



NOTICE OF MEETING CITY OF PACIFIC GROVE

CITY COUNCIL

SPECIAL MEETING AGENDA

Wednesday, October 15, 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.**

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AGENDA

CALL TO ORDER

APPROVAL OF THE AGENDA

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. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(a)
Discussion with Chief of Police regarding procedures to improve security in City owned buildings.

ADJOURNMENT



NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING AGENDA

Wednesday, October 15, 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.

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

JOIN THE ZOOM WEBINAR TO PARTICIPATE LIVE AT:

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AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE: Councilmember Garfield

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.

B. 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 October 1, 2025 City Council Special and Regular Meetings **PG 7**

Reference: Sandra Kandell, City Clerk

Recommended Action: Approve the 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. Proposed Updates to City Council Policies 400-5 & 400-6 **PG 13**

Reference: Fred Marsh, Administrative Services Director

Recommended Action:

1. Approve Resolution
2. Provide Alternate Direction

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 Adopting the California Building Standards Code with Local Amendments **PG 29**

Reference: John Kuehl, Building Official

Recommended Action: Hold second reading and adopt an ordinance that adopts the 2025 Edition of the California Building Standards Code, with local amendments.

CEQA: Categorical Exemption, CEQA Guidelines Section 15061(b)(3)

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 - September 2025 **PG 45**

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

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

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

REGULAR AGENDA

11. **PUBLIC HEARINGS**

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

A. Ordinance to Amend the Fiscal Year 25/26 Operating and Capital Improvement Budget

Reference: Matt Mogensen, City Manager **PG 64**

Recommended Action:

1. Request the City Attorney to read the title of the ordinance;
2. Motion to waive further reading of the ordinance;
3. Introduce and hold the first reading of an ordinance amending the operating and capital budget for the Fiscal Year 2025-26;
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

B. Proposed Revision to Chapter 2.16 of the City Ordinance regarding the Purchasing System and Procedures **PG 78**

Reference: Fred Marsh, Administrative Services Director

Recommended Action:

1. Request the City Attorney to read the title of the ordinance;
2. Motion to waive further reading of the ordinance;
3. Introduce and hold the first reading of a revision to Chapter 2.16 of the City Ordinance regarding the Purchasing System and Procedures
4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.
5. Approve the Resolution establishing dollar limits for approval of contracts for specified employee classifications.

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

12. **UNFINISHED AND ONGOING BUSINESS**

13. **NEW BUSINESS**

A. Discussion on the Allocation of Available Potable Water **PG 103**

Reference: Jon Biggs, Community Development Director

Recommended Action: Receive report, discuss, and provide direction to staff.

14. FULL PRESENTATIONS

15. CLOSED SESSION

**A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 (b)
PUBLIC EMPLOYEE APPOINTMENT**

Title: City Attorney – Discussion of appointment process

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: October 15, 2025
SUBJECT: Minutes of the October 1, 2025 City Council Special and Regular Meetings
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Approve the minutes.

Attachments

Draft Minutes s10-1-25



DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

SPECIAL MEETING

Wednesday, October 1, 2025, 5:00 P.M.

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

Join the Zoom Meeting to participate live at:

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CALL TO ORDER

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

APPROVAL OF THE AGENDA

Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Rau, Council voted 6-0-1, Councilmember Garfield absent, to approve the Special Meeting Agenda.

SPECIAL MEETING

PUBLIC COMMENT ON SPECIAL MEETING MATTERS

No public comment received.

- A. Conference with Real Property Negotiators (Government Code § 54956.8) Property: Point Pinos Grill, 79 Asilomar Blvd, Pacific Grove
Agency Negotiator(s): Matthew Mogensen, City Manager; Brian Pierik, City Attorney; Dan Gho, Public Works Director/Deputy City Manager; Fred Marsh, Administrative Services Director
Negotiating Party(ies): Tamie Aceves
Under negotiation: Price and terms of payment of lease.



DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING

Wednesday, October 1, 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 Smith called the meeting to order at 6:00 p.m. Present in Chamber: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers McDonnell, Poduri, Rau, and Walkingstick. Absent: Councilmember Garfield.

PLEDGE OF ALLEGIANCE:

Councilmember Rau led the pledge of allegiance.

1. APPROVAL OF AGENDA

Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Rau, Council voted 6-0-1, Councilmember Garfield absent, to approve the Regular Meeting Agenda.

2. PRESENTATIONS

- A. Mayor's Proclamation: Declaring October 2025 as National Women's Small Business Month

Action: Presented proclamation.

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

Conference with Real Property Negotiators (Government Code § 54956.8) Property: Point Pinos Grill, 79 Asilomar Blvd, Pacific Grove

Agency Negotiator(s): Matthew Mogensen, City Manager; Brian Pierik, City Attorney; Dan Gho, Public Works Director/Deputy City Manager; Fred Marsh, Administrative Services Director

Negotiating Party(ies): Tamie Aceves

Under negotiation: Price and terms of payment of lease.

City Attorney Brian Pierik reported no action was taken.

- B. Council and staff made general announcements.

