423,872	1,462,562	1,462,562	1,512,562	50,000	1,557,562
Pension - Unfunded Liability	4,006,443	4,212,163	4,212,163	4,747,019	534,856	5,030,731
Capital Outlay	256,965	384,797	286,322	370,000	(14,797)	225,500
Total General Fund	**$ 29,439,586**	**$ 34,049,158**	**$ 32,626,087**	**$ 33,571,522**	**(477,636)**	**$ 35,046,464**





City Profile / Demographics

The City is a small coastal community located in Monterey County that occupies just under three square miles, with a population of approximately 15,000 residents, with 56% of the adults having college degrees, and almost half of the population over the age of 50, with an average household income of approximately $120K and average median sales price of $1.46 million, with 48% of the residential properties owner occupied.



Climate / Location

The City is situated on a peninsula which is bordered by Monterey, Pebble Beach, the Pacific Ocean, and the Monterey Bay with a County unemployment rate of approximately 7%. Pacific Grove has a very temperate climate year round, with temperatures ranging from the 70's in the late summer to the mid 40's in the winter. Pacific Grove has over 1,300 registered historical homes built prior to 1926.

Education

The Pacific Grove Unified School District (PGUSD) serves the City and portions of Pebble Beach. Based on the California Department of Education's Academic Performance Index scores, PGUSD has received the highest overall ranking of all public schools on the Monterey Peninsula. Schools within the district include: Pacific Grove High School, Pacific Grove Middle School, Robert Down Elementary School, and Forest Grove Elementary School. Residents can take advantage of nearby colleges, including Monterey Peninsula College, the Middlebury Institute of International Studies at Monterey, California State University Monterey Bay, and the Hopkins Marine Institute operated by Stanford University. An educational profile is provided below.

Businesses

The City has a wide variety of businesses ranging from professional services to health care; and retail sales to lodging accommodations. Tourism is a key economic driver for the City, with a large number classified as either in the accommodation, food service or retail industries. Top employers within the City include the City and school district, Asilomar Hotel and Conference Center, three retirement communities and the local supermarkets.

Hospitals in the vicinity include the Community Hospital of the Monterey Peninsula (CHOMP), Natividad Medical Center and Salinas Valley Memorial Hospital, while airports in the vicinity include Monterey Regional Airport, Marina Municipal Airport and San Jose International Airport

City Government Structure and Services

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



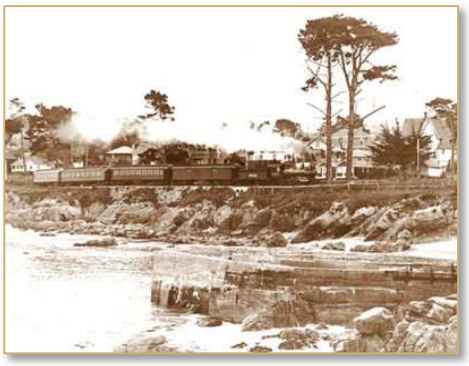
The City provides police protection, street, park and facility maintenance, recreational, planning, zoning, economic development, library, administrative and financial services for Pacific Grove. Fire protection services are provided through a contract with the City of Monterey. Additional services include sewer operations, a municipal golf course, Point Pinos Lighthouse, cemetery, a monarch butterfly sanctuary and habitat preserve, several local parks, trails and open space and a local water reclamation facility.

History

The natural advantages of settling along the Monterey Peninsula were recognized thousands of years before Pacific Grove was founded. Native Americans, which are currently known as the Ohlone/Costanoan-Esselen Nation occupied the coastal and inland areas, which included Pacific Grove.

In 1852, development began when Congress commissioned the building of eight lighthouses on the West Coast. Pacific Grove's Point Pinos location was selected as one of the first seven sites in California to receive a lighthouse. The construction of the Point Pinos Lighthouse was completed in 1854, with the lens installation taking place in 1855. The first lighthouse keepers lived a rugged life, with the town only accessible through forest and sand dunes. Supplies arrived periodically by sea, while the keepers also raised a portion of their own food.

During the 1870's many small towns were founded in California. During that period, Pacific Grove was founded for a religious retreat. David Jacks, a wealthy landowner and rancher, owned most of the land that now constitutes Pacific Grove. In 1875, he consented to the development of a Methodist Christian Seaside Retreat on 100 acres of pine-covered coastal land. The Retreat was conceived as a place to worship in a quiet and beautiful natural environment. The first two-week Methodist camp meeting was held in August of 1875, with annual meetings following for several decades. Other inhabitants included Chinese immigrants who established a thriving fishing village.



Gradually, sections of Mr. Jacks' property were divided into lots, which later were sold for year-round homes and stores. By 1883, David Jacks sold his remaining Pacific Grove land, which included Point Pinos to the Pacific Improvement Company (PIC). The PIC was a subsidiary of the Southern Pacific Railroad which supported the development of a seaside resort to attract railway passengers. One of the PIC's first accomplishments in Pacific Grove was to connect the town's water supply to the Carmel River to ensure an adequate water system. The PIC also graded and leveled streets; surveyed lots, and established sewage, drainage, and trash pick-up.

As time went on, Pacific Grove began enticing more visitors. The first hotel opened in 1887, followed by the incorporation of the City and the addition of a railroad in 1889. Within ten years, the Pine Street School, the Hopkins Seaside Lab, and the Pacific Grove Bath House were built; and the community began to benefit from electric lights and a telephone exchange. Through a $10,000 Carnegie grant and a land donation, the City opened a public library in 1908. The Mission style Library, with expansive interior arches, is still actively serving the community.

Community Attractions and Events

The City is home to many attractions, including Point Pinos Lighthouse, Hopkins Marine Station, Asilomar State Beach, Lovers Point Park and Beach, Butterfly House and the Monterey Bay Coastal Recreation Trail and Shoreline Park. The city also offers many special events during the year, including:

- Good Old Days
- Butterfly Parade
- Butterfly Ball
- City 4th of July Celebration
- Youth Ambassadors Night
- Pet Parade
- Touch a Truck
- Holiday Tree Lighting
- Monterey Bay Half Marathon
- Walk of Remembrance
- Veterans Day Ceremony
- Croquet Tournament
- Christmas at the Inns
- Farmers' Market
- Holiday Parade of Lights
- Little Car Show
- Christmas Tree Lighting
- Summer Lights
- Rudolph Run and Walk
- Pacific Grove Museum Night Owl
- Quilt Show
- Holiday in the Park
- Sunset Celebration
- Walk with P.R.I.D.E



4th of July Celebration



Butterfly Parade

Selected Departmental Achievements – Current Fiscal Year

The City strived to make progress on a number of significant goals previously established including the following, which address all of the City's areas of focus. A significant portion of these goals are funded by the General Fund, with applicable portions being funded by grants and the City's enterprise, capital and special revenue funds:

City Manager

- Implemented an electronic performance management system
- Ongoing importing of contracts into Laserfiche (past & present)
- Continued implementation of the retention and recruitment plan



Police

Administrative Services – Information Services

- Completed Cybersecurity Assessment project
- Enhanced internet reliability and performance at the City Hall, PD, and Library
- Completed network and server upgrades, implement maps application



Downtown Pacific Grove

Administrative Services - Finance

- Received an award for excellence for the City's Financials (ACFR) from GFOA
- Received awards for the City's operating budget from GFOA and CSMFO
- Enhanced the transparency of the department's section of the City's website



Fire Contract with Monterey

Community Development

- Submitted second draft to the California Department of Housing (HCD)
- Offered next day inspection services, with a focus on the new downtown hotel
- Sought qualifying housing rehabilitation projects for use of CDBG funds

Fire

- Completed significant fire station upgrades including roof and tower repair
- Began Advanced Life Support (ALS) paramedic service
- Began a Defensible Space program to inspect high fire severity zones



Lovers Point

Library

- Successful efforts helped to support intergenerational events and programming
- Opened dialogue with local libraries about establishing partnerships
- Investigated the feasibility of developing a small/private meeting space for users



Esplanade Park

Police

- Maximized social media presence and expand community outreach efforts
- Facilitated educational workshops on the dangers of opioids/fentanyl
- Hosted workshops on traffic safety, leverage technology, increase enforcement

Public Works

- Maintained over 600,000 SF of roadway, enhanced pedestrian safety
- Finalized sidewalk dining guidelines, completed sidewalk extension project
- Completed five Facility Conditions Assessments



Elmarie Dyke Open Space

Recreation

- Added new Summer Sports - Junior Golf Camp and Basketball Camp
- Ensured continued availability of youth center throughout the school year
- Expanded existing Youth Soccer League adding an additional 70 registrations

Key Departmental Goals – Next Two Fiscal Years

Despite limited resources available, the City has developed an ambitious work plan for the next two years including the following, which address the City's Areas of Focus of Financial Sustainability, Infrastructure, Environmental Stewardship and Community Development. A significant portion of these goals are funded by the General Fund, with applicable portions being funded by grants and the City's enterprise, capital and special revenue funds:

City Manager

- Negotiate new MOUs for all bargaining units
- Streamline the Business License application process
- Implement a comprehensive community outreach program

Administrative Services – Information Services

- Complete Next Phase of Cybersecurity Assessment project
- Implement Security Cameras at certain key locations
- Implement Cloud Backup Solution to enhance Disaster Recovery capabilities

Administrative Services - Finance

- Select a vendor to assist the City with the selection of a new ERP system
- Issue interim financial and investment reports on a quarterly basis
- Continue to update the City website on a timely basis

Community Development

- Achieve HCD certification of the 6th Cycle housing element
- Initiate zoning ordinance amendments to streamline project reviews
- Complete grant funded local plan amendments addressing coastal hazards

Fire

- Install a new Station Alerting system compliant with County upgrades
- Place new fire engine in service
- Continue efforts towards education and community fire risk reduction

Library

- Enhance the website with improved design and navigation, and updated content
- Look to develop a partnership with organizations to implement a literacy program
- Increase the number of intergenerational programs by 50%

Police

- Expand and modernize the department's digital and social media presence
- Modernize internal training and leadership development
- Strengthen crime prevention through technology and community-led models

Public Works

- Finalize facility assessments, incorporate into 5 year Capital Improvement Plan
- Finalize Climate Action and Adaptation Plan
- Begin development 10-year sewer master plan and associated user fee study

Recreation

- Evaluate programming to maximize participation
- Continued with expanded youth basketball and soccer programs
- Enhance the online rental portal, to ensure seamless customer service



Chautauqua Hall



Senior Center



Farmers Market



Arnett Park



Platt Park



Morris Dill Tennis Courts

Ten Year Trend Information

Trend information is in the Annual Comprehensive Financial Report (ACFR) and budget. This data can show trends in operating revenues and expenses, which will impact the City's ability to increase its reserves and fund capital projects in the future. Categories include:

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Assessed Values
- Tax Revenues
- Fund Balances
- Demographic Information
- Economic Information
- Operating Information

Budgetary Controls



Berwick Park

In accordance with the City's Budget and Financial Management Policy, the City Manager recommends the budget and presents it to the City Council in May and June. After public input and discussion is received, the City Council may request modifications to the budget or introduce an ordinance adopting the budget. The City's budget is then adopted by ordinance and becomes effective on July 1st of each fiscal year. Budgetary controls are set at the department level and are maintained to ensure compliance with the budget approved by the Board. The City Manager or the Administrative Services Director has the discretion to transfer between activities. City Council approval is required for any overall increase in the budget for any fund or changes to the Capital Improvement Program.



Seven Gables Inn

All governmental, enterprise, and internal service funds are appropriated annually. The governmental funds include general, special revenue, capital project, and permanent funds. The Annual Comprehensive Financial Report includes all financial activities of the City. Financial data for all funds through which services are provided by the City have been included in this report. The City maintains an encumbrance accounting system as part of maintaining budgetary control. Encumbered amounts lapse at the end of the fiscal year. However, outstanding encumbrances are reappropriated as part of next year's budget after staff review to determine if they are still needed.

Financial Policies



Butterfly House

The City has established financial policies to provide guidance on several financial areas, including the following which are part of the adopted budget and summarized below.

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

Category	Policy
Balanced Budget	Operating Revenues >= Operating Expenditures (Use of Reserves allowed to balance budget)
General Fund Reserves	Recommended 25% of Budgeted Expenditures
Golf Fund Reserves	Recommended 25% of Revenues of the Golf Fund
Pension / Capital Reserves	Recommended $1 million minimum for each
Sewer Fund Reserves	Recommended Two Years Funding of Capital Projects
Worker's Compensation Fund	At least 75% of total fund liabilities
Liability Insurance Fund	At least 75% of total fund liabilities
Year End Surplus	Ensure General Fund/Insurance Reserves are met, with remainder allocated 1/3 to Pension Reserve, 1/3 to Capital Reserve and 1/3 to General Fund Reserves

Risk Management

The City is a member of the California Joint Powers Insurance Authority (the "Authority"). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The Authority arranges and administers programs for the pooling of self-insured losses, purchases excess insurance and reinsurance, and arranges for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978.

Each member government has an elected official as its representative on the Authority's Board of Directors. The Board operates through a nine-member Executive Committee. During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage.

Appropriations Limit

Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Beginning in Fiscal Year 1990-91, the appropriations limit is required to be calculated bas ed on the limit for the fiscal year 1986-87, adjusted for a.) either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located and b.) an inflation factor either being the annual percentage change in per capita personal income or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The City's appropriations remains well under this annual limit.





Lovers Point

Appendix

Included in the appendix of the Budget is an list of key acronyms, a glossary with key terms used in the documents and an index to key sections of the documents. The appendix of the Budget also includes calculations of the annual appropriations limit, detailed information on debt obligations, and resolutions adopting the budget and appropriation limit.



Recreation Trail

Awards

The City has received from GFOA and from the California Society of Municipal Finance Officers (CSMFO) awards for excellence in reporting for its budget and from GFOA for its ACFR. These awards focus on providing high quality documents for the citizens, City Council, customers, regulators and other interested parties. The City will submit the budget to GFOA and the California Society of Municipal Finance Officers (CSMFO) and the ACFR to GFOA in accordance with their award programs.



Acknowledgements

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

Respectfully submitted,

Matt Mogensen
City Manager

Fred Marsh
Administrative Services Director

City of Pacific Grove California

Proposed Budget

Fiscal Years 2025-2026 and 2026-2027



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


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove Budget

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Point Pinos Lighthouse

City of Pacific Grove
List of Principal Officials
Fiscal Year 2025-2026

Elected Officials



Nick Smith
Mayor



Joe Amelio
Councilmember



Cynthia Garfield
Councilmember



Lori McDonnell
Councilmember



Chaps Poduri
Councilmember



Tina Rau
Councilmember



Paul Walkingstick
Councilmember

Appointed Officials



Matt Mogensen
City Manager



Brian Pierik
City Attorney

Department Heads / Administrators

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

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

June 18, 2025

Honorable Mayor and City Council Members:



On behalf of staff, it is my honor to present the proposed budget for Fiscal Years 2025-26 and 2026-27. The City's two year budget is intended to serve as a financial plan, a communication tool and an operations guide for the City departments and the community. The revenue estimates incorporated in the budget reflect conservative optimism. The expenditure estimates are aligned with planned revenue growth, along with the use of the available fund balance to support capital improvements and equipment. All funds within the two year budget Budget have been allocated to provide a continued commitment to the community, to support department missions and operational goals, in accordance with City Council Policy 000-26, as noted below:



Areas of Focus

Financial Sustainability
The City manages its financial resources to ensure the long-term delivery of municipal services. Goals in this area include identifying a program to reduce unfunded liabilities, reviewing and revising reserve policies to meet equipment and facility needs; and identifying and reducing expenditures and enhancing revenues.



Infrastructure
The City prioritizes the provision of facility, human, and technology infrastructure that enhances the quality of life for residents and businesses. Goals in this area include completing a five-year capital improvement program to address the completion of priority facility projects, investing in technology and workforce systems and addressing critical physical infrastructure needs.



Environmental Stewardship
The City cares for and protects its natural resources and amenities. Goals in this area include completing a climate action and adaptation efforts and protecting and preserving the natural resources of the City.



Community Development
The City strategically implements programs to promote housing and economic opportunities. Goals in this area include exploring options for an affordable housing project and partner opportunities and reviewing all permit processes to eliminate barriers to housing and business

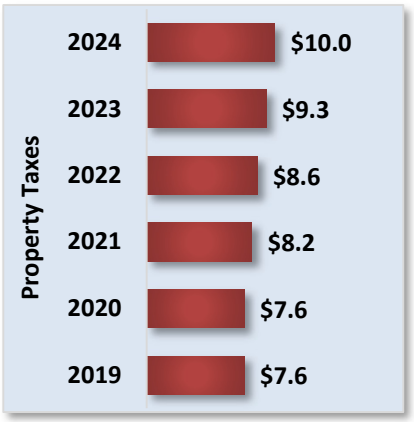
These areas are designed to address the City's vision and mission statements These items were developed by the Board and Executive Team with a third party. The City is organized in a way to most effectively implement these values. These values are in sync with the City's vision and mission statements.

Economic Factors Affecting General Fund Revenues

Information related to major revenues categories is provided within this section**. All graphs are in millions**. The revenues listed represent over 75% of the General Fund's revenues. Estimates of user fees and other operating revenues and fees are prepared by Finance based upon revenue trends in these categories and economic information for the County of Monterey.

Property Taxes

Proposition 13 sets the Fiscal Year 75-76 assessed values as the base year, with a growth rate limited to 2% for any given year. The County Assessor also reappraises each real property parcel when there are purchases, construction, or other statutorily defined changes in ownership. Proposition 13 limits the property tax to 1% of each property's full value, plus any additional percentages for specific voter approved indebtedness. The City receives approximately 16% of every dollar of property tax, with the balance distributed to the School District, County and local special districts. Property taxes are less likely to quickly respond to changes in the economy. The continued increases in property taxes is attributed to both demand for homes in the area and rising property values; however higher interest rates could impact future home sales.



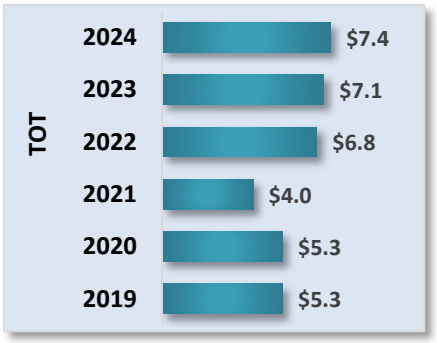
Sales and Use Taxes

Voters approved Measure A, a new 0.50% transaction and use tax. This increased the combined sales tax rate to 9.25% in October 2022. The General Fund portion of the City sales tax is comprised of a 1% Bradley-Burns statutory sales tax rate; and Measure U, a 1% transaction and use tax that was approved by voters in 2008. The transactions and use tax portion of the rate increased to 1.5% resulting from the passage of these measures. Restaurants and Hotels are the largest providers of sales tax to the City, followed by businesses in the building and construction category and from the County/State sales tax pool. Administrative Services works closely with HdL, the City's sales tax consultant, on tax recovery and projections. Estimates are based on a combination of information from HdL and trends over the past few fiscal years.



Transient Occupancy (Hotel) Taxes (TOT) / Other Taxes

Transient Occupancy / Hotel Tax (TOT) - Is a lodging tax that is collected on overnight rental accommodation stays of 30 consecutive days or less. In 2010, the City updated its municipal code and began collecting TOT on residential or short-term rental properties (STRS). In Fiscal Year 17/18, the City approved an ordinance to reduce the number of short-term rentals, with an effective date of April 30, 2019. In November of 2018 voters approved Measure U, increasing the TOT rate to 12%. This increased tax was partially offset by Measure M, eliminating STR's outside coastal and commercial zones.



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

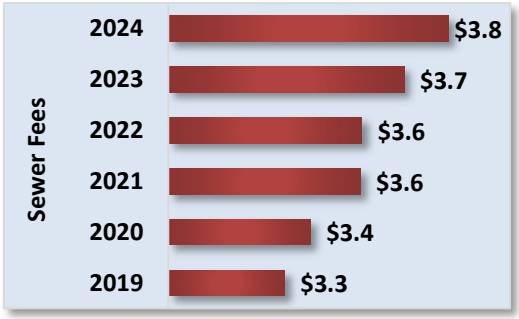
Franchise Taxes - The City grants franchises to utilities to construct, maintain, lay infrastructure, or operate transportation on or over streets, alleys, lanes, or other public places within the City. New franchises or their renewal are levied a tax of at least 2% of gross annual receipts from franchises in the City.

Economic Factors Affecting Other Fund Revenues

Information related to major revenues categories is provided within this section. All graphs are in millions. The revenues listed represent over 75% of non General Fund revenues.

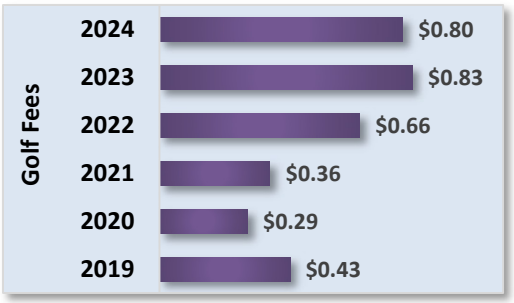
Sewer Fees

In May 2014, a Sewer Collection System Master Plan (SCSMP) was developed to evaluate the existing sewer infrastructure and develop an asset replacement schedule. In February 2015, a Ten-Year Sewer Collection System Financial Plan and Rate Study was prepared to support funding for the capital improvements. These documents were used as the basis to successfully implement multi-year fee increases. The revenues received from the fees are used to support operating costs, as well as the identified improvements.



Golf Course Fees

The City contracts the services of the golf course to CourseCo Inc. for the management and operations of the golf course and related facilities. Golf operations are funded entirely through golf fee revenues. CourseCo is responsible for managing the 18-hole golf course, driving range, putting greens and the clubhouse. The golf course restaurant is run by a separate third party. The business model for golf operations provides discounted golf for residents and a direct economic benefit to the community.



Cemetery and Local Water Project (LWP) Fees

The City operates and maintains the El Carmelo Cemetery. The City coordinates with area mortuaries and other individuals for services at the cemetery. The City establishes fees on an annual basis for the services provided at its cemetery.

The City entered into an agreement with PERC Water to design and build the Local Water Project to replace approximately 123 acre-feet/year (.11 million gallons daily average) of irrigation demands with nonpotable supplies for the irrigation of the Municipal Golf Links and the El Carmelo Cemetery and provide toilet flushing for two public restrooms.



Other Restricted Revenues

Public Safety - The City receives a variety of funds from other governments to supplement the funding of police and fire, including funds received for Asset Seizure, Abandoned Vehicle Abatement, Fire Emergency Equipment, Public Safety Augmentation and Supplemental Law Enforcement Services. These funds are part of the Police Fund restricted for use for specific types of activities.

Streets - The County passed a supplemental sales tax of 0.5% as overseen by the Transportation Agency for Monterey County (TAMC). These funds are used to support a variety of local and regional transportation projects and are accounted for in the Streets Fund. The City also receives from the State Gas Tax and Road Maintenance and Rehabilitation (RMRA) funds that can also be used for street maintenance.

Business/Tourism Fees - The Downtown Business District Fund accounts for fees from businesses within the Business Improvement District, which are paid to the Grove Chamber of Commerce. The Hospitality and Tourism Improvement Districts Fund accounts for fees paid by hotels, with half of the fees remitted to the Chamber of Commerce and the other half remitted to the Monterey County Convention and Visitor's Bureau.

Economic Analysis

Local Economy:

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



National Economy:

Stock Market: Market volatility increased in April to levels last seen at the onset of the pandemic as initial tariff announcements far exceeded market expectations. Even after some tariffs were paused for 90 days, a blanket 10% rate for most countries remains in effect, as does tariffs on steel, aluminum, autos, and imports from Canada and Mexico not covered by the USMCA, along with tariffs on China, with a few exclusions. The effective tariff rate is at the highest level in over 100 years.

Interest Rates: The Federal Reserve (Fed) continues to follow a wait-and-see approach. Fed Chair Jerome Powell said he expects tariffs to move the Fed further away from both sides of its dual mandate goals of stable prices and maximum employment, and will make policy adjustments only in reaction to any increase in inflation or deterioration of labor markets.

Consumer Spending: The soft data from business and consumer surveys deteriorated markedly, while hard data, like employment and retail sales, were remarkably firm. U.S. gross domestic product (GDP) shrank in Q1 by -0.3% as a surge in imports – a subtraction from GDP dragged down reported growth. Final sales to domestic purchasers, a metric used by the Fed to gauge private sector demand remained strong. However, prospects for consumer spending remain uncertain given the pull-forward of demand in advance of tariffs which may weigh on growth later in the year.

Inflation: The Core Personal Consumption Expenditures Index (PCE), which is the Fed's preferred measure of inflation, was flat in April on a month-over-month basis, marking the slowest pace of price increases in five years. The annual rate was 2.3%, still over the Fed's desired target of 2%.

Employment: Non-farm payrolls continued to beat expectations, growing by 177,000 in April while the unemployment rate remained at 4.2%. The data points toward labor market strength and provides the Fed cover to keep policy rates unchanged while it analyzes the impact of tariffs.

Other U.S. Economic Statistics from Bloomberg as of March and April 2025 are shown below:

Economic Statistic	Amount / Change
Housing Starts	↑ 11.2%
Housing Prices	↑ 4.7%
Existing Home Sales	↓ 5.9%
Trade Balance	($123 Billion)
Labor Participation Rate	62.5%
Gross Domestic Product (GDP)	↓ 0.3%

Economic Statistic	Amount / Change
Crude Oil	$82/barrel
2 Year Treasury	5.0%
Consumer Sentiment	52
Retail Sales	↑ 4.6%
U-6 Unemployment Rate	8.00%
U.S. Dollar vs. Euro	$1.07

Staffing

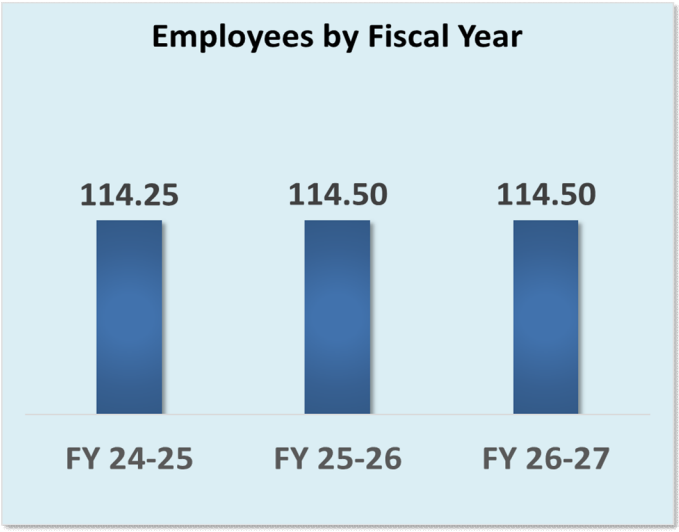
The City provides a competitive salary and benefits package to address the strategic goal of attracting and retaining skilled staff. The City pays most of the full premiums of health, dental and vision for the employee, and some of the costs of premiums for their dependents.

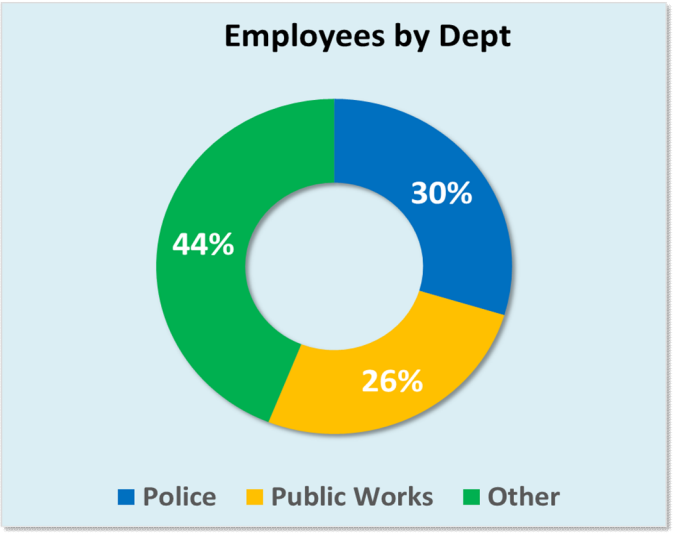
See the City's website for salary schedules and employee MOUs, including benefit provisions, and subsequent pages of this document for detailed position listings**. No significant changes are proposed in staffing levels for the next two fiscal years.** The position counts below include the FTEs of full-time and part-time positions.

Department		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Police		34.00	34.00	34.00	34.00
Public Works		27.40	29.90	30.15	30.15
Other					
City Council		7.00	7.00	7.00	7.00
City Manager		4.43	5.18	5.18	5.18
Administrative Services		11.02	11.27	11.27	11.27
Community Development		7.50	8.75	8.75	8.75
Library		8.50	9.00	9.00	9.00
Recreation / Lighthouse		8.90	8.90	9.15	9.15
	Totals	**108.75**	**114.00**	**114.50**	**114.50**
Funded by					
General Fund		96.35	101.37	100.67	100.67
Other Funds		12.40	12.63	13.83	13.83
	Totals	**108.75**	**114.00**	**114.50**	**114.50**

City Volunteer Program

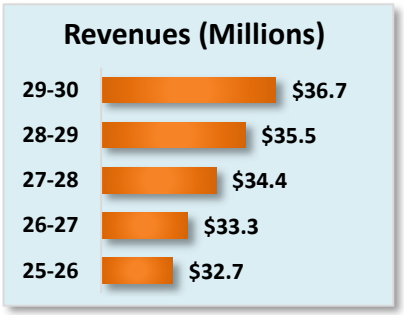
The City's Volunteer Program oversees the organization and management of various city volunteer programs including the Point Pinos Lighthouse, the Pacific Grove Library, the Hyperbaric Chamber, the Perkins Park and Chautauqua Hall Gardening Clubs, the Parks and Recreation Student Experience Program, the International Internship Program, the CSUMB Service Learning Program and various individual volunteers that assist city departments. Management of the programs include tracking hours, promoting programs and recruiting volunteers, providing volunteer orientations, planning recognition events and assisting programs with a variety of administrative duties. The volunteer program hosts an annual Volunteer Appreciation Event each year in April in recognition of National Volunteer Month.

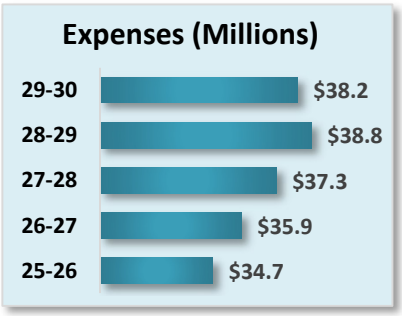




Five Year Forecast - General Fund

The table below summarizes the City's projected General Fund revenues and expenses over the next few years. **This forecast does not include any revenues associated with pending new hotel developments. Actual results could vary significantly from this forecast.** The forecast includes the following additional assumptions:





Revenues

Property Taxes: Assumes to grow at an annual rate of 4%, based upon Proposition 13 restrictions and assumed property transfers and some minimal growth within the City.

Other Taxes and Revenues: Assume to grow at a rate of between 1-3% based upon historical trends and analysis from other third parties.

Operating Expenses

Wages: Assumes no additional staffing for the five year period, assumes future annual COLA adjustments to be similar to those in the current employees' MOUs.

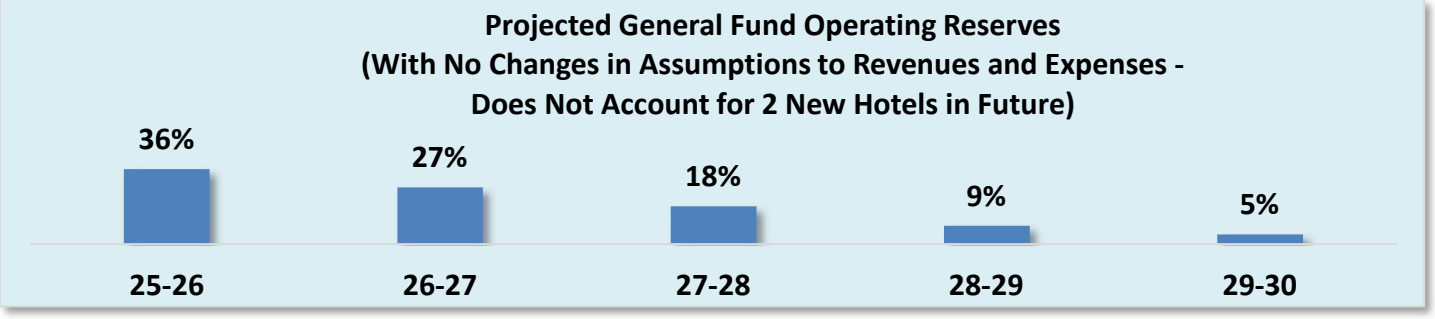
Other Operating Expenses: Increases of 3% annually, similar to the assumed future rate of inflation. Assumes no additional contributions to pension or capital reserves.

Non-Operating Expenses and Reserves

Debt Service: Incorporates debt service on debt through their maturities. Note that the Pension Obligation Bonds will mature in 2029.

Pension Actuarial Liabilities: Pension includes estimated amounts from CalPERS actuarials. Assumes CalPERS will attain its annual assumed rate of return of 6.8% in future years.

General Fund 5 Year Forecast	Proposed Two Year Budget		Future Trends with No Changes to Revenues and Expenses		
Category	Proposed 25-26	Projected 26-27	Projected 27-28	Projected 28-29	Projected 29-30
Revenues:	$ 32,729,400	$ 33,302,700	$ 34,385,000	$ 35,505,000	$ 36,663,000
Expenses:					
Operating Expenses	26,941,941	28,232,671	29,080,000	29,953,000	30,851,000
Pension / Debt Obligations	6,259,581	6,588,293	7,154,441	7,708,010	6,199,042
Capital Outlay / Transfers	1,487,600	1,055,500	1,087,000	1,119,000	1,153,000
Total Expenses	34,689,122	35,876,464	37,321,441	38,780,010	38,203,042
Net Change for Fiscal Year	(1,959,722)	(2,573,764)	(2,936,441)	(3,275,010)	(1,540,042)
Projected Ending Reserves	**12,021,945**	**9,448,181**	**6,511,740**	**3,236,730**	**1,696,688**
Projected Reserve Level	**36%**	**27%**	**18%**	**9%**	**5%**



Capital Program

A significant amount of capital improvements and capital outlay are planned in a two year time frame, all of which are designed to address some of the City's strategic goals. The capital improvements are based upon asset management studies and are designed to improve operations and address capital reinvestment in infrastructure at the City's facilities.

The Capital Improvement Program (CIP) is designed to meet community needs, with special emphasis on those projects that contribute to the City's economic vitality and quality of life. In addition to the items mentioned below, several capital projects originally authorized in FY 24-25 will be carried over to Fiscal Year 25-26, as discussed in detail in the capital program section of the budget.



Major Projects and Capital Outlay Funded in Proposed Two Year Plan

Streets / Wastewater Infrastructure

Street Rehabilitation Project	$3.4M
Mandated ADA Improvements	$450K
Crack and Slurry Seal	$450K
Sewer Force Main Replacement	$600K
Sewer Collection System (SCSMP) Projects	$7M
Urban Diversion Station Repair	$100K

Information Services Projects / Capital Outlay

VOIP Phone System Improvements	$10K
Network Upgrade	$62K
City Council Chambers Equipment	$10K
Police Door Access Upgrade	$100K
City Hall Door Access	$140K
Redundant Internet And Firewall	$43.5K

Facilities

Library Pillar Privacy / Study Booth ADA	$25K
Chautauqua Hall Building Improvements	$700K
City Hall Window and Door Replacement	$32K
Fire Station Alerting System	$100K
Roof Repairs Police Department	$70K
Youth Center Roof Repair	$32K

Other Projects and Capital Outlay

Chinese Pavillion / Moon Gate	$200K
Point Pinos Grill Boiler Replacement	$40K
Recreation Trail Improvements	$16K
Equipping New Fire Engine	$50K
Purchase Of Radios	$40K
Light Fixtures, Poles for Solar Lights	$100K

Funding Sources for Capital Projects for Fiscal Year 2025-26



Long Term Debt

The City's Budget and Financial Management Policy provides guidance on long-term borrowing. This includes limiting the use of long-term financing to fund capital improvement projects and equipment. The City is projecting sufficient revenues to fund all debt service requirements.

Standard and Poor's Rating Services and Moody's Investors Services, Inc., assigned a rating of SP-1+ and MIG 1, respectively to the City's 2006 Pension Obligation Bonds. The City has not received any updates to this rating. The City does not have any General Obligation (GO) Bonds. The California Government Code, Section 43605 caps GO debt at 15% of the assessed value of all real and personal property within the City. The legal debt margin based on the Fiscal Year 23-24 ACFR is $662 million. Good credit ratings are essential for the City to continue to be able to issue debt for future projects and to

Description of Bonds Outstanding:

Pension Obligation Bond: Payable from General Fund, to refund a prior CalPERS actuarial liability (i.e. side fund).

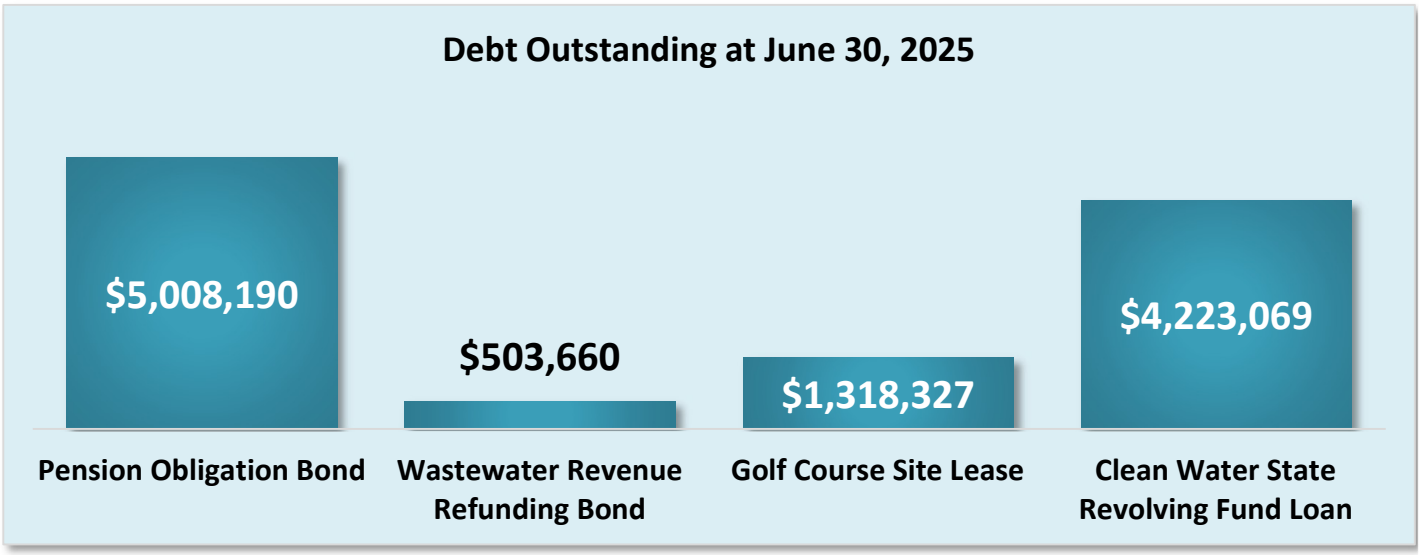
Wastewater Refunding Bond: Repayable from Sewer Fund, to refinance prior bonds, debt coverage of 125%.

Golf Course Lease: Repayable from Golf Fund, to refinance prior bonds, required debt coverage of 125%.

State Clean Water Loan: Repayable from the Local Water Fund, to fund the construction of a recycled water treatment plant and related infrastructure, with a required debt coverage of 125%.

Outstanding Debt Issues as of June 30, 2025

Bond Issue	Interest Rate	Maturity	Debt Service	Bonds Outstanding
Pension Obligation Bond	5.67%-6.12%	6/1/2029	$1.5-$1.6 million	$ 5,008,190
Wastewater Revenue Refunding Bond	3.35%	10/1/2031	$88,000	503,660
Golf Course Site Lease	4.35%	8/1/2030	$272,000	1,318,327
Clean Water State Revolving Fund Loan	1.00%	12/1/2048	$206,000	4,223,069
PG&E Financing Loan	None	12/1/2026	$13,000	18,841

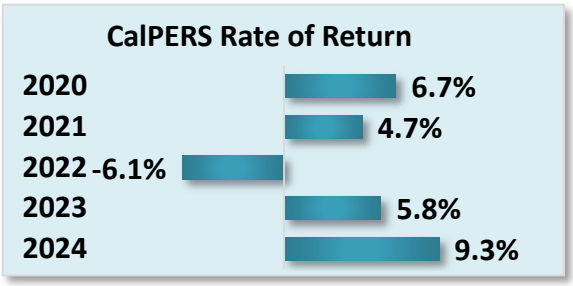


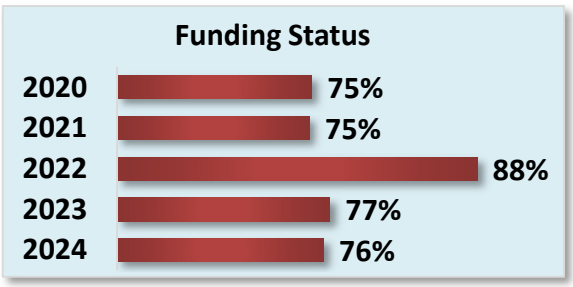
Pension Liability

Information contained in this section is based on the most recent risk analyses from CalPERS. Per the most recent CalPERS actuarial schedule, the Net Pension Liability is scheduled to be paid off in 2044. The City will look into establishing a pension trust fund to assist with the repayment of this liability. The $5.5 million of outstanding Pension Obligation Bonds have an interest rate of 6% and mature in 2029.

CalPERS targeted annual rate of return is 6.8%, its actual one year return was 9.3% and 20 year is 6.7%. if CalPERS reduces this discount rate by 1%, the City's projected liability would increase by $21 million. Reducing the amortization of this debt would result in projected savings of $4 million and $16 million by reducing the amortization period to either 15 and 10 years respectively.

The City requires employees to pay the entire amount of the employee pension contribution, plus between 3-5% of the City's employer contribution for classic members (Normal Cost), whereas employees covered under PEPRA pay ½ of the Normal Cost for their plan. In addition, to reduce its long-term overall liability for its three plans, the City will Fiscal Year 2025-26 make the annual payment on its unfunded liability to CalPERS at the beginning of the fiscal year, resulting in a reduction in the total paid on this liability for the fiscal year, resulting from reduced interest charges.



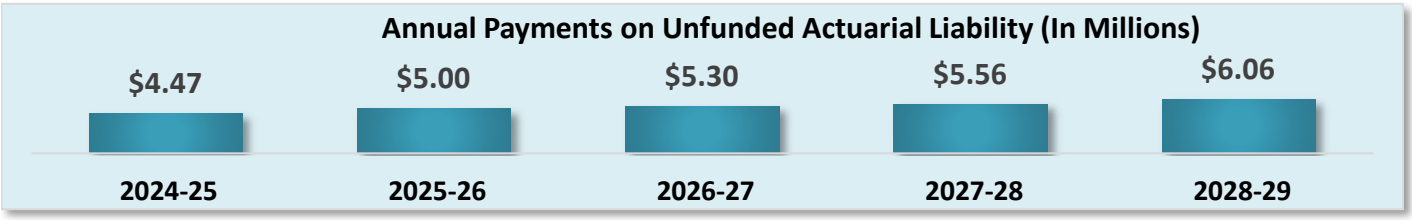




Key Pension Statistics	Amount
Net Pension Liability	$55.0 million
% of Gross Liability Funded	76%
Pension Bond Balance 6/30/25	$5.0 million
Debt Service on Pension Bonds	$1.5-1.6 million
City Contributions - Active Employees	$1.0 million
Number of Classic / PEPRA Employees	30/59
Active Employees	89
Retired Employees	272

Annual Unfunded Liability Payments	
Fiscal Year	Amount
2024-25	$ 4,465,163
2025-26	5,000,758
2026-27	5,299,352
2027-28	5,559,441
2028-29	6,058,012
Alternate Payment Schedules	
15 Years	5,984,912
10 Years	7,775,514

Normal Cost by Pension Plan	Total Normal Cost	Employer Share	Employee Share
Classic – Miscellaneous (2% at 55)	19.51%	7.51%	12.00%
Classic – Safety (3% at 50)	36.37%	24.37%	12.00%
PEPRA – Miscellaneous (2% at 62)	15.62%	7.87%	7.75%
PEPRA – Safety (2.7% at 57)	27.51%	13.76%	13.75%



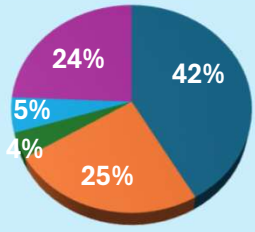
Fund Balance / Working Capital Estimates

General Fund: Reserves have been established at 25% per Council policy and are impacted by its revenues and expenses discussed in subsequent pages. The General Fund CIP is funded through transfers from the General Fund.

Internal Service Funds: These funds represent the collections of charges from other funds used to pay insurance premiums and claims and employee benefits, with reserve policies established at 75% of liabilities for the insurance funds.

Sewer/Other Funds: The Sewer fund reflects sewer service charges used for operations and system maintenance and improvements. A reserve policy has also been established for the Golf Fund (25% of revenues). Other funds reflect the receipt of grant and other funds for eligible projects and programs.

Fund	Projected Revenues / Transfers In	Proposed Expenses / Transfers Out	Change for Fiscal Year 25-26	Projected Ending Balance FY 25-26	Projected Revenues / Transfers In	Proposed Expenses / Transfers Out	Change for Fiscal Year 26-27	Projected Ending Balance FY 26-27
General Fund	$ 32,729,400	$ 34,689,122	$ (1,959,722)	$ 12,021,945	$ 33,302,700	$ 35,876,464	$ (2,573,764)	$ 9,448,181
Pension Reserve	25,000		25,000	525,000	25,000		25,000	550,000
General Fund	32,754,400	34,689,122	(1,934,722)	12,546,945	33,327,700	35,876,464	(2,548,764)	9,998,181
General Fund CIP	506,682	650,000	(143,318)	1,307,159	506,682	850,000	(343,318)	963,842
Capital Projects Fund	506,682	650,000	(143,318)	1,307,159	506,682	850,000	(343,318)	963,842
Employee Benefits	316,299	312,700	3,599	82,416	377,424	373,485	3,939	86,355
Liability Insurance	925,299	916,948	8,351	581,413	1,000,299	975,966	24,333	605,746
Workers Compensation	753,944	882,167	(128,223)	526,914	918,944	957,102	(38,158)	488,756
Internal Service Funds	1,995,542	2,111,815	(116,273)	1,190,743	2,296,667	2,306,553	(9,886)	1,180,857
Library	13,141		13,141	597,030	13,141		13,141	610,172
Cemetery	121,734		121,734	2,386,765	129,319		129,319	2,516,084
Yount	8,000	8,000		781,371	8,000	8,000		781,371
Permanent Funds	142,876	8,000	134,876	3,765,166	150,460	8,000	142,460	3,907,626
Cemetery	580,902	848,109	(267,207)	759,498	548,988	899,192	(350,205)	409,293
Golf	956,538	1,026,682	(70,144)	796,538	977,149	987,833	(10,684)	785,854
Local Water Project	1,288,746	1,025,105	263,641	81,803	1,001,146	1,066,388	(65,242)	16,561
Sewer	4,099,809	3,945,269	154,540	7,398,220	4,099,809	10,342,679	(6,242,870)	1,155,350
Enterprise Funds	6,925,996	6,845,166	80,830	9,036,058	6,627,092	13,296,092	(6,669,000)	2,367,058
Special Activities	576,479	578,950	(2,471)	142,723	602,840	605,310	(2,470)	140,253
Museum	8,073		8,073	198,308	8,073		8,073	206,380
Library	101,677	87,400	14,277	294,174	111,677	70,400	41,277	335,451
Recreation	139,996	187,908	(47,912)	267,604	148,431	141,946	6,485	274,089
Police	797,503	842,209	(44,706)	220,629	797,503	823,182	(25,679)	194,949
Fire	24,575	100,000	(75,425)	99,837	24,575	12,880	11,695	111,532
Streets	1,619,540	1,909,283	(289,743)	173,376	1,612,195	1,754,452	(142,257)	31,119
Housing / Developmnt	88,111	464,284	(376,173)	658,277	88,111	206,852	(118,741)	539,536
Grants	1,005,396	1,075,000	(69,604)	123,321	5,396		5,396	128,718
Cable Franchise PEG	49,171	120,000	(70,829)	13,363	49,171	60,000	(10,829)	2,534
City Facilities	10,548	48,003	(37,455)	58,432	10,548		10,548	68,980
Special Revenue Funds	4,421,069	5,413,037	(991,968)	2,250,043	3,458,519	3,675,022	(216,502)	2,033,541
Total All Funds	**$ 46,746,565**	**$ 49,717,141**	**$ (2,970,576)**	**$ 30,096,114**	**$ 46,367,122**	**$ 56,012,131**	**$ (9,645,010)**	**$ 20,451,105**



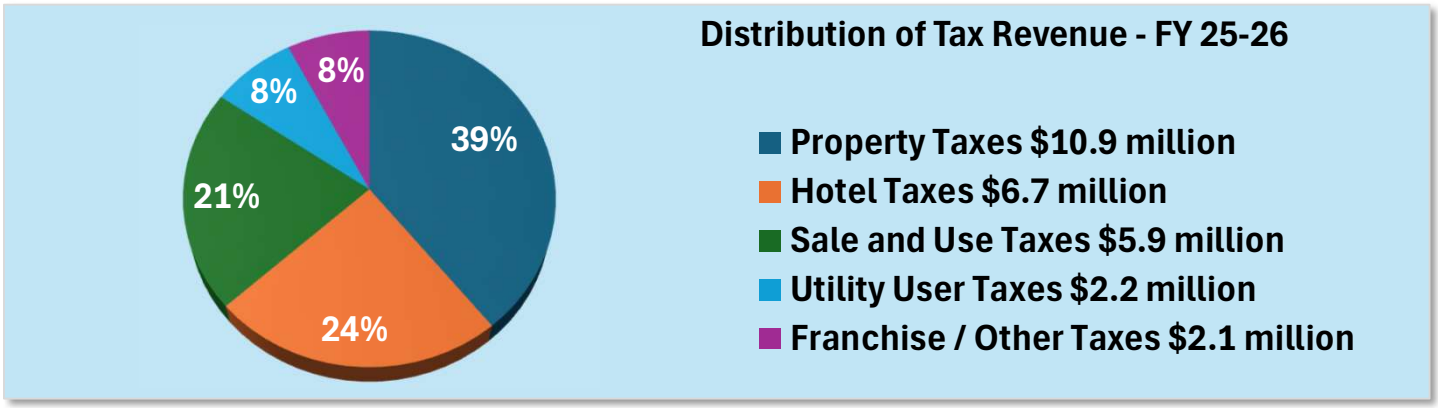
Reserves by Major Fund / Fund Type FY 2025-26

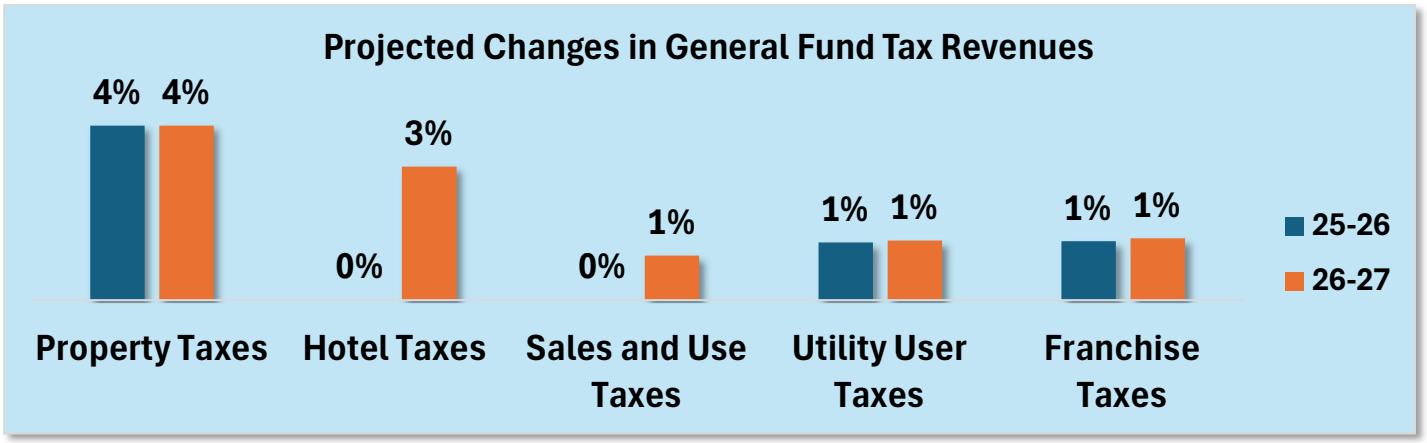
- General / Pension Trust $12.5 million
- Sewer $7.4 million
- Internal Service $1.2 million
- Other Enterprise $1.6 million

General Fund Revenues by Object Category

Information on General Fund Taxes are discussed in detail in subsequent pages of this document. Licenses and Permits include construction permits, plan check fees and zoning enforcement which can vary significantly from year to year based upon the expected level of development in the City. Charges for Services include charges for recreation programs, indirect cost reimbursements from other funds and parking meters and enforcement. Interest and rents include facility rentals interest earned on reserves.

Category / Department	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimated	FY 25/26 Estimated	Variance from CY Budget	FY 26/27 Estimated
Property Taxes	$ 10,001,562	$ 10,296,000	$ 10,519,100	$ 10,931,300	$ 635,300	$ 11,360,000
Transient Occupancy Taxes	6,820,365	7,012,000	6,736,700	6,736,700	(275,300)	6,938,800
Sale and Use Taxes	5,975,031	6,094,000	5,945,600	5,945,600	(148,400)	6,005,200
Utility User Taxes	2,118,069	2,043,000	2,155,500	2,183,500	140,500	2,212,700
Franchise Taxes	1,635,967	1,659,000	1,582,400	1,603,400	(55,600)	1,625,700
Business License Taxes	607,647	393,000	393,000	393,000		404,800
Other Taxes	159,401	240,000	113,100	117,600	4,500	122,300
Total Taxes	**27,318,041**	**27,737,000**	**27,445,400**	**27,911,100**	**301,000**	**28,669,500**
Intergovernmental Revenues	296,788	61,000	100,798	96,900	35,900	96,900
License, Permits, Fees	1,260,969	1,274,000	973,500	1,013,100	(260,900)	1,043,400
Charges for Services	2,030,259	2,278,840	2,032,987	2,049,900	(228,940)	2,089,400
Interest and Rents	1,074,388	630,000	747,600	619,700	(10,300)	623,500
Other Revenues	1,218,342	1,267,187	2,120,000	999,700	(267,487)	741,000
Fines and Forfeitures	36,868	115,000	13,500	39,000	25,500	39,000
Total General Fund	**$ 33,235,654**	**$ 33,363,027**	**$ 33,433,785**	**$ 32,729,400**	**$ (405,227)**	**$ 33,302,700**

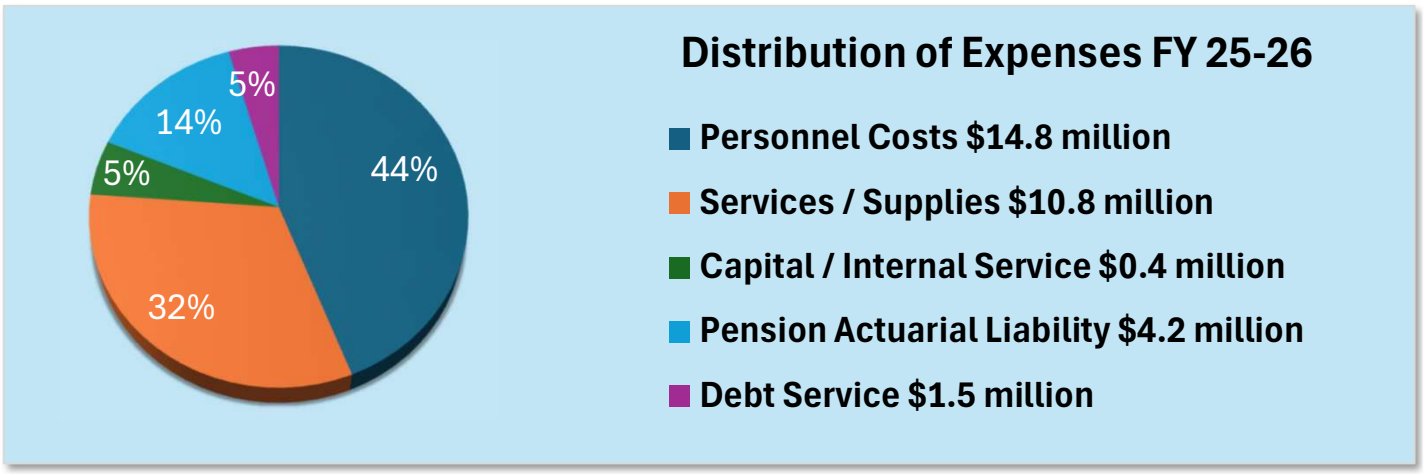


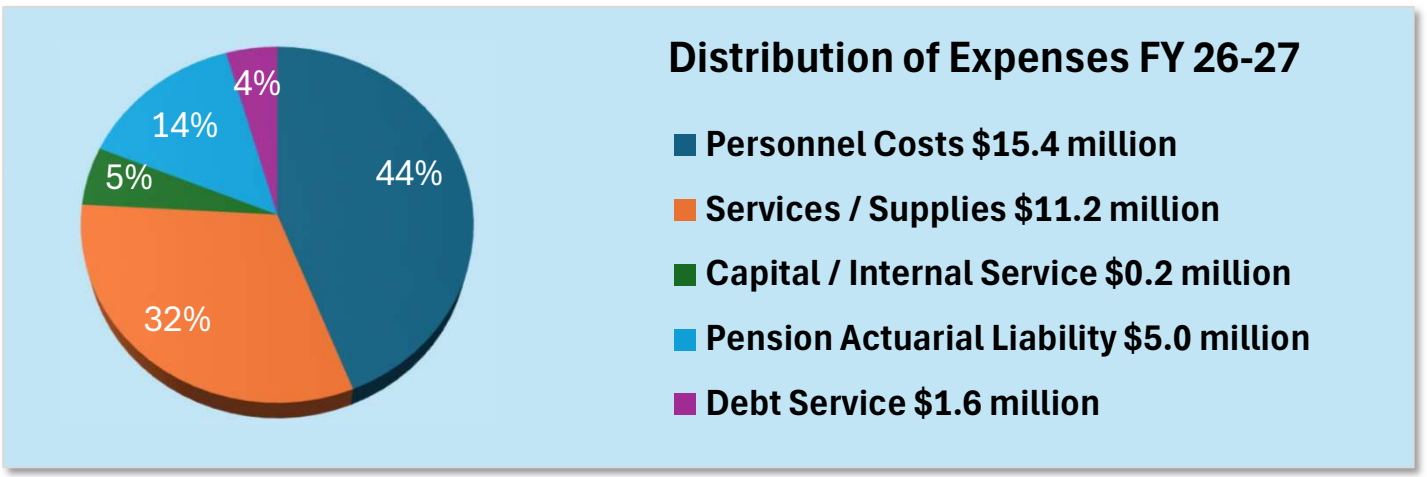


General Fund Expense Estimates by Object Category

Personnel Costs: These are based on proposed staffing levels for Fiscal Year 25-26 and 26-27, as shown in subsequent pages of this document. These costs incorporate additional personnel changes noted elsewhere in the transmittal letter. Salaries incorporate a 3% cost of living adjustment (COLA), scheduled step increases for employees and negotiated benefits in accordance with employee memorandums of understanding (MOUs) which are in effect through June 30, 2026. Pension costs incorporate revised estimates from CalPERS for normal pension costs and staff estimates for health insurance costs based upon the terms for cost sharing in the employee MOUs.

Object Category	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimated	FY 25/26 Proposed	Variance from CY Budget	FY 26/27 Proposed
By Object Category						
Regular Salaries and Benefits	$ 11,926,895	$ 14,135,011	$ 13,075,767	$ 14,779,664	644,653	$ 15,432,414
Internal Service Charges	1,483,000	1,090,000	1,090,000	1,364,000	274,000	1,632,000
Services and Supplies	10,342,411	12,764,625	12,499,274	10,798,277	(1,966,348)	11,168,257
Total Operating Costs	**23,752,306**	**27,989,636**	**26,665,041**	**26,941,941**	**(1,047,695)**	**28,232,671**
Non-Operating Costs:						
Debt Service	1,423,872	1,462,562	1,462,562	1,512,562	50,000	1,557,562
Pension - Unfunded Liability	4,006,443	4,212,163	4,212,163	4,747,019	534,856	5,030,731
Capital Outlay	256,965	384,797	286,322	370,000	(14,797)	225,500
Total General Fund	**$ 29,439,586**	**$ 34,049,158**	**$ 32,626,087**	**$ 33,571,522**	**(477,636)**	**$ 35,046,464**

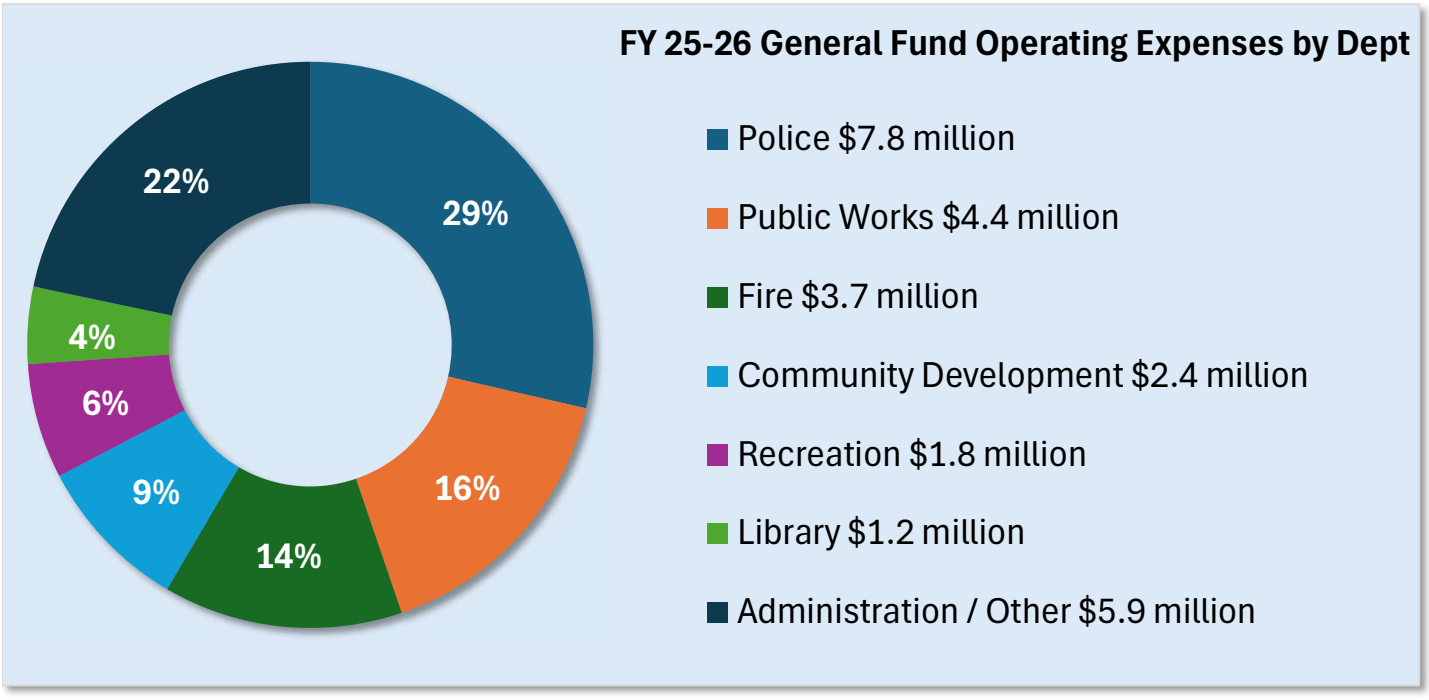




Additional information on General Fund operating expenses by department, including proposed personnel changes and capital outlay contained in the departmental budgets, are discussed in subsequent pages.

Community Development includes Building, Planning and Housing. Public Works includes Street Maintenance and Cleaning, Buildings and Grounds and Forestry. Note that Building, Fire, City Attorney and Museum services are provided on a contract basis to the City.

Department	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimated	FY 25/26 Estimated	Variance from CY Budget	FY 26/27 Estimated
Police	$ 6,536,910	$ 7,615,502	$ 7,029,118	$ 7,816,343	$ 200,841	$ 8,234,744
Public Works	4,054,763	5,352,860	5,098,796	4,416,192	(936,668)	4,578,799
Fire	3,313,322	3,599,600	3,632,149	3,734,497	134,897	3,899,514
Community Development	2,444,041	3,213,158	3,150,469	2,439,320	(773,838)	2,498,225
Recreation	1,145,986	1,554,839	1,488,636	1,792,832	237,993	1,832,987
City Council	178,800	324,089	293,423	276,365	(47,724)	339,800
City Manager	1,091,458	1,109,498	1,079,609	1,154,639	45,141	1,191,399
Finance	1,351,030	1,355,331	1,396,091	1,371,823	16,492	1,428,045
Information Services	817,924	1,202,362	1,132,879	1,327,725	125,363	1,370,741
Library	1,000,084	1,097,776	1,097,750	1,203,659	105,883	1,279,385
City Attorney	1,098,047	1,184,360	915,000	915,000	(269,360)	915,000
Economic Development	298,842	393,321	264,458	454,615	61,294	463,252
Museum	346,495	384,300	383,363	424,493	40,193	441,843
Total GF Dept Expenses	$ 23,677,702	$ 28,386,996	$ 26,961,741	$ 27,327,503	$ (1,059,493)	$ 28,473,733



City Profile / Demographics

The City is a small coastal community located in Monterey County that occupies just under three square miles, with a population of approximately 15,000 residents, with 56% of the adults having college degrees, and almost half of the population over the age of 50, with an average household income of approximately $120K and average median sales price of $1.46 million, with 48% of the residential properties owner occupied.



Climate / Location

The City is situated on a peninsula which is bordered by Monterey, Pebble Beach, the Pacific Ocean, and the Monterey Bay with a County unemployment rate of approximately 7%. Pacific Grove has a very temperate climate year round, with temperatures ranging from the 70's in the late summer to the mid 40's in the winter. Pacific Grove has over 1,300 registered historical homes built prior to 1926.

Education

The Pacific Grove Unified School District (PGUSD) serves the City and portions of Pebble Beach. Based on the California Department of Education's Academic Performance Index scores, PGUSD has received the highest overall ranking of all public schools on the Monterey Peninsula. Schools within the district include: Pacific Grove High School, Pacific Grove Middle School, Robert Down Elementary School, and Forest Grove Elementary School. Residents can take advantage of nearby colleges, including Monterey Peninsula College, the Middlebury Institute of International Studies at Monterey, California State University Monterey Bay, and the Hopkins Marine Institute operated by Stanford University. An educational profile is provided below.

Businesses

The City has a wide variety of businesses ranging from professional services to health care; and retail sales to lodging accommodations. Tourism is a key economic driver for the City, with a large number classified as either in the accommodation, food service or retail industries. Top employers within the City include the City and school district, Asilomar Hotel and Conference Center, three retirement communities and the local supermarkets.

Hospitals in the vicinity include the Community Hospital of the Monterey Peninsula (CHOMP), Natividad Medical Center and Salinas Valley Memorial Hospital, while airports in the vicinity include Monterey Regional Airport, Marina Municipal Airport and San Jose International Airport

City Government Structure and Services

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



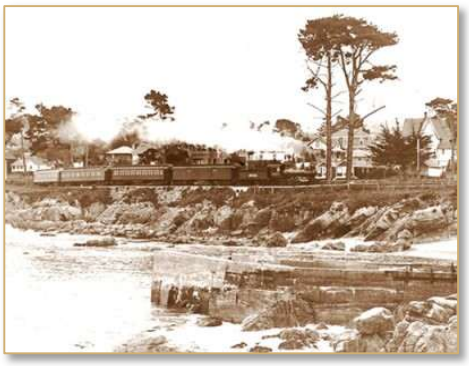
The City provides police protection, street, park and facility maintenance, recreational, planning, zoning, economic development, library, administrative and financial services for Pacific Grove. Fire protection services are provided through a contract with the City of Monterey. Additional services include sewer operations, a municipal golf course, Point Pinos Lighthouse, cemetery, a monarch butterfly sanctuary and habitat preserve, several local parks, trails and open space and a local water reclamation facility.

History

The natural advantages of settling along the Monterey Peninsula were recognized thousands of years before Pacific Grove was founded. Native Americans, which are currently known as the Ohlone/Costanoan-Esselen Nation occupied the coastal and inland areas, which included Pacific Grove.

In 1852, development began when Congress commissioned the building of eight lighthouses on the West Coast. Pacific Grove's Point Pinos location was selected as one of the first seven sites in California to receive a lighthouse. The construction of the Point Pinos Lighthouse was completed in 1854, with the lens installation taking place in 1855. The first lighthouse keepers lived a rugged life, with the town only accessible through forest and sand dunes. Supplies arrived periodically by sea, while the keepers also raised a portion of their own food.

During the 1870's many small towns were founded in California. During that period, Pacific Grove was founded for a religious retreat. David Jacks, a wealthy landowner and rancher, owned most of the land that now constitutes Pacific Grove. In 1875, he consented to the development of a Methodist Christian Seaside Retreat on 100 acres of pine-covered coastal land. The Retreat was conceived as a place to worship in a quiet and beautiful natural environment. The first two-week Methodist camp meeting was held in August of 1875, with annual meetings following for several decades. Other inhabitants included Chinese immigrants who established a thriving fishing village.



Gradually, sections of Mr. Jacks' property were divided into lots, which later were sold for year-round homes and stores. By 1883, David Jacks sold his remaining Pacific Grove land, which included Point Pinos to the Pacific Improvement Company (PIC). The PIC was a subsidiary of the Southern Pacific Railroad which supported the development of a seaside resort to attract railway passengers. One of the PIC's first accomplishments in Pacific Grove was to connect the town's water supply to the Carmel River to ensure an adequate water system. The PIC also graded and leveled streets; surveyed lots, and established sewage, drainage, and trash pick-up.

As time went on, Pacific Grove began enticing more visitors. The first hotel opened in 1887, followed by the incorporation of the City and the addition of a railroad in 1889. Within ten years, the Pine Street School, the Hopkins Seaside Lab, and the Pacific Grove Bath House were built; and the community began to benefit from electric lights and a telephone exchange. Through a $10,000 Carnegie grant and a land donation, the City opened a public library in 1908. The Mission style Library, with expansive interior arches, is still actively serving the community.

Community Attractions and Events

The City is home to many attractions, including Point Pinos Lighthouse, Hopkins Marine Station, Asilomar State Beach, Lovers Point Park and Beach, Butterfly House and the Monterey Bay Coastal Recreation Trail and Shoreline Park. The city also offers many special events during the year, including:

- Good Old Days
- Butterfly Parade
- Butterfly Ball
- City 4th of July Celebration
- Youth Ambassadors Night
- Pet Parade
- Touch a Truck
- Holiday Tree Lighting
- Monterey Bay Half Marathon
- Walk of Remembrance
- Veterans Day Ceremony
- Croquet Tournament
- Christmas at the Inns
- Farmers' Market
- Holiday Parade of Lights
- Little Car Show
- Christmas Tree Lighting
- Summer Lights
- Rudolph Run and Walk
- Pacific Grove Museum Night Owl
- Quilt Show
- Holiday in the Park
- Sunset Celebration
- Walk with P.R.I.D.E



4th of July Celebration



Butterfly Parade

Selected Departmental Achievements – Current Fiscal Year

The City strived to make progress on a number of significant goals previously established including the following, which address all of the City's areas of focus. A significant portion of these goals are funded by the General Fund, with applicable portions being funded by grants and the City's enterprise, capital and special revenue funds:

City Manager

- Implemented an electronic performance management system
- Ongoing importing of contracts into Laserfiche (past & present)
- Continued implementation of the retention and recruitment plan



Police

Administrative Services – Information Services

- Completed Cybersecurity Assessment project
- Enhanced internet reliability and performance at the City Hall, PD, and Library
- Completed network and server upgrades, implement maps application



Downtown Pacific Grove

Administrative Services - Finance

- Received an award for excellence for the City's Financials (ACFR) from GFOA
- Received awards for the City's operating budget from GFOA and CSMFO
- Enhanced the transparency of the department's section of the City's website



Fire Contract with Monterey

Community Development

- Submitted second draft to the California Department of Housing (HCD)
- Offered next day inspection services, with a focus on the new downtown hotel
- Sought qualifying housing rehabilitation projects for use of CDBG funds

Fire

- Completed significant fire station upgrades including roof and tower repair
- Began Advanced Life Support (ALS) paramedic service
- Began a Defensible Space program to inspect high fire severity zones



Lovers Point

Library

- Successful efforts helped to support intergenerational events and programming
- Opened dialogue with local libraries about establishing partnerships
- Investigated the feasibility of developing a small/private meeting space for users



Esplanade Park

Police

- Maximized social media presence and expand community outreach efforts
- Facilitated educational workshops on the dangers of opioids/fentanyl
- Hosted workshops on traffic safety, leverage technology, increase enforcement

Public Works

- Maintained over 600,000 SF of roadway, enhanced pedestrian safety
- Finalized sidewalk dining guidelines, completed sidewalk extension project
- Completed five Facility Conditions Assessments



Elmarie Dyke Open Space

Recreation

- Added new Summer Sports - Junior Golf Camp and Basketball Camp
- Ensured continued availability of youth center throughout the school year
- Expanded existing Youth Soccer League adding an additional 70 registrations

Key Departmental Goals – Next Two Fiscal Years

Despite limited resources available, the City has developed an ambitious work plan for the next two years including the following, which address the City's Areas of Focus of Financial Sustainability, Infrastructure, Environmental Stewardship and Community Development. A significant portion of these goals are funded by the General Fund, with applicable portions being funded by grants and the City's enterprise, capital and special revenue funds:

City Manager

- Negotiate new MOUs for all bargaining units
- Streamline the Business License application process
- Implement a comprehensive community outreach program

Administrative Services – Information Services

- Complete Next Phase of Cybersecurity Assessment project
- Implement Security Cameras at certain key locations
- Implement Cloud Backup Solution to enhance Disaster Recovery capabilities

Administrative Services - Finance

- Select a vendor to assist the City with the selection of a new ERP system
- Issue interim financial and investment reports on a quarterly basis
- Continue to update the City website on a timely basis

Community Development

- Achieve HCD certification of the 6th Cycle housing element
- Initiate zoning ordinance amendments to streamline project reviews
- Complete grant funded local plan amendments addressing coastal hazards

Fire

- Install a new Station Alerting system compliant with County upgrades
- Place new fire engine in service
- Continue efforts towards education and community fire risk reduction

Library

- Enhance the website with improved design and navigation, and updated content
- Look to develop a partnership with organizations to implement a literacy program
- Increase the number of intergenerational programs by 50%

Police

- Expand and modernize the department's digital and social media presence
- Modernize internal training and leadership development
- Strengthen crime prevention through technology and community-led models

Public Works

- Finalize facility assessments, incorporate into 5 year Capital Improvement Plan
- Finalize Climate Action and Adaptation Plan
- Begin development 10-year sewer master plan and associated user fee study

Recreation

- Evaluate programming to maximize participation
- Continued with expanded youth basketball and soccer programs
- Enhance the online rental portal, to ensure seamless customer service



Chautauqua Hall



Senior Center



Farmers Market



Arnett Park



Platt Park



Morris Dill Tennis Courts

Ten Year Trend Information

Trend information is in the Annual Comprehensive Financial Report (ACFR) and budget. This data can show trends in operating revenues and expenses, which will impact the City's ability to increase its reserves and fund capital projects in the future. Categories include:

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Assessed Values
- Tax Revenues
- Fund Balances
- Demographic Information
- Economic Information
- Operating Information

Budgetary Controls



Berwick Park

In accordance with the City's Budget and Financial Management Policy, the City Manager recommends the budget and presents it to the City Council in May and June. After public input and discussion is received, the City Council may request modifications to the budget or introduce an ordinance adopting the budget. The City's budget is then adopted by ordinance and becomes effective on July 1st of each fiscal year. Budgetary controls are set at the department level and are maintained to ensure compliance with the budget approved by the Board. The City Manager or the Administrative Services Director has the discretion to transfer between activities. City Council approval is required for any overall increase in the budget for any fund or changes to the Capital Improvement Program.



Seven Gables Inn

All governmental, enterprise, and internal service funds are appropriated annually. The governmental funds include general, special revenue, capital project, and permanent funds. The Annual Comprehensive Financial Report includes all financial activities of the City. Financial data for all funds through which services are provided by the City have been included in this report. The City maintains an encumbrance accounting system as part of maintaining budgetary control. Encumbered amounts lapse at the end of the fiscal year. However, outstanding encumbrances are reappropriated as part of next year's budget after staff review to determine if they are still needed.

Financial Policies



Butterfly House

The City has established financial policies to provide guidance on several financial areas, including the following which are part of the adopted budget and summarized below.

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

Category	Policy
Balanced Budget	Operating Revenues >= Operating Expenditures (Use of Reserves allowed to balance budget)
General Fund Reserves	Recommended 25% of Budgeted Expenditures
Golf Fund Reserves	Recommended 25% of Revenues of the Golf Fund
Pension / Capital Reserves	Recommended $1 million minimum for each
Sewer Fund Reserves	Recommended Two Years Funding of Capital Projects
Worker's Compensation Fund	At least 75% of total fund liabilities
Liability Insurance Fund	At least 75% of total fund liabilities
Year End Surplus	Ensure General Fund/Insurance Reserves are met, with remainder allocated 1/3 to Pension Reserve, 1/3 to Capital Reserve and 1/3 to General Fund Reserves

Risk Management

The City is a member of the California Joint Powers Insurance Authority (the "Authority"). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The Authority arranges and administers programs for the pooling of self-insured losses, purchases excess insurance and reinsurance, and arranges for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978.

Each member government has an elected official as its representative on the Authority's Board of Directors. The Board operates through a nine-member Executive Committee. During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage.