4. **GENERAL PUBLIC COMMENT**
General Public Comment received from Jean Anton, Mark Travaille, and Inge Lorentzen Daumer.
 - A. Written General Public Comment

CONSENT AGENDA

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

5. **APPROVAL OF CITY COUNCIL MEETING MINUTES**
 - A. Minutes of the September 17, 2025 City Council Special and Regular Meetings
Action: Approved the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378
6. **RESOLUTIONS**
7. **ORDINANCES**
 - A. Second Reading and Adoption of Ordinance Regarding Code Enforcement Adding Chapter 1.17, Amending Chapter 1.18, Repealing and Replacing Chapter 1.19, Repealing and Reserving Chapter 3.30, Amending Chapter 6.09, Amending Chapter 7.40, and Amending Chapter 9.17
Action: Held second reading and adopted Ordinance No. 25-018 Regarding Code Enforcement Adding Chapter 1.17, Amending Chapter 1.18, Repealing and Replacing Chapter 1.19, Repealing and Reserving Chapter 3.30, Amending Chapter 6.09, Amending Chapter 7.40, and Amending Chapter 9.17.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378
8. **REPORTS – INFORMATION ONLY**
 - A. 2025-2027 Community Goals and Workplan Matrix Quarterly Update
Action: Received and filed the 2025-2027 Community Goals and Workplan Matrix Quarterly Update.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378
 - B. Community Human Services Highlights for September 18, 2025
Action: Received the highlights.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378
9. **REPORTS – REQUIRING ACTION**
10. **MEETING MINUTES OF COMMISSIONS, BOARDS, AND COMMITTEES**
 - A. Library Board Special Meeting Minutes: July 29, 2025
Action: Received the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

REGULAR AGENDA

11. PUBLIC HEARINGS

- A. An Ordinance Adopting with California Building Standards Code with Local Amendments
No public comment received.

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, Council voted 6-0-1, Councilmember Garfield absent, to

- 2. Waive further reading of the ordinance;
- 3. Introduce and hold first reading of an ordinance that adopts the 2025 Edition of the California Building Standards Code, with local amendments; and
- 4. Direct that publication of the ordinance be satisfied by publication of a summary approved by the City Attorney.

CEQA: Categorical Exemption, CEQA Guidelines Section 15061(b)(3)

12. UNFINISHED AND ONGOING BUSINESS

13. NEW BUSINESS

- A. Hops and Fog Sidewalk, Bulb Out, Expansion
Public comment received from Ximena Waissbluth, Susan Goldbeck, Inge Lorentzen Daumer, and Lisa Ciani.

Action: Upon motion by Mayor Smith and seconded by Mayor Pro Tem Amelio, Council voted 6-0-1, Councilmember Garfield absent, to authorize an encroachment permit to be issued to Hops and Fog Brewing Company, located at 511 Lighthouse Avenue, to construct a bulb-out for sidewalk dining.

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

- B. Recreation Board Needs Assessment Recommendation
No public comment received.

Action: No action was taken regarding developing a recreational needs assessment.

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

- C. Proposal to draft an Ordinance to Regulate Operation of Unmanned Aircraft Systems (drones) to Prevent Wildlife Disturbances
Public comment received from Lisa Ciani, Kim Akeman, Inge Lorentzen Daumer, Laurie Adams, and Carmelita Garcia.

Action: Upon motion by Councilmember Rau and seconded by Councilmember McDonnell, Council voted 6-0-1, Councilmember Garfield absent, to direct staff to return to City Council with a draft first read ordinance regulating operation of Unmanned Aircraft Systems (UAS, aka drones), and to address enforcement.

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

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

ADJOURNMENT

Council adjourned the regular meeting at 7:47 p.m. in honor and memory of former Museum Board member Shel Virden.

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: October 15, 2025
SUBJECT: Proposed Updates to City Council Policies 400-5 & 400-6
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Approve Resolution
2. Provide Alternate Direction

DISCUSSION

On June 18, 2025, City Council adopted a two-year budget for the City. As part of the budget document, proposed revised policies were included for the following:

- a. City Council Policy 400-5 Investments
- b. City Council Policy 400-6 Budget and Financial Management

These policies were last revised in 2021 and 2018, respectively. Links to the original policies, Council Policy [400-5](#) and [400-6](#), are provided for reference. The revised versions, showing all updates, are attached. New or modified sections are shown in bold. Track changes were not used because some sections were reordered, making it difficult to distinguish substantive edits from formatting changes.

Changes to the City's investment policy were based upon best practices and review of guidelines provided by the California Municipal Treasurers Association (CMTA). Changes to the budget and financial management policy were based upon best practices and guidelines provided by the Governmental Finance Officers Association (GFOA).

The changes were discussed during the two-year budget development process and are now being formalized through the established process.

OPTIONS

1. Approve Resolution
2. Provide Alternate Direction

FINANCIAL IMPACT:

There is no fiscal impact. These policies provide overall guidance to staff in the administration of the City's investments and finances.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Resolution and Attached Policy Revisions 400-5 & 400-6

RESOLUTION 25-XX

RESOLUTION OF THE CITY OF PACIFIC GROVE AMENDING COUNCIL POLICIES NO. 400-5 INVESTMENTS AND 400-6 BUDGET AND FINANCIAL MANAGEMENT

FINDINGS

1. The City periodically reviews its financial and investment policies to incorporate best practices and to address issues that have arisen in the past.
2. The revised investment policy is in compliance with State law provisions establishing investment objectives and setting forth permissible investment of public funds.
3. This action does not constitute a “Project” as that term is defined under the California Environmental Quality Act (CEQA) Guideline Section 15378, as it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

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

1. The Council determines that each of Findings set forth above is true and correct, and by this reference incorporates those Findings as an integral part of this Resolution
2. The Council authorizes adopting a resolution approving Council Policies 400-5 Investments and 400-6 Budget and Financial Management
3. The Council hereby approves the amendments and additions to Council Policies 400-5 and 400-6, as shown in bold in the attachments to this Resolution.
4. This Resolution shall become effective immediately following passage and adoption thereof.

Passes and Adopted by the Council of the City of Pacific Grove this 15th day of October, 2025, by the following vote:

AYES:

NOES:

ABSENT:

**CITY OF PACIFIC GROVE
CITY COUNCIL POLICY**

Policy Governing	Policy No.	Effective Date	Page No.
Investments	400-5	October 15, 2025	1 of 6

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 Committee (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 Annual Financial Report** and include:

- A. General Fund
- B. Special Revenue Funds
- C. Capital Project Funds
- D. Internal Service Funds
- E. Enterprise Funds
- F. Trust and Agency 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 value 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 Department 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 shall

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 shall include the following:

- **Wire Approvals:** **Dual approval of investment wire transfers from the City**
- **Separation of Duties:** **Separation of transaction authority from recordkeeping**
- **Safekeeping:** **Custodial safekeeping**
- **Delegation:** **Clear delegation of authority to subordinate staff members**
- **Documentation:** **Support confirming each investment transaction**
- **Approval Levels:** **Establishment of wire approval levels for staff**
- **Reconciliations:** **Performed regularly of activity to the City's general ledger**
- **Audit:** **Independent review by the external auditor in the audit**

VIII. Diversification

Investments shall be diversified among institutions, types of securities, and maturities to maximize safety and yield with changing market conditions. Local financial institutions will be given preferential consideration for investment of City funds consistent with the City's objective of attaining market rates of return, and consistent with constraints imposed by its safety objectives, cash flow considerations, and state laws.

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. 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. The Treasurer shall bring this Policy to Council for formal review at least once every two years.

XII. Permitted Investment Instruments

The Treasurer shall invest in the following investments and only under the guidelines as provided herein. **Investment in these instruments shall not have a term exceeding five years from the date of purchase.**

Certificates of Deposit

Non-Negotiable Certificates of Deposits will be made only in FDIC or FSLIC insured accounts. For deposits in excess of the insured maximum of \$250,000, approved collateral shall be required in accordance with Government Code 53652 and/or 53651 (m) (1). Investment in these instruments shall be limited to financial institutions that in the Treasurer's judgment are of high quality. and shall not have a term exceeding five years from the date of purchase.

Securities of the U.S. Government or its Agencies

Includes obligations issued by Federal Home Loan Banks, Government National Mortgage Association, Farm Credit System, the Federal Home Loan Bank, Federal Home Loan Mortgage Association, Federal National Mortgage Association, or obligations or other instruments of or issued by a federal agency or a United States Government sponsored enterprise. Investment in these instruments shall not have a term exceeding five years from the date of purchase.

Treasury Bills and Notes

U.S. Treasury Bills, Notes, Bonds, or Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. The term of such securities shall not exceed five years from the date of purchase.

Local Agency Investment Fund (LAIF).

Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account (PMIA). Maximum investment is subject to state regulation. LAIF investments are available for City use.

CAMP Investment Pool, CLASS and Cal Trust Investment Pools

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.

State / Local Agency Debt Issues

Must be rated "A" or better by a national 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 any local agency within California.**
- ii. Registered treasury notes or bonds of any of the other 49 U.S. states**

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 in the City's policy.

Debt Reserve Funds

Only debt reserve 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 investment program approved by the City. Sales prior to maturity are permitted. It is also recognized that in a changing interest environment, it may be financially advantageous to sell investments at a book value loss if it is feasible to do so.

Repurchase Agreements.

A purchase of securities by the City pursuant to an agreement by which the seller will repurchase such securities on or before a specified date, or on demand of either party, and for a specified amount. Investments in repurchase agreements will be used solely as short-term investments not to exceed 30 days.

Other

Other investments that are, or may become, legal investments through the State of California Government Code, only with prior approval of the City Council.

XIII. Investment Pools

The City's investment policy authorizes participation in the California LAIF investment pool. A review of this pool 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 investment policy
- **Interest Allocation:** Description of how gains and losses are treated.
- **Safeguarding:** 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

Section VIII (F) allows investments in other instruments with City Council approval. This could include the placement of funds in an additional investment pool or mutual fund. The documentation referenced within this section shall be evaluated prior to recommending participation in a new investment pool or a mutual fund. **(XXX add this paragraph to budget document)**

XIV. Investment Reports

Reports shall be submitted to the City Council quarterly and include the following data:

- **Financial Institutions:** **Name of Financial Institutions**
- **Investment Categories:** **Totals by each category**
- **Investment Details:** **Book and market values and interest yields**
- **Compliance Review:** **Compliance of investments with investment policy**
- **Maturities:** **Maturity dates on individual investments**
- **Distribution:** **Percentage in 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 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 investment pools should be included in the report, including information on the distribution of their investments and their interest rate trends.