Appropriations Limit

Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Beginning in Fiscal Year 1990-91, the appropriations limit is required to be calculated bas ed on the limit for the fiscal year 1986-87, adjusted for a.) either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located and b.) an inflation factor either being the annual percentage change in per capita personal income or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The City's appropriations remains well under this annual limit.





Lovers Point

Appendix

Included in the appendix of the Budget is an list of key acronyms, a glossary with key terms used in the documents and an index to key sections of the documents. The appendix of the Budget also includes calculations of the annual appropriations limit, detailed information on debt obligations, and resolutions adopting the budget and appropriation limit.



Recreation Trail

Awards

The City has received from GFOA and from the California Society of Municipal Finance Officers (CSMFO) awards for excellence in reporting for its budget and from GFOA for its ACFR. These awards focus on providing high quality documents for the citizens, City Council, customers, regulators and other interested parties. The City will submit the budget to GFOA and the California Society of Municipal Finance Officers (CSMFO) and the ACFR to GFOA in accordance with their award programs.



Acknowledgements

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

Respectfully submitted,

Matt Mogensen
City Manager

Fred Marsh
Administrative Services Director

City of Pacific Grove
Mission, Vision and Core Values
Fiscal Years 2025-2026 and 2026-27

Vision Statement

Pacific Grove will thoughtfully grow as an inclusive seaside community that protects residential character, historic resources, promotes multi-beneficial development, and ensures respect for the environment.

Mission Statement

Deliver quality professional public services to all residents in the Pacific Grove community and the region, while ensuring high value and quality results.

Core Values

Leadership
We strive to uphold the highest work ethic, treat everyone fairly, empower people to do their best, promote continuous improvement, foster teamwork, communicate openly and respectfully so as to achieve trust and accountability throughout our community.

Inclusiveness
We cultivate an environment of trust and respect for all residents and visitors alike. We strive to ensure that our actions are inclusive and reflective of the diverse community of which we aim to be.

Integrity
We safeguard public trust through honest business practices and open communication. Our credibility with the public depends on our strong ethical stewardship of all resources.

Collaboration
We promote transparent engagement with citizens and stakeholders and expect our managers and consultants to understand the needs and values of our community.

Stewardship
We protect our unique natural environment and the habitat it provides. We facilitate a culture of sustainable practices. We maintain and preserve our municipal assets.



Financial Sustainability

Policy Value Statement: Manage financial resources to ensure the long-term delivery of City services

Goal 1: Identify a program to reduce unfunded liabilities

- *Pensions* - Develop a plan to reduce our long-term pension obligations
- *Local Water Project* - Secure funding to repay the debt service for the water reclamation facility
- *Storm Drains* - Develop options for a long-term storm drain infrastructure funding plan

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

- *Policies* - Update the City Council Financial and Budgetary Policies to revise the City's reserve fund policies and present to the City Council
- *Capital Plan* - Create Capital Replacement Funds to plan for regular maintenance and replacement of vehicles, facilities, equipment, infrastructure and park amenities, and present to the City Council

Goal 3: Identify and reduce expenditures and enhance revenues

- *Cost Recovery* - Review low/no cost recovery programs for effectiveness, recommend improvements
- *Revenue Enhancement* - Identify potential new revenue sources and present to the City Council
- *Risk Management* - Implement risk management assessments findings and recommendations to reduce workers compensation and liability claim exposures

Community Development

Policy Value Statement: Strategically implement programs promoting housing and economic opportunities

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

- *ADUs* - Present findings and recommendations to Council for direction on unpermitted ADUs
- *Affordable Housing* - Identify a preferred affordable housing project location

Goal 2: Review all Permit processes to eliminate barriers to housing and economic development

- *Water Allocation* - Evaluate the City's current and future water allocations and facilitate a City Council discussion on the prioritization of water credits
- *Business License* - Review business license process and implement efficiency measures
- *Permit Processes* - Evaluate timelines and permit processes for commercial and residential permits and implement efficiency measures where feasible



Infrastructure

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

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

- *Capital Plan* - Develop and present a 5-year CIP plan to the City Council
- *Asset Management* - Develop a new asset management database
- *Sidewalk Policy* - Present updates to City Council Policy 700-4 regarding sidewalk repairs and installation, to include a plan for City property and a sidewalk repair process for property owners

Goal 2: **Invest in technology and workforce systems**

- *Accounting System* - Develop RFP and select vendor for new Enterprise Resource System
- *Disaster Recovery* - Develop a business continuity plan for IT infrastructure and databases
- *Staff Retention* - Develop a plan to develop and retain key staff members

Goal 3: Address critical physical infrastructure needs

- *Schools* - Develop a safe route to school plan and present to the City Council
- *Streetscape Plan* - Create a downtown streetscape improvement plan
- *Wastewater Treatment* - Release a sewer master plan RFP

Environmental Stewardship

Policy Value Statement: **Caring for and protecting the City's natural resources and amenities**

Goal 1: **Complete Climate Action and Adaptation Efforts**

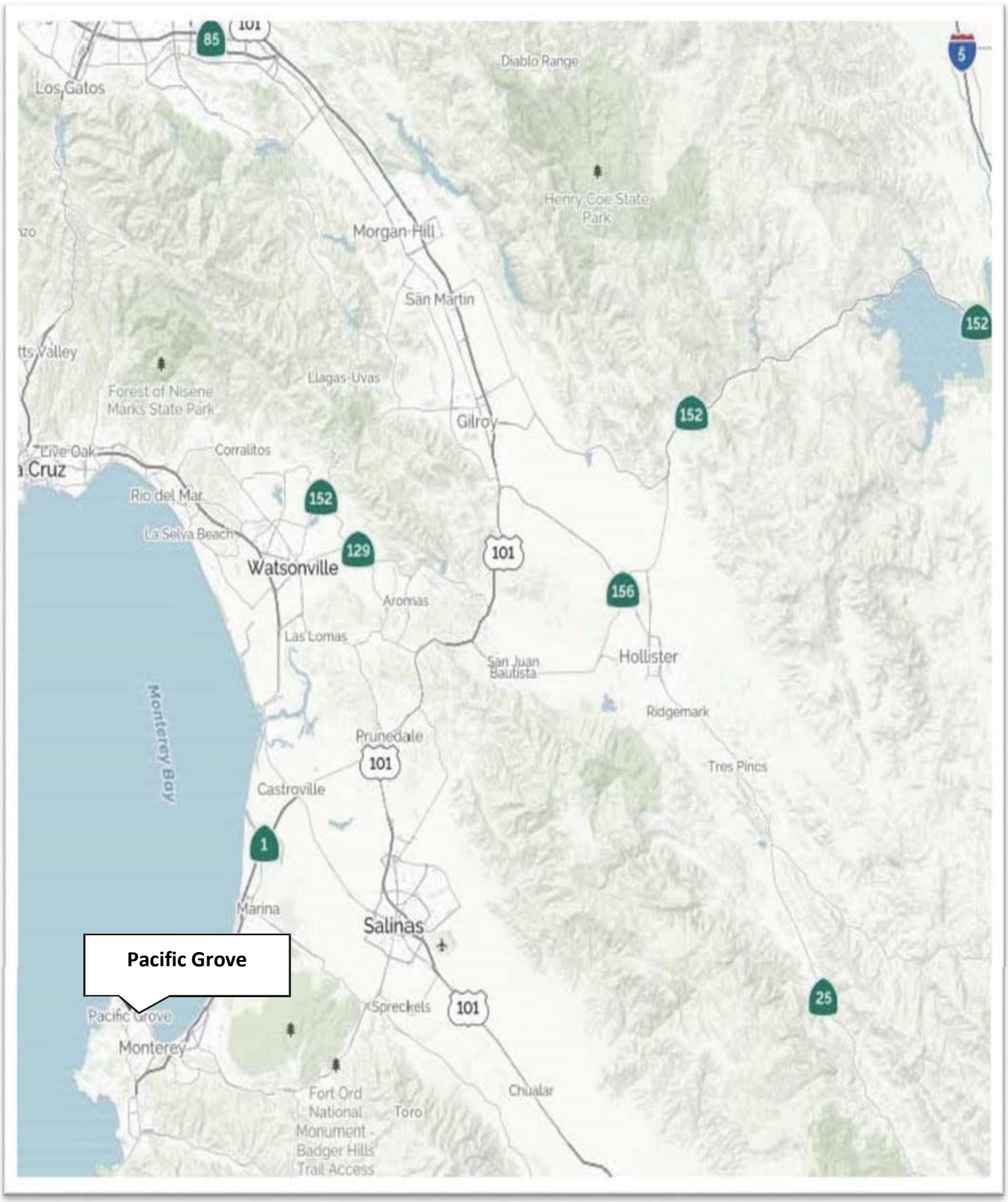
- *Climate Plan* - Present a Climate Action and Adaptation Plan to the City Council for approval
- *Fire Management* - Provide fire safety inspection services for residents living near George Washington Park and in High Fire Severity Zones
- *George Washington Park* - Complete a George Washington Park Master Plan

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

- *Municipal Code* - Complete the comprehensive update to Title 12 of the municipal code; revisions to focus on replanting compliance and tree appeal process; to be presented to the City Council for approval
- *Wildlife Protection* - Assess efforts within the City that can be achieved, within available resources and present feasible measures to the City Council for consideration



City of Pacific Grove
Map of Pacific Grove and the
Monterey Bay Area



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Pacific Grove
California

For the Fiscal Year Beginning

July 01, 2023

Christopher P. Morrill

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2024-2025

Presented to the

City of Pacific Grove

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

February 7, 2025



Ernie Reyna
Ernie Reyna
2024 CSMFO President

James Russell-Field
James Russell-Field, Chair
Recognition Committee

Dedicated to Excellence in Municipal Financial Reporting

Residents of the City of Pacific Grove

City Attorney (Contract)

Mayor and City Council

Boards and Commissions

City Manager

City Manager's Office	Administrative Services	Community Development	Fire (Contract)
Museum (Contract)	Recreation	Public Works	Police

City Manager's Office
City Clerk
Economic Development
Human Resources

Administrative Services
Finance
Cemetery
Information Services
Risk Management

Community Development
Planning
Building (Contract)
Code Compliance
Housing

Public Works
Buildings / Grounds
Capital Improvements
Environmental Planning
Equipment Maintenance
Forestry
Golf Course
Lighthouse
Local Water Project
Sewer
Streets

Boards/Commissions
Administrative Enforcement Hearing Officer
Architectural Review
Beautification and Natural Resources
Diversity, Equity and Inclusion
Downtown Business Improvement District
Historic Resources
Hospitality Improvement District
Library
Museum
Planning
Recreation
Site Plan Review
Traffic Safety
Other Ad Hoc Committees
Zoning Administrator





City of Pacific Grove Budget
Financial Summaries and Staffing

The financial section provides an overview and detail of all of the City's funds by fund type. It also includes a section on staffing by department, position and fund, and on employee compensation. See the financial policy section for the budget guidelines used in the development of the forecast.

Fund Information

32 Fund Type Descriptions
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35 Fund Summaries by Fiscal Year

Fund Detail Sheets

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Enterprise Funds

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43 Golf
44 Local Water Project
45 Sewer

Staffing

61 Staff Positions by Department / Position
65 Employee Compensation



Hopkins Marine Station

Department and program information are included in the subsequent sections of the document. All funds are separated by fund type. A definition of each fund type is provided below.

General Fund

The General Fund is the main operating fund for the City. Generally, this fund is used to account for those traditional government services of the City, such as police and fire protection, public works, recreation, planning, and general government services.

Internal Service Funds

Internal Services Funds are an accounting mechanism used to accumulate and allocate costs internally among the City of Pacific Grove's various functions. The City uses three internal service funds to account for the management of its retained risks associated with liability self-insurance, workers compensation, and employee benefits.

Enterprise Funds

The City's enterprise activities include cemetery, sewer, water reclamation, and golf course operations. These services are supported by charges paid by users based on the type of services that are rendered.

Capital Projects Funds

These funds support projects that are funded by the General Fund. These projects are distinct from projects that are funded by the Enterprise or Special Revenue Funds.

Special Revenues Funds

These funds account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to specific purposes.

Permanent Funds

These funds account for financial resources that are restricted, committed, or assigned to expenditures for specific activities, including the acquisition or construction of capital facilities and other capital assets in governmental funds.

City Parks



Andy Jacobsen Park



Platt Park



Perkins Park



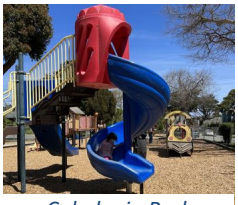
City Baseball Field



George Washington Park



Greenwood Park

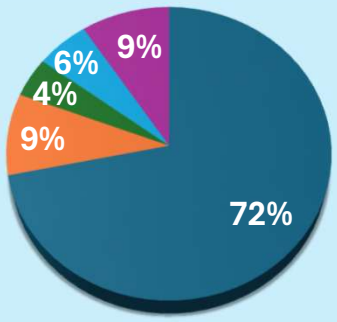


Caledonia Park

City of Pacific Grove Budget
Revenues by Fund - All Funds
Through Fiscal Year 2026-27

The table below shows the revenue trends for the General Fund and all funds for the next few fiscal years.

Fund	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimated	FY 25/26 Estimated	Variance from CY Budget	FY 26/27 Estimated
General Fund - Main Fund	$ 33,235,654	$ 33,363,027	$ 33,433,785	$ 32,729,400	$ (633,627)	$ 33,302,700
Total General Fund	33,235,654	33,363,027	33,433,785	32,729,400	(633,627)	33,302,700
General Fund CIP	150,002	67,500	9,281	6,682	(60,818)	6,682
Total Capital Improvement Funds	150,002	67,500	9,281	6,682	(60,818)	6,682
Cemetery Endowment	177,927	113,000	119,776	121,734	8,734	129,319
Library Endowment	43,196	22,000	18,252	13,141	(8,859)	13,141
Yount Trust	16,675	8,000	8,000	8,000		8,000
Total Permanent Funds	237,798	143,000	146,028	142,876	(124)	150,460
Employee Benefits	348,321	265,000	278,379	316,299	51,299	377,424
Workers Compensation	568,519	722,113	731,511	925,299	203,186	1,000,299
Liability Insurance	1,143,440	752,000	755,478	753,944	1,944	918,944
Total Internal Service Funds	2,060,280	1,739,113	1,765,368	1,995,542	256,429	2,296,667
Cemetery	764,656	653,000	633,098	580,902	(72,098)	548,988
Golf	837,625	762,000	952,920	956,538	194,538	977,149
Local Water Project	1,029,933	935,000	1,157,177	1,001,146	66,146	1,001,146
Sewer	4,197,415	3,901,000	4,348,106	4,099,809	198,809	4,099,809
Total Enterprise Funds	6,829,630	6,251,000	7,091,300	6,638,396	387,396	6,627,092
American Rescue Plan	49,418	15,000	15,395		(15,000)	
State Franchise PEG	51,111	48,000	50,015	49,171	1,171	49,171
City Facilities / Other	28,211	49,650	44,039	2,548	(47,102)	2,548
Housing / Development	163,566	51,200	116,776	88,111	36,911	88,111
Grants / Donations	502,102	2,400	9,146	1,005,396	1,002,996	5,396
Special Activities	618,145	707,950	559,639	576,479	(131,471)	602,840
Library	101,942	97,283	114,476	101,677	4,394	111,677
Museum	16,939	4,000	11,212	8,073	4,073	8,073
Police	395,004	455,275	464,387	467,503	12,228	467,503
Recreation	144,946	101,000	135,093	139,996	38,996	148,431
Fire	29,729	27,200	25,709	24,575	(2,625)	24,575
Streets	1,711,967	2,247,695	2,257,717	1,619,540	(628,155)	1,612,195
Total Special Revenue Funds	3,813,083	3,806,653	3,803,603	4,083,069	276,416	3,120,519
Total Revenues - All Funds	**$ 46,326,447**	**$ 45,370,293**	**$ 46,249,366**	**$ 45,595,965**	**$ 225,672**	**$ 45,504,122**



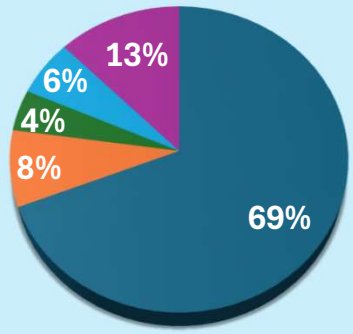
Revenues by Major Fund / Fund Type FY 2025-26

- General $32.7 million
- Sewer $4.1 million
- Internal Service $2.0 million
- Other Enterprise $2.5 million
- Other Funds $4.2 million

City of Pacific Grove Budget
Expenses by Fund - All Funds
Through Fiscal Year 2026-27

The table below shows the expenditure trends for the General Fund and all funds for the next few fiscal years.

Fund	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimated	FY 25/26 Estimated	Variance CY Budget	FY 26/27 Estimated
General Fund - Main Fund	$29,439,586	$ 34,049,158	$ 32,626,087	$ 33,571,522	$ (477,636)	$35,046,464
Total General Fund	29,439,586	34,049,158	32,626,087	33,571,522	(477,636)	35,046,464
General Fund CIP	562,432	1,937,033	1,937,033	650,000	(1,287,033)	850,000
Total Capital Improvement Funds	562,432	1,937,033	1,937,033	650,000	(1,287,033)	850,000
Cemetery Endowment	-	-	-	-	-	-
Library Endowment	-	-	-	-	-	-
Yount Trust	-	-	-	-	-	-
Total Permanent Funds	-	-	-	-	-	-
Employee Benefits	282,458	332,000	359,082	312,700	(19,300)	373,485
Workers Compensation	651,041	735,949	903,326	916,948	180,999	975,966
Liability Insurance	464,021	717,003	703,552	882,167	165,164	957,102
Total Internal Service Funds	1,397,519	1,784,952	1,965,959	2,111,815	326,863	2,306,553
Cemetery	559,532	720,349	707,011	848,109	127,760	899,192
Golf	485,080	755,057	953,833	1,026,682	271,625	987,833
Local Water Project	972,048	1,010,925	1,407,077	1,025,105	14,180	1,066,388
Sewer	1,588,358	6,032,635	5,992,306	3,920,269	(2,112,366)	10,317,679
Total Enterprise Funds	3,605,018	8,518,966	9,060,227	6,820,166	(1,698,800)	13,271,092
American Rescue Plan Funds	228,414	828,872	910,564		(828,872)	
State Franchise PEG	26,000	81,000	82,000	120,000	39,000	60,000
City Facilities / Other	17,387	65,000	65,000	48,003	(16,997)	
Housing / Development	102,088	317,718	331,467	464,284	146,566	206,852
Grants / Donations	489,754			1,075,000	1,075,000	
Special Activities	601,823	658,593	597,198	578,950	(79,643)	605,310
Library	85,290	100,571	95,571	87,400	(13,171)	70,400
Museum Improvement		165,800	165,800		(165,800)	
Police	729,964	776,297	693,650	842,209	65,912	823,182
Recreation	110,814	141,500	131,146	187,908	46,408	141,946
Fire	5,527	46,080	46,080	100,000	53,920	12,880
Streets	1,375,912	3,773,841	3,737,819	1,909,283	(1,864,558)	1,754,452
Total Special Revenue Funds	3,772,973	6,955,272	6,856,295	5,413,037	(1,542,235)	3,675,022
Total Expenditures - All Funds	**$38,777,529**	**$53,245,381**	**$ 52,445,601**	**$48,566,541**	**$ (4,678,840)**	**$55,149,131**

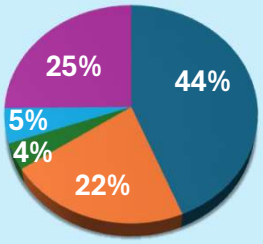


Expenses by Major Fund / Fund Type FY 2025-26

- General $33.6 million
- Sewer $3.9 million
- Internal Service $2.1 million
- Other Enterprise $2.9 million
- Other Funds $6.1 million

The table below shows a financial summary for the General Fund and all funds for the fiscal year noted above.

Fund	Beginning Fund Balance	Projected Revenues	Projected Transfers In	Projected Expenses	Projected Transfers Out	Change for Fiscal Year	Projected Ending Balance
General Fund	$17,396,190	$ 33,433,785		$ 32,626,087	$ 4,222,220	(3,414,522)	$13,981,668
Pension Reserve			$ 500,000			500,000	500,000
General Fund	17,396,190	33,433,785	500,000	32,626,087	4,222,220	(2,914,522)	14,481,668
General Fund CIP	361,196	9,281	3,017,033	1,937,033		1,089,281	1,450,477
Capital Projects Fund	361,196	9,281	3,017,033	1,937,033		1,089,281	1,450,477
Employee Benefits	159,520	278,379		359,082		(80,703)	78,817
Liability Insurance	744,877	731,511		903,326		(171,815)	573,062
Workers Compensation	603,210	755,478		703,552		51,926	655,136
Internal Service Funds	1,507,607	1,765,368		1,965,959		(200,591)	1,307,016
Library	565,637	18,252				18,252	583,889
Cemetery	2,145,254	119,776				119,776	2,265,030
Yount	781,371	8,000			8,000		781,371
Permanent Funds	3,492,262	146,028			8,000	138,028	3,630,290
Cemetery	1,100,618	633,098		707,011		(73,913)	1,026,705
Golf	867,594	952,920		953,833		(913)	866,681
Local Water Project	42,876	1,157,177	375,187	1,407,077	350,000	(224,713)	(181,837)
Sewer	8,537,880	4,348,106	350,000	5,992,306		(1,294,200)	7,243,680
Enterprise Funds	10,548,968	7,091,300	725,187	9,060,227	350,000	(1,593,740)	8,955,228
American Rescue Plan	895,169	15,395		910,564		(895,169)	(0)
Special Activities	182,753	559,639		597,198		(37,559)	145,194
Museum	344,823	11,212		165,800		(154,588)	190,235
Library	260,992	114,476		95,571		18,905	279,897
Recreation	311,569	135,093		131,146		3,947	315,516
Police	164,599	464,387	330,000	693,650		100,736	265,335
Fire	195,633	25,709		46,080		(20,371)	175,262
Streets	1,943,221	2,257,717		3,737,819		(1,480,102)	463,119
Housing/Development	1,249,140	116,776		331,467		(214,691)	1,034,449
Grants	183,779	9,146				9,146	192,925
Cable Franchise PEG	116,177	50,015		82,000		(31,985)	84,192
City Facilities	108,848	44,039	8,000	65,000		(12,961)	95,887
Special Revenue Funds	5,956,702	3,803,603	338,000	6,856,295		(2,714,692)	3,242,011
Total All Funds	**$39,262,925**	**$46,249,366**	**$ 4,580,220**	**$52,445,601**	**$ 4,580,220**	**$(6,196,235)**	**$33,066,690**

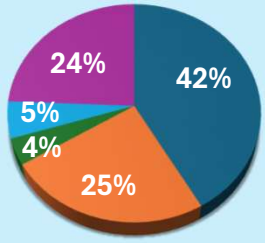


Reserves by Major Fund / Fund Type FY 2024-25

- General / Pension Trust $14.5 million
- Sewer $7.2 million
- Internal Service $1.3 million
- Other Enterprise $1.7 million
- Other Funds $8.3 million

The table below shows a financial summary for the General Fund and all funds for the fiscal year noted above.

Fund	Beginning Fund Balance	Proposed Revenues	Proposed Transfers In	Proposed Expenses	Proposed Transfers Out	Change for Fiscal Year	Projected Ending Balance
General Fund	$13,981,668	$ 32,729,400		$ 33,571,522	$ 1,117,600	$ (1,959,722)	$12,021,945
Pension Reserve	500,000		$ 25,000			25,000	525,000
General Fund	14,481,668	32,729,400	25,000	33,571,522	1,117,600	(1,934,722)	12,546,945
General Fund CIP	1,450,477	6,682	500,000	650,000		(143,318)	1,307,159
Capital Projects Fund	1,450,477	6,682	500,000	650,000		(143,318)	1,307,159
Employee Benefits	78,817	316,299		312,700		3,599	82,416
Liability Insurance	573,062	925,299		916,948		8,351	581,413
Workers Compensation	655,136	753,944		882,167		(128,223)	526,914
Internal Service Funds	1,307,016	1,995,542		2,111,815		(116,273)	1,190,743
Library	583,889	13,141				13,141	597,030
Cemetery	2,265,030	121,734				121,734	2,386,765
Yount	781,371	8,000			8,000		781,371
Permanent Funds	3,630,290	142,876			8,000	134,876	3,765,166
Cemetery	1,026,705	580,902		848,109		(267,207)	759,498
Golf	866,681	956,538		1,026,682		(70,144)	796,538
Local Water Project	(181,837)	1,001,146	287,600	1,025,105		263,641	81,803
Sewer	7,243,680	4,099,809		3,920,269	25,000	154,540	7,398,220
Enterprise Funds	8,955,228	6,638,396	287,600	6,820,166	25,000	80,830	9,036,058
Special Activities	145,194	576,479		578,950		(2,471)	142,723
Museum	190,235	8,073				8,073	198,308
Library	279,897	101,677		87,400		14,277	294,174
Recreation	315,516	139,996		187,908		(47,912)	267,604
Police	265,335	467,503	330,000	842,209		(44,706)	220,629
Fire	175,262	24,575		100,000		(75,425)	99,837
Streets	463,119	1,619,540		1,909,283		(289,743)	173,376
Housing / Development	1,034,449	88,111		464,284		(376,173)	658,277
Grants	192,925	1,005,396		1,075,000		(69,604)	123,321
Cable Franchise PEG	84,192	49,171		120,000		(70,829)	13,363
City Facilities	95,887	2,548	8,000	48,003		(37,455)	58,432
Special Revenue Funds	3,242,011	4,083,069	338,000	5,413,037		(991,968)	2,250,043
Total All Funds	**$33,066,690**	**$45,595,965**	**$1,150,600**	**$48,566,541**	**$1,150,600**	**$ (2,970,576)**	**$30,096,114**

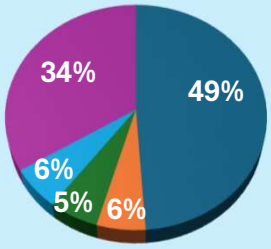


Reserves by Major Fund / Fund Type FY 2025-26

- General / Pension Trust $12.5 million
- Sewer $7.4 million
- Internal Service $1.2 million
- Other Enterprise $1.6 million
- Other Funds $7.3 million

The table below shows a financial summary for the General Fund and all funds for the fiscal year noted above.

Fund	Beginning Fund Balance	Proposed Revenues	Proposed Transfers In	Proposed Expenses	Proposed Transfers Out	Change for Fiscal Year	Projected Ending Balance
General Fund	$ 12,021,945	$ 33,302,700		$ 35,046,464	$ 830,000	$ (2,573,764)	$ 9,448,181
Pension Reserve	525,000		$ 25,000			25,000	550,000
General Fund	12,546,945	33,302,700	25,000	35,046,464	830,000	(2,548,764)	9,998,181
General Fund CIP	1,307,159	6,682	500,000	850,000		(343,318)	963,842
Capital Projects Fund	1,307,159	6,682	500,000	850,000		(343,318)	963,842
Employee Benefits	82,416	377,424		373,485		3,939	86,355
Liability Insurance	581,413	1,000,299		975,966		24,333	605,746
Workers Compensation	526,914	918,944		957,102		(38,158)	488,756
Internal Service Funds	1,190,743	2,296,667		2,306,553		(9,886)	1,180,857
Library	597,030	13,141				13,141	610,172
Cemetery	2,386,765	129,319				129,319	2,516,084
Yount	781,371	8,000			8,000		781,371
Permanent Funds	3,765,166	150,460			8,000	142,460	3,907,626
Cemetery	759,498	548,988		899,192		(350,205)	409,293
Golf	796,538	977,149		987,833		(10,684)	785,854
Local Water Project	81,803	1,001,146		1,066,388		(65,242)	16,561
Sewer	7,398,220	4,099,809		10,317,679	25,000	(6,242,870)	1,155,350
Enterprise Funds	9,036,058	6,627,092		13,271,092	25,000	(6,669,000)	2,367,058
Special Activities	142,723	602,840		605,310		(2,470)	140,253
Museum	198,308	8,073				8,073	206,380
Library	294,174	111,677		70,400		41,277	335,451
Recreation	267,604	148,431		141,946		6,485	274,089
Police	220,629	467,503	330,000	823,182		(25,679)	194,949
Fire	99,837	24,575		12,880		11,695	111,532
Streets	173,376	1,612,195		1,754,452		(142,257)	31,119
Housing / Development	658,277	88,111		206,852		(118,741)	539,536
Grants	123,321	5,396				5,396	128,718
Cable Franchise PEG	13,363	49,171		60,000		(10,829)	2,534
City Facilities	58,432	2,548	8,000			10,548	68,980
Special Revenue Funds	2,250,043	3,120,519	338,000	3,675,022		(216,502)	2,033,541
Total All Funds	**$30,096,114**	**$45,504,122**	**$ 863,000**	**$55,149,131**	**$863,000**	**$ (9,645,010)**	**$20,451,105**



Reserves by Major Fund / Fund Type FY 2026-27

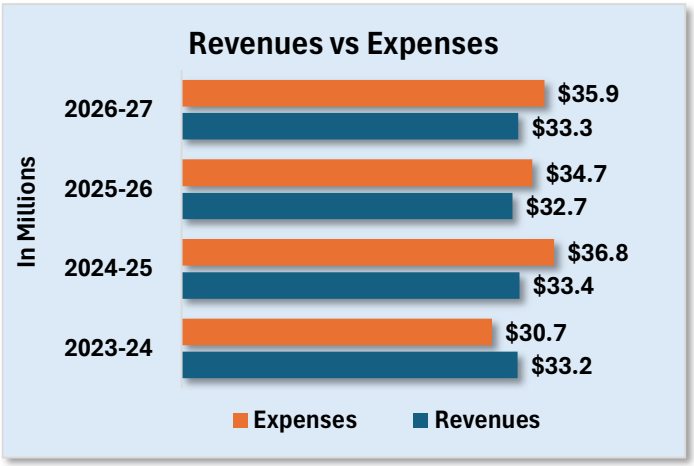
- General / Pension Trust $10.0 million
- Sewer $1.2 million
- Internal Service $1.2 million
- Other Enterprise $1.2 million
- Other Funds $6.9 million

City of Pacific Grove Budget
General Fund
Main Fund - Fund 01

Overview / Analysis: The General Fund accounts for all of the City's activities not accounted for in the City's other funds. Funds in the General Fund are mostly unrestricted in nature and can be used for the most part for any purpose, including providing subsidies and short-term loans for City's other funds as needed.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Property Taxes	$ 10,001,562	$10,296,000	$10,519,100	$10,931,300	$ 635,300	$11,360,000
TOT & Licenses	6,820,365	7,012,000	6,736,700	6,736,700	(275,300)	6,938,800
Sales & Use Tax	5,975,031	6,094,000	5,945,600	5,945,600	(148,400)	6,005,200
Utility Users Tax	2,118,069	2,043,000	2,155,500	2,183,500	140,500	2,212,700
Franchise Tax	1,635,967	1,659,000	1,582,400	1,603,400	(55,600)	1,625,700
Business License	607,647	393,000	393,000	393,000	-	404,800
Other Taxes	159,401	240,000	113,100	117,600	(122,400)	122,300
Intergovernmental Revenues	296,788	61,000	100,798	96,900	35,900	96,900
License, permits, and impact fees	1,260,969	1,274,000	973,500	1,013,100	(260,900)	1,043,400
Charges for Service	2,030,259	2,278,840	2,032,987	2,049,900	(228,940)	2,089,400
Interest, Rents and Concessions	1,074,388	630,000	747,600	619,700	(10,300)	623,500
Other Revenues	1,218,342	1,267,187	2,120,000	999,700	(267,487)	741,000
Fines and Forfeitures	36,868	115,000	13,500	39,000	(76,000)	39,000
Transfers In	3,359	-	-	-	-	-
Total Revenues / Transfers	33,239,014	33,363,027	33,433,785	32,729,400	(633,627)	33,302,700
Expenses / Transfers						
Regular Salaries and Benefits	11,926,895	14,135,011	13,075,767	14,779,664	644,653	15,432,414
Debt Services & Obligations	1,423,872	1,462,562	1,462,562	1,512,562	50,000	1,557,562
Services and Supplies	10,342,411	12,764,625	12,499,274	10,798,277	(1,966,348)	11,168,257
Non-Operating Transfers	1,252,183	4,222,220	4,222,220	1,117,600	(3,104,620)	830,000
Internal Service Charges	1,483,000	1,090,000	1,090,000	1,364,000	274,000	1,632,000
Pension - Unfunded Liability	4,006,443	4,212,163	4,212,163	4,747,019	534,856	5,030,731
Capital Outlay	256,965	384,797	286,322	370,000	(14,797)	225,500
Total Expenses / Transfers	30,691,769	38,271,378	36,848,307	34,689,122	(3,582,256)	35,876,464
Net Change	2,547,244	(4,908,351)	(3,414,522)	(1,959,722)		(2,573,764)
Available Ending Reserves	$ 17,396,190	$12,487,839	$13,981,668	$12,021,945		$ 9,448,181
Reserve %		36%	42%	36%		27%





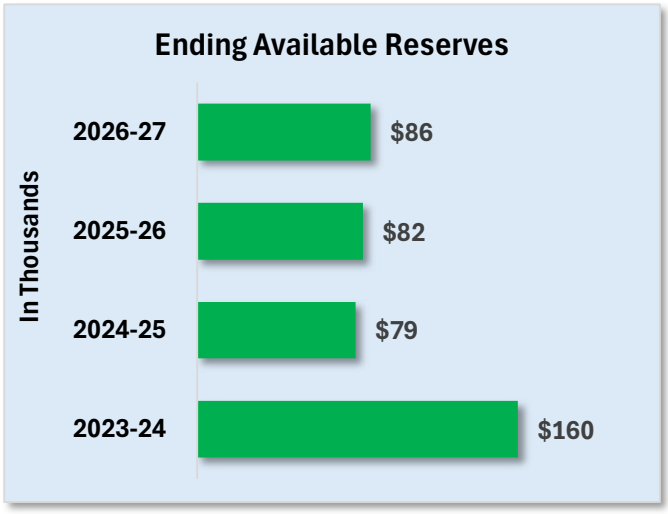
City of Pacific Grove Budget
Internal Service Funds
Employee Benefits - Fund 70

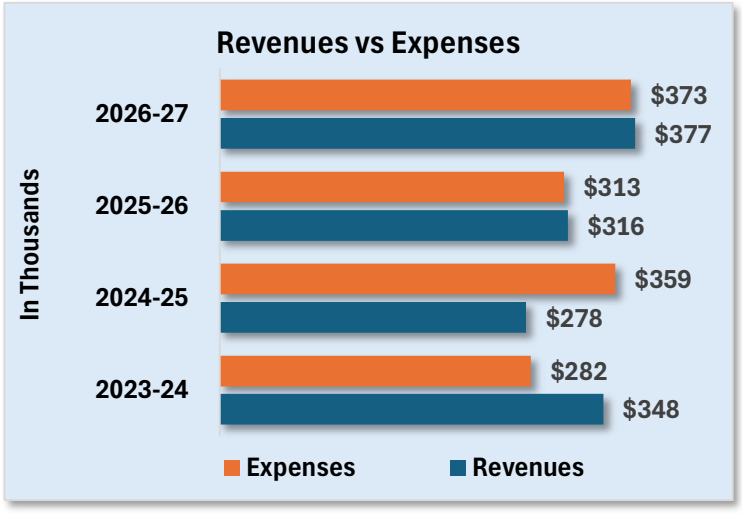
Dept Administrator
Administrative Services - Finance

Overview: The Employee Benefits Fund accounts are for the accumulation of contributions from departmental payroll accounts to fund and pay for a variety of employee benefit costs such as retiree health, dental, unemployment insurance, life/disability insurance, and temporary employee social security replacement costs. Each department's internal service charges are based on their estimated utilization of benefits, with revenues to cover unemployment insurance costs transferred based on a percentage of employee salaries.



Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues						
Charges for Services	$ 343,739	$ 262,000	$ 273,797	$ 313,000	$ 51,000	$ 374,125
Interest Income	4,582	3,000	4,582	3,299	299	3,299
Total Revenues	348,321	265,000	278,379	316,299	51,299	377,424
Expenses						
Employee Benefits	200,218	245,000	261,980	224,200	(20,800)	282,485
Other Expenses	82,240	87,000	97,102	88,500	1,500	91,000
Total Expenses	282,458	332,000	359,082	312,700	(19,300)	373,485
Net Change	65,863	(67,000)	(80,703)	3,599	70,599	3,939
Available Ending Reserves	$ 159,520	$ 92,520	$ 78,817	$ 82,416	$ (10,104)	$ 86,355





City of Pacific Grove Budget
Internal Service Funds
Liability Insurance - Fund 72

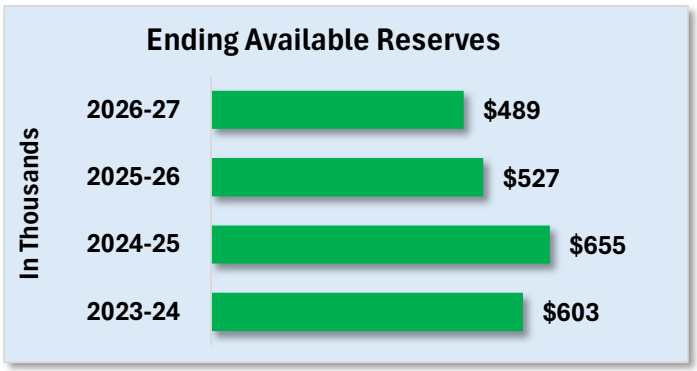
Dept Administrator
Administrative Services - Finance

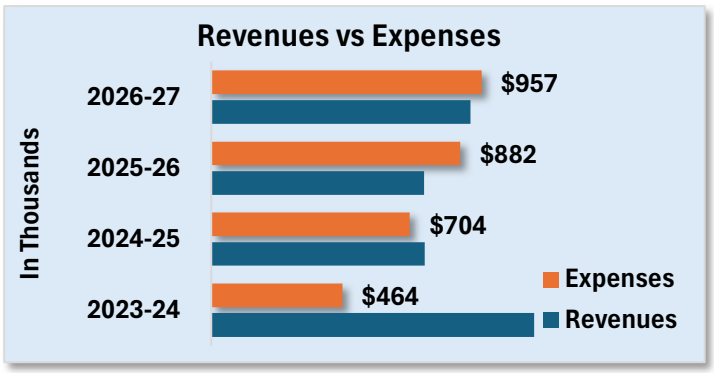
Overview: The Liability Insurance Fund accounts are for contributions from departmental budgets to cover the cost of general liability claims, related legal costs, and the annual premiums required to participate in an insurance program through the California Joint Powers Insurance Authority (CJPIA). The amount of contributions from each department was based on their proportional share of the overall budget.

The City participates in the excess liability program offered by the JPA. Coverage in this program includes bodily injury, personal injury, or property damage to a third party resulting from a member activity, including automobile liability. Employment practices liability is also a covered exposure. Claims for these programs are managed through a collaborative process with member communication and consultation. The California JPIA uses a third-party administrator to investigate and respond to all claims.

The excess liability program provides for optional member-retained limits of $150k, $250k, $500k, $750k, or $1 million. This program has a coverage limit of $50 million per occurrence, and is funded at the 70% – 80% confidence level. Members retain settlement authority over claims within their layer, except for certain defined claim types that have catastrophic potential.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues						
Charges for Services	$ 1,137,962	$ 750,000	$ 750,000	$ 750,000	$ -	$ 915,000
Interest Income	5,478	2,000	5,478	3,944	1,944	3,944
Transfer In	-	-	-	-	-	-
Total Revenues	1,143,440	752,000	755,478	753,944	1,944	918,944
Expenses						
Salaries and Benefits	(139,800)	49,803	44,038	64,967	15,164	66,902
Insurance Claims	(90,909)	113,000	88,000	100,000	(13,000)	115,000
Insurance Premiums	468,430	515,000	557,706	677,000	162,000	734,000
Other Expenses	226,300	39,200	13,808	40,200	1,000	41,200
Total Expenses	464,021	717,003	703,552	882,167	165,164	957,102
Net Change	679,419	34,997	51,926	(128,223)	(163,220)	(38,158)
Available Ending Reserves	$ 603,210	$ 638,207	$ 655,136	$ 526,914	$ (111,293)	$ 488,756
Reserve Target (75% Claim Liab.)	$ 300,000	$ 27,000	$ 27,000	$ 27,000		$ 27,000





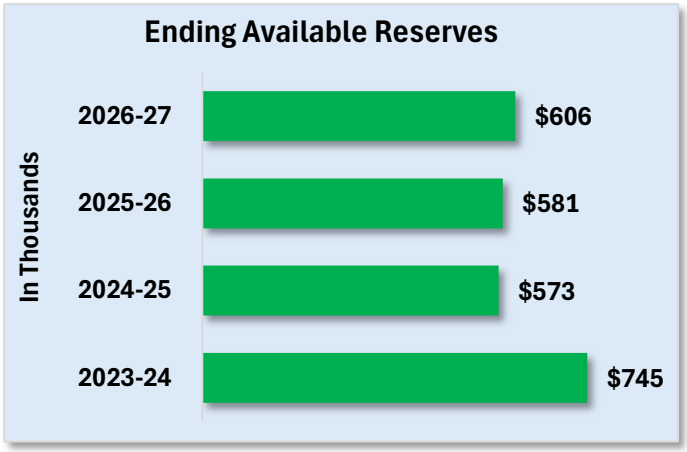
City of Pacific Grove Budget
Internal Service Funds
Workers Compensation - Fund 71

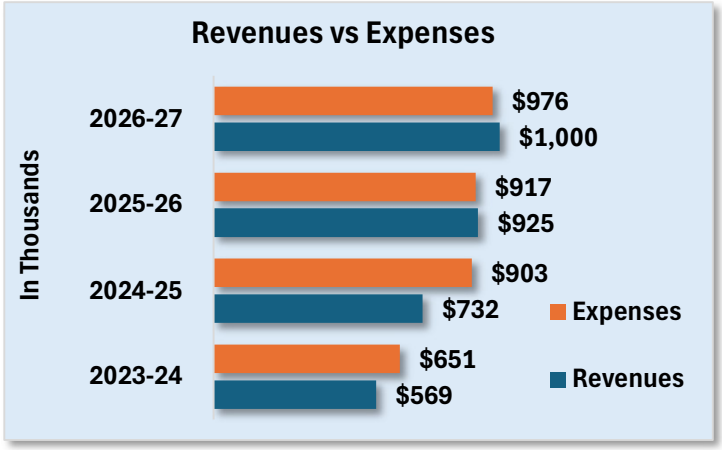
Dept Administrator
Administrative Services - Finance

Overview: The Workers Compensation Fund is an internal service fund. The City applies workers compensation rates to employee payroll records based on the classification of each position. The resulting bi-weekly contribution, along with claim reimbursements contribute to the Workers Compensation Fund revenues. Any excess or deficiency between the Fund's projected revenues and expenses are supplemented through a separate internal service charge. This difference is charged to departments based on their proportional share of claims that have occurred over prior years. All Workers Compensation Fund revenues are used to cover the cost of program administration, claims expense, legal costs, injury and illness prevention programs; and the annual premium required to participate in California Joint Powers Insurance Authority.



Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues						
Charges for Services	$ 547,462	$ 705,000	$ 710,454	$ 910,138	$ 205,138	$ 985,138
Transfer In	-	-	-	-	-	-
Interest Income	21,057	17,113	21,057	15,161	(1,952)	15,161
Total Revenues	568,519	722,113	731,511	925,299	203,186	1,000,299
Expenses						
Salaries and Benefits	(98,917)	55,949	18,694	72,948	16,999	75,966
Insurance Claims	451,118	350,000	600,000	500,000	150,000	525,000
Insurance Premiums	287,582	305,000	277,919	319,000	14,000	350,000
Other Expenses	11,259	25,000	6,713	25,000	-	25,000
Total Expenses	651,041	735,949	903,326	916,948	180,999	975,966
Net Change	(82,521)	(13,836)	(171,815)	8,351	22,187	24,333
Available Ending Reserves	$ 744,877	$ 731,041	$ 573,062	$ 581,413	$ (149,628)	$ 605,746
Reserve Target (75% Claim Liab.)	$ 294,000	$ 329,000	$ 329,000	$ 329,000	N/A	$ 329,000





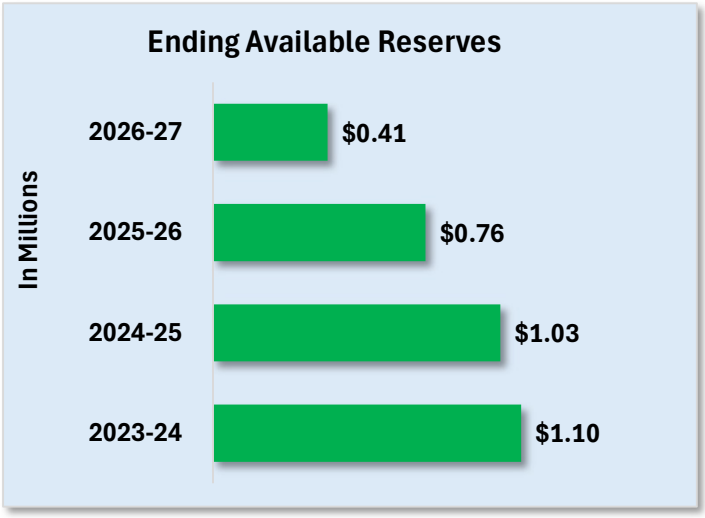
City of Pacific Grove Budget
Enterprise Funds
Cemetery - Fund 75

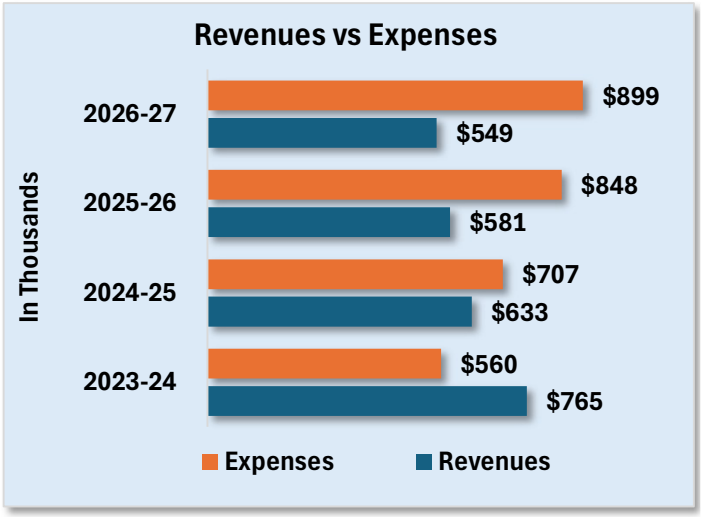
Dept Administrator
Public Works

Overview:
The City operates and maintains the El Carmelo Cemetery. The City coordinates with area mortuaries and other individuals for services at the cemetery. Some of current and future initiatives for the cemetery include: launching the Public Portal for the Cemetery website to provide genealogy information, as well as available data, considering and evaluating options for leasing or rental of the Little Chapel, and initiating RFP or work with a consultant on a Cemetery Master Plan.



Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Sales and Services	$ 716,931	$ 625,000	$ 600,960	$ 557,763	$ (67,237)	$ 525,848
Interest Income	47,725	28,000	32,138	23,139	(4,861)	23,139
Total Revenues / Transfers	764,656	653,000	633,098	580,902	(72,098)	548,988
Expenses						
Salaries and Benefits	164,940	315,699	280,273	350,409	34,710	367,822
Service and Supplies	291,189	254,150	269,390	342,000	87,850	360,450
Capital Outlay / Improvements	3,175	-	6,670	3,500	3,500	3,500
Transfers Out	-	-	-	-	-	-
Indirect Cost Allocation	99,000	149,000	149,000	149,000	-	163,900
Other Expenses	1,227	1,500	1,678	3,200	1,700	3,520
Total Expenses	559,532	720,349	707,011	848,109	127,760	899,192
Net Change	205,125	(67,349)	(73,913)	(267,207)	(199,858)	(350,205)
Available Ending Reserves	$ 1,100,618	$ 1,033,269	$ 1,026,705	$ 759,498	$ (273,771)	$ 409,293





Overview:
The mission is to provide outstanding and memorable golf experiences for City residents and visitors with a business model that provides discounted golf for residents and a direct economic benefit to the community in the form of revenue for general City services.

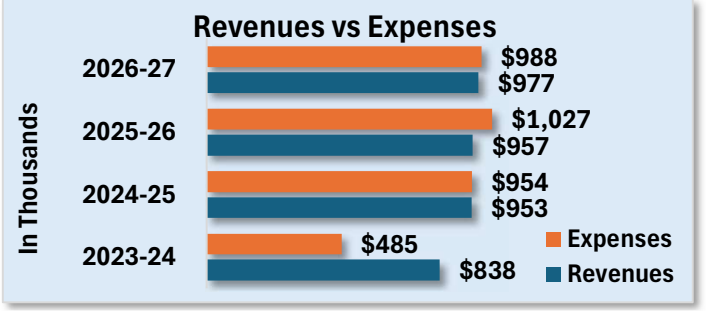


The City contracts the services of the golf course to CourseCo Inc. for the management and operations of the golf course and related facilities. Golf operations are funded entirely through golf fee revenues. CourseCo is responsible for managing:

- The 18-hole golf course
- Driving range
- Putting greens
- Clubhouse

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues						
Lease/Concession	$ 745,216	$ 758,000	$ 931,082	$ 940,815	$ 182,815	$ 961,426
Interest Income	92,410	4,000	21,838	15,723	11,723	15,723
Total Revenues	837,625	762,000	952,920	956,538	194,538	977,149
Expenses						
Service and Supplies	196,971	355,000	553,776	606,585	251,585	607,736
Debt Service	262,163	272,057	272,057	272,097	40	272,097
Indirect Cost Allocation	10,000	20,000	20,000	20,000	-	20,000
Capital Contribution				88,000	88,000	88,000
Capital Improvements	15,946	108,000	108,000	40,000	(68,000)	-
Total Expenses	485,080	755,057	953,833	1,026,682	271,625	987,833
Net Change	352,546	6,943	(913)	(70,144)	(77,087)	(10,684)
Available Ending Reserves	$ 867,594	$ 874,537	$ 866,681	$ 796,538	$ (77,999)	$ 785,854
Reserve Target (25% Revenues)	$ 209,000	$ 191,000	$ 238,000	$ 239,000	N/A	$ 244,000
Debt Coverage (125%-Policy)	241%	142%	139%	100%	N/A	100%





City of Pacific Grove Budget
Enterprise Funds
Local Water Project - Fund 74

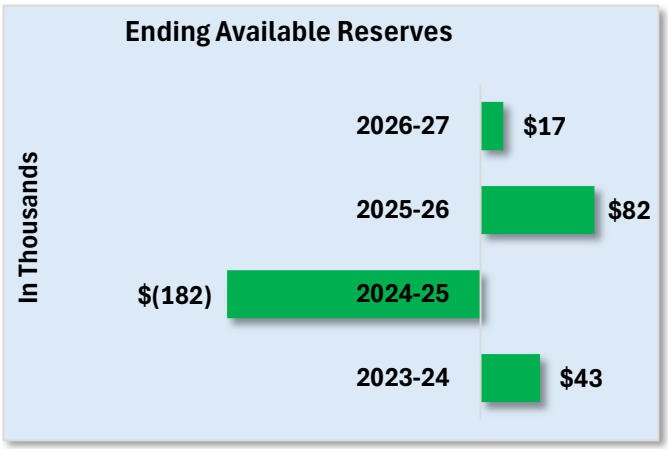
Dept Administrator
Public Works

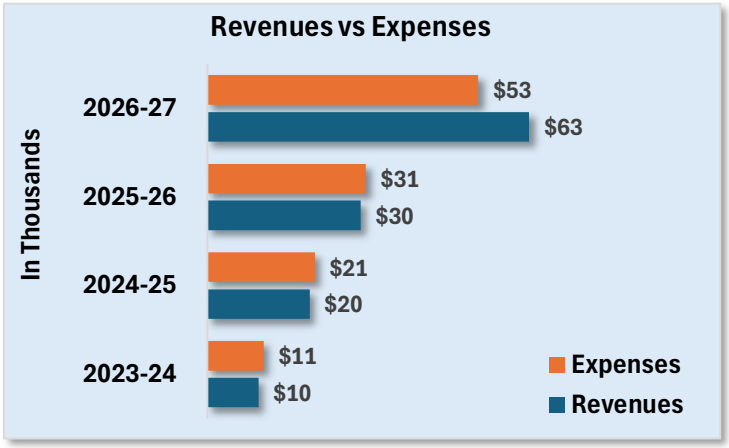
Overview:
The mission of the Local Water Project (LWP) is to provide non-potable, recycled water for irrigation purposes; and assist in the region in meeting local water supply demands.

The City entered into an agreement with PERC Water to design and build the Local Water Project to replace approximately 123 acre-feet/year (.11 million gallons annual daily average) of irrigation demands with non-potable supplies for the irrigation of the Municipal Golf Links and the El Carmelo Cemetery and provide toilet flushing for two public restrooms. The transfers in shown below reflect the transfer of water entitlement sale revenue from the General Fund. This includes funds related to promissory note proceeds and some additional contributions. The transfer out reflects the repayment of the Sewer Interfund Loan.



Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Charges for Services	$ 1,026,820	$ 930,000	$ 1,155,586	$ 1,000,000	$ 70,000	$ 1,000,000
Transfers in	187,500	375,187	375,187	287,600	(87,587)	-
Interest / Other	3,113	5,000	1,591	1,146	(3,854)	1,146
Total Revenues / Transfers	1,217,433	1,310,187	1,532,364	1,288,746	(21,441)	1,001,146
Expenses / Transfers						
Service and Supplies	766,270	804,476	1,200,629	818,657	14,181	859,940
Transfers Out	-	350,000	350,000	-	(350,000)	-
Debt Service	205,778	206,449	206,448	206,448	(1)	206,448
Total Expenses / Transfers	972,048	1,360,925	1,757,077	1,025,105	(335,820)	1,066,388
Net Change	245,385	(50,738)	(224,713)	263,641	314,379	(65,242)
Available Ending Reserves	$42,876	$(7,862)	$(181,837)	$81,803	$89,665	$16,561
Debt Coverage (125%-Policy)	121%	96%	12%	140%		108%





City of Pacific Grove Budget
Enterprise Funds
Sewer - Funds 76 and 78

Dept Administrator
Public Works

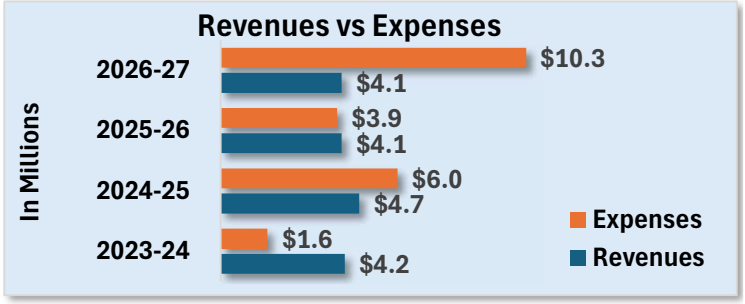
Overview:
The City will continue to implement sewer pipeline repair and replacement projects in strategic locations with planned storm drainage improvements.



The City owns and maintains the sanitary sewer system that collects and delivers sewage to the Monterey One Water treatment facility. In addition to performing maintenance activities, the City also manages the Sewer Lateral Loan Program which provides low-interest loans of up to $10,000 to repair or replace private sewer lateral facilities. It should also be noted that the revenues for this fund were also pledged as collateral for the State Loan received by the Local Water Project Fund.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Sales and Services	$ 3,829,192	$ 3,773,000	$ 4,102,537	$ 3,923,000	$ 150,000	$ 3,923,000
Transfers in	-	350,000	350,000	-	(350,000)	-
Interest Income	248,341	128,000	245,569	176,809	48,809	176,809
Market Value Gain	119,882	-	-	-	-	-
Sewer Loans Revenues	-	-	-	-	-	-
Total Revenues / Transfers	4,197,415	4,251,000	4,698,106	4,099,809	(151,191)	4,099,809
Expenses / Transfers						
Salaries and Benefits	150,802	952,515	912,186	1,153,686	201,171	1,212,097
Service and Supplies	1,074,743	1,212,794	1,212,794	1,275,769	62,975	1,315,769
Transfers Out	-	-	-	25,000	25,000	25,000
Indirect Cost Allocations	276,000	353,000	353,000	353,000	-	353,000
Debt Service	86,814	89,689	89,689	87,814	(1,875)	86,813
Capital Improvements	-	3,424,637	3,424,637	1,050,000	(2,374,637)	7,350,000
Sewer Loans Expenses	-	-	-	-	-	-
Total Expenses / Transfers	1,588,358	6,032,635	5,992,306	3,945,269	(2,087,366)	10,342,679
Net Change	2,609,057	(1,781,635)	(1,294,200)	154,540	1,936,175	(6,242,870)
Operations/Capital(76)	8,370,952	3,980,260	7,076,752	7,231,292	3,251,031	988,422
Lateral Loans (78)	166,928	166,928	166,928	166,928	-	166,928
Available Ending Reserves	$ 8,537,880	$ 4,147,188	$ 7,243,680	$ 7,398,220	$ 3,251,031	$ 1,155,350
Reserve Target (2 Yr CIP)	$ 500,000	$ 500,000	$ 8,400,000	$ 8,400,000	N/A	$ 2,100,000
Debt Coverage (Min 125%)	3105%	1932%	2475%	1472%	N/A	1375%





City of Pacific Grove Budget
Special Revenue Funds
City Facilities

Dept Administrator
Public Works



Overview: This fund in the ACFR combines smaller funds in this category, including:

Carillion (Fund 03) - accounts are for donations designated for the maintenance of the tower clock and chimes system at City Hall.

Chautauqua Hall (Fund 26) - was built in 1881 and was designated a State Historical Landmark. The fund accounts for donations received for building maintenance.

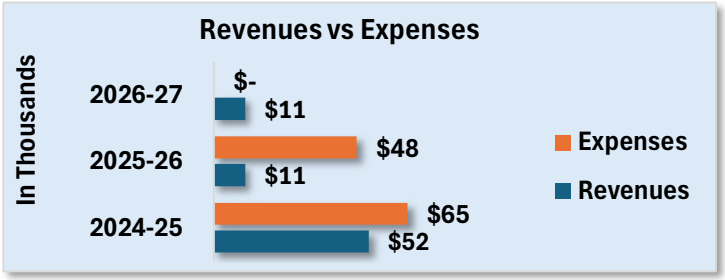
Yount Income (Fund 41) - accounts for interest income from a non-expendable trust fund. to support beautification of the City and minor improvements to education and/or recreational facilities.

Strong Disbursement (Fund 46)- accounts for Bertha Strong foundation funds for civic improvements.

McIndoo Donation (Fund 92) - accounts for the receipt of a donation from the Jeanette J. McIndoo Trust for enhancement of public facilities and grounds.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Budget Variance	2026-27 Budget
Revenues / Transfers						
Carillon	$ 796	$ 150	$ 490	$ 353	$ 203	$ 353
Chautaqua Hall	1,225	-	754	543	543	543
Yount Income	9,068	8,500	8,674	8,485	(15)	8,485
Strong Disbursement	14,459	40,500	40,500	-	(40,500)	-
McIndoo	2,664	500	1,621	1,167	667	1,167
Total Revenues / Transfers	28,211	49,650	52,039	10,548	(39,102)	10,548
Expenses / Transfers						
Carillon	-	-	-	-	-	-
Chautaqua Hall	-	-	-	-	-	-
Yount Income	-	-	-	24,997	24,997	-
Strong Disbursement	-	65,000	65,000	-	(65,000)	-
McIndoo	17,387	-	-	23,006	23,006	-
Total Expenses / Transfers	17,387	65,000	65,000	48,003	(16,997)	-
Net Change	10,824	(15,350)	(12,961)	(37,455)	(22,105)	10,548
Ending Available Reserves						
Carillon (03)	10,421	10,571	10,911	11,264	693	11,617
Chautaqua Hall (26)	16,022	16,022	16,776	17,319	1,297	17,862
Yount Income (41)	16,408	24,908	25,082	8,570	(16,338)	17,056
Strong Disbursement (46)	43,864	19,364	19,364	19,364	-	19,364
McIndoo (92)	22,133	22,633	23,754	1,915	(20,718)	3,082
Available Ending Reserves	$ 108,848	$ 93,498	$ 95,887	$ 58,432	$ (35,066)	$ 68,980





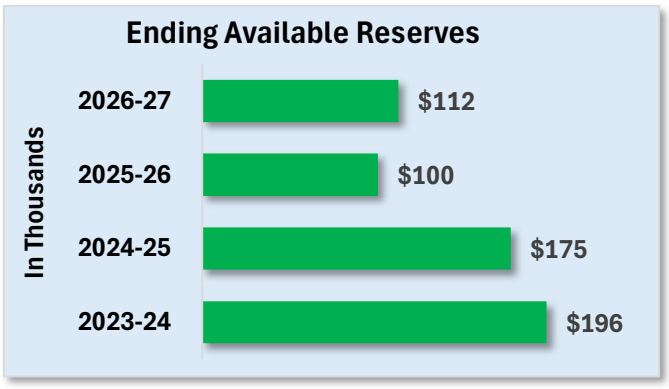
Overview: This fund accounts are for grants, fees, and donations in support of activities and equipment.

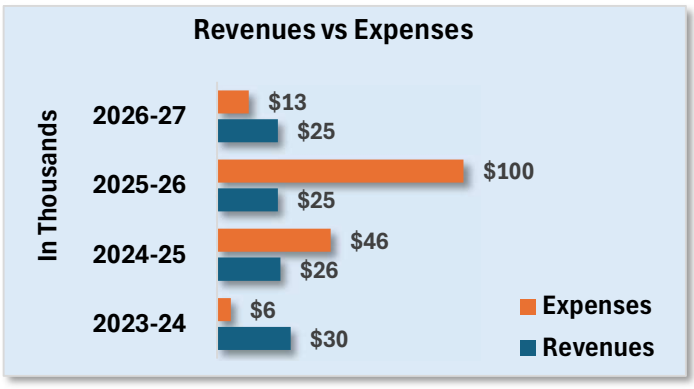






Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Interest Income	$ 6,354	$ 3,200	$ 6,354	$ 4,575	$ 1,375	$ 4,575
Other Revenue	23,376	24,000	19,355	20,000	(4,000)	20,000
Total Revenues / Transfers	29,729	27,200	25,709	24,575	(2,625)	24,575
Expenses / Transfers						
Services	-	-	-	-	-	-
Supplies	5,527	12,880	12,880	-	(12,880)	12,880
Capital Outlay	-	33,200	33,200	100,000	66,800	-
Total Expenses / Transfers	5,527	46,080	46,080	100,000	53,920	12,880
Net Change	24,203	(18,880)	(20,371)	(75,425)	(56,545)	11,695
Available Ending Reserves						
Fire Emergency Equipment (12)	$ 195,633	$ 176,753	$ 175,262	$ 99,837	$ (76,916)	$ 111,532
Available Ending Reserves	$ 195,633	$ 176,753	$ 175,262	$ 99,837	$ (76,916)	$ 111,532





Overview: This combined fund in the ACFR includes :

Operating Grants (Fund 30) - accounts for grants from governmental agencies to support a variety of public services including police, fire, community development, parks, recreation, and museum facilities.

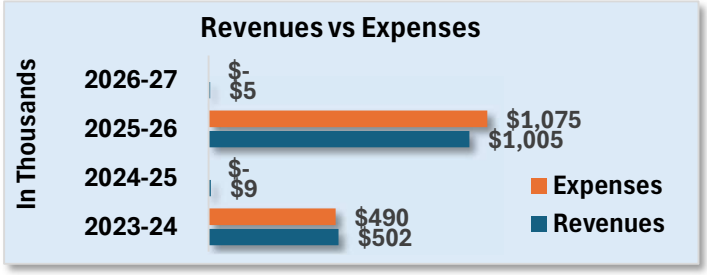
Operating Donations (Fund 31) - accounts are for donations to support a variety of public services including police, fire, parks, recreation; and library services and facilities.

Coastal Conservancy Grant (Fund 69) - receives grant proceeds from the Coastal Conservancy to fund coastal conservancy related projects and plans that maintain and improve beaches and coastal parks.

Areas of Special Biological Significance (ASBS) (Fund 79) - accounts for grants from Proposition 84 through the State Water Resources Control Board (SWRCB) to fund a variety of water quality improvement projects.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Grants						
Operating Grants	$ 487,421	$ -	$ 1,651	$ -	$ -	$ -
Operating Donations	5,335	2,400	3,285	1,002,365	999,965	2,365
Coastal Conservancy Grant	6,839	-	4,210	3,031	3,031	3,031
ASBS	2,507	-	-	-	-	-
Total Revenues / Transfers	502,102	2,400	9,146	1,005,396	1,002,996	5,396
Expenses / Transfers						
Operating Grants	489,754	-	-	-	-	-
Operating Donations	-	-	-	1,075,000	1,075,000	-
Coastal Conservancy Grant	-	-	-	-	-	-
ASBS	-	-	-	-	-	-
Total Expenses / Transfers	489,754	-	-	1,075,000	1,075,000	-
Ending Available Reserves						
Operating Grants (30)	(1,651)	(1,651)	-	-	1,651	-
Operating Donations (31)	69,810	72,210	73,095	460	(71,750)	2,825
Coastal Conservancy Grant (69)	89,483	89,483	93,693	96,724	7,241	99,755
ASBS (79)	26,137	26,137	26,137	26,137	-	26,137
Available Ending Reserves	$ 183,779	$ 186,179	$ 192,925	$ 123,321	(62,858)	$ 128,718





City of Pacific Grove Budget
Special Revenue Funds
Housing and Community Development

Dept Administrator
Community Development

Overview: This fund combines some of the smaller restricted funds related to this category, including the following:



Housing (Fund 15) - for the administration of housing loan activities.

CalHome Reuse (Fund 36) - accounts for grants from the California Department of Housing and Community Development (HCD) to enable low and very low-income households to become or remain homeowners. Assistance includes deferred-payment loans for down payment assistance and home rehabilitation that are payable on sale or transfer of homes or when they cease to be owner occupied, or at maturity.

Community Development Block Grant (CDBG) (Fund 34)- accounts for revolving loans originally funded through the U.S. Housing and Urban Development Department for low-to-moderate income persons. The City is considered a non-entitlement jurisdiction (i.e. population under 50,000) and thus does not receive annual funding. All future revolving loans are made using repayments of prior housing loans.

Senior Housing (Fund 28) - accounts for contributions to develop and maintain senior housing opportunities.

General Plan Maintenance (Fund 55) - accounts for fees collected to maintain the City's General Plan.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Housing	$ 68,734	$ 27,000	$ 36,295	$ 26,132	(868)	$ 26,132
Senior Housing	856	-	527	379	379	379
CDBG	50,473	10,000	40,936	29,474	19,474	29,474
CalHome Reuse	35,273	4,000	31,172	22,444	18,444	22,444
General Plan Maint.	8,230	10,200	7,846	9,681	(519)	9,681
Total Revenues / Transfers	163,566	51,200	116,776	88,111	36,911	88,111
Expenses / Transfers						
Housing	137,062	273,718	115,867	156,883	(116,835)	162,852
Senior Housing	-	-	-	-	-	-
CDBG	(67,524)	20,000	191,600	283,401	263,401	20,000
CalHome Reuse	-	24,000	24,000	24,000	-	24,000
General Plan Maint.	32,550	-	-	-	-	-
Total Expenses / Transfers	102,088	317,718	331,467	464,284	146,566	206,852
Net Change	61,478	(266,518)	(214,691)	(376,173)	(109,655)	(118,741)
Ending Available Reserves						
Housing (15)	382,002	135,284	302,430	171,680	36,396	8,828
Senior Housing (28)	11,194	11,194	11,721	12,100	906	38,233
CDBG (34)	580,244	570,244	429,580	175,653	(394,591)	156,033
CalHome Reuse (36)	267,470	247,470	274,642	273,086	25,616	278,560
General Plan Maint. (55)	8,230	18,430	16,076	25,757	7,327	48,201
Available Ending Reserves	$ 1,249,140	$ 982,622	$ 1,034,449	$ 658,277	$ (324,345)	$ 529,854

Overview: This fund combines some of the smaller restricted funds related to this category, including the following:

Library Building and Equipment (Fund 07) - accounts for funds for library improvements and equipment.

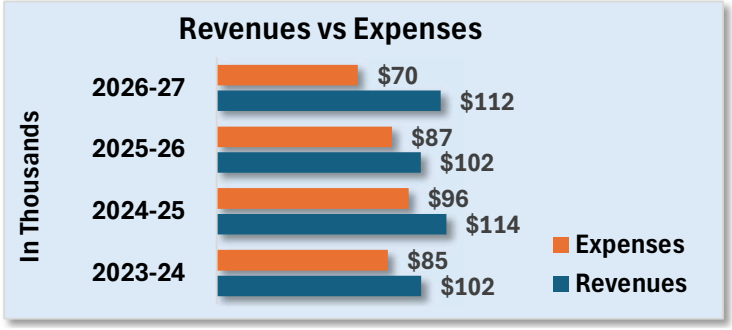
Library Books (Fund 11) - receives funds for the specific purpose of purchasing books for the library.

Poetry Promotion (Fund 40) - receives funds to support the promotion of poetry in the community.



Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Library Building/Equipment	$ 7,522	$ 3,000	$ 28,183	$ 17,292	$ 14,292	$ 27,292
Library Books	51,918	58,163	42,991	42,154	(16,009)	42,154
Poetry Promotion	42,502	36,120	43,302	42,232	6,112	42,232
Total Revenues / Transfers	101,942	97,283	114,476	101,677	4,394	111,677
Expenses / Transfers						
Library Building/Equipment	71,410	38,000	38,000	45,000	7,000	28,000
Library Books	260	42,571	42,571	40,000	(2,571)	40,000
Poetry Promotion	13,620	20,000	15,000	2,400	(17,600)	2,400
Total Expenses / Transfers	85,290	100,571	95,571	87,400	(13,171)	70,400
Net Change	16,652	(3,288)	18,905	14,277	17,565	41,277
Ending Available Reserves						
Library Building/Equipment (07)	72,346	37,346	62,529	34,821	(2,525)	34,113
Library Books (11)	39,310	54,902	39,730	41,884	(13,018)	44,037
Poetry Promotion (40)	149,336	165,456	177,638	217,470	52,014	257,302
Available Ending Reserves	$ 260,992	$ 257,704	$ 279,897	$ 294,174	$ 36,470	$ 335,451





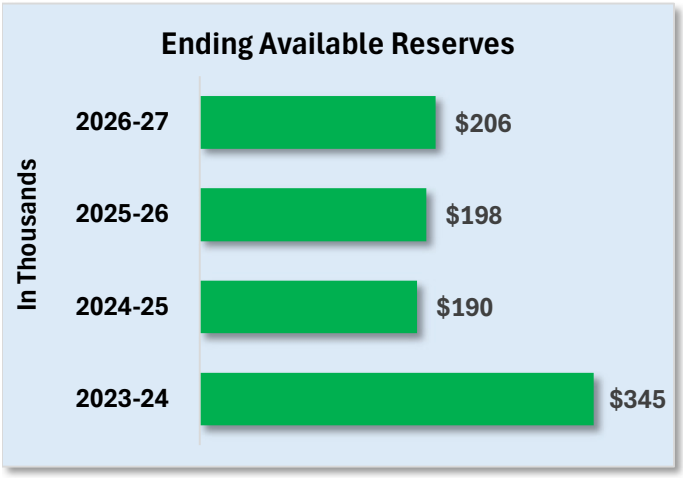
Overview: This fund accounts for donations designated for improvements to the museum.

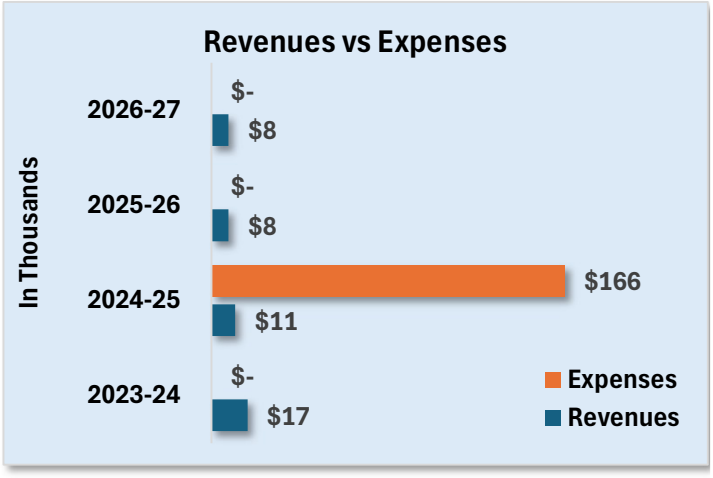






Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Donations	$ -	$ -	$ -	$ -	$ -	$ -
Interest Income	11,212	4,000	11,212	8,073	$ 4,073	8,073
Other Income	5,727	-	-	-	$ -	-
Total Revenues / Transfers	16,939	4,000	11,212	8,073	4,073	8,073
Expenses / Transfers						
Salaries and Benefits	-	-	-	-	$ -	-
Service and Supplies	-	-	-	-	$ -	-
Capital Outlay / Projects	-	165,800	165,800	-	$ (165,800)	-
Total Expenses / Transfers	-	165,800	165,800	-	(165,800)	-
Net Change	16,939	(161,800)	(154,588)	8,073	169,873	8,073
Available Ending Reserves						
Museum Improvement (08)	344,823	183,023	190,235	198,308	15,285	206,380
Available Ending Reserves	$ 344,823	$ 183,023	$ 190,235	$ 198,308	$ 15,285	$ 206,380





Overview: This fund combines some of the smaller restricted funds related to this category, including the following:



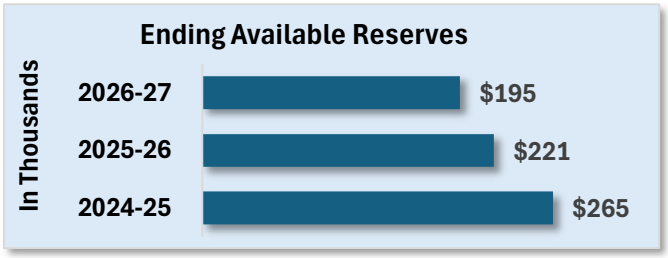
Asset Seizure (Fund 22) - accounts for asset forfeitures seized by law enforcement agencies, to be used to support training, equipment, or supplies.

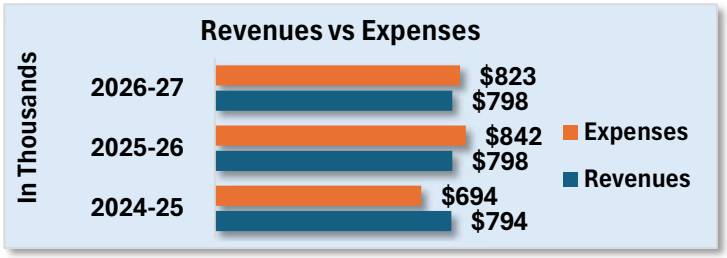
Public Safety Augmentation (Fund 42) - accounts for revenue from Proposition 172 public safety sales tax to pay for 911 emergency dispatch services.

Supplement Law Enforcement Services (Fund 43) – partially funds the costs of a School Resource Officer, with additional funding from the school district.

Abandoned Vehicle Abatement (Fund 45) - Monterey County receives a $1 tax on vehicle registrations. The City is reimbursed based on each abandoned vehicle.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
DARE	$ 25	$ -	$ -	$ -	$ -	$ -
Asset Seizure	420	50	261	188	138	188
Public Safety Augmentation	489,516	496,025	503,761	508,452	12,427	508,452
Supplemental Law Enforcement	201,191	277,000	278,999	277,879	879	277,879
Abandoned Vehicle Abatement	17,853	12,200	11,366	10,984	(1,216)	10,984
Total Revenues / Transfers	709,004	785,275	794,387	797,503	12,228	797,503
Expenses / Transfers						
DARE	-	-	-	-	-	-
Asset Seizure	-	-	-	-	-	-
Public Safety Augmentation	479,452	494,651	494,651	524,330	29,679	545,303
Supplemental Law Enforcement	250,512	281,646	198,999	277,879	(3,767)	277,879
Abandoned Vehicle Abatement	-	-	-	40,000	40,000	-
Total Expenses / Transfers	729,964	776,297	693,650	842,209	65,912	823,182
Net Change	(20,959)	8,978	100,736	(44,706)	(53,684)	(25,679)
Ending Available Reserves						
DARE (21)	-	-	-	-	-	-
Asset Seizure (22)	2,168	2,218	2,429	2,617	399	2,805
Public Safety Augmentation (42)	73,726	75,100	82,836	66,958	(8,142)	30,107
Supplemental Law Enforcement (43)	48,914	44,268	128,914	128,914	84,646	128,914
Abandoned Vehicle Abatement (45)	39,791	51,991	51,157	22,141	(29,850)	33,124
Available Ending Reserves	$ 164,599	$ 173,577	$ 265,335	$ 220,629	$ 47,052	$ 194,949





Overview: The City has several small funds that are included in the balances reported in the Recreation Fund in the City's Annual Comprehensive Annual Financial Report (ACFR), including the following:



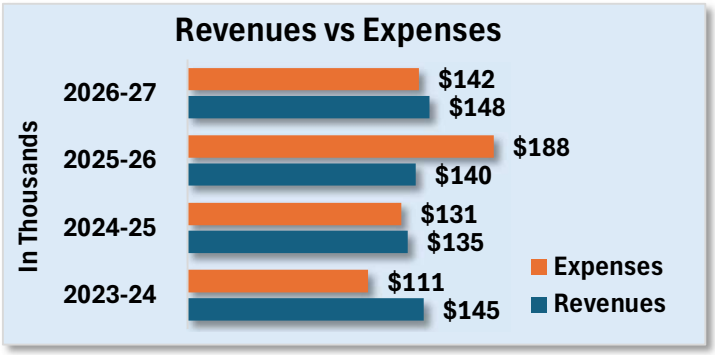
Stillwell Children's Pool (Fund 24) - accounts are for the operation of the pool at Lover's Point.

Recreation Donations (Fund 25) - accounts for donations to supporting the Youth Center and for the Take Part program, providing financial assistance to City families to participate in recreation programs.