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

**City of Pacific Grove
Council Policy**

Subject	Policy Number	Effective Date	Page
Budget and Financial Management	400-6	October 15, 2025	Page 1 of 7

I. Purpose

This Budget and Financial Management policy is designed established to help ensure that the City’s financial resources are available managed in a manner that fosters administrative transparency and confidence among the City Council, citizenry, and staff that the City’s resources shall be available to fund ongoing City services, incorporating consistent with local economic conditions and the City Council’s service priorities. 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, year-round, with ongoing City Council direction and public input. In addition to formal updates on the budget and fiscal forecast, staff provide periodic updates on revenues and expenditures. The City uses a five-year fiscal planning horizon, in which the two-year annual budget is the first two years year of the forecast. The forecast is a tool that helps decision-makers identify important trends and understand long-term consequences of budget decisions. Importantly, the forecast is not a budget and does not represent a plan. It is a model based on cost and revenue assumptions that is updated periodically continuously. Since the degree of revenue uncertainty increases with each successive year of the forecast (i.e., we can place much more confidence in projections for the first year of the forecast period than for the last, the forecast is a more viable framework for decision-making in the near-term, and only suggests relative financial health based on stated economic assumptions in the later years.

The annual budget process begins by in January or 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 version of the current year budget and five-year fiscal forecast, as well as estimates of revenues for the following year and baseline expenditure assumptions. Baseline expenditures include existing staffing levels and other costs required to continue current service levels. At this meeting, the City Council provides direction to staff on the goals for the following budget year and five-year forecast, which include both goals for services and capital projects as well as the amount of additional funding or expenditure reduction required to achieve the goals.

Based on this direction, The Finance Division City Manager distributes budget instructions and baseline staffing cost information to department managers for developing the budget. Subsequently, the City Manager and Administrative Services Finance Director work with **department directors** and program managers to develop the budget consistent with Council goals.

In February and March, the City Council reviews evolving revenue information and expenditure assumptions and determines the process for City Council consideration of the budget. The City Manager and **Administrative Services Director** finalize the recommended budget and present it to the City Council in May. After public input and discussion at this meeting, the City Council either directs modifications to the budget or introduces an ordinance adopting 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 GFOA and CSMFO award program 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 starting 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.

IV. Operating Budget (Continued)

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.

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.

The City Manager **or their designee** shall have authority to transfer funds within a given fund and between department appropriations to ensure that program budgets may 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 express, written approval of the City Manager **or designee**. These changes shall have no negative **net** effect on the given fund or the General Fund.

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 shall adopt a five-year capital improvement and maintenance plan, with the first two years year 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 shall be fully funded, with funding shortfalls and challenges clearly identified in remaining years.

All estimated construction, maintenance, and operating costs and potential funding sources for each proposed capital improvement shall be identified. The City **should** finance only those capital improvements consistent with the adopted capital improvement plan and City priorities. All capital improvement operating and maintenance costs shall be included in the fiscal forecast.

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 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. Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Such amounts are not current liabilities of the debt service fund, as their settlement shall not require expenditure of existing fund assets. All proprietary fund types and nonexpendable trust funds are accounted for using the accrual basis of accounting. **Their** revenues are recognized when they are earned, and **their** expenses are recognized when they are 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 auditor's opinion. A separate "management letter" will be issued by the auditor to address weaknesses and include recommendations for improvements in internal control and accounting procedures.

Besides the reports mentioned above, the following must be issued annually:

- Single Audit reports are required when the City receives at least \$1 million of direct or pass through federal grants.
- Other reports required by the State, including the Controller's, Employee Compensation, Appropriations (Gann) Limit and Impact Fees reports

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** five 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 required by contracts, 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 downturns in the economy
- Contingencies for unseen operating or capital needs
- Investment opportunities in the community approved by Council
- The need to provide short-term bridge financing to other funds

- Other, such as State budget takeaways and unfunded mandates

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 \$1,000,000 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 $\frac{1}{3}$ towards reserves for capital, technology and vehicle replacement, $\frac{1}{3}$ towards addressing unfunded pension and long-term liabilities, and $\frac{1}{3}$ 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 operation of the golf course as an enterprise without operating subsidies from the General Fund, unless deliberately authorized. The City establishes a target reserve level of 25% of **expenditures** revenues of the Golf Fund, as of June 30th of two fiscal years prior, to be used for capital improvements, cash management, and **unexpected operating expenses**. emergency protection. Given the vulnerability of the golf business to recession, 20% of the 25% would be retained for use in mitigating the effects of unexpected revenue downturns, and 5% would be available retained for emergency repairs or other emergencies.

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 the worker’s compensation fund the City’s Self-Insured Retention Limit is \$150,000 per claim and \$200,000 for its Liability fund.

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 Bay Area 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.

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. 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

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.