Lighthouse (Fund 27) - accounts for any expenses and/or any revenues, donations or operating transfer receipts related to the operations and maintenance of the Point Pinos Lighthouse.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Stillwell Children's Pool	$ 3,624	$ 500	$ 2,229	$ 1,605	$ 1,105	$ 1,605
Lighthouse	127,997	90,000	120,815	126,916	-	135,351
Recreation Donations	13,325	10,500	12,049	11,475	975	11,475
Total Revenues / Transfers	144,946	101,000	135,093	139,996	2,080	148,431
Expenses / Transfers						
Stillwell Children's Pool	11,756	-	7,535	18,000	18,000	8,000
Lighthouse	99,058	141,500	123,611	131,908	(9,592)	133,946
Recreation Donations	-	-	-	38,000	38,000	-
Total Expenses / Transfers	110,814	141,500	131,146	187,908	46,408	141,946
Net Change	34,132	(40,500)	3,947	(47,912)	(44,328)	6,485
Ending Available Reserves						
Stillwell Children's Pool (24)	35,491	35,991	30,185	13,790	(22,201)	7,395
Lighthouse (27)	229,163	188,663	233,110	185,198		191,683
Recreation Donations (25)	46,915	57,415	58,964	32,439	(24,976)	43,915
Available Ending Reserves	$ 311,569	$ 282,069	$ 322,259	$ 231,428	$ (47,176)	$ 242,993





Overview: This fund in the ACFR combines the smaller restricted funds related to this category, including:

Hyperbaric Chamber (Fund 04) - receives fees and donations to fund chamber oxygen therapy operations, which provide emergency medical treatment to divers injured in the Monterey Bay Sanctuary.

Environmental Enhancement Fund (Fund 05) - accounts are for revenues associated with Coastal Area Planning grants, coastal area land use, and Environmental Impact Report deposit funds.

Downtown Business District (BID) (Fund 09) - accounts for the collection of fees from businesses within the Business Improvement District through their business licenses which go to the Pacific Grove Chamber of Commerce.

Hospitality and Tourism Improvement District (HID) (Fund 10) – accounts for fees received from hotels as part of their transient occupancy tax payments, with half of the assessment going to the Monterey County Convention and Visitor's Bureau and the other half going to the Pacific Grove Chamber of Commerce.

Reiko Koo Estate Donations (Fund 93) - accounts are for estate proceeds bequeathed to the City from Reiko Koo. There are no restrictions on the use of the funds.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Hyperbaric Chamber	$ 12,479	$ 11,000	$ 10,377	$ 11,491	$ 491	$ 11,491
Environmental Enhancement	5,879	1,000	3,891	2,802	1,802	2,802
Downtown Business District	39,015	31,750	3,415	33,500	1,750	33,500
Hospitality Imp. District	559,658	663,900	541,280	528,200	(135,700)	554,560
Reiko Koo Estate Donations	1,114	300	676	487	187	487
Total Revenues / Transfers	618,145	707,950	559,639	576,479	(131,471)	602,840
Expenses / Transfers						
Hyperbaric Chamber	15,218	24,000	18,839	17,250	(6,750)	17,250
Environmental Enhancement	-	-	-	-	-	-
Downtown Business District	19,404	31,000	33,500	33,500	2,500	33,500
Hospitality Imp. District	567,201	601,400	542,666	528,200	(73,200)	554,560
Reiko Koo Estate Donations	-	2,193	2,193	-	(2,193)	-
Total Expenses / Transfers	601,823	658,593	597,198	578,950	(79,643)	605,310
Net Change	16,322	49,357	(37,559)	(2,471)	(51,828)	(2,470)
Ending Available Reserves						
Hyperbaric Chamber (04)	28,729	15,729	20,267	14,508	(1,221)	8,750
Environmental Enhancement (05)	119,676	120,676	123,567	126,369	5,693	129,170
Downtown Business District (09)	30,085	30,835	-	(0)	(30,835)	(0)
Hospitality Imp. District (10)	1,386	63,886	(0)	(0)	(63,886)	(0)
Reiko Koo Estate Donations (93)	2,877	984	1,360	1,847	863	2,333
Available Ending Reserves	$ 182,753	$ 232,110	$ 145,194	$ 142,723	$ (89,387)	$ 140,253

City of Pacific Grove Budget
Special Revenue Funds
State Franchise PEG

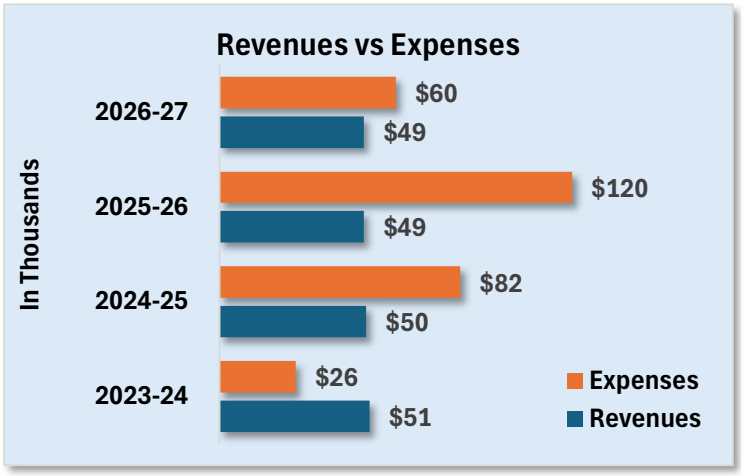
Dept Administrator
Administrative Services - Information Services

Overview: This fund accounts for funds received from the City's cable franchisee to support Public, Educational and Governmental (PEG) programming on local Public Access television. The fund supports equipment expenditures to aid in broadcasting based on the terms of the Digital Infrastructure and Video Competition Act of 2006.



Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Grants	$ 46,594	$ 47,000	$ 47,000	$ 47,000	$ -	$ 47,000
Interest Income	3,015	1,000	3,015	2,171	1,171	2,171
Other Revenue	1,502	-	-	-	-	-
Total Revenues / Transfers	51,111	48,000	50,015	49,171	1,171	49,171
Expenses / Transfers						
Salaries and Benefits	-	-	-	-	-	-
Service and Supplies	26,000	81,000	82,000	60,000	(21,000)	60,000
Capital Outlay	-	-	-	60,000	60,000	-
Total Expenses / Transfers	26,000	81,000	82,000	120,000	39,000	60,000
Net Change	25,111	(33,000)	(31,985)	(70,829)	(37,829)	(10,829)
Available Ending Reserves						
State Franchise PEG (06)	116,177	83,177	84,192	13,363	(69,814)	2,534
Available Ending Reserves	$ 116,177	$ 83,177	$ 84,192	$ 13,363	$ (69,814)	$ 2,534



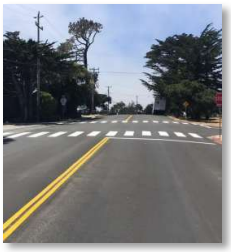


Overview: This fund combines some of the smaller restricted funds related to this category, including the following:

Local Streets and Roads (Measure X) (Fund 17) - authorizes TAMC to impose and administer the proceeds from a three-eighths cent transaction and use tax to pay for pedestrian and vehicular transportation projects. Measure X has a maintenance of Effort requirement that is the higher of either the most recent three year average or the amount spent in 2017, whichever is higher (the latter applies to the City).

Gas Tax (Fund 18) - accounts are for revenues utilized for street-related operating and capital project costs.

Regional Surface Transportation (RSTP) (Fund 20) - receives federal grant funding from the Transportation Agency for Monterey County (TAMC) for projects including bicycles, pedestrians, local roads, and transit.



Road Maintenance and Rehabilitation Account (RMRA) (Fund 47) - These revenues are generated from increased gas tax, diesel excise and sales tax; and a zero-emission vehicle registration fee for local transportation projects. Funding has a maintenance of effort (MOE) requirement similar to Measure X.

Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Measure X	$ 825,955	$ 840,000	$ 800,848	$ 784,575	$ (55,425)	$ 784,575
Gas Tax	409,085	382,000	408,453	416,426	34,426	426,993
RSTP	69,450	650,856	650,856	-	(650,856)	-
RMRA	407,477	374,839	397,560	418,540	43,701	400,628
Total Revenues / Transfers	1,711,967	2,247,695	2,257,717	1,619,540	(628,155)	1,612,195
Expenses / Transfers						
Measure X	943,822	1,757,037	1,757,037	820,000	(937,037)	818,000
Gas Tax	328,648	474,834	438,812	519,187	44,353	536,452
RSTP	-	650,856	650,856	-	(650,856)	-
RMRA	103,442	891,114	891,114	570,096	(321,018)	400,000
Total Expenses / Transfers	1,375,912	3,773,841	3,737,819	1,909,283	(1,864,558)	1,754,452
Net Change	336,055	(1,526,146)	(1,480,102)	(289,743)	1,236,403	(142,257)
Ending Available Reserves						
Measure X (17)	1,036,890	119,853	80,701	45,276	(74,577)	11,850
Gas Tax (18)	261,121	168,287	230,762	128,001	(40,286)	18,542
RSTP (20)	-	-	-	-	-	-
RMRA (47)	645,210	128,935	151,656	100	(128,835)	727
Available Ending Reserves	$ 1,943,221	$ 417,075	$ 463,119	$ 173,376	$ (243,699)	$ 31,119

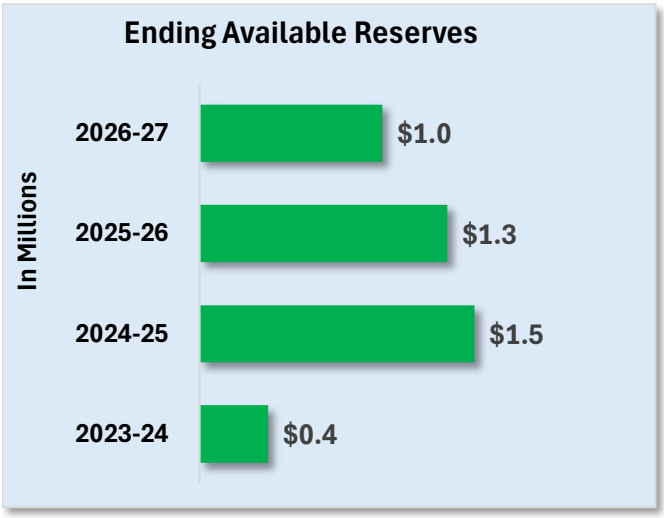
City of Pacific Grove Budget
Capital Projects Funds
General Fund CIP - Fund 63

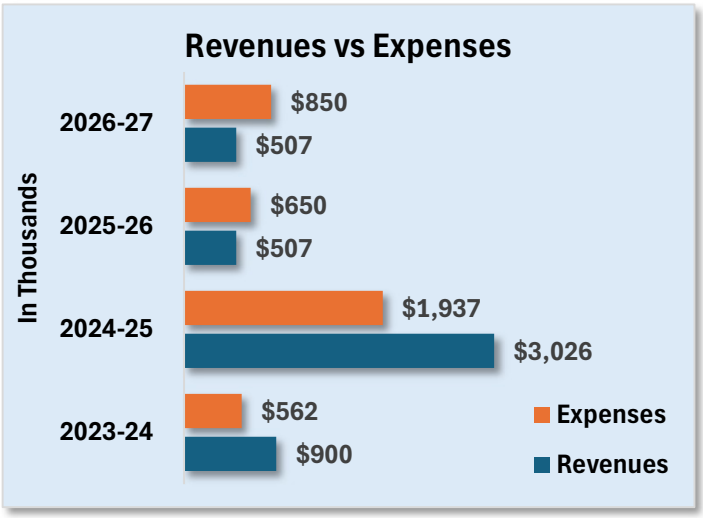
Dept Administrator
Public Works

Overview: The General Fund Capital Improvement Program (CIP) accounts for capital projects funded fully or in part with discretionary general fund revenues. These projects are distinct from projects funded by Special Revenue, Enterprise Funds or Restricted Funds.



Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues						
Transfers In	$ 750,000	$ 3,017,033	$ 3,017,033	$ 500,000	$ (2,517,033)	$ 500,000
Interest Income	9,281	-	9,281	6,682	6,682	6,682
Grants	110,948	-	-	-	-	-
Capital Contributions	-	67,500	-	-	(67,500)	-
Other Reimbursements	29,772	-	-	-	-	-
Total Revenues	900,002	3,084,533	3,026,314	506,682	(2,577,851)	506,682
Expenses						
Salary and Benefits	-	-	-	-	-	-
Service and Supplies	1,528	-	-	-	-	-
Capital Outlay	93,684	-	-	150,000	150,000	350,000
Capital Improvements	467,219	1,937,033	1,937,033	500,000	(1,437,033)	500,000
Total Expenses	562,432	1,937,033	1,937,033	650,000	(1,287,033)	850,000
Net Change	337,570	1,147,500	1,089,281	(143,318)	(1,290,818)	(343,318)
Available Ending Reserves	$ 361,196	$ 1,508,696	$ 1,450,477	$ 1,307,159	$ (201,537)	$ 963,842



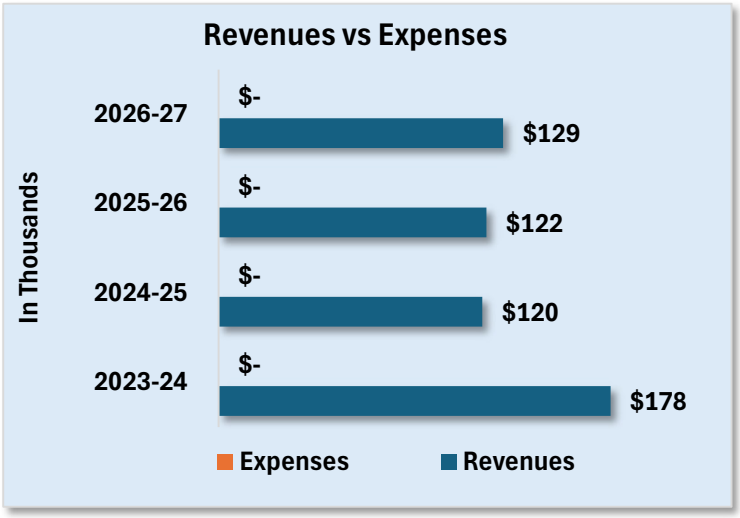


Overview:
This fund accounts for revenues paid for the El Carmelo Cemetery endowment care, perpetual expenses; and the general preservation of burial sites, grounds, walking paths, roadways, boundaries and structures.



Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Sales and Services	$ 74,216	$ 76,000	$ 51,000	$ 72,215	$ (3,785)	$ 79,800
State Grant					-	
Interest Income	103,711	37,000	68,776	49,519	12,519	49,519
Total Revenues / Transfers	177,927	113,000	119,776	121,734	8,734	129,319
Expenses / Transfers						
Salaries and Benefits	-	-	-	-	-	-
Service and Supplies	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Expenses / Transfers	-	-	-	-	-	-
Net Change	177,927	113,000	119,776	121,734	8,734	129,319
Available Ending Reserves	$ 2,145,254	$ 2,258,254	$ 2,265,030	$ 2,386,765	$ 128,511	$ 2,516,084





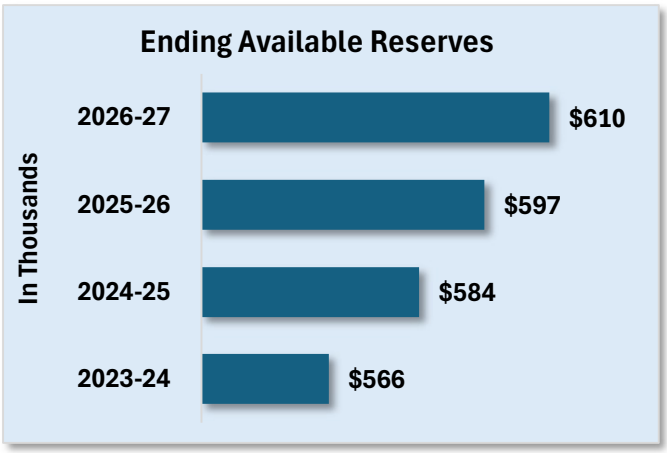
Overview:
This fund accounts for donations and bequeaths for the benefit of Library materials and collections.

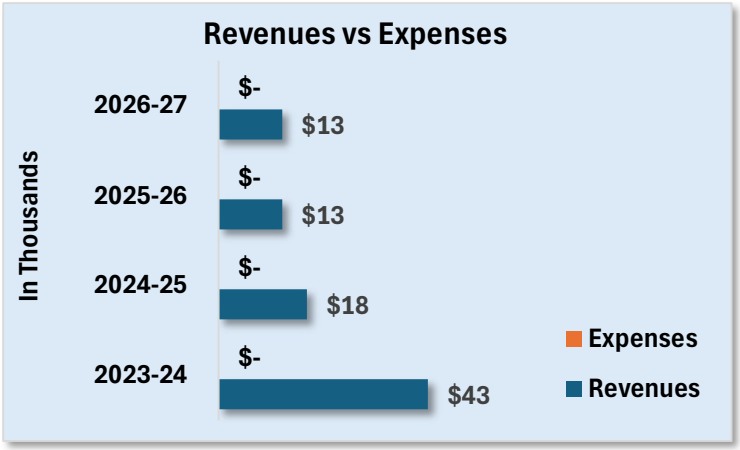






Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Interest Income	$ 18,252	$ 12,000	$ 18,252	$ 13,141	$ 1,141	$ 13,141
Other Revenues	24,944	10,000	-	-	(10,000)	-
Total Revenues / Transfers	43,196	22,000	18,252	13,141	(8,859)	13,141
Expenses / Transfers						
Salaries and Benefits	-	-	-	-	-	-
Service and Supplies	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Expenses / Transfers	-	-	-	-	-	-
Net Change	43,196	22,000	18,252	13,141	(8,859)	13,141
Available Ending Reserves	$ 565,637	$ 587,637	$ 583,889	$ 597,030	$ 9,393	$ 610,172





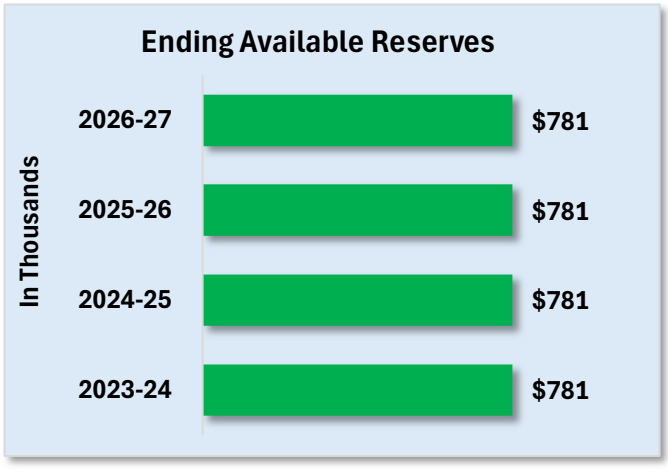
Overview: This fund accounts for funds be used for beautification of the city and for minor improvements to educational and/or recreational facilities.

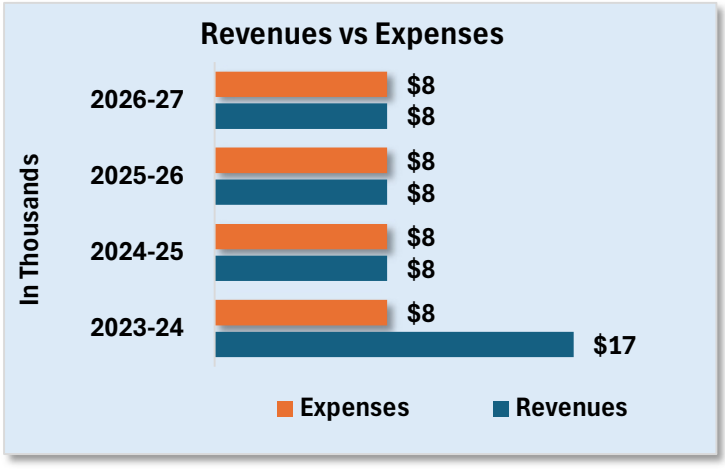






Category	2023-24 Actual	2024-25 Budget	2024-25 Estimated	2025-26 Budget	Variance Budget to Budget	2026-27 Budget
Revenues / Transfers						
Sales and Services	$ -	$ -	$ -	$ -	$ -	$ -
State Grant	-	-	-	-	$ -	-
Interest Income	16,675	8,000	8,000	8,000	$ -	8,000
Total Revenues / Transfers	16,675	8,000	8,000	8,000	-	8,000
Expenses / Transfers						
Salaries and Benefits	-	-	-	-	$ -	-
Service and Supplies	-	-	-	-	$ -	-
Transfers Out	8,000	8,000	8,000	8,000	$ -	8,000
Total Expenses / Transfers	8,000	8,000	8,000	8,000	-	8,000
Net Change	8,675	-	-	-	-	-
Available Ending Reserves	$ 781,371	$ 781,371	$ 781,371	$ 781,371	$ -	$ 781,371





City of Pacific Grove Budget
Employees by Department (General Fund Unless Otherwise Noted)
Through Fiscal Year 2026-27

	FY 23-24		FY 24-25		FY 25-26		FY 26-27	
Dept / Funding Source	**FTEs**	**PT**	**FTEs**	**PT**	**FTEs**	**PT**	**FTEs**	**PT**
City Council		7.00		7.00		7.00		7.00
City Manager	4.43		5.18		5.18		5.18	
Administrative Services								
General Fund	9.52		9.67		9.62		9.62	
Cemetery	1.00		1.00		1.00		1.00	
Worker's Compensation	0.30		0.35		0.50		0.50	
Liability	0.20		0.25		0.15		0.15	
Subtotals	11.02	0.00	11.27	0.00	11.27	0.00	11.27	0.00
Community Development	7.50		8.75		8.75		8.75	
Police								
General Fund	33.30		33.30		33.30		33.30	
SLESF	0.70		0.70		0.70		0.70	
Subtotals	34.00	0.00	34.00	0.00	34.00	0.00	34.00	0.00
Library	8.50		9.00		9.00		9.00	
Recreation								
General Fund	6.65		6.65		6.90		6.90	
Lighthouse		2.25		2.25		2.25		2.25
Subtotals	6.65	2.25	6.65	2.25	6.90	2.25	6.90	2.25
Public Works								
General Fund	18.45	1.00	19.32	2.50	18.67	2.25	18.67	2.25
Cemetery	1.30	0.25	1.30	0.25	1.30	0.25	1.30	0.25
Sewer	5.05		5.30	0.13	6.20	0.13	6.20	0.13
Streets (Gas Tax)	1.35		1.35		1.35		1.35	
Subtotals	26.15	1.25	27.27	2.88	27.52	2.63	27.52	2.63
Grand Total All Departments	**98.25**	**10.50**	**102.12**	**12.13**	**102.62**	**11.88**	**102.62**	**11.88**
Totals by Fund								
General Fund	88.35	8.00	91.87	9.50	91.42	9.25	91.42	9.25
Other Funds	9.90	2.50	10.25	2.63	11.20	2.63	11.20	2.63
Total All Funds	**98.25**	**10.50**	**102.12**	**12.13**	**102.62**	**11.88**	**102.62**	**11.88**

* Note: the above excludes seasonal employees hired each year by the Recreation Department
The amounts for the City Manager's department includes Economic Development
The amounts for the Administrative Services department includes Information Services

City of Pacific Grove Budget
Employee Position Listing
Through Fiscal Year 2026-27

Div.	Status	Positions	Pos. #	Adopted FY 23-24 FTE%	Amended FY 24-25 FTE%	Proposed FY 25-26 FTE%	Proposed FY 26-27 FTE%
	Part-time	Council Member	002-000	6.00	6.00	6.00	6.00
	Part-time	Mayor	001-001	1.00	1.00	1.00	1.00
101	**Total**	**Total City Council**		**7.00**	**7.00**	**7.00**	**7.00**
	Full-time	City Manager	301	0.85	0.85	0.85	0.85
	Full-time	Human Resources Director	210	1.00	1.00	1.00	1.00
	Full-time	City Clerk	243	1.00	1.00	1.00	1.00
	Full-time	Management Analyst	208	1.18	1.18	1.00	1.00
	Full-time	Senior Accounting Assistant	125	0.00	0.00	0.18	0.18
121	**Total**	**City Manager / HR / City Clerk**		**4.03**	**4.03**	**4.03**	**4.03**
	Full-time	City Manager	301	0.15	0.15	0.15	0.15
	Full-time	Deputy City Manager	219	0.00	1.00	1.00	1.00
	Full-time	Associate Planner	168	0.25	0.00	0.00	0.00
130	**Total**	**Total Economic Development**		**0.40**	**1.15**	**1.15**	**1.15**
	Full-time	Administrative Services Director	304	0.80	0.80	0.80	0.80
	Full-time	Senior Program Manager	206	0.65	0.65	1.00	1.00
	Full-time	Program Manager	219	0.75	0.75	0.75	0.75
	Full-time	Management Analyst	208	1.00	1.00	0.60	0.60
	Full-time	Accounting Assistant	120	0.75	0.75	0.75	0.75
	Full-time	Senior Accounting Assistant	125	1.67	1.67	1.67	1.67
	Full-time	Senior Accountant	218	1.00	1.00	1.00	1.00
131	**Total**	**Total ASD - Finance - General Fund**		**6.62**	**6.62**	**6.57**	**6.57**
201	Full-time	Community Development Director	205	1.00	1.00	1.00	1.00
	Full-time	Code Compliance Officer	164	1.00	1.00	1.00	1.00
	Full-time	Associate Planner	168	1.75	2.00	2.00	2.00
	Full-time	Principal Planner	241	1.00	1.00	1.00	1.00
	Full-time	Office Assistant	136	0.50	0.50	0.50	0.50
	Full-time	Administrative Analyst	170	0.75	0.75	0.75	0.75
	Full-time	Management Analyst	208	0.50	0.50	0.50	0.50
	Full-time	Senior Program Manager	206	0.50	0.50	0.50	0.50
204	Full-time	Office Assistant	136	0.50	0.50	0.50	0.50
	Full-time	Management Analyst	208	0.50	0.50	0.50	0.50
	Full-time	Senior Program Manager	206	0.50	0.50	0.50	0.50
204	**Total**	**Total Community Development**		**8.50**	**8.75**	**8.75**	**8.75**
	Full-time	Police Chief	602	1.00	1.00	1.00	1.00
	Full-time	Police Commander	601	2.00	2.00	2.00	2.00
	Full-time	Police Sergeant	524	4.00	4.00	4.00	4.00
	Full-time	Police Officer	516	15.30	15.30	15.30	15.30
	Full-time	Management Analyst	208	1.00	1.00	1.00	1.00
	Full-time	Community Service Officer	507	3.00	3.00	3.00	3.00
	Full-time	Parking Enforcement Officer	506	1.00	1.00	1.00	1.00
	Full-time	Administrative Analyst	170	1.00	1.00	1.00	1.00
	Full-time	Property & Evidence Technician	509	1.00	1.00	1.00	1.00
	Full-time	Police Services Technician	508	4.00	4.00	4.00	4.00
301	**Total**	**Total Police Department - GF**		**33.30**	**33.30**	**33.30**	**33.30**

City of Pacific Grove Budget
Employee Position Listing
Through Fiscal Year 2026-27

Div.	Status	Positions	Pos. #	Adopted FY 23-24 FTE%	Amended FY 24-25 FTE%	Proposed FY 25-26 FTE%	Proposed FY 26-27 FTE%
	Full-time	Library Director	217	1.00	1.00	1.00	1.00
	Full-time	Librarian	208	3.50	2.75	2.75	2.75
	Full-time	Library Clerk	199	1.50	1.50	1.50	1.50
	Full-time	Administrative Analyst	170	0.75	1.00	1.00	1.00
	Full-time	Library Assistant II	122	0.75	0.75	0.75	0.75
	Full-time	Senior Library Assistant	144	1.00	2.00	2.00	2.00
401	**Total**	**Total Library**		**8.50**	**9.00**	**9.00**	**9.00**
	Full-time	Program Manager, Senior	206	1.00	1.00	1.00	1.00
	Full-time	Management Analyst	208	1.00	1.00	1.00	1.00
	Full-time	Administrative Services Director	304	0.05	0.05	0.05	0.05
	Full-time	It Support Specialist	105	1.00	1.00	1.00	1.00
133	**Total**	**Total ASD - Information Services**		**3.05**	**3.05**	**3.05**	**3.05**
	Full-time	Public Works Director	207	0.20	0.20	0.20	0.20
	Full-time	Senior Program Manager	206		1.00	1.00	1.00
	Full-time	Program Manager	219	1.00			
	Full-time	Recreation Program Sup	620	0.75	0.75	0.75	0.75
	Full-time	Superintendent	220	0.20	0.20	0.20	0.20
	Full-time	Recreation Coordinator	118	3.75	3.75	4.00	4.00
	Full-time	Office Assistant	104	0.75	0.75	0.75	0.75
421	**Total**	**Total Recreation - General Fund**		**6.65**	**6.65**	**6.90**	**6.90**
501	Full-time	Construction Project Manager	209	0.10	0.10	0.10	0.10
501	Full-time	Program Manager, Senior	206	0.25	0.25	0.25	0.25
501	Full-time	Programs Manager	219	0.50	0.50	0.50	0.50
501	Full-time	Public Works Director	207	0.30	0.30	0.30	0.30
501	Full-time	Superintendent	220	0.40	0.40	0.40	0.40
501	Part-time	Administrative Assistant	104	0.13	0.13	0.13	0.13
502	Full-time	Equipment Mechanic	156	1.00	1.00	1.00	1.00
502	Full-time	Equipment Mechanic, Senior	157	1.00	1.00	1.00	1.00
503	Full-time	Construction Project Manager	209	0.20	0.20	0.20	0.20
503	Full-time	Maintenance Supervisor	154	0.50	0.50	0.50	0.50
503	Full-time	Maintenance Worker	132	8.20	8.20	8.20	8.20
503	Full-time	Maintenance Worker Senior	146	0.95	0.95	0.50	0.50
503	Full-time	Public Works Director	207	0.10	0.10	0.10	0.10
503	Part-time	Administrative Assistant	104	0.24	0.24	0.24	0.24
503	Part-time	Custodian	115	0.50	0.50	0.50	0.50
505	Full-time	Administrative Analyst	170	0.50	0.50	0.30	0.30
505	Full-time	Construction Project Manager	209	0.20	0.20	0.20	0.20
505	Full-time	Maintenance Worker	132	3.30	3.30	3.30	3.30
505	Full-time	Maintenance Worker Senior	146	0.40	0.40	0.40	0.40
505	Full-time	Program Manager, Senior	206	0.25	0.25	0.25	0.25
505	Full-time	Public Works Director	207	0.05	0.05	0.05	0.05
513	Full-time	Administrative Analyst	170	0.25	0.25	0.25	0.25
513	Full-time	Deputy Director/ Civil Engineer	206	0.00	1.00	0.50	0.50
513	Full-time	Urban Forester	206	0.00	1.00	1.00	1.00
513	Part-time	Administrative Technician	170	0.00	0.00	0.25	0.25
513	Part-time	Maintenance Worker	132	0.50	0.50	0.50	0.50
	Total	**Total Public Works - General Fund**		**19.82**	**21.82**	**20.92**	**20.92**

City of Pacific Grove Budget
Employee Position Listing
Through Fiscal Year 2026-27

Div.	Status	Positions	Pos. #	Adopted FY 23-24 FTE%	Amended FY 24-25 FTE%	Proposed FY 25-26 FTE%	Proposed FY 26-27 FTE%
	Full-time	Maintenance Worker	132	0.80	0.80	0.80	0.80
	Full-time	Management Analyst	208	0.20	0.20	0.00	0.00
	Full-time	Maintenance Supervisor	154	0.20	0.20	0.20	0.20
	Full-time	Program Manager, Senior	206	0.05	0.05	0.00	0.00
	Full-time	Program Manager	219	0.00	0.00	0.25	0.25
	Full-time	Cemetery Office Assistant	136	1.00	1.00	1.00	1.00
	Full-time	Administrative Services Director	601	0.05	0.05	0.05	0.05
	Part-time	Maintenance Worker	132	0.25	0.25	0.25	0.25
601	**Total**	**Total Public Works / ASD - Cemetery**		**2.55**	**2.55**	**2.55**	**2.55**
	Full-time	Deputy Director/ Civil Engineer	206	0.00	0.00	0.50	0.50
	Full-time	Programs Manager	217	0.50	0.50	0.50	0.50
	Full-time	Program Manager, Senior	206	0.50	0.50	0.50	0.50
	Full-time	Administrative Analyst	170	0.05	0.05	0.25	0.25
	Full-time	Construction Project Manager	209	0.50	0.50	0.50	0.50
	Full-time	Superintendent	220	0.40	0.40	0.40	0.40
	Full-time	Maintenance Supervisor	154	1.30	1.30	1.30	1.30
	Full-time	Maintenance Worker Senior	146	0.35	0.30	0.50	0.50
	Full-time	Maintenance Worker Senior	146	0.30	0.30	0.30	0.30
	Full-time	Maintenance Worker	132	1.10	1.10	1.10	1.10
	Full-time	Public Works Director	207	0.35	0.35	0.35	0.35
	Part-time	Administrative Assistant	104	0.13	0.13	0.13	0.13
611	**Total**	**Total Public Works - Sewer**		**5.48**	**5.43**	**6.33**	**6.33**
	Full-time	Maintenance Worker Senior	146	0.30	0.30	0.30	0.30
	Full-time	Maintenance Worker	132	0.60	0.60	0.60	0.60
	Full-time	Administrative Analyst	170	0.45	0.45	0.45	0.45
508	**Total**	**Total Public Works - Gas Tax**		**1.35**	**1.35**	**1.35**	**1.35**
	Part-time	Lighthouse Docent Coordinator	50	1.00	1.00	1.00	1.00
	Part-time	Cashier	90	1.00	1.00	1.00	1.00
	Part-time	Maintenance Worker	132	0.25	0.25	0.25	0.25
413	**Total**	**Total Recreation - Lighthouse**		**2.25**	**2.25**	**2.25**	**2.25**
	Full-time	Police Officer	516	0.70	0.70	0.70	0.70
304	**Total**	**Total Police - SLESF**		**0.70**	**0.70**	**0.70**	**0.70**
	Full-time	Senior Accounting Assistant	125	0.15	0.15	0.15	0.15
	Full-time	Program Manager, Senior	206	0.15	0.15		
	Full-time	Management Analyst	208			0.30	0.30
	Full-time	Administrative Services Director	304	0.05	0.05	0.05	0.05
701	**Total**	**Total ASD - Worker's Compensation**		**0.35**	**0.35**	**0.50**	**0.50**
	Full-time	Program Manager, Senior	206	0.20	0.20		
	Full-time	Management Analyst	208			0.10	0.10
	Full-time	Administrative Services Director	304	0.05	0.05	0.05	0.05
702	**Total**	**Total ASD - Risk Management**		**0.25**	**0.25**	**0.15**	**0.15**
	Total Full-Time Employees			**100.67**	**102.12**	**102.62**	**102.62**
	Total Part-Time Employees			**10.13**	**12.13**	**11.88**	**11.88**
	Grand Totals All Departments			**110.80**	**114.25**	**114.50**	**114.50**

Salaries



The City has established an employee compensation plan designed to attract and retain highly qualified individuals who deliver a high level of service.

As part of this compensation plan a wide range of benefits (depending on the bargaining unit or contract) are offered to its regular full-time and part-time employees. Salary schedules and employee bargaining group agreements are located on the web at cityofpacificgrove.gov.

Pension and Health Plans

Depending on their date of employment and their prior CalPERS enrollment, employees are enrolled in either the 3% at 60 (Classic Safety), 2% at 55 (Classic Miscellaneous), 2.7% at 57 (PEPRA Safety) or 2% at 62 plans (PEPRA Miscellaneous) with CalPERS.

Most new employees are enrolled in the lower cost 2% at 62 or 2.7% at 57 plans. The 2% at 62 plan is comparable to Social Security in costs for the City. Each year CalPERS adjusts its contribution rates for the City (and employees who are in PEPRA) as part of their actuarial reports.

The City purchases medical insurance through CalPERS at a lower cost, but with overall higher benefits to all employees. The City also provides the following additional benefits to its employees:

- Dental
- Vision
- Group Life Insurance
- Fitness Incentive
- Short Term Disability Insurance
- Long Term Disability Insurance

Currently, the City pays the full amount of health insurance premiums for the employee and a portion of the costs of premiums for their dependents.

Deferred Compensation Plans

The City also offers employees the option to defer part of their salary into a third-party IRS 457 Deferred Compensation Program up to the maximums allowed by the IRS. Certain bargaining employee groups, per their employment agreements, also have employee contributions (along with matching City contributions for eligible employees) into a third party defined contribution plan.

Paid Time Off (PTO) and Holidays

Employees can receive paid time off leave hours depending upon years of experience with the City, with the ability to cash out a portion of unused leave each year. In addition, employees receive nine paid holidays and six floating holidays each fiscal year.


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove Budget

Department Budgets

This section details proposed expenses for each department (with dept nos), including their proposed staffing, achievements, performance measurements and their goals for the next two fiscal years.

Departments

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75 City Manager
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Departments

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80 Museum
81 Fire / Emergency Services
83 Library
85 Police
87 Public Works
89 Recreation

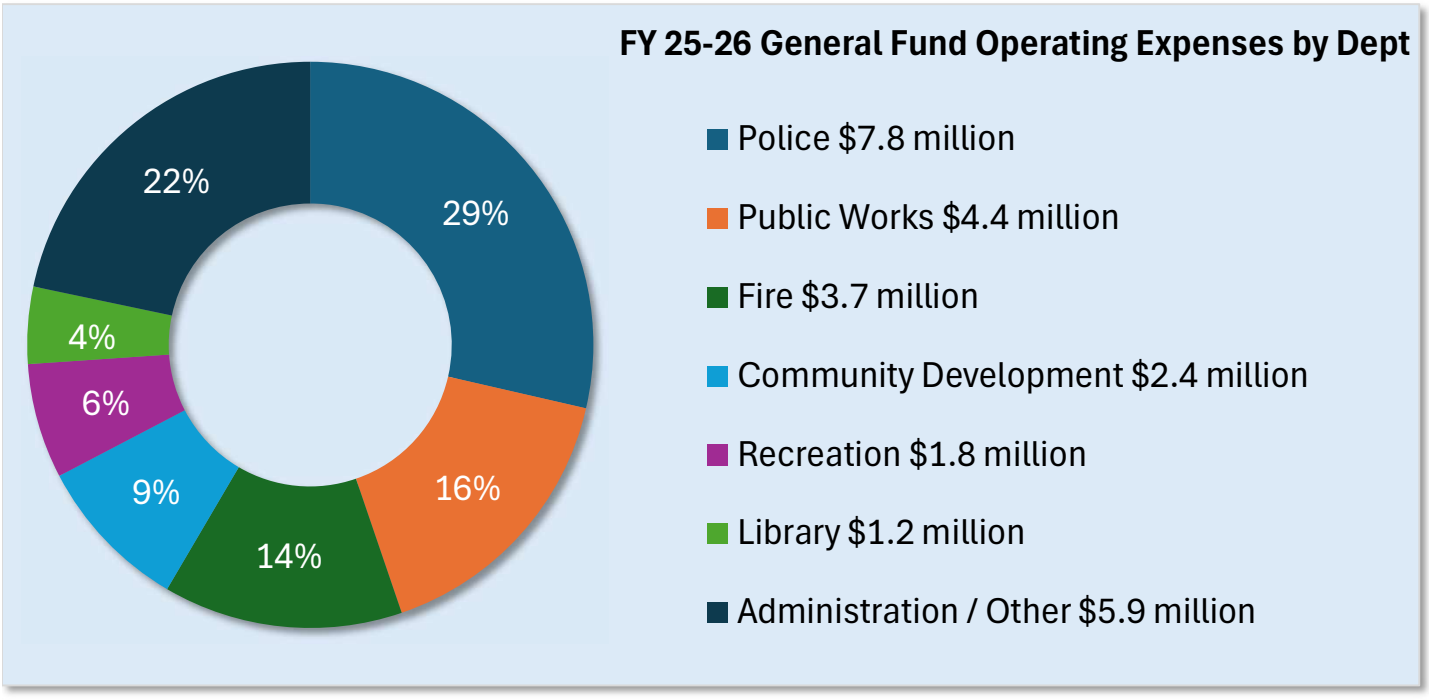


Asilomar State Park

Additional information on General Fund operating expenses by department, including proposed personnel changes and capital outlay contained in the departmental budgets, are discussed in subsequent pages.

Community Development includes Building, Planning and Housing. Public Works includes Street Maintenance and Cleaning, Buildings and Grounds and Forestry. Note that Building, Fire, City Attorney and Museum services are provided on a contract basis to the City.

Department	FY 23/24 Actual	FY 24/25 Budget	FY 24/25 Estimated	FY 25/26 Estimated	Variance from CY Budget	FY 26/27 Estimated
Police	$ 6,536,910	$ 7,615,502	$ 7,029,118	$ 7,816,343	$ 200,841	$ 8,234,744
Public Works	4,054,763	5,352,860	5,098,796	4,416,192	(936,668)	4,578,799
Fire	3,313,322	3,599,600	3,632,149	3,734,497	134,897	3,899,514
Community Development	2,444,041	3,213,158	3,150,469	2,439,320	(773,838)	2,498,225
Recreation	1,145,986	1,554,839	1,488,636	1,792,832	237,993	1,832,987
City Council	178,800	324,089	293,423	276,365	(47,724)	339,800
City Manager	1,091,458	1,109,498	1,079,609	1,154,639	45,141	1,191,399
Finance	1,351,030	1,355,331	1,396,091	1,371,823	16,492	1,428,045
Information Services	817,924	1,202,362	1,132,879	1,327,725	125,363	1,370,741
Library	1,000,084	1,097,776	1,097,750	1,203,659	105,883	1,279,385
City Attorney	1,098,047	1,184,360	915,000	915,000	(269,360)	915,000
Economic Development	298,842	393,321	264,458	454,615	61,294	463,252
Museum	346,495	384,300	383,363	424,493	40,193	441,843
Total GF Dept Expenses	$ 23,677,702	$ 28,386,996	$ 26,961,741	$ 27,327,503	$ (1,059,493)	$ 28,473,733

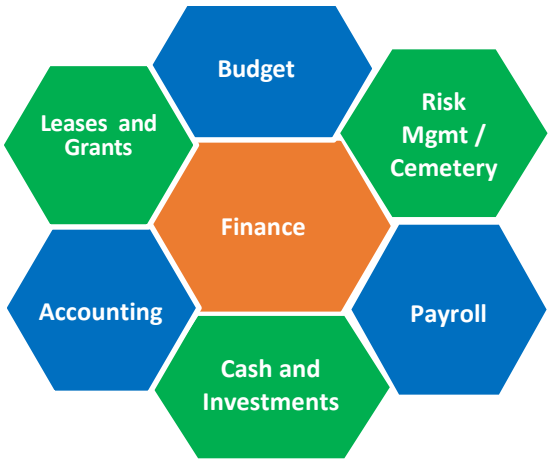


Overview / Functional Organization Chart

Mission: Assisting the City Council, City Manager and operating departments/programs in prudently managing financial resources and planning for the future by providing high quality information and financial management services for the City.

Division Overview: Finance oversees the stewardship of the City's resources. The Division provides policy analysis, recommendations, and financial information to the City Council and departments. Finance's core functions include accounting for the City's resources and disclosure of the City's financial condition in the annual comprehensive financial report with an independent audit. Finance also prepares and monitors the annual operating budget and revenue forecast, provides accounts payable and payroll services, and manages the City's debt, investment, and banking affairs.

Responsibilities



Current Year Anticipated Accomplishments

- **Interim Reports**: Redesigned the financial, capital project, investment and check register reports
- **Hotel Tax Audit**: Conducted an external audit
- **Annual Financials**: Received an award for excellence for the City's Financials (ACFR) from GFOA
- **Budget**: Received awards for the City's operating budget from GFOA and CSMFO
- **Website**: Enhanced the transparency of the department's section of the City's website

Related Strategic Goals: Financial Sustainability

Proposed Goals for Next Two Years

- **Interim Reports**: Issue interim financial and investment reports on a quarterly basis
- **Accounting System**: Select a vendor to assist the City with the selection of a new ERP system
- **Website**: Continue to update the City website on a timely basis
- **Annual Financials**: Submit for awards for excellence for the City's Financials (ACFR/PAFR)
- **Budget:** Submit for awards for excellence for the City's operating and capital budgets

Related Strategic Goals: Financial Sustainability

Division Staffing Organization Chart

Department Head	Division Managers	Supporting Staff
Administrative Services Director	Senior Program Manager Program Manager	Accounting Assistant Cemetery Office Assistant Management Analyst Senior Accountant Senior Accounting Assistants

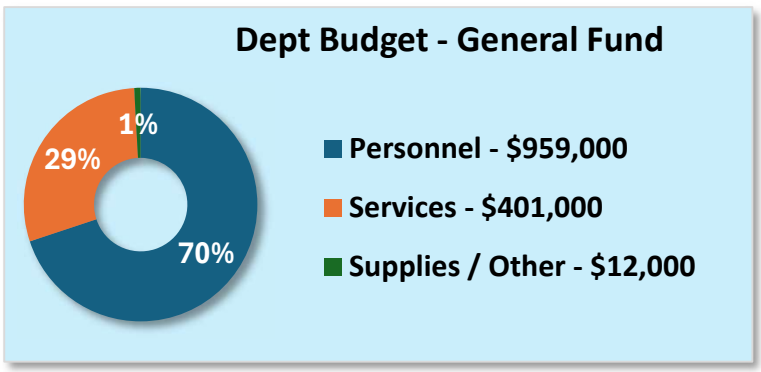
Financial and Staffing Summary - includes prorata portion of positions shared between divisions

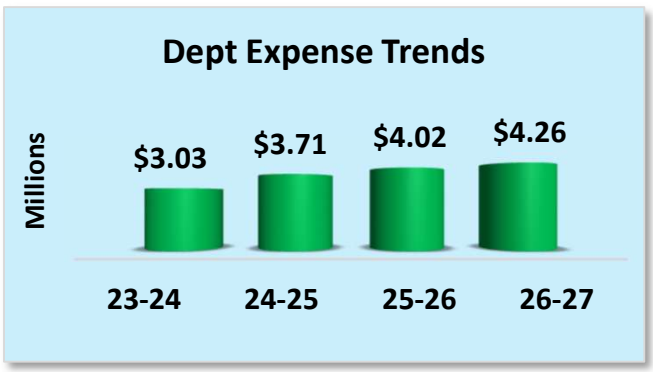
Analysis: Non recurring consultant services expenses were incurred in the current fiscal year due to departmental staffing vacancies which have been filled. The budget includes increased internal service charges related to increases in insurance premiums and employee COLAs and step increases per MOUs.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Full-Time Employees	7.27	7.77	7.77	7.77	0.00	7.77
Part-Time Employees	0.75	0.75	0.75	0.75	0.00	0.75
Total Employees	8.02	8.52	8.52	8.52	0.00	8.52
General Fund (Dept 131)	$ 1,351,030	$ 1,355,331	$ 1,396,091	$ 1,371,823	$ 16,492	$ 1,428,045
Cemetery (Fund 75)	559,532	720,349	707,011	848,109	127,760	899,192
Insurance (Funds 71-72)	1,115,062	1,452,952	1,606,877	1,799,115	346,163	1,933,068
Total Expenses	**$ 3,025,623**	**$ 3,528,632**	**$ 3,709,979**	**$ 4,019,048**	**$ 490,416**	**$ 4,260,305**
Salaries and Benefits	$ 862,045	$ 918,231	$ 852,592	$ 958,967	$ 40,736	$ 998,269
Services	476,011	418,600	535,073	401,356	(17,244)	418,276
Supplies	12,974	18,500	8,426	11,500	(7,000)	11,500
Other Expenses	-	-	-	-	-	-
Total General Fund	**$ 1,351,030**	**$ 1,355,331**	**$ 1,396,091**	**$ 1,371,823**	**$ 16,492**	**$ 1,428,045**

Key Performance Indicators

Metric	19-20	20-21	21-22	22-23	23-24
Payroll Checks and Direct Deposits	3,147	2,641	2,937	3,057	3,127
Issued / Renewed Business Licenses	1,751	1,543	1,582	1,600	1,665
Issued Short-Term Rental Licenses	N/A	87	92	80	95
CSMFO Budget Excellence Award	X	X	X	X	X
GFOA Budget Award	X	X	X	X	X
GFOA ACFR Award	X	X	X	X	X
Related Strategic Goals:	Financial Sustainability				



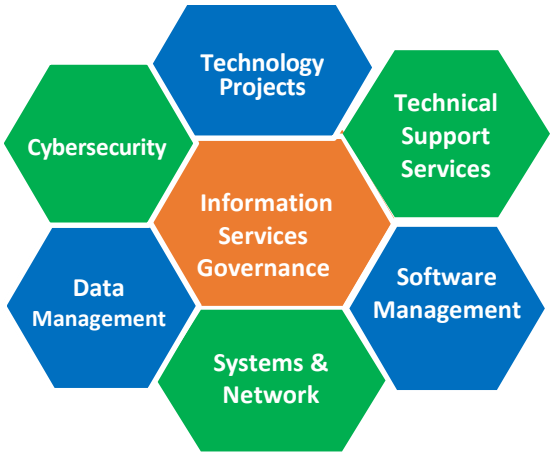


Overview / Functional Organization Chart

Mission: Provide innovative and reliable technology solutions that support the city's goals, enhance efficiency and productivity, ensure data security and compliance, facilitate communication and collaboration, and drive continuous improvement. We are committed to delivering exceptional technical support and maintaining a robust IT infrastructure that empowers our city to achieve excellence.

Division Overview: Key responsibilities of the division include providing technical support services, IT systems & network administration and management, cybersecurity, data management, hardware and software management, and constantly improving and implementing technology products and solutions.

Responsibilities



Current Year Anticipated Accomplishments

- **Cybersecurity**: Completed cybersecurity assessment project
- **Door Access**: Did an initial assessment for the city hall door access security system project
- **Disaster Recovery:** Created business continuity plan and cyber security Incident response plan
- **Internet:** Enhanced internet reliability and performance at the City Hall, PD, and Library
- **Security:** Implemented door access system upgrade and controls & security cameras
- **GIS/Network:** Completed network and server upgrades, implement maps application

Related Strategic Goals: Infrastructure

Proposed Goals for Next Two Years

- **Cybersecurity:** Complete next phase of Cybersecurity Assessment project
- **City Hall Door Access:** Conduct assessment for the City Hall door access security system project
- **Internet:** Enhance internet reliability and performance at the City Hall, PD, and Library
- **Servers Upgrades:** Upgrade servers and integrate into the storage area network
- **Security Cameras:** Implement security cameras at certain key locations
- **Cloud Backup Solution:** Implement cloud backup solution to enhance disaster recovery capabilities
- **GIS Maps Application:** Implement GIS story maps application

Related Strategic Goals: Infrastructure

Division Staffing Organization Chart

Department Head	Division Manager	Supporting Staff
Administrative Services Director	Senior Program Manager	Management Analyst IT Support Analyst

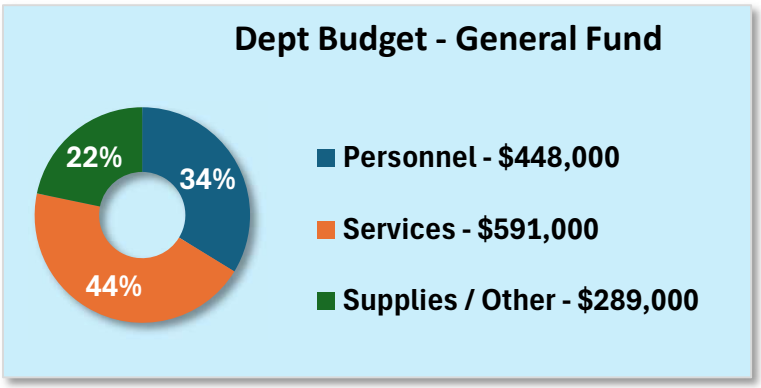
Financial and Staffing Summary - includes prorata portion of positions shared between divisions

Analysis: Capital Outlay represents funds set aside primarily for cybersecurity enhancements. The personnel budget reflects projected employee step increases and COLAs per employee MOUs. Services represent software support for the City's various software platforms, including cloud based systems. Supplies include scheduled replacement of employees' computers.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Full-Time Employees	3.05	3.05	3.05	3.05	0.00	3.05
Part-Time Employees						
Total Employees	3.05	3.05	3.05	3.05	0.00	3.05
General Fund (Dept 133)	$ 817,924	$ 1,202,362	$ 1,132,879	$ 1,327,725	$ 125,363	$ 1,370,741
State Franchise PEG (06)	26,000	81,000	82,000	120,000	39,000	60,000
Total Expenses	**$ 843,924**	**$ 1,283,362**	**$ 1,214,879**	**$ 1,447,725**	**$ 164,363**	**$ 1,430,741**
Salaries and Benefits	$ 322,175	$ 422,762	$ 437,079	$ 448,325	$ 25,563	$ 463,454
Services	426,845	459,700	478,500	590,600	130,900	752,986
Supplies	20,830	42,800	40,800	43,800	1,000	43,800
Capital Outlay	48,075	277,100	176,500	245,000	(32,100)	110,500
Total General Fund	**$ 817,924**	**$ 1,202,362**	**$ 1,132,879**	**$ 1,327,725**	**$ 125,363**	**$ 1,370,741**

Key Performance Indicators

Metric	19-20	20-21	21-22	22-23	23-24
Closed Help Desk Requests	N/A	2,491	3,447	1,850	2,668
Network Uptime %					99.2%
Systems Uptime %					98.9%
Website Uptime %					99.5%
Related Strategic Goals:	Infrastructure				





City Attorney

Overview / Functional Organization Chart

Mission: Providing timely legal advice and support to the City through its officials, commissions and committees, represent the City's Interest and positions before judicial and administrative agencies in civil proceedings, and enforce misdemeanor and civil violations of the Municipal Code. The City Attorney is a contract position.

Dept Overview: Key responsibilities of the department include acting as lead counsel for all civil actions filed by or against the City, maintaining a fiduciary responsibility to represent the City as a client within the mandates of the State Bar Rules of Professional Conduct, providing general advice to commissions, committees, individual officers, and employees, but may not represent their interests if in opposition to the interests of the City.

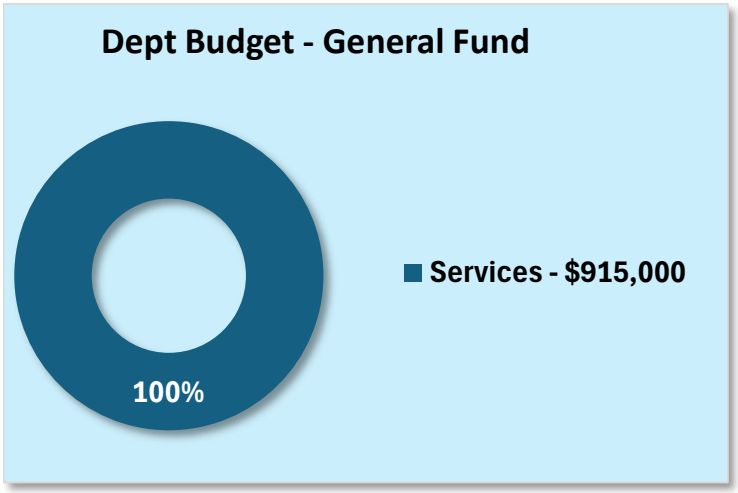
Responsibilities

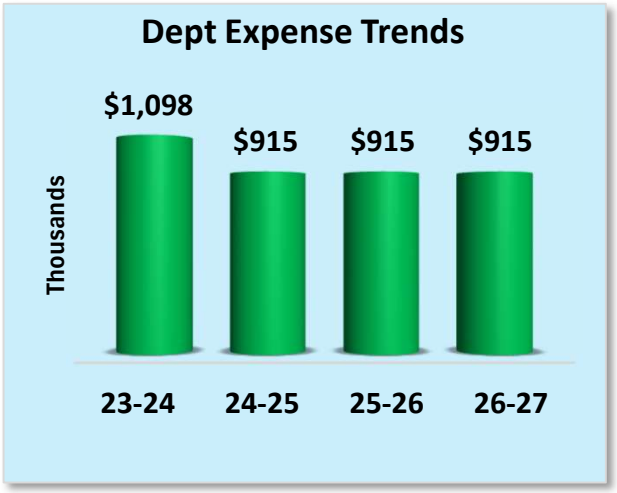


Financial and Staffing Summary

Analysis: The amounts projected for the next two fiscal years is based upon the historical averages for this department over the past several years, as there were several significant cases during the past two years that are not expected to reoccur in the future.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
General Fund (Dept 111)	$ 1,098,047	$ 1,184,360	$ 915,000	$ 915,000	$ (269,360)	$ 915,000
Total Expenses	**$ 1,098,047**	**$ 1,184,360**	**$ 915,000**	**$ 915,000**	**$ (269,360)**	**$ 915,000**
Services	$ 1,098,047	$ 1,184,360	$ 915,000	$ 915,000	$ (269,360)	$ 915,000
Total General Fund	**$ 1,098,047**	**$ 1,184,360**	**$ 915,000**	**$ 915,000**	**$ (269,360)**	**$ 915,000**





Overview / Functional Organization Chart

Mission: The mission of the City Council is to provide high quality and professional public services that address community needs while enhancing the quality of life. This includes developing the City's long-term strategic goals, overseeing the City's fiscal and organizational management, adopting the annual operating and capital improvement budget and fulfilling the commitment to protecting the environment and quality of life in the City.

Dept Overview: Key responsibilities of the City Council include developing policies and updates to the municipal code, providing overall direction, and serving on regional bodies as ambassadors for the City. Following a general election, the City Council also updates the strategic goals to meet changing priorities, which provide the foundation for developing the budget and workplans for the City.

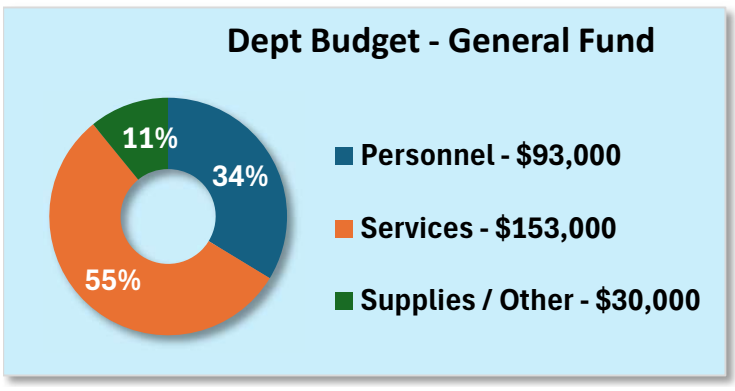
Responsibilities

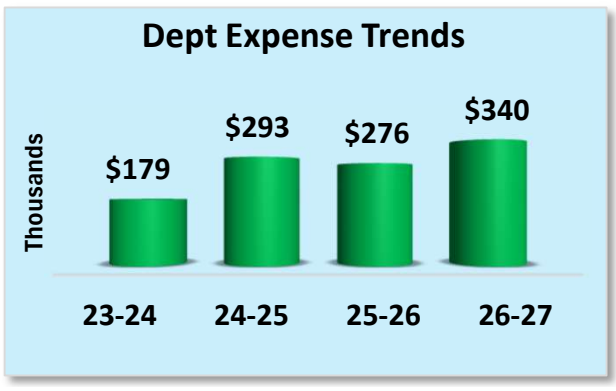


Financial and Staffing Summary

Analysis: The two year budget reflects the revised salary schedule for the Mayor and Councilmembers. The decrease in Supplies/Other Expenses is due to election costs for 2024-25, which occur on a bi-annual basis.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Total Councilmembers	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**
General Fund (Dept 101)	$ 178,800	$ 324,089	$ 293,423	$ 276,365	$ (47,724)	$ 339,800
Total Expenses	**$ 178,800**	**$ 324,089**	**$ 293,423**	**$ 276,365**	**$ (47,724)**	**$ 339,800**
Salaries and Benefits	$ 40,296	$ 46,314	$ 41,400	$ 93,360	$ 47,046	$ 93,360
Services	96,858	187,775	182,023	153,005	(34,770)	156,440
Supplies / Other Expenses	41,646	90,000	70,000	30,000	(60,000)	90,000
Total General Fund	**$ 178,800**	**$ 324,089**	**$ 293,423**	**$ 276,365**	**$ (47,724)**	**$ 339,800**





Overview / Functional Organization Chart

Mission: Assisting the City Council in achieving its goals for the community by developing recommendations and facilitating policy decisions, as well as providing organizational leadership for ongoing City services and implementing City Council decisions.

Dept Overview: Key responsibilities of the division include implementing the City Council's goals and establishing a culture of excellence for the City. To do this in the most expeditious and efficient manner, individual City departments are assigned specific goals and corresponding strategies that fall under their respective areas of responsibility and expertise.

Responsibilities



Current Year Anticipated Accomplishments

- **Evaluations:** Implemented an electronic performance management system
- **Employees** Continued implementation of the retention and recruitment plan
- **Public Records**: Implemented a request electronic database and create a public portal
- **Election** Conducted a successful Election for Mayor and Council Members
- **Documents** Ongoing importing of contracts into Laserfiche (past & present)

Related Strategic Goals: Financial Sustainability, Community Development Environmental Stewardship, Infrastructure

Proposed Goals for Next Two Years

- **Employee Retention:** Update and implement employee recruitment and retention plan
- **Employee MOUs:** Negotiate new MOUs for all bargaining units
- **Business License:** Streamline the Business License application process
- **Community Outreach:** Implement a comprehensive community outreach program
- **Public Records:** Continue to enhance online document access

Related Strategic Goals: Financial Sustainability, Community Development Environmental Stewardship, Infrastructure

Department Staffing Organization Chart

Department Head	Other Directors	Supporting Staff
City Manager	Deputy City Manager Human Resources Director City Clerk	Management Analyst

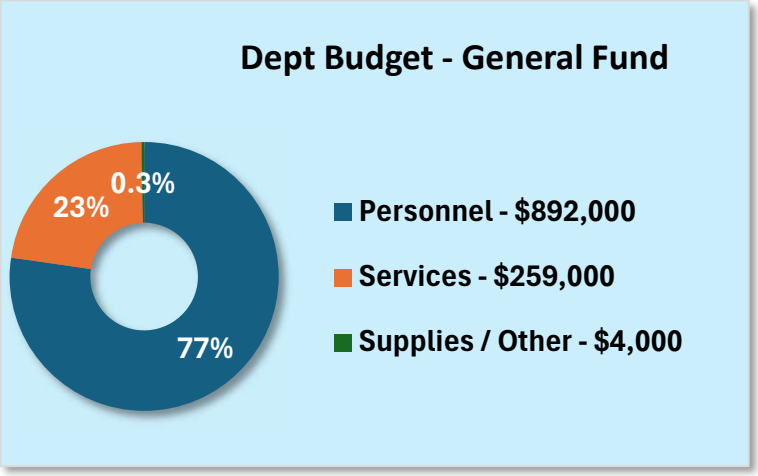
Financial and Staffing Summary - includes prorata portion of positions shared between divisions

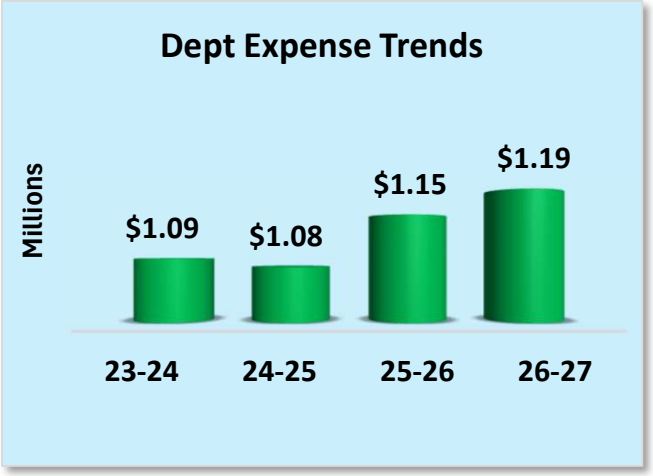
Analysis: Incorporates anticipated employee salary step increases and COLAs resulting from the employee MOUs. Reflects reduced budgets for the anticipated reduction of use of consultants for Human Resources and a reduced budget for employee programs.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Full-Time Employees	4.03	4.03	4.03	4.03	0.00	4.03
Part-Time Employees						
Total Employees	4.03	4.03	4.03	4.03	0.00	4.03
General Fund (Dept 121)	$ 1,091,458	$ 1,109,498	$ 1,079,609	$ 1,154,639	$ 45,141	$ 1,191,399
Total Expenses	**$ 1,091,458**	**$ 1,109,498**	**$ 1,079,609**	**$ 1,154,639**	**$ 45,141**	**$ 1,191,399**
Salaries and Benefits	$ 858,955	$ 838,298	$ 856,944	$ 891,836	$ 53,538	$ 920,682
Services	229,159	265,200	218,910	259,003	(6,197)	266,467
Supplies	3,215	6,000	3,755	3,800	(2,200)	4,250
Other Expenses	129	-	-	-	-	-
Total General Fund	**$ 1,091,458**	**$ 1,109,498**	**$ 1,079,609**	**$ 1,154,639**	**$ 45,141**	**$ 1,191,399**

Key Performance Indicators

Metric	19-20	20-21	21-22	22-23	23-24
City Council Meetings	N/A	54	33	53	28
Committees/Commissions Supported	N/A	18	18	18	18
Volunteers	N/A	160	225	181	219
Volunteer Hours	N/A	2,520	4,016	3,834	8,977
Related Strategic Goals:	Financial Sustainability, Community Development Environmental Stewardship, Infrastructure				





Overview / Functional Organization Chart

Mission: Partner with the community to protect the beauty, sustainability, vitality and environmental integrity of the City, preserve the existing housing stock and support new affordable housing in order to help meet the housing needs of the City's residents and support current and new commercial development. The departments strives to pursue high quality, architecturally sound development in accordance with the City's land use and design goals.

Dept Overview: The department is organized into several units: The Advance Planning function maintains and updates the City's General Plan, Local Coastal Program, and Zoning Ordinance. Current Planning processes planning applications and staff's the land use Commissions. The Building function administers permits and inspections for all construction. The Housing Function administers programs that provide affordable housing for low-income households. Code compliance addresses municipal code violations.

Responsibilities



Current Year Anticipated Accomplishments

- **Housing Element:** Submitted third draft to the California Department of Housing (HCD)
- **Website:** Updated to receive online application permit submissions and payments
- **Recruitments** Continued to fill vacant positions within the department
- **Inspections:** Offered next day inspection services, focusing on the new downtown hotel
- **Housing:** Sought qualifying housing rehabilitation projects for use of CDBG funds

Related Strategic Goals: Community Development, Environmental Stewardship

Proposed Goals for Next Two Years

- **Housing:** Achieve HCD certification of the 6th Cycle Housing Element Update
- **Housing:** Begin implementing housing programs identified in the Housing Element
- **General Plan:** Complete update to the General Plan for consistancy with Housing Element
- **Zoning:** Initiate zoning code amendments to streamline review process timelines
- **Coastal Plan:** Get Coastal Commission approval of amendments addressing coastal hazards
- **Recruitments:** Hire and retain qualified staff so there are no vacancies

Related Strategic Goals: Community Development, Environmental Stewardship

Department Staffing Organization Chart

Department Head	Supporting Staff	
Community Development Director	Administrative Analyst	Management Analyst
	Associate Planners	Office Assistant
Manager	Code Compliance Officer	Senior/Principal Planner
Senior Program Manager		

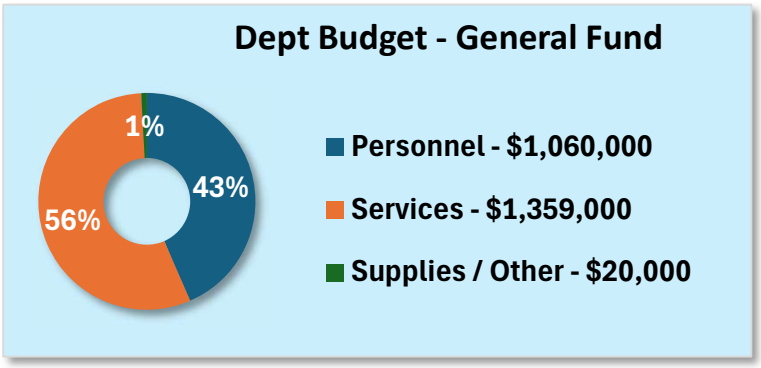
Financial and Staffing Summary

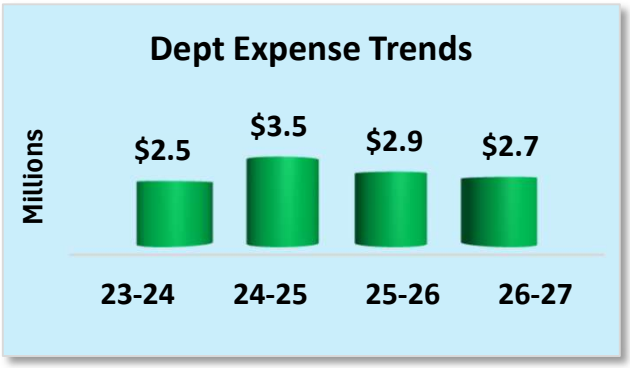
Analysis: Budget for next two fiscal years assumes full staffing, and incorporates increases for projected salary steps and COLAs for employees. Assumes use of consultants at level similar to that experienced in prior fiscal years for various projects, with reduced use expected related to assumed full dept staffing. Per the City's Fee Recovery Policy, the department strives for a cost recovery rate through revenues of between 80-100% of departmental expenditures.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Full-Time Employees	6.75	7.75	7.75	8.00	0.25	8.00
Part-Time Employees	0.75	0.75	0.75	0.75	0.00	0.75
Total Employees	7.50	8.50	8.50	8.75	0.25	8.75
General Fund (Dept 201)	$ 2,444,041	$ 3,213,158	$ 3,150,469	$ 2,439,320	$ (773,838)	$ 2,498,225
Housing/Com Dev Funds	102,088	317,718	331,467	464,284	146,566	206,852
Total Expenses	**$ 2,546,129**	**$ 3,530,876**	**$ 3,481,935**	**$ 2,903,604**	**$ (627,272)**	**$ 2,705,077**
Salaries and Benefits	$ 761,682	$ 996,476	$ 784,164	$ 1,060,033	$ 63,557	$ 1,112,897
Services	1,661,747	2,196,432	2,346,055	1,359,038	(837,394)	1,365,078
Supplies	10,689	20,250	20,250	20,250	-	20,250
Other Expenses	9,922	-	-	-	-	-
Total General Fund	**$ 2,444,041**	**$ 3,213,158**	**$ 3,150,469**	**$ 2,439,320**	**$ (773,838)**	**$ 2,498,225**
Cost Recovery % (80-100%)	**94%**	**76%**	**60%**	**75%**		**90%**

Key Performance Indicators

Metric	19-20	20-21	21-22	22-23	23-24
Issued Building Permits	1,095	1,203	1,278	1,040	1,234
Approved Architectural Permits	50	41	38	32	51
Other Planning Approvals	329	222	246	529	352
Number of Inspections	2,406	3,054	3,909	2,170	2,483
Number of Code Enforcement cases	130	212	198	247	264
Related Strategic Goals:	Community Development, Environmental Stewardship				





Economic Development (City Manager's Office)

Overview / Functional Organization Chart

Mission: The mission of the division (part of the City Manager's department) is to assist in business retention and expansion, marketing and communications, and participating in regional economic development initiatives; and execute the economic development objectives of the City Council, while serving as a liaison between various City departments and the business and development community.

Dept Overview: Key responsibilities of the division include working with the Chamber to assist on local business initiatives and overseeing the Façade Improvement Program.

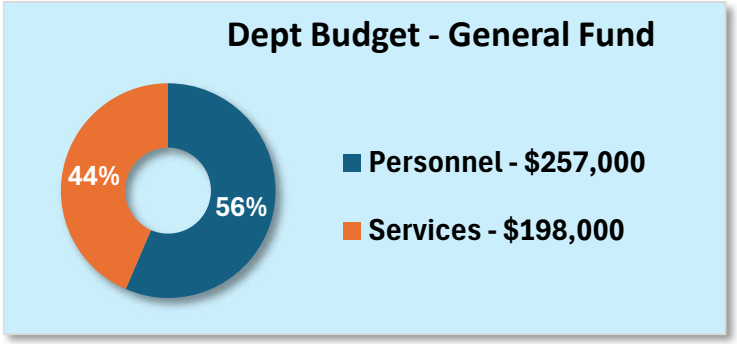
Responsibilities

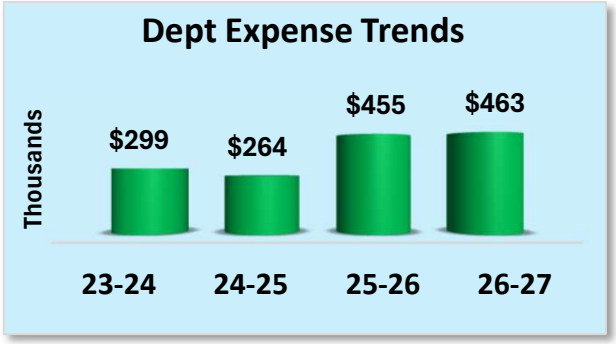


Financial and Staffing Summary - includes prorata portion of positions shared between divisions

Analysis: A contribution for use by the former Economic Development Committee and monies previously budgeted for various contract services was used to fund a new Deputy City Manager position for the division. Most of the services expenses are for the "See Monterey" program which promotes tourism within the area.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Full-Time Employees	0.40	0.40	0.40	1.15	0.75	1.15
Part-Time Employees						
Total Employees	0.40	0.40	0.40	1.15	0.75	1.15
General Fund (Dept T130)	$ 298,842	$ 393,321	$ 264,458	$ 454,615	$ 61,294	$ 463,252
Total Expenses	**$ 298,842**	**$ 393,321**	**$ 264,458**	**$ 454,615**	**$ 61,294**	**$ 463,252**
Salaries and Benefits	$ 88,719	$ 81,072	$ 77,647	$ 256,615	$ 175,543	$ 263,252
Services	173,524	235,999	180,098	198,000	(37,999)	200,000
Supplies / Other Expenses	36,600	76,250	6,713	-	(76,250)	-
Total General Fund	**$ 298,842**	**$ 393,321**	**$ 264,458**	**$ 454,615**	**$ 61,294**	**$ 463,252**





Museum

Overview / Functional Organization Chart

Mission: Inspiring discovery, wonder, and stewardship of our natural world. The Museum is operated on a contract basis through the Museum Foundation of Pacific Grove, Inc. through a public / private partnership. The museum building is owned by the City.

Dept Overview: In 1883, the museum opened its doors among the first wave of natural history museums in America. Naturalists of this era began a national tradition of hands-on science education and natural preservation. Over the past 140 years, the museum has grown from the seeds of these ideas into the award-winning institution it is today. The museum supports conservation, scientific literacy, co-curation, and deep learning towards a resilient community and sustainable future.

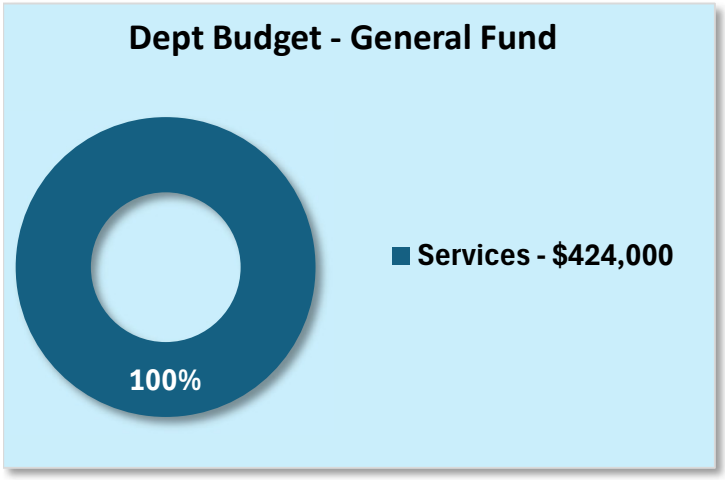
Collections at the Museum



Financial and Staffing Summary

Analysis: Per contract, the City's contribution for the museum is equal to 1.1% of the General Fund Budget. The services category also includes anticipated repairs of the museum building and equipment.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
General Fund (Dept 411)	$ 346,495	$ 384,300	$ 383,363	$ 424,493	$ 40,193	$ 441,843
Museum Fund (Fund 08)	-	165,800	165,800	-	(165,800)	-
Total Expenses	**$ 346,495**	**$ 550,100**	**$ 549,163**	**$ 424,493**	**$ (125,607)**	**$ 441,843**
Services	$ 346,495	$ 384,300	$ 383,363	$ 424,493	$ 40,193	$ 441,843
Supplies / Other Expenses	-	-	-	-	-	-
Total General Fund	**$ 346,495**	**$ 384,300**	**$ 383,363**	**$ 424,493**	**$ 40,193**	**$ 441,843**





Overview / Functional Organization Chart

Mission: Providing emergency medical aid, fire prevention, public education, fire suppression, disaster response, and related emergency services to the members and guests of our community. Fire services are provided through a contract with the City of Monterey.

Dept Overview: Key responsibilities of the department include provides a broad range of emergency response, preparedness, and loss prevention services. Fire Department prevention services include community education initiative, building construction plan review for fire code compliance, and fire cause and origin investigations. Community education initiatives include: Community Emergency Response Team (CERT) program coordination, and fire and life safety education for schools, care facilities and businesses.

Responsibilities



Current Year Expected Accomplishments

- **Paramedics:** Began Advanced Life Support (ALS) paramedic service in January 2025
- **Technology:** Installed new Mobile Data Computers on apparatus
- **Personnel:** Hired and successfully onboarded seven new firefighters
- **Fire Station:** Completed significant upgrades including roof and tower repair
- **Social Media:** Created a Monterey Fire Department Instagram
- **Inspections:** Began a Defensible Space program to inspect high fire severity zones

Related Strategic Goals: Infrastructure, Environmental Stewardship

Proposed Goals for Next Two Years

- **Fire Stations**: Install a new Station Alerting system compliant with County upgrades
- **Fire Engines:** Place new fire engine in service - expected to arrive by the end of 2025
- **Maintenance** Finalize First Due implementation for apparatus work orders and checks
- **Technology** Finalize First Arriving implementation for uniform digital dashboards
- **Education:** Continue efforts towards education and community risk reduction

Related Strategic Goals: Infrastructure, Environmental Stewardship

Key Performance Indicators

Metric	19-20	20-21	21-22	22-23	23-24
Calls for Service	1,740	1,772	2,033	2,257	2,042
Emergency Call Responses within 5 minutes	N/A	N/A	91%	90%	87%
Fire Inspections	N/A	N/A	N/A	N/A	286
Training Hours Completed	N/A	N/A	16,865	16,673	21,871
Related Strategic Goals:	Infrastructure, Environmental Stewardship				

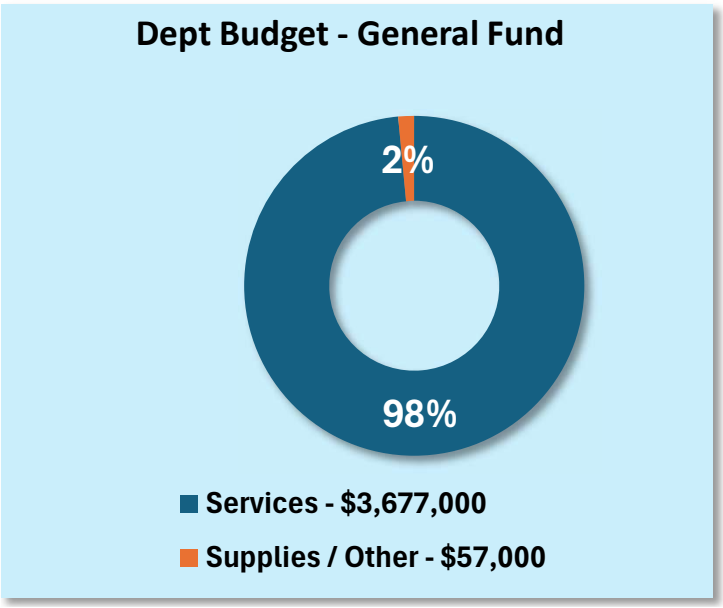
Financial and Staffing Summary

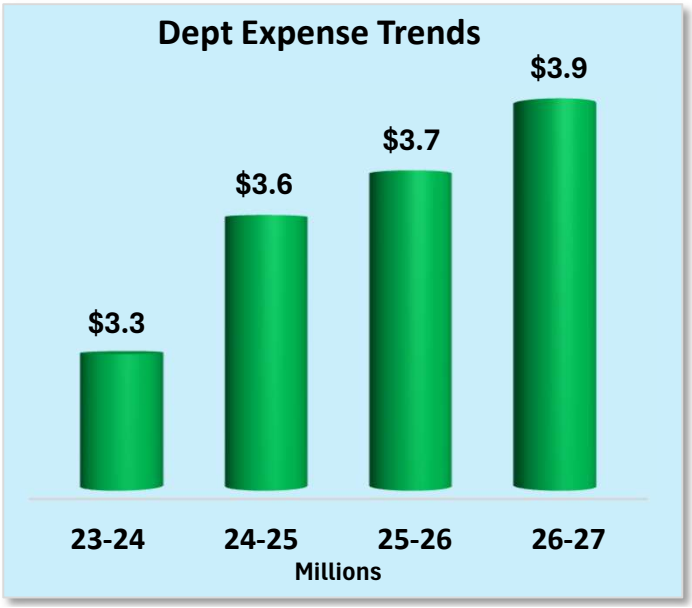
Analysis: The majority of the increase in the costs for services relates to the contract with the City of Monterey for fire services, which are projecting an approximate increase of 2% for FY 25-26 and 4% for FY 26-27.

In addition, internal service charges have increased for the next two years primarily related to pro rata funding for the City's insurance funds and administrative costs. The capital outlay proposed expenditures in the General Fund relate to equipment needed to outfit a recently purchased new fire engine. In addition, the Fire Equipment fund is funding some needed modifications to the Fire building.



Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
General Fund (Dept 351)	$ 3,313,322	$ 3,599,600	$ 3,632,149	$ 3,734,497	$ 134,897	$ 3,899,514
Fire Equipment (Fund 12)	5,527	46,080	46,080	100,000	53,920	12,880
Total Expenses	**$ 3,318,849**	**$ 3,645,680**	**$ 3,678,229**	**$ 3,834,497**	**$ 188,817**	**$ 3,912,394**
Services	$ 3,299,477	$ 3,573,400	$ 3,605,949	$ 3,677,097	$ 103,697	$ 3,842,114
Supplies	13,846	26,200	26,200	32,400	6,200	32,400
Capital Outlay	-	-	-	25,000	25,000	25,000
Other Expenses	-	-	-	-	-	-
Total General Fund	**$ 3,313,322**	**$ 3,599,600**	**$ 3,632,149**	**$ 3,734,497**	**$ 134,897**	**$ 3,899,514**





Library

Overview / Functional Organization Chart

Mission: Providing a welcoming place and a balanced collection while preserving the past and planning for the future. In addition, the library promotes the city's heritage by collecting, preserving, organizing and making available many different types of historical resources for the City. Although the exterior of the library's original Carnegie building has changed somewhat, it is still in the Mission style, and many of the original features in the interior, including the decorative arches and windows have been maintained.

Dept Overview: The department is responsible for providing library services to the community through materials lending, research services, programs for all ages, outreach events, and providing a safe, accessible, and welcoming space with knowledgeable, friendly, and dedicated staff. In addition to the physical collections, a Pacific Grove Library User's card also provides access to our Digital Library materials. These include ebooks, online magazines, audiobooks, and more.

Collections at the Library



Current Year Anticipated Accomplishments

- **Fundraising:** Successful efforts helped to support intergenerational events and programming
- **Special Events:** Collaborated with several organizations on several local special events
- **Partnerships:** Opened dialogue with local libraries about establishing partnerships
- **Library Building:** Investigated the feasibility of developing a small/private meeting space for users

Related Strategic Goals: Infrastructure

Proposed Goals for Next Two Years

- **Programming**: Increase the number of intergenerational programs by 50%
- **Website**: Enhance the website with improved design and navigation, and updated content
- **Literacy Program:** Look to develop a partnership with local organizations to implement a program
- **Partnerships:** Investigate the feasibility of adding Carmel into the collective library agreement

Related Strategic Goals: Infrastructure

Department Staffing Organization Chart

Department Head	Senior Staff	Other Supporting Staff
Library Director	Librarians Senior Library Assistant	Library Clerks Administrative Analyst Library Assistant

Library

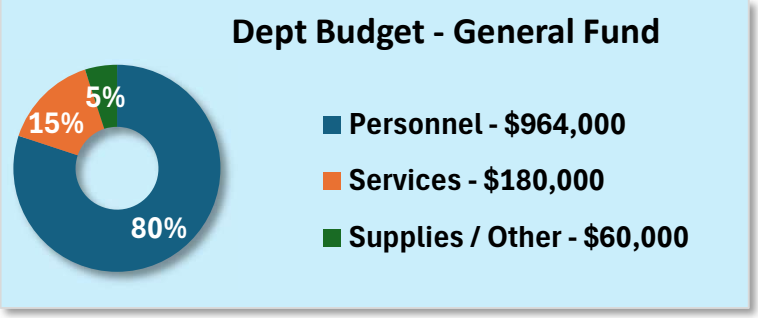
Financial and Staffing Summary

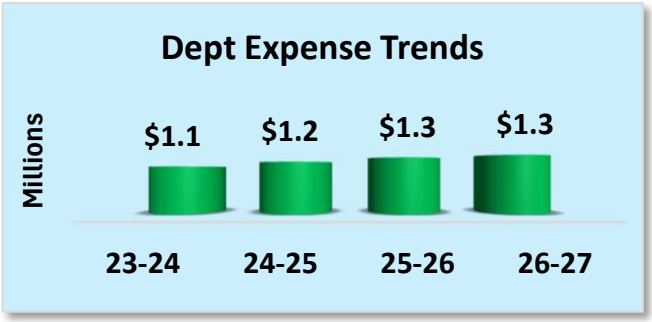
Analysis: Salaries and benefits account for estimated COLAs and employee salary step increases for both fiscal years 25-26 and 26-27.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Full-Time Employees	8.50	8.75	8.75	9.00	0.25	9.00
Part-Time Employees						
Total Employees	8.50	8.75	8.75	9.00	0.25	9.00
General Fund (Dept 401)	$ 1,000,084	$ 1,097,776	$ 1,097,750	$ 1,203,659	$ 105,883	$ 1,279,385
Library Funds (Various)	85,290	100,571	95,571	87,400	(13,171)	70,400
Total Expenses	**$ 1,085,374**	**$ 1,198,347**	**$ 1,193,321**	**$ 1,291,059**	**$ 92,712**	**$ 1,349,785**
Salaries and Benefits	$ 794,554	$ 872,868	$ 881,385	$ 963,656	$ 90,788	$ 1,021,547
Services	138,455	153,400	152,274	179,503	26,103	196,838
Supplies	59,210	71,508	64,091	60,500	(11,008)	61,000
Capital Outlay	7,865	-	-	-	-	-
Total General Fund	**$ 1,000,084**	**$ 1,097,776**	**$ 1,097,750**	**$ 1,203,659**	**$ 105,883**	**$ 1,279,385**

Key Performance Indicators

Metric	19-20	20-21	21-22	22-23	23-24
Audiobook Download	8,239	9,207	8,484	10,982	16,621
E-Book Download	7,644	9,367	9,210	10,425	14,497
Music Download	N/A	8,008	8,511	9,111	10,056
Magazine Download	N/A	832	920	1,429	6,155
Video Streaming Licenses	N/A	404	40	44	48
Total Circulation of Library Materials	188,000	0 (Covid)	180,411	222,644	237,948
Visitors (Door Count)	155,023	0 (Covid)	30,945	60,677	62,944
Attendance at Events and Programs	12,855	4,681	5,424	13,813	18,892
Related Strategic Goals:	Infrastructure				





Police

Overview / Functional Organization Chart

Mission: The Pacific Grove Police Department is committed to delivering exceptional public safety services while actively enhancing the quality of life in our community. We utilize both traditional and innovative strategies to serve efficiently, responsively, and with purpose. Guided by the principles of community policing, we foster strong, open partnerships with our residents—working together to identify concerns, solve problems, and prevent crime before it happens.

Dept Overview: The Pacific Grove Police Department is dedicated to fostering a culture of excellence through strong community partnerships, respect for the rights & dignity of every individual, & the delivery of professional public safety services grounded in integrity & accountability. This commitment is woven into every aspect of our work—whether in patrol, investigations, administration, records, animal control, or parking enforcement. Our guiding principle remains clear: Our Community, Your Police.

Responsibilities



Current Year Anticipated Accomplishments

- **Personnel:** Improved wellness and resiliency resources for department personnel
- **Transparency:** Maximized social media presence and expand community outreach efforts
- **Crime Prevention:** Maximized staffing and create problem oriented policing team
- **Education:** Facilitated educational workshops on the dangers of opioids/fentanyl
- **Traffic Safety:** Hosted workshops, leverage technological solutions, increase enforcement

Related Strategic Goals: Environmental Stewardship, Community Development

Proposed Goals for Next Two Years

- **Wellness Program:** Build a comprehensive officer wellness and resiliency program
- **Traffic Safety:** Enhance traffic safety through technology and collaborative solutions
- **Social Media:** Expand and modernize the department's digital and social media presence
- **Staff Development:** Modernize internal training and leadership development
- **Crime Prevention:** Strengthen through technology and community-led models

Related Strategic Goals: Environmental Stewardship, Community Development

Department Staffing Organization Chart

Department Head	Supporting Staff	
Police Chief	Administrative Analyst	Police Officers
	Community Service Officers	Police Services Technician
Managers/Supervisors	Management Analyst	Property & Evidence Technician
Police Commanders	Parking Enforcement Officer	
Police Sergeants		

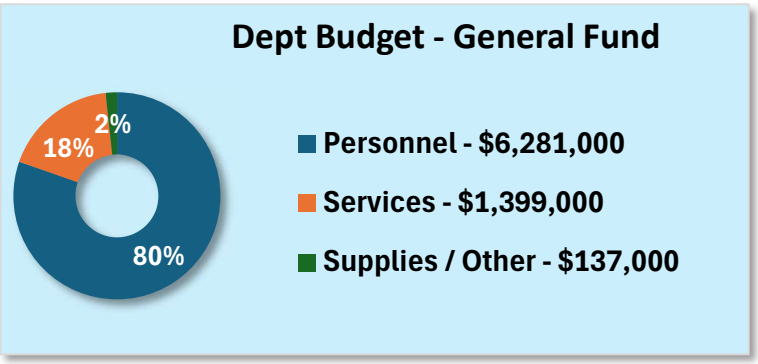
Financial and Staffing Summary

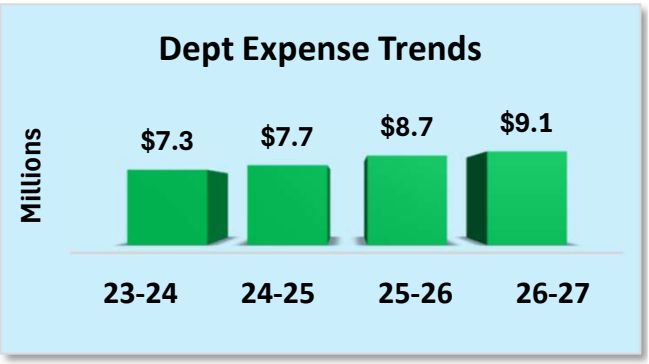
Analysis: The projected increase in expenditures for the next two years is primarily due to increased internal service charges related to worker's compensation insurance based upon a historical average of worker's compensation claims and insurance premiums.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Full-Time Employees	34.00	34.00	34.00	34.00	0	34.00
Part-Time Employees						
Total Employees	34.00	34.00	34.00	34.00	0	34.00
General Fund (Dept 201)	$ 6,536,910	$ 7,615,502	$ 7,029,118	$ 7,816,343	$ 200,841	$ 8,234,744
Police Funds (Various)	729,964	776,297	693,650	842,209	65,912	823,182
Total Expenses	**$ 7,266,873**	**$ 8,391,799**	**$ 7,722,769**	**$ 8,658,552**	**$ 266,753**	**$ 9,057,926**
Salaries and Benefits	$ 5,355,430	$ 6,293,840	$ 5,757,475	$ 6,280,681	$ (13,159)	$ 6,573,187
Services	1,033,308	1,072,751	1,048,292	1,399,100	326,349	1,520,495
Supplies	59,312	76,000	50,441	84,000	8,000	88,500
Capital Outlay	76,298	160,349	160,349	40,000	(120,349)	40,000
Other Expenses	12,562	12,562	12,562	12,562	-	12,562
Total General Fund	**$ 6,536,910**	**$ 7,615,502**	**$ 7,029,118**	**$ 7,816,343**	**$ 200,841**	**$ 8,234,744**

Key Performance Indicators

Metric (On a Calendar Year Basis)	2020	2021	2022	2023	2024
Written Reports	2,173	1,816	1,865	1,120	1,205
Arrests	322	233	220	142	149
Citations	1,810	601	622	518	531
Parking Citations	6,972	4,489	4,697	3,332	3,501
Field Interviews	724	492	360	123	128
Calls for Service	18,902	15,875	19,266	12,284	13,316
Related Strategic Goals:	Environmental Stewardship, Community Development				





Public Works

Overview / Functional Organization Chart

Mission: Ensuring stewardship and maintenance for the City's natural and constructed environment, including streets, open spaces, forested areas, storm water, facilities, public vehicles, sanitary sewer system, and El Carmelo Cemetery.

Dept Overview: The department's responsibilities include maintenance of streets, streetlights, parks/open spaces, City facilities (including leased properties), storm water and sewer infrastructure, City vehicles and special events logistics, set-up, and clean-up.

Responsibilities



Current Year Anticipated Accomplishments

- **Facilities/Parks:** Completed five Facility Conditions Assessments
- **Capital Plan/Outreach:** Developed Five Year CIP for improved long term planning
- **Roads / Safety:** Maintained over 600,000 SF of roadway, enhanced pedestrian safety
- **Forestry/Wildlife:** Carried out tree planting initiatives; commenced fuel load mitigation
- **Downtown:** Finalized sidewalk dining guidelines, completed sidewalk extension project
- **Parks:** Finalized grant funded projects for play equipment / backstop replacement

Related Strategic Goals: Infrastructure, Financial Sustainability, Community Development, Environment

Proposed Goals for Next Two Years

- **Facilities/Parks:** Finalize facility assessments, incorporate into 5 year Capital Improvement Plan
- **Sewer:** Begin development 10-year sewer master plan and associated user fee study
- **Climate:** Finalize Climate Action and Adaptation Plan
- **Vehicles:** Improve fleet management to inform vehicle replacement schedules
- **Outreach:** Promote projects and initiatives through meaningful public engagement tactics

Related Strategic Goals: Infrastructure, Financial Sustainability, Environmental Stewardship

Department Staffing Organization Chart

Department Head	Managers/Supervisors	Supporting Staff
Public Works Director	Construction Project Manager Program Manager Senior Program Manager Maintenance Supervisor	Administrative Analyst Management Analyst Equipment Mechanics / Senior Maintenance Workers / Senior

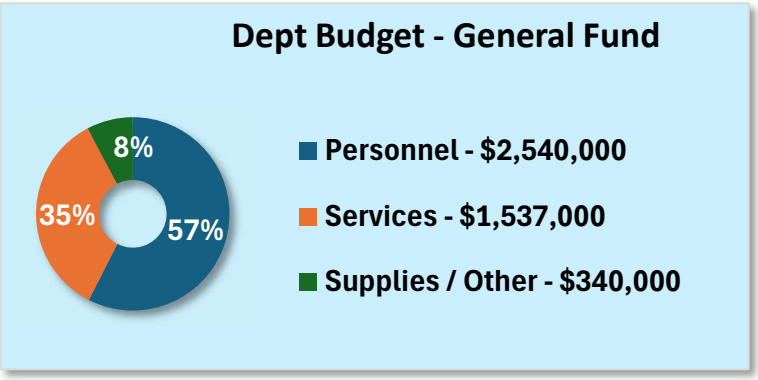
Financial and Staffing Summary

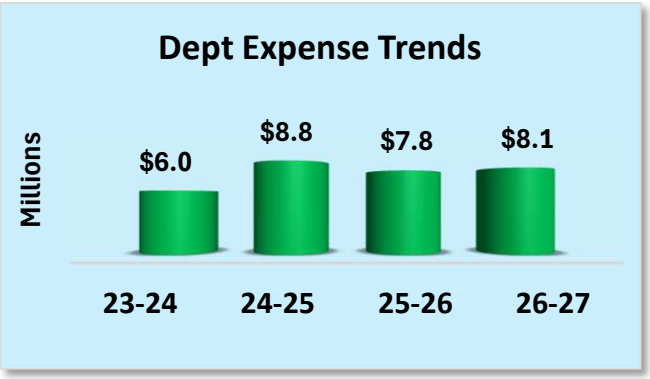
Analysis: The decrease in salaries and consultant services for the General Fund was due to the reallocation of some staff and consultant costs to other funds to better utilize alternative funding sources, a reduction in contract services for tree services due to the addition of the new forester position and a reduction in funds allocated for equipment maintenance. The amount listed for Sewer excludes capital improvements.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Full-Time Employees	26.10	26.10	26.10	26.10	-	26.10
Part-Time Employees	1.25	1.75	1.75	1.75	-	1.75
Total Employees	27.35	27.85	27.85	27.85	-	27.85
General Fund (Dept 50)	$ 4,054,763	$ 5,352,860	$ 5,098,796	$ 4,416,192	$ (936,668)	$ 4,578,799
Streets (Various)	328,648	1,125,690	1,089,668	519,187	(606,503)	536,452
Sewer (Fund 76)	1,588,358	2,607,998	2,567,669	2,895,269	287,271	2,992,679
Total Expenses	**$ 5,971,769**	**$ 9,086,548**	**$ 8,756,133**	**$ 7,830,648**	**$ (1,255,900)**	**$ 8,107,930**
Salaries and Benefits	$ 2,065,797	$ 2,601,343	$ 2,329,845	$ 2,539,972	$ (61,371)	$ 2,656,579
Services	1,651,512	2,350,517	2,367,950	1,536,720	(813,797)	1,591,720
Supplies	260,457	351,000	351,000	289,500	(61,500)	280,500
Capital Outlay	74,964	50,000	50,000	50,000	-	50,000
Other Expenses	2,032	-	-	-	-	-
Total General Fund	**$ 4,054,763**	**$ 5,352,860**	**$ 5,098,796**	**$ 4,416,192**	**$ (936,668)**	**$ 4,578,799**

Key Performance Indicators

Metric	19-20	20-21	21-22	22-23	23-24
Work Orders Completed	1,216	1,198	1,681	1,523	1,327
Vehicle Maintenance Work Orders	343	316	211	241	256
Tree Permits Processed	434	363	276	295	218
Related Strategic Goals:	Infrastructure, Environmental Stewardship				





Recreation

Overview / Functional Organization Chart

Mission and Overview: The department's mission is to provide a broad range of recreation services through programs, contract instructors, and collaborations with outside agencies. Citizens are offered sports leagues for youth and adults, leisure and educational programs for all ages, programs and services for teens, management of the historical Chautauqua Hall, Community Center, the Youth Center, rental of City parks and facilities, a range of summer and winter camps with programs for children and teens, and involvement with a wide range of special events in the City. The Recreation Department also coordinates City approval and services required for City special events.

The department strives to make the City the best possible place to live, by providing high-quality recreational programs that enhance the quality of life, health, fun and lifelong learning, keeping people active and engaged, and providing exceptional customer service.

Responsibilities



Current Year Anticipated Accomplishments

- **Youth Soccer:** Expanded existing Youth Soccer League adding an additional 70 registrations
- **Summer Sports:** Added new Summer Sports - Junior Golf Camp and Basketball Camp
- **Youth Basketball:** Launched Youth Basketball League with 73 registrations in the first season
- **Registrations:** 2,047 summer registration across all summer programs
- **Swimming:** 1,173 swim participants, up 122% from the prior year
- **Youth Center:** Ensured continued availability 5 days a week throughout the school year

Related Strategic Goals: Community Development

Proposed Goals for Next Two Years

- **Outreach:** Increase marketing through various methods including website enhancements
- **Swimming:** Continue expansion of Recreational Swim into August and September
- **Programming:** Evaluate programming to maximize participation
- **Youth:** Continued with expanded youth basketball and soccer programs
- **Website:** Enhance the online rental portal, to ensure seamless customer service
- **Administration:** Update internal procedures and policies to gain administrative efficiencies

Related Strategic Goals: Community Development

Division Staffing Organization Chart

Department Head	Managers/Supervisors	Supporting Staff
Public Works Director	Senior Recreation Program Manager	Recreation Coordinators Recreation Program Supervisors Office Assistant / PT / Seasonal

Recreation

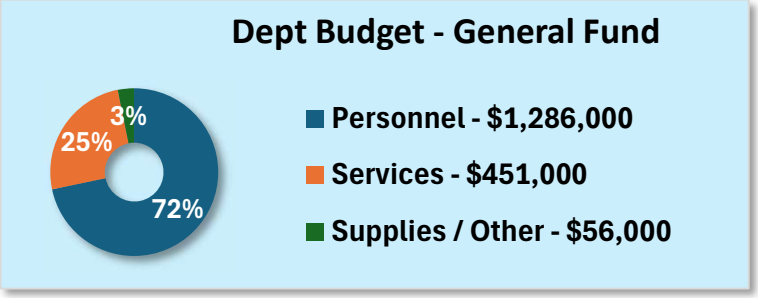
Financial and Staffing Summary

Analysis: The increase in personnel costs reflects the estimated annual COLA for employees and employee step increases for both fiscal years and an increase in seasonal part-time staff and contract program instructors for additional recreation programs offered, as well as increases in utility costs. Per the City's Fee Recovery Policy, the department strives for a cost recovery rate through revenues of at least 30% of departmental expenditures.

Category / Fund	23-24 Actual	24-25 Budget	24-25 Estimate	25-26 Budget	25-26 Variance	26-27 Budget
Full-Time Employees	6.65	6.65	6.65	6.65	0.00	6.65
Part-Time Employees	2.25	2.25	2.25	2.25	0.00	2.25
Total Employees	8.90	8.90	8.90	8.90	0.00	8.90
General Fund (Dept 421)	$ 1,145,986	$ 1,554,839	$ 1,488,636	$ 1,792,832	$ 237,993	$ 1,832,987
Recreation Fund (Various)	110,814	141,500	131,146	187,908	46,408	141,946
Total Expenses	**$ 1,256,800**	**$ 1,696,339**	**$ 1,619,781**	**$ 1,980,740**	**$ 284,401**	**$ 1,974,932**
Salaries and Benefits	$ 777,243	$ 1,062,307	$ 1,060,548	$ 1,286,220	$ 223,913	$ 1,329,187
Services	332,318	437,237	379,393	451,012	13,775	448,200
Supplies	33,771	54,295	48,695	55,600	1,305	55,600
Capital Outlay	-	-	-	-	-	-
Other Expenses	2,654	1,000	-	-	(1,000)	-
Total General Fund	**$ 1,145,986**	**$ 1,554,839**	**$ 1,488,636**	**$ 1,792,832**	**$ 237,993**	**$ 1,832,987**
Cost Recovery (Policy 30%)	**37%**	**26%**	**24%**	**22%**	**N/A**	**21%**

Key Performance Indicators

Metric	19-20	20-21	21-22	22-23	23-24
Paid Special Events	27	-	3	21	26
Park Reservations (Weddings, Picnics)	1,080	90	789	878	1,502
Facility Classes/Reservations	1,804	397	1,377	1,763	1,830
Recreation Program Participants	594	414	1,168	1,653	2,009
Related Strategic Goals:	Community Development				





City of Pacific Grove Budget

Capital Program

This section provides details on the City's capital plan for the next two fiscal years, including costs and how they are funded, benefits of each project and how the priority for each project was established. See the City's separate five year capital plan for details on the City's capital improvement program.

Capital Background Information

92 Financial Summary
94 Overview of Capital Program
95 Current Year Projects
111 Technology / Capital Outlay
112 CIP Anticipated Accomplishments

Major Capital Projects $100K or more

95 Sewer Master Plan Projects
97 Street Rehabilitation Project
98 Mandated ADA Improvements
101 Chautauqua Hall Improvements
102 Chinese Pavillion and Moon Gate
105 Fire Station Alerting System
108 Sewer Main Replacement - Arena Ave.
109 Urban Diversion Station Repair
110 Crack and Slurry Seal



Berwick Park and Whale Statue

City of Pacific Grove Budget
Capital Improvement Summary by Project Category
Fiscal Years 2025-26 and 2026-27

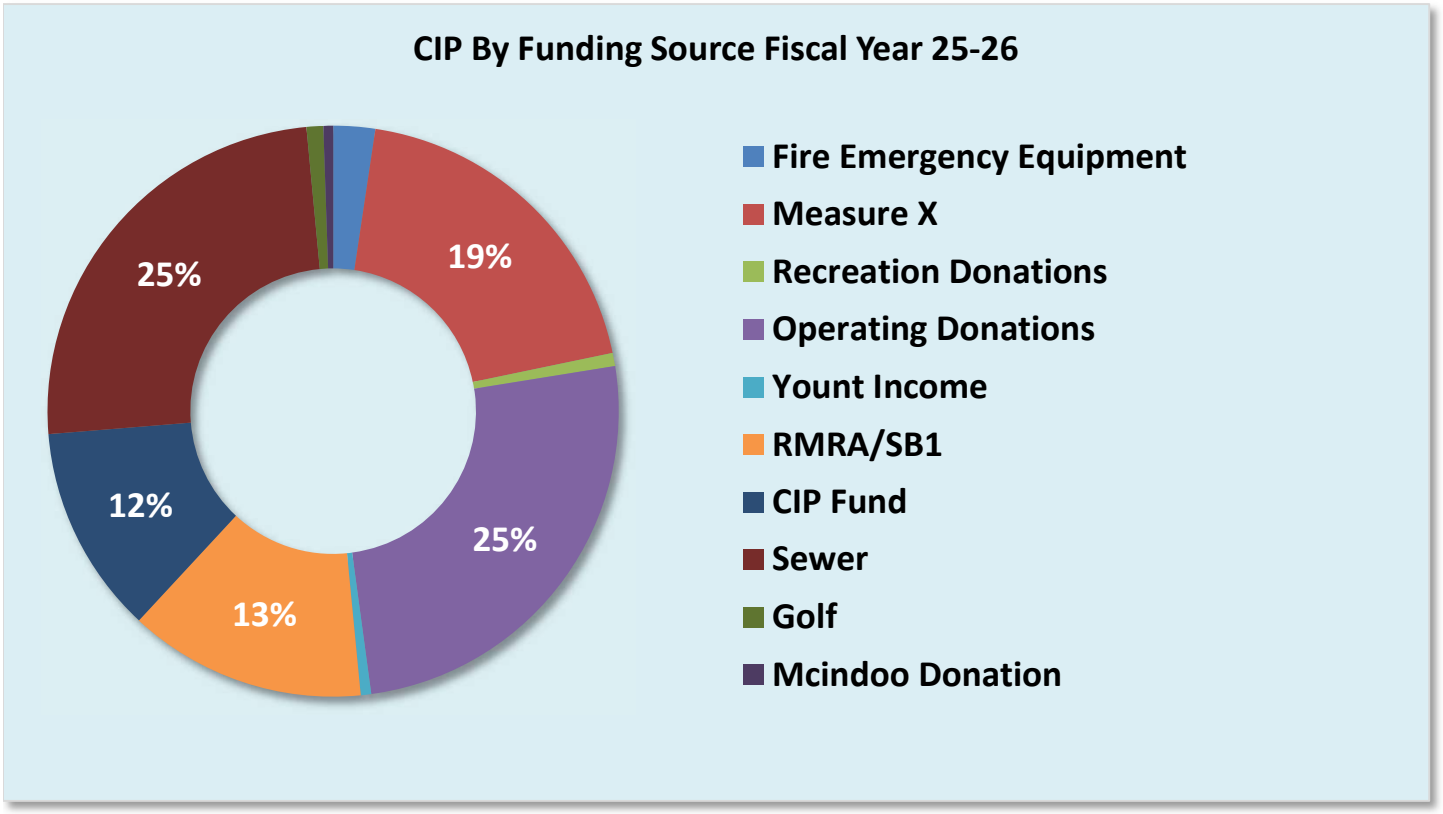
Category / Project Code	Project	Funding Sources	Prior Years	2025-26	2026-27	Project Totals (Includes Prior Years)
Transportation						
CIP26-01	Street Rehabilitation Project	CIP Fund		$ 300,000	$ 300,000	$ 600,000
		Measure X		570,000	568,000	1,138,000
		RMRA/SB1		570,096	400,000	970,096
		Sewer		350,000	350,000	700,000
			Project Totals	1,790,096	1,618,000	3,408,096
CIP26-02	Mandated ADA Improvements	CIP Fund		200,000		200,000
		Measure X		250,000		250,000
			Project Totals	450,000	-	450,000
CIP27-01	Crack and Slurry Seal	CIP Fund			200,000	200,000
		Measure X			250,000	250,000
			Project Totals	-	450,000	450,000
Total Transportation			Totals	$ 2,240,096	$ 2,068,000	$ 4,308,096
Facilities						
CIP 26-03	Library Backup Power System	Operating Donations		$ 80,000		$ 80,000
CIP 26-04	Pillar Privacy / Study Booth ADA	Operating Donations		25,000		25,000
CIP 26-05	Chautauqua Hall Building Improvements	Operating Donations		700,000		700,000
CIP 26-06	Chinese Pavillion / Moon Gate	Operating Donations		200,000		200,000
CIP 26-07	Youth Center Roof Repair	Recreation Donations		32,000		32,000
CIP 26-08	City Hall Window and Door Replacement	Mcindoo Donation		23,006		23,006
		Yount Income		8,994		8,994
			Project Totals	32,000	-	32,000
CIP 26-09	Fire Station Alerting System	Fire Emergency Equipment		100,000		100,000
CIP 26-10	Roof Repairs Police Department	Operating Donations		70,000		70,000
CIP 26-11	Point Pinos Grill Boiler Replacement	Golf		40,000		40,000
Total Facilities			Totals	$ 1,279,000	$ -	$ 1,279,000
Wastewater						
CIP 26-12	Sewer Force Main Replacement - Arena Avenue	Sewer		$ 600,000		$ 600,000
CIP 26-13	Urban Diversion Station Repair and Recalibration	Sewer		100,000		100,000
CIP 24-04	Sewer Collection System Master Plan (SCSMP) Projects	Sewer	1,800,000		7,000,000	8,800,000
Total Wastewater			$ 1,800,000	$ 700,000	$ 7,000,000	$ 9,500,000

City of Pacific Grove Budget
Capital Improvement Summary by Project Category
Fiscal Years 2025-26 and 2026-27

Parks and Recreation						
CIP 25-10	Recreation Trail Improvements - Esplanade Park	Yount Income	20,000	$ 16,003		$ 36,003
Totals Parks and Recreation			$ 20,000	$ 16,003	$ -	$ 36,003

Category Summary	Addresses Council Areas of Focus	Prior Years	2025-26	2026-27	Project Totals
Transportation	Infrastructure		$ 2,240,096	$ 2,068,000	$ 4,308,096
Facilities	Infrastructure		1,279,000	-	1,279,000
Wastewater	Infrastructure, Environmental Stewardship	1,800,000	700,000	7,000,000	9,500,000
Parks and Recreation	Infrastructure	20,000	16,003	-	36,003
	Total for Two Year Capital Plan	$ 1,820,000	$ 4,235,099	$ 9,068,000	$ 15,123,099

Fund Number	Fund Name	Prior Years	2025-26	2026-27	Project Totals
12	Fire Emergency Equipment	-	100,000	-	100,000
17	Measure X	-	820,000	818,000	1,638,000
25	Recreation Donations	-	32,000	-	32,000
31	Operating Donations	-	1,075,000	-	1,075,000
41	Yount Income	20,000	24,997	-	44,997
47	RMRA/SB1	-	570,096	400,000	970,096
63	CIP Fund	-	500,000	500,000	1,000,000
76	Sewer	1,800,000	1,050,000	7,350,000	10,200,000
77	Golf	-	40,000	-	40,000
92	Mcindoo Donation	-	23,006	-	23,006
	Total for Two Year Capital Plan	$ 1,820,000	$ 4,235,099	$ 9,068,000	$ 15,123,099



City of Pacific Grove
Capital Improvement Plan Overview

Overview

The City's capital improvement plan (CIP) is an integral part of the City's annual budget process. The CIP serves as a public relations and economic development tool and focuses on preserving infrastructure while ensuring efficient use of public funds. Council Policy 400-6 defines a Capital improvement as buildings, machinery, or equipment, with an original cost more than $50,000, and other capital outlay as items with an original cost of more than $5,000. Capital improvements include projects that are related to facilities, streets, and infrastructure.

Objectives of Plan

The City prepares a capital improvement plan to assist with the resiliency of public assets. This includes the following objectives:

- Capital projects and equipment purchases
- An implementation schedule
- Options for project financing
- Links to Council's strategic initiatives
- Budgetary information
- Project justification

Development of Capital Plan / Budget Process

As part of the annual budget process, City departments submit project requests to the Public Works Department. Projects are identified based on input received from the community, the Mayor and City Council, asset management studies and City staff. Staff identify projects that are based on critical needs, including those due to safety issues or to comply with new mandates. Each project proposal is reviewed and prioritized based on the following criteria:

- Greatest need (e.g. mandates and public safety)
- Meeting the Council's Priority Areas
- Consequences of delay (increased costs, asset preservation)
- Ability to accomplish multiple goals or align timing with other project(s)
- Readiness and Availability of funding (ex: grants)



Under the direction of the City Manager, the Public Works and Finance Departments reviewed the proposed projects and prepared the CIP for submittal to the Mayor and City Council. The proposed CIP is then presented, discussed, and acted upon by the City Council in public sessions during the budget hearings. Project costs are based upon current year dollars, with future budgets increased by either the Engineering News Record construction cost index or the San Francisco Bay Area Consumer Price Index.

Budget Basis for Capital Plan

The CIP budget differs from an operating budget in that projects can span multiple years and the funding for each project may be carried forward until the project is finished or is no longer needed. Each project includes annual depreciation costs, which are factored into the department's annual maintenance budget. Capital projects are funded through various sources of funding. When possible, the City uses alternate sources of funding, such as through partnerships and grants, to minimize the financial impact on its Funds.

Two Year Capital Improvement Plan

Sewer Master Plan (SCSMP) Projects 1, 6 & 9 — Category: Facilities

General Project Information			
Project Code:	CIP24-04	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Various Locations	Total Estimated Costs:	$ 8,800,000
Useful Life:	70 years	Annual Depreciation:	$ 126,000

Project Description / Funding Notes

The City provides sewer collection services for residences and commercial businesses over an area of approximately 1,414 acres with a population of approximately 15,040 residents. The City's collection and conveyance system is comprised of approximately 58 miles of pipelines.

The Sewer Collection System Master Plan (SCSMP) helps drive the City's long-term sewer collection system asset management needs by identifying CIP projects and necessary upgrades to the collection system. Over the years the City has completed several of the noted SCSMP CIP Projects and only the following three remain. This multi-year project will allow the City to complete SCSMP Projects 1, 6 & 9:

SCSMP #1 - 17 Mile Dr - Upgrade ~3,000LF of sewer main due to capacity deficiencies
SCSMP #6 - Hilcrest Ave - Replace ~4,250LF of sewer main due to root intrusion
SCSMP #9 - Highway 68 - Protect exposed pipe from damage

This project will allow completion of these projects. These are large scale, multi-year projects. As an element of the FY23/24 budget, $1.8M of sewer funding was allocated to allow for engineering, permitting and environmental. This is currently underway and will continue through FY25/26 using the initial funding allocation. Construction is anticipated to begin in FY26/27 with a preliminary cost estimate of approximately $7 million. This is a rough estimate and may be updated prior to the start of FY26/27 as an engineers estimate is developed.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Sewer - Sewer Imp. (76)	76-612-6051	$ 1,800,000		$ 7,000,000		$ 8,800,000
	Totals	**$ 1,800,000**	**$ -**	**$ 7,000,000**	**$ -**	**$ 8,800,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY26/27	FY26/27	FY26/27	FY26/27

Project Photos



Two Year Capital Improvement Plan

Rec. Trail Improvements - Esplanade Park Category: Facilities

General Project Information			
Project Code:	CIP25-10	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Trail next to Esplanade Park	Total Estimated Costs:	$ 36,003
Useful Life:	20 years	Annual Depreciation:	$ 2,000

Project Description / Funding Notes

In Perkins Park, the Recreation Trail adjacent to Esplanade Park from Beach Street to Coral Street consists of a thin band of land which keeps getting thinner due to coastal erosion, particularly around Esplanade Park. Just east of Esplanade, the otherwise continuous shoreline trail essentially disappears for a stretch, forcing pedestrians onto a thin strip of dirt right next to Ocean View Boulevard. The Shoreline Management Plan (SMP) proposed conceptual improvements . The SMP suggest eliminating the ocean-side parking lane and shifting the street curb inland by 7–8 feet, reclaiming approximately 500 feet of space for a pedestrian trail. This would entail the potential loss of about 25 on-street parking spaces. The SMP stated design details would be refined with efforts to mitigate the loss of parking where possible.

This multi-year project initiates the process of addressing the unsafe conditions on the Recreation Trail at this specific location. Year 1 will involve public outreach and design, while Year 2 will focus on permitting, bidding, and construction. In the FY 24-25 CIP, $20,000 was allocated from the Strong Disbursement Fund to allow for design/engineering of these vital pedestrian improvements. To date, minimal funding has been expended. Although the remaining unused funding will be carried forward, additional funding is needed to accommodate construction, which is anticipated to be ~$35,000. The initial funding source, the Strong Disbursement Fund, has been depleted. The Yount Income fund is proposed to bridge the gap needed for construction.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Yount Income - Bldg Imp. (41)	41-510-6021	$ 20,000	$ 16,003			$ 36,003
	Totals	**$ 20,000**	**$ 16,003**	**$ -**	**$ -**	**$ 36,003**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos





Two Year Capital Improvement Plan

Street Rehabilitation Project

Category: **Transportation**

General Project Information			
Project Code:	CIP 26-01	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Various Road Segments	Total Estimated Costs:	$ 3,408,096
Useful Life:	25 years	Annual Depreciation:	$ 136,000

Project Description / Funding Notes

This project allows rehabilitation of road segments identified by the Pavement Management Program (PMP) as being in poor or failed condition, addressing and improving the aging road infrastructure network. This project also plays a vital role in ensuring MOE requirements are met to remain eligible for over $1M of external funding for roadways (see funding notes). This project helps the City maintain eligibility for ongoing Measure X and SB1/RMRA funding by meeting Maintenance of Effort (MOE) requirements.

FY25/26 - This project targets three road segments that have not received formal maintenance or rehabilitation in over 30 years. These segments have Pavement Condition Index (PCI) scores between 0 and 21, placing them in the "failed" category due to severe deterioration. The compromised pavement allows water intrusion, leading to dislodged sections and frequent potholes. Although crews perform regular patching to address safety hazards, these are only temporary fixes. Full rehabilitation is necessary to restore the integrity of these roadways. The underground sewer infrastructure will be videoed and addressed as an aspect of this project via the sewer fund.
The segments to be addressed are:

(1) 10th Street (Central Ave to Lighthouse Ave) - PCI 10
(2) Del Monte Blvd (Asilomar St to Coral St) - PCI 21
(3) Beacon (Coral St to Esplanade St) - PCI 0

FY26/27 - In May 2026, staff will return with the annual SB1 project list and resolution for Council approval which specifies the segments to be addressed in FY26/27. This is an annual requirement of the California Transportation Commission (CTC) protocols for SB1/RMRA funding eligibility.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
General Fund CIP - Streets (63)	63-631-6041		$ 300,000	$ 300,000		$ 600,000
Measure X - Streets (17)	17-522-6041		570,000	568,000		1,138,000
RMRA/SB1 - Streets (47)	47-471-6041		570,096	400,000		970,096
Sewer - Sewer Imp. (76)	76-612-6051		350,000	350,000		700,000
	Totals	**$ -**	**$ 1,790,096**	**$ 1,618,000**	**$ -**	**$ 3,408,096**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY26/27

Project Photos

Beacon Street (PCI 0)



Del Monte Blvd (PCI 21)



10th Street (PCI 10)



Two Year Capital Improvement Plan

Mandated ADA Improvements

Category: Transportation

General Project Information			
Project Code:	CIP 26-02	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Lovers Point and Prescott Ave.	Total Estimated Costs:	$ 450,000
Useful Life:	50 years	Annual Depreciation:	$ 9,000

Project Description / Funding Notes

This project addresses ADA compliance mandates from a court order requiring completion by specified deadlines in FY25/26. The locations for improvements are Lovers Point and Prescott Ave (between Divisadero and Forest).
This project has been budgeted using all anticipated remaining balances for streets and pedestrian infrastructure in FY25/26. Due to the limited availability of these funds, actual costs are expected to exceed the proposed budget. At this time actual costs are unknown. Once the project is engineered and formally bid, staff will return with options to address potential funding deficits which may include project savings from road and infrastructure projects from prior years.

Lovers Point Scope of Work:
Replace existing ADA ramps and construct new sidewalk at the triangle parking lot to comply with ADA standards. These improvements must be completed by October 31, 2025.

Prescott Ave Scope of Work:
Sidewalk infill, repairs, installation of ADA-compliant curb ramps, and upgrades to driveway approaches to meet accessibility standards. These improvements must be completed by December 31, 2025.

Maintenance Of Effort Compliance:
This project helps the City maintain eligibility for ongoing Measure X and SB1 funding by meeting Maintenance of Effort (MOE) requirements.

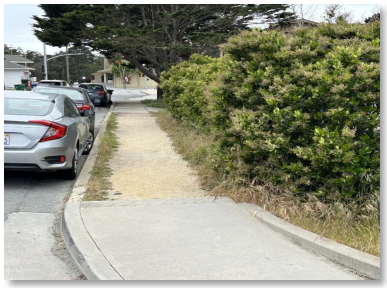
Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
General Fund CIP - Streets (63)	63-631-6041		$ 200,000			$ 200,000
Measure X - Streets (17)	17-522-6041		250,000			250,000
Totals		**$ -**	**$ 450,000**	**$ -**	**$ -**	**$ 450,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos

Prescott Ave





Lovers Point





Two Year Capital Improvement Plan

Library Backup Power System

Category: Facilities

General Project Information			
Project Code:	CIP 26-03	Managing Department:	Public Works & Library
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Pacific Grove Public Library	Total Estimated Costs:	$ 80,000
Useful Life:	15 years	Annual Depreciation:	$ 5,000

Project Description / Funding Notes

This project will allow for the purchase and installation of a backup power system for the Pacific Grove Public Library. The Library is a beloved community facility that has the potential to serve as a vital community resource during prolonged power outages and/or emergencies. Today, the library has no generator or backup power source to support it's operations during outages.

Options for back up power sources include, but are not limited to, battery storage (e.g. Tesla Powerwall 3 or similar) and a natural gas generator connected to an existing gas line. These options will be further explored for feasibility following project approval. The Pacific Grove Library Friends and Foundation have dedicated $80,000 to fund this project.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Operating Donations - Bldg Imp. (31)	31-516-6021		$ 80,000			$ 80,000
	Totals	**$ -**	**$ 80,000**	**$ -**	**$ -**	**$ 80,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos





Two Year Capital Improvement Plan

Library Pillar Privacy / Study Booth ADA **Category:** Facilities

General Project Information			
Project Code:	CIP 26-04	Managing Department:	Public Works & Library
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Pacific Grove Public Library	Total Estimated Costs:	$ 25,000
Useful Life:	15 years	Annual Depreciation:	$ 2,000

Project Description / Funding Notes

This project will create a dedicated privacy/study booth in the Pacific Grove Public Library. The Library currently lacks a private meeting space, and users have consistently requested one. This project responds to that need and enhances the Library's ability to support virtual meetings, telehealth, and focused work.

The scope of work includes the purchase of the privacy booth, prep work and installation. It is anticipated that the private/study booth with be located near the existing DVD shelving. The Pacific Grove Library Friends and Foundation have dedicated $25,000 to fund this project.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Operating Donations - Bldg Imp. (31)	31-516-6021		$ 25,000			$ 25,000
	Totals	**$ -**	**$ 25,000**	**$ -**	**$ -**	**$ 25,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos



Two Year Capital Improvement Plan

Chautauqua Hall Building Improvements — Category: Facilities

General Project Information			
Project Code:	CIP 26-05	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Chautauqua Hall	Total Estimated Costs:	$ 700,000
Useful Life:	25 years	Annual Depreciation:	$ 28,000

Project Description / Funding Notes

This project will address the facility infrastructure improvements and maintenance tasks outlined in the 2024 WJE Chautauqua Hall Building Assessment Report.

Built in 1881, this beloved facility has served generations and remains a designated historic landmark and beloved community resource. The project ensures needed upgrades and improvements are made to allow the building's continued function, in the long-term, and allow preservation of its historical integrity.

With strong community support, the Heritage Society's Friends of Chautauqua Hall has raised funding to carry out a wide range of improvements noted in the report, including repairs and upgrades to the drainage system, wood deck, roofing elements, cladding, windows, and doors. The Heritage Society's Friend of Chautauqua Hall have raised $700,000 of community donations to facilitate this project.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Operating Donations - Bldg Imp. (31)	31-516-6021		$ 700,000			$ 700,000
	Totals	**$ -**	**$ 700,000**	**$ -**	**$ -**	**$ 700,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos



Two Year Capital Improvement Plan

Chinese Pavillion and Moon Gate

Category: Facilities

General Project Information			
Project Code:	CIP 26-06	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	El Marie Dyke Park	Total Estimated Costs:	$ 200,000
Useful Life:	25 years	Annual Depreciation:	$ 8,000

Project Description / Funding Notes

This project will support the construction of a traditional Chinese Pavilion and Moon Gate at El Marie Dyke Park, replacing the existing deteriorated gazebo.

The proposed location was approved by the City Council in 2024 following an assessment of locations. The project will be funded through donations from Monterey Bay Chinese Association. Following design development, the project will undergo the required permitting and review process by the appropriate boards/commissions.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Operating Donations - Bldg Imp. (31)	31-516-6021		$ 200,000			$ 200,000
	Totals	**$ -**	**$ 200,000**	**$ -**	**$ -**	**$ 200,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos



Two Year Capital Improvement Plan

Youth Center Roof Repair

Category: Facilities

General Project Information			
Project Code:	CIP26-07	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Youth Center	Total Estimated Costs:	$ 32,000
Useful Life:	30 years	Annual Depreciation:	$ 1,000

Project Description / Funding Notes

This project will address a known roof leak in the Youth Center above the restroom facility where deterioration has led to water intrusion through the light fixtures. The scope of work will include the replacement of the damaged roofing and rain gutters to restore the roof's integrity and prevent further damage. Timely repairs are essential to avoid more costly future repairs and to ensure the continued operation of the recreational facility. Without a functional restroom, youth programming at this site would be unable to continue.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Recreation Donations - Bldg Imp. (25)	25-422-6021		$ 32,000			$ 32,000
	Totals	**$ -**	**$ 32,000**	**$ -**	**$ -**	**$ 32,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos



Two Year Capital Improvement Plan

City Hall Window and Door Replacement

Category: Facilities

General Project Information			
Project Code:	CIP26-08	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	City Hall	Total Estimated Costs:	$ 32,000
Useful Life:	30 years	Annual Depreciation:	$ 1,000

Project Description / Funding Notes

This project will replace the front door and first-floor office windows in kind to match the original design of the City Hall Entrance. The front door and surrounding trim have sustained significant termite damage, and the office windows no longer close properly. Water intrusion from the damaged windows is causing ongoing deterioration to interior plaster.

Timely replacement is necessary to prevent further structural and interior damage and ensure building security. This project was called out as an "immediate need" in the 2024 City Hall Facility Conditions Assessment.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
McIndoo Donation- Bldg Imp (92)	92-519-6021		$ 23,006			$ 23,006
Yount Income - Bldg Imp. (41)	41-510-6021		8,994			8,994
	Totals	**$ -**	**$ 32,000**	**$ -**	**$ -**	**$ 32,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos





Two Year Capital Improvement Plan

Fire Station Alerting System

Category: Facilities

General Project Information			
Project Code:	CIP26-09	Managing Department:	Public Works / Fire Depts
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Pacific Grove Fire Station	Total Estimated Costs:	$ 100,000
Useful Life:	15 years	Annual Depreciation:	$ 7,000

Project Description / Funding Notes

This project will replace the existing 14-year-old Fire Station alerting system, which dispatches emergency incidents from Monterey County Communications. The current system and speakers are outdated, no longer repairable, and incompatible with the IP-based paging system Monterey County is transitioning to. Since the manufacturer ComTech ceased operations in 2022, replacement parts are unavailable, and most vendors are unfamiliar with the legacy system, reducing reliability.

The new system will be fully compatible with Monterey County's upgraded dispatch platform and will allow simultaneous unit dispatching, improving response times. Additional features include a mobile app for customizable alerts, a digital display with dispatch information, automated text-to-speech for location details, and enhanced audio clarity to reduce the need for repeated communication.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Fire Equipment - Fire Bldg (12)	12-353-6022		$ 100,000			$ 100,000
	Totals	**$ -**	**$ 100,000**	**$ -**	**$ -**	**$ 100,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos



Two Year Capital Improvement Plan

Police Building Roof Repairs

Category: Facilities

General Project Information			
Project Code:	CIP26-10	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Police Station	Total Estimated Costs:	$ 70,000
Useful Life:	30 years	Annual Depreciation:	$ 2,000

Project Description / Funding Notes

This project will address a known roof leak caused by the deterioration of the existing hot mop tar and rolled asphalt roofing, which is over 40 years old and beyond its serviceable life. While the roof has been temporarily patched, permanent repairs are essential to prevent further damage. The project will involve the installation of a new PVC membrane roof, ensuring long-term durability and avoiding more costly infrastructure repairs down the line.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Operating Donations - Bldg Imp. (31)	31-516-6021		$ 70,000			$ 70,000
	Totals	**$ -**	**$ 70,000**	**$ -**	**$ -**	**$ 70,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos



Two Year Capital Improvement Plan

Point Pinos Grill Boiler replacement

Category: Facilities

General Project Information			
Project Code:	CIP26-11	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Golf Course Restaurant	Total Estimated Costs:	$ 40,000
Useful Life:	15 years	Annual Depreciation:	$ 3,000

Project Description / Funding Notes

This project will replace the existing 20-year-old boiler with a new high-efficiency unit. The current boiler has exceeded its serviceable life, is leaking significantly, and replacement parts are no longer available, making repairs unfeasible.

The boiler is essential for providing baseboard heating to the restaurant. Previous facility upgrades, funded via the CIP, included installing a separate water heater for hot water needs, reducing the boiler's load. As a result, a smaller, more energy-efficient boiler can now be installed, creating a more efficient and redundant system.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Golf - Bldg Imp. (77)	77-622-6021		$ 40,000			$ 40,000
	Totals	**$ -**	**$ 40,000**	**$ -**	**$ -**	**$ 40,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos



Sewer Main Replacement - Arena Avenue

Category: Wastewater

General Project Information			
Project Code:	CIP26-12	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Arena Avenue	Total Estimated Costs:	$ 600,000
Useful Life:	70 years	Annual Depreciation:	$ 9,000

Project Description / Funding Notes

This project involves installing a new force main on Arena Avenue (from Sunset Dr to Asilomar Ave) to address known deficiencies in the sewer system. The replacement is critical to maintaining reliable sewer service, protecting the environment, and preventing spills.

The existing line has experienced two failures in this area and is in urgent need of repair to ensure continued safe operation.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Sewer - Sewer Imp. (76)	76-612-6051		$ 600,000			$ 600,000
	Totals	**$ -**	**$ 600,000**	**$ -**	**$ -**	**$ 600,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos



Two Year Capital Improvement Plan

Urban Diversion Station Repair/Recalibration Category: Facilities

General Project Information			
Project Code:	CIP26-13	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Various Locations	Total Estimated Costs:	$ 100,000
Useful Life:	10 years	Annual Depreciation:	$ 10,000

Project Description / Funding Notes

This project will allow a contractor to repair pumps and recalibrate meters for the Urban Diversion System. The Urban Diversion System diverts stormwater runoff from storm drain outfalls to Monterey One Water via the Sewer System.

Repairs are required to ensure accurate reporting to Monterey One Water regarding the amount of stormwater being placed into their systems. Completion of this work is necessary to maintain compliance with reporting requirements and regulatory standards.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
Sewer - Sewer Imp. (76)	76-612-6051		$ 100,000			$ 100,000
	Totals	**$ -**	**$ 100,000**	**$ -**	**$ -**	**$ 100,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY25/26	FY25/26	FY25/26	FY25/26

Project Photos



Two Year Capital Improvement Plan

Crack and Slurry Seal

Category: Transportation

General Project Information			
Project Code:	CIP 27-01	Managing Department:	Public Works
Annual Operating Impact:	None	Council Focus Area:	Infrastructure
Location:	Various Road Segments	Total Estimated Costs:	$ 450,000
Useful Life:	10 years	Annual Depreciation:	$ 45,000

Project Description / Funding Notes

Crack and Slurry sealing is a vital maintenance activity that helps preserve the City's roads against rapid deterioration and potholes due to inclement weather. This is a cost effective maintenance treatment that helps ensure roads remain in good condition for years to come. Streets to receive the crack & slurry seal treatment are identified via the City's Pavement Management Program, maintenance logs, and in- field observations.

Maintenance Of Effort Compliance
This project helps the City maintain eligibility for ongoing Measure X and SB1 funding by meeting Maintenance of Effort (MOE) requirements.

Funding Information / Estimated Project Timeline

Fund Name and Number	Account	Prior Years	FY 25-26	FY 26-27	Future Years	Totals
General Fund CIP - Streets (63)	63-631-6041			$ 200,000		$ 200,000
Measure X - Streets (17)	17-522-6041			250,000		250,000
	Totals	**$ -**	**$ -**	**$ 450,000**	**$ -**	**$ 450,000**

Project Development	Bidding / Contract	Work in Progress	Complete
FY26/27	FY26/27	FY26/27	FY26/27

Project Photos



City of Pacific Grove Capital Budget

Capital Outlay

General and CIP Funds

Listing of Capital Outlay by Department

Department	Item	FY 25-26	FY 26-27
Admin Services - IT	VOIP Phone System Improvements	$ 5,000	$ 5,000
Admin Services - IT	Police Door Access Upgrade	100,000	
Admin Services - IT	City Hall Door Access	140,000	
Admin Services - IT	Redundant Internet And Firewall		43,500
Admin Services - IT	Network Upgrade		62,000
City Council	City Council Chambers Equipment	10,000	
Fire	Equipping New Fire Engine	25,000	25,000
Police	Purchase Of Radios	40,000	40,000
Public Works	Light Fixtures, Poles, Batteries for Solar Lights	50,000	50,000
	Total General Fund	**$ 370,000**	**$ 225,500**
Admin Services - Finance	Replacement ERP/Accounting System - CIP Fund	**$ 150,000**	**$ 350,000**

Additional Information on IT Capital Outlay Items

Redundant Internet and Firewall - The firewall devices and internet connections are critical components of the city's IT infrastructure; however, the city currently lacks redundancy in these areas. This implementation aims to prevent downtime of city services caused by firewall or internet connection failures by providing a redundant internet and firewall. The High Availability Assessment report identified this as a high priority.

Network Upgrade - The network switches that interconnect all the IT equipment at City Hall, the Police Department, and the Library are nearing the end of their operational life and require replacement. This issue was flagged as a high-priority item in the City's High Availability assessment. The implementation plan involves replacing the outdated switches and introducing redundancies to ensure failover and enhance overall availability.

VOIP Improvements - The city's current Voice Over IP (VoIP) phone system lacks proper failover configuration. As a result, a VoIP controller failure could potentially cause communication disruptions. This project focuses on addressing these failover configuration issues to ensure continued communications even in the event of equipment failure.

Police and City Hall Door Access Systems - This is a crucial request to upgrade an obsolete and non-compliant access control system at PD to a newer security-compliant system. Staff is unable to perform updates or make any key card changes; and the current system is no longer supported. This upgrade is essential for the increased security of the Police Department; and addresses the urgent need for enforced security measures. A similar type of system is also being proposed for City Hall.

Capital Outlay Photos





Capital Projects Anticipated Accomplishments

Fiscal Year 2024-25

Project	Project Name	Status of Project	Estimated Completion	Fund No.	Acct	Fund Name	Project Budget
	Street, Sidewalk Improvements (Object 6041)						
CIP23-03	Cedar, Sunset, & Congress Intersection	Work in Progress	FY 24-25	20	6041	RSTP (TAMC)	$ 1,000,000
CIP23-04	David Ave Street Rehabilitation	Work in Progress	FY 24-25	17	6041	Local Streets and Roads	266,157
				76	6041	Sewer	156,000
							422,157
CIP23-16	Safety Lighting at Robert Down Elementary	Complete	FY 24-25	84	6041	ARPA	4,710
CIP23-21	David Ave Sidewalk	Complete	FY 24-25	84	6041	ARPA	662,378
CIP24-01	FY23/24 Street Rehabilitation Project	Complete	FY 24-25	17	6041	Local Streets and Roads	536,088
				47	6041	RMRA SB1	505,049
				63	6041	Capital Improvement	300,000
				76	6051	Sewer	872,000
							2,213,137
CIP24-02	FY23/24 Crack & Slurry Seal Project	Complete	FY 24-25	17	6041	Local Streets and Roads	185,000
				63	6041	Capital Improvement	200,000
				84	6041	ARPA	15,290
							400,290
CIP24-06	Design of Sidewalk Extension for Outside Dining Uses	Complete	FY 24-25	63	6041	Capital Improvement	50,000
CIP25-01	FY 24/25 Street Rehabilitation Project	Project Development	FY 25-26	63	6041	Capital Improvement	300,000
				17	6041	Local Streets and Roads	730,000
				47	6054	RMRA SB1	386,065
				76	6051	Sewer	300,000
							1,716,065
CIP25-02	FY 24/25 Crack & Slurry Seal Project	Project Development	FY 24-25	17	6041	Local Streets and Roads	200,000
				63	6041	Capital Improvement	200,000
							400,000
CIP25-03	Pedestrian Safety - Central Ave & Fountain Ave	Project Development	FY 24-25	63	6041	Capital Improvement	270,000
CIP25-14	Sidewalk Ext at Lighthouse & Fountain	Complete	FY 24-25	63	6041	Capital Improvement	340,000
CIP25-15	Sidewalk Projects at Sinex & Sunset	Project Development	FY 24-25	63	6041	Capital Improvement	175,000
	Streets						**$ 7,653,737**

Capital Projects Anticipated Accomplishments

Fiscal Year 2024-25

Project	Project Name	Status of Project	Estimated Completion	Fund No.	Acct	Fund Name	Project Budget
	Park, Open Space Improvements (Object 6031)						
CIP22-13	Backstop Replacement Municipal Ball Park	Complete	FY 24-25	84	6041	ARPA	$ 25,736
				92	6031	McIndoo Donation	17,529
				93	6031	Koo Estate Donation	7,000
				63	6031	Capital Improvement	96,000
							146,265
CIP22-21	GW Park Playground & ADA Compliant Playground	Complete	FY 24-25	63	6031	Capital Improvement	81,952
				84	6031	ARPA	25,000
							106,952
CIP23-22	Recreation Board's Park Inventory	Complete	FY 24-25	84	6031	ARPA	25,071
CIP24-05	George Washington Park (GWP) Enhancement Project	Complete	FY 24-25	63	6031	Capital Improvement	50,000
CIP25-11	Pico Ave & Crocker Ave Stormwater Improvements	Complete	FY 24-25	46	6031	Strong Disbursement	45,000
CIP25-16	Butterfly Sanctuary Fencing	Project Development	FY 24-25	63	6031	Capital Improvement	75,000
CIP25-17	GW Park Ball Field Drainage	Complete	FY 24-25	63	6031	Capital Improvement	50,000
CIP25-18	Pickleball/Tennis Court Resurfacing & Sound Fencing	Contract	FY 24-25	63	6031	Capital Improvement	47,000
CIP25-19	ADA Access at GW Park	Project Development	FY 24-25	63	6031	Capital Improvement	25,000
	Parks/Open Space						**$ 570,288**
	General Building Improvements (Object 6021)						
CIP18-46	Tide Pool & Point Pinos	Complete	FY 24-25	63	6021	Capital Improvement	$ 2,875,205
CIP23-05	Point Pinos Lighthouse Roof Repair	Project Development	FY 24-25	27	6021	Lighthouse	60,000
CIP23-07	Museum Mezzanine Upgrades	Complete	FY 24-25	08	6021	Museum Improvement	75,000
CIP23-08	Museum Basement Moisture Control	Complete	FY 24-25	08	6021	Museum Improvement	40,000
CIP23-10	Fire Station Roof Repair	Complete	FY 24-25	84	6021	ARPA	59,476
CIP23-12	Fire Dept. Bathroom & Shower Remodel	Complete	FY 24-25	84	6021	ARPA	152,277
CIP25-05	PG Museum Flooring Replacement	Bids/RFP	FY 24-25	08	6021	Museum Improvement	35,000
CIP25-06	Museum Roof Repair - Storage Garage	Project Development	FY 24-25	08	6021	Museum Improvement	17,000
CIP25-07	Point Pinos Lighthouse Electrical Panel	Complete	FY 24-25	27	6021	Lighthouse	20,000
CIP25-08	Golf Course Water Heater	Complete	FY 24-25	77	6021	Golf	20,000
CIP25-09	Library Door Repair	Complete	FY 24-25	84	6021	ARPA	22,000
CIP25-10	Recreation Trail Improvements - Esplanade Park	Work in Progress	FY 25-26	46	6021	Strong Disbursement	20,000
	Building						**$ 3,395,957**

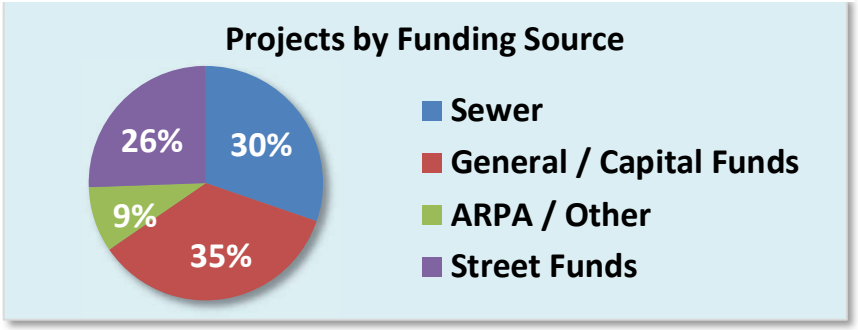
Capital Projects Anticipated Accomplishments

Fiscal Year 2024-25

Project	Project Name	Status of Project	Estimated Completion	Fund No.	Acct	Fund Name	Project Budget
	Sewer System Improvements (Object 6051)						
CIP22-03	Phase 9 Sewer Improvements	Complete	FY 24-25	76	6051	Sewer	$ 997,387
CIP23-06	Pump Station Replacement	Bids/RFP	FY 24-25	76	6051	Sewer	337,095
CIP24-03	Priority Stormwater Repair Project on Syida Dr	Project Development	FY 24-25	63	6054	Capital Improvement	100,000
CIP24-04	Sewer Collection System Master Plan Projects 1,6 & 9	Work in Progress	FY 24-25	76	6051	Sewer	1,800,000
CIP25-04	Community Center Sewer Repairs	Complete	FY 24-25	76	6051	Sewer	50,000
	Sewer						**3,284,482**
	Grand Totals						**$ 14,904,465**

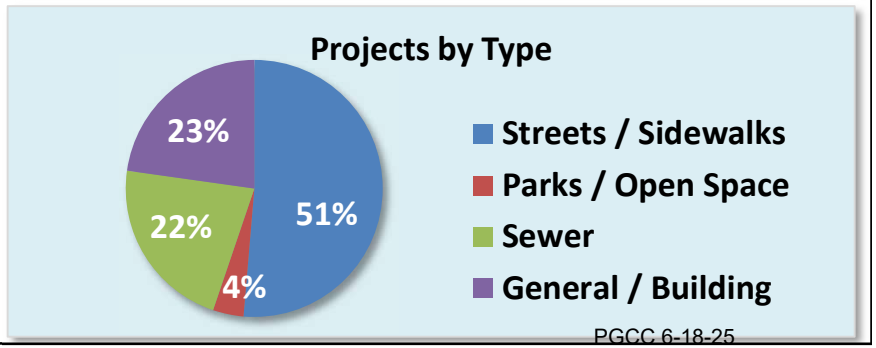
Fund No.	Fund Name	Budget
8	Museum Improvement	167,000
17	Local Streets and Roads	1,917,245
20	RSTP (TAMC)	1,000,000
27	Lighthouse	80,000
46	Strong Disbursement	65,000
47	RMRA SB1	891,114
63	Capital Improvement	5,235,157
76	Sewer	4,512,482
77	Golf	20,000
84	ARPA	991,938
92	McIndoo Donation	17,529
93	Koo Estate Donation	7,000
		$ 14,904,465

Significant progress is expected to be made on these projects from the current year's budget, with outstanding encumbrances at the end of the fiscal year carried over to Fiscal Year 2025-26 with a corresponding adjustment to the City's capital budget. These projects addressed the City's four areas of focus.



Project Count

% of Projects with a Status of	**% of Total**
Project Development	9
Complete	22
Work in Progress	4
Bids/RFP	2
Contract	1
	38



City of Pacific Grove Budget

Ten Years Trends / City Comparisons

This section presents detailed trend information as a context for understanding what the information in the forecast and transmittal letter about the City's overall financial health, and how it compares with its comparable agencies on a financial basis. Unless noted, the information in these schedules is derived from the most recent annual comprehensive financial reports.

Financial Analysis and Trends

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117 Fund Balances of Governmental Funds
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Other Trend Information

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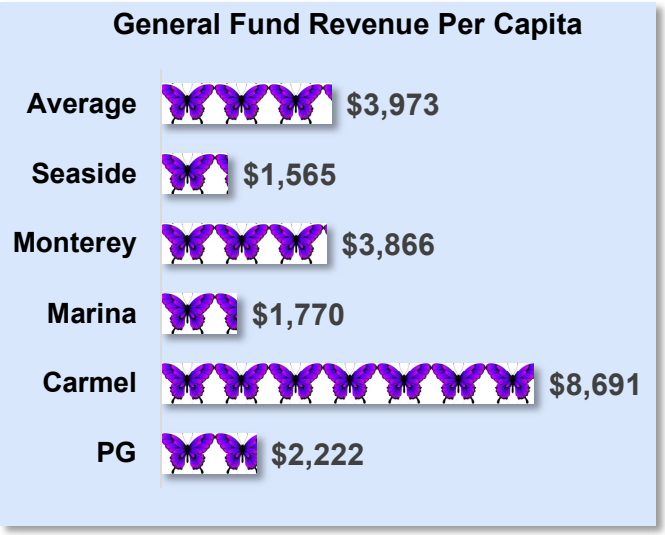


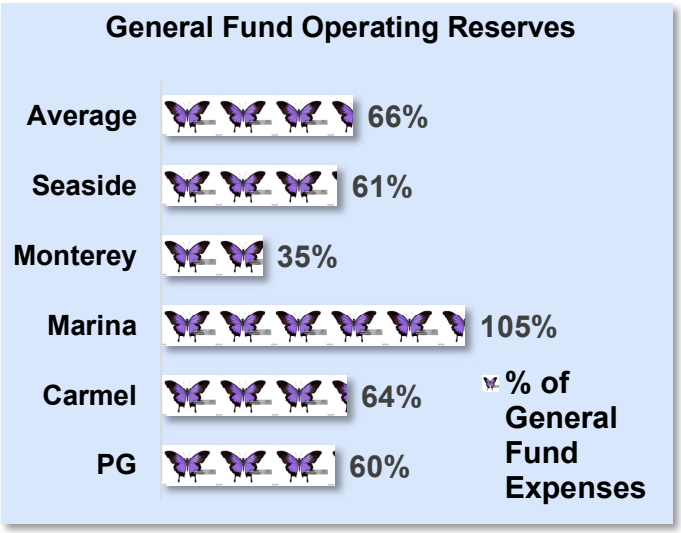
Lovers Point

City of Pacific Grove Budget
Statistical Comparisons of Selected Agencies
Fiscal Year 2023-24

	PG	Carmel	Marina	Monterey	Seaside	Average
Population	14,966	3,122	22,695	27,106	30,197	20,780
Employees	105	80	122	445	178	206
General Fund Revenues						
Total Revenues	33,249,760	27,133,782	40,176,982	104,803,040	47,246,550	54,840,089
Revenues Per Capita	2,222	8,691	1,770	3,866	1,565	3,973
Tax Revenues	27,336,521	22,780,525	29,695,777	68,866,026	41,981,559	40,830,972
% of Total Revenues	82%	84%	74%	66%	89%	74%
General Fund Expenses	29,471,820	25,740,423	31,346,759	95,573,719	44,583,722	49,311,156
Public Safety	12,359,031	9,057,317	13,351,348	50,787,551	26,542,882	24,934,775
Development	3,318,117	2,979,672	3,911,380	6,524,266	2,562,000	3,994,330
Public Works / Transportation	4,399,770	5,192,057	200,958	7,976,095	4,572,734	4,485,461
Recreation / Library / Museum	2,700,224	1,351,865	1,250,619	17,016,146	5,385,795	6,251,106
Debt Service	1,506,652	83,724	429,503	49,695	496,936	264,965
Admin / Other	5,188,026	7,075,788	12,202,951	13,219,966	5,023,375	9,380,520
Long-Term Liabilities	70,561,807	37,530,029	95,032,923	258,585,431	94,719,094	121,466,869
Pension Liability	55,021,695	29,203,964	29,593,077	189,284,049	64,121,663	78,050,688
% of Gross Liability Funded	76%	68%	76%	71%	76%	73%
Claims / Other Debt	5,439,950	4,567,703	24,690,163	47,322,980	16,714,178	23,323,756
Other Business Type Debt	6,045,056		35,950,000	9,913,651	2,669,391	16,177,681
OPEB Liability - LT Portion	3,035,380	3,073,519	3,556,826	8,261,538	9,758,653	6,162,634
Compensated Absences	1,019,725	684,842	1,242,856	3,803,212	1,455,208	1,796,530
General Fund Reserves	17,581,788	20,306,904	47,193,974	60,077,454	30,993,165	39,642,874
Operating Reserves	17,581,788	16,427,787	32,797,005	33,193,926	26,992,355	27,352,768
Pension/OPEB/Leave Liability		3,124,794	7,400,000	8,218,769	4,000,810	5,686,093
Capital Projects and Outlay			6,996,969	18,664,759		12,830,864
Reserves % of Expenses	60%	64%	105%	35%	61%	66%

Note: The cities chosen were based on them being of similar size and closeness in location to Pacific Grove.