XVI. Long-Term Interfund Loans

City Council approval should be obtained 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**
- **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**
- **Borrowing fund(s) should pay interest at least at the rate earned on the City's pooled investments**

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
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: John Kuehl, Building Official
MEETING DATE: October 15, 2025
SUBJECT: Second Reading of an Ordinance Adopting the California Building Standards Code with Local Amendments
CEQA: Categorical Exemption, CEQA Guidelines Section 15061(b)(3)

RECOMMENDATION

Hold second reading and adopt an ordinance that adopts the 2025 Edition of the California Building Standards Code, with local amendments.

DISCUSSION

No changes were made between the first and second readings of the ordinance. The City Clerk caused a summary of the ordinance to be published on October 9, 2025.

The California Building Standards Code, which includes sections regulating building, fire, electrical, plumbing, and mechanical construction and installation standards are revised on a multi-year cycle. In January 2025, the State adopted and approved the 2025 Edition of the Building Standards Code, also known as the 2025 California Codes. These codes were published July 1, 2025 and will become effective January 1, 2026.

All local jurisdictions in California are mandated to begin enforcement of these new codes and standards by January 1, 2026.

Typically, and in accordance with state law, local jurisdictions incorporate additional regulations that address special circumstances in the community or area. The need for these amendments are to address local geographical, topographical, climatic, or environmental conditions and each amendment is supported by a finding that identifies which of these local conditions is being addressed. City staff have developed and incorporated a few local amendments into the Building Code being considered by the City Council. These amendments are consistent with and were included in past code adoptions and are an element of the existing codes in effect. However, not all the past amendments have been carried over because they have been incorporated into the 2025 California Code and thus there is no longer a need to include them as local amendments.

For each amendment to be effective, they must be adopted by the City Council along with the model codes that have been adopted by the state. Council could choose to adopt the new 2025 Edition of the Building Standards Code with no changes. However, the amendments have been found necessary to address local conditions and it is staff's opinion that the amendments be adopted.

Staff have worked with the Deputy Fire Marshall on local code amendments to include the addition of fire sprinklers on major remodel projects. These fire sprinkler requirements have been included among the amendments of prior code adoptions, and it is appropriate to adopt them again. It is also important to note that the State has printed a new Building Standards Code. This is now referred to as the Wildland-Urban Interface Code. The information contained in this new code is not new. In the previous editions the information was built into the body of both the Building and Fire Codes. Now it is a stand-alone code. This new code applies to new construction, and not to be confused with the recently adopted fire severity zone maps. The California State Fire Marshal will be providing the State with new guidelines and requirements for the maintenance of the exterior of existing properties.

The introduction of the 2025 California Codes with local amendments will allow staff to return at the next City Council meeting with an ordinance that is ready for adoption. If adopted at the next meeting of the City Council, the 2025 California Building Code will be ready for implementation on January 1, 2026, in line with state laws, and the codes will continue to mandate construction and installation standards that provide for improvements that result in safe and habitable structures in the City.

OPTIONS

1. Adopt the 2025 California Building Code with proposed amendments.
2. Adopt the 2025 California Building Code with no changes or amendments.
3. Decline adoption of the 2025 California Building Code and allow it to become effective on January 1, 2026 by process of law.

FINANCIAL IMPACT:

No significant fiscal impacts are expected in the adoption of an ordinance that implements the 2025 California Codes.

FOCUSED PRIORITY AREA: Community Development

Attachments

Attachment 1 An Ordinance Adopting the California Building Standards Code

ORDINANCE NO. 25 –

**AN ORDINANCE OF THE CITY OF PACIFIC GROVE AMENDING
CHAPTERS 18.04 AND 18.32 OF THE PACIFIC GROVE MUNICIPAL
CODE ADOPTING THE 2025 CALIFORNIA BUILDING STANDARDS CODE
(TITLE 24, CALIFORNIA CODE OF REGULATIONS, PARTS 1 THROUGH 12)
AND THE 2024 INTERNATIONAL PROPERTY MAINTENANCE CODE, AND
ADOPTING LOCAL AMENDMENTS TO PARTS 2.5 AND 9 OF THE 2025
CALIFORNIA BUILDING STANDARDS CODE**

WHEREAS, pursuant to Sections 17922, 17958, 17958.5 and 17958.7 of the California Health and Safety Code, the City of Pacific Grove (“City”) may adopt the provisions of the International Building Code, the Plumbing Code, the Mechanical Code, the Fire Code, the, and the National Electrical Code, to protect the health, welfare and safety of the citizens of Pacific Grove because of local climatic, geological, topographical, and Environmental conditions; and

WHEREAS, pursuant to Government Code 50020, the public hearing occurs at the second reading of this ordinance et seq; and

WHEREAS, this Ordinance is found to be categorically exempt from environmental review, per the provisions of Section 15061(b)(3) of the California Environmental Quality Act (“CEQA”) of 1970, as amended; and

WHEREAS, in accordance with state law, local jurisdictions can incorporate additional regulations that address special circumstances in the community or area provided that they are at least as restrictive as the statewide codes.