City of Pacific Grove
Fund Balances of Governmental Funds
Last Ten Fiscal Years

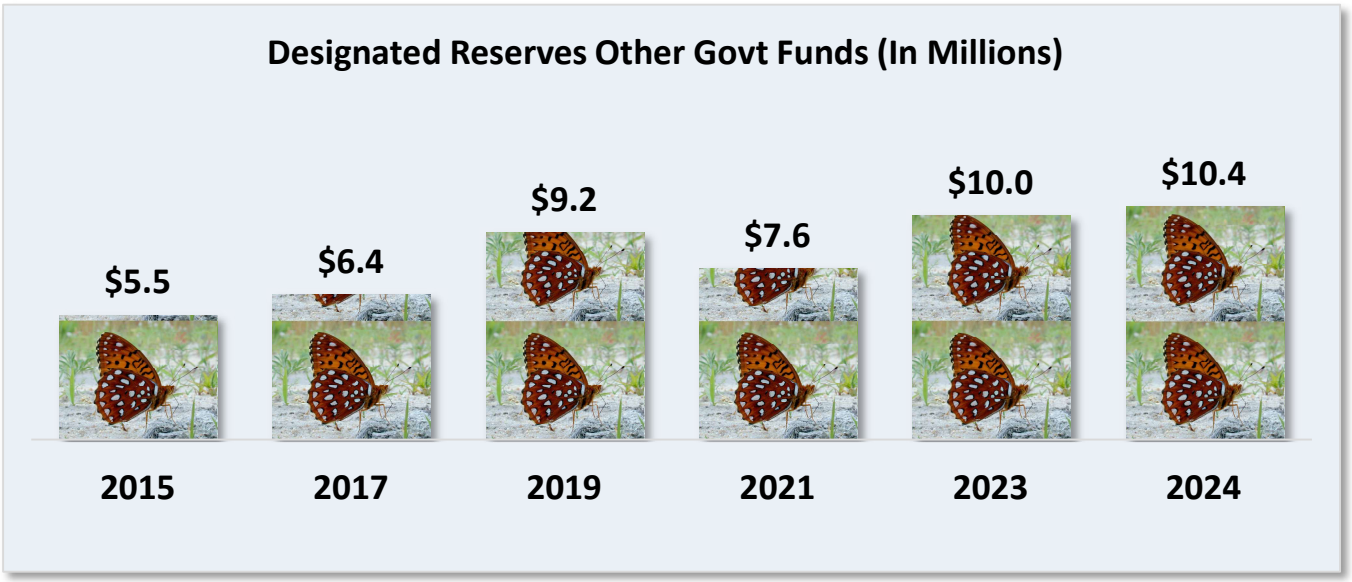
	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable					
Prepaid assets	$ 25,878	$ 27,904		$ 210,824	$ 31,373
Leases Receivable / Permanent Funds					
Assigned / Committed	240,922	261,771	$ 279,660	286,638	268,962
Unassigned	7,956,937	9,632,848	11,352,442	11,365,650	11,230,241
Total General Fund	**$ 8,223,737**	**$ 9,922,523**	**$ 11,632,102**	**$ 11,863,112**	**$ 11,530,576**
All other governmental funds					
Unreserved, undesignated, reported in:					
Nonspendable					
Prepaid assets	$ 4,215				
Leases Receivable					
Loans Receivable					
Permanent funds	2,643,651	$ 2,761,263	$ 2,855,521	$ 2,899,737	$ 3,029,024
Restricted					
Social service programs	507,885	622,022	549,372	704,968	832,061
Public safety	377,053	482,400	772,241	908,239	842,518
Community development	1,801,999	1,786,526	2,057,868	2,120,819	3,414,820
Lost revenue recovery					
Street improvements	179,252	570	104,510	223,651	1,190,141
Debt service	63,579	90,746	90,746	23,207	
Assigned					
Capital projects					
Unassigned	(32,658)	157,765	19,306	(57,994)	(86,180)
Total all other governmental funds	**$ 5,544,976**	**$ 5,901,292**	**$ 6,449,564**	**$ 6,822,627**	**$ 9,222,384**

Source: City of Pacific Grove Finance Department



City of Pacific Grove
Fund Balances of Governmental Funds
Last Ten Fiscal Years (Continued)

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable					
Prepaid assets				$ 18,486	$ 17,099
Leases Receivable / Permanent Funds			$ 19,762		
Assigned / Committed	$ 100,398	$ 97,042	85,816		12,033,000
Unassigned	9,713,336	9,910,606	12,129,809	15,006,867	5,531,689
Total General Fund	**$ 9,813,734**	**$ 10,007,648**	**$ 12,235,387**	**$ 15,025,353**	**$ 17,581,788**
All other governmental funds					
Unreserved, undesignated, reported in:					
Nonspendable					
Prepaid assets			$ 26,300		
Leases Receivable			792		
Loans Receivable				$ 1,313,168	
Permanent funds	$ 3,129,132	$ 3,190,775	3,166,699	3,262,465	$ 3,492,262
Restricted					
Social service programs	723,787	748,183	610,617	732,292	1,261,146
Public safety	808,626	764,767	418,637	355,266	358,064
Community development	2,424,125	1,632,662	1,630,814	1,586,315	2,411,089
Lost revenue recovery			293,369	1,074,164	895,169
Street improvements	1,291,650	1,292,481	1,604,411	1,676,616	1,943,221
Debt service					
Assigned					
Capital projects				22,626	360,196
Unassigned	(9,020)	(8,349)	(22,553)	(40,122)	(350,967)
Total all other governmental funds	**$ 8,368,300**	**$ 7,620,519**	**$ 7,729,086**	**$ 9,982,790**	**$ 10,370,180**



City of Pacific Grove

General Governmental Tax Revenues by Source

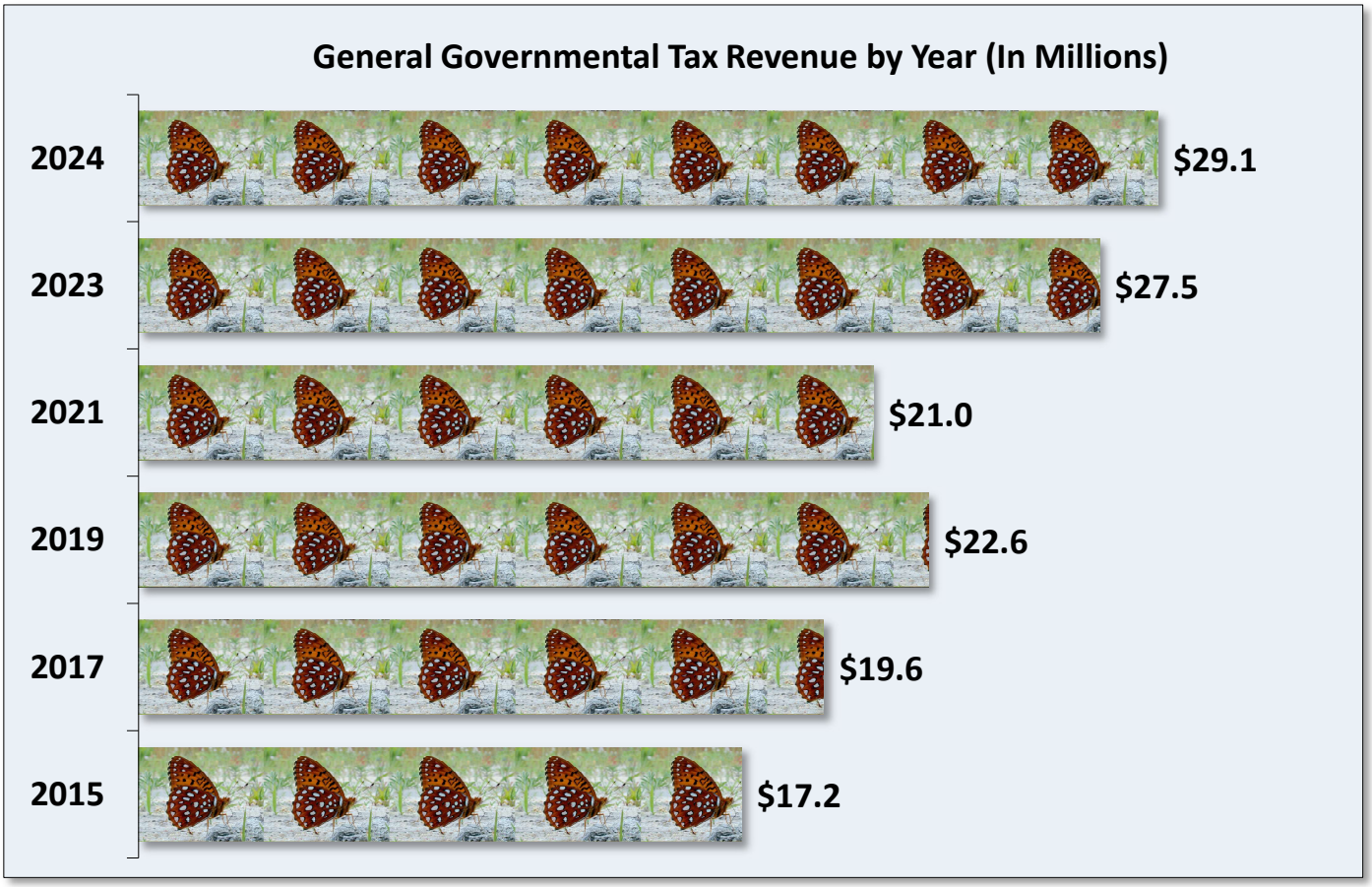
Last Ten Fiscal Years

Fiscal Year Ended June 30	Property	Sales and Use	Franchise	Transient Occupancy	Utility Users	Business License	Other Taxes	Total
2015	$ 5,836,174	$ 3,534,495	$ 975,090	$ 4,998,885	$ 1,428,360	$ 359,408	$ 102,627	$ 17,235,039
2016	6,226,267	3,325,809	1,041,653	5,364,317	1,594,143	341,071	146,945	18,040,205
2017	6,557,824	4,159,401	915,094	5,829,610	1,593,887	402,881	125,487	19,584,184
2018	6,851,928	4,075,744	1,082,574	6,656,849	1,688,876	381,810	121,192	20,858,973
2019	7,306,184	5,139,045	1,226,524	6,796,087	1,641,172	370,655	110,554	22,590,221
2020	7,632,399	4,765,472	1,176,215	5,310,063	1,643,614	396,533	110,823	21,035,119
2021	8,191,673	5,000,873	1,392,700	3,978,577	1,858,652	361,674	222,242	21,006,391
2022	8,573,969	5,630,320	1,489,888	6,821,183	1,940,677	371,310	231,389	25,058,736
2023	9,330,981	6,734,940	1,620,136	7,105,256	2,097,934	425,691	165,613	27,480,551
2024	**10,001,561**	**7,146,935**	**1,682,562**	**7,375,869**	**2,118,068**	**644,911**	**177,881**	**29,147,787**

Notes/Analysis:

The City's property tax revenues have increased at a steady pace over the past ten years primarily related to changes in ownership and annual increases allow under the State's Proposition 13 which governs growth in

Source: City of Pacific Grove Finance Department



City of Pacific Grove
General Fund Revenues by Source
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes	Intergovern-mental	Licenses Permits & Impact Fees	Fines and Forfeitures	Charges for Services	Interest, Rents & Concessions	Other Revenues	Total
2015	$ 16,532,093	$ 163,543	$ 440,403	$ 49,714	$ 983,061	$ 433,491	$ 589,932	$ 19,192,237
2016	17,358,914	229,671	481,304	127,740	1,367,494	355,293	893,646	20,814,062
2017	18,805,809	111,092	576,779	110,665	1,545,556	265,903	561,992	21,977,796
2018	19,754,218	87,478	521,403	282,841	1,643,238	259,883	370,158	22,919,219
2019	21,018,950	92,206	547,193	169,534	1,585,098	553,032	398,817	24,364,830
2020	19,741,066	171,317	576,735	179,797	1,456,261	523,280	708,420	23,356,876
2021	19,679,908	116,159	873,727	36,984	1,538,638	213,705	909,176	23,368,297
2022	23,412,682	150,517	913,160	37,397	1,877,203	(1,805)	1,215,986	27,605,140
2023	25,799,639	146,946	1,083,985	460,058	1,678,855	390,656	1,949,182	31,509,321
2024	**27,336,521**	**278,308**	**1,322,285**	**314,242**	**1,737,498**	**1,125,585**	**1,135,321**	**33,249,760**

Source: City of Pacific Grove Finance Department



City of Pacific Grove
Net Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property				Personal Property	Total Assessed Value	Total Direct Tax Rate
	Residential	Commercial	Other	Total			
2015	$ 2,438,540,047	$ 229,888,967	$ 35,379,902	$ 2,703,808,916	$ 38,757,828	$ 2,742,566,744	16.2%
2016	2,582,410,785	238,447,123	33,362,264	2,854,220,172	40,617,474	2,894,837,646	16.2%
2017	2,747,369,747	246,883,728	36,894,923	3,031,148,398	41,950,516	3,073,098,914	15.9%
2018	2,918,531,066	265,910,702	30,645,309	3,215,087,077	42,996,800	3,258,083,877	15.9%
2019	3,112,639,411	265,486,441	48,587,979	3,426,713,831	42,749,505	3,469,463,336	15.9%
2020	3,307,434,783	274,948,202	53,236,808	3,635,619,793	46,292,980	3,681,912,773	15.9%
2021	3,484,607,327	279,870,522	58,693,772	3,823,171,621	46,589,365	3,869,760,986	15.9%
2022	3,670,449,106	281,994,698	58,996,880	4,011,440,684	43,436,617	4,054,877,301	15.9%
2023	3,981,692,067	318,373,164	65,800,233	4,365,865,464	45,441,570	4,411,307,034	15.9%
2024	**4,254,675,761**	**322,149,604**	**137,205,601**	**4,714,030,966**	**43,183,029**	**4,757,213,995**	**16.1%**

Notes / Analysis:
Rates are based on a $100 of taxable value. Exempt values are not included in Total.
With the passage of a constitutional amendment (Proposition 13) and subsequently enacted State legislation, property is assessed according to a base year rather than on a % of market value. Accordingly, a reliable estimate of actual value of

Source: Monterey County Assessor Combined Tax Rolls, HdL Companies, Coren & Cone

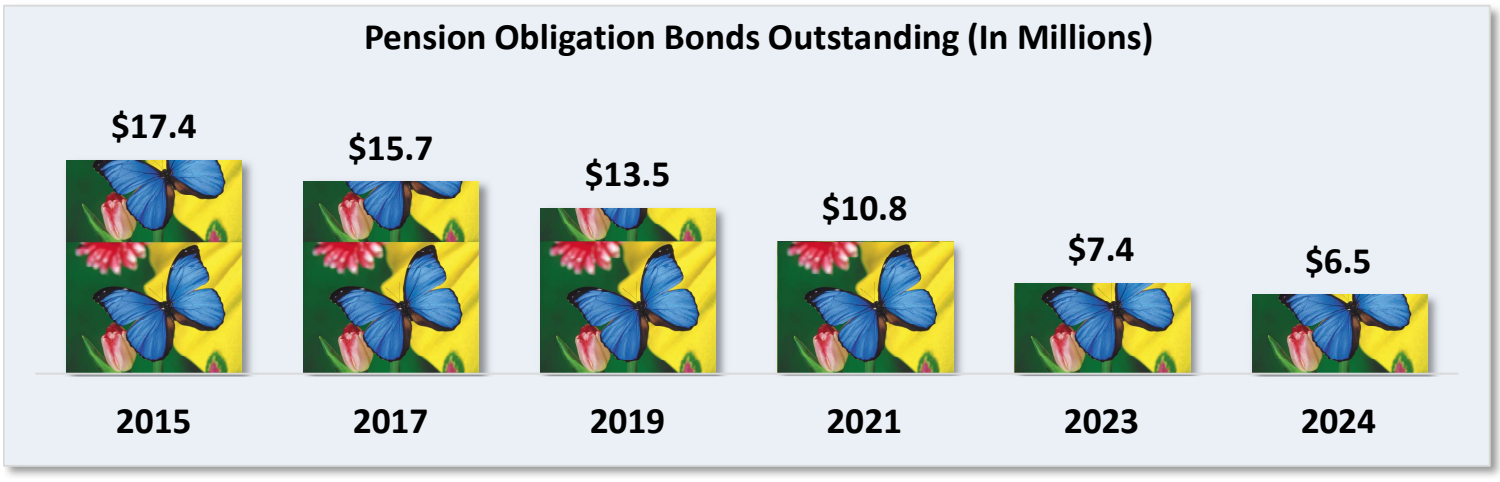


City of Pacific Grove
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2015	2016	2017	2018	2019
Governmental Activities:					
General obligation bonds	$ 257,439	$ 175,057	$ 89,194		
Pension obligation bonds	17,431,558	16,625,139	15,712,560	$ 14,680,804	$ 13,522,530
Capital leases	200,761	82,534	16,787		
PG & E Loan					145,110
SBITA Liability					
Total Governmental Activities	**17,889,758**	**16,882,730**	**15,818,541**	**14,680,804**	**13,667,640**
Business-type Activities:					
Revenue bonds - Wastewater refunding bonds	1,103,096	1,052,184	999,045	943,812	886,575
Site Lease - Golf course	3,044,767	2,903,599	2,756,223	2,602,366	2,441,744
Certificates of participation - Golf course					
Capital Leases					
Loan - Local water project, State loan		960,522	6,308,658	5,328,076	5,174,788
Loan - PG & E Loan					7,791
Total Business-type Activities	**4,147,863**	**4,916,305**	**10,063,926**	**8,874,254**	**8,510,898**
Total Primary Government	**$ 22,037,621**	**$ 21,799,035**	**$ 25,882,467**	**$ 23,555,058**	**$ 22,178,538**
Personal income	$ 675,827,000	$ 717,389,000	$ 740,117,000	$ 766,209,000	$ 759,116,000
Debt as percentage of personal income	3.26%	3.04%	3.50%	3.07%	2.92%
Population	15,394	15,352	15,498	15,660	15,883
Debt per capita	1,432	1,420	1,670	1,504	1,396
Assessed value	2,894,837,646	3,073,098,914	3,073,098,914	3,258,083,877	3,469,463,336
Debt as percentage of assessed value	0.76%	0.71%	0.84%	0.72%	0.64%

Sources:

US Department of Commerce
California Department of Finance
HdL Companies
City of Pacific Grove Finance Department

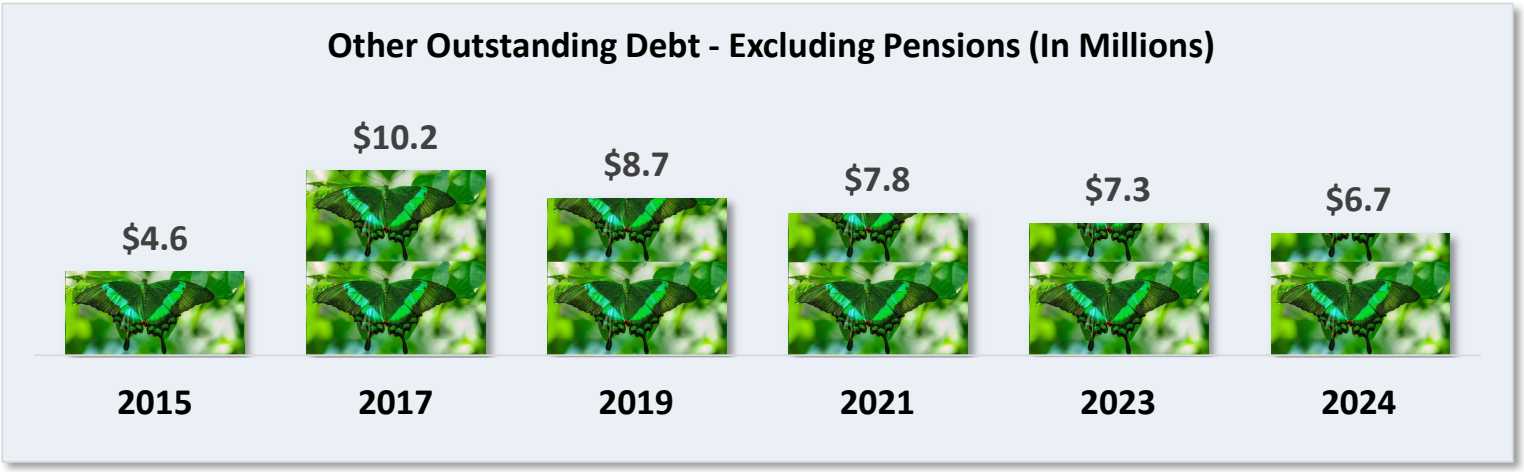


City of Pacific Grove

Ratios of Outstanding Debt By Type (Continued)

Last Ten Fiscal Years

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Governmental Activities:					
General obligation bonds					
Pension obligation bonds	$ 12,228,861	$ 10,785,885	$ 9,179,235	$ 7,403,565	$ 6,458,191
Capital leases					
PG & E Loan	121,696	98,281	74,866	51,451	31,403
SBITA Liability				317,788	200,738
Total Governmental Activities	**12,350,557**	**10,884,166**	**9,254,101**	**7,772,804**	**6,690,332**
Business-type Activities:					
Revenue bonds - Wastewater refunding bonds	827,487	766,573	703,945	639,629	573,704
Site Lease - Golf course	2,274,059	2,099,001	1,916,244	1,725,451	1,526,268
Certificates of participation - Golf course					
Capital Leases					
Loan - Local water project, State loan	5,020,088	4,863,840	4,706,030	4,546,643	4,385,661
Loan - PG & E Loan	4,869	1,947			
Total Business-type Activities	**8,126,503**	**7,731,361**	**7,326,219**	**6,911,723**	**6,485,633**
Total Primary Government	**$ 20,477,060**	**$ 18,615,527**	**$ 16,580,320**	**$ 14,684,527**	**$ 13,175,965**
Personal income	$ 776,384,000	$ 795,868,000	$ 816,648,000	$ 832,496,000	$ 971,497,000
Debt as percentage of personal income	2.64%	2.34%	2.03%	1.76%	1.36%
Population	15,265	15,536	14,761	14,741	14,966
Debt per capita	1,341	1,198	1,123	996	880
Assessed value	3,681,912,773	3,869,760,986	4,054,877,301	4,411,307,034	4,757,213,995
Debt as percentage of assessed value	0.56%	0.48%	0.41%	0.33%	0.28%



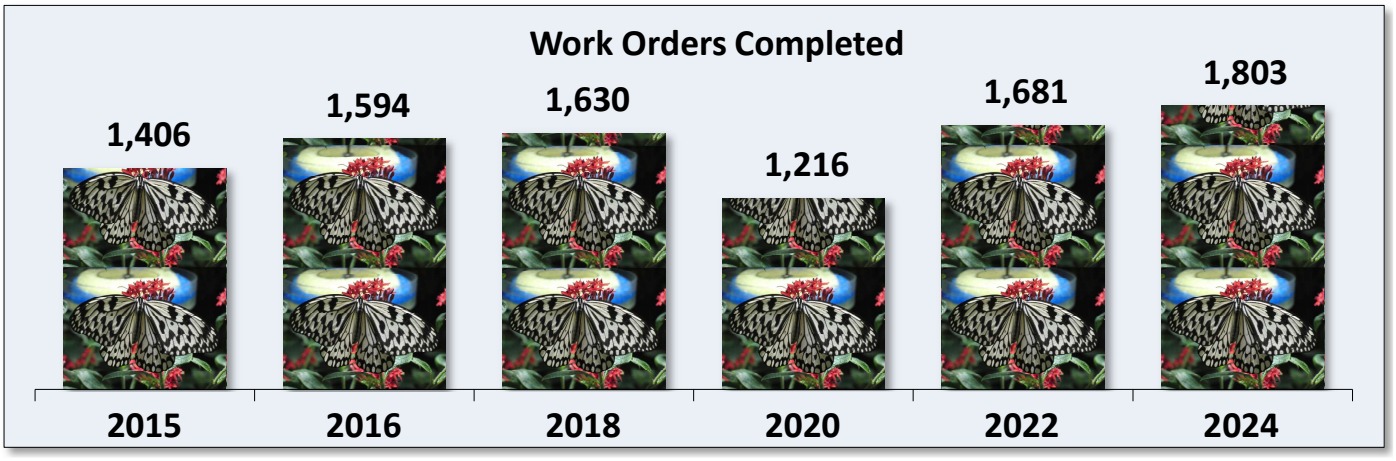
City of Pacific Grove
Operating Indicators By Function
Last Ten Fiscal Years

	For Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function:										
Police										
Calls for service	17,627	21,521	15,359	18,032	20,350	18,902	15,875	19,266	12,284	13,214
Fire										
Calls for service	1,584	1,764	1,604	1,694	1,877	1,740	1,772	2,033	2,257	1,948
Inspections	177	182	484	703	1,006	197	62	201	109	668
Recreation										
Park reservations	318	328	348	299	273	645	90	2,166	878	1,502
Special events	14	16	18	18	18	24	-	3	21	26
Recreation registrations	N/A	N/A	N/A	N/A	N/A	667	414	1,168	1,653	2,009
Public Works										
Potholes patched	121	100	108	58	108	75	N/A	100	116	103
Work orders completed	1,406	1,594	1,620	1,630	1,606	1,216	1,198	1,681	1,579	1,803
Tree Permits Issued	96	329	354	360	508	434	363	276	295	218
Library (in thousands)										
Circulation of materials	283	291	289	288	328	188	84	180	223	283
Reference questions	25	29	26	21	15	19	5	13	34	18
Community Development										
Building Permits	525	576	429	429	520	1,095	1,203	1,278	1,040	1,054

Analysis/Notes:

Due to COVID-19 restrictions, some indicators for Recreation, Library, and Special Events were limited in prior years.

Source: City of Pacific Grove Finance Department

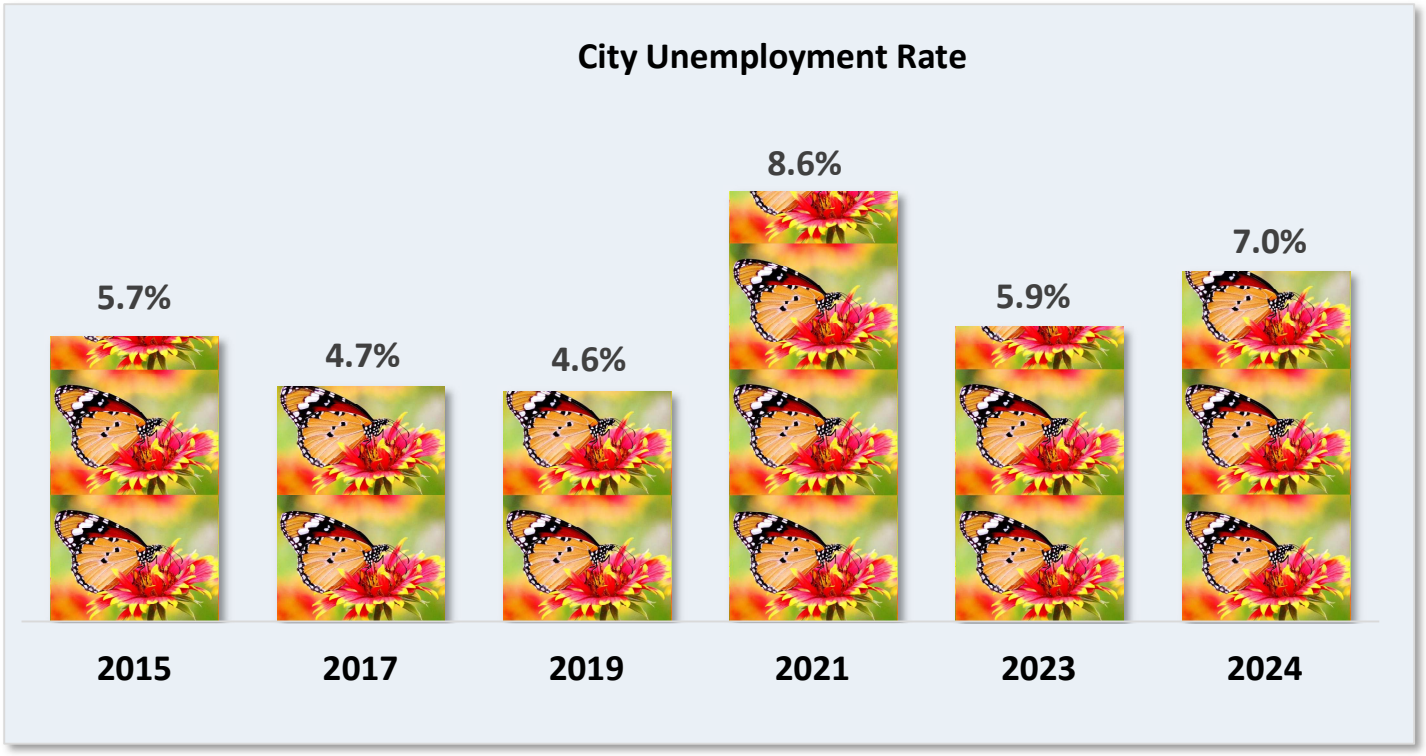


City of Pacific Grove
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	City Unemployment Rate	Total Personal Income (In thousands)	Per Capita Personal Income	Median Age	% of Population 25+ with High School Diploma	% of Population 25+ with Bachelor's Degree
2015	15,394	5.7%	$ 675,827	$ 43,902	49.3	96%	50%
2016	15,352	5.1%	717,389	46,729	49.3	95%	50%
2017	15,498	4.7%	740,117	47,756	48.8	96%	52%
2018	15,660	4.9%	766,209	48,928	49.0	96%	53%
2019	15,883	4.6%	759,116	47,794	49.0	96%	51%
2020	15,265	5.1%	776,384	50,860	48.5	96%	53%
2021	15,536	8.6%	795,868	51,227	48.9	97%	54%
2022	14,761	9.1%	816,648	55,325	48.3	96%	55%
2023	14,741	5.9%	832,496	56,475	48.0	96%	55%
2024	**14,966**	**7.0%**	**971,497**	**64,914**	**49.2**	**96%**	**57%**

Sources:

California Department of Finance and HdL Companies
California Employment Development Department
U.S. Department of Commerce, Bureau of Economic Analysis
California Board of Equalization



City of Pacific Grove

Number of City Employees by Department

Last Ten Fiscal Years

	For Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Departments:										
General Government	14	14	14	17	16	17	17	17	18	18
Public Safety	34	34	37	34	34	34	33	34	34	34
Public Works	22	20	20	21	23	23	23	20	20	20
Recreation	15	14	14	14	14	14	3	5	7	10
Library	10	12	12	12	12	11	5	8	8	9
Community Development	8	8	8	8	10	9	8	8	8	8
Business-type Activities:										
Cemetery	2	1	1	2	2	2	2	2	2	3
Sewer	6	4	5	5	5	5	5	5	5	5
Total	**110**	**107**	**110**	**112**	**116**	**115**	**95**	**99**	**102**	**105**

Analysis/Notes:

Reflects the authorized full-time positions in each budget year.

Includes Council Members and Mayor.

Note that the City Attorney, Museum and Golf Course are operated on a contract basis without City

Source: City of Pacific Grove Budget Document



City of Pacific Grove Budget

Financial Policies

This section includes the City's key financial policies and the calendar related to the development of the budget. All of the financial policies of the City are on its website at https://www.cityofpacificgrove.gov under the Finance subsection of the Administrative Services section of the website.

Policy		Policy	
128	Financial Policy Summaries	139	Basis of Accounting and Budgeting
129	Fee and Cost Recovery	140	Fund Reserve Policies
131	Investments	141	Fixed Asset Policies
137	Budget and Financial Management	142	Debt Management
137	Budget Process	144	Council Goals
138	Cost Allocation		



Perkins Park

City of Pacific Grove
Financial Policy Summary

A summary is provided below and in Note 1 to the Basic Financial Statements, with all at the City's website and detailed ones for the budget, reserves, debt and investments in the budget document.

Budget / Purchasing



Purchasing and budget amendments over $40,000 require Council approval:

- Budget Control: Board approval is required for increases at the fund level
- Balanced Budget: Revenues should be >= operating expenses
- Monitoring: Regular Board reports on financials / budget adjustments

General Fund Reserves



Below are the reserve policy levels set by the Council for the General Fund.
Note that operating expenses include debt service and departmental capital outlay:

- Operating: Should be at least 25% of Operating Budget
- Pension: Should be a minimum of $1,000,000
- Capital: Should be a minimum of $1,000,000

Capital Assets



Below are the policies established by the Agency for its capital assets:

- Basis: Recorded at cost or donated estimated fair market value
- Threshold: $5,000 minimum for capital outlay, $50,000 for CIP
- Useful Life: 5-100 years based upon type of asset

Debt



Below are the policies established by the City for its long-term debt:

- Debt Coverage: 125% recommended
- % Annual Budget: 15% Maximum
- Term: 30 Years Maximum

Reserves Other Funds



Below are the reserve policy levels set by the Council for Other Funds:

- Golf Fund: Should be 25% of Revenues of Fund
- Insurance Funds: Should be 75% of Claims Liabilities
- Sewer Fund: Should cover 2 Years of Capital Projects

Policy Governing	Policy No.	Effective Date	Page No.
Fees, Charges and Cost Recovery	400-4	June 15, 2011	1 of 2

I. Purpose

The purpose of the policy is to guide the City Council's establishment of fees for service, fines, and other charges for service, in order to help ensure consistency in fee setting rationale. The policy is intended to provide broad guidance for service areas, without providing detailed guidance for all fee categories

It is the City Council's intent that the policy may be amended over time to address additional services and evolving economic circumstances.

II. Policy Of The City

The City establishes fees according to Pacific Grove Municipal Code Chapter 6.02. Pursuant to Article XIIIB of the California Constitution, it is the intent of the City Council to recover a portion or all costs reasonably borne for providing government services to the extent such cost recovery reflects the appropriate balance of general revenue support and fees paid by the individual(s) benefiting from the service.

For enterprise services, in which the City is offering products or services for which the customer has broad market choices, the City may choose to set rates based on current market conditions. This includes facility rentals, cemetery sales, recreational programs, land use, or similar enterprises. This market-based approach provides the City with the ability to optimize revenue beyond recovering the cost of providing the service. These market-based rates accurately reflect the value received by the customer.

In setting fees, City staff shall prepare fees for City Council consideration, based on cost recovery levels in the subsequent table. The listed percentage or methodology represents the combined cost recovery level for the department. Individual fees within each department may be established at a lower rate to encourage the desired performance; however, the overall departmental fees should be within the listed ranges.

All staff assigned to hourly-based services, such as special events, inspections, or related tasks will be charged at the fully burdened hourly rate.

III. Cost Recovery Policies

Service	Cost Recovery Method
Administration, City Clerk, Libraries	At least 30% of costs
Consideration may need to be given to the recovery percentage, such as limitations on certain fees imposed by the State, election code, or similar entities.	
Community Development	80-100% of costs
Public Works	80-100% of costs
Public Safety	30-50% of costs
Hyperbaric Chamber	80-100% of costs
City Facility Rental	
Private parties	Market
Non-profit organizations	Market
Ongoing, frequent, or unique rental (e.g., weekly classes, or street closure)	Discount from Market
City–sponsored events	No charge
Special Events	
For-profit sponsor	Market; however at least 100% costs
Non-profit sponsor	100% of costs
Events designated “traditional” by City Council	No charge
Recreation	Market; however at least 30% of costs
Cemetery	Market; however at least 80% of costs
Golf	Determined through concessionaire

Adopted June 2, 2010 (Resolution No. 10-044)
Adopted June 15, 2011 (Resolution No. 11-052)
Adopted September 19, 2018 (Resolution No. 18-033)

Policy Governing	Policy No.	Effective Date	Page No.
Investments	400-5	June 4, 2025	1 of 5

I. Purpose

This policy is intended to provide guidelines for the prudent investment of the City's temporary idle cash and reserves, and to outline the procedures for managing the City's treasury, in accordance with the guidelines of the California Municipal Treasurer's Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and Association of Public Treasurers of the United States and Canada (APTUSC).

II. Scope

This investment policy applies to all financial assets of the City. These funds are accounted for in the City's Annual Comprehensive Financial Report and include:

General Fund	Special Revenue Funds	Enterprise Funds
Capital Project Funds	Internal Service Funds	Permanent Funds

III. Standard of Care

In accordance with California Government Code, Section 53600.3, the "prudent investor" standard of care shall be applied to managing the City's investment portfolio. Pursuant to this standard, when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the investor shall act with care, skill, prudence, and diligence under the circumstances then prevailing. This includes, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character, with similar aims, to safeguard the principal and maintain liquidity for the City.

Credit risk is the possibility that deterioration of an issuer's creditworthiness or potential default on its bonds will adversely affect the value of its bonds. This shall be mitigated by limiting investments to those allowed by this policy. Market or Interest Rate risk is defined as market value fluctuations due to changes in market price, should be mitigated by avoiding selling securities prior to maturity and investing operating funds primarily in shorter-term securities, money market funds or similar investment pools, thereby limiting the average maturity of the portfolio.

Authorized individuals acting in accordance with written procedures, the investment policy and exercising due diligence, shall be relieved of personal responsibility for a specific security's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner, and appropriate action is taken to control adverse developments from impacting the portfolio.

IV. Objective

The City's investment objective is to enhance the economic condition of the City while ensuring the safety of the funds invested. The City attempts to obtain the highest yield on its investments consistent with the criteria established for safety and liquidity. The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible.

The three principal factors that are considered when making investments are listed below based on their level of priority:

Safety. Safety means limiting the potential for loss of principal, interest, or a combination of the two.

Liquidity. Liquidity refers to the ability to convert an investment to cash promptly with a minimal risk of losing principal or interest. A portion of the portfolio should be maintained in liquid short-term securities that can be converted to cash if necessary to meet disbursement requirements.

Yield. Yield is the average annual return on an investment based on the interest rate, price, and length of time to maturity. The City attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met.

The City's investment strategy is passive, therefore, the basis used to determine whether market yields are being achieved should be to identify a comparable benchmark to the City's average portfolio duration (i.e., 1 Year Treasury Bill, CAMP, LAIF). Benchmarks may change over time based on changes in the market or cash flows.

V. Investment Responsibility

The City Treasurer is responsible for investing the City's funds in accordance with California Government Code, Sections 53600, et seq. and 53635, et seq. The City's Administrative Services Director serves as the City Treasurer. Staff members of the Finance Division may be assigned to perform day-to-day treasury activities related to investments. The Deputy Director of Finance (Senior Program Manager) may serve as Acting City Treasurer in the absence of the Administrative Services Director.

VI. Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from any activity that could conflict with proper execution or management of the investment program, or which could impair their ability to make impartial investments decisions. This includes refraining from undertaking personal investment transactions with the same individual who is conducting business with the City.

The Administrative Services Director and the Deputy Director of Finance (Senior Program Manager) shall file a State Fair Political Practices Commission's Statement of Economic Interests annually.

VII. Internal Controls

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft, or misuse. The internal control structure should be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgement management. The internal controls should include the following:

VII. Internal Controls (Continued)

- **Wire Approvals:** Dual approval of investment wire transfers from the City
- **Separation of Duties:** Separation of transaction authority from accounting and recordkeeping
- **Safekeeping:** Custodial safekeeping
- **Delegation:** Clear delegation of authority to subordinate staff members
- **Documentation:** Support confirming each investment transaction
- **Approval Levels**: Establishment of wire authorization approval levels for staff
- **Reconciliations:** Regular Review of investment transactions and statements to the City's general ledger
- **Audit**: Independent review by the external auditor as part of the City's annual audit

VIII. Diversification

Investments shall be diversified among institutions, types of securities, and maturities to maximize safety and yield with changing market conditions.

IX. Safekeeping

All investments of the City shall have the City of Pacific Grove as registered owner or shall be kept in the custody of the City or by a qualified safekeeping institution.

X. Interest Allocation

Except for cash in separate restricted accounts, the City will pool cash balances from all funds for investments to maximize earnings and efficiencies with regards to investment administration. The Finance division shall allocate interest to funds based upon their average cash balances and in accordance with Generally Accepted Accounting Principles (GAAP). All earnings not allocated shall be recorded in the General Fund.

XI. Permitted Investment Instruments

The Treasurer shall invest only in the following investments and only under the guidelines provided herein. Investment in these instruments shall not have a term exceeding five years from the date of purchase.

A. **Certificates of Deposit** Non-Negotiable Certificates of Deposits will be made only in FDIC or FSLIC insured accounts. For deposits in excess of the insured maximum of $250,000, approved collateral shall be required in accordance with Government Code 53652 and/or 53651 (m) (1). Investment in these instruments shall be limited to financial institutions that, in the Treasurer's opinion, are of high quality.

B. **Securities of the U.S. Government or its Agencies** Includes obligations issued by Federal Home Loan Banks, Government National Mortgage Association, Farm Credit System, the Federal Home Loan Bank, Federal Home Loan Mortgage Association, Federal National Mortgage Association, or obligations or other instruments of or issued by a federal agency or a United States Government sponsored enterprise.

C. **Treasury Bills and Notes** U.S. Treasury Bills, Notes, Bonds, or Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

D. **Local Agency Investment Fund (LAIF)** Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account (PMIA). Maximum investment is subject to state regulation. LAIF investments are available for City use.

E. **CAMP Investment Pool** California Asset Management Program (CAMP or the Program) is a California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. Investments offered through the Cash Reserve Portfolio (the Pool or the CAMP Pool) and CAMP Term are permitted for all local agencies under California Government Code Section 53601(p).

F. **CLASS and Cal Trust Investment Pools** Both of these are Joint Powers Authority investment pools that provide public agencies with the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law with the primary objectives of offering participants safety, daily and next-day liquidity, and optimized returns.

G. **State / Local Agency Debt Issues** Must be rated "A" or better by a nationally recognized rating agency. except for the Agency's own bonds, which may have any rating. These issues include the following:

   i. Registered state warrants or treasury notes or bonds of the State of California and bonds, notes, warrants, or other evidence of indebtedness of any local agency within California, including bonds payable solely out of the revenues from a property owned, controlled, or operated by the state or local agency.

   ii. Registered treasury notes or bonds of any of the 49 U.S. States in addition to the State of California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 U.S. States.

H. **Money Market Funds** These must be registered with the Federal Securities and Exchange Commission (SEC), have over $500 million in total assets and only invest in either U.S. Government or federal agency securities, or other investment instruments specifically included in the local investment policy.

I. **Debt Reserve Funds** Only debt service funds may be invested in the securities listed above for a period exceeding five years, so long as their maturities coincide with the expected use of funds.

The purchase of any security not listed above, but permitted by the California Government Code, is prohibited unless the City approves the investment either specifically or as a part of an investment program approved by the City. Sales prior to maturity are permitted. It is also recognized that in a changing interest rate environment, it may be financially advantageous to sell investments at a book value loss in order to reinvest into a more profitable security.

XII. Investment Pools

The City's investment policy authorizes participation in the California LAIF, CLASS and CAMP investment pools. A review of these pools should be conducted on a periodic basis. Best efforts will be made to acquire the following information:

- **Eligible Securities**: Description of eligible investment securities, and a written statement of policy
- **Interest Allocation:** Description of interest calculations and how gains and losses are distributed
- **Safeguarding of Securities:** Description of how the securities are safeguarded
- **Audit:** Copy of the most recent independent audit report
- **Authorizations:** Description of who may invest in the program
- **Statements:** Schedule for receiving statements and portfolio listings
- **Fees:** Information on how and when fees are assessed
- **Bond Proceeds:** Acceptance or eligibility to receive bond proceeds

XIII. Investment Reports

Reports shall be submitted to the City Council quarterly and include the following data:

- Name of financial Institution for individual investments
- Totals by investment category
- Book and market values and interest yields
- Compliance with investment policy
- Maturity dates on individual investments
- Percentage of the portfolio represented by each investment category

The report shall include a statement denoting the ability of the City to meet its expense requirements for the next six months or provide an explanation as to why sufficient monies or may not be available during the next six months. The report should include information on overall economic conditions, including trends with inflation, unemployment, sales and treasury rates. Background information on these pools should be included in the report, including information on the distribution of their investments and their interest rate trends.

XIV. Investment Policy Adoption

The policy shall be reviewed every two years by the Administrative Services Director and any modifications made must be submitted to the City Council for their approval.

Adopted September 15, 2010, Resolution 10-078
Amended October 21, 2015, Resolution 15-055
Amended August 17, 2016, Resolution 16-047
Amended June 19, 2019, Resolution 19-016
Amended August 4, 2021, Resolution 21-025

Subject	Policy Number	Effective Date	Page
Budget and Financial Management	400-6	June 4, 2025	Page 1 of 7

I. Purpose

This policy is established to help ensure that the City's resources should be available to fund ongoing City services, incorporating local economic conditions and the City Council's service priorities and that the City's financial resources are managed in a manner that fosters transparency and confidence among the City Council, citizenry, and staff. The operating and capital budgets should be designed in accordance with the budget award programs of the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO).

II. Budget Process

Budget management occurs throughout the year, with ongoing City Council direction and public input. The City uses a five-year fiscal planning horizon, in which the two year budget is the first two years of the forecast. The forecast helps decision makers identify important trends and understand long-term consequences of budget decisions. It is a model based on cost and revenue assumptions that is updated periodically. Since the degree of revenue and expense uncertainty increases with each year, the forecast only suggests relative future financial conditions based on economic assumptions made in later years.

The annual budget process begins by February with City Council discussion of goals for the following year. At this meeting, staff present the mid-year report and if completed an updated five year fiscal forecast, including any mid-year budget adjustments required and estimates of revenues for the following year(s) and baseline expenditure assumptions regarding existing staffing levels and other costs required to continue the current service levels. Using this information, the City Council provides direction to staff on goals for the following budget year and the future five-year forecast, including goals for services and capital projects and the additional funding or expenditure reduction required to achieve the goals.

The Finance Division of the Administrative Services Department distributes budget instructions and baseline staffing cost information to department managers for developing the budget. The City Manager and Administrative Services Director work with department directors to develop the budget consistent with Council goals and guidelines previously approved.

The City Manager and Administrative Services Director finalize the recommended budget and present an overview of the General Fund portion to the City Council in May. The complete budget is presented at the first City Council meeting in June. After public input and discussion at this meeting, the City Council directs any needed modifications to the budget and introduces an ordinance to adopt the budget. At the second reading of the ordinance at a subsequent regular City Council meeting, the budget is adopted and effective July 1st of the fiscal year. The Administrative Services Director may make any non-substantive changes afterwards to meet the Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officer (CSMFO) budget award program comments and criteria.

III. Cost Allocation

The City uses a formal cost allocation plan and fee study which serves as the basis for allocating central support department costs to operational functions and developing overhead rates. Central support departments include: City Council, City Attorney, City Manager, Administrative Services, Mechanical and Building and Grounds Maintenance. Costs are allocated based on the support activities, including number of financial transactions, square footage of buildings, number of computers, percent of budget, and number of full-time equivalent employees. Indirect costs are charged to the City's enterprise and internal service funds based on this method; however, the basis is unique to each fund.

IV. Operating Budget

Budget Adoption: The City Council shall adopt an annual operating budget as part of a two year budget, pursuant to Article 29 of the City Charter, prior to the start of the fiscal year.

Revenue Contingencies: General Fund revenue projections for a year may include a negative contingency reserve of up to 2% of total revenues, depending on the direction of the economy. The need for such a contingency can be reevaluated after January 1st of the budget year.

Expense Contingencies: The budget may include an expenditure contingency in the General Fund up to 2%, designed to account for unexpected costs or to spend on projects required to advance City Council goals, expressed either explicitly or through the City Council's work plan.

Balanced Budget: The operating budget should include revenues sufficient to fund operating expenditures. Reserves may be used as a resource to fund operations, with City Council approval of such use and a plan for funding future operations within annual anticipated revenues.

Maintenance: The budget should provide for maintenance and timely replacement of fixed assets and equipment working within the fiscal constraints of the City.

Reporting: After the end of the fiscal year, staff shall present a report to the Council estimating the year-end results for the preceding fiscal year. This report shall compare budgeted amounts with the most recent year to date actual figures. Staff shall strive to present to the Council the final Annual Financial Comprehensive Report (ACFR) in January with the final budget and actual figures for the prior fiscal year.

Budget Control: Appropriations are approved at the fund level. All budget amendments where the net impact of the change increases the overall budget of a fund must be approved by the City Council.

Departments: For budget purposes, programs and departments are defined as follows:

- City Council
- Legal Services
- City Manager's Office
- Economic Development (City Mgr)
- Administrative Services / Risk Mgmt
- Community Development
- Police Services
- Fire and Emergency Medical Services
- Library
- Museum
- Recreation
- Public Works / Enterprise Activities

The City Manager or their designee may transfer funds within a given fund and between department appropriations to ensure that program budgets can adapt throughout the year to evolving circumstances. Departmental appropriations in the 5100 series of the chart of accounts (salary and benefits) that reflect salary and benefit savings, may not be used to offset expenditures in the 5200 series of account codes (services and supplies) or the 6000 series of account codes (capital expense) without the approval of the City Manager or designee.

V. Five Year Forecast

Staff shall maintain a five-year General Fund fiscal forecast to include revenues, expenditures, as well as the net results of operations and the beginning and ending fund balances for each year of the forecast. The five year forecast should include descriptions of the assumptions used for projecting future revenues and expenditures which account for recent trends including inflation, the five year CIP, employee memorandums of understanding (MOUs), debt service schedules and actuarial reports on pension obligations from CalPERS.

VI. Capital Improvement Plan

The City should adopt a five-year capital improvement and maintenance plan, with the first two years of the plan to be appropriated as part of the operating budget. The purpose of the plan is to identify and prioritize capital project needs. The budget shall also include capital expenditures; where possible, such capital expenditures will be funded with non-recurring revenues or grants. At least the first two years of the plan should be fully funded, with funding shortfalls and challenges identified in future years.

All estimated construction, maintenance, and operating costs and potential funding sources for each proposed capital improvement should be identified. The City should finance only those capital improvements consistent with the adopted capital improvement plan as amended and City priorities.

VII. Basis of Accounting and Budgeting

Financial statements are prepared in accordance with General Accepted Accounting Principles and all relevant Pronouncements promulgated by the Governmental Accounting Standards Board (GASB). All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets (usually within 60 days of the end of the fiscal year).

Expenditures are generally recognized for governmental funds under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt, which is recognized when due. All proprietary fund types and nonexpendable trust funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

The budgeting basis is the same as the basis of accounting, except for the exclusion of non-cash expenditures, such as depreciation, changes to the pension and OPEB liability, amortization of bond premiums and discounts, and for proprietary funds, the inclusion of capital expenses, debt service and loan proceeds. Finance is authorized to carryover any unspent and encumbered funds from the prior year for operations and capital projects and any other unspent funds for active capital projects, to be reappropriated in the current year's budget for continued use in the same manner so long as there are sufficient available fund balances to finance these commitments.

VIII. Annual Audit and Reporting

The City shall undertake an annual independent audit. The City's Annual Comprehensive Financial Report (ACFR) should be completed no later than December 31 of each year and shall be in accordance with auditing standards established by the Governmental Accounting Standards Board (GASB).

Staff should prepare the ACFR and the related Popular Annual Financial Report (PAFR), a summary of the ACFR, in accordance with the GFOA Certificate Program and include the independent auditor's opinion. A separate "management letter" shall be issued by the auditor that will address weaknesses and include recommendations for improvements in internal control and accounting procedures.

In addition to the reports mentioned above, the following are required to be issued on an annual basis:

- Single Audit reports are required when the City receives at least $1 million of direct or pass through federal grants.
- The City shall prepare the following reports in a format as prescribed by the State.
    - State Controller's Report
    - Appropriations (Gann) Limit
    - Employee Compensation
    - Impact Fees

IX. Fund Reserves

Reserves are established to ensure that sufficient resources should be maintained in the specified funds listed below in amounts sufficient to manage reasonable risks, meet unanticipated needs, capitalize on opportunities, and provide for reasonable contingencies. Further, reserve balances should be categorized and prioritized in accordance with GASB Statement #54, which are classified as either committed, assigned, or unassigned.

If reserve balances fall below the stated target amount, the City will strive to restore reserves to the stated level within four fiscal years. The actual City reserve balances shall be reported each year, along with City reserve policy levels. The reserve information should appear in the ACFR. Unrestricted fund balance levels will be sufficient to meet funding requirements for approved programs or projects which are carried forward from the prior year; debt service reserve requirements; commitments for encumbrances; and other restrictions, commitments or assignments required by contractual obligations, state law and generally accepted accounting principles.

X. General Fund Reserves

The City should maintain a minimum unassigned fund balance of at least 25% of operating and debt service expenditures in the General Fund for fiscal stability, cash flow, contingencies and strategic opportunities, including addressing the following in accordance with policies developed by the GFOA:

- Revenue source stability, local disasters and other downturns in the local or national economy
- Contingencies for unseen operating or capital needs
- Strategic investment opportunities in the community approved by Council
- The need to provide short-term bridge financing to other funds
- Institutional changes, such as State budget takeaways and unfunded mandates

X. General Fund Reserves (Continued)

Reserves should not be used to fund ongoing costs or projected systemic "gaps." on a perpetual basis. They should be restricted to one-time or short-term uses. The Council may also commit or assign specific General Fund balance levels above the reserve target for capital replacement (based upon the five year capital improvement program), technology and vehicle replacement (based upon future expected replacement costs), unfunded pension and compensated absence liabilities or other long-term goals that it determines to be in the best interests of the City, with a minimum reserve level of $500,000 each for unfunded liabilities related to pension and compensated absences, and capital replacement.

In any fiscal year where revenues and transfers in exceed expenditures and transfers out, the annual surplus for the fiscal year should be allocated first to help meet the reserve policies for the General and Insurance Internal Service Funds. Any remaining surplus should be allocated ⅓ towards reserves for capital, technology and vehicle replacement, ⅓ towards addressing unfunded pension and long-term liabilities, and ⅓ towards other Council priorities or to build up reserves for the future.

XI. Golf Fund Reserves

The purpose of the Golf Fund is to enable the operation of the golf course as an enterprise without operating subsidies from the General Fund, unless deliberately authorized. The City should maintain establishes a target reserve level of 25% of budgeted expenditures of the Golf Fund for the fiscal year, to be used for capital improvements, cash management, and for unexpected operating expenses.

XII. Sewer / Insurance Internal Service Funds Reserves

The Sewer Fund should maintain a reserve to fund at least two years of projects to be funded by the Sewer Fund in the City's five year capital improvement plan and as a rate stabilization reserve. The Insurance funds should maintain a balance of current assets equal to 75% of total liabilities, or higher, should actuarial analysis conclude an imminent higher risk to the City for losses. Note that for these insurance funds the City's Self-Insured Retention Limit is $150,000 per claim.

XIII. Capitalization Policy

All capital outlay with an original cost > $5,000 and a useful life > one year is subject to capitalization.

The capitalization threshold is applied to individual units of fixed assets:

- To be adjusted in increments of $1,000 based upon changes in the Consumer Price Index (CPI)
- Repair costs for fixed assets to be capitalized when it extends the useful life of the asset
- For construction in progress, no depreciation is recorded until the asset is placed in service
- The City shall use the straight-line method for depreciating all fixed assets
- Depreciation should begin in the fiscal year the asset is placed in service

Any capital Improvement project related to buildings, infrastructure, machinery, or equipment, with a useful life > one year and a total cost (including installation) > $50,000 or more is subject to capitalization. This amount should be adjusted in increments of $5,000 in future years, based on changes in the Engineering Construction Index (ENR). Capital project appropriations should remain in effect for the life of the project unless modified by the City Council.

Fixed assets acquired by gift, donation or payment of a nominal sum not reflective of the asset's market value shall be assigned cost equal to the fair market value at the time of receipt.

XIII. Capitalization Policy (Continued)

The following represents the useful life schedule to be used for capital outlay and capital projects:

Description	Useful Life (In Years)
Buildings	20-100
Machinery, equipment and furniture	5-7
Infrastructure:	
Improvements other than buildings	5-30
Sidewalks, curbs, gutters, streets, storm drains	20-50
Traffic signals / Street signs	15
Park equipment	10-50

XIV. Property Acquisition and Disposition

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

XV. Cash and Investments

The City shall manage the treasury in compliance with California Government Code Section 53600, City Council Policy 400-5 and investment policy standards established by the California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Committee (CDIAC) and the Association of Professional Treasurers of the US and Canada (APTUSC). The policy should be reviewed by the Administrative Services Director on an annual basis, with any necessary revisions presented for consideration as needed by the City Council. Investment reports shall be presented to the City Council on a quarterly basis and warrant listings on a monthly basis. The selection of investments shall be based on considerations of safety, liquidity, and yield, in order of decreasing priority.

XVI. Debt Management

The City should manage its debt in conformance with policies established by CDIAC and SB 1029, which provide the parameters to be addressed in a debt policy, including the purposes for which debt proceeds may be used, the types of debt that may be issued, the relationship of the debt to, and integration with, the capital improvement program or budget, the policy goals related to the City's planning goals and objectives, and the internal control procedures implemented to ensure the proceeds of a proposed debt issuance will be directed to the intended use. All issuance of debt requires prior City Council approval.

Long-term borrowing should be restricted to the purpose of funding capital improvement projects and equipment. The use of long-term borrowing for ongoing operations should be avoided. The term of the debt should not exceed the expected useful life of the object of the financing. Debt obligations shall be prioritized in the budget process and payments shall be made in a timely and efficient manner. The annual bonded debt service should not exceed 15% of the annual budget. Staff will time the issuance of debt to ensure that funds are available as needed for projects in the City's Capital Program and to integrate those costs into its five year forecast and into its projections of fund reserve levels and how they align with reserve goals established by City Council, including ensuring that the debt service has been incorporated into its rate studies as applicable.

XVI. Debt Management (Continued)

The types of long-term debt that can be issued include the following:

- Revenue Bonds / Bond Anticipation Notes
- Certificates of Participation or Lease Revenue Bonds
- Federal and State Government Loans (Includes USBR/SRF/WIFIA)
- Lines of Credit / Refunding Bonds / Privately Placed Debt (Bank Loans)
- Loans, including Equipment / Capital Lease Financing and Commercial Paper
- Assessment and Special Tax (Mello Roos) Bonds

Refunding techniques should be employed where appropriate to allow for restructuring of outstanding debt to remove or change restrictive covenants, and/or to reduce annual debt service in an amount sufficient to justify the costs related to restructuring the debt, usually considered to be savings with a net present value of at least 3%.

In circumstances where short-term borrowing (i.e., fewer than 12 months) is required to ensure cash flow demands may be met, either Tax and Revenue Anticipation Notes (TRAN), interfund loans or a commercial line of credit can be used, factoring in costs and administrative efficiencies.

The City will use the following internal controls regarding the use of bond proceeds: a.) Finance staff to review the approved use of bond proceeds with department staff authorized to initiate contracts to ensure proper use of funds. b.) Finance will educate staff responsible for preparing purchase orders and processing payments as to proper account coding and items that can be expended using bond proceeds and c.) the Administrative Services Director will review and approve all draw-down requests.

XVII. Long-Term Interfund Loans

City Council approval is required prior to the establishment of an interfund loan agreement of more than one year, incorporating the following terms into the interloan agreement;

- A specific repayment date for the loan
- Borrowing fund should pay interest at least at the rate earned on the City's pooled investments
- Specific revenue pledged to repay the loan based on realistic expectations for receipt
- Funds pledged for repayment must be above the funds needed for annual operations; and
- Interfund loans may be made from grant funds only if specifically authorized by the grantor

Acronyms

USBR	United States Bureau of Reclamation
SRF	State Revolving Fund
WIFIA	Water Infrastructure and Innovation Act

Adopted:	Resolution 11-086 November 2, 2011
Amended:	Resolution 14-063 October 1, 2014
Amended:	Resolution 15-055 October 21, 2015
Amended:	Resolution 16-048 September 7, 2016
Amended:	Resolution 18-008 March 7, 2018

City Of Pacific Grove
City Council Policy – Council Goals

Policy Governing	Policy No.	Effective Date	Page
Council Goals	000-26	November 17, 2021	1 of 1

I. Procedure

1. Following a general election all newly elected Councils will prepare a set of Council goals and accompanying strategies during the first quarter, i.e. January 1 – March 31.
2. Council goals will normally build on prior Councils' goals but reflect changing city priorities.
3. Ideally Council goals are SMART (**S**pecific, **M**easurable, **A**chievable, **R**elevant, and **T**ime- Bound).
4. The council's goals should be reviewed by the City Manager for achievability. For example, goals may require additional resources.
5. Council goals form the basis for the City's spending plan priorities - the adopted annual fiscal year budget.
6. The City Manager is responsible for providing direction to City staff to determine the implementation process.
7. The City Manager, in coordination with staff, creates a corresponding work plan to measure progress and provide a "scorecard" of the effort.
8. City Manager provides periodic work plan updates to Council.

Adopted November 17, 2021 - Resolution No.21-032


CITY OF PACIFIC GROVE, CA.
INC. 1889

City of Pacific Grove Budget

Appendix

This section provides further information on the City, including an explanation (with related website links) of key terms used in the document as part of the glossary and of the acronyms of associated entities. The section also contains the resolution adopted by the Board as part of the approval of the budget, information on debt obligations, including maturity schedules, and an index of sections of the budget document.

Section		Section	
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147	Long-Term Debt Obligations	154	Glossary
150	Budget Ordinance	156	Index
151	Gann Limit and Resolution		



City of Pacific Grove
Budget Calendar

Feb

- Mid-Year Report: Finance prepares report with mid-year adjustments
- 5 Year Forecast: Finance presents updated forecast to Council and Public
- Budget Preparation: Departments develop drafts of their two year budgets

Feb-May

- Goals: Departments develop with expected accomplishments
- Budget: Finance oversees preparing revenue / ISF charge estimates
- Capital Program: Public Works develops using dept input / establishes rankings
- Rate Study Draft: Initial Drafts Presented to Council and Public

Mar-May

- Meetings: Finance/ City Manager holds internal budget meetings
- Personnel: Finance and Human Resources update projections
- BID/HID: Sends out notice to Public and holds 1st Reading Ordinance
- Fee Changes: Holds public hearing on fees for General Fund

May

- Budget/CIP: Public Works and Finance presents to Council and Public
- Five Year Forecast: Finance updates forecast
- Document: Finance addresses CSMFO/GFOA comments on budget

May-June

- Website: Finance updates with proposed budget for Public
- Budget/CIP: Finance prepares Budget and Capital Executive Summaries
- Public Hearing: Board holds for Public and adopts budget/capital program

May-June

- Awards: Budgets submitted to GFOA/CSMFO for awards programs
- Website: Finance posts budget on website and in accounting system
- New Rates: City Staff implements New Rates

Aug-Dec

- Quarterly Reports: Finance prepares quarterly reports for Council
- Audit: Annual Financial Audit takes place
- Annual Reports: CAFR and PAFR issued in accordance with GFOA standards

Key Budget Dates:

Mid-Year Budget Update:	February	Fee Public Hearings:	May/June
Budget Public Hearings:	May/June	Budget Adoption:	June

City of Pacific Grove
Long-Term Debt Obligations per ACFR
For the Year Ended June 30, 2024

Governmental Activities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in more than One Year
Publicly Offered:						
Taxable Pension Obligation Bonds	$ 2,671,688	$ -	$ (478,599)	$ 2,193,089	$ 464,276	$ 1,728,813
Accreted Interest	4,731,877	459,626	(926,401)	4,265,102	985,725	3,279,377
Subtotal	7,403,565	459,626	(1,405,000)	6,458,191	1,450,001	5,008,190
Direct Borrowing:						
PG&E Loan	51,451	-	(20,048)	31,403	12,562	18,841
SBITA Liability	317,788	20,846	(137,896)	200,738	105,745	94,993
Totals	**$ 7,772,804**	**$ 480,472**	**$ (1,562,944)**	**$ 6,690,332**	**$ 1,568,308**	**$ 5,122,024**

Taxable Pension Obligation Bonds

On June 1, 2006, the City issued Taxable Pension Obligation Bonds in the principal amount of $19,365,355. The bonds were part of the California Statewide Communities Development Authority Taxable Pension Obligation Bonds Program. The purpose of the bonds is to provide monies to meet the unfunded accrued actuarial liability ("UAAL") to the California Public Employee's Retirement System ("PERS"). Semi-annual payments are due on June 1 and December 1. Interest on the bonds ranges from 5.67% to 6.12% and will mature on June 1, 2029.

The annual debt service requirements were as follows for the Pension Obligation Bonds:

Fiscal Year	Principal	Interest	Total
2025	$ 464,276	$ 985,724	$ 1,450,000
2026	451,350	1,048,650	1,500,000
2027	437,699	1,107,301	1,545,000
2028	425,418	1,169,582	1,595,000
2029	414,346	1,235,652	1,649,998
Totals	**$ 2,193,089**	**$ 5,546,909**	**$ 7,739,998**

PG&E Loan

The City benefited from the on-bill financing program offered by PG&E, which is a non-interest bearing, reimbursement basis loan to install energy-efficient equipment. Individual PG & E loans have been issued for various City locations. All loans mature beginning on February 15, 2022, and conclude on December 15, 2026.

Subscription Payable

The City entered into subscription agreements with various vendors for software. The terms of the agreements are ranging from 24 months to 130 months. The calculated interest rates range from 1.85% to 3.25%. As of June 30, 2024, the capitalized right-to-use assets related to SBITAs were $298,136 and the total subscription liability was $200,738.

The future subscription payments are as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 105,745	$ 7,185	$ 112,930
2026	18,843	4,481	23,324
2027	12,117	9,540	21,657
2028	12,341	7,255	19,596
2029	12,570	5,130	17,700
2030-2032	39,122	4,164	43,286
Total	$ 200,738	$ 37,755	$ 238,493

Business Type Activities

A summary of changes in long-term liabilities for business-type activities is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in more than One Year
Publicly Offered:						
2013 Wastewater Revenue Refunding Bond	$ 639,629	$ -	$ (65,925)	$ 573,704	$ 70,044	$ 503,660
Direct Borrowing:						
Clean Water Revolving Fund Loan	4,546,643	-	(160,982)	4,385,661	162,592	4,223,069
2014 Golf Course Site Lease	1,725,451	-	(199,183)	1,526,268	207,941	1,318,327
Total	**$ 6,911,723**	**$ -**	**$ (426,090)**	**$ 6,485,633**	**$ 440,577**	**$ 6,045,056**

2014 Golf Course Site Lease

The City entered into a $3,130,505 Site Lease dated September 1, 2014 with Umpqua Bank to Refund the 2014 Golf Course Certificate of Participation. The lease bears interest at 4.35% with debt service payments due on February 1st and August 1st through 2030. The lease is secured by the transfer of property rights to Umpqua Bank. The annual debt service requirements were as follows for the 2014 Golf Course Site Lease:

Fiscal Year	Principal	Interest	Total
2025	$ 207,941	$ 64,156	$ 272,097
2026	217,085	55,012	272,097
2027	226,631	45,466	272,097
2028	236,597	35,500	272,097
2029	247,000	25,096	272,096
2030-2031	391,014	17,131	408,145
Total	$ 1,526,268	$ 242,361	$ 1,768,629

Clean Water State Revolving Fund Loan

In November 2015, the City secured State Water Resources Control Board ("SWRCB") funding for the construction of a recycled water treatment plant, sewer diversion structure, waste pump and force main station, user connections and site retrofits. The SWRCB reimbursed the City for project-related expenditures, as incurred, totaling $5,328,076. The loan will be repaid with interest at 1% per annum. The loan matures on February 1, 2048. The annual debt service requirements were as follows for the Clean Water State Revolving Fund Loan:

Fiscal Year	Principal	Interest	Total
2025	$ 162,592	$ 43,857	$ 206,449
2026	164,218	42,231	206,449
2027	165,860	40,589	206,449
2028	167,518	38,930	206,448
2029	169,194	37,255	206,449
2030-2034	871,686	160,554	1,032,240
2035-2039	916,152	116,089	1,032,241
2040-2044	962,887	69,356	1,032,243
2045-2048	805,554	20,239	825,793
Total	**$ 4,385,661**	**$ 569,100**	**$ 4,954,761**

2013 Wastewater Revenue Refunding Bond

On May 6, 2013, the City issued the 2013 Wastewater Revenue Refunding Bonds in the principal amount of $1,220,588. The purpose of the bond is to refinance the California State Community Development Authority Series 2001B Revenue Bonds. Semi-annual interest payments are due on April 1 and October Repayments are secured by future sewer service revenues. Interest on the bonds is 3.35% and matures on October 1, 2031. The annual debt service requirements were as follows for the 2013 Wastewater Revenue Refunding Bond:

Fiscal Year	Principal	Interest	Total
2025	$ 70,044	$ 18,645	$ 88,689
2026	71,550	16,264	87,814
2027	72,937	13,876	86,813
2028	76,789	11,400	88,189
2029	78,018	8,795	86,813
2029-2032	204,366	10,418	214,784
Totals	**$ 573,704**	**$ 79,398**	**$ 653,102**

ORDINANCE NO. 25-xxx

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE ADOPTING THE OPERATING AND CAPITAL PROJECTS BUDGET FOR THE FISCAL YEAR (FY) 2025-26;

FACTS

1. The City Council held a public hearing and first reading of an ordinance to adopt the FY 2025-26 Operating and Capital Projects Budget.
2. The City Manager is recommending adoption of the FY 2025-26 Budget to reflect the City Council's expressed goals for the fiscal year budget.
3. Pursuant to Charter Article 15, adoption of the annual budget and or amendment of the budget must be approved by ordinance.
4. A summary of the Ordinance, approved by the City Attorney, was published on _____.
5. 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.
6. Enactment of this ordinance does not constitute a "project" as defined by California Environmental Quality Act (CEQA) and as such is not subject to/exempt from CEQA because it is an administrative activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment and involves the creation of a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment.

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

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

SECTION 2. That the City Council does hereby approve and adopt the operating budget and capital improvement program for the City for FY 2025-26, and that they hereby authorize the City Manager and Administrative Services Director to make any non-substantive changes as needed to meet Government Finance Officers Association (GFOA) and California Society of Municipal Finance Officer (CSMFO) budget award program comments and criteria.

SECTION 3. That the City Council authorizes at the closeout of Fiscal Year 2024-25 by the Finance Division of the Administrative Services Department the carryover of any unspent and encumbered funds for operations and capital projects and any other unspent funds for active capital projects, to be reappropriated in the Fiscal Year 2025-26 budget for continued use in the same manner so long as there are sufficient available fund balances to finance these commitments.

SECTION 4. 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 18th day of June, 2025, by the following vote:

AYES: ABSENT:

NOES:

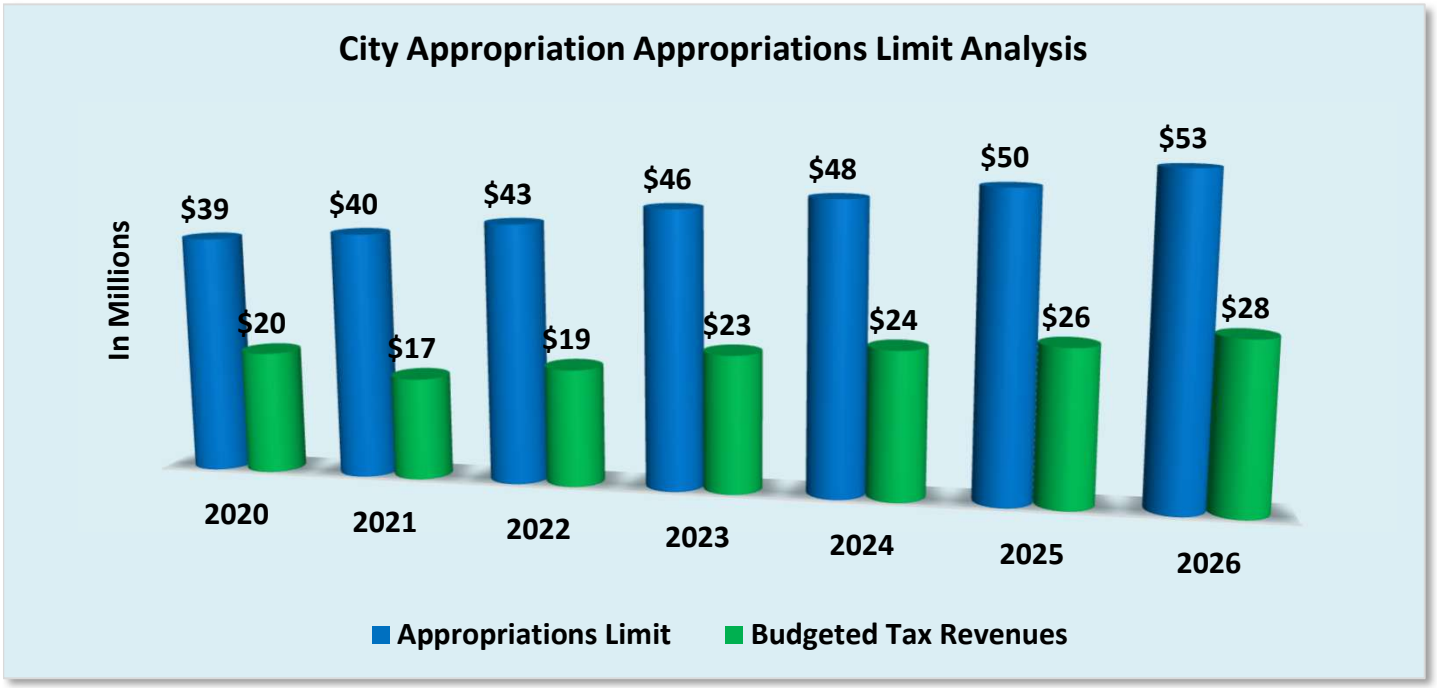
City of Pacific Grove Budget
Appropriations Limit
Fiscal Year 2025-26

The Gann Initiative was approved by California voters in November 1979. The purpose was to limit the spending of tax proceeds by government agencies by limiting expenditures. An agency is restricted from approving expenditures in excess of its limit. If a City receives more revenue than the appropriation limit, the revenue must be returned to the taxpayers through a tax reduction or refund.

Before each fiscal year, the City Council must adopt, by resolution, an appropriations limit using the cost of living data provided by the state of California, and population and per capita income data provided by the California Department of Finance. The limit is different for each agency and changes each year. The limit can be increased for an emergency as declared by the Governor.

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

Fiscal Year	Beginning Limit	County Population Factor	City Population Factor	California Per Capita Income	Limit	Budgeted Tax Revenues	% of Limit	% Limit Increase
2020	37,310,602	1.0091	1.0048	1.0385	39,099,658	20,195,000	52%	4.80%
2021	39,099,658	0.99690	0.9938	1.0373	40,432,345	16,821,000	42%	3.41%
2022	40,432,345	0.99520	0.9978	1.0573	42,655,071	19,319,000	45%	5.50%
2023	42,655,071	0.99380	0.9879	1.0755	45,591,100	22,629,000	50%	6.88%
2024	45,591,100	1.00080	0.9984	1.0444	47,653,437	24,336,000	51%	4.52%
2025	47,653,437	1.00940	1.0063	1.0362	49,842,649	25,660,000	51%	4.59%
2026	49,842,649	1.00150	0.9957	1.0644	53,132,095	27,861,900	52%	6.60%



RESOLUTION NO. 25-

RESOLUTION OF THE CITY OF PACIFIC GROVE ESTABLISHING THE FISCAL YEAR 2025-26 APPROPRIATION LIMIT

FINDINGS

1. The City is required to establish an appropriations limit for each fiscal year in accordance with Article XIIIB of the Constitution of the State of California (related to Proposition 4 on the November 6, 1979 ballot) and Proposition 111 passed by the voters in June 1990 expanding the growth factors that can be used in the calculation.

2. The City Council conducted a public hearing regarding the City's Fiscal Year 2025-2026 Appropriation limit on June 18, 2025.

3. The public hearing was noticed and advertised as required by law.

4. The Council received testimony and other evidence regarding the Appropriation Limit to be established for the City.

5. The Council elects to use the change in California per capita personal income and change in population for the County of Monterey as adjustment factors to calculate the City's Appropriation Limit for the Fiscal Year 2025-2026.

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

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

2. The Appropriation Limit for Fiscal Year 2025-2026 shall be $ 53,132,095.

3. The Notice of Public Hearing and State of California Department of Finance calculation factors are hereby approved and by this reference are incorporated as set forth in its entirety.

4. This Resolution shall take effect immediately following passage and adoption.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 18th day of June 2025, by the following vote:

AYES:

NOES:

ABSENT:

Acronyms

ACFR	Annual Comprehensive Financial Report
ADA	Americans with Disability Act
ADU	Accessory Dwelling Unit
ARPA	American Rescue Plan Act (2021)
ASBS	Area of Special Biological Significance
BID	Business Improvement District
CalPERS	California Public Employees Retirement System
CAP	Climate Action Plan
CDBG	Community Development Block Grant
CDC	Center for Disease Control and Prevention
CIP	Capital Improvement Plan
CJPIA	California Joint Powers Insurance Authority
COLA	Cost of living adjustment
COPS	Certificates of Participation
COVID	Coronavirus Disease
CPI	Consumer Price Index
CSMFO	California Municipal Finance Officers Association
CSO	Community Services Officer
DEI	Diversity, Equity and Inclusion
DOF	State Department of Finance
DOJ	Department of Justice
EMS	Emergency Medical Services
EMT	Emergency Medical Technician
ERAF	Educational Revenue Augmentation Fund
ERP	Enterprise Resource Planning System
FDIC	Federal Deposit Insurance Corporation
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FLSA	Fair Labor Standards Act
FORA	Fort Ord Reuse Authority
FTE	Full-Time Equivalent
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GEA	General Employees Association
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HID	Hospitality Improvement District
HOPTR	Home Owners' Property Tax Relief
HUD	US Dept Housing & Urban Development
ISF	Internal Services Fund
LCP	Local Coastal Program
LWP	Local Water Project
M1W	Monterey One Water
MCWRA	Monterey County Water Resources Agcy
MEA	Management Employee Association
MOU	Memorandum of Understanding
MPWMD	Monterey Peninsula Mgmt Water District
NFPA	National Fire Protection Association
NPDES	National Pollution Dischg Elimination Sys.
OES	Office of Emergency Services
OPEB	Other Post-Employment Benefits
PARSAC	Public Agency Risk Sharing Authority
PCI	Pavement Condition Index
PGPL	Pacific Grove Public Library
PEG	Public, Educational and Governmental
PEPRA	Public Employees' Pension Reform Act
PERS	Public Employee's Retirement System
POA	Police Officers Association
POB	Pension Obligation Bond
POST	Peace Officer Standards and Training
PUB	Public Utilities Board
RMS	Records Management System
RSTP	Regional Surface Transportation Program
SCSMP	Sewer Collection System Master Plan
STR	Short Term Rental
TAMC	Transportation Agency Monterey County
TOT	Transient Occupancy (Hotel) Tax
TUT	Transaction and Use Tax
TRAN	Tax and Revenue Anticipation Note
UUT	Utility User Tax
VLF	Vehicle License Fee
VOIP	Voice Over Internet Protocol (Phones)

Accrual

A revenue or expense that has been earned or incurred; and recorded to align with the proper reporting period.

Appropriation

An authorization by the City Council to make expenditures and to incur obligations for a specific purpose within a specific time frame.

Assessed Valuation

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

Available Fund Balance

The net difference between cash, accounts receivable, and current liabilities. The new appropriations are netted to arrive at the estimated ending fund balance.

Audit

Scrutiny of the City's accounts by an independent auditing firm to determine whether the City's financial statements are fairly presented in accordance with generally accepted accounting principles.

Balanced Budget

The budget for a fund is balanced when total budgeted resources, including revenues, transfers in from other funds, and unrestricted fund balance from previous years meet or exceed total budgeted use of resources, including expenditures and transfers out to other funds.

Base Budget

The base budget can be used to reference the original starting point for multi-year projections. It can also be considered the initial adopted budget.

Beginning Fund Balance

Unencumbered resources available from prior years.

Bond

Capital raised by issuing promise to pay a specified sum of money, called the face value or principal amount, with interest at predetermined intervals.

Budget

A fiscal plan of financial operation listing an estimate of proposed application or expenditures and the proposed means of financing them. The budget must be approved by the City Council prior to the beginning of the fiscal year.

Public Employee Retirement Systems (CalPERS)

The retirement system, administered by the State of California, to which all full-time long term City employees belong to.

Capital Asset / Capital Outlay

Land, infrastructure, and equipment used in operations that have initial useful lives greater than three years. The City, by provision of the Council Policy 400-6, has set the capitalization threshold for reporting capital assets at $5,000. Expenditures made for Capital Assets are commonly referred to as "Capital Outlay," and are shown in each fund and/or department.

Certificates of Participation (COPs)

A lending agreement secured by a lease on the acquired asset or other assets of the City.

Debt Service

Payment of the principal and interest on an obligation resulting from the insurance of bonds, notes, or certificates of participation (COPs).

Deficit

An excess of expenditures over revenues (resources).

Department

An organizational unit comprised of divisions or functions. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

Encumbrances

A legal obligation to pay funds for expenses yet to occur, such as when a purchase order has been issued but the related goods or services have not yet been received.

Enterprise Fund

A type of fund established for the total costs of those governmental facilities and services which are operated in a manner similar to private enterprise.

Fiscal Year

For the City, July 1st through June 30th.

Historic Buildings


1887


1926


1886


1887


1905


1883


1887


1894


1887

Full-Time Equivalent (FTE)

The number of full-time hours worked by an employee or the percentage of hours equivalent to 40 work hours.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts, used to record all financial transactions related to the specific purpose for which the fund was created.

Fund Balance

The difference between fund assets and fund liabilities.

Gann Limit

State of California legislation that limits a City's appropriations growth rate to changes in population and either the change in California per capita income or the change in the local assessment roll due to non-residential new construction.

General Fund

The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use. This fund is used to accumulate the cost of the City's general operations.

General Obligation Bond

Bonds backed by the full faith and credit of the City, used for various purposes and repaid by the regular revenue raising powers (generally property taxes) of the City.

Governmental Fund

Funds used to account for activities primarily supported by taxes, grants, and similar revenue sources.

Grant

Contribution or gifts of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity or facility.

Indirect Cost Allocation

To ensure that non-General fund revenues support a proportionate share of administrative services, these costs are allocated across all operational costs.

Infrastructure

Facilities on which the continuance and growth of the community depend, such as roads, sidewalks, parks, public buildings, sewer lines, etc.

Internal Service Fund

An Internal Service Fund provides services to other City departments and bills the various other funds for services rendered, just as would private business.

Materials, Supplies and Services

Expenditures for operating items which are ordinarily consumed within a fiscal year.

Memorandum of Understanding

The result of labor negotiations between the City of Pacific Grove and its bargaining units.

Multi-Year Forecast

A five-year projection of revenues and expenditures to assist with planning and identifying milestones. The forecast is not a budget, but more of a planning tool.

Non-Departmental

Appropriations of the General Fund not directly associated with a specific department. Expenditure items and certain types of anticipated general savings are included.

Ordinance

A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries.

Permanent Fund

Accounts for financial resources where the principal is restricted, committed, or assigned for a specific usage; and only the interest earnings are transferred for use in the corresponding enterprise or governmental funds. These funds may also be referred to as a Trust Fund.

Resolution

A special order of the City Council, which has a subordinate legal standing than an ordinance.

Special Revenue Fund

This fund type is used to account for City revenues from sources that, by law or administrative action, are designated to finance particular functions or activities of government.

Butterflies in PG














City of Pacific Grove Budget

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Pacific Grove Bed & Breakfasts



Seven Gables



Pacific Grove Inn



Green Gables



Gosby House



Martine Inn



Old St. Angela



Centrella Hotel

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Matthew Mogensen, City Manager

MEETING DATE: June 18, 2025

SUBJECT: Second Reading of an Ordinance Repealing Chapter 3.40 of the Pacific Grove Municipal Code on the Economic Development Commission

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

RECOMMENDATION

Hold second reading and adopt an Ordinance Repealing Chapter 3.40 of the Pacific Grove Municipal Code on the Economic Development Commission.

DISCUSSION

There were no changes between the first and second readings of this ordinance. The City Clerk caused a summary of the ordinance to be published on June 12, 2025.

On December 18, 2024, the City Council held a discussion regarding the efficiency and effectiveness of the Economic Development Commission (EDC) and if a staffing alternative would create a larger impact to economic development efforts in Pacific Grove.

Following the discussion the City Council approved two motions. The first motion directed the City Manager to separate the Economic Development Commission budget to assist with funding a full-time City staff position and begin the process of recruitment for that position. The second motion authorized the Mayor to make appointments to the EDC for a two-year term with a letter to appointed applicants that the EDC will be evaluated in 2025 which may impact their term.

The City of Pacific Grove's Economic Development Commission (EDC) is governed by PGMC Chapter 3.40 (Attachment 2). The Ordinance provides that the Commission consists of seven voting members appointed by the mayor and approved by the council. In addition, the president of the Pacific Grove Chamber of Commerce serves as an ex officio, nonvoting member. Voting members of the Commission are to be persons selected for their business knowledge and interest in economic development issues. Four members are required to be owners or managers of businesses or commercial property located in a commercial business district in Pacific Grove. The three other members can be residents registered to vote in the City of Pacific Grove.

The powers and duties of the EDC provided include:

- Devise and recommend economic development and enhancement strategies and programs to the city manager and council; and

- Assist the city's businesses and job seekers in their efforts; and
- Help meet the shopping and service needs of local residents by promoting retail business interests; and
- Ensure coordination of efforts by the Pacific Grove chamber of commerce, the Pacific Grove business improvement district, the hospitality improvement district, the Monterey County convention and visitors bureau and the city; and

The Commission has met monthly to discuss on-going subcommittee work efforts and consider requests for funding from the City Council allocated EDC contribution. These funds have been reallocated following City Council direction on December 18, 2024.

Present status

· The EDC currently has four active commissioners. Since the Mayor appointed the new commission of seven in January 2025, 3 have resigned.
· The EDC has had to cancel 3 meetings since January due to lack of quorum.
A City staff business liaison was appointed and is beginning work to serve the businesses of the city. This work will primarily include items listed as the powers and duties of the EDC listed in PGMC Chapter 3.40.

Re-evaluation of Efficiency and Effectiveness of the EDC

In addition to the direction the City Council provided to staff at the December 18, 2024, City Council Meeting, Council also provided general feedback that the EDC should be re-evaluated once again after a City staff business liaison was appointed to facilitate economic development programs and activities for the City. This action has now occurred.

In January of 2025, the Mayor made appointments to fill the seats on the EDC with a total of 7 members. Unfortunately, 3 of the appointees have decided to resign and the remainder of the commission has had to cancel 3 meetings due to lack of quorum.

Due to a City staff member now ready to undertake the EDC duties and the EDC having difficulties meeting to begin its business this year, City staff's analysis is that continuing the EDC is no longer efficient or effective and it is now time to sunset the Commission.

Staff is recommending that the City Council consider holding a public hearing and considering approval of the potential Ordinance repealing PGMC Chapter 3.40 (Attachment 1).

OPTIONS

Take an alternative action or do nothing.

FINANCIAL IMPACT:

There is no additional fiscal impact related to this item at this time.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Proposed Ordinance Resending PGMC Chapter 3.40

Chapter 3.40 Economic Development Commission

ORDINANCE NO. 25-____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE REPEALING CHAPTER 3.40 OF THE PACIFIC GROVE MUNICIPAL CODE ON ECONOMIC DEVELOPMENT COMMISSION

FACTS

1. Chapter 3.40 of the Pacific Grove Municipal Code "Economic Development Commission"(EDC) includes several Sections regarding the EDC include creation, membership qualifications, terms, removal, selection of chairperson, time and place of meetings and powers and duties, Sections 3.40.010 through 3.40.070.

2. On December 18, 2024, the City Council held a discussion regarding the efficiency and effectiveness of the Economic Development Commission (EDC) and if a staffing alternative would create a larger impact to economic development efforts in Pacific Grove.

3. At the December 18, 2024 City Council meeting, the City Council approved two motions. The first motion directed the City Manager to separate the Economic Development Commission budget to assist with funding a full-time City staff position and begin the process of recruitment for that position. The second motion authorized the Mayor to make appointments to the EDC for a two-year term with a letter to appointed applicants that the EDC will be evaluated in 2025 which may impact their term

4. A City staff member has been appointed with duties to include serving as a business liaison was appointed and is beginning work to serve the businesses of the city. This work will primarily include items listed as the powers and duties of the EDC listed in PGMC Chapter 3.40.

5. The EDC currently has four active commissioners. Since the Mayor appointed the new commission of seven in January 2025, 3 have resigned. The EDC has had to cancel 3 meetings since January due to lack of quorum.

6. Due to a City staff member now being ready to undertake the EDC duties and the EDC having difficulties meeting to begin its business this year, continuing the EDC is no longer efficient or effective and it is now time to sunset the Commission.

7. 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. The foregoing Facts are adopted as findings of the City Council as though set forth in fully within the body of this ordinance.

SECTION 2. Pacific Grove Municipal Code Chapter 3.40 Economic Development Commission is hereby repealed in their entirety.

SECTION 3. The City Manager is directed to execute all documents and to perform all other necessary City acts to implement this Ordinance.

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. In accord with Article 15 of the City Charter, this Ordinance shall become effective on the thirtieth (30th) day following its passage and adoption.

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

AYES:

NOES:

ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:

DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

Chapter 3.40
ECONOMIC DEVELOPMENT COMMISSION

Sections:

3.40.010 Creation – Membership.

3.40.020 Member qualifications.

3.40.030 Terms designated.

3.40.040 Removal of members.

3.40.050 Selection of chairperson.

3.40.060 Time and place of meetings.

3.40.070 Powers and duties.

3.40.010 Creation – Membership.

An economic development commission for the city of Pacific Grove is created. The commission shall consist of seven voting members appointed by the mayor and approved by the council. In addition, the president of the Pacific Grove Chamber of Commerce shall serve as an ex officio, nonvoting member. [Ord. 19-005 § 2, 2019; Ord. 14-020 § 2, 2014; Ord. 10-005 § 5, 2010].

3.40.020 Member qualifications.

Voting members of the commission shall be persons selected for their business knowledge and interest in economic development issues. Four members shall be owners or managers of businesses or commercial property located in a commercial business district in Pacific Grove. The three other members shall be residents registered to vote in the city of Pacific Grove. [Ord. 19-005 § 2, 2019; Ord. 14-020 § 2, 2014; Ord. 10-005 § 5, 2010].

3.40.030 Terms designated.

All appointees shall serve for a two-year term. Three of the commission members shall be appointed for terms ending on January 31st in even-numbered years, and four members for terms ending on January 31st in odd-numbered years. [Ord. 19-005 § 2, 2019; Ord. 14-020 § 2, 2014; Ord. 10-005 § 5, 2010].

3.40.040 Removal of members.

Any member may be removed from the commission prior to the expiration of his or her term by the majority vote of the council, in the council's discretion. Any member who absents himself or herself from two consecutive regular meetings, without cause or approval by the commission, shall be automatically removed. [Ord. 14-020 § 2, 2014; Ord. 10-005 § 5, 2010].

3.40.050 Selection of chairperson.

The voting members of the commission shall select one of their members to be chairperson for a one-year term, the chairperson to be selected and the term to commence at the first meeting in February. [Ord. 14-020 § 2, 2014; Ord. 10-005 § 5, 2010].

3.40.060 Time and place of meetings.

All meetings of the commission shall be open to the public, and the commission shall meet no less frequently than once a month and shall establish its own rules for the frequency, time and place of meetings, and to govern its procedures. Notice of meetings shall be given in accord with the Ralph M. Brown Act. [Ord. 14-020 § 2, 2014; Ord. 10-005 § 5, 2010].

3.40.070 Powers and duties.

The economic development commission shall have the following powers and duties:

(a) Devise and recommend economic development and enhancement strategies and programs to the city manager and council; and

(b) Assist the city's businesses and job seekers in their efforts; and

(c) Help meet the shopping and service needs of local residents by promoting retail business interests; and

(d) Ensure coordination of efforts by the Pacific Grove chamber of commerce, the Pacific Grove business improvement district, the hospitality improvement district, the Monterey County convention and visitors bureau and the city; and

(e) Perform other duties and functions as set out in this chapter or as may be required from time to time by specific direction of the council. [Ord. 14-020 § 2, 2014; Ord. 10-005 § 5, 2010].

The Pacific Grove Municipal Code is current through Ordinance 25-005, passed April 2, 2025.

Disclaimer: The City Clerk's office has the official version of the Pacific Grove Municipal Code. Users should contact the City Clerk's office for ordinances passed subsequent to the ordinance cited above.

City Website: https://www.cityofpacificgrove.org/

City Telephone: (831) 648-3100

Codification services provided by General Code

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nicholas Cina, Finance Management Analyst

MEETING DATE: June 18, 2025

SUBJECT: Check Register and Core Fund Summary - May 2025

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

RECOMMENDATION

1. Receive the Check Register and Core Fund Summary.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

The check register is an account of monthly expenditures. It provides budgetary insight and promotes transparency. The check register is produced from the City's financial system. The report groups the checks by the respective city fund. Attached is the check register report for May 2025. In addition, a detailed listing of the checks issued for the month is available on the City's website.

The Administrative Services Department produces Monthly Core Financial reports to assist in evaluating the City's fiscal condition. The attached report provides details on General Fund revenues as well as a summary related to its other funds.

OPTIONS

N/A - This is informational only.

FINANCIAL IMPACT:

There is no fiscal impact. This is informational only.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Core Fund Summary and GF Revenue

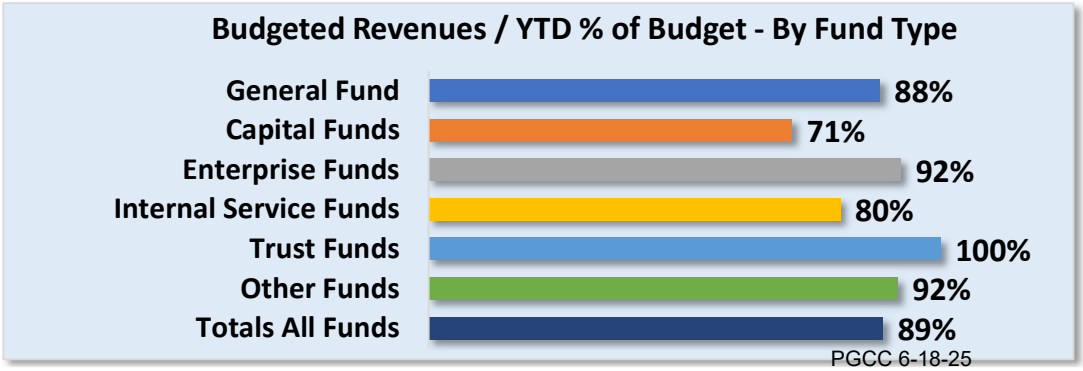
Check Register (By Fund) - May 2025

Check Register (Detailed) - May 2025

Revenues by Fund - FY 2024-25 (Unaudited)
Through May 2025

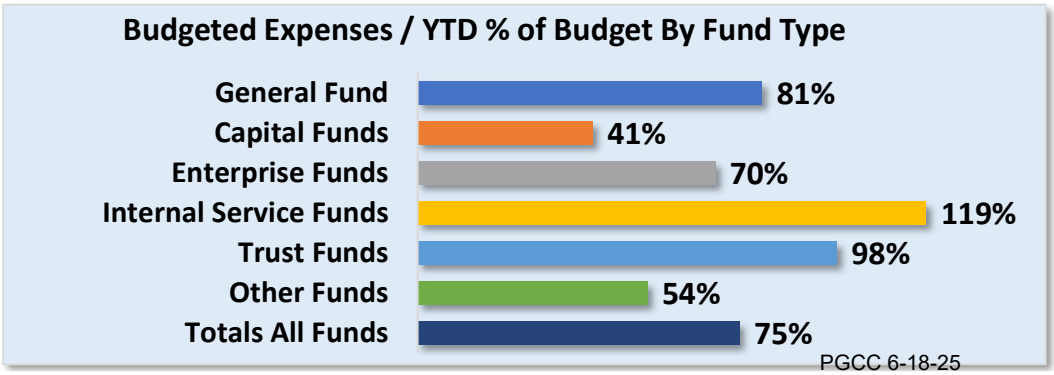
Fund	Revenues				Working Capital	
	Revised Budget	YTD	YTD % of Budget	Prior YTD	Projected Change for Fiscal Year	Projected Ending Reserves *
Main Fund - Fund 01	$ 33,288,027	$ 29,324,007	88%	$ 29,011,808	$ (2,316,319)	$ 15,079,871
Other Funds Included	24,700	36,514	>100%	27,427	(1,493)	184,105
General Fund	**33,312,727**	**29,360,521**	**88%**	**29,039,235**	**(2,317,812)**	**15,263,976**
Capital Projects	$ 917,500	$ 651,140	71%	$ 679,466	(1,019,533)	(659,337)
Capital Funds	**917,500**	**651,140**	**71%**	**679,466**	**(1,019,533)**	**(659,337)**
Local Water Project	1,310,187	1,331,701	>100%	996,372	299,262	76,696
Cemetery	653,000	592,048	91%	768,173	(67,349)	1,018,896
Sewer	4,248,000	3,588,735	84%	2,789,109	(1,784,635)	6,809,583
Golf	762,000	907,286	>100%	756,337	6,943	874,537
Sewer Lateral Loans	4,000	14,477	>100%	5,894	4,000	170,928
Enterprise Funds	**6,977,187**	**6,434,247**	**92%**	**5,315,885**	**(1,541,779)**	**8,950,640**
Employee Benefit	265,000	226,750	86%	287,279	(67,000)	92,520
Worker's Compensation	722,113	586,101	81%	643,520	(13,836)	584,944
Liability Insurance	752,000	585,530	78%	824,445	34,997	627,716
Internal Service Funds	**1,739,113**	**1,398,381**	**80%**	**1,755,244**	**(45,839)**	**1,305,180**
Library	22,000	48,851	>100%	35,166	22,000	587,637
Cemetery	113,000	200,738	>100%	151,111	113,000	2,258,254
Yount	8,000	33,673	>100%	29,570	-	781,371
Trust Funds	**143,000**	**283,262**	**100%**	**215,847**	**135,000**	**3,627,262**
Library / Poetry	97,283	130,695	>100%	98,239	(3,288)	256,963
Museum	4,000	21,724	>100%	12,175	(161,800)	183,023
Public Safety	800,225	590,333	74%	598,386	(22,152)	335,912
Housing	31,000	79,967	>100%	93,626	(266,718)	780,386
Streets	1,596,839	1,499,300	94%	1,330,136	(2,177,002)	(583,097)
Lighthouse	90,000	114,014	>100%	124,154	(109,450)	114,520
Community Development/CDBG	21,200	56,388	>100%	52,982	1,200	1,454,089
ARPA	15,000	31,067	>100%	37,957	(813,872)	81,297
Downtown/Hospitality Districts	695,650	457,780	66%	515,158	63,250	94,721
Cable Franchise / Other	97,650	178,521	>100%	569,028	(48,350)	261,726
Other Funds	**3,448,847**	**3,159,789**	**92%**	**3,431,841**	**(3,538,182)**	**2,979,540**
Totals All Funds	**$ 46,538,374**	**$ 41,287,340**	**89%**	**$ 40,437,518**	**$ (8,328,145)**	**$ 31,467,261**

* Excludes Proposed Adjustments and Rollovers



Expenses by Fund - FY 2024-25 (Unaudited)
Through May 2025

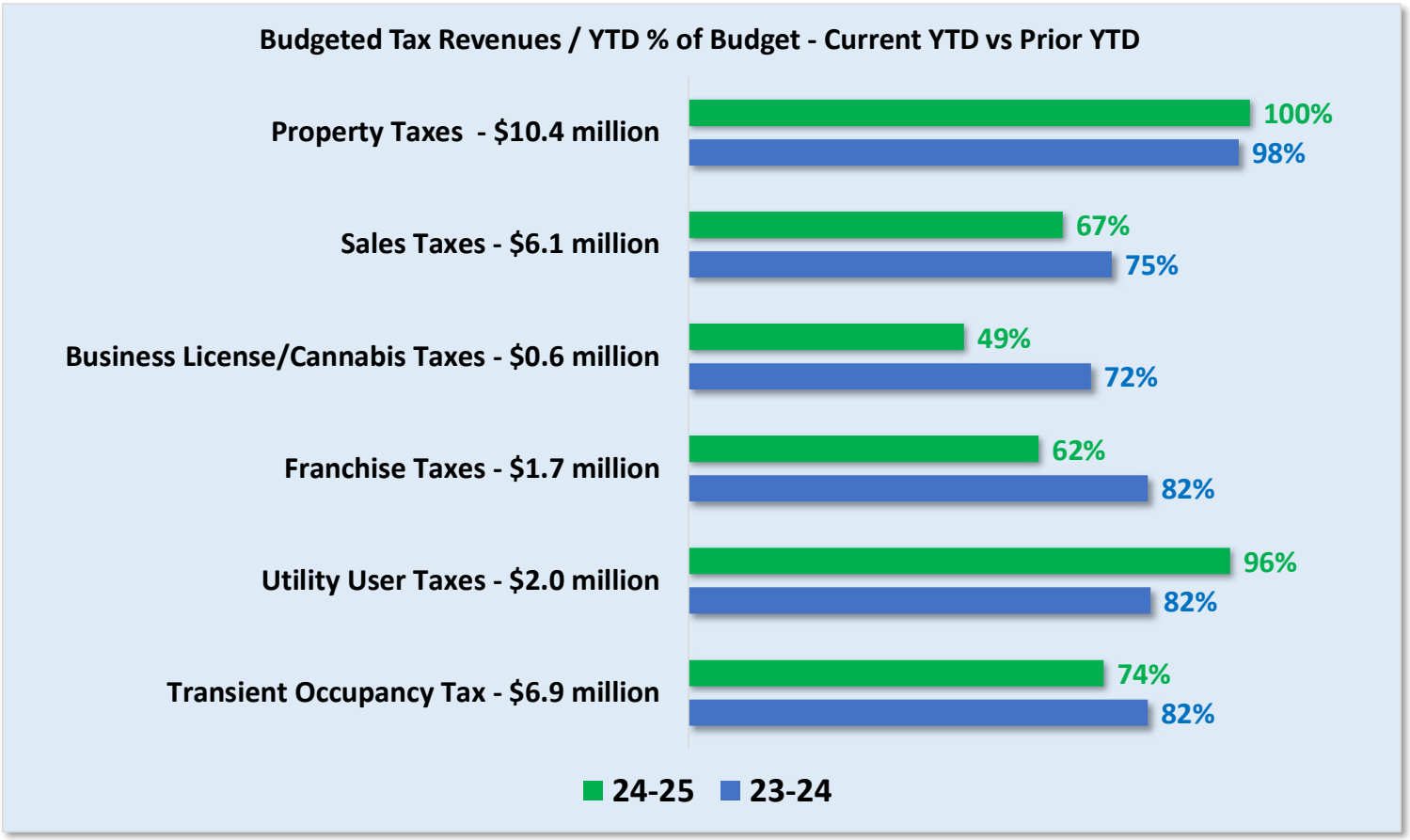
Fund	Expenses					
	Revised Budget	YTD	YTD % of Projected	Purchase Orders	YTD % with POs	Prior YTD
Main Fund - Fund 01	$ 35,604,346	$ 28,702,470	81%	$ 2,169,153	87%	$ 26,061,382
Other Funds Included	26,193	16,005	61%	-	61%	22,884
General Fund	**35,630,539**	**28,718,475**	**81%**	**2,169,153**	**87%**	**26,084,266**
Capital Projects	$ 1,937,033	$ 795,328	41%	$ -	41%	$ 247,031
Capital Funds	**1,937,033**	**795,328**	**41%**	**-**	**41%**	**247,031**
Local Water Project	1,010,925	1,562,987	>100%	116,529	>100%	735,485
Cemetery	720,349	567,416	79%	551	79%	458,282
Sewer	6,032,635	2,979,129	49%	1,957,174	82%	2,065,139
Golf	755,057	827,845	>100%	-	>100%	481,802
Sewer Lateral Loans	-	-	0%	-	0%	-
Enterprise Funds	**8,518,966**	**5,937,377**	**70%**	**2,074,254**	**94%**	**3,740,708**
Employee Benefit	332,000	352,845	>100%	-	>100%	256,264
Worker's Compensation	735,949	1,091,285	>100%	-	>100%	837,710
Liability Insurance	717,003	678,389	95%	-	95%	865,294
Internal Service Funds	**1,784,952**	**2,122,519**	**119%**	**-**	**>100%**	**1,959,268**
Library	-	-	0%	-	0%	-
Cemetery	-	-	0%	-	0%	-
Yount	8,000	7,849	98%	-	98%	5,658
Trust Funds	**8,000**	**7,849**	**98%**	**-**	**98%**	**5,658**
					0%	
Library / Poetry	100,571	54,969	55%	10,819	65%	101,646
Museum	165,800	58,809	35%	5,066	39%	-
Public Safety	822,377	642,332	78%	33,498	82%	662,323
Housing	297,718	85,806	29%	-	29%	119,700
Streets	3,773,841	1,287,551	34%	412,284	45%	1,451,559
Lighthouse	199,450	114,628	57%	-	57%	78,730
Community Development/CDBG	20,000	21,395	>100%	39,000	>100%	34,384
ARPA	828,872	832,740	>100%	-	>100%	117,190
Downtown/Hospitality Districts	632,400	563,505	89%	-	89%	329,730
Cable Franchise / Other	146,000	97,518	67%	39,000	94%	430,641
Other Funds	**6,987,029**	**3,759,253**	**54%**	**539,667**	**62%**	**3,325,903**
Totals All Funds	**$ 54,866,519**	**$ 41,340,801**	**75%**	**$ 4,783,074**	**84%**	**$ 35,362,834**



General Fund Revenues - FY 2024-25 (Unaudited)
Through May 2025

Revenue Account	Revised Budget	YTD Revenues	YTD % of Budget	Year End Projection	Prior YTD Revenues	Prior YTD % of PY Budget
Property Taxes	$ 10,411,000	$ 10,437,179	100%	10,648,000	9,935,405	98%
Sales Taxes	6,094,000	4,062,558	67%	5,389,000	4,505,065	75%
Business License/Cannabis Taxes	583,000	286,076	49%	400,000	500,269	72%
Franchise Taxes	1,659,000	1,034,781	62%	1,265,000	1,338,910	82%
Utility User Taxes	2,043,000	1,970,984	96%	2,324,000	1,743,396	82%
Transient Occupancy Tax	6,922,000	5,119,567	74%	6,258,000	5,505,984	82%
Litter Abatement	210,000	106,163	51%	142,000	152,396	75%
Construction Permits	1,191,000	865,731	73%	922,000	1,100,192	94%
Zoning Enforcement	283,250	200,145	71%	201,000	205,561	100%
Plan Check Fees	705,000	521,190	74%	577,000	454,755	90%
Parking Meters	373,000	299,410	80%	333,000	304,338	90%
Water Entitlements	575,187	1,542,990	100%	1,500,000	488,809	84%
Interest Earned	250,000	766,486	100%	1,281,000	290,911	60%
Investment Market Value Gain/Loss	-	287,610	100%	-	212,995	60%
Indirect Cost Reimbursement	551,000	414,000	75%	552,000	303,000	75%
Total Major Revenues	**31,850,437**	**27,914,870**	**88%**	**31,792,000**	**27,041,986**	**86%**
Total General Fund Revenues	**33,312,727**	**15,261,090**	**46%**	**33,255,000**	**15,424,403**	**46%**

FY 2022-23 Tax Revenues	Property Taxes	Sales Taxes	BL/Other	Franchise	Hotel Taxes	Utility
	9,330,981	5,614,305	549,856	1,570,875	6,635,688	2,097,934



Check Register Report - Summary by Fund - May 2025

Fund		Amount
01 - General Fund Total	$	1,637,849.75
10 - Hospitality Imprvmt Dist. Total		196,909.50
11 - Library Book Fund Total		4,950.47
15 - Housing Fund Total		1,833.33
18 - Gas Tax Fund Total		25,314.75
24 - Stillwell Children'S Pool Total		1,348.96
27 - Lighthouse Maint.& Impv. Total		6,547.74
40 - Poetry Promotion Fund Total		437.32
70 - Emp Benefit Fund Total		40,058.56
71 - Workers Comp Fund Total		750.00
72 - Liability Ins Fund Total		666.67
74 - Local Water Project Total		12,165.57
75 - Cemetery Fund Total		13,664.74
76 - Sewer Fund Total		30,666.34
77 - Golf Fund Total		2,910.87
84 - American Rescue Plan-Arpa Total		20,672.00
Grand Total	$	1,996,746.57

Check Register Report - Summary by Detailed View - May 2025

Fund	Check Date	Name	Description	Amount
01 - General Fund	5/2/2025	Aflac	Ded:5201 Aflac P/T	$ -
		Calif Law Enforcmen	Ded:3200 Ltd Pd	576.00
		Calpers Health	Ded:122 Health	61,601.83
		City Of Pacific Gro	Ded:3301 Aflac Med	1,520.72
		Eft	Ded:*Ft Federal Tx	65,402.30
		Pacific Grove City	Ded:7000 Assoc Dues	882.75
		Mass Mutual (457 Pl	Ded:4000 Def Comp	12,740.36
		Mtry County Dept Of	Ded:0023 Garnish	396.92
		Pacific Grove Manag	Ded:7203 Assoc Dues	45.00
		City Of Pacific Gro	Ded:1003 Work Comp	10,623.82
		City Of Pacific Gro	Ded:7510 Pers Reimb	39.23
		City Of Pacific Gro	Ded:2103 Dental Fam	3,500.21
		City Of Pacific Gro	Ded:0005 Suta	134.57
		Pers	Ded:0020 Pers Er M3	76,309.79
		Police Officers Ass	Ded:7205 Assoc Dues	773.61
		Legal Shield	Ded:6100 Legal Svc	31.75
		State Disability Ta	Ded:0026 Sdi	4,751.16
		Standard Insurance	Ded:3500 Life Ins	1,433.25
		Transamerica Employ	Ded:5202 Transameri	311.82
		Union Bank Of Calif	Ded:4005 Pars-457	1,111.03
		Vision Service Plan	Ded:2504 Vision Fam	706.28
		Aflac	Apr 2025 Billing	290.28
		Calif Law Enforcmen	May 2025 Billing	32.00
		Vision Service Plan	May 2025 Coverage	13.00
	5/9/2025	Us Bank	D Gho Volunteer Eve	14,902.09
		Alhambra & Sierra S	Rec Bottled Water	114.87
		Amazon Capital Serv	Fd Ems Supplies	1,667.58
		American Lock & Key	Pd Repairs Unit 8	108.72
		Amy Colony	Volunteer Event	310.38
		Arturo Acevedo Diaz	Reimb Dl Class B	100.06
		At&T	Lghthse Internet 12	122.34
		At&T Calnet 3	Admin Phone	3,259.98
		Boot Barn Inc	Pd Safety Boots	162.23
		Brandon Sturm	Reimb Class B Physi	150.00
		Carmel Pine Cone	Rec Summer Ad	740.00
		Casey Day	Mccloea Per Diems	159.50
		Centralsquare Techn	Finance Software Fy	4,962.96
		Paleowest Llc	City Council Prof S	2,375.00
		Code Publishing, In	Cty Cncl Web Fees	830.00
		Comcast	Pw Data 0389527	106.24
		Copware, Inc.	Pd Site License	705.00
		Craft Electric Comp	Lib Door Repairs	174.00
		Dawn Delfino	Mccloea Per Diems	-
		Eric Lu	Rfnd Damage Deposit	206.00
		Ewing Irrigation Pr	B&G Landscape Suppl	134.37
		Fastenal	B&G Safety Gear	300.58
		Fuse Hvac & Applian	Pd Evidence Fridge	969.00
		Granite Constructio	Streets Supplies	968.48
		Heihachiro Takarabe	Pmt For Tai Chi Cla	112.00
		Hometek	Mem Bench Program	463.95
		Ips Group, Inc	Meter Fees Fy25	1,587.03
		Jd Repairs Inc	Fd Repairs Unit 641	180.00
		Kayla Fisher	Req For Refund	28.50
		Kera Panni	Rfnd Camp Fees	226.00
		Liebert Cassidy Whi	Cm Emply Legal Advi	3,015.00
		Magallon Building C	Ada And Curb/Gutter	$ 14,798.00
		Main Street Signs	Street Signs	675.85
		Mission Linen Suppl	Fd Linen Cleaning F	363.15
		Mission Uniform Ser	Linen & Uniform Cle	367.54
		Monterey Bay Pest C	Fy25 Pest Control S	310.00
		County Of Monterey	Cjis Access	20,952.32
		Monterey Peninsula	B&G Paving	1,512.24

Check Register Report - Summary by Detailed View - May 2025

Fund	Check Date	Name	Description	Amount
		Monterey Tire Servi	Pd Repairs Unit 7	120.00
		Nielsen Merksamer	Cvra Legal Services	7,650.00
		Noland, Hamerly, Et	Enayati Cases #21Cv	48.00
		Odp Business Soluti	Fin Office Supplies	217.85
		O'Reilly Auto Enter	B&G Repairs Supplie	982.66
		Overhead Door Of Sa	B&G Door Repairs	512.96
		Pacific Gas & Elect	Rec Electric 0956-9	6,774.47
		Peninsula Welding &	Oxygen Hyberbaric C	792.00
		Robert Perrault	Reimb Consultant Sv	7,440.15
		Safety-Kleen System	Street Oil Collecti	450.81
		Savage Training Gro	Pd Late Fees Traini	18.08
		Sentry Alarm System	Fy 24/25 Alarm Serv	473.33
		Signworks	Library Signage	549.75
		Speakwrite	Pd Dictation Servic	56.46
		Blue Star Investiga	Pd Backgrounds	2,600.00
		Tope'S Tree Service	Contract Tree Servi	3,580.00
		Uline	Rec Office Supplies	-
		All Star Elite Spor	Rec Track Supplies	713.45
		Verizon Business	Pd Mobile Connectio	501.52
		Vestis Services, Ll	Linen Services Fy 2	182.31
		Watsonville Ford	Street Repair Unit	488.16
		Wilson'S Plumbing &	Heater Repair At Th	9,237.80
		Dawn Delfino	Mccloea Per Diems	159.50
		Uline	Rec Office Supplies	1,473.63
		Comcast	Ch Internet 0085844	311.23
		Enterprise Fm Trust	Lease Payoff 23Nxz6	21,766.15
		Monterey County Rec	Now Filing Fee Gwp	50.00
	5/14/2025	American Supply Com	B&G Janitorial Supp	6,375.54
		At&T Mobility	Pd Cell Phones 5185	1,908.10
		Forest Hill Ace Har	B&G Good Old Days	34.95
		Pacific Gas & Elect	Public Library	16,290.01
	5/16/2025	Aflac	Ded:5201 Aflac P/T	2,167.80
		Calpers Health	Ded:122 Health	62,286.20
		City Of Pacific Gro	Ded:3301 Aflac Med	1,520.72
		Eft	Ded:*Ft Federal Tx	74,912.98
		Pacific Grove City	Ded:7000 Assoc Dues	882.75
		Mass Mutual (457 Pl	Ded:4000 Def Comp	13,553.44
		Mtry County Dept Of	Ded:0023 Garnish	396.92
		Pacific Grove Manag	Ded:7203 Assoc Dues	45.00
		City Of Pacific Gro	Ded:1003 Work Comp	11,786.37
		City Of Pacific Gro	Ded:7510 Pers Reimb	39.23
		City Of Pacific Gro	Ded:2103 Dental Fam	3,529.19
		City Of Pacific Gro	Ded:0005 Suta	144.48
		Pers	Ded:0020 Pers Er M3	77,179.79
		Police Officers Ass	Ded:7205 Assoc Dues	765.61
		State Disability Ta	Ded:0026 Sdi	5,100.17
		Transamerica Employ	Ded:5202 Transameri	311.82
		Union Bank Of Calif	Ded:4005 Pars-457	802.89
		Vision Service Plan	Ded:2502 Visioneoee	$ 712.92
		Aflac	Apr 2025 Billing	2,167.80
		Pers	May 25 Ual	351,013.58
		Aflac	Ded:5200 Aflac Prem	145.14
		Eft	Ded:*Ft Federal Tx	535.76
		Pacific Grove City	Ded:7000 Assoc Dues	26.75
		City Of Pacific Gro	Ded:1010 Work Comp	170.74
		City Of Pacific Gro	Ded:0005 Suta	1.35
		Pers	Ded:0020 Pers Er M3	556.11
		State Disability Ta	Ded:0026 Sdi	47.76
	5/23/2025	Adeline Finley	Rfnd Cancel Class	17.00
		Alex Corning	Rfnd Cancel Class	45.00
		Alexandra White	Rfnd Cancel Class	90.00
		Amanda Mello	Rfnd Cancel Class	12.50

Check Register Report - Summary by Detailed View - May 2025

Fund	Check Date	Name	Description	Amount
		Adrienne Davis	Rfnd Cancel Class	-
		Antonio Espino	Rfnd Cancel Class	45.00
		Ashley Lin	Rfnd Damage Deposit	206.00
		Cheyenne Diaz	Rfnd Tow Storage	240.00
		Erica Downs-Karai	Rfnd Cancel Class	45.00
		Jane Thompson	Rfnd Cancel Class	45.00
		Jenny Jacox	Rfnd Cancel Class	25.00
		Jihyun Kwon	Rfnd Cancel Class	45.00
		Jody Garry	Rfnd Cancel Class	12.50
		Kateryna Beschasna	Rfnd Cancel Class	45.00
		Katie Hoops	Rfnd Trxfr Credit	71.00
		Kerrie Smith	Rfnd Cancel Class	45.00
		Kim Minwoo	Rfnd Cancel Class	45.00
		La Shouna Boyd	Rfnd Cancel Class	45.00
		Lauren Karasek	Rfnd Cancel Class	45.00
		Lisa Kelly	Reimburse Permit Fe	870.85
		Michael Szody	Rfnd Permit Fees	189.60
		Michelle Vine	Rfnd Cancel Class	12.50
		Samuel Lam	Rfnd Cancel Class	45.00
		Sarah Greenlee	Rfnd Credit Class	84.00
		Scott Mayhew	Rfnd Cancel Class	45.00
		Sirina Warfel	Rfnd Cancel Class	45.00
		California American	391 Oceanvw-Berwick	40,097.06
		Amazon Capital Serv	Pw Office Supplies	675.93
		Amy Colony	Mileage Reimbursemt	101.64
		Arcpoint Labs Of Mo	Cm Pre-Emplymt Scre	660.00
		At&T	Admin Phone 2539	63.14
		At&T Calnet 3	Library Internet 33	249.63
		Baker & Taylor Comp	Library Supplies	365.22
		Blue Strike Environ	Agreement For Clima	20,485.50
		Burke, Williams & S	City Attorney Servi	88,113.50
		Ca Dept Of Justice	Cm Doj Backgrnd Chk	463.00
		Caltronics Business	Konica Copies Fy 24	-
		Chevrolet Of Watson	Pd Repairs Unit 9	410.51
		Comcast	Rec Internet 021497	113.26
		Cps Hr Consulting	Cm Bilingual Testin	444.50
		Craft Electric Comp	B&G Video Cameras	-
		Denise Duffy & Asso	Carryfroward From P	7,519.00
		Dlt Solutions Llc	Kace Sys Software L	126.40
		Dwan Elevator Co	Lift Repair - Libra	14,874.07
		Engineered Fire Sys	Fd Plan Review Apri	540.00
		Ewing Irrigation Pr	B&G Irrigatn Suppli	$ 2,687.88
		Coastal Fabrication	B&G Repairs Unit 61	187.80
		Ferguson Enterprise	Arnett Park Supplie	365.37
		Field Of Dreams Des	Rec Summer Uniforms	2,399.13
		Gachina Landscape M	Fy25 Park Mowing Se	1,339.00
		Gardaworld	May Fees	145.04
		Mark'S Barn Auto Bo	Street Repair Unit	4,312.83
		Green Fields Falcon	Gull Abatement	7,200.00
		Green Valley Landsc	Perkins Park Landsc	12,076.80
		Hana Gardens Seasid	Landscape Supplies	381.35
		Harris & Associates	Contract Planning S	20,868.75
		Hayward Lumber Comp	B&G Supplies	674.92
		Kimball Midwest	Mech Stock	1,107.63
		Secure Solutions	Pd Backgrounds	250.00
		Language Line Servi	Pd Language Service	78.83
		Maya Tice	Reimb Lifegrd Train	1,145.93
		Mission Uniform Ser	Linen & Uniform Cle	1,995.45
		Monterey Bay Pest C	Fy25 Pest Control S	1,250.00
		Monterey Bay Treewo	Arborist Services F	8,900.00
		Monterey County Wee	Cdd Ph Lcp	936.00
		Monterey Tire Servi	Pd Repairs Unit 6	141.85

Check Register Report - Summary by Detailed View - May 2025

Fund	Check Date	Name	Description	Amount
		Quadient Finance Us	Postage	1,300.00
		Odp Business Soluti	Fin Office Supplies	101.22
		Pacific Chess Acade	Pmt For Chess Class	1,638.00
		Pacific Grove Hardw	Strt Repair Supplie	2,710.25
		Pacific West Water	Cdd Water Service	85.70
		Peninsula Welding &	Mech Stock	581.85
		Pure Water	Street Water Servic	94.80
		Primo Brands	Pd Water Services	68.90
		Rental Depot Monter	Stump Cutter Rental	590.00
		Rincon Consultants,	Housing Element	119,539.90
		Varajic Consulting	Pmt Art/Lego Classe	1,512.00
		Sentry Alarm System	Fy 24/25 Alarm Serv	1,969.83
		Spca Of Monterey Co	Pd Animal Services	2,205.00
		State Controller'S	2024 Offsets Progra	-
		Sturdy Oil Company	A/R Fuel April	13,639.91
		Tope'S Tree Service	Contract Tree Servi	28,467.49
		Toro Petroleum Corp	Fd Diesel April	1,667.41
		Vestis Services, Ll	Linen Services Fy 2	386.03
		Brian Whitson	Museum Cleaning Fy2	2,480.00
		Swift Car Wash	Pd Car Wash June	300.00
		William Bans	Rfnd Requested	187.50
		Adrienne Davis	Rfnd Cancel Class	45.00
		Caltronics Business	Konica Copies Fy 24	1,048.39
		Craft Electric Comp	B&G Video Cameras	1,715.16
		State Controller'S	2024 Offsets Progra	68.23
	5/30/2025	Aflac	Ded:5201 Aflac P/T	2,167.80
		City Of Pacific Gro	Ded:3301 Aflac Med	1,520.72
		Eft	Ded:*Ft Federal Tx	72,336.79
		Mass Mutual (457 Pl	Ded:4000 Def Comp	13,553.44
		Mtry County Dept Of	Ded:0023 Garnish	396.92
		City Of Pacific Gro	Ded:1003 Work Comp	10,807.44
		City Of Pacific Gro	Ded:7510 Pers Reimb	39.23
		City Of Pacific Gro	Ded:0005 Suta	137.43
		Pers	Ded:0020 Pers Er M3	78,545.06
		State Disability Ta	Ded:0026 Sdi	$ 4,851.21
		Transamerica Employ	Ded:5202 Transameri	311.82
		Union Bank Of Calif	Ded:4005 Pars-457	836.04
		Vision Service Plan	June 2025 Coverage	19.63
10 - Hospitality Imprvmt Dist.	5/9/2025	See Monterey	Hid Q3 Fy25 Jan-Mar	-
		Pacific Grove Chamb	Mctid Jan-Mar 2025	73,909.50
	5/23/2025	See Monterey	Mctid Jan-Mar 2025	73,909.50
		Pacific Grove Chamb	Hid Jan-Mar 2025	49,090.50
11 - Library Book Fund	5/9/2025	Us Bank	A Canales Books/Mat	883.21
		Amazon Capital Serv	Lib Books & Materia	202.40
		Midwest Tape	Lib Books & Materia	90.66
	5/23/2025	Amazon Capital Serv	Lib Books & Materia	62.75
		Baker & Taylor Comp	Books And Materials	3,711.45
15 - Housing Fund	5/16/2025	Pers	May 25 Ual	1,833.33
18 - Gas Tax Fund	5/9/2025	Caltrans	Signal Lighting	1,594.85
	5/14/2025	Pacific Gas & Elect	Forest Av Sunset Av	167.91
	5/16/2025	Pers	May 25 Ual	2,333.33
	5/23/2025	California American	Cem 4%	44.06
		Bear Electrical Sol	Traffic Signal Main	250.00
		National Stock Sign	Street Signs	70.40
		Pacific Gas & Elect	Pw Electric 4482-4	9,066.24
		Pacific Products &	General Street Sign	-
		Sturdy Oil Company	Gas Tax April	958.03
		Pacific Products &	General Street Sign	10,829.93
24 - Stillwell Children'S Pool	5/14/2025	American Supply Com	Lover Pt Pool Suppl	545.90
	5/23/2025	Aloha Pool And Spa	Pool Maintenance	-
		Peninsula Pool Serv	Pool Supplies	260.53
		Aloha Pool And Spa	Pool Maintenance	542.53

Check Register Report - Summary by Detailed View - May 2025

Fund	Check Date	Name	Description	Amount
27 - Lighthouse Maint.& Impv.	5/9/2025	Dennis Tarmina	Lh Maintenance	653.52
		Edward Gallo	Lighthouse Maintena	19.65
		J.D. Yeatts & Son,	Lh Gift Shop Merch	2,731.76
	5/14/2025	Pacific Gas & Elect	Asilomar Blvd Pg Lh	209.06
	5/23/2025	California American	90 Asilomar	197.47
		Amazon Capital Serv	Lighthouse Gift Sho	20.64
		At&T Calnet 3	Lighthouse Phone 32	31.76
		Escarraga'S Luxury	Lh Cleaning Nov	960.00
		Pacific Grove Hardw	Lh Repair Supplies	98.88
		United States Light	Lh Gift Shop Merch	1,625.00
40 - Poetry Promotion Fund	5/9/2025	Us Bank	R Gaither Poetry Wk	137.32
		Rafid Yalda	Lib Poetry Promotio	200.00
	5/23/2025	Ayaz Pirani	Lib Poetry Promotio	100.00
70 - Emp Benefit Fund	5/2/2025	Calpers Health	May25 Ret & Changes	12,943.28
		P&A Administrative	Cobra Admin Open Fe	-
		Standard Insurance	May 2025 Premiums	3,012.59
	5/9/2025	Claremont Behaviora	Eap Services May	648.15
	5/16/2025	Standard Insurance	May 2025 Coverage	6,869.80
	5/23/2025	Pars	Ars Pars Fees March	370.31
	5/30/2025	P&A Administrative	Cobra Admin Open Fe	500.00
		Calpers Health	Jun25 Ret & Changes	12,481.77
		Standard Insurance	June 2025 Premiums	3,232.66
72 - Liability Ins Fund	5/16/2025	Pers	May 25 Ual	1,416.67
74 - Local Water Project	5/9/2025	Pacific Gas & Elect	Lwp Electric 0792-1	9,374.28
	5/23/2025	California American	1313 Ocean View Blv	2,791.29
75 - Cemetery Fund	5/14/2025	Forest Hill Ace Har	Cem Supplies	47.60
		Llorin-Velasquez Co	Fy24/25 Cemetery Ma	7,950.00
		Pacific Gas & Elect	Cemetery	$ 125.03
	5/16/2025	Pers	May 25 Ual	3,750.00
	5/23/2025	California American	1254 Delmontecem70%	713.05
		Ewing Irrigation Pr	Cem Credit Overpmt	(123.62)
		Hayward Lumber Comp	Cemetery Supplies	106.97
		Mission Uniform Ser	Linen & Uniform Cle	665.15
		Odp Business Soluti	Cem Office Supplies	29.20
		Pacific Grove Hardw	Cem Repair Supplies	385.49
		Sturdy Oil Company	Cem Fuel April	15.87
76 - Sewer Fund	5/9/2025	Fastenal	Sewer Safety Gear	300.56
		Don Chapin Co., Inc	Sewer Video	1,870.00
		Neill Engineers Cor	Admin Engineering S	1,000.00
		O'Reilly Auto Enter	Sewer Repair Suppli	24.02
		Pacific Gas & Elect	Pw Sewer Elec 5126-	1,289.65
		Safety-Kleen System	Sewer Oil Collectio	450.81
	5/14/2025	Pacific Gas & Elect	O V 9Th Pump #2	3,156.75
	5/16/2025	Pers	May 25 Ual	11,750.00
	5/23/2025	California American	263 Grove Acres	510.99
		At&T	Pw Sewer Phone 1395	126.28
		Don Chapin Co., Inc	Sewer Line Maintena	2,590.00
		Kimball Midwest	Sewer Supplies	682.42
		Monterey Bay Air Re	Annual Renewal Fees	5,470.00
		Mission Uniform Ser	Linen & Uniform Cle	665.14
		Pure Water	Sewer Water Service	23.70
		Sturdy Oil Company	Sewer Fuel April	756.02
77 - Golf Fund	5/14/2025	Pacific Gas & Elect	1313 Ocean View Blv	132.93
	5/23/2025	California American	77 Asilomar Golf Hs	2,777.94
84 - American Rescue Plan-Arpa	5/23/2025	Coast Counties Glas	Cip25-09, Library D	20,672.00
				$ 1,996,746.57

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Lori Frati, Finance Manager

MEETING DATE: June 18, 2025

SUBJECT: Amended Agreement with HdL Companies for Sales Tax, Business Licenses, and TOT Collection and Compliance Services.

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

RECOMMENDATION

1. Authorize the Mayor to sign an amendment to the existing agreement with HdL Companies for a 2-year extension to June 30, 2027 (renewable for an additional 2 years thereafter) in the amount not to exceed $60,000 for the following:
   - Sales, Use and Transactions Tax Auditing and Information Services;
   - Business License Tax Operations and Compliance Services;
   - Transient Occupancy Tax Operations Management Services; and

2. Alternatively, discuss and take other action related to this item.

DISCUSSION

In 2015, The City of Pacific Grove entered into a contract with HdL Companies for Business License Tax Services. This included database management, account processing, on-line filing and payment processing for businesses, and a business support center.

In 2016, The City entered into a contract with HdL Companies for Sales Tax Services and Transient Occupancy Tax Services. The HdL Companies Sales Tax Services include: Database management, quarterly reporting by individual businesses and categories; working with the State on tax allocation reviews, and assisting with budgetary projections. Their Transient Occupancy Tax (TOT) Services include: database management, reporting, account processing, on-line filing and payment processing, customer support, compliance monitoring and annual reporting.

In 2020, Council approved a two-year contract with HdL Companies that included all three services: Sales Tax Services, Business License Tax Services, and Transient Occupancy Tax Services. The consolidation of the contract to include all three services and successful negotiations reduced the annual base cost for services by 32%.

On July 1, 2022, the City entered into a short-term contract with HdL Companies in an amount not to exceed $39,000. In October 2022, the agreement was amended through June 30, 2023, with an annual cost not to exceed $60,000. In July 2023, the City extended the agreement for an additional year with an

expiration date of June 30, 2024. On June 28, 2024, the agreement was extended for an additional year with an expiration date of June 30, 2025.

Staff is recommending a fourth amendment, extending the agreement for an additional 2 years with an expiration date of June 30, 2027, with an annual cost not to exceed $60,000. The City will be adopting a two-year budget with an ending date of June 30, 2027. Approving the recommended two-year agreement with HdL Companies will align with the 2-year budget cycle.

The proposed agreement amendment will include the agreement term and amount; and will require the Mayor's signature. A copy of the amendment is attached for reference, with the scope of services retained in the original agreement.

- Extend the agreement term to June 30, 2027, with an option to extend it for an additional 2 years. (The option to extend beyond 2027 would require additional Council approval).

If approved, staff will prepare the amendment based on the information listed above. There are no other changes proposed to the agreement.

OPTIONS

1. Take no action
2. Provide alternate direction.

FINANCIAL IMPACT:

The funds to support this agreement are included in the FY 25/26 - FY26/27 budget.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

HdL Companies Agreement Extension

AMENDMENT #4
VENDOR SERVICES AGREEMENT WITH HINDERLITER DE
LlAMAS AND ASSOCIATES DBA HDL COMPANIES

WHEREAS, the City of Pacific Grove ("City") and Hdl Companies ("Contractor") entered into a Professional Services Agreement ("Agreement") effective July 1, 2022; and

WHEREAS, the City and Contractor entered into Amendment #1 signed by the City on October 31, 2022 to continue the Agreement in full force and effect through June 30, 2023 and provided that upon mutual written agreement, the terms of the Agreement can be extended annually for an additional one (1) year period, or longer as the parties agree; and

WHEREAS, the City and Contractor entered into Amendment #2 signed by the City on July 26, 2023 to continue the Agreement in full force and effect through June 30, 2024 and provided that upon mutual written agreement, the terms of the Agreement can be extended annually for an additional one (1) year period, or longer as the parties agree; and

WHEREAS, the City and Contractor entered into Amendment #3 signed by the City on June 28, 2024 to continue the Agreement in full force and effect through June 30, 2025 and provided that upon mutual written agreement, the terms of the Agreement can be extended annually for an additional one (1) year period, or longer as the parties agree; and

WHEREAS, the City and Contractor desire to amend certain terms of the Agreement;

NOW, THEREFOR, the parties agree as follows:

A. The Agreement is amended as follows:

1. Term. Unless terminated in accordance with Section 8 with the Agreement, the Agreement will continue in full force and effect through June 30, 2027. Upon mutual written agreement, the term of this Agreement can be extended annually for additional two (2) year period, or longer as the parties agree.

2. Payment. The total amount of money paid to the Contractor for the Services initially contemplated by the Agreement shall not exceed the sum of $60,000 annually unless otherwise first approved in writing by the City.

B. All other terms of the Agreement remain the same.

CITY OF PACIFIC GROVE	CONSULTANT
By:	By:
City Mayor	Consultant
Date:	Date:

By: _____ Department Head
Date: _____

By: _____ Finance/Risk Management

Approved As To Form:

_____
City Attorney

Date : _____

AMENDMENT #3
VENDOR SERVICES AGREEMENT WITH HDL COMPANIES

WHEREAS, the City of Pacific Grove ("City") and Hdl Companies ("Contractor") entered into a Professional Services Agreement ("Agreement") effective July 1, 2022; and

WHEREAS, the City and Contractor entered into Amendment #1 signed by the City on October 31, 2022 to continue the Agreement in full force and effect through June 30, 2023 and provided that upon mutual written agreement, the terms of the Agreement can be extended annually for an additional one (1) year period, or longer as the parties agree; and

WHEREAS, the City and Contractor entered into Amendment #2 signed by the City on July 26, 2023 to continue the Agreement in full force and effect through June 30, 2024 and provided that upon mutual written agreement, the terms of the Agreement can be extended annually for an additional one (1) year period, or longer as the parties agree; and

WHEREAS, the City and Contractor desire to amend certain terms of the Agreement;

NOW, THEREFOR, the parties agree as follows:

A. The Agreement is amended as follows:

1. Term. Unless terminated in accordance with Section 8 with the Agreement, the Agreement will continue in full force and effect through June 30, 2025. Upon mutual written agreement, the term of this Agreement can be extended annually for additional one (1) year period, or longer as the parties agree.

2. Payment. The total amount of money paid to the Contractor for the Services initially contemplated by the Agreement shall not exceed the sum of $60,000 annually unless otherwise first approved in writing by the City.

B. All other terms of the Agreement remain the same.

CITY OF PACIFIC GROVE

By: Bill Peake
Bill Peake (Jun 28, 2024 08:55 PDT)
City Mayor
Date: _____

By: _____
Department Head
Date: _____

By: Jessie Catacutan
Jessie Catacutan (Jun 27, 2024 17:51 PDT)
Finance/Risk Management

Approved As To Form: _____
City Attorney

Date : June 28, 2024

CONSULTANT

By: Robert Gray
Consultant
Date: _____

AMENDMENT #2

VENDOR SERVICES AGREEMENT WITH HDL COMPANIES

WHEREAS, the City of Pacific Grove ("City") and Hdl Companies ("Contractor") entered into a Professional Services Agreement ("Agreement") effective July 1, 2022; and

WHEREAS, the City and Contractor entered into Amendment #1 signed by the City on October 31, 2022 to continue the Agreement in full force and effect through June 30, 2023 and provided that upon mutual written agreement, the terms of the Agreement can be extended annually for an additional one (1) year period, or longer as the parties agree; and

WHEREAS, the City and Contractor desire to amend certain terms of the Agreement;

NOW, THEREFOR, the parties agree as follows:

C. The Agreement is amended as follows:

1. Term. Unless terminated in accordance with Section 8 with the Agreement, the Agreement will continue in full force and effect through June 30, 2024. Upon mutual written agreement, the term of this Agreement can be extended annually for additional one (1) year period, or longer as the parties agree.

2. Payment. The total amount of money paid to the Contractor for the Services initially contemplated by the Agreement shall not exceed the sum of $60,000 annually unless otherwise first approved in writing by the City.

D. All other terms of the Agreement remain the same.

CITY OF PACIFIC GROVE

By: Bill Peake
Bill Peake (Aug 1, 2023 14:44 PDT)

City Mayor
Date: Aug 1, 2023

CONSULTANT

By: Andrew Nickerson (Jul 26, 2023 08:35 PDT)

Consultant
Date: Jul 26, 2023

By:
Department Head
Date: Jul 26, 2023

By:
Finance/Risk Management

Approved As To Form: Brian Pierik
Brian Pierik (Aug 1, 2023 15:00 PDT)
City Attorney
Date: Aug 1, 2023

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AMENDMENT # 1
VENDOR SERVICES AGREEMENT WITH HDL COMPANIES

WHEREAS, the City of Pacific Grove ("City") and HdL Compaines ("Contractor") entered into a Professional Services Agreement ("Agreement") effective July 1, 2022; and

WHEREAS, the City and Contractor desire to amend certain terms of the Agreement; NOW, THEREFORE, the parties agree as follows:

A. The Agreement is amended as follows:

   a. **Term.** Unless terminated in accordance with Section 8 within the AGREEMENT, the AGREEMENT will continue in full force and effect from the Effective Date through **June 30, 2023**. 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.

   b. **Payment.** The total amount of money paid to the VENDOR, for the Services initially contemplated by this AGREEMENT, shall not exceed the sum of **$60,000** annually unless otherwise first approved in writing by the City.

B. All other terms of the agreement remain the same.

CITY OF PACIFIC GROVE

By: DocuSigned by: Bill Peake 10/31/2022
2E6F9DE48137414...
City Mayor

By: DocuSigned by: Tori Hannah 10/24/2022
3B02FAB081E94DB...
Department Head

By: DocuSigned by: Tori Hannah 10/24/2022
3B02FAB081E94DB...
Finance/Risk Management

By: DocuSigned by: Brian Pierik 10/31/2022
0187IFB17BD8433...
City Attorney

HDL COMPANIES

By: DocuSigned by: Andrew Nickerson 10/24/2022
2A839359481248Z...
Andrew Nickerson, President

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CITY OF PACIFIC GROVE
VENDOR SERVICES AGREEMENT

This VENDOR SERVICES AGREEMENT ("Agreement") is made and effective **July 1, 2022,** by and between the City of Pacific Grove, a municipal corporation ("City"), and **HdL Companies** ("VENDOR").

City wishes to retain the services of an experienced and qualified VENDOR to provide:

1. **Sales, Use and Transactions Tax Auditing and Information Services**
2. **Business License Tax Operations and Compliance Services**
3. **Transient Occupancy Tax Operations Management Services**

("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 **October 31, 2022**. 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,

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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.

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 **$39,000** 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,

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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

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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.

Confidentiality and Warranty; Records.

Consultant will comply with the requirements of the applicable laws, ordinances and/or regulations of which it has been informed by Client pursuant to Section 5.1 concerning the confidentiality of tax records.

As used herein, the term "proprietary information" means all information, techniques, processes, services or material that has or could have commercial value or other utility in Consultant's Business, including without limitation: Consultant's (i) software, computer or data processing programs; (ii) data processing applications, routines, subroutines, techniques or systems; (iii) desktop or web-based software; (iv) audit, tax or fee collection/administration or business processes, methods or routines; (v) marketing plans, analyses and strategies; and (vi)

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materials, techniques and intellectual property used. Except as otherwise required by law, Client must hold in confidence and may not use (except as expressly authorized by this Agreement) or disclose to any other party any proprietary information provided, learned of or obtained by Client in connection with this Agreement.

All documents, preliminary drafts, communications and any and all other work product related to the Services and provided by Consultant to Client either in hard copy or electronically are the property of Client. This does not include any software, programs, methodologies or systems used in the creation of such work product, nor does it include any drafts, notes or internal communications prepared by Consultant in the course of performing the Services that were not otherwise provided to Client in either hardcopy or electronic form, all of which may be protected by Consultant or others' copyrights or other intellectual property. It is possible that any documents, drafts, communications or other work product provided to Client may be considered public records under applicable law and/or may be discoverable through litigation. Consultant may publicly state that it performs the Services for Client.

Subject to applicable law, Consultant is responsible for retaining all final documents and other final work product related to the Services for a period of not less than three (3) years from the date provided to Client. Retention of any other documents, preliminary drafts, communications and any and all other work product provided to Client by Consultant is the responsibility of Client. Consultant has no responsibility to retain any drafts, notes, communications, emails or other writings created or received by Client in the course of performing the Services (other than the final documents and other final work product related to the Services and provided to Client for the term of years referenced above).

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

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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.

Except as provided in Section 11, Indemnification, in no event will VENDOR be liable for any lost revenues or lost profits, or any special, incidental, or consequential damages of any nature. VENDORS's duty to indemnify and hold harmless CITY shall not apply to claims for liability which arise from the issuance or non-issuance of any registration, license or permit.

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.

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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.

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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

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the party as set forth below or at any other address as that party may later designate by notice:

To City: Tori Hannah
Administrative Services Director/Assistant City Manager
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

To Vendor: Andrew Nickerson
President
Hinderliter, de Llamas, and Associates (HdL)
120 S. State College Blvd., Suite 200
Brea, CA 92821

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

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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

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By: DocuSigned by: Tori Hannah 3B02FAB081E94DB...
Department Director

Date: 9/6/2022

By: DocuSigned by: Andrew Mckerson 2A8393594812482...
Vendor

Date: 9/6/2022

By: DocuSigned by: Ben Harvey AA58608E21DD48F...
City Manager or Mayor

Date: 9/6/2022

By: DocuSigned by: Tori Hannah 3B02FAB081E94DB...
City Administrative Services Department

Date: 9/6/2022

Approved As To Form: DocuSigned by: Brian Pierik 01871FB17BD8435...
City Attorney

9/6/2022
Date

Attachments:

	Exhibit A	Scope of Services
	Exhibit B	Payment Schedule
	Exhibit C	Insurance Requirements

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Exhibit A

Scope of Work/Services

The CONTRACTOR shall perform the following services (collectively, the "Services"):

A. SALES TAX AND ECONOMIC ANALYSIS SERVICES

1. CONTRACTOR shall establish a special database that identifies the name, address and quarterly allocations of all sales tax producers within the CITY for the most current and all quarters back to fiscal year 1991-1992 or earlier, if the CITY has prior historical sales tax data available on computer readable magnetic media. This database will be utilized to generate special reports to the CITY on: major sales tax producers by rank and category, sales tax activity by categories, or business districts, identification of reporting aberrations, and per capita and outlet comparisons with regional and statewide sales.

2. CONTRACTOR shall provide updated reports following each calendar quarter identifying changes in sales by individual businesses, business groups and categories and by geographic area. These reports may include, without limitation, quarterly aberrations due to State audits, fund transfers, and receivables along with late or double payments, and quarterly reconciliation worksheets to assist with budget forecasting. CONTRACTOR shall meet quarterly with CITY.

3. CONTRACTOR shall additionally provide following each calendar quarter a summary analysis for the CITY to share with Council Members Chambers of Commerce, other economic development interest groups and the public that analyze CITY'S sales tax trends by major groups, and geographic areas without disclosing confidential information.

4. CONTRACTOR shall make available to CITY staff CONTRACTOR's web-based sales tax computer software program containing sellers permit and quarterly allocation information for all in-city business outlets registered with the Department of Tax and Fee Administration and updated quarterly. This software shall allow CITY staff to search businesses by street address, account number, business name, business type and keyword, arrange data by geographic area, and print out a variety of reports.

B. ALLOCATION AUDIT AND RECOVERY SERVICES

1. CONTRACTOR shall conduct initial and on-going sales, use and transactions tax audits to identify and correct distribution and allocation errors, and to proactively affect favorable registration, reporting or formula changes thereby generating previously unrealized sales, use and transactions tax income for the CITY and/or recovering misallocated tax from previously properly registered taxpayers. Common errors that will be monitored and corrected include, but are not limited to: transposition errors resulting in misallocations; erroneous consolidation of multiple outlets; formula errors, misreporting of "point of sale" to the wrong location; delays in reporting new outlets; misallocating use tax payments to the allocation pools or wrong jurisdiction; and erroneous fund transfers and adjustments.

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2. CONTRACTOR shall initiate contacts with state agencies, and sales management and accounting officials in companies that have businesses where a probability of error exists to verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner.

3. CONTRACTOR shall (i) prepare and submit to the Department of Tax and Fee Administration information for the purpose of correcting allocation errors that are identified and (ii) follow-up with individual businesses and the California Department of Tax and Fee Administration to promote recovery by the CITY of back or prospective quarterly payments that may be owing.

4. If during the course of its audit, CONTRACTOR finds businesses located in the CITY that are properly reporting sales and use tax but have the potential for modifying their operation to provide an even greater share to the CITY, CONTRACTOR may so advise CITY and work with those businesses and the CITY to encourage such changes.

E. DEFICIENCY/ALLOCATION REVIEWS AND RECOVERY

1. CONTRACTOR shall conduct on-going reviews to identify and correct unreported transactions and tax payments and distribution errors thereby generating previously unrealized revenue for the CITY. Said reviews shall include:

   (i) Comparison of county-wide local tax allocations to transactions tax for brick and mortar stores and other cash register-based businesses, where clearly all transactions are conducted on-site within the Measures "U" and "A" CITY boundaries, and therefore subject to transactions tax.

   (ii) Review of any significant one-time use tax allocations to ensure that there is corresponding transaction tax payments for taxpayers with nexus within the CITY boundaries.

   (iii) Review of state-wide transactions tax allocations and patterns to identify any obvious errors and omissions.

   (iv) Identification and follow-up with any potentially large purchasers of supplies and equipment (e.g. hospitals, universities, manufacturing plants, agricultural operations, refineries) to ensure that their major vendors are properly reporting corresponding transactions tax payments to the Measures "U" and "A" Transactions Tax District.

2. CONTRACTOR will initiate, where the probability of an error exists, contacts with the appropriate taxpayer management and accounting officials to verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner so as to enhance CITY's relations with the business community.

3. CONTRACTOR shall prepare and submit to the Department of Tax and Fee Administration all information necessary to correct any allocation errors and deficiencies that are identified, and shall follow-up with the individual businesses and the California

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Department of Tax and Fee Administration to ensure that all back quarter payments due the CITY are recovered.

F. DATA BASE MANAGEMENT, REPORTS AND STAFF SUPPORT

1. CONTRACTOR shall establish a database containing all applicable Department of Tax and Fee Administration (CDTFA) registration data for each business within the Measures "U" and "A" District boundaries holding a seller's permit account. Said database shall also identify the quarterly transactions and use tax allocations under each account for the most current and previous quarters where available.

2. CONTRACTOR shall provide updated reports each quarter identifying changes in allocation totals by individual businesses, business groups and by categories. Quarterly aberrations due to State audits, fund transfers, and receivables, along with late or double payments, will also be identified. Quarterly reconciliation worksheets to assist finance officer with budget forecasting will be included.

3. CONTRACTOR shall advise and work with CITY Staff on planning and economic questions related to maximizing revenues, preparation of revenue projections and general information on sales, transactions and use tax questions.

4. CONTRACTOR shall make available to CITY the HdL proprietary software program and Measures "U" and "A" database containing all applicable registration and quarterly allocation information for CITY business outlets registered with the Department of Tax and Fee Administration. The database will be updated quarterly.

G. BUSINESS LICENSE TAX OPERATIONS AND COMPLIANCE SERVICES

1. Business License Tax Operations Management

1.1. Tax Registration Database Management – HdL will transfer the City's existing databases as they relate to business license into HdL's internal administration tools. HdL will maintain the data and provide copies of data or reports at the City's request. City will not be required to use or maintain any software in house for managing the business license registry.

1.2. Renewal Processing – Send active business license accounts a renewal notice within 30 days of the renewal period end date. Accounts will receive all applicable forms necessary to complete the renewal process.

1.3. New Account Processing – HdL will process any new business license applications and complete the new account registration process in a timely fashion.

1.4. Payment Posting/Processing – HdL will process all payments for new and renewal accounts. License accounts will be updated with payment information and revenues will be remitted to the City net banking and related processing fees on no less than a monthly basis.

1.5. Business Support Center – HdL will provide businesses with multiple support options for registering, renewing, making payments and for general inquiries. Businesses will have access to our license specialists Monday through Friday,

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8:00am to 5:00pm Pacific, via phone, mail, e-mail, fax, and the Business Support Center On-Line.

1.6. On-Line Filing & Payment Processing – HdL will make available options for businesses to visit a website, linked to the City's website, to submit online transactions.

2. Local Tax Compliance Services – HdL will ensure a level playing field for the business community and maximize revenues to the City. Discovery services will be conducted to identify and register businesses which are subject to licensure or taxation. Audit services will identify under reported tax liability for business and lodging providers. Collections Services will collect known debt from businesses that did not pay in full during the registration or renewal process. The scope of work to be performed will be mutually agreed upon by HdL and City prior to implementation.

2.1. **Discovery** – Discovery services are designed to identify entities subject to licensure/taxation that are not currently registered or otherwise non-compliant.

2.1.1. Lead Identification – Develop a list of entities subject to licensure/taxation within the City.

2.1.2. Exception Resolution – Compare the list to City registration databases to remove properly registered businesses and identify and remove other potential exceptions.

2.1.3. Compliance Communication Process – Initiate contact with confirmed entities through a series of City approved communication methods. HdL will make every effort to simplify the process for taxpayers, utilizing a variety of mediums for communication including mail, telephone, email, and web-site access. Potential non-compliant entities are notified of their options to comply or dispute their non-compliant status. HdL offers extended office hours for support via our Business Support Center available to taxpayers 8:00am – 5:00pm Monday - Friday.

2.1.4. Document Submission / Processing – Review Taxpayer submissions such as applications for completion and accuracy prior to processing. Collect additional documentation such as a home occupation permit and forward to other City departments either as a pre-requisite or as a courtesy for the taxpayer and other departments. All submissions are filed and stored electronically and made available to the City upon request.

2.1.5. Invoicing – Once application has been approved, invoice entity indicating detailed tax calculations and balances owed. Taxpayers are given the opportunity to pay their balances via mail, online, and other methods. HdL will provide Taxpayers continued access to the Business Support Center for any questions or disputes arising from the invoice process.

2.1.6. Remittance – Upon collection of all requirements including payment, application and other prerequisites, HdL will prepare a remittance package including payment documentation as well as copies of all taxpayer correspondence and relevant information. Remittances are done on no less than a monthly basis. Remittances packages done electronically via the HdL electronic remittance process will include Applications and

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other relevant information an electronic format. Revenues received are deposited into an HdL trust account and funds are distributed to the City in one payment net HdL's fees.

2.2. **Audit** – Audit services are designed to identify businesses that are registered but not properly reporting or paying the correct amounts. Services to be performed may include:

2.2.1. Identify potential underreporting and/or misclassified businesses by comparing City records with HdL business inventories.
2.2.2. Review/audit entities mutually agreed to by City and HdL that are identified as potential underreporting businesses or other entities requiring review.
2.2.3. Submit audit summaries to City staff and meet with staff to review and discuss further actions.
2.2.4. Educate businesses on proper reporting practices.
2.2.5. Invoice and collect identified deficiencies.

2.3. **City's responsibilities**

2.3.1. Data – City will provide its relevant business databases, such as the business license registry (registrations and payments), and any other information necessary for the compliance process or to facilitate HdL's invoicing of services, to HdL according to a schedule acceptable to both HdL and the City. City agrees to provide the data as long as this Agreement is active, and thereafter for so long as HdL's right to invoice for services rendered continues.
2.3.2. City agrees to use reasonable and diligent efforts to collect, or to assist HdL in the collection of, deficiencies identified by HdL pursuant to this Agreement.

H. TRANSIENT OCCUPANCY TAX OPERATIONS MANAGEMENT

1. Tax Registration Database Management – HdL will transfer the City's existing databases as they relate to TOT into HdL's internal administration tools. HdL will maintain the data and provide reports to the City.
2. Return Processing – HdL will process TOT filings within 5 days of submission. Accounts will receive all applicable forms necessary to complete the renewal process.
3. New Account Processing – HdL will process any new TOT registrations for lodging establishments that change hand or newly offered properties.
4. Payment Posting / Processing – HdL will process all payments made for new and existing lodging providers. Accounts will be updated with payment information and revenues will be remitted to the City net HdL's fees on no less than a monthly basis.
5. Customer Support Center – HdL will provide lodging providers with multiple support options for registering, filing returns, making payments and for general inquiries.

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Lodging providers will be able to access one of our tax specialists Monday-Friday 8:00am to 5:00pm Pacific via phone, email, fax, and the online support center.

6. On-Line Filing & Payment Processing – HdL will provide a website for lodging providers to make payments online.
7. Compliance Monitoring – HdL will ensure accurate filings of TOT returns by consistently monitoring returns and providing compliance audits as mutually agreed to by the City and HdL.
8. Annual Reporting – In addition to standard monthly reports, HdL will continue to provide the City with annual analysis reports designed to provide key insights in the lodging provider community and the details on reporting of each lodging provider.

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Exhibit B

Payment Schedule

A. Sales, Use and Transactions Tax Auditing and Information Services

1. CONTRACTOR'S compensation for performing Sales and Use Tax Services related to audit recoveries shall be **15%** of all new sales and use tax revenue received by the City. This audit fee applies to monies received in the first eight consecutive reporting quarters beginning with the receipt of the audit revenues and includes retroactive back quarter adjustments obtained by HdL.

   CONTRACTOR shall provide the sales tax and economic analysis Services described in Exhibit A for a fee of **$350** per month, commencing with the month of the Effective Date (hereafter referred to as "monthly fee"). The monthly fee shall be invoiced quarterly in arrears, and shall be paid by CITY no later than 30 days after the invoice date. The monthly fee shall increase annually following the month of the Effective Date by the percentage increase in the "CPI" for the preceding twelve-month period. In no event shall the monthly fee be reduced by this calculation. For purposes of this Agreement, the "CPI" shall mean the Consumer Price Index - All Urban Consumers for the surrounding statistical metropolitan area nearest CITY, All Items (1982-84 = 100), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or, if such index should cease to be published, any reasonably comparable index selected by HdL.

   CONTRACTOR shall be paid **$200** monthly billed quarterly for the transaction district tax reports that we include with the quarterly sales tax analyses **per Measure**. The monthly fee shall be invoiced quarterly in arrears, and shall be paid by CITY no later than 30 days after the invoice date. The monthly fee shall increase annually following the month of the Effective Date by the percentage increase in the "CPI" for the preceding twelve-month period. In no event shall the monthly fee be reduced by this calculation. For purposes of this Agreement, the "CPI" shall mean the Consumer Price Index - All Urban Consumers for the surrounding statistical metropolitan area nearest CITY, All Items (1982-84 = 100), as published by the U.S. Department of Labor, Bureau of Labor Statistics, or, if such index should cease to be published, any reasonably comparable index selected by HdL.

   CONTRACTOR shall be paid **25%** of the initial amount of new transactions or use tax revenue received by the CITY as a result of audit and recovery work performed by CONTRACTOR (hereafter referred to as "audit fees"). New revenue shall not include any amounts determined and verified by CITY or CONTRACTOR to be increment attributable to causes other than CONTRACTOR'S work pursuant to this agreement. In the event that CONTRACTOR is responsible for an increase in the tax reported by businesses already properly making tax payments to the CITY, it shall be CONTRACTOR'S responsibility to separate and support the incremental amount attributable to its efforts prior to the application of the audit fee. Said audit fees will apply to state fund transfers received for those specific quarters identified as being

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missing and/or deficient following completion of the audit by CONTRACTOR and confirmation of corrections by the California Department of Tax and Fee Administration but shall not apply prospectively to any future quarter. CONTRACTOR shall provide CITY with an itemized quarterly invoice showing all formula calculations and amounts due for audit fees.

B. Business License Tax Operations Management Services

1. **Compensation** - HdL's compensation for performing Business License Tax Operations Management Services related to business license is a fee of **$14.99** per processed account, per year. City will be invoiced monthly or quarterly for activity during the prior period. For the purpose of compensation calculation, processed account means any account for which renewals/returns are processed or which were sent a renewal notice.

2. **CPI Adjustment –** Fees for Business License Tax Operations Management Services are adjusted at the beginning of each calendar year by the change in the Consumer Price Index – West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. Each annual adjustment will not be less than two percent (2%) or greater than ten percent (10%).

3. **Travel Expenses –** Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. HdL is dedicated to conserving public funds, and ensures any travel costs are indeed required and reasonable.

C. LOCAL TAX COMPLIANCE SERVICES

1. Discovery – HdL's fee for performing Local Tax Discovery services shall be a contingency fee of **35%** of the revenues received as a result of the service. This fee applies to monies received for the current tax/license period and any other prior period collected, including monies received for taxes, penalties, interest, and fees.

   1.1 City Discovery Discount – HdL's fee for following up on accounts that are identified and confirmed as non-compliant by the City shall be a contingency fee of **25%** of the revenues received as a result of the service. This fee also applies to delinquent business license tax accounts referred by the City as failing to make payment or properly renew an existing license.

2. Audit – HdL's fee for performing Local Tax Audit services shall be a contingency fee of **35%** of the revenues received as a result of the service. This fee applies to monies received for the current tax/license period and any other prior period collected, including monies received for taxes, penalties, interest, and fees.

3. Collection – HdL's fee for performing collections services shall be a contingency fee of **25%** of the revenues received as a result of the service. This fee applies to monies received for the current tax/license period and any other prior period collected, including monies received for taxes, penalties, interest, and fees.

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4. Option to waive tax recovery – City may, at its discretion, elect to waive or reduce the tax recovery for a business. Should the City elect to waive all or a portion of the deficiency identified by HdL, HdL shall be entitled to compensation in the amount of one half (1/2) of the compensation HdL would have otherwise earned on the waived/reduced amount. Deficiencies which are uncollectable due to insolvency or dissolution of the customer, or for deficiencies which are otherwise incapable of collection (e.g. statute of limitations or other legal defense) shall not be considered a voluntary election to waive by the City, and thus HdL would not be entitled to compensation for these amounts.

D. Transient Occupancy Tax Operations Management Service

1. Compensation - HdL's compensation for performing Transient Occupancy Tax Operations Management Services related to transient occupancy tax is $100.00 per lodging property, per year.

2. CPI Adjustment – Fees for Transient Occupancy Tax Operations Management Services are adjusted at the beginning of each calendar year by the change in the Consumer Price Index –West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. Each annual adjustment will not be less than two percent (2%) or greater than ten percent (10%).

3. Travel Expenses – Travel and lodging expenses are billed at cost and apply to all meetings; including process, pre-installation, installation, training, and support. HdL is dedicated to conserving public funds and ensures any travel costs are indeed required and reasonable.

Additional Services may be performed at a range of $95.00 to $325.00 per hour, depending on the complexity of tasks involved.

E. Payments

HdL will provide detailed invoices for all work completed. City will submit payment to HdL within 30 days of receiving the invoice.

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Exhibit C

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.

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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.

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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

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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.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Garrett McCown, Associate Planner & RFP Coordinator

MEETING DATE: June 18, 2025

SUBJECT: Historic Resources Committee Meeting Minutes: December 2024 through April 2025

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

RECOMMENDATION

Receive minutes.

Attachments

HRC Minutes 12.18.2024

HRC Minutes 1.22.2025

HRC Minutes 2.26.2025

HRC Minutes 3.26.2025

HRC Minutes 4.23.2025

NOTICE OF MEETING

CITY OF PACIFIC GROVE

HISTORIC RESOURCES COMMITTEE APPROVED MINUTES

SPECIAL MEETING AGENDA

Wednesday, December 18, 2024, 1:00 P.M.

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

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

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

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

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

AGENDA

1. **CALL TO ORDER & ROLL CALL**

   Chair Anton called the meeting to order at 3:00pm. Chair Anton conducted roll call with the following members present in the Chamber: Chair Anton, committee members Grannis, and Bicket. Vice Chair Steres and Member Greening were absent.

2. **APPROVAL OF AGENDA**

   ACTION: Upon motion by member Bicket and seconded by member Grannis, the committee voted to approve the agenda, as amended: Item 8b was continued to the January 22, 2025 HRC meeting.

   Motion carried 3-0-2, by the following vote:

   AYES: Chair Anton, Committee members Bicket, and Grannis

   NOES: None
   ABSENT: Vice Chair Steres, Member Greening

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

Chair Anton made announcements.

4. **COUNCIL LIAISON ANNOUNCEMENTS**

Council Member Tina Rau made announcements.

5. **GENERAL PUBLIC COMMENT**

Lisa Ciani
Inge Lorentzen Daumer
Anthony Ciani

A. Written General Public Comment

Anthony Ciani

CONSENT AGENDA

6. REPORTS FOR INFORMATION ONLY

None

7. REPORTS REQUIRING ACTION

A. Minutes of the November 20, 2024, Historic Resources Committee Special Meeting

Reference: Garrett McCown, Associate Planner

Recommended Action: Approve the minutes of the November 20, 2024, Historic Resources Committee Special Meeting.

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

B. Adoption of HRC Resolution No. 24-003

Reference: Garrett McCown, Associate Planner

Recommended Action: Adopt Resolution 24-003 recording the actions of the November 20, 2024, Historic Resources Committee hearing whereby historic determinations were made based on the recommendations of the Historic Resources Inventory Update Survey.

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

C. Initial Historic Screening (IHS) 24-0257 for 153 Sloat Avenue (APN 006-234-003)

Zoning District/General Plan Designation: C-2 / CEC

Coastal Zone: Yes

Historic Resources Inventory: No

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

Section 15378

Recommended Action: Staff recommends the Historic Resources Committee recommend to the Community Development Director that the property known as 153 Sloat Avenue is not eligible for the Historic Resources Inventory based on review of property files indicating that the property does not exhibit the architectural characteristics of the styles described in Section 7.3 of the General Plan or Section IV of the Historic Context Statement.

Reference: Joseph Sidor, Contract Planner

D. Initial Historic Screening (IHS) 24-0256 for 155 Sloat Avenue (APN 006-234-002)

Zoning District/General Plan Designation: C-2 / CEC

Coastal Zone: Yes

Historic Resources Inventory: No

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

Recommended Action: Staff recommends the Historic Resources Committee recommend to the Community Development Director that a determination of ineligibility cannot be made and that a Phase 1 historic assessment is needed to determine the historicity of the structure located at the property known as 155 Sloat Avenue.