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

SECTION 1. FINDINGS. The Pacific Grove City Council hereby finds as follows:

a. Each recital set forth above to be true and correct, and by this reference incorporates each as an integral part of this Ordinance.

b. This Ordinance includes specific amendments which are more restrictive in nature than those sections adopted by the State of California (State Building Standards Code, and State Housing and Community Development Code) commonly referred to as Title 24 and Title 25 of the California Administrative Code. These “Findings of Fact” are submitted and made a part of this Ordinance pursuant to Section 17958.5 and Section 17958.7 of the California Health and Safety Code. Under the provisions of Section 17922.2 of the California Health and Safety Code, local amendments shall be based on climatic, geographical, or topographical conditions. The Findings of Fact contained

herein shall address each of these situations and shall present the local situation, which either singularly or in combination causes the established amendments to be adopted.

c. The City of Pacific Grove encompasses an area of 4 square miles of land, with resident population of 15,569 as of the 2020 census. The physical location of the city is between the adjacent lands of the City of Monterey and the City of Carmel. The placement of the residential and commercial development within the City of Pacific Grove has generally adopted itself to areas of least resistance, within the confines of ridges, foothills, mesas, and canyons. Other unique environmental characteristics include the flatter plains that contain the shoreline of Monterey Bay, which create boundaries that attract the visitor population. Throughout the City of Pacific Grove there are major roadways and highways that create barriers. Other barriers could be considered the military facilities, which include the United States Army, Presidio of Monterey, United States Naval Postgraduate School, and the United States Coast Guard Station as well as the Monterey Peninsula Airport.

While the adoption of the local amendments may not prevent the incidence of fire or building related accidents, implementation of these various regulations and/or requirements may serve to reduce the severity and potential loss of life and property.

e. The following are established and submitted as the Findings of Fact to support the amendments to the State Building Standards Code included in this Ordinance. These Findings of Fact, which identify the various “climatic, geographical, and topographical” conditions, are considered reasonably necessary to modify the requirements established pursuant to Health and Safety Code Section 17922 based upon local conditions:

Climatic I: The climate weather patterns within the City of Pacific Grove are considered to be moderately affected by the ocean bodies of the Pacific Ocean and Monterey Bay, which extend the year around growing season of vegetation. The normal year’s rainfall is approximately eighteen to nineteen (18-19) inches on the average yearly calendar. Summer conditions, with the prevalent Pacific High Cell create mid-day fog normally associated with Pacific Grove. This climatic fog assists the natural vegetation in growth.

Later in the year, the winds and drying vegetation mix to create a hazardous fuel condition, which has caused grassland and brush land fires in recent years. While normal temperatures usually do not exceed 75-80 degrees, during late summer and early fall (August, September, October) the temperatures can climb to 85 degrees plus. The afternoon winds can move a fire quickly in the hillsides and canyon areas of the city.

Because of weather patterns and population increases, the City of Pacific Grove (like other California cities) has experienced water rationing and water allocation. Due to storage capacities and consumption, as well as climatic conditions, limited water resources are an issue.

While sound management of the water resources is possible, actual demands on an already stressed water supply can most assuredly be predicted.

Geographical I: The mountains and canyons accent one another, as they wind around the city. The forested areas along with the lower brush lands give a feel of balance and a sort of backdrop for the city itself. These geographical features establish the roadways and building sites, as well create barriers for accessibility for fire suppression forces.

The forested areas of oak and pines create windbreaks from oncoming winds, while producing fuel from the annual fall leaves, which drop to the ground, as well as from decayed trees and branches. The dry vegetation, mountainous terrain, and minimal water available tend to cause concern and added fire problems.

The City of Pacific Grove has within its boundaries potentially active seismic hazards with respect to the “Navy,” “Berwick Canyon,” “Chupines” and “Seaside” faults. While systems have been developed to study and monitor the activity of earthquakes, science has not yet been able to predict (with reliability) the potential for activity on these or any active fault.

Seismic activity within the City occurs yearly with little or no damage, although real potential for damage does exist with these four active faults. New construction may be limited by its respective distance to such faults, and replacement of existing structures could be costly.

The geographical layout of the forested areas creates hazardous conditions when a storm of gale-force winds causes trees to fall onto roadways used for access by Fire Department equipment and personnel. The growing pattern and inherent nature of the Monterey Pine lends itself to being blown over easily. This is due in part to the shallow root system associated with the Monterey Pine tree.

Landslides have also been experienced within the City of Pacific Grove, due to excessive land cuts associated with the roadway systems designed within the city. While stability can sometimes be provided, heavy rainfall has caused failures. These failures have closed roadways within the city, again making accessibility impossible until properly cleared.

Mountains and hills surrounding and within the City of Pacific Grove, create more than 60% slopes with an overall average of between five to ten percent throughout (if an average slope were to be accessed). The City of Pacific Grove has a start at sea level and extends to areas more than 600 feet above sea level. The elevation change caused by the mountains and hills creates the geographical foundation on which the city has built and will continue to build. With much of the flatlands already built upon, it can be anticipated that future growth will occur on steeper slopes and with greater contrasts in terrain.

Geographical II: The region is in an area of high seismic activity as indicated by United States Geological Survey and California Division of Mines and Geology. Recent earthquake activity has indicated the lack of flexibility of materials and/or building systems has been a contributing factor to damages that reduced the protection of the life-safety of building occupants and increased the cost of rehabilitation of structures. Activities have indicated the need for increased levels of safety in buildings systems, including but not limited to means of egress, wiring systems, and fire protection systems.