Reference: Joseph Sidor, Contract Planner

E. Initial Historic Screening (IHS) 24-0255 for 1144 Seaview Avenue (APN 006-713-014)

Zoning District/General Plan Designation: R-1/ Medium Density Residential (7.0 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff recommends that the Historic Resources Committee recommend to the Community Development Director that the property known as 1144 Seaview Avenue, is not eligible for the Historic Resources Inventory based on review of property files and Sanborn maps indicating that the property does not exhibit the architectural characteristics of the styles described in Section 7.3 of the General Plan or Section IV of the Historic Context Statement.

Reference: Garrett McCown, Associate Planner

ACTION: Upon motion by member Bicket and seconded by member Grannis, the committee voted to approve the consent agenda as amended: 153 Sloat Ave. and 155 Sloat Ave were pulled and put on the Regular Agenda as 8C and 8D, respectively.

Motion carried 3-0-2, by the following vote:

AYES: Chair Anton and Committee members Bicket, and Grannis

NOES: None

ABSENT: Vice Chair Steres and member Greening

REGULAR AGENDA

8. **PUBLIC HEARINGS**

A. Architectural Permit (AP) and Administrative Use Permit (AUP) 24-0136, 542 Lighthouse Avenue, Pacific Grove (APN 006-173-003); Continued from November 20, 2024.

Zoning District/General Plan Designation: C-D / D

Coastal Zone: No

Historic Resources Inventory: Yes

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

Recommended Action: Approve the Architectural Permit and Administrative Use Permit subject to the recommended findings, conditions of approval, and Class 1 Categorical Exemption (CEQA Guidelines Sections 15301, Existing Facilities).

Reference: Joseph Sidor, Contract Planner

Contract Senior Planner, Joe Sidor, presented staff report.

Public Comment:

Lisa Ciani

Tony Ciani

Inge Lorentzen Daumer

ACTION: Upon motion by Chair Anton and seconded by member Grannis, the committee voted to approve AP/AUP 24-0136 for 542 Lighthouse Avenue with the condition(s) to add matte texture and neutral grey/sky color to the screening.

Motion carried 3-0-2, by the following vote:

AYES: Chair Anton, Committee members Bicket and Grannis

NOES: None
ABSENT: Vice Chair Steres, Member Greening
RECUSED: None

B. Page and Turnbull Recommendation to delete 127 Grand Avenue (APN 006-157-012) from the City's Historic Resources Inventory (HRI); Continued from November 20, 2024.

Zoning District/General Plan Designation: R-3-PGR/High Density Residential 19.8 DU/ac

Coastal Zone: Yes

Historic Resources Inventory: Yes

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

Section 15378

Recommended Action: Staff recommends that the Historic Resources Committee remove 127 Grand Avenue from the HRI due to loss of Historic Integrity based on the Page and Turnbull Survey, review of property files, Sanborn maps, and Heritage Society of Pacific Grove documentation.

Reference: Garrett McCown, Associate Planner

During the approval of the agenda, the HRC amended the agenda and continued 127 Grand Avenue to the January 22, 2025 HRC meeting.

C. Initial Historic Screening (IHS) 24-0257 for 153 Sloat Avenue (APN 006-234-003)

Zoning District/General Plan Designation: C-2 / CEC

Coastal Zone: Yes

Historic Resources Inventory: No

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

Recommended Action: Staff recommends the Historic Resources Committee recommend to the Community Development Director that the property known as 153 Sloat Avenue is not eligible for the Historic Resources Inventory based on review of property files indicating that the property does not exhibit the architectural characteristics of the styles described in Section 7.3 of the General Plan or Section IV of the Historic Context Statement.

Reference: Joseph Sidor, Contract Planner

This item was a consent item, so staff did not prepare a presentation.

Public Comment:

Tony Ciani

Lisa Ciani

Inge Lorentzen Daumer

ACTION: Upon motion by member Bicket and seconded by member Grannis, the committee voted to require a Phase I Historic Assessment, for 153 Sloat Avenue.

Motion carried 3-0-2, by the following vote:

AYES: Chair Anton, Committee members Grannis and Bicket

NOES: None
ABSENT: Vice Chair Steres, Member Greening

D. Initial Historic Screening (IHS) 24-0256 for 155 Sloat Avenue (APN 006-234-002)

Zoning District/General Plan Designation: C-2 / CEC

Coastal Zone: Yes

Historic Resources Inventory: No

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

Recommended Action: Staff recommends the Historic Resources Committee recommend to the Community Development Director that a determination of ineligibility cannot be made and that a Phase 1 historic assessment is needed to determine the historicity of the structure located at the property known as 155 Sloat Avenue.

Reference: Joseph Sidor, Contract Planner

This item was a consent item, so staff did not prepare a presentation.

Public Comment:
Inge Lorentzen Daumer
Tony Ciani

ACTION: Upon motion by member Bicket and seconded by member Grannis, the committee voted to require a Phase I Historic Assessment, for 155 Sloat Avenue.

Motion carried 3-0-2, by the following vote:

AYES: Chair Anton, Committee members Grannis and Bicket

NOES: None
ABSENT: Vice Chair Steres, Member Greening

9. **CONTINUED AND ONGOING BUSINESS**

10. **NEW BUSINESS**

11. **RESENTATIONS**

12. **NEXT MEETING - January 22, 2025**

13. **ADJOURNMENT**

1:40pm

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.

NOTICE OF MEETING

CITY OF PACIFIC GROVE

HISTORIC RESOURCES COMMITTEE APPROVED MINUTES

REGULAR MEETING AGENDA

Wednesday, January 22, 2025, 3:00 P.M.

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

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

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AGENDA

1. **CALL TO ORDER & ROLL CALL**
Chair Anton called the meeting to order at 3:00pm. Chair Anton conducted roll call with the following members present in the Chamber: Chair Anton, Vice Chair Steres, and committee members Grannis and Greening. Member Bicket absent.

2. **APPROVAL OF AGENDA**
ACTION: Upon motion by Vice Chair Steres and seconded by member Grannis, the committee voted to approve the agenda.

Motion carried 4-0-1, by the following vote:

AYES: Chair Anton, Vice Chair Steres, and Committee members Greening, and Grannis

NOES: None
ABSENT: Member Bicket

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

Chair Anton made announcements.
Staff made announcements.

4. **COUNCIL LIAISON ANNOUNCEMENTS**

Council Member Rau was absent.

5. **GENERAL PUBLIC COMMENT**

Anthony Ciani

A. Written General Public Comment

Anthony Ciani

CONSENT AGENDA

6. REPORTS FOR INFORMATION ONLY

NONE

7. REPORTS REQUIRING ACTION

A. Minutes of the December 18, 2024, Historic Resources Committee Special Meeting

Reference: Garrett McCown, Associate Planner

Recommended Action: Approve the minutes of the December 18, 2024, Historic Resources Committee Special Meeting.

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

ACTION: Upon motion by member Greening and seconded by member Grannis, the committee voted to approve the consent agenda.

Motion carried 4-0-1, by the following vote:

AYES: Chair Anton, Vice Chair Steres, Committee members Greening, and Grannis

NOES: None

ABSENT: Member Bicket

REGULAR AGENDA

8. **PUBLIC HEARINGS**

A. Page and Turnbull Recommendation to delete 127 Grand Avenue (APN 006-158-012) from the City's Historic Resources Inventory (HRI); Continued from December 18, 2024

Zoning District/General Plan Designation: R-3-PGR/High Density Residential 19.8 DU/ac

Coastal Zone: Yes

Historic Resources Inventory: Yes

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

Recommended Action: Staff recommends that the Historic Resources Committee remove 127 Grand Avenue from the HRI due to loss of Historic Integrity based on the Page and Turnbull Survey, review of property files, Sanborn maps, and Heritage Society of Pacific Grove documentation.

Reference: Garrett McCown, Associate Planner

Associate Planner, Garrett McCown, presented staff report.

Public Comment:
Anthony Ciani
Inge Lorentzen Daumer
Lisa Ciani

ACTION: Upon motion by Vice Chair Steres and seconded by member Grannis, the committee voted to retain 127 Grand Avenue on the Historic Resources Inventory because it meets criterion (h), the property has characteristics uniquely representing an established and familiar visual feature of the neighborhood.

Motion carried 3-0-1-1, by the following vote:

AYES: Vice Chair Steres, Committee members Greening and Grannis

NOES: None
ABSENT: Member Bicket
RECUSED: Chair Anton

9. **CONTINUED AND ONGOING BUSINESS**

NONE

10. **NEW BUSINESS**

NONE

11. **PRESENTATIONS**

NONE

12. **NEXT MEETING - February 26, 2025**

13. **ADJOURNMENT – 3:28 pm**

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.

NOTICE OF MEETING

CITY OF PACIFIC GROVE

HISTORIC RESOURCES COMMITTEE
APPROVED MINUTES

REGULAR MEETING AGENDA

Wednesday, February 26, 2025, 3:00 P.M.

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

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

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AGENDA

1. **CALL TO ORDER & ROLL CALL**

Chair Anton called the meeting to order at 3:00pm. Chair Anton conducted roll call with the following members present in the Chamber: Chair Anton and committee members Collins, Grannis and Greening. Vice Chair Steres arrived at 3:01 pm.

2. **ELECTION OF OFFICERS**

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

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

Recommended Action: Hold an election of Chair and Vice Chair, and appointment of Secretary, in accordance with the City's Boards, Committees, and Commissions Handbook dated March 20, 2024.

Reference: Garrett McCown, Associate Planner

Upon motion by member Greening and seconded by member Collins, the committee nominated Chair Anton to continue as Chair for the Historic Resources Committee Year 2025.

Motion carried 5-0, by the following roll call vote:

AYES: Greening, Collins, Grannis, Vice Chair Steres, Chair Anton
NOES: None

Upon motion by Chair Anton and seconded by member Grannis, the committee nominated member Greening to be Vice Chair for the Historic Resources Committee Year 2025.

Motion carried 5-0, by the following roll call vote:

AYES: Chair Anton, Vice Chair Steres, Grannis, Greening, Collins
NOES: None

3. **APPROVAL OF AGENDA**

ACTION: Upon motion by Vice Chair Greening and seconded by member Collins, the committee voted to approve the agenda.

Motion carried 5-0-, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and Committee members Steres, and Grannis, Collins

NOES: None

4. **COMMITTEE AND STAFF ANNOUNCEMENTS (City-Related Items Only)**

Chair Anton made announcements.

5. **COUNCIL LIAISON ANNOUNCEMENTS**

Council member Rau made announcements.

6. **GENERAL PUBLIC COMMENT**

Lisa Ciani

A. Written General Public Comment

None

CONSENT AGENDA

7. REPORTS FOR INFORMATION ONLY

None

8. REPORTS REQUIRING ACTION

A. Initial Historic Screening (IHS) 24-0258 for 815 Grove Acre Avenue (APN 006-611-014)

Zoning District/General Plan Designation: R-1-B-3/Low Density Residential 4.4 DU/ac

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff requests that the Historic Resources Committee provide an Initial Historic Screening Determination recommendation to the Community Development Director for the property located at 815 Grove Acre Avenue. Based on the review of the City of Pacific Grove Historic Context Statement, property files, and the evaluation criteria listed in PGMC 23.76.025, staff recommends the HRC make a determination of ineligibility.

Reference: Garrett McCown, Associate Planner

B. Minutes of the January 22, 2025 Historic Resources Committee Regular Meeting

Reference: Garrett McCown, Associate Planner

Recommended Action: Approve the minutes of the January 22, 2025, Historic Resources Committee Regular Meeting.

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

C. Initial Historic Screening (IHS) 25-0037 for 645 Spruce Avenue (APN 006-477-002)

Zoning District/General Plan Designation: R-1/ Medium Density Residential (12.0 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff requests that the Historic Resources Committee provide an Initial Historic Screening Determination recommendation to the Community Development Director for the property located at 645 Spruce. Based on the review of the City of Pacific Grove Historic Context Statement, property files, and the evaluation criteria listed in PGMC 23.76.025, staff recommends the HRC make a determination of ineligibility.

Reference: Garrett McCown, Associate Planner

ACTION: Upon motion by Vice Chair Greening and seconded by member Collins, the committee voted to approve the consent agenda as modified, Item 8C was pulled and put on the Regular Agenda as 9C.

Motion carried 5-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, Committee members Steres, Collins, and Grannis

NOES: None

REGULAR AGENDA

9. **PUBLIC HEARINGS**

A. Recommendation to the Planning Commission for Architectural Permit 24-0226, 487 Ocean View Boulevard, Pacific Grove (APN 006-183-002)

Zoning District/General Plan Designation: R-3-PGR / Medium High Density Residential 10 - 20 du/ac

Coastal Zone: Yes

Historic Resources Inventory: Yes

CEQA: Categorical Exemption, CEQA Guidelines 15331, Historical Resources Restoration/Rehabilitation

Recommended Action: Staff recommends the Historic Resources Committee recommend the Planning Commission approve Architectural Permit (AP) 24-0226, subject to the findings, recommended conditions, and Class 1 and Class 31 CEQA categorical exemptions.

Reference: Joseph Sidor, Contract Planner

Contract Senior Planner, Joe Sidor, presented staff report.

Project architect Jeanne Byrne presented report.

Public Comment:
Ms. Flatley
Deborah Rhodes
Jeffery Becom
Lisa Ciani

ACTION: Upon motion by member Collins and seconded by member Grannis, the committee voted to approve the project at 487 Oceanview Blvd.

Motion carried 4-0-1, by the following vote:

AYES: Chair Anton, Vice Chair Steres, and Committee members Collins, Grannis

NOES: None
RECUSED: Vice Chair Greening

B. Community Goal Recommendations

Zoning District/General Plan Designation: N/A

Coastal Zone: N/A

Historic Resources Inventory: N/A

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

Recommended Action: Discuss proposed goals for recommendation to the City Council within the guidance and parameters provided and approve up to 3 goals to recommend for City Council consideration for inclusion in the 2025-2027 Community Goals and Work plan.

Reference: Matt Mogensen, City Manager

Senior Planner, Aaron Campbell, presented staff report.

Public Comment:

Lisa Ciani

Inge Lorentzen Daumer

ACTION: Upon motion by Vice Chair Greening and seconded by member Collins, the committee voted to approve 3 goals (1. Prioritize the protection of the Historic Character of Pacific Grove by creating a Neighborhood Character List or Historic Districts. 2. Authorize funding for the application/nomination of Chataqua Hall for the National Register of Historic Places and restoration/rehabilitation. 3. Continue the positive working relationship with staff and council) to be given to the city council.

Motion carried 5-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, Committee members Steres, Collins, and Grannis

NOES: None

C. Initial Historic Screening (IHS) 25-0037 for 645 Spruce Avenue (APN 006-477-002)

Zoning District/General Plan Designation: R-1/ Medium Density Residential (12.0 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff requests that the Historic Resources Committee provide an Initial Historic Screening Determination recommendation to the Community Development Director for the property located at 645 Spruce. Based on the review of the City of Pacific Grove Historic Context Statement, property files, and the evaluation criteria listed in PGMC 23.76.025, staff recommends the HRC make a determination of ineligibility.

Reference: Garrett McCown, Associate Planner

ACTION: Upon motion by Vice Chair Greening and seconded by member Collins, the committee voted to make a recommendation to the CDD Director to make a determination that 645 Spruce Ave. is ineligible for the HRI.

Motion carried 5-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, Committee members Steres, Collins, and Grannis

NOES: None

10. **CONTINUED AND ONGOING BUSINESS**

None

11. **NEW BUSINESS**

None

12. **PRESENTATIONS**

None

13. **NEXT MEETING - March 26, 2025**

14. **ADJOURNMENT**

4:15pm

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.

NOTICE OF MEETING

CITY OF PACIFIC GROVE

HISTORIC RESOURCES COMMITTEE APPROVED MINUTES

REGULAR MEETING AGENDA

Wednesday, March 26, 2025, 3:00 P.M.

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

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

AGENDA

1. **CALL TO ORDER & ROLL CALL**

   Chair Anton called the meeting to order at 3:00pm. Chair Anton conducted roll call with the following members present in the Chamber: Chair Anton and committee members Collins and Grannis. Vice Chair Greening was absent.

2. **APPROVAL OF AGENDA**

   ACTION: Upon motion by member Collins and seconded by member Grannis, the committee voted to approve the agenda.

   Motion carried 3-0-1, by the following vote:

   AYES: Chair Anton and Committee members Grannis and Collins

   NOES: None

   ABSENT: Vice Chair Greening

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

   Chair Anton made announcements.

Associate Planner, Garrett McCown, made announcements.

4. **COUNCIL LIAISON ANNOUNCEMENTS**

None

5. **GENERAL PUBLIC COMMENT**

Lisa Ciani
Inge Lorentzen Daumer

A. Written General Public Comment

None

CONSENT AGENDA

6. REPORTS FOR INFORMATION ONLY

None

7. REPORTS REQUIRING ACTION

A. Initial Historic Screening (IHS) 25-0052 for 265 Gibson Avenue (APN 006-526-001)

Zoning District/General Plan Designation: R-1/ Medium Density Residential (10.9 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff requests that the Historic Resources Committee provide an Initial Historic Screening Determination recommendation to the Community Development Director for the property located at 265 Gibson Avenue. Based on the review of the City of Pacific Grove Historic Context Statement, Pacific Grove Heritage Society documents, property files, and the evaluation criteria listed in PGMC 23.76.025, staff recommends the HRC make a determination of ineligibility.

Reference: Garrett McCown, Associate Planner

B. Minutes of the February 26, 2025, Historic Resources Committee Regular Meeting

Reference: Garrett McCown, Associate Planner

Recommended Action: Approve the minutes of the February 26, 2025, Historic Resources Committee Regular Meeting.

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

ACTION: Upon motion by member Grannis and seconded by member Collins, the committee voted to approve the consent agenda.

Motion carried 3-0-1, by the following vote:

AYES: Chair Anton and Committee members Collins and Grannis

NOES: None

ABSENT: Vice Chair Greening

REGULAR AGENDA

8. **PUBLIC HEARINGS**

None

9. **CONTINUED AND ONGOING BUSINESS**

None

10. **NEW BUSINESS**

None

11. **PRESENTATIONS**

None

12. **NEXT MEETING - April 23, 2025**

13. **ADJOURNMENT**

3:14pm

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.

NOTICE OF MEETING

CITY OF PACIFIC GROVE

HISTORIC RESOURCES COMMITTEE
APPROVED MINUTES

REGULAR MEETING AGENDA

Wednesday, April 23, 2025, 3:00 P.M.

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

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

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

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

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

AGENDA

1. **CALL TO ORDER & ROLL CALL**

   Chair Anton called the meeting to order at 3:00pm. Chair Anton conducted roll call with the following members present in the Chamber: Chair Anton, Vice Chair Greening, and committee members Collins.

2. **APPROVAL OF AGENDA**

   ACTION: Upon motion by Vice Chair Greening and seconded by member Collins, the committee voted to approve the agenda.

   Motion carried 3-0, by the following vote:

   AYES: Chair Anton, Vice Chair Greening, and committee member Collins

   NOES: None

   ABSENT: None

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

   Chair Anton made announcements.

4. **COUNCIL LIAISON ANNOUNCEMENTS**

None

5. **GENERAL PUBLIC COMMENT**

Lisa Ciani

A. Written General Public Comment

None

CONSENT AGENDA

6. REPORTS FOR INFORMATION ONLY

None

7. REPORTS REQUIRING ACTION

A. Minutes of the March 26, 2025, Historic Resources Committee Regular Meeting

Reference: Garrett McCown, Associate Planner

Recommended Action: Approve the minutes of the March 26, 2025, Historic Resources Committee Regular Meeting.

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

B. Initial Historic Screening (IHS) 25-0063 for 230 7th Street (APN 006-251-008)

Zoning District/General Plan Designation: R-2 / High Density Residential (21 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff requests that the Historic Resources Committee provide an Initial Historic Screening Determination recommendation to the Community Development Director for the property located at 230 7th Street. Based on the review of the City of Pacific Grove Historic Context Statement, property files, and the evaluation criteria listed in PGMC 23.76.025, staff recommends the HRC make a determination of ineligibility.

Reference: Anna Bornstein, Associate Planner

ACTION: Upon motion by member Collins and seconded by Vice Chair Greening, the committee voted to approve the consent agenda.

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee members Collins

NOES: None

ABSENT: None

REGULAR AGENDA

8. **PUBLIC HEARINGS**

None

9. **CONTINUED AND ONGOING BUSINESS**

None

10. **NEW BUSINESS**

None

11. **PRESENTATIONS**

None

12. **NEXT MEETING - May 28, 2025**

13. **ADJOURNMENT**

3:04 pm

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: Joseph Sidor, Contract Planner

MEETING DATE: June 18, 2025

SUBJECT: Consider Appeals of Coastal Development Permit (CDP) 25-0031, Recreation Trail Realignment within the Ocean View Blvd Right-of-Way, Pacific Grove

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

RECOMMENDATION
Staff recommends the City Council deny the appeals and approve Coastal Development Permit (CDP) 25-0031, subject to the findings, recommended conditions, and CEQA Class 1 and 2 categorical exemptions.

DISCUSSION
Project Description
The proposed development includes the realignment of an approximate 100 linear-foot section of the Recreation Trail within the right-of-way of Ocean View Boulevard. Project details include removing the temporary pedestrian walkway that had been installed on the seaward side of Ocean View Blvd, and constructing a new curb and gutter along with a 5-foot-wide decomposed granite walkway for pedestrians. Ground disturbance would be minimal, and would occur within previously disturbed area and no work would occur below the existing base layer of the roadway.

Site Description
The project area is located within the Ocean View Boulevard right-of-way, adjacent to Shoreline Park and near the Esplanade Street intersection and Esplanade Park. The project area is currently covered with pavement and a temporary pedestrian walkway. The subject property is located within the City's Area of Special Biological Significance, within an archaeologically sensitive area, and within the Coastal Zone.

Surrounding Land Uses
The neighborhood surrounding the project site is zoned Open Space (Shoreline Park and Recreation Trail) and R-1 (Beach Tract/Fairway Homes residential neighborhood). The surrounding area is comprised of a mix of residential and public structures and uses.

Background and Summary of Appeals
On April 10, 2025, the Planning Commission considered the proposed project and by motion voted 6 – 0 – 1 (6 yes, 0 no, and 1 absent) to approve the project as proposed (Planning Commission permit attached). The Planning Commission found the project, as proposed, is an appropriate use, is consistent

with the Local Coastal Program (LCP), and would not adversely impact public views, biological resources, coastal access, or other coastal resources.

On April 18 and April 21, 2025, the appellants submitted two separate and timely appeals (attached) of the Planning Commission's decision to approve CDP 25-0031. The appeals raise general points related to safety, public access, coastal resources, consistency with the Shoreline Management Plan (SMP), and staff coordination. City staff reviewed the points raised in the appeals and responds as follows:

- The project addresses shoreline erosion along this approximate 100-foot section of the Recreation Trail. Consistent with Land Use Plan (LUP) Policy PRA-1, implementation of the project would provide safe and adequate access to and along the City's shoreline and maintain (i.e., re-establish) a continuous pedestrian coastal trail seaward of Ocean View Boulevard. This approach is also consistent with the SMP. Alternative approaches to address the ongoing erosion, such as rip rap or bluff face armoring, are discouraged unless there is no other feasible alternative.

- Details regarding safety and staff coordination would be addressed in the contractual and construction phases of the project. Consistent with applicable LUP Policies, the selected contractor would prepare safety and public access measures for review and approval by Public Works.

- This CDP and the applied conditions of approval address potential impacts to coastal resources, public access, and safety. Consistent with LUP Policy BIO-12, Condition No. 6, Black Oystercatcher Protocol, incorporates the previously adopted and detailed protocol to address potential impacts to nesting Black Oystercatchers. Consistent with LUP Policy PRA-9, Condition No. 7, Traffic Safety Measures, requires the implementation of appropriate traffic safety measures, and Condition No. 8, Pedestrian Safety and Access During Construction, requires the implementation of alternative and safe pedestrian access during construction. The requirements of these conditions would be prepared and implemented by the selected contractor during construction.

Also, the points raised in the appeals are not supported by evidence. Therefore, based on information in the record, the appeals lack substantive merit, and the project record sufficiently addresses the potential impacts of the proposed project.

City staff referenced the SMP during project review to ensure consistency, and this project is a small segment of the Recreation Trail and is reflective of managed retreat efforts intended to address safety and ongoing erosion, and maintain coastal access. As noted previously, this managed retreat repair project would restore an approximate 100-foot section of the Recreation Trail to address a safety and shoreline erosion issue at this location. The project does not, nor is it intended to, implement the full SMP. The entire project has been described and the approval of the realignment of this trail segment as part of a managed retreat strategy has independent utility. Other trail segments or sections, when proposed, will be analyzed under CEQA and be reviewed for consistency with the SMP and LCP.

Applicable General Plan Policies

The Pacific Grove General Plan provides a framework for future growth and development within the City. The Land Use and Parks and Recreation Elements include goals and polices that call for the orderly, well-planned, and balanced development, consistent with the historic nature of Pacific Grove, the capacity of the City's infrastructure, and ability to assimilate new growth. The proposed project is consistent with applicable General Plan policies, including the following:

Chapter 2, Land Use

Policy 2: Ensure that new development is compatible with adjacent existing development.
Policy 4: Continue to preserve Pacific Grove's character and regulate development.

Chapter 5 - Parks and Recreation

Goal 1: Maintain a public park system and recreation facilities suited to the needs of all Pacific Grove residents and visitors.
Policy 7: Give high priority to maintaining, improving, and rehabilitating existing parks.

The policies and goals above are implemented through the O (open space) zoning district, which allows public recreational development in areas designated for such uses. In addition to the General Plan goals and policies, the General Plan provides land use categories for all land within Pacific Grove. These categories are shown on the land use maps provided in the General Plan.

Applicable Land Use Plan Policies

The Pacific Grove Land Use Plan (LUP), certified on March 11, 2020, provides a framework for future growth and development within the City's Coastal Zone. The subject area is not designated; however, the project site is located adjacent to open space and the intent is to realign a portion of the Recreation Trail onto the Ocean View Blvd right-of-way. Therefore, the proposed trail project is consistent with applicable LUP policies, including the following:

BIO-12: The City will protect Black Oystercatchers and their rocky intertidal habitat along the City's shoreline....

DES-1: All new development shall be consistent with requirements of the certified Local Coastal Program, including the certified Land Use Designations figure (Figure 6).

PRA-1: The City will strive to provide safe and adequate access to and along the City's shoreline and other points of public interest. The City will, to the maximum extent feasible, maintain a continuous pedestrian coastal trail, the length of the City's Coastal Zone, seaward of Ocean View Boulevard/Sunset Drive....

PRA-9: New development shall ensure that public access opportunities are maximized, including through offsetting any temporary (e.g., during construction) and potential permanent impacts to public access ....

HAZ-11: In order to minimize potential damage to life and property from coastal hazards, development and the use of land below the 20-foot elevation (as measured from mean high tide) shall be limited to coastal-dependent and coastal-related development, open space, low intensity public recreational access facilities and uses, public infrastructure, allowable shoreline armoring and coastal access facilities, and, at Lovers Point, Hopkins Marine Station, and Monterey Bay Aquarium, coastal dependent development....

SCE-1: Public views to and along the shoreline shall be protected and enhanced, and alteration of natural landforms shall be minimized.

Coastal Development Permit

An application was filed with the Community Development Department (CDD) on November 8, 2024, and the application submittal is consistent with PGMC section 23.90.060. Findings and related conditions of approval are included in the draft permit (attached).

Pursuant to PGMC Sections 23.90.050, City CDP Determinations, and 23.90.040, CDP

Exemptions, CDD staff initially determined the proposed development exempt from the requirement to obtain a Coastal Development Permit (CDP), and forwarded this determination to the Coastal Commission on November 5, 2024. On November 8, 2024, an interested member of the public challenged this CDP determination, and Coastal Commission staff responded on November 25, 2024, with an opinion that a CDP would be required for the proposed development. After receipt of the Coastal Commission staff opinion, CDD staff forwarded a revised CDP determination on February 5, 2025.

Coastal Hazards
Per PGMC Section 23.90.140, Coastal Hazards, CDD staff reviewed LUP Figure 3 (Coastal Hazards and Areas of Potential Sea Level Rise), aerial and topographic imagery, plan sheet, and conducted a site visit on March 28, 2025. In this case, the proposed realignment of approximately 100 linear feet of the Recreation Trail would replace an eroded section of trail and no structural development would occur. As proposed, this project is consistent with applicable LUP Policies; therefore, submittal of a Coastal Hazards Report is not required or warranted.

Public Access and Parking
As proposed, the project would not result in adverse impacts to public access and/or parking along Ocean View Blvd. Consistent with LUP Policy PRA-1, implementation of the project would re-establish public access along this section of the Recreation Trail. The project is also not anticipated to result in adverse impacts to public parking because visitor parking along this section of Ocean View Blvd is generally limited and focused on the pull-out areas near Sea Palm and Otter Point. Additionally, the City's Shoreline Management Plan anticipated erosion along this section of shoreline and the associated loss of parking along both sides of Ocean View Blvd to accommodate new trail alignments.

Water Quality and Marine Resources
Per PGMC Section 23.90.150, Water Quality and Marine Resources, the City did not require a water quality assessment because the proposed development would not result in new impervious coverage, and would fall within the City's Municipal Permit.

Scenic Resources
Per PGMC Section 23.90.160, Scenic Resources, CDD staff reviewed LUP Figure 4 (Scenic Areas), aerial and street view imagery, and conducted a site visit on March 28, 2025. As designed, the proposed trail realignment would not adversely impact public views seaward of Ocean View Boulevard, the Recreational Trail, or along the shoreline.

Biological Resources
Per PGMC Section 23.90.170, Biological Resources, CDD staff reviewed LUP Figure 5, Land Habitat Sensitivity Map, aerial imagery, and conducted a site inspection on March 28, 2025. This review determined the proposed development would not have the potential to adversely affect biological resources or an environmentally sensitive habitat area. Additionally, per LUP Policy BIO-12 and Condition No. 6, the selected contractor would implement the requirements of the Black Oystercatcher Protocol, as applicable. The project site is a previously-developed road right-of-way (i.e., Ocean View Boulevard) and all work would occur within the existing right-of-way. No project work is proposed to occur seaward of the existing Recreational Trail. The City would require the selected contractor to implement industry-standard best management practices to protect the surrounding area.

The project site is also over 900 feet from the nearest beach at the intersection of Coral Street and Ocean View Blvd, with no direct line of sight for noise travel. Per PGMC section 14.04.090, work within the Ocean View Blvd right-of-way, between Eardley and Carmel Avenues, shall not occur

during the Harbor seal pupping season. The project site is over 5,200 feet northwest of Carmel Avenue; therefore, there is no time restriction on when project work may occur. As proposed, the project would not impact natural habitats or resources; therefore, in this case, submittal of an initial site assessment for biological resources is not required or warranted.

Archaeological Resources
In this case, per PGMC section 23.90.200, Cultural Resources, an archaeological assessment is not required or warranted. Although the project site is located within an archaeologically sensitive area, ground disturbance would be minimal and would occur within a previously disturbed area (i.e., the roadway). No work is proposed to occur below the existing base layer of the roadway.

Historic Resources
Per PGMC section 23.90.200, Cultural Resources, the proposed trail realignment does not involve structural development; therefore, an historical report is not required or warranted.

Noticing for Coastal Development Permits
City staff completed the required noticing pursuant to PGMC section 23.90.070 as follows:

1. Mailing. On June 5, 2025, Notices of Public Hearing were mailed to all owners and occupants of parcels within a 100-foot boundary of the subject project site as identified on the updated equalized county assessment roll, as well as all known interested parties and the Coastal Commission.

2. Posting. On June 5, 2025, a Notice of Public Hearing was posted on the site's street frontage in a location that may be viewed from the street.

3. Publication. Not required.

Story Poles and Netting
Not required. The applicant installed large yellow sand buckets and delineation posts that clearly identify the extent of the proposed development within the street right-of-way.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)
In reviewing this action, the City has followed the CEQA statute adopted by the State of California as published in the California Public Resources Code, Division 13, §21000, et seq., and the associated guidelines as published in the California Code of Regulations, Title 14, §15000, et seq. (i.e., CEQA Guidelines). The proposed project is found to be categorically exempt under CEQA Guidelines Sections 15301 (Class 1), Existing Facilities, and 15302 (Class 2), Replacement or Reconstruction. The Class 1 exemption allows the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities (including existing streets), mechanical equipment, or topographical features, involving negligible or no expansion of the existing or former use. The Class 2 exemption allows the replacement or reconstruction of existing structures and facilities where the new facility will be located on the same site as the facility replaced and will have substantially the same purpose and capacity as the facility replaced. As proposed, the project is consistent with the parameters of both the Class 1 and Class 2 categorical exemptions.

The exceptions to exemptions in Section 15300.2 of the CEQA Guidelines pertaining to location, cumulative impacts, significant effects, scenic highways, hazardous waste sites, and historical resources do not apply to this project. Also, no adverse environmental effects were identified during staff review of the development application, and there is no substantial evidence of an unusual circumstance because there is no feature or condition of the project that distinguishes the project from the exempt classes.

Additionally, there is no substantial evidence that the project has a reasonable possibility of having a significant effect on the environment or that it would result in a cumulative significant impact.

OPTIONS

1. Deny the appeals of the Planning Commission's decision and approve the project as proposed;
2. Approve the appeals of the Planning Commission's decision and deny the proposed project;
3. Direct the applicant to revise the proposed project subject to Council direction; or
4. Discuss and take other action related to this item.

FINANCIAL IMPACT:

Approval of a Coastal Development Permit has no fiscal impact on the project. Upon approval, City Staff will release a Request for Proposal for construction, which funding has been allocated for through previous CIP Budgets.

The City Council initially approved this project as part of the Fiscal Year (FY) 24/25 Capital Improvement Plan (CIP). Subsequently, on May 7, 2025, the Council approved the FY 25/26 - 26/27 CIP for inclusion in the budget and approved an additional funding allocation for project construction. While the budget process is still ongoing, the proposed budget includes construction funding through the CIP.

There are no fees charged to file an appeal of the Planning Commission's decision to approve a Coastal Development Permit (CDP). However, the processing of a CDP appeal does result in an unfunded financial impact to the City. Staff estimates it has expended approximately 18 hours in the processing of these appeals (not including public hearing time before the City Council). At the fully burdened staff rate of $210 per hour, the City has incurred an approximate cost of $3,780.00 in the processing of these appeals.

FOCUSED PRIORITY AREA: Infrastructure

Attachments

Appeal 04-18-2025
Appeal 04-21-2025
CDD Application
CDP Application & Checklist
Draft Resolution
CEQA Exemption Form
Planning Commission Permit dated 04-10-2025
Plan Sheet
Project Site Photo

CITY OF PACIFIC GROVE

Community Development Department – Planning Division

300 Forest Avenue, Pacific Grove, CA 93950

T :: 831.648.3190 • F :: 831.648.3184 • www.ci.pg.ca.us/cdd

Appeal Form

Appeal #: _____
Date: _____
Received By: _____
Total Fee: _____

Project Information

Project Address: Ocean View Blvd. & Espalnade APN: N/A

☐ On HRI/ ■ Not on HRI

Application & No.: 25-0031

2025 APR 18 P 3:02

Applicant Name: Dan Gho Phone #: 831-648-5722 Ext. 4203

Mailing Address: 2100 Sunset Drive

CITY OF PACIFIC GROVE

Email Address: dgho@cityofpacificgrove.org

Owner Name: City of Pacific Grove Phone #: 831-648-3100

Mailing Address: 300 Forest Ave.

Email Address: dgho@cityofpacificgrove.org

Action[1]

☐ ARB: Architectural Review Board
☐ CDD: Planning Staff
☐ HRC:Historic Resources Committee
■ PC: Planning Commission
☐ NRC: Natural Resources Committee
☐ SPRC: Site Plan Review Committee
☐ ZA: Zoning Administrator

Date of Action: April 10, 2025

Action Taken: Approved CDP with Conditions

Appeal Information

Appellant Name: Anthony A. Ciani Phone #: 858-454-7141

Mailing Address: 220 Walnut Street

Email Address: aciani@cianiarchitecture.com

Appeal Deadline: 5:00 p.m. on April /20 /2025

Grounds for Appeal: Project is piecemeal and could have direct and cumulative significant adverse impacts to public safety and coastal resources and public access and is inconsistent with the LCP Shoreline Managment Plan Policies; and did not consider all alternatives or conditions to mitigate impacts associated with project. (See Attached Letter)

If necessary, use additional pages.

Fees

Discretionary Fees[2]	$
Appeal Fee = 25% of discretionary fees	$
Cost of publication of legal notice[3]	$
Photocopies _____ copies @ 10¢ each	$
Postage[4] _____ stamps @ 45¢ each	$
Other	$
Total Appeal Fee	

Anthony A. Ciani — April 18, 2025

Appellant Signature — Date

[1] See Table 23.70.012-1 in the Pacific Grove Zoning Code, which identifies roles of review authorities as they relate to appeals.

[2] Whatever fee was collected by the city for the application for use permit, architectural approval, variance, etc., or combination of more than one fee if more than one decision is being appealed.

[3] Currently averaging $250-300.

[4] Typically the number of address labels for parcels (or portions thereof) found within a 300 ft radius of the subject parcel (350 ft radius for homes in the Asilomar Dunes area) is approximately 120. Mailing is sent to owners and occupants (including most individual apartments) of properties.

Anthony A. Ciani 220 Walnut Street. Pacific Grove, California 93950

April 18, 2025

Mayor Nick Smith and City Councilmembers
City of Pacific Grove
300 Forest Avenue

CITY CLERK'S OFFICE
2025 APR 18 P 3:02
CITY OF PACIFIC GROVE

Pacific Grove, CA 93950 (Via email: skandell@cityofpacificgrove.org)

RE: SUPPLEMENT TO APPEAL OF PLANNING COMMISSION APPROVAL OF CDP NO. 25-0031, COASTAL TRAIL AT OCEAN VIEW BLVD. & ESPLANADE

Dear Mayor Smith and Members of the City Council,

The project is a piecemeal (small piece of the entire) project described in the City's adopted Shoreline Management Plan (SMP); thus, it is inadequate to address essential goals and policies for the Coastal Trail [Re] Alignment that are provided in the SMP, pages 63 – 65:

> *"Figure 7.13, on the next page, shows the trail alignment from east of Esplanade Park to halfway between Coral and Acropolis Streets. (West of that end point is where the study area for the Point Pinos Coastal Trail Study and Plan begins; see the next chapter for more information about that area.) This segment of the shoreline consists of a very thin, and eroding, band of land; it is the stretch between Lovers Point and Point Pinos where trail access is currently most compromised or where it is most at risk in the future. This is especially true across the street on either side of Esplanade Park and west of the Coral Street wall. At these spots, the shoreline trail essentially disappears for short stretches, forcing pedestrians onto narrow strips of dirt immediately next to Ocean View Boulevard. Bluff There are several stretches, circled in orange on Figure 7.13, where the trail cannot be located inside the 30-year erosion setback line without coming very close to or encroaching onto Ocean View Boulevard. For these stretches—extending approximately from 1045 to 1119 Ocean View Boulevard—the SMP recommends that the parking lane on the ocean side of the street be eliminated, and the street curb be shifted inland by approximately 7–8 feet. The regained space would be restored to a more natural condition, and a proper pedestrian trail would be installed on it. The distance involved is approximately 500 feet; assuming a length of 20 feet per parallel parking space, this recommendation would result in the loss of 25 on-street parking spaces."*

The special conditions suggested by the Planning Commission lack sufficient specificity to adequately carry out the purpose of the conditions, for example:

1) The condition to protect the Black Oystercatcher habitat during nesting season did not specify the timing and conditions;
2) Specific provisions to protect pedestrians, bicyclists, and passengers in automobiles during and after construction were not provided.

Thank you for your consideration.

Sincerely,

Anthony A. Ciani

Anthony A. Ciani, Appellant

CITY OF PACIFIC GROVE

Community Development Department – Planning Division

300 Forest Avenue, Pacific Grove, CA 93950

T :: 831.648.3190 • F :: 831.648.3184 • www.ci.pg.ca.us/cdd

Appeal Form

Appeal #: _____
Date: _____
Received By: _____
Total Fee: _____

Project Information

Project Address: Ocean View Blvd & Esplanade — APN: None

☐ On HRI / ☒ Not on HRI

2025 APR 21 A 8:26

CITY OF PACIFIC GROVE

Application & No.: Coastal Development Permit (CDP) 25-0031

Applicant Name: Daniel Gho for City of Pacific Grove — Phone #: 831-648-5722 ext 4203

Mailing Address: 2100 Sunset Drive, Pacific Grove, CA 93950

Email Address: dgho@cityofpacificgrove.org

Owner Name: City of Pacific Grove — Phone #: 831-648-3100

Mailing Address: 300 Forest Ave, Pacific Grove, CA 93950

Email Address: cdd@cityofpacificgrove.org, citymanager@cityofpacificgrove.org, cityclerk@cityofpacificgrove.org

Action[1]

☐ ARB: Architectural Review Board
☐ CDD: Planning Staff
☐ HRC: Historic Resources Committee
☒ PC: Planning Commission
☐ NRC: Natural Resources Committee
☐ SPRC: Site Plan Review Committee
☐ ZA: Zoning Administrator

Date of Action: April 10, 2025

Action Taken: Approval of Public Works CDP with conditions

Appeal Information

Appellant Name: Lisa Ciani — Phone #: 831-747-1590

Mailing Address: 220 Walnut St, Pacific Grove, CA 93950

Email Address: lisa.ciani@gmail.com

Appeal Deadline: 5:00 p.m. on April /21 /2025

Grounds for Appeal: Project plan lacks details to assure safety for pedestrians & vehicles during both construction and life of new trail segment. Piecemail project fails to address scope of concerns in Shoreline Management Plan for 3 segments of trail failure between 1045 - 1119 OVB (see SMP map attached), as well as proposed project segment (easternost) that returns seaward of curb at east end where sandbags reinforce trail at bluff edge (photo attached). No Traffic Engineer.

If necessary, use additional pages. See attached SMP map and bluff edge photo.

Fees

Discretionary Fees[2]		$
Appeal Fee = 25% of discretionary fees	Waived for CDP appeals	$
Cost of publication of legal notice[3]		$
Photocopies _____ copies @ 10¢ each		$
Postage[4] _____ stamps @ 45¢ each		$
Other		$
Total Appeal Fee		

Lisa Ciani
Appellant Signature

April 20, 2025
Date

[1] See Table 23.70.012-1 in the Pacific Grove Zoning Code, which identifies roles of review authorities as they relate to appeals.

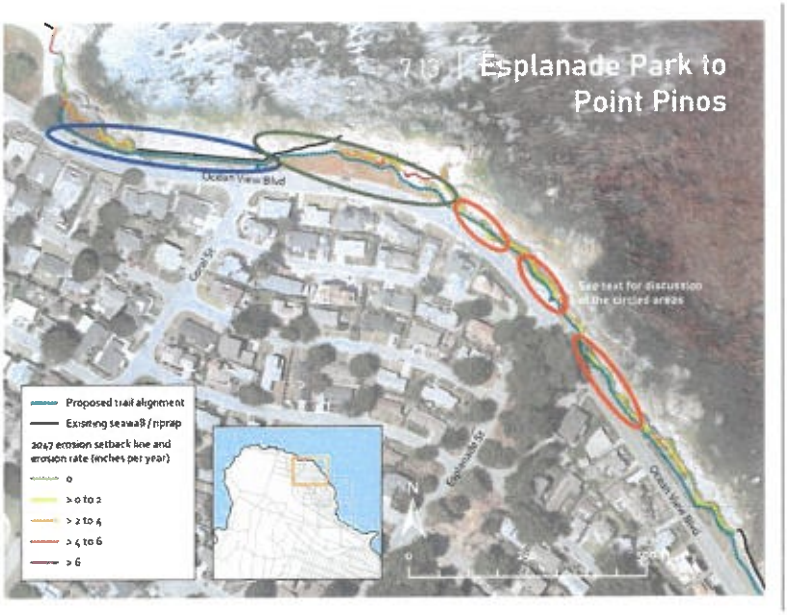
[2] Whatever fee was collected by the city for the application for use permit, architectural approval, variance, etc., or combination of more than one fee if more than one decision is being appealed.

[3] Currently averaging $250-300.

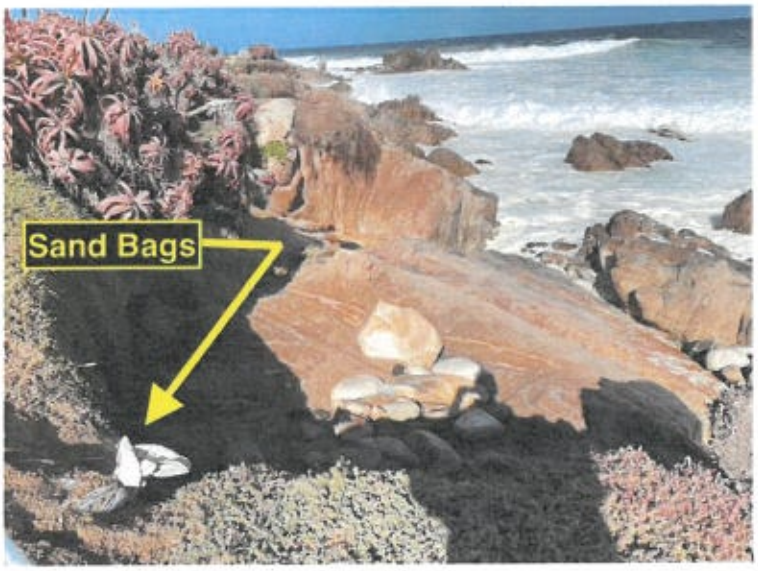
[4] Typically the number of address labels for parcels (or portions thereof) found within a 300 ft radius of the subject parcel (350 ft radius for homes in the Asilomar Dunes area) is approximately 120. Mailing is sent to owners and occupants (including most individual apartments) of properties.

Attachments to Appeal by Lisa Ciani of Planning Commission approval of CDP 25-0031

1. Shoreline Management Plan map, page 64. (Discussion pages 63-67, https://files.cityofpacificgrove.org/Document_Center/Departments/Public%20Works/Shoreline%20Management%20Plan%20(3).pdf.)



2. Photo of sand bags at edge of trail/edge of bluff where realigned trail returns from street to coastal trail seaward of curb at eastern end of proposed project.



CITY OF PACIFIC GROVE

Community Development Department – Planning Division
300 Forest Avenue, Pacific Grove, CA 93950
Tel: 831.648.3190 • Fax: 831.648.3183 • www.cityofpacificgrove.org/cedd

Permit Application

Application # CDP 25-0031
Date: 11-08-2024
Total Fees: N/A

APPLICANT/OWNER:

Project Address: Oceanview and Esplanade **APN:** N/A

Project Description: Create bulbout for trail/walkway

Does this project create, add, or replace impervious surface? ☑ Yes ☐ No

Will the project impact any tree(s) on site? ☐ Yes ☑ No

Does the property have an active building permit, IF yes permit #_____ ☑ No

Applicant	**Owner**
Name: Daniel Gho	Name: City of Pacific Grove
Phone: 831-648-5722 ext 4203	Phone: 831-648-3100
Email: dgho@cityofpacificgrove.org	Email: dgho@cityofpacificgrove.org
Mailing Address: 2100 Sunset Drive	Mailing Address: 300 Forest Ave

PLANNING STAFF USE ONLY:

Permit Request:

☐ CRD: Counter Determination	☐ SP: Sign Permit	☐ IHS: Initial Historic Screening	☐ VAR: Variance
☐ AP: Architectural Permit	☐ UP: Use Permit	☐ HPP: Historic Preservation	☐ MMP: Mitigation Monitoring
☐ AAP: Administrative AP	☐ AUP: Administrative UP	☐ A: Appeal	☐ Water Entitlement
☐ ADC: Arch Design Change	☒ CDP: Coastal Dev. Permit	☐ TPD: Tree Permit W/ Dev't	☐ Other:_____
☐ ASP: Admin Sign Permit	☐ LLA: Lot Line Adjustment	☐ CDP Waiver/Admin. CDP	☐ Other:_____

CEQA Determination:
☒ Exempt
☐ Initial Study & Mitigated Negative Declaration
☐ Environmental Impact Report

Review Authority:
☐ Staff ☐ HRC
☐ ZA ☒ PC
☐ SPRC ☐ CC
☐ ARB ☐ _____

Active Permits:
☐ Active Planning Permit
☐ Active Building Permit
☐ Active Code Violation
Permit #: _____

Overlay Zones:
☐ Butterfly Zone
☒ Coastal Zone
☒ Area of Special Biological Significance (ASBS)
☐ Environmentally Sensitive Habitat Area (ESHA)

Property Information
Lot: N/A Block: N/A Tract: N/A
ZC: N/A GP: N/A Lot Size: N/A
☐ Historic Resources Inventory ☒ Archaeologically Sensitive Area ☒ CDP Appeal Jurisdiction

Staff Use Only:

Received by: _____
Assigned to: J. Sidor

CITY OF PACIFIC GROVE
COASTAL DEVELOPMENT PERMIT
APPLICATION & SUBMITTAL CHECKLIST

Instructions

Please submit a complete application packet including this form with all of the items checked below. If one or more of the items is not applicable to your project, please mark with "not applicable" or "n/a". All exhibits must be clear, legible, and to scale where appropriate.

Incomplete applications will not be accepted for filing.

Checklist

This checklist is provided for the convenience of applicants in gathering necessary application materials. Additional material may be required prior to issuance of a Coastal Development Permit (CDP). For example, preliminary title reports, land surveys, biological/archaeological/botanical reports, restoration plans, and other reports or plans may be required based on the scope of the project.

- ☐ A completed standard City of Pacific Grove Community Development **Planning Permit Application** including the **Indemnification Form** signed by the applicant and property owner
- ☐ The **Plan Set** shall include: a **Site Plan** meeting the requirements of the **Submittal Checklist Form**; **Architectural Elevations** of all sides of the structure and including accessory buildings; (1) oblique street-view architectural rendering if the site is flat or a minimum of (2) views if the site is located in the Asilomar Dunes Residential Area (ADRA), including at least (1) view from Sunset Dr.; and a completed **Project Data Sheet**. *Note that the installation of story poles and netting will be required during the public notice period.*
- ☐ One (1) full-size (24" x 36") scaled plan set, two (2) 11" x 17" scaled sets, and a digital set of plans (thumb drive, disc, or email). Please include digital versions of ALL of the application materials as part of your **Electronic Submittal**. Include a **Vicinity Map** on the site plan. Additional copies may be needed for hearings.
- ☐ Required **Technical Reports** (biological/archaeological/botanical reports, geotechnical reports, grading plan, etc.)
- ☐ **Filing Fee**
- ☐ **Project Description:** (Describe the project in detail including secondary improvements such as grading, removal or alteration of septic tanks, roads, driveways, tree removal and/or pruning, accessory buildings, fences, etc. Attach additional pages as necessary)

Removing the temporary pedestrian walkway that had been installed on the seaward side of Ocean View, adjacent to Esplanade Park, and constructing new curb and gutter, along with a 5' wide DG walkway for pedestrians.

■ **Project Location:** Ocean View @ Esplanade (street address) **Assessor Parcel No:** N/A

■ **Present Use** of the property:

Are there existing buildings? ☐ Yes ■ No If yes, please describe: There are no buildings. This is a raodway

☐ Will any existing buildings be **removed** or **demolished**? ☐ Yes ■ No If yes, please describe:

☐ Is the proposed development governed by a **Development Agreement**? ☐ Yes ■ No

☐ Has any application for development on this site been made in the past to the CA Coastal Commission or the CA Coastal Zone Conservation Commission? ☐ Yes ■ No

If yes, please list application #s: _____

☐ **Coastal Access:** Is the proposed development within the first public road and the sea or Monterey Bay? ■ Yes ☐ No If yes, is there currently public access to the shoreline on or near the site? Please describe: ____There will still be access

☐ **Waters:** Does the project involve diking, filling, draining, dredging or placing structures ~~in open coastal or Monterey Bay waters, wetlands, or estuaries? ☐ Yes ■ No~~

If yes, state the amount of fill in cubic yards (cy) _____. What is the location of the fill receiving site? _____

Is an **Army Corps** (USACE) permit required? ☐ Yes ☐ No

☐ Will the project effect **Public Access** to and along the shoreline, either directly or indirectly (i.e., removing parking used for access to the beach)? ■ Yes ☐ No

If yes, describe the impact: There may be impact during construction, but this will be minimal.

☐ Please check the following **Utilities** that will need to be extended to the proposed development:

☐ Water ☐ Sewer ☐ Electrical ☐ Natural Gas ☐ Telephone

☐ Is the proposed development in or near the **Asilomar Dunes Residential Area** (ADRA)? ☐ Yes ■ No If yes, additional technical reports will be required.

☐ Is the development within an **Environmentally Sensitive Habitat Area** (ESHA) including areas with state or federally listed **rare, threatened, or endangered species**, or candidate species?

☐ Yes ■ No If yes, additional technical reports will be required.

☐ If the development is proposed to: a) alter a spring or stream in any way; or b) effect an existing well (either onsite or offsite), contact the Planning Department for additional requirements.

☐ Will the proposed development be **visible from Sunset Drive** or other mapped **scenic resource areas**? ■ Yes ☐ No

☐ Include any **Tree Removal** or **Pruning** required (a separate permit may be required). Note the number, size, species of tree (s), and whether heavy equipment will be necessary for tree project (refer to the Tree Permit requirements on City's Public Works website)

☐ Is the development in or near a park or other recreation area? ■ Yes ☐ No

☐ Is this a City **Public Works** project or a project being undertaken by another public agency? ■ Yes ☐ No If yes, please contact the Planning Division for additional requirements relating to grading, dredging, fill, use of heavy equipment, additional non-City permit requirements, etc.

☐ Will the development extend onto or adjoin any beach, tidelands, submerged lands, or public trust lands? ☐ Yes ■ No If yes, please consult with Planning staff for additional requirements.

☐ If the site contains any of the following resources, attach an explanation:
- ☐ Buildings on the City's Historic Resources Inventory (HRI) or more than 50 years old;
- ☐ Archaeological resources; and/or
- ☐ Paleontological resources

☐ Does the project include the development of new **Lodging** or the alteration of existing **Low-Cost Visitor Accommodations and/or Recreation Facilities**? ☐ Yes ■ No If yes, describe how the project complies with the requirements of PGMC Sec. 23.90.220 _____

_____

☐ Will the development provide public or private recreational opportunities? ■ Yes ☐ No

☐ Is any Grading proposed? ☐ Yes ■ No If yes, complete the following table:

a) Amount of cut: ___ cubic yards (cy) b) Amount of fill: ___ cy c) Amount of **import** or **export**: ___ cy (circle which one)	d) Max. height of cut slope: ___ ft. e) Max. Height of fill slope: ___ ft. f) Location of borrow or disposal: ___ ft.

Note: grading, stormwater, and erosion control plans must be attached when applicable

☐ If the project is multi-family residential, indicate:

Number of Units			***Total # of bedrooms per unit (existing and proposed)***	***Type of ownership proposed***
Existing # of Units	Proposed # of Units	Net # of units upon completion		☐ Rental ☐ Condo ☐ Stock Coop ☐ Timeshare ☐ Other

☐ Estimated cost of the proposed development (not including the cost of land) $ 35K _____

☐ Parking and Utilities

Number of parking spaces required		
Existing spaces	Proposed new spaces	Net # of spaces on completion of project

☐ Project Height: (Max. height of structure as defined in the IP: *the vertical distance measured between the legally established existing grade and the top-most portion of development above existing grade, unless otherwise specified*)

a. Above existing (natural) grade _____ ft.
b. Above finished grade _____ ft.
c. As measured from centerline of frontage road _____ ft.

☐ Total # of floors in structure, including subterranean floors, lofts, and mezzanines _____

☐ Gross Floor Area (GFA) in sq. ft. (includes garages and accessory buildings) _____ sq. ft.

☐ Lot Area _____ sq. ft.

☐ If the project includes **Subdivision** or a **Lot Line Adjustment**, indicate:

Number of Lots			***Size of lots to be created (indicate gross <u>and</u> net lots size)***	
Existing # of Lots	Proposed # of Lots	Net # of lots upon completion	Existing	Proposed

☐ If the project is a **Lot Line Adjustment** or a request for **Certificates of Subdivision Compliance**, please provide the following:

1. "Creation documents" for all affected properties. These documents would include grant deeds or certain maps recorded prior to the effective date of the Coastal Act (Jan. 1, 1976) that include a legal description describing the property as it exists today;
2. A prelim. title report less than six (6) months old; and
3. Current grant deeds for each affected property.

RESOLUTION NO. 25 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE DENYING THE APPEALS AND APPROVING A COASTAL DEVELOPMENT PERMIT (FILE NUMBER CDP 25-0031) FOR A PROJECT LOCATED WITHIN THE OCEAN VIEW BOULEVARD RIGHT-OF-WAY TO ALLOW THE REALIGNMENT OF AN APPROXIMATE 100-FOOT SECTION OF THE RECREATION TRAIL.

FACTS

1. The City of Pacific Grove Public Works Department (applicant) proposes the realignment of approximately 100 linear feet of the Recreation Trail to replace an eroded section of trail and provide continued safe public lateral access along the shoreline. Project details include removing the temporary pedestrian walkway that had been installed on the seaward side of Ocean View Blvd and constructing new curb and gutter along with a 5-foot-wide decomposed granite walkway for pedestrians. Ground disturbance would be minimal and would occur within previously disturbed area, and no work would occur below the existing base layer of the roadway.
2. The subject site is located within the Ocean View Boulevard right-of-way, adjacent to Shoreline Park and near the Esplanade Street intersection and Esplanade Park, Pacific Grove. The project site has no associated Assessor's Parcel Number (APN) yet is adjacent to APN 006-021-099-000 (Shoreline Park).
3. The subject project site has no land use designation in the adopted and certified City of Pacific Grove Coastal Land Use Plan (LUP Figure 6).
4. The subject project site has no zoning classification in the adopted Zoning Map.
5. The subject project site is approximately 500 square feet in area.
6. The subject project site is located within the City's Area of Special Biological Significance (ASBS), within an archaeologically sensitive area (LUP Figure 7), and within the Coastal Zone.
7. Pursuant to Pacific Grove Municipal Code (PGMC) sections 23.90.050, City CDP Determinations, and 23.90.040, CDP Exemptions, Community Development Department (CDD) staff initially determined the proposed development exempt from the requirement to obtain a Coastal Development Permit (CDP) and forwarded this determination to the Coastal Commission on November 5, 2024. On November 8, 2024, an interested member of the public challenged this CDP determination, and Coastal Commission staff responded on November 25, 2024, with an opinion that a CDP would be required for the proposed development. After receiving the Coastal Commission staff opinion, CDD staff forwarded a revised CDP determination on February 5, 2025.
8. Per PGMC section 23.90.140, Coastal Hazards, CDD staff reviewed LUP Figure 3 (Coastal Hazards and Areas of Potential Sea Level Rise), aerial and topographic imagery, plan sheet, and conducted a site visit on March 28, 2025. The proposed realignment of approximately 100 linear feet of the Recreation Trail would replace an eroded section of

trail and no structural development would occur. In this case, submittal of a Coastal Hazards Report is not required or warranted.

9. Per PGMC section 23.90.150, Water Quality and Marine Resources, the City did not require a water quality assessment because the proposed would not result in an increase to impervious coverage and would fall within the City's Municipal Permit.

10. Per PGMC section 23.90.160, Scenic Resources, CDD staff reviewed LUP Figure 4 (Scenic Areas), aerial and street view imagery, and conducted a site visit on March 28, 2025. As designed, the proposed trail realignment would not adversely impact public views seaward of Ocean View Boulevard, the Recreational Trail, or along the shoreline.

11. Per PGMC Section 23.90.170, Biological Resources, CDD staff reviewed LUP Figure 5, Land Habitat Sensitivity Map, aerial imagery, and conducted a site inspection on March 28, 2025. This review determined the proposed development would not have the potential to adversely affect biological resources or an environmentally sensitive habitat area. The project site is a previously developed road right-of-way (i.e., Ocean View Boulevard) and all work would occur within the existing right-of-way. No project work is proposed to occur seaward of the existing Recreational Trail, and the applicant would use best management practices to protect the surrounding area. The project site is also over 900 feet from the nearest beach at the intersection of Coral Street and Ocean View Blvd, with no direct line of sight for noise travel. As proposed, the project would not impact natural habitats or resources; therefore, in this case, submittal of an initial site assessment for biological resources is not required or warranted. Condition No. 6 has been applied to require adherence to the adopted protection protocol for Black Oystercatchers.

12. In this case, per PGMC Section 23.90.200, Cultural Resources, an archaeological assessment is not required or warranted. Although the project site is located within an archaeologically sensitive area, ground disturbance would occur within a previously disturbed area (i.e., the roadway) and no work is proposed to occur below the existing base layer of the roadway.

13. Per PGMC Section 23.90.200, Cultural Resources, the proposed trail realignment does not involve structural development; therefore, an historic report is not required or warranted in this case. Additionally, the project would not cause a substantial adverse change in the significance of a historical resource because this type of resource does not occur within the project area.

14. This project has been determined to be Categorically Exempt per California Environmental Quality Act (CEQA) Guidelines, Sections 15301, Class 1, Existing Facilities, and 15302 (Class 2), Replacement or Reconstruction, and the exceptions to the exemptions in Section 15300.2 of the CEQA Guidelines do not apply.

15. The City of Pacific Grove Planning Commission considered the proposed project at a noticed public hearing on April 10, 2025. The Planning Commission voted 6 – 0 – 1 (6 yes, 0 no, and 1 absent) to approve CDP 25-0031.

16. On April 18 and April 21, 2025, the appellants submitted two separate and timely appeals of the Planning Commission’s decision to approve CDP 25-0031.

17. Pursuant to the appeals, the City of Pacific Grove City Council considered and reviewed the proposed project at a noticed public hearing on June 18, 2025.

FINDINGS

For a Coastal Development Permit per PGMC Section 23.90.080

1. *LCP Consistency. The project is consistent with the LCP. (Local Coastal Program)*

   The project meets the requirements of the LCP including, but not limited to, the applicable Coastal Resource Protection Standards (PGMC 23.90.130) of the Implementation Plan (IP) and the Biological, Cultural, Scenic, and Community Design policies of the Land Use Plan (LUP). These standards and policies are addressed in the Facts above and in the following Findings.

2. *Public Views. The project protects or enhances public views.*

   As designed, the proposed trail realignment would not adversely impact public views seaward of Ocean View Boulevard, the Recreational Trail, or along the shoreline. See also Fact No. 10 above.

3. *Habitat Protection. The project protects vegetation, natural habitats, and natural resources consistent with the LCP.*

   The project site is a previously developed road right-of-way (i.e., Ocean View Boulevard) and all work would occur within the existing right-of-way. No project work is proposed to occur seaward of the existing Recreational Trail, and the applicant would use best management practices to protect the surrounding area. As proposed, the project would not impact natural habitats or resources. See also Fact No. 11 above.

4. *Design Consistency. The design, location, size, and operating characteristics of the proposed development is consistent with applicable LCP design requirements, including design plans and area plans incorporated into the LCP.*

   As designed, the proposed trail realignment would conform to applicable LUP polices and IP community design standards (PGMC 23.90.180.C.6, Open Space Recreational Design Standards.

5. *Coastal Access. The project protects or enhances public access to and along the coast.*

   As designed, the project would improve coastal access along the coast by re-aligning an eroded section of the Recreation Trail. See also Fact No. 1 above.

6. *Visitor Serving. The project supports the LCP goal of providing for visitor-serving needs as appropriate, including providing low and no cost visitor and recreational facilities.*

   The project would improve the Recreation Trail and public lateral access along the shoreline.

7. *Appropriate Use. The project is consistent with the allowed LCP uses associated with the property.*

   The proposed use is consistent with applicable LCP requirements.

8. *Coastal Resources. The proposed development protects or enhances coastal resources, where applicable.*

   As proposed and designed, the trail realignment would enhance coastal resources. See also Facts 8 – 13 and supporting information above.

In approving the permit, the following conditions of approval are imposed and deemed reasonable and necessary to ensure that the approval will comply with the findings cited above.

CONDITIONS OF APPROVAL

1. **Permit Expiration.** This permit shall expire and be null and void two (2) years from and after the date of approval. Application for extension of this approval must be made prior to the expiration date.

2. **Conformance to Plans.** Development of the site shall conform to the approved plans for the "Ocean View Blvd. Bulb-Out Improvements" dated September 2024, on file with the Community Development Department and to the Building Code, with the exception of any subsequently approved changes.

3. **Construction Compliance.** All construction shall occur in general compliance with the proposal as set forth in the application, subject to any special conditions of approval herein. Any deviation from approvals must be reviewed and approved by staff and may require subsequent discretionary approval.

4. **Terms and Conditions.** These terms and conditions shall run with the land and bind to all future owners and possessors of the subject property, unless amended. Amendments to this permit may be achieved only if an application is made and approved, pursuant to the Zoning Code.

5. **Public Works, Fire and Building.** Review and approval by the Public Works and Fire Departments, and Building Division, are required prior to issuance of a building permit. Work taking place in the public right-of-way shall require an encroachment permit prior to issuance of the building permit.

6. **Black Oystercatcher Protection Protocol.** Per LUP Policy BIO-12, Public Works and the project contractor shall adhere to the requirements of the adopted protection protocol, incorporated herein by reference.

7. **Traffic Safety Measures.** Per LUP Policy PRA-9, Public Works shall consult with the City's traffic engineer and implement appropriate traffic safety measures to enhance safety for vehicles approaching the site from the east (i.e., westbound).

8. **Pedestrian Safety and Access During Construction.** Per LUP Policy PRA-9, during construction, alternative safe pedestrian access shall be provided along the length of the project site (without forcing pedestrians walking the coastal recreation trail to cross Ocean View Blvd.) by means of a temporary pedestrian path on Ocean View Blvd. separated from vehicle traffic and construction activity by barricades. Other appropriate measures, such as one-way traffic controls, flagmen, speed controls, etc., shall also be employed as necessary to ensure pedestrian safety during construction.

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

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

2. The Council denies the appeals and affirms the decision of the Planning Commission to approve Coastal Development Permit (CDP) 25-0031.

3. The Council approves this permit (Application No. 25-0031) as proposed and conditioned, pursuant to a Categorical Exemption for Existing Facilities (CEQA Guidelines Section 15301, Class 1).

4. The required Findings and Conditions of Approval are hereby approved and incorporated herein by reference.

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

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 18th day of June, 2025, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN PIERIK, City Attorney

CITY OF PACIFIC GROVE
Community Development Department – Planning Division
300 Forest Avenue, Pacific Grove, CA 93950
T: 831.648.3190 • F: 831.648.3184 • www.ci.pg.ca.us/cdd

NOTICE OF EXEMPTION FROM CEQA

Property Address/Location: 300 Forest Avenue, Pacific Grove, CA 93950, Pacific Grove, CA 93950

Project Description: CDP 250031
Description: Rec Trail Realignment
APN: 006021099000
ZC: O
Lot Size: N/A

Applicant Name:	Dan Gho	Phone #:	8316485722
Mailing Address:	300 Forest Avenue, Pacific Grove, CA 93950		
Email Address:	dgho@cityofpacificgrove.org		

Public Agency Approving Project: City of Pacific Grove, Monterey County, California

Exempt Status (Check One):

- ☐ Ministerial (Sec. 21080(b)(1):15268))
- ☐ Declared Emergency (Sec. 21080(b)(3): 15269(a))
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c))
- ☑ Categorical Exemption
  Type and Section Number: §15301, Class 1, Existing Facilities, and §15302, Class 2, Replacement or Reconstruction
- ☐ Statutory Exemption
  Type and Section Number:
- ☐ Other:

Exemption Findings:
The proposed project does not present any unusual circumstances that would result in a potentially significant environmental impact. These classes of exemption are subject to exceptions from the exemption under §15300.2 of the CEQA Guidelines pertaining to location, cumulative impacts, significant effects, scenic highways, hazardous waste sites, and historical resources. In this case, none of these exceptions apply, and the proposed project qualifies for the Class 1 and Class 2 categorical exemptions.

Contact: Joe Sidor, Planning Department, City of Pacific Grove

Contact Phone: (831) 648-3183

Signature: _____ **Date:** _____

Docusign Envelope ID: C6B34DBB-F222-43C9-AFCF-8A15C09A5543

CITY OF PACIFIC GROVE

Community Development Department – Planning Division

300 Forest Avenue, Pacific Grove, CA 93950

T: 831.648.3183 • F: 831.648.3184 • www.ci.pg.ca.us/cdd

COASTAL DEVELOPMENT PERMIT (CDP) 25-0031 FOR A PROJECT SITE LOCATED WITHIN THE OCEAN VIEW BOULEVARD RIGHT-OF-WAY TO ALLOW THE REALIGNMENT OF AN APPROXIMATE 100-FOOT SECTION OF THE RECREATION TRAIL.

FACTS

1. The subject project site is located within the Ocean View Boulevard right-of-way, adjacent to Shoreline Park and near the Esplanade Street intersection and Esplanade Park, Pacific Grove, no APN.
2. The subject project site has no land use designation or zoning classification in the adopted and certified City of Pacific Grove Coastal Land Use Plan (LUP Figure 6).
3. The subject project site is approximately 500 square feet in area.
4. The subject project site is located within the City's Area of Special Biological Significance (ASBS), within an archaeologically sensitive area (LUP Figure 7), and within the Coastal Zone.
5. Per PGMC section 23.90.140, Coastal Hazards, Community Development Department (CDD) staff reviewed LUP Figure 3 (Coastal Hazards and Areas of Potential Sea Level Rise), aerial and topographic imagery, plan sheet, and conducted a site visit on March 28, 2025. The proposed realignment of approximately 100 linear feet of the Recreation Trail would replace an eroded section of trail and no structural development would occur. In this case, submittal of a Coastal Hazards Report is not required or warranted.
6. Per PGMC section 23.90.150, Water Quality and Marine Resources, the City did not require a water quality assessment because the proposed would not result in any new impervious coverage, and will fall within the City's Municipal Permit.
7. Per PGMC section 23.90.160, Scenic Resources, CDD staff reviewed LUP Figure 4 (Scenic Areas), aerial and street view imagery, and conducted a site visit on March 28, 2025. As designed, the proposed trail realignment would not adversely impact public views seaward of Ocean View Boulevard, the Recreational Trail, or along the shoreline.
8. Per PGMC Section 23.90.170, Biological Resources, CDD staff reviewed LUP Figure 5, Land Habitat Sensitivity Map, aerial imagery, and conducted a site inspection on March 28, 2025. This review determined the proposed development would not have the potential to adversely affect biological resources or an environmentally sensitive habitat area. The project site is a previously-developed road right-of-way (i.e., Ocean View Boulevard) and all work would occur within the existing right-of-way. No project work is proposed to occur seaward of the existing Recreational Trail, and the applicant would use best management practices to protect the surrounding area. The project site is also over 900 feet from the nearest beach at the intersection of Coral Street and Ocean View Blvd, with no direct line of sight for noise travel. As proposed, the project would not impact natural habitats or resources; therefore, in this case, submittal of an initial site assessment for biological resources is not required or warranted.
9. In this case, per PGMC Section 23.90.200, Cultural Resources, an archaeological assessment is not required or warranted. Although the project site is located within an archaeologically sensitive area, ground disturbance would occur within a previously-disturbed area (i.e., the roadway) and no work is proposed to occur below the existing base layer of the roadway.

Docusign Envelope ID: C6B34DBB-F222-43C9-AFCF-8A15C09A5543

10. Per PGMC Section 23.90.200, Cultural Resources, the proposed trail realignment does not involve structural development; therefore, an historic report is not required or warranted.
11. This project has been determined to be Categorically Exempt per California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1, Existing Facilities, and the exceptions to the exemptions in Section 15300.2 of the CEQA Guidelines do not apply.

FINDINGS

For a Coastal Development Permit per PGMC Section 23.90.080

1. *LCP Consistency. The project is consistent with the LCP. (Local Coastal Program)*

   The project meets the requirements of the LCP including, but not limited to, the applicable Coastal Resource Protection Standards (PGMC 23.90.130) of the Implementation Plan (IP) and the Biological, Cultural, Scenic, and Community Design policies of the Land Use Plan (LUP). These standards and policies are addressed in the Facts above and in the following findings.

2. *Public Views. The project protects or enhances public views.*

   As designed, the proposed trail realignment would not adversely impact public views seaward of Ocean View Boulevard, the Recreational Trail, or along the shoreline. See also Fact No. 7 above.

3. *Habitat Protection. The project protects vegetation, natural habitats, and natural resources consistent with the LCP.*

   The project site is a previously-developed road right-of-way (i.e., Ocean View Boulevard) and all work would occur within the existing right-of-way. No project work is proposed to occur seaward of the existing Recreational Trail, and the applicant would use best management practices to protect the surrounding area. The project site is also over 900 feet from the nearest beach at the intersection of Coral Street and Ocean View Blvd, with no direct line of sight for noise travel. As proposed, the project would not impact natural habitats or resources. See also Fact No. 8 above.

4. *Design Consistency. The design, location, size, and operating characteristics of the proposed development is consistent with applicable LCP design requirements, including design plans and area plans incorporated into the LCP.*

   As designed, the proposed trail realignment would conform to applicable LUP polices and IP community design standards (PGMC 23.90.180.C.6, Open Space Recreational Design Standards).

5. *Coastal Access. The project protects or enhances public access to and along the coast.*

   As designed, the project would improve coastal access along the coast by re-aligning an eroded section of the Recreation Trail.

6. *Visitor Serving. The project supports the LCP goal of providing for visitor-serving needs as appropriate, including providing low and no cost visitor and recreational facilities.*

   The project would improve the Recreation Trail and public lateral access along the shoreline.

7. *Appropriate Use. The project is consistent with the allowed LCP uses associated with the property.*

   The proposed use is consistent with applicable LCP requirements.

8. *Coastal Resources. The proposed development protects or enhances coastal resources, where applicable.*

   As proposed and designed, the trail realignment would enhance coastal resources. See also Facts 5 – 10 and supporting information.

Docusign Envelope ID: C6B34DBB-F222-43C9-AFCF-8A15C09A5543

PERMIT

Coastal Development Permit (CDP) 25-0031 to allow the realignment of an approximate 100 linear foot section of the Recreation Trail within the right-of-way of Ocean View Boulevard.

CONDITIONS OF APPROVAL

1. **Permit Expiration.** This permit shall expire and be null and void if a building permit has not been applied for within two (2) years from and after the date of approval. Application for extension of this approval must be made prior to the expiration date.
2. **Construction Compliance.** All construction must occur in general compliance with the proposal as set forth in the application, subject to any special conditions of approval herein. Any deviation from approvals must be reviewed and approved by staff and may require subsequent discretionary approval.
3. **Terms and Conditions.** These terms and conditions shall run with the land and bind to all future owners and possessors of the subject property, unless amended. Amendments to this permit may be achieved only if an application is made and approved, pursuant to the Zoning Code.
4. **Public Works, Fire and Building.** Review and approval by the Public Works and Fire Departments, and Building Division, are required prior to issuance of a building permit. Work taking place in the public right-of-way shall require an encroachment permit prior to issuance of the building permit.
5. **Conformance to Plans.** Development of the site shall conform to the approved plans for the "Ocean View Blvd. Bulb-Out Improvements" dated September 2024, on file with the Community Development Department and to the Building Code, with the exception of any subsequently approved changes.
6. **Black Oystercatcher Protection Protocol.** Public Works and the project contractor shall adhere to the requirements of the protection protocol adopted by the City.
7. **Traffic Safety Measures.** Public Works shall consult with the City's traffic engineer and implement appropriate traffic safety measures to enhance safety for vehicles approaching the site from the east (i.e., westbound).
8. **Pedestrian Safety and Access During Construction.** During construction, alternative safe pedestrian access shall be provided along the length of the project site (without forcing pedestrians walking the coastal recreation trail to cross Ocean View Blvd.) by means of a temporary pedestrian path on Ocean View Blvd. separated from vehicle traffic and construction activity by barricades. Other appropriate measures, such as one-way traffic controls, flagmen, speed controls, etc., shall also be employed as necessary to ensure pedestrian safety during construction.

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

1. The Commission determines that each of the Facts and Findings set forth above is true and correct, and by this reference incorporates those Facts and Findings as an integral part of this permit.
2. The Commission approves Coastal Development Permit (CDP) 25-0031 as proposed and conditioned, pursuant to a Categorical Exemption for Existing Facilities (CEQA Guidelines Section 15301, Class 1).
3. This permit shall become effective upon the expiration of the 10-day appeal period after the final approval.
4. This permit shall not take effect until the owner acknowledges and agrees to all terms and conditions and agrees to conform to and comply with those terms and conditions.