Topographical: The topographical finding is associated closely with Geographical finding II. While the geographic features create topographic conditions, the findings in this section are caused by the construction and design of the City of

Pacific Grove, due to the elevation changes, as well as mountains and hills, that dissect the City.

The water supply (domestic and fire flow) system is directly affected by the topographic layout. The distribution system consists of water lines that carry the water from storage tanks and dammed areas to the public via pipes. These street mains create lift-zones where the pressure and flows are adequate at lower elevations and minimal, sometimes critical supplies at the top. Water supplies within the City of Pacific Grove vary from less than 250 gallons per minute to flow more than 5,500 gallons-per-minute. This wide variation may cause problems for development, as well as fire suppression forces.

The roadway system is designed around the topography with respect to narrow, windy, steep grades and overhanging tree branches. The grades on the roadway surfaces exceed 25% and widths of less than twelve (12) feet for access are not uncommon. Due to traffic congestion on many streets, especially the commercial downtown area, vehicles double park for loading and unloading purposes. This creates barriers that reduce response time of fire equipment.

The topography also makes construction more restricted to the level portions of the city with higher concentrations of building in these areas. The existing structures are being removed and replaced with larger, more cost-effective buildings. Those existing structures which remain cause concern to the Fire Department because of their lack of adequate fire protection (firewalls, fire extinguishing systems, etc.). The hazard exposure created by these structures poses a separate and significant problem.

It is not uncommon to see a single or two-story building torn down and replaced with a two-story building. For practical and cost reasons, these new structures are built of wood (Type V). The potential for conflagration exists with the high build out of the various specific areas of Pacific Grove. The concentrated commercial, as well as residential occupancies cause concern regarding the exposure elements of building-to-building and building-to-grassland areas of this City.

The topographical nature of Pacific Grove also lends itself to power failures caused when trees and tree limbs damage sections of electrical transmission lines. These power failures cause the electrical pumps to become inactive, interrupting water supplies. Vehicular accidents also have been known to interrupt this pumping operation, due to the narrow streets, which are congested with residents and visitors.

The natural rocky shorelines of Pacific Grove create a situation by which access to the building can only be made from the street. The front of the building is essentially the only accessibility point for responding firefighters. Built property-line to property-line, these structures create an element of construction of nearly nine blocks of continuous construction. Residential as well as commercial occupancies can be found along the entire shoreline of Monterey Bay.

Lastly, some older buildings in the City are constructed closer than would be presently allowed under the International Building Code. Construction methods were also less restrictive than would be required today. These structures and settings create barriers, which firefighters must work around and protect them from exposure.

Findings for Residential Unit impacts: “(1) The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025.

(2) The commission deems those changes or modifications necessary as emergency standards to protect health and safety.

(3) The changes or modifications relate to home hardening.

(4) The building standards relate to home hardening and are proposed for adoption by a local fire prevention district pursuant to Section 13869.7.

(5) The changes or modifications are necessary to implement a local code amendment that is adopted to align with a general plan approved on or before June 10, 2025, and that permits mixed-fuel residential construction consistent with federal law while also incentivizing all-electric construction as part of an adopted greenhouse gas emissions reduction strategy.

(6) The changes or modifications are related to administrative practices, are proposed for adoption during the intervening period pursuant to Section 18942, and exclusively result in any of the following:

(A) Reductions in time for a local agency to issue a post entitlement permit.

(B) Alterations to a local agency’s post entitlement fee schedule.

(C) Modernization of, or adoption of, new permitting platforms and software utilized by the local agency.

(D) Reductions in cost of internal operation for a local agency.

(E) Establishment, alteration, or removal of local programs related to enforcement of building code violations or complaints alleging building code violations.”

SECTION 2. AMENDMENT OF SECTION 18.04.010. Section 18.04.010 of the Pacific Grove Municipal Code is amended in its entirety to read as follows:

18.04.010 Adoption of building codes; amendments.

Except as amended by this section and other sections within this title 18, the following amended model codes are hereby adopted by reference and are incorporated in this chapter as if fully set forth herein, as authorized by Government Code Section [50020](#) et seq. The city manager may enforce these codes in accord with the enforcement procedures and remedies set forth in Chapter [1.19](#) PGMC, in addition to any other provision of law.

(a) Model Codes Adopted. The following amended model codes are hereby adopted by reference as if set forth fully herein:

(1) 2025 California Administrative Code (Title 24, California Code of Regulations, Part 1);

- (2) 2025 California Building Code (Title 24, California Code of Regulations, Part 2);
- (3) 2025 California Residential Code (Title 24, California Code of Regulations, Part 2.5, including Appendix BO);
- (4) 2025 California Electric Code (Title 24, California Code of Regulations, Part 3);
- (5) 2025 California Mechanical Code (Title 24, California Code of Regulations, Part 4);
- (6) 2025 California Plumbing Code (Title 24, California Code of Regulations, Part 5);
- (7) 2025 California Energy Code (Title 24, California Code of Regulations, Part 6);
- (8) 2025 California Wildland-Urban Interface Code (Title 24, California Code of Regulations, Part 7);
- (9) 2025 California Historic Building Code (Title 24, California Code of Regulations, Part 8);
- (9) 2025 California Fire Code (Title 24, California Code of Regulations, Part 9 including appendix B, BB, C, CC, D, E, F, G, H, I, J, K, L, N, O, P, Q);
- (10) 2025 California Existing Building Code (Title 24, California Code of Regulations, Part 10);
- (11) 2025 California Green Building Standards Code (Title 24, California Code of Regulations, Part 11);
- (12) 2025 California Reference Standard Code (Title 24, California Code of Regulations, Part 12); and
- (13) 2024 International Property Maintenance Code;

(b) Local Amendments. The Model Codes adopted in paragraph (a) of this section are amended as follows:

- (1) Residential Code – Amendments to the California Residential Code.