Docusign Envelope ID: C6B34DBB-F222-43C9-AFCF-8A15C09A5543

PASSED AND ADOPTED AT A REGULAR MEETING OF THE PLANNING COMMISSION OF THE CITY OF PACIFIC GROVE ON THE 10TH DAY OF APRIL, 2025, BY THE FOLLOWING VOTE:

AYES:	Sweigert, Mourlam, Davison, Fredrickson, Meyers, and Nodzenski
NOES:	None
ABSENT:	Kubica
ABSTENTIONS:	None

APPROVED:

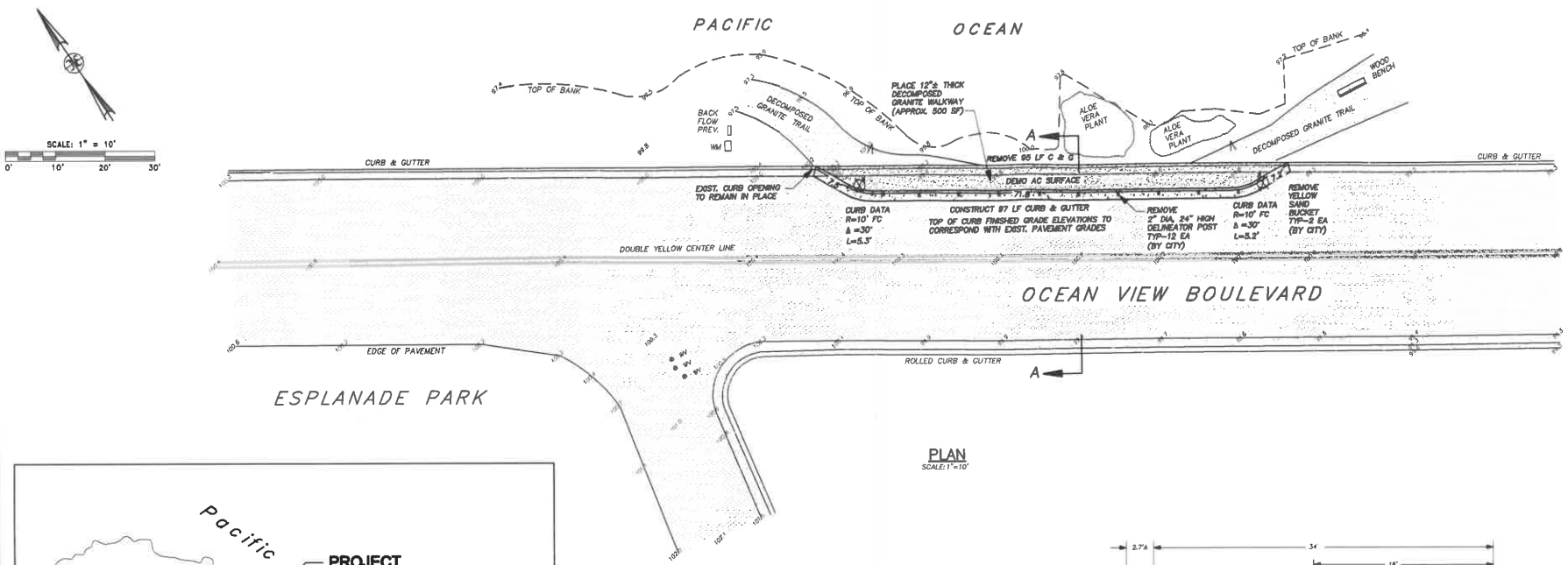
Signed by:
Bill Fredrickson
6ECF6E67B86E4DB...
Bill Fredrick

The undersigned hereby acknowledge and agree to the approved terms and conditions, and agree to fully conform to, and comply with, said terms and conditions.

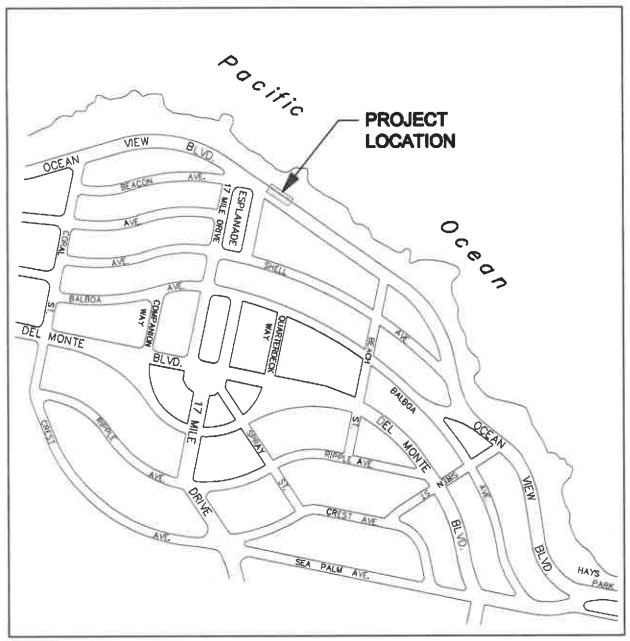
Signed by:
056C641716ED4E6...
Dan

4/15/2025
Date

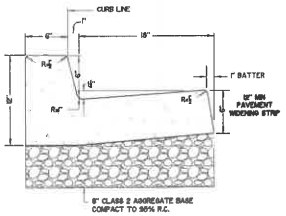
Public Works Department



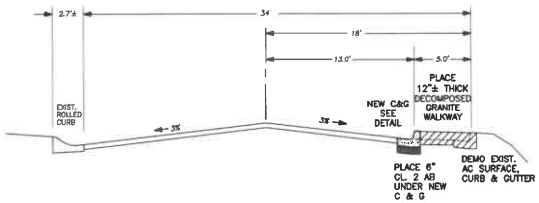
PLAN
SCALE: 1"=10'



LOCATION MAP
NO SCALE



TYPE "A"
CURB & GUTTER DETAIL
NO SCALE



SECTION A–A
OCEAN VIEW BLVD.
NO SCALE

NOTES:

1. ALL WORK SHALL BE DONE IN ACCORDANCE WITH SECTION 73 OF STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION STANDARD SPECIFICATIONS.
2. TOP AND FRONT OF CURB AND GUTTER TO BE FINE BRUSH FINISH AFTER TROWELLING; BRUSHING TO BE PARALLEL TO THE LINE OF THE CURB.
3. CONCRETE TO BE CLASS B (5 SACK).
4. PLACE 6" MIN CLASS 2 AGGREGATE BASE. COMPACT TO 95% R.C.
5. CONSTRUCT 12" WIDE MIN. PAVEMENT CONFORM STRIP.

811 Know what's below. Call before you dig.

REGISTERED PROFESSIONAL ENGINEER — JEREMIAH P. KEPPEN — No. 29411 EXP. 9-31-25 — CIVIL — STATE OF CALIFORNIA

NEILL ENGINEERS CORP. CARMEL, CALIFORNIA

OCEAN VIEW BLVD. BULB–OUT IMPROVEMENTS

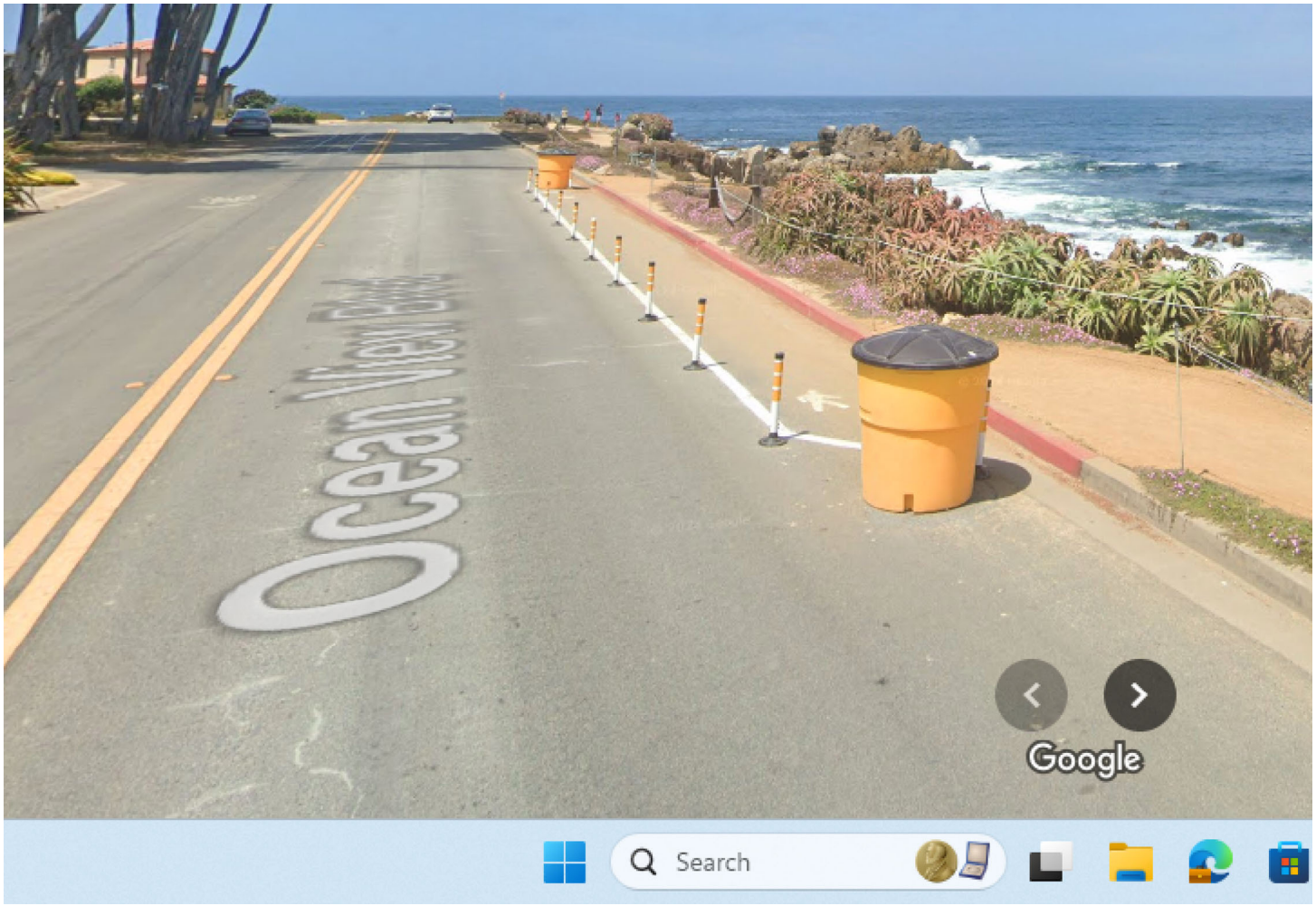
OCEAN VIEW BLVD. NEAR ESPLANADE PARK

CITY OF PACIFIC GROVE, CALIFORNIA

W.O. 8485 SEPTEMBER 2024 SCALE: 1"=10'

SHEET 1 OF 1

Y:\PROJECTS\Vony\Work\Gran\8485 OVB Bulb Out near Esplanade\8485 BULB PROJECT\Vony\8485 VBP Bulb Out.DWG.dwg 10-03-24 03:27:11 PM


Ocean View Blvd
Google
Search

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Matthew Mogensen, City Manager

MEETING DATE: June 18, 2025

SUBJECT: First reading of an Amendment to Cannabis Licensing Ordinance, Approval of Cannabis Administrative Regulations & Adoption of Cannabis License Application Fee

CEQA: Proposed Ordinance not subject to CEQA based on Guideline Sections: 15060(c)(3) and 15378; 15060(c)(2); 15061(b)(3); and 150308

RECOMMENDATION

1. Request the City Attorney to read the title of the Amendment to the Cannabis Licensing Ordinance.
2. Motion to waive further reading of the ordinance.
3. Introduce and hold first reading of the Amendment to the Cannabis Licensing Ordinance.
4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.
5. Adopt the Resolution Approving the Application Procedures & Guidelines for Storefront Retail Commercial Cannabis Business License.
6. Adopt the Resolution Establishing the Application Fee for a Storefront Retail Commercial Cannabis Business License.

DISCUSSION

Pacific Grove voters approved Measures M and N at the November 8, 2022 general election. Measure M was an advisory measure asking the voters the following question: “Should the Pacific Grove City Council be authorized to amend the Municipal Code to allow retail sales of medical or recreational cannabis, limited to one single location within the City, at a location no closer than 1000 feet from any existing licensed Daycare/Preschools, Youth Center, and Schools, to engage in commercial cannabis activities?” Measure N established a tax on cannabis businesses at the rate of 6% of gross receipts from the retail sale of cannabis (storefront and delivery sales).

At the December 7, 2022 City Council meeting, the Council directed the City Manager and City Attorney to create a cannabis licensing program to authorize one cannabis retail storefront to operate in the City, consistent with the voter approval of Measure M. Two draft ordinances were prepared, one establishing a licensing program and the other addressing zoning. After several City Council and Planning Commission meetings and hearings considering the draft ordinances, the City Council adopted Ordinance Nos. 23-017 and 23-018 on December 6, 2023.

Application Procedures & Guidelines
Since that time, City staff has been working on implementation of the ordinances, including preparing the "rules, policies and procedures" required by the Cannabis Licensing Ordinance to be adopted by resolution of the City Council. Ultimately, staff requested, and the City Council approved, a contract with HdL Companies to assist with the implementation of the City's cannabis licensing program. HdL prepared the proposed Application Procedures & Guidelines for Storefront Retail Commercial Cannabis Business License and related application materials, which were reviewed by City staff and the City Attorney's office. The proposed Procedures & Guidelines establish a lottery based system for the award of the sole storefront retail license. The Procedures & Guidelines and related application materials prepared by HdL are based on their extensive experience in assisting local jurisdictions with the implementation of cannabis licensing and permitting programs and reflect their expertise and professional judgment.

The Procedures & Guidelines (Attachment No. 3, will be Exhibit A to the Resolution in Attachment No. 2) provide for a three-phase application process. Phase 1 is a determination of eligibility. Upon receipt of a complete application, it will be reviewed using the Application Submittal Checklist included with the application form to determine whether the basic eligibility criteria are met. If so, the application will move on to Phase 2, where an evaluation of the application for compliance with the criteria listed in Appendix A to the Procedures & Guidelines will be performed. This evaluation includes review of the business plan, labor plan, neighborhood compatibility plan and location, and security plan. The applications that meet the requirements in Appendix A for each of these plans will move on to Phase 3, which is the lottery. The lottery will be conducted by random drawing open to the public.

Application Fee
HdL's experience implementing cannabis licensing and permitting programs similar to what is proposed in the Procedures & Guidelines also provided the basis for calculating the proposed application fee. Staff will return with a resolution to adopt this fee on the July 16, 2025 City Council Agenda.

Ordinance Amendment
Based on the Procedures & Guidelines prepared by HdL, certain amendments to the Cannabis Licensing Ordinance are being proposed for consistency purposes. The proposed ordinance:

- Modifies the application period from 60 days to 30 days, with the City Manager authorized to extend the window for submission of an application.
- Specifies that a location for the proposed cannabis business must be identified as a part of the license application package.
- States that a lottery will be used to award a license and that the Community Development Director will be responsible for determining which applications are to be included in the lottery based on the criteria and procedures in the Procedures & Guidelines. HdL will assist the Director with this by reviewing the applications and providing recommendations.
- Adds an appeal provision that provides for a right of appeal of the Director's determination regarding an application's inclusion in or exclusion from the lottery to the City Manager. There is no right to appeal the final results of the lottery. General appeal provisions are also added pertaining to license renewals, revocations, or changes.

OPTIONS
Do not introduce the ordinance and/or resolutions and provide staff with direction on proposed changes.

FINANCIAL IMPACT:

Estimated annual revenue up to $50,000; actual amount of annual revenue may be more or less than this estimate. Administrative costs unknown.

FOCUSED PRIORITY AREA: Financial Sustainability

Attachments

Ordinance Amending Cannabis Licensing Regulations - Draft

Reso adopting cannabis procedures and guidelines

Pacific Grove Application Procedures and Guidelines

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE, AMENDING CHAPTER 11.100 TO THE PACIFIC GROVE MUNICIPAL CODE PERTAINING TO COMMERCIAL CANNABIS LICENSING

FACTS

A majority of the voters in Pacific Grove who voted on Measure M at the November 8, 2022 election voted in favor of Measure M, which was an advisory measure asking whether the electors supported amending the Municipal Code to allow one cannabis retailer in the City at a location at least 1000 feet from any existing licensed daycare/preschool, youth center, or school; and

On December 6, 2023, the City Council of the City of Pacific Grove adopted Ordinance No. 23-18 adding commercial cannabis licensing regulations to Chapter 11.100 of the Pacific Grove Municipal Code to allow for one cannabis retailer to operate a storefront in the City consistent with the results of Measure M; and

The City entered into an agreement with HdL to provide consulting services related to the implementation of cannabis licensing in the City, and in consultation with HdL and the City Attorney's office City staff has proposed several amendments to the City's existing commercial cannabis licensing regulations.

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 though set forth in fully within the body of this ordinance.

SECTION 2. The City Council finds that the adoption of this Ordinance is exempt from review under the California Environmental Quality Act (CEQA) pursuant to the common sense exemption (CEQA Guideline 15061(b)(3)) because it can be see with certainty that there is no possibility that permitting one cannabis retail location to operate within the City may have a significant effect on the environment. This Ordinance makes changes to the administrative process to be utilized to award a commercial cannabis license. It is procedural in nature and does not make any substantive changes to the City's existing commercial cannabis licensing regulations.

SECTION 3. Pacific Grove Municipal Code Chapter 11.100 is amended in its entirety to read as shown in Exhibit A hereto.

SECTION 4. The City Manager is directed to execute all documents and to perform all other necessary City acts to implement this Ordinance.

SECTION 5. 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 6. In accord with Article 15 of the City Charter, this ordinance shall become effective on the thirtieth (30th) day following passage and adoption hereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE THIS __day of _____, 2025, by the following vote:

AYES:
NOES:
ABSENT:

APPROVED

NICK SMITH, Mayor

ATTEST:
DATED:_____

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

BRIAN PIERIK, City Attorney

EXHIBIT A
Chapter 11.100

CANNABIS

Sections:
11.100.010 Statement of purpose.
11.100.020 Relationship to other laws.
11.100.030 Definitions.
11.100.040 Local license in addition to business license or other permit.
11.100.050 Local license required.
11.100.060 Local license application process.
11.100.070 Conditions of approval, administrative rules.
11.100.080 Changes and modifications of local licenses.
11.100.090 Renewal of local license.
11.100.095 Appeal of decision on local license
11.100.100 Cannabis business operational requirements.
11.100.110 Limitations on city's liability.
11.100.120 Inspections.
11.100.130 Enforcement – Suspension and revocation of license.
11.100.140 Residential cannabis cultivation.
11.100.150 Consumption of cannabis.
11.100.160 Exceptions.

11.100.010 Statement of purpose.
(a) This chapter shall provide for the regulation and licensing of medicinal and adult-use cannabis businesses throughout the city in conformance with applicable state and local laws and regulations pertaining to medicinal and adult-use cannabis.

(b) The city council finds that it is necessary for the city to adopt local licensing standards for medicinal and adult-use cannabis businesses for the purpose of controlling and regulating the sale of medicinal cannabis and medicinal cannabis products to qualified patients, and adult-use cannabis and adult-use cannabis products to adults 21 years of age and over.

(c) The purpose of this chapter is to regulate all commercial cannabis activity in the city, as defined in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), to the extent authorized by state law and in a manner designed to minimize negative impacts on the city and neighboring uses, and promote the health, safety and general welfare of residents and businesses within the city.

11.100.020 Relationship to other laws.
(a) Except as otherwise specifically provided herein, this chapter incorporates the requirements and procedures set forth in MAUCRSA. In the event of any conflict between the provisions of this chapter and the provisions of MAUCRSA or any other applicable state or local law or regulation, the more restrictive provision shall control.

(b) Except as expressly stated herein, cannabis businesses must comply with all other city codes and regulations. Nothing in this chapter shall be construed as permitting a cannabis business to operate at any time in a manner that is in violation of other applicable state and local laws.

11.100.030 Definitions.

Unless otherwise defined herein, the terms in this chapter shall have the same meaning as set forth in MAUCRSA and any rules promulgated pursuant thereto. In addition, the following terms shall be defined as follows:

"Adult-use cannabis" means cannabis and cannabis products that are intended for adults who are 21 years of age and older and who do not possess a physician's recommendation, or are intended for use on, or consumption by, animals.

"Cannabis business" means any person engaged in commercial cannabis activity.

"City" means Pacific Grove, California.

"City manager" shall mean the city manager of the city or their designee.

"Director" shall mean the community development director or their designee

"Identification card" or "ID card" means a valid identification card issued pursuant to Section 11362.7 et seq., of the California Health and Safety Code.

"Identification card holder" or "ID card holder" means an individual who is a qualified patient who has applied for and received a valid ID card pursuant to Article 2.5 of Chapter 6 of Division 10 of the California Health and Safety Code.

"Licensed premises" means a premises for which a local license has been issued pursuant to this chapter.

"Licensee" means a person who has been issued a local license pursuant to this chapter.

"Local license" means a license issued pursuant to this chapter. A "provisional local license" is a local license issued to a storefront retail cannabis business that has not secured a use permit for a location to operate their storefront retail business.

"Medicinal and Adult-Use Cannabis Regulation and Safety Act" or "MAUCRSA" means Division 10 of the California Business and Professions Code.

"Medicinal cannabis" means cannabis and cannabis products that are intended to be sold or donated for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found in Section 11362.5 of the Health and Safety Code, by a medicinal cannabis patient in California who possesses a physician's recommendation.

"Medicinal cannabis patient" means both a qualified patient without an identification card and an ID card holder.

"Owner" shall have the definition provided in MAUCRSA, as it may be amended from time to time, which as of the date of the adoption of this definition means any of the following:

(1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.

(2) The chief executive officer of a nonprofit or other entity.

(3) A member of the board of directors of a nonprofit.

(4) An individual who will be participating in the direction, control, or management of the person applying for a license.

"Physician," as used in this chapter, shall mean an individual who possesses a license in good standing to practice medicine or osteopathy from the state of California.

"Qualified patient" shall have the meaning set forth in Section 11362.7(f) of the California Health and Safety Code.

"Retail, delivery-only" shall mean a cannabis business that does not allow on-site sales of cannabis to customers, and has or will have a Type 9 license from the California Department of Cannabis Control.

"Retail, storefront" shall mean a cannabis business that has a physical location from which cannabis is sold to retail customers on site, and has or will have a Type 10 license from the California Department of Cannabis Control.

"State law(s)" shall mean and include California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.85 (Medicinal Marijuana Program Act); the MAUCRSA, and all other applicable laws and regulations of the state of California.

"State license" means a state license issued under MAUCRSA, and includes both an A-license and an M-license, as well as a testing laboratory license.

"State licensing authority" shall mean the state agency responsible for the issuance, renewal, or reinstatement of a state license, or the state agency authorized to take disciplinary action against a state licensee.

11.100.040 Local license in addition to business license or other permit.
The local license required by this chapter shall be in addition and supplemental to any other business registration or any permit required by any ordinance of the city.

11.100.050 Local license required.
(a) It is unlawful to operate any cannabis business in the city without first having obtained a local license under this chapter.

(b) The city shall not grant a license to any cannabis business proposing to engage in cannabis cultivation, manufacturing, distribution, or laboratory testing. The city may approve a license for a cannabis business proposing to operate as a cannabis retailer subject to the following limitations:

(1) No more than one local license to engage in storefront retail sales shall be active in the city at any time.

(2) A license for delivery-only retail sales shall only be granted to a business engaging exclusively in retail sale of medicinal cannabis and medicinal cannabis products. No license shall be granted to a delivery-only retailer for the retail sale of adult-use cannabis or adult-use cannabis products.

(c) The city may grant a local license prior to the applicant having obtained a state license. A cannabis business must possess the requisite state and local licenses and a use permit prior to receiving a certificate of occupancy from the city.

11.100.060 Local license application process.
(a) For the single storefront retail license, there shall be an initial application period of not less than thirty (30) days, the precise days of which shall be determined by the city manager. The city manager may open

up subsequent application periods of at least thirty (30) days if there is no active local license for a storefront retail cannabis business in the city.

(b) An application for a local license shall be made upon the form prescribed by the city and accompanied by the application fee established by resolution of the city council. The application shall include the following basic information, in addition to any additional information that the city requests or that is required in the administrative rules:

(1) An operating plan for the proposed cannabis business including the following information:

(A) The location of the proposed cannabis business including the property owner's consent to file the license application if the applicant is not the property owner;

(B) A general description of the types of products and services to be provided by the business;

(C) A statement confirming whether delivery service of cannabis to any location outside the premises will be provided and the extent of such service, and in the event delivery is provided, a detailed delivery plan detailing how the retailer will comply with all requirements of this chapter, MAUCRSA, and any other applicable state or local laws.

(2) Authorization for the city to seek verification of the information contained within the application and to conduct background checks of the owners of the cannabis business. If the background check shows that any owner has been convicted of a crime listed in Business and Professions Code Sections 26057(b)(4)(A) through (E) the application shall be denied.

(3) Proof of the nature of the cannabis business's organizational status, such as articles of incorporation, bylaws, organizational minutes, partnership agreements, or such other documentation acceptable to the city.

(c) The administrative rules adopted pursuant to PGMC 11.100.070 shall provide for a lottery system to award the one storefront retail local license. The director shall determine which applications are to be included in the lottery based on the criteria and procedures in the administrative rules.

(d) The one storefront retail local license shall be provisionally granted to the applicant who is selected from the lottery system set forth in the administrative rules. From the date the local license is provisionally approved, the applicant will have 12 months to secure approval of a use permit for a premises, in addition to any other land use permits or entitlements that may be required by this code for the premises. If the applicant who received a provisional license does not obtain the use permit or any other required land use permits or entitlements for the premises within this time frame, then the provisional license shall become null and void and a provisional license may be granted to another applicant from the lottery in the manner specified in the administrative rules, or the city manager may terminate the licensing proceedings.

(e) A local license issued pursuant to this chapter shall specify the date of issuance, the expiration date, the name of the licensee, and whether the cannabis business is storefront retail or delivery-only retail. A provisional local license is valid for one year from the date of issuance. A provisional local license shall automatically lose its provisional status once a use permit is granted for a premises to operate the business. The term of the license shall be valid for one year from the date the use permit for the premises is approved.

11.100.070 Conditions of approval, administrative rules.
(a) The director shall have the authority to approve or deny an application for a local license. The director may place conditions upon the approval of any local license which are, in the opinion of the director, reasonably related to the protection of the health, safety and welfare of the general public.

(b) The city council shall establish by resolution rules, policies and procedures consistent with the intent and spirit of this chapter concerning the applications, the application process, the information required of applicants, the application procedures, and the administration and procedures to be used and followed in the application process, including but not limited to those required by PGMC 11.100.060.

11.100.080 Changes and modifications of local licenses.
In addition to any applicable requirements in Chapter 23.92 PGMC, the following requirements apply for transfers of or changes to the ownership of a licensee:

(a) Subsequent to the issuance of a local license, the licensee shall report any transfer of ownership in the cannabis business to the director on forms prescribed by the city and pay the application fee established by resolution of the city council.

(b) A change of ownership that solely involves a previously approved owner no longer being an owner of the cannabis business shall be reported to the director within 30 calendar days of the change. The city will administratively remove a previously approved owner from a license only if notarized statements are submitted by all approved owners consenting to the change, or the change is mandated by order of a court of competent jurisdiction.

(c) A change in ownership that involves adding a new owner to the previously approved ownership must be approved by the director in advance and a background check must be conducted on the proposed new owner. The director shall have the discretion to approve or deny a proposed change of ownership that involves the addition of a new owner. All owners must submit notarized statements agreeing to the addition of a new owner to the business.

11.100.090 Renewal of local license.
(a) A cannabis business that desires to renew its license shall apply for the renewal no less than 60 calendar days prior to the local license's expiration date. If the cannabis business files a renewal application within 60 calendar days prior to expiration, the cannabis business must provide a written explanation detailing the circumstances surrounding the late filing. The director may accept or reject such late filing in its discretion. The director may elect to administratively continue a local license past its expiration date; provided, that the licensee has submitted a renewal application that is pending final action.

(b) An application for renewal shall be submitted on forms provided by the city, accompanied by the application fee established by resolution of the city council. The following information shall be submitted as a part of the renewal application:

(1) Verification that no changes to the ownership of the cannabis business have occurred since last approved by the city.

(2) Verification that the licensee is still entitled to the possession and use of the premises for which a use permit has been granted.

(3) Any other information that the director deems necessary to determine whether to renew the local license.

(c) The director shall renew a local license if the licensee has submitted a complete application and paid the application fee, unless the director finds that there are grounds to suspend or revoke the license as provided in PGMC 11.100.130. Notwithstanding the foregoing, the director in their discretion may elect not to renew any local license if it determines that the licensed premises has not been used for a cannabis business without reasonable cause, as determined by the director, during the term of the license.

(d) Unless administratively continued pursuant to subsection (a) of this section, a local license is immediately invalid upon expiration and the cannabis business shall cease operations. If a local license expires, the director may approve a renewal of the expired license at any time up to three months from the expiration date of the license. After the license has been expired for three months, the license may not be renewed by the director, and the holder of the expired license must apply for and obtain a new cannabis license to resume operations.

11.100.095 Appeal of decision on local license

A licensee may appeal the director's approval, conditional approval, or denial of a renewal of a local license, a change to the license requested under Section 11.100.080, or a revocation or suspension of the license under Section 11.100.130. Such appeal shall be filed with the City Clerk within 10 calendar days of the date of the decision of the director and must state the basis for the appeal. The City Clerk will give the appellant written notice of the date, time and place of the appeal hearing. The city manager shall hear the appeal de novo and shall not be limited by the rules of evidence. The city manager may affirm, amend or reverse the decision of the director. The city manager's decision shall be final with no right of appeal to the city council.

Any applicant may appeal the director's determinations regarding their or any other applicant's inclusion or exclusion from the lottery for a license under Section 11.100.060(c). Such appeal shall be filed with the City Clerk within 10 calendar days of the date of the decision of the director and must state the basis for the appeal. The City Clerk will give the appellant written notice of the date, time and place of the appeal hearing. The city manager shall hear the appeal de novo and shall not be limited by the rules of evidence. The city manager may affirm, amend or reverse the decision of the director. The city manager's decision shall be final with no right of appeal to the city council. There shall be no right to appeal the award of a provisional license or initial license to the applicant who is selected from the lottery pursuant to Section 11.100.060(d).

11.100.100 Cannabis business operational requirements.

All cannabis business must comply with the requirements set forth in this section.

(a) General Obligation to Operate in Compliance. A cannabis business shall operate in compliance with all applicable state and local laws and regulations governing cannabis businesses.

(b) General Obligation to Pay Taxes. A cannabis business must pay all applicable taxes pursuant to federal, state, and local law, including but not limited to state and local sales and use taxes and state excise taxes.

(c) Age Requirement. A cannabis business shall not allow an individual less than 21 years of age to work within the licensed premises or handle cannabis and cannabis products.

(d) Age Restrictions. A cannabis business may not permit an individual less than 21 years of age to enter, or be within, its licensed premises, except that a cannabis business with an M-license from the state may allow persons 18 years of age or older within the licensed premises if they are an ID card holder or qualified patient with physician's recommendation from a licensed physician.

(e) Secure Storage of Product. Cannabis and cannabis products possessed by a cannabis business shall be kept and stored in a secured manner at all times.

(f) Cannabis Consumption on Licensed Premises. Smoking, vaporizing, ingesting, or otherwise consuming cannabis and cannabis products at a licensed premises is prohibited. "Licensed premises" as used in this subsection includes the actual building, as well as any accessory structures, common areas and parking areas. A sign shall be posted at each entrance to a licensed premises that clearly and legibly states:

> Smoking, vaporizing, ingesting, or otherwise consuming cannabis or cannabis products on these premises or in their vicinity is prohibited and a violation of the Pacific Grove Municipal Code.

The licensee must also comply with the sign posting requirements of PGMC 11.24.050.

(g) Prohibition on Alcohol and Tobacco Sales, Distribution, or Consumption on Licensed Premises. A cannabis business shall not sell, provide, store, or distribute any alcoholic beverages or tobacco products, or allow such products to be consumed on the licensed premises.

(h) Advertising. A cannabis business shall not advertise in a manner intended to encourage persons under 21 years of age to consume cannabis or cannabis products. It shall be unlawful for any cannabis business to make any claims that a product is safe because it is tested. All advertisements, including off-site advertising signs, shall comply with Chapter 15 of MAUCRSA.

(i) Display of License. A cannabis business shall display a copy of its local license issued pursuant to this chapter in a conspicuous place at or near the entrance to the licensed premises.

(j) No Physician Evaluations on Licensed Premises. A cannabis business shall not permit a physician to evaluate potential medicinal cannabis patients or to provide a physician's recommendation for medicinal cannabis within its licensed premises. Cannabis businesses shall not offer or provide any form of remuneration to a physician who provides physician's recommendations for medicinal cannabis.

(k) Community Relations Designee. A cannabis business must provide the city with the name, phone number, facsimile number, and email address of an on-site community relations representative or staff member or other representative whom the city can contact regarding operating concerns associated with the cannabis business. The cannabis business shall report any change in their community relations designee to the city within 10 calendar days.

(l) Security Requirements. The licensed premises of a cannabis business must comply with all of the following security requirements:

> (1) Video Surveillance. The licensed premises must be equipped with a video surveillance system that meets all of the requirements set forth in this subsection.
>
> > (A) Security cameras and digital storage of recordings shall be maintained in good condition and used in an ongoing manner, 24 hours per day, seven days per week.
> >
> > (B) The security system must maintain at least 90 days of digitally recorded video for each security camera in the licensed premises. Security footage should be stored in an MPEG4, MJPEG, H.264, or another format approved by the city manager in writing.
> >
> > (C) Security cameras must provide adequate and sufficient coverage for the facility, which must include, but need not be limited to, all limited access areas, all areas of ingress and egress, point

of sale, the public areas, storage areas, and any other areas as required by this chapter and the MAUCRSA.

(D) The video surveillance system must be equipped with a failure notification system that provides prompt notification to the manager of record of the licensed premises of the cannabis business of any surveillance interruption or complete failure of the surveillance system that lasts longer than 15 minutes.

(E) The video surveillance system shall have sufficient battery backup to support a minimum of 24 hours of recording in the event of a power outage.

(2) Alarm System. The licensed premises shall have an audible interior and exterior security alarm system installed on all perimeter entry points and perimeter windows, operated and monitored by a security company licensed by the Department of Consumer Affairs, Bureau of Security and Investigative Services.

(3) Signage Requirement. The licensed premises must comply with the following signage requirements:

(A) A sign shall be posted in a conspicuous place near each point of public access which shall be not less than 12 inches wide and 12 inches long, composed of letters not less than one inch in height, stating "All Activities Monitored by Video Camera."

(B) Limited access areas shall be clearly identified by the posting of a sign which shall be not less than 12 inches wide and 12 inches long, composed of letters not less than one-half inch in height, which shall state, "Limited Access Area – Authorized Personnel Only."

(4) Lighting. The business entrance(s) and all window areas shall be illuminated during evening hours. The cannabis business shall comply with the city's lighting standards regarding fixture type, wattage, illumination levels, and shielding.

(5) Commercial-Grade Locks. All points of ingress and egress to a licensed premises shall ensure the use of commercial-grade, nonresidential door locks or window locks.

(6) Notification of City Manager and Law Enforcement. A cannabis business shall notify the city manager and the appropriate law enforcement authorities within 24 hours after discovering any of the following:

(A) Significant discrepancies identified during inventory;

(B) Diversion, theft, loss, or any criminal activity involving the retailer or any employee or agent of the retailer;

(C) The loss or unauthorized alteration of records related to cannabis, cannabis patients, primary caregivers, or retailer employees or agents; or

(D) Any other breach of security.

(m) Subletting Prohibited. Licensees are not authorized to sublet any portion of a licensed premises for any purpose.

(n) Recordkeeping. Cannabis businesses shall keep and maintain all records specified in Chapter 16 of the MAUCRSA and shall make the same available for inspection and examination of the city manager or their duly authorized representatives during standard business hours of the licensed facility or at any other

reasonable time. Cannabis businesses are required to exercise due diligence in preserving and maintaining all required records.

(o) Transactions. Licensees shall only do business with cannabis businesses that are licensed or permitted to do business in their respective jurisdictions.

(p) Limited Hours of Operation. A retailer may only be open to the public and engage in sales between the hours of 8:00 a.m. and 10:00 p.m.

(q) Window Displays. Cannabis, cannabis products and cannabis paraphernalia shall not be placed in a window display or otherwise placed in a manner primarily intended for individuals outside of the premises to view the products.

(r) Cannabis Paraphernalia Sales. Retailers may sell or otherwise provide equipment, supplies, and paraphernalia used to consume cannabis and cannabis products.

(s) Electronic Point-of-Sale System Required. Retailers must have an electronic point of sale system. The electronic point of sale system must be capable of producing an electronic or automatic paper record for all transactions associated with any product sold, rented, or otherwise provided to the customer.

(t) No Sales of Expired Product. A retailer may not sell any expired products, cannabis or cannabis products. A retailer shall not alter, edit, or adjust in any manner an expiration date on any item or product once affixed by its manufacturer.

(u) Handling of Edible Cannabis Products. A retailer that possesses edible cannabis products shall comply with the provisions of all relevant state and local laws regarding the storage, handling, and sale of food.

(v) Delivery of Cannabis and Cannabis Products. A retailer that provides delivery service shall comply with the following requirements:

(1) The retailer shall not deliver cannabis or cannabis products to any location outside of California or to any location within California where the delivery of cannabis or cannabis products has been prohibited by the city or county.

(2) The delivery service must be approved by the city as a part of the licensing process. The deliveries must be conducted in accordance with any relevant state laws, this code, any applicable local laws in the delivery location, and any conditions imposed upon the license.

(3) The retailer must keep in place standard operating procedures that ensure the safety and security of those individuals engaging in delivery and the security of all cannabis being delivered, including procedures to prevent diversion.

(4) A retailer may only deliver cannabis to a specific street address requested by the purchaser. Delivery to parks, schools or any other public facilities is prohibited.

(5) Upon arrival at the delivery address and prior to transferring any cannabis or cannabis products, the delivery person must verify and confirm that the identity of the recipient is the same as the person who requested the delivery and that the person is either 21 years of age or a qualified patient or primary caregiver.

(6) A retailer shall report to the city manager and local law enforcement any vehicle accidents, diversions, losses, or other reportable incidents such as thefts or suspicious activity, that occur during transportation and delivery, within 24 hours.

(7) The delivery shall keep a delivery manifest that includes the following information:

(A) All cannabis that will be transported, accurately inventoried;

(B) Departure date and approximate time of departure;

(C) Arrival date and approximate time of arrival;

(D) Name, address, local license number and CUP number of the originating cannabis business;

(E) Name and address of the individual requesting the delivery;

(F) Delivery vehicle make, model, and license plate number; and

(G) Name and signature of the individual transporting the cannabis.

(8) Sale of Live Plants. A retailer may sell and offer for sale seeds and immature cannabis plants, but shall not sell or offer for sale live mature cannabis plants. The retailer may provide light and water to immature cannabis plants being offered for sale but may not engage in any other cultivation activity. For the purposes of this provision, an "immature cannabis plant" is defined as a nonflowering cannabis plant that is shorter and narrower than 18 inches.

11.100.110 Limitations on city's liability.

To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to approving any local license pursuant to this chapter or the operation of any cannabis business approved for such local license pursuant to this chapter. As a condition of approval of a local license granted under this chapter, the applicant or its legal representative shall:

(a) Indemnify and hold the city harmless from any and all claims, damages, legal or enforcement actions, including, but not limited to, any actions or claims associated with violation of federal law associated with the operation of the cannabis business and delivery of cannabis as provided in this chapter; and

(b) Maintain insurance in the amounts and of the types that are acceptable to the city pursuant to guidelines and policies set forth by the city; and

(c) Name the city as an additional insured on all city-required insurance policies; and

(d) Defend, at its sole expense, any action against the city, its agents, officers, and employees related to the approval of a local license or the operation of the cannabis business; and

(e) Reimburse the city for any court costs and attorney fees that the city may be required to pay as a result of any legal challenge (or federal enforcement action) related to the city's approval of a local license or use permit. The city may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the operator of its obligation hereunder.

11.100.120 Inspections.

(a) Recordings made by security cameras at any cannabis business shall be made immediately available to the city manager upon verbal request for law or regulatory enforcement and criminal investigation purposes. Such recordings shall be considered confidential and shall not be released to the public pursuant to Government Code Section 7923.600 without the consent of the licensee.

(b) The city manager shall have the right to enter all cannabis businesses from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter. Such inspections shall be limited to observing the licensed premises for purposes of determining whether

the cannabis business is being operated or maintained in compliance with this code, state law, and other applicable laws and regulations. Any cannabis business licensed pursuant to this chapter may be required to demonstrate, upon demand by the city manager, that the source and quantity of any cannabis or cannabis products found upon the licensed premises is in full compliance with any applicable local or state law or regulation.

(c) The city manager shall have the right to inspect records of medicinal cannabis patients and primary caregivers that have made purchases of medicinal cannabis or medicinal cannabis products from a retailer for the sole purpose of determining whether any and all such individuals are qualified to make such purchases. Such inspections of records shall not be used for any other purposes, nor shall the records be removed off site by the city without a court order.

(d) The city manager may delegate an act required to be performed pursuant to this section to any code enforcement officer or official of the city, including, without limitation, the chief of police, the fire chief, the building official, the finance director, the city attorney, or any designee of such officers or officials.

(e) Applicants and licensees must cooperate with the city manager and his designees who are conducting inspections or investigations relevant to the enforcement of laws and regulations related to this chapter.

11.100.130 Enforcement – Suspension and revocation of license.

(a) The provisions of this chapter may be enforced by the city by any means provided for in Chapter 1.16 or 1.19 PGMC in addition to any and all other remedies, civil, equitable or criminal, afforded to the city under the law. Any use or condition caused, or permitted to exist, in violation of any provision of this chapter is hereby deemed to be a public nuisance and may be summarily abated by the city pursuant to Code of Civil Procedure Section 731 or by any other remedy available to the city. Any violation of this chapter is declared to be a public nuisance per se contrary to the public interest and will, at the discretion of the city, be subject to a cause of action for injunctive relief.

(b) Any violation of this chapter shall constitute a misdemeanor and a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be enforced pursuant to Chapters 1.16 and 1.19 PGMC.

(c) In addition to any other remedies available to the city under the law, a license issued under the terms of this chapter may be suspended or revoked by the director if they conclude any of the following:

(1) The cannabis business or licensee has violated any of the requirements of this chapter, Chapter 23.92 PGMC, or the applicable use permit.

(2) The cannabis business is being operated in a manner which constitutes a nuisance.

(3) The cannabis business is being operated in a manner which conflicts with or violates state laws.

(4) A licensee's use permit issued pursuant to Chapter 23.92 PGMC has been terminated or revoked.

(5) A licensee's state license has been suspended, terminated, or revoked.

11.100.140 Residential cannabis cultivation.

(a) All cannabis cultivation within city limits is prohibited except that a person, 21 years of age or older, may cultivate no more than six living cannabis plants inside a private residence, regardless of the number of persons that reside in the private residence, or inside a fully enclosed and secure accessory structure to a private residence located upon the grounds of that private residence. Such cultivation shall only occur in residences and accessory structures that are fully enclosed and secured against unauthorized entry.

(b) The primary use of the property must be for a private residence, and cultivation must not prevent the property owner's primary use as a residential use. The property shall remain at all times a private residence with a legal and functioning kitchen, bathroom(s) and bedroom(s) for their intended use and such cultivation shall not prevent the property's primary use as a residential use. The cultivation activities shall be conducted in a manner that is child resistant.

(c) If a private residence is not occupied or inhabited by the owner of the private residence, then no persons living in the residence may cultivate cannabis without written consent signed by the owner expressly allowing cannabis cultivation to occur at the private residence.

(d) Persons cultivating cannabis in a residence shall comply with all applicable building code requirements set forth in the Pacific Grove Municipal Code.

(e) There shall be no use of gas products (CO_2, butane, propane, natural gas, etc.) on the property for purposes of cannabis cultivation.

(f) All private cannabis cultivation under this section shall comply with Health and Safety Code Section 11362.2.

(g) The cannabis cultivation area shall not adversely affect the health or safety of nearby residents by creating dust, glare, heat, noise, noxious gases, odor, smoke, traffic, vibration or other impacts and shall not be hazardous due to the use or storage of materials, processes, products or wastes, or from other actions related to cultivation.

(h) The outdoor cultivation of cannabis is prohibited within city limits.

11.100.150 Consumption of cannabis.

Smoking and vaporizing of cannabis and cannabis products are prohibited in all public places and any place that is open to the public; reference Chapter 11.24 PGMC. Additionally, consumption and the use of any and all forms of cannabis, including edible cannabis product, shall be prohibited in all public places.

11.100.160 Exceptions.

(a) To the extent that the following activities are permitted by state law, nothing in this chapter shall prohibit a person 21 years of age or older from:

(1) Possessing, processing, purchasing, transporting, obtaining or giving away to persons 21 years of age or older without compensation whatsoever not more than 28.5 grams of cannabis not in the form of concentrated cannabis; or

(2) Possessing, processing, purchasing, transporting, obtaining or giving away to persons 21 years of age or older without compensation whatsoever up to eight grams of cannabis in the form of concentrated cannabis; or

(3) Possessing, smoking or ingesting cannabis or cannabis products in a manner consistent with California Health and Safety Code Section 11362.3.

(b) This chapter shall not prohibit any person from transporting cannabis through the jurisdictional limits of the city for delivery or distribution to a person located outside of the city, where such transport does not involve delivery or distribution within the jurisdictional limits of the city.

RESOLUTION 25 - ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE, PURSUANT TO PACIFIC GROVE MUNICIPAL CODE SECTION 11.100.070 ADOPTING RULES, POLICIES AND PROCEDURES FOR COMMERCIAL CANNABIS STOREFRONT RETAIL BUSINESS LICENSE APPLICATIONS

RECITALS

1. Section 11.100.070 of the Pacific Grove Municipal Code calls for the City Council to adopt by resolution rules, policies and procedures consistent with the intent and spirit of Chapter 11.100 concerning the applications, the application process, the information required of applicants, the application procedures, and the administration and procedures to be used and followed in the application process, pertaining to commercial cannabis licensing.

2. The purpose of this Resolution is to adopt the rules, policies and procedures required by PGMC Section 11.100.070.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Pacific Grove, hereby approves and adopts the "Application Procedures & Guidelines for Storefront Retail Commercial Cannabis Business License" attached hereto as "Exhibit A" as the rules, policies and procedures required by PGMC Section 11.100.070.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE on this 18th day of June, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____

BRIAN PIERIK, City Attorney

City of Pacific Grove
Community Development Department
300 Forest Ave, 2nd Floor
Pacific Grove, CA 93950
Ph: 831.648.3190
Email: planning@cityofpacificgrove.gov
www.cityofpacificgrove.gov

APPLICATION PROCEDURES & GUIDELINES FOR A STOREFRONT RETAIL COMMERCIAL CANNABIS BUSINESS LICENSE

Application Period
OPENS – TBD
CLOSES – TBD

These Procedure Guidelines apply solely to Cannabis Retail Applications

NUMBER OF PERMITS

During this application period the City will be allowing up to one (1) cannabis Retail License under this process, consistent with the City's ordinance Section 11.100.050(B)(1).

RETAIL BUSINESS

- "Retailer" shall have the same meaning as that contained in Section 26070(a)(1) of the California Business and Professions Code and Pacific Grove Municipal Code Section 11.100.030.

CONTACT

If you have any questions or would like an update on the status of your application, please contact the Planning Division in the Community Development Department at (831) 648-3183 or by email at planning@cityofpacificgrove.gov.

APPLICABLE REGULATIONS

Information regarding the Commercial Cannabis Business (CCB) Application process can be found on the City's website at https://www.cityofpacificgrove.gov and includes the following:

- Application Procedures Guidelines and Review Criteria
- City of Pacific Grove Municipal Code (PGMC) 23-018 Chapter 11.100 (Business Regulations)
- City of Pacific Grove Municipal Code (PGMC) 23-017 Chapter 23.92 (Zoning Regulations, Use Permit Application)
- Property Owner Consent/Landlord Affidavit
- Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement
- Background Check Portal Link
- Commercial Cannabis Business (CCB) Permit Application
- Cannabis FAQ's

To be considered for issuance of a Cannabis Business License, applications must be submitted to the Planning Division in the Community Development Department located at the address listed on these procedures by the deadline.

AMENDMENTS TO THE APPLICATION

If the City determines that a submitted application is incomplete or does not otherwise meet any or all of the requirements pursuant to any and all State and Local laws or regulations, the City shall send a Notice of Deficiency to the applicant generally describing the manner in which the application is incomplete or deficient. The applicant may resubmit omitted application material in order to correct any incompleteness or deficiencies. The applicant will not need to pay a new application fee. If an applicant fails to correct those sections deemed incomplete or deficient upon submission of the amendment, the application shall be rejected.

CITY'S RESERVATION OF RIGHTS

The City reserves the right to modify, postpone, or cancel the application period for a Cannabis Business License without liability, obligation, or commitment to any party, firm, or organization. In addition, the City reserves the right to request and obtain additional information from any applicant to conduct a complete review of the application or an investigation into the truthfulness of the statements set forth in the application or provided at any stage of the application process.

The City reserves the right for the Community Development Director to waive minor informalities or irregularities, which are merely a matter of form and not of substance, or immaterial defect in an application or variation of an application from the exact requirements of the process that can be corrected or waived without being prejudicial to other applicants. The City Manager shall give the applicant an opportunity to cure any deficiency resulting from a minor informality or irregularity in an application or waive the deficiency.

APPLICATION PROCESS

This Commercial Cannabis Business License application process is delineated in Pacific Grove Municipal Code Chapter 11.100. A CCB that receives a storefront license must also obtain a use permit and has 12 months to do so from the issuance of the license. The use permit process is delineated in Pacific Grove Municipal Code Chapter 23.92. A separate application is required for the use permit subsequent to the award of the license, and these application procedures and guidelines do not apply to the use permit. It is incumbent upon the applicant to review and comply with all State and Local applicable laws and regulations regarding the application process. Before submitting your application, review your application in its entirety to ensure that it is complete and accurate. Review the information regarding the Storefront Retail Cannabis Business License application process for a CCB on the City webpage provided on page one.

The following procedures generally outline the application evaluation and selection process, required materials, and other information necessary to apply for a Cannabis Business License to operate a Storefront Retail facility in the City of Pacific Grove.

APPLICATION SUBMITTAL REQUIREMENTS

Applications must respond to all requirements outlined in the "Application Procedures & Guidelines for a Cannabis Business License." This can be found at https://www.cityofpacificgrove.gov. Applicants must submit all required application materials together in one complete comprehensive application package. This can be done in person, or can be sent to the City via FED EX, UPS or any other common carrier delivery service as long is it a complete application. Electronic submissions such as Email, Dropbox, Google Docs, etc. will not be accepted. Complete applications also must be submitted prior to the close of the application deadline.

The application package must include all the following documents with original wet signatures and notaries for each document (where applicable).

1. Commercial Cannabis Business Application;
2. Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement;

3. Agreement on Limitations of City's Liability, and Certifications, Assurances, Warranties, and Indemnification to City;
4. Property Owner Consent/Landlord Affidavit;
5. Proof of Property Ownership or Lease Agreement/Letter of Intent to Lease;
6. Proof of insurability from an Insurance Company;
7. Zoning Verification Application;
8. Application Zoning Verification Letter;
9. USB Flash Drive;
10. Application fee.

FLASH DRIVE CONTENT

All applicants must submit a USB flash drive containing one complete copy of the application submittal requirements as outlined in the below format. The application package and application fees must be received by the Planning Division at the same time.

Responses to the Evaluation Criteria (Sections 1-5 found in Appendix A of the Application Procedures & Guidelines) shall be limited to 125 pages. Responses pertaining to Financial Responsibility, Indemnity and Consent to Inspection Terms, Agreement on Limitations of City Liability, and Certifications, Assurances, Warranties, and Indemnification to City, Proof of Capitalization, Zoning Verification Application/Letter (ZVL), and Property Owner Consent/Lease Agreements, Property Owner/Landlord Affidavit, shall not be included in the 125 page limitation. Those responses should be saved in PDF files that are separate from the Evaluation Criteria (see below).

All materials must be submitted on a USB flash drive in a PDF format in the following files. Please submit the files in the correct format and organize correctly. Improper organization of your application may ground for rejection.

PDF File #1	Commercial Cannabis Business Application (pages 1-3), Financial Responsibility, Indemnity and Consent to Inspection Terms Agreement (pages F1-F3,) Agreement on Limitations of City Liability, and Certifications, Assurances, Warranties, and Indemnification to City (pages F4-F6), Property Owner Consent/Landlord Affidavit, Proof of Property Ownership or Lease Agreement/Letter of Intent to Lease, Proof of insurability, Zoning Verification Application, Application Zoning Verification Letter (ZVL), and Proof of Application Fee; and with required signatures and notaries for all documents (where applicable).
PDF File #2	Evaluation Criteria (Responses to Sections 1-5 of Appendix A limited to 125 pages).
PDF File #3	Proof of Capitalization (All bank statements, loan documents, promissory notes, financial and commitment letters).

BACKGROUND CHECK

Any person who is an owner (collectively "Cannabis Business Person(s)") must undergo a criminal history background check to demonstrate they do not provide "good cause" for denial per PGMC 23-018, Section 11.100.060(B)(2) Cannabis Business Person(s) who do not meet the criminal history eligibility requirements in Business & Professions Code Section 26057(b)(4)(A)-(E) will be disqualified. The background form can be found online at https://hdlcompanies.formstack.com/forms/bc_pacificgrove.

The initial background check fee for each Cannabis Business Person(s) shall be $300.00. This process will be required to meet the minimum threshold qualifications pursuant to PGMC Section 11.100.060(B)(2).

ZONING VERIFICATION LETTER (ZVL)
Prior to submitting a Cannabis Business License Application, an Applicant must obtain a Zoning Verification Letter from the Planning Department. To secure this letter, an Applicant must apply for the Zoning Verification Letter, and pay all associated fees therewith. The Zoning Verification Letter must specify the intended use of the building (storefront retail), and the proposed building location. Applicants must submit a Retail Cannabis Business Zoning Verification Application prior to **(TIME AND DATE TBD)**.

The issuance of a Zoning Verification Letter does not constitute written evidence of permission given by the City or any of its officials to operate a cannabis business, nor does it establish a "permit" within the meaning of the Permit Streamlining Act, nor does it create an entitlement under the Zoning or Building Code. A regulatory permit for a CCB does not constitute a permit that runs with the land on which the cannabis business is established. Please note that the cannabis business will require a discretionary permit.

FEES
All applicants shall be required to submit a fee of **$XXXXX**. This amount will be charged against time spent by City staff and any consultant reviewing applications and administrating the application process. Applicants are advised that they may be required to pay additional amounts as required for the sole purpose of the City's completion of the application review process. However, there will also be a separate fee for the Zoning Verification Letter (ZVL) of **$XXX** per site and the Background Check Fee of $300.00 per Cannabis Business Person(s).

Payment of all fees and monies must be made by a certified check, cashier's check or money order made payable to the City of Pacific Grove. Please note the City will not accept cash or credit cards. All application fees are non-refundable.

SUBMITTAL DEADLINE
Completed applications must be received by the Planning Division by **(TIME AND DATE TBD)**. Late applications will not be accepted.

APPLICATION EVALUATION, REVIEW AND APPROVAL PROCESS

PHASE I: REVIEW OF APPLICATION FOR COMPLETENESS
Applications must be completed and submitted in their entirety to move forward in the review process. Upon receiving an application, the application will be reviewed in its entirety using the Application Submittal checklist on Page 1 of the CCB Application to determine if the Application is complete Applications determined to be complete will be forwarded to the Consultant for Phase II (Application Evaluation and Review).

PHASE II: APPLICATION EVALUATION AND REVIEW
Applications will be evaluated by using the criteria listed below. See APPENDIX A for a description of the evaluation criteria:

- Section 1. Business Plan
- Section 2. Labor and Local Enterprise Plan
- Section 3. Neighborhood Compatibility Plan
- Section 4. Security Plan
- Section 5. Location

Those applications which are determined to meet the requirements in each category will move on to Phase III of the application process. If the application is incomplete or does not otherwise meet the minimum requirements, the Applicant may resubmit those sections that have been deemed incomplete or deficient.

Please note that Applicants may only amend their application one time, therefore, Applicants are encouraged to provide a quality application when resubmitting the requested information.

PHASE III: LOTTERY

If more than one (1) application is received and determined to meet the requirements of PHASE II, then that application will advance in the process pursuant to PGMC 11.100.070. In the case of only one (1) application, the PHASE III Lottery will not be required. If more than one (1) application is received and determined to meet the requirements of PHASE II, then all applications will advance to PHASE III and will be entered into the random lottery drawing.

The City will announce the location, date, and time at least two (2) weeks before conducting the lottery drawing on the City's website linked above. The lottery drawing details will be emailed to the submitted applicants who have made it through to this phase, and any other interested person who has requested to receive cannabis lottery updates.

Results of the lottery drawing will be available immediately to those persons attending the lottery drawing in person. The City will also notify the applicants included in the lottery and post the lottery winners on the website at https://www.cityofpacificgrove.gov.

One (1) storefront retail local license shall be provisionally granted from the results of the lottery. From the date the local license is provisionally approved, the applicant will have twelve (12) months to secure approval of a use permit for a premises, in addition to any other land use permits or entitlements that may be required by this code for the premises. If the applicant who received a provisional license does not obtain the use permit or any other required land use permits or entitlements for the premises within this time frame, then the provisional license shall become null and void.

Each person granted a commercial cannabis business license shall be required to pay the permit fee established by resolution of the city council, to cover the costs of administering the commercial cannabis business license program created in this article prior to commencing business in the city.

APPEALS:

Any Applicant wishing to appeal any decision made in the application process or determination of acceptance into the lottery, may appeal the decision within ten calendar (10) days of the Applicant receiving a notice that their application does not meet the standards to enter the lottery. Such appeals shall comply with the requirements of Pacific Grove Municipal Code.

Note: Being awarded a Cannabis Business License does not constitute a land use entitlement and does not waive or remove the requirements of applying for and receiving permits for all construction including: electrical, plumbing, fire, Planning Department permits or reviews, and any other permits, licenses, or reviews as deemed necessary by the relevant departments or governmental entities in charge of said permits. Nor does the award of a Cannabis Business License guarantee that the plans submitted via the Cannabis Business License application process meet the standards or requirements and any other permit requirements from other City departments or agencies. Further, it is understood and agreed to by the Applicant that 1) the business has 12 months to secure approval of their use permit, in additional to any other land use permits or entitlements that may be required. If a business does not obtain the use permit or any other required land use permits or entitlements within this time frame, then the provisional license shall become null and void a license maybe granted to another applicant from the lottery. 2) subsequent to the issuance of a local license, the licensee shall report any transfer of ownership in the cannabis business to the city within 30 calendar days of that change. Violation of these two issues shall deed any Cannabis Business License null and void.

CONTACT

If you have any questions or would like an update on the status of your application, please contact the City of Pacific Grove Planning Division (831) 648-3183 or by email at planning@cityofpacificgrove.gov.

APPENDIX A: EVALUATION CRITERIA

All of the following information must be submitted on a USB flash drive in PDF format (Please do not submit any documents in Word format) when the application is initially filed for consideration as part of Phase I. All responsive documentation must be saved in three (3) individual digital files as described in the APPLICATION PROCEDURES & GUIDELINES FOR A COMMERCIAL CANNABIS BUSINESS LICENSE.

1. BUSINESS PLAN

1.1. Owner qualifications. Provide detail regarding prior cannabis experience.
1.2. Describe the number of employees, title/position, and their respected responsibilities.
1.3. A budget for construction, operation, and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.
1.4. Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit, or other equivalent assets.
1.5. Pro forma for at least three (3) years of operation.
1.6. Describe hours of operation and opening and closing procedures.
1.7. Describe the day-to-day operations if you are applying for a **STOREFRONT RETAIL** permit. This should include at a minimum the following criteria.
   1. Identify the name of the Point-of-Sale system to be used and the number of Point-of-Sale locations.
   2. Estimate the number of customers to be served per hour/day.
   3. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.
   4. How the Cannabis Business will conform to local and state laws. See PGMC 23-017, Section 23.92 and 23-018, Section 11.100 as they pertain to storefront retail establishments in the City of Pacific Grove.

2. LABOR AND LOCAL ENTERPRISE PLAN

2.1. Describe whether the Commercial Cannabis Business is committed to offering employees a Living Wage, as defined by MIT Living Wage calculator (https://livingwage.mit.edu/).
2.2. Briefly describe benefits provided to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.
2.3. Describe compensation to and opportunities for continuing education and employee training.
2.4. Describe the extent to which the Commercial Cannabis Business will be a locally managed enterprise whose owners and /or managers reside within or own a commercial business within the City of Pacific Grove and the Sphere of Influence for the City generally.

3. NEIGHBORHOOD COMPATIBILITY PLAN

3.1. Describe how the CCB will proactively address and respond to complaints related to noise, light, odor, litter, vehicle, and pedestrian traffic.
3.2. Describe how the CCB will be managed to avoid becoming a nuisance or having impacts on its neighbors and the surrounding community.
3.3. Describe odor mitigation practices and odor control devices and techniques employed to ensure that odors from cannabis are not detectable beyond the licensed premises (refer to PGMC 23-017, Section 23.92.080(1))
3.4. Describe all proposed system maintenance to odor control devices.
3.5. Describe the waste management plan.
3.6. Describe outreach efforts to sensitive uses listed in the PGMC, as well as other sensitive uses such as places of worship. Provide any letters of support received from such sensitive uses.

4. SECURITY PLAN

The Security Plan should consider all access control, inventory control, cash handling procedures. Complete policy/procedures manuals are not required at this point in the application process. Please only provide a description for each criteria, which incorporates the following provisions:

4.1. Premises Diagram which focuses on the proposed security measures and how they relate to the overall business. (Pursuant to CCR Title 4, Division 19, §15006. Premises Diagram).
   1. The diagram shall be accurate and drawn to scale.
   2. Clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows, and doorways.
   3. Identify the activity in each room and a description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/site plan may include but are not limited to the following if applicable to the business operations; storage areas, batch sampling areas, loading/unloading of shipment areas, packaging and labeling, customer sales areas, training areas, employee break room areas, extractions, infusions, processing, and testing areas.
   4. Location and number of all video surveillance cameras must be identified in the diagram.
   5. Limited-access areas (Pursuant to CCR Title 4 Division 19, §15000 (ll) Limited-Access Area).

4.2. Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company (if the company has been selected).

4.3. Describe cash handling procedures.

4.4. Describe whether the CCB will utilize the services of on-site security guards. Include in the description:
   1. Number of guards.
   2. Hours guards will be on-site.
   3. Locations at which they will be positioned.
   4. Guards' roles and responsibilities.

5. LOCATION

5.1. In addition to the location-related details provided in the Cannabis Business License Application (pages 1-3), the application shall include a thorough description of the proposed location, including but not limited to the overall property, building, and floor plan.

5.2. The application shall include at least one (1) photograph of the front (street side) of the building or street view of the vacant parcel.

5.3. Site Diagram for each proposed location. In addition to diagrams submitted for other sections of the Cannabis Business License Application, applicants are expected to submit a premise/site diagram that focuses on the overall property and building. This diagram should show the overall parcel and adjoining or neighboring buildings that may be affected by the commercial cannabis business.
   1. A Site Diagram must be accurate, dimensioned and to-scale. The diagram shall provide a detailed description of all available/shared parking spaces, driveway locations, and auxiliary buildings on the parcel. (Blueprints and engineering site plans are not required at this point of the application process. Security features are not required for this section.)

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Matthew Mogensen, City Manager

MEETING DATE: June 18, 2025

SUBJECT: First Reading of an Ordinance Repealing and Replacing PGMC Chapter 18.32.080 to adopt the 2025 Fire Hazard Severity Zone Map for the City as identified by the California State Fire Marshall in Accordance with Government Code Section 51178

CEQA: Statutory Exemption, CEQA Guidelines Section 15268, Ministerial Projects

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RECOMMENDATION

1. Request the City Attorney to read the title of the Ordinance.
2. Motion to introduce an Ordinance Repealing and Replacing PGMC Chapter 18.32.080 to adopt the 2025 Fire Hazard Severity Zone Map for the City as identified by the California State Fire Marshall in Accordance with Government Code Section 511783.
3. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.
4. Other action related to this Agenda Item

DISCUSSION

The State Fire Marshal in conjunction with the California Department of Forestry and Fire Protection (CAL FIRE) is tasked with assigning and periodically updating Fire Hazard Severity Zones in the state based on the severity of fire hazard that is expected to prevail in those areas. Moderate, High, and Very High Fire Hazard Severity Zones are based on fuel loading, slope, fire weather, and other relevant factors including areas where winds have been identified by the Office of the State Fire Marshal as a major cause of wildfire spread. (Government Code section 51178)

On March 10, 2025, CAL FIRE released the 2025 Local Responsibility Area Fire Hazard Severity (FHSZ) maps that apply to the City of Pacific Grove. The maps indicate potential hazard, not immediate risk, and do not take into account mitigation efforts such as maintaining defensible space or fire-resistant construction. Changes to the map do not affect how fire services are provided.

Requirements and Updates

Within 30 days of the City receiving the FHSZ information, the City was required to publish the information and make it available for public comment. (Government Code section 51178.5.)

The City is also required by state law to adopt, by ordinance (Attachment No. 1), the updated FHSZ map (Attachment No. 2) within 120 days of publication. (Government Code section 51178.) FHSZ classifies the zones by categorizing properties as Moderate, High, or Very High based on terrain, vegetation, fire history, and climate conditions.

Finally, the City is required to post a notice at the office of the County Recorder, County Assessor, and County Planning Agency identifying the location of the map provided by the State Fire Marshal.

Analysis

All parcels in Pacific Grove, regardless of FHSZs, are required to maintain defensible space requirements as outlined in the amendments to the California Fire Code Section 4907.1.1. Homeowners in the updated Very High, High, and Moderate FHSZ must comply with more stringent defensible space requirements as required by the state.

The 2025 updated FHSZ map expands the City's current Very High FHSZ from 82-acres in total to 167-acres with an additional High FHSZ category of 64-acreas and a Moderate FGSZ category of 141-acres. The total acreage in Pacific Grove with a FHSZ designation is now 372-acres.

New construction and certain renovations in Very High FHSZ must adhere to the Wildland-Urban Interface (WUI) building code standards. The City adopted its WUI with the adoption of Resolution No. 24-031 C.S. on July 17, 2024.

Additional properties will be included in the FHSZ because of the 2025 FHSZ map adoption. All properties within the FHSZ will be subject to the following:

- A defensible space inspection annually from the Fire Department that advises of vegetation clearance around structures. Note that many properties in the City are already receiving these as a result of the City's adoption of the Community Wildfire Protection Plan (CWPP).
- New construction in the FHSZ will need to meet current Fire and Building Code requirements for wildfire protections.
- CAL FIRE will be issuing further regulations regarding fire defensible space and structure hardening in the future and some property owners will need to make modifications within 3 years to comply once these regulations are established.

Additionally, Property sellers must disclose FHSZ designations and have a defensible space inspection during real estate transactions as well. (AB 38 inspection – Civil Code section 1102.19).

City Actions

On March 13, 2025, the City timely shared the FHSZ information through a press release.

On March 28, 2025 the information was posted on the City website at.
https://www.cityofpacificgrove.gov/our_city/departments/fire___emergency_preparedness/index.php

Staff will be evaluating the need to modify the City's WUI to align with the newly updated FHSZ maps. Planning Staff will bring forward an amendment to the General Plan Safety Element to adopt the new FHSZ map.

Environmental Review

Adoption of an ordinance pursuant to GC Section 51179(a) does not include an increase to FHSZ levels

or areas beyond what was identified by the State Fire Marshall. Therefore, action by the City Council does not include exercising the discretion afforded in GC Section 51179(b). As such, adoption of the ordinance is a ministerial action statutorily exempt pursuant to Public Resources Code (PRC) Section 21080(b)(1) and CEQA Guidelines Section 15268.

Further, PRC Section 21080(b)(4) and CEQA Guidelines Section 15269(c) statutorily exempts actions necessary to prevent or mitigate an emergency. The Governor of California Executive Order N- 18-25 identifies that California is at a great risk due to wildfire. This order proclaims that standards, regulations and statutes shall be incorporated to harden communities to reduce wildfire risk. Adoption of the FHSZ map furthers this proclamation. Therefore, this action qualifies under this exemption.

CEQA Guidelines Sections 15307 and 15308 categorically exempts actions by regulatory agencies for protection of natural resources and of the environment, respectively. These include actions taken by regulatory agencies (i.e. the City) as authorized by state law (i.e. GC Section 51179(a)) to assure the maintenance of a natural resource and protection of the environment where the regulatory process involves procedures for such maintenance and protection. Adoption of an ordinance incorporating the updated FHSZ map prepared by the State Fire Marshal within the Pacific Grove Municipal Code is required by state law and associated wildfire prevention and protection measures ensure the maintenance of the city's natural resources and protection of the overall environment. None of the exceptions to the exemptions listed in CEQA Guidelines Section 15300.2 exist in this case. Although additional areas are now designated, from 82-acres to 372-acres, the required vegetation management and structural hardening are already required by state law and do not go beyond the baseline requirements. Therefore, the ordinance does not present or entail any unusual circumstances.

OPTIONS

The map must be adopted by the City to be compliant with state law. The City cannot make changes to the map that reduces the fire hazard classification, although it may suggest a higher severity level to the State Fire Marshal pursuant to Government Code section 52119 as follows:

- The City could designate areas not identified as Very High Fire Hazard Severity Zones by the State Fire Marshall, as Very High Fire Hazard Severity Zones following a finding supported by substantial evidence in the record that the requirements of Government Code Section 51182 are necessary for effective fire protection within the area.

The foregoing option is not recommended because it would impose additional regulatory requirements on property owners beyond those mandated by the State, potentially leading to increased costs, community opposition, and legal challenges. Moreover, absent compelling and well-documented local evidence demonstrating a heightened fire risk, such designations could be seen as arbitrary or unsupported.

FINANCIAL IMPACT:

There is no additional fiscal impact related to this item at this time.

FOCUSED PRIORITY AREA: Environmental Stewardship

Attachments

Proposed Ordinance

Exhibit "A" to Proposed Ordinance

ORDINANCE NO. 25-____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE REPEALING AND REPLACING PGMC CHAPTER 18.32.080 TO ADOPT THE 2025 FIRE HAZARD SEVERITY ZONE MAP FOR THE CITY AS IDENTIFIED BY THE CALIFORNIA STATE FIRE MARSHALL IN ACCORDANCE WITH GOVERNMENT CODE SECTION 51178

FACTS

1. Chapter 18.32.080 of the Pacific Grove Municipal Code "Very high fire hazard severity zone" (VHFHSZ) includes regulations pursuant to the requirements of Government Code Sections 51175 through 51189, and the "Pacific Grove VHFHSZ" map dated July 22, 2008 as recommended by the Director of the California Department of Forestry and Fire Protection.

2. On March 10, 2025, the California State Fire Marshal updated and officially released the 2025 Fire Hazard Severity Zone (FHSZ) map (Exhibit A), using the latest science, data, and modeling methodologies, and transmitted the new map to the City as required by law.

3. The City of Pacific Grove is required to adopt the 2025 FHSZ map within 120 days of receipt in order to remain in compliance with Government Code Section 51179 and to enhance wildfire resilience and planning measures

4. Adoption of an ordinance pursuant to GC Section 51179(a) does not include an increase to FHSZ levels or areas beyond what was identified by the State Fire Marshall. Therefore, action by the City Council does not include exercising the discretion afforded in GC Section 51179(b). As such, adoption of the ordinance is a ministerial action statutorily exempt pursuant to Public Resources Code (PRC) Section 21080(b)(1) and CEQA Guidelines Section 15268.

Further, PRC Section 21080(b)(4) and CEQA Guidelines Section 15269(c) statutorily exempts actions necessary to prevent or mitigate an emergency. The Governor of California Executive Order N- 18-25 identifies that California is at a great risk due to wildfire. This order proclaims that standards, regulations and statutes shall be incorporated to harden communities to reduce wildfire risk. Adoption of the FHSZ map furthers this proclamation. Therefore, this action qualifies under this exemption.

CEQA Guidelines Sections 15307 and 15308 categorically exempts actions by regulatory agencies for protection of natural resources and of the environment, respectively. These include actions taken by regulatory agencies (i.e. the City) as authorized by state law (i.e. GC Section 51179(a)) to assure the maintenance of a natural resource and protection of the environment where the regulatory process involves procedures for such maintenance and protection. Adoption of an ordinance incorporating the updated FHSZ map prepared by the State Fire Marshal within the Pacific Grove Municipal Code is required by state law and associated wildfire prevention and protection measures ensure the maintenance of the city's natural resources and protection of the overall environment. None of the exceptions to the exemptions listed in CEQA Guidelines Section 15300.2 exist in this case. Although additional areas are now designated, from 82-acres to 372-acres, the required vegetation management and structural hardening are already required

by state law and do not go beyond the baseline requirements. Therefore, the ordinance does not present or entail any unusual circumstances.

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 though set forth in fully within the body of this ordinance.

SECTION 2. Pacific Grove Municipal Code Chapter 18.32.080 of the Pacific Grove Municipal Code "Very high fire hazard severity zone" is hereby repealed and replaced as follows:

18.32.080 FIRE HAZARD SEVERITY ZONE ADOPTED

This section shall be known as the fire hazard severity zone (FHSZ) regulations and is adopted pursuant to the requirements of Government Code Sections 51175 through 51189. The area described as the FHSZ has been recommended by the California Department of Forestry and Fire Protection. The city of Pacific Grove FHSZ is designated on a map titled "Pacific Grove VHFHSZ" dated March 1, 2025, and retained on file at the city of Pacific Grove and which shall also be retained on file at the office of the California Department of Forestry and Fire Protection. Whenever a more restrictive standard is set forth on any of the city's codes or state law, the more restrictive standard shall apply in all cases.

SECTION 3. The City Manager is directed to execute all documents and to perform all other necessary City acts to implement this Ordinance.

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. In accord with Article 15 of the City Charter, this Ordinance shall become effective on the thirtieth (30th) day following its passage and adoption.

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

AYES:

NOES:

ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:

DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

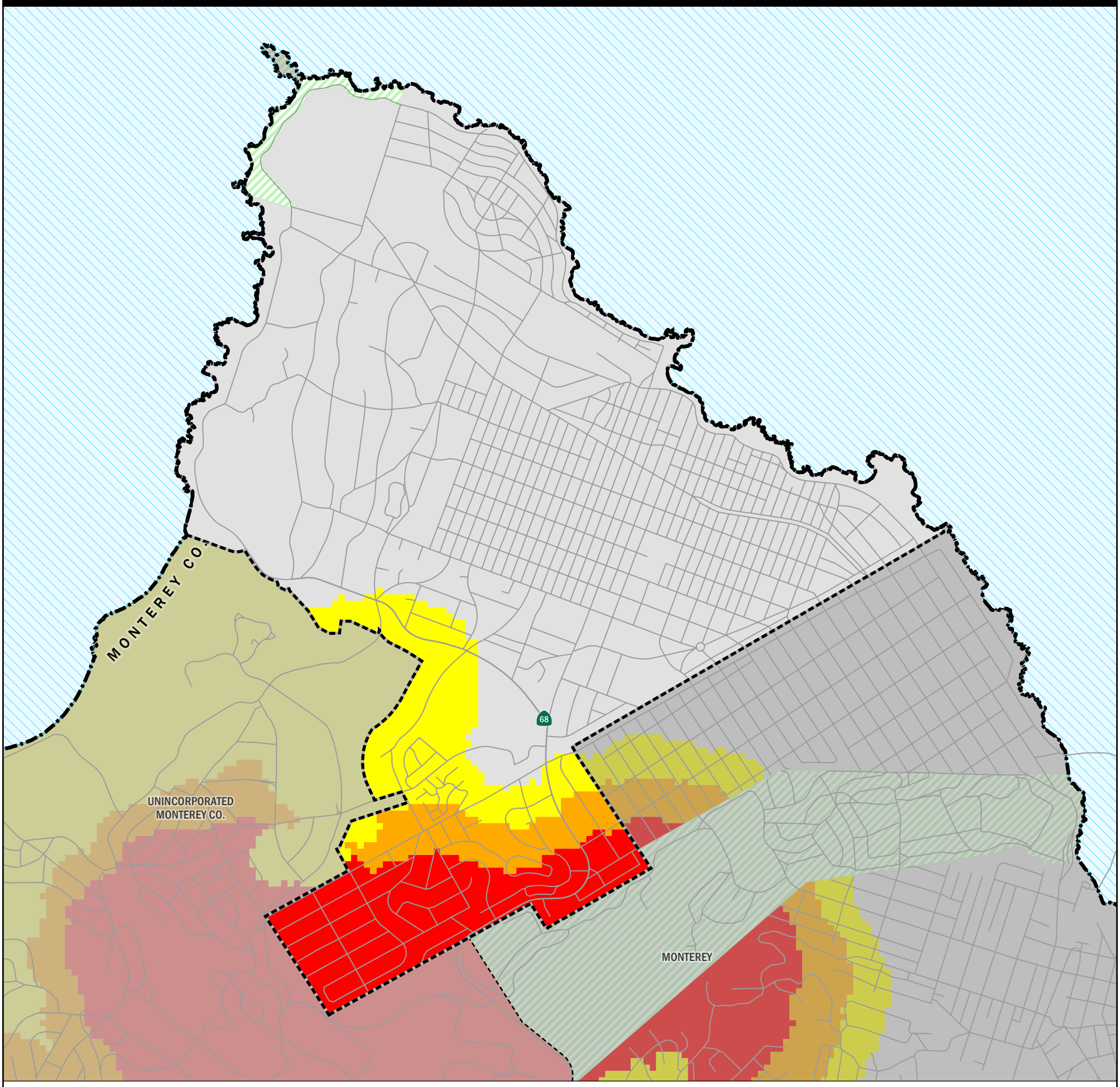
_____
BRIAN A. PIERIK, City Attorney

CITY OF PACIFIC GROVE – MONTEREY COUNTY

Local Responsibility Area Fire Hazard Severity Zones

As Identified by the State Fire Marshal

March 10, 2025





Fire Hazard Severity Zones (FHSZ) in Local Responsibility Area (LRA), as Identified by the State Fire Marshal

Very High | High | Moderate

Fire Hazard Severity Zones in State Responsibility Area (SRA), Effective April 1, 2024

Very High | High | Moderate

Mi 0 1

Km 0 1

Projection: NAD 83 California Teale Albers
Scale: 1:20,000 at 11" x 17"

Incorporated City

Federal Responsibility Area (FRA)

Unzoned LRA

Government Code section 51178 requires the State Fire Marshal to identify areas in the state as moderate, high, and very high fire hazard severity zones based on consistent statewide criteria and based on the severity of fire hazard that is expected to prevail in those areas. Moderate, high, and very high fire hazard severity zones shall be based on fuel loading, slope, fire weather, and other relevant factors including areas where winds have been identified by the Office of the State Fire Marshal as a major cause of wildfire spread.

The State of California and the Department of Forestry and Fire Protection make no representations or warranties regarding the accuracy of data or maps. Neither the State nor the Department shall be liable under any circumstances for any direct, special, incidental, or consequential damages with respect to any claim by any user or third party on account of, or arising from, the use of data or maps.

Gavin Newsom, Governor, State of California

Wade Crowfoot, Secretary for Natural Resources, CA Natural Resources Agency

Joe Tyler, Director/Fire Chief, CA Department of Forestry and Fire Protection

Daniel Berlant, State Fire Marshal, CA Department of Forestry and Fire Protection

Data Sources:

CAL FIRE Fire Hazard Severity Zones (FHSZSRA23_3, FHSZLRA_25_1)

CAL FIRE State Responsibility Areas (SRA25_1)

City and County boundaries as of 10/22/24 (CA Board of Equalization)