Section R309.2 exception 1 is hereby amended to read as follows:

FINDINGS; The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025. Topographical, Geographical 1, Climatic 1.

Section R309.2 exception 1 An automatic sprinkler system shall not be installed for additions, alterations, or repairs to existing buildings which involve the removal or replacement to fifty (50) percent or less of the linear length of walls of the building (exterior plus interior) within a five-year period shall meet the requirements of new construction or this code. To qualify as an alteration or repair, the wall must be physically added, removed, replaced or relocated; removal of wall coverings does not constitute an alteration or repair.

(2) Fire Code- Amendments to the California Fire Code.

Section 101.1 of the CFC is deleted in its entirety and replaced with the following:

FINDINGS; The changes or modifications are related to administrative practices, are proposed for adoption during the intervening period pursuant to Section 18942, and exclusively result in any of the following:

(A) Reductions in time for a local agency to issue a post entitlement permit.

101.1 Title. These regulations shall be known as the Fire Code for the City of Pacific Grove, hereinafter referred to as "Fire Code."

Section 202 of the CFC is amended to add the following definitions:

FINDINGS; No residential impacts, Topographic 1.

202 Definitions

ALL WEATHER SURFACE. A road surface constructed to the minimum standards approved by the jurisdiction.

BRIDGE. A structure to carry a roadway over a depression or obstacle.

IDLE PALLET. A pallet or similar product storage and/or lifting device not currently in use and empty of product.

Section 307.1.1 is deleted in its entirety and replaced with the following:

FINDINGS; The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025. Geographical 1, Climatic 1.

307.1.1 Prohibited open burning. Open burning shall be prohibited, including outdoor rubbish fires and bonfires, unless:

1. the fire is confined to an approved container as defined by the Uniform Mechanical Code and authorized by the Monterey Bay Air Pollution Control District.
2. a special condition or circumstance exists, and written authorization is granted by the Fire Chief.

Section 505.1 of the CFC is deleted in its entirety and replaced with the following:

FINDINGS; The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025. Geographical 1, Climatic 1.

505.1 Address Identification. New and existing buildings shall be provided with an approved address identification. The address identification shall be legible and placed in a position that is visible at all times from the street or road fronting the property. Address identification characters shall contrast with their background. Address numbers shall be Arabic numbers or alphabetical letters. Numbers shall not be spelled out. Each character shall be not less than 4" high with a minimum width stroke of one-half inch for single family dwellings and duplexes. For all other occupancies each character shall be not less than a minimum of 4" high with a minimum stroke of one-half inch unless otherwise required by the Fire Code Official.

Section 605.3 of the CFC is amended to add Section 605.3.1 to read as follows:

FINDINGS; The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025. Geographical 1, Climatic 1.

605.3.1 Spark arrestors.

605.3.1.1 An approved spark arrestor shall be installed on all chimneys, incinerators, smokestacks or similar devices using solid fuel for conveying smoke or hot gases to the outer air.

605.3.1.2 Spark arrestors shall have openings in accordance with Section 2113.9.2(3) of the California Building Code and Section 1003.9.2 of the California Residential Code with minimum openings of 3/8" and maximum openings of 1/2".

Section 901.1 of the CFC is amended to add Section 901.1.1 to read as follows:

FINDINGS; The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025. Geographical 1, Climatic 1.

901.1.1 Responsibility. The owner of the protected premises shall be responsible for all fire protection systems within the protected premises, whether existing or installed under this Code.

Section 901.2 of the CFC is amended to add Section 901.2.2 to read as follows:

**FINDINGS; The changes or modifications are related to administrative practices, are proposed for adoption during the intervening period pursuant to Section 18942, and exclusively result in any of the following:
(A) Reductions in time for a local agency to issue a post entitlement permit.**

901.2.2 Additional documentation. Additional documentation as required by the Fire Code Official shall be provided to the Fire Code Official in an acceptable format.

Section 903.2 of the CFC is deleted in its entirety and replaced with the following:

FINDINGS; The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025. Geographical 1, Climatic 1.

903.2 Where required. Approved automatic sprinkler systems shall be provided in all new buildings and structures constructed, moved into or relocated within the jurisdiction.

Exceptions:

- (1) Structures not classified as Group R occupancies and not more than five hundred (500) square feet in total floor area.
- (2) Detached agricultural buildings, as defined by this code and the CBC, located at least one hundred feet (100) from any other structure or the property line, whichever is closer, and with a maximum size of 10,000 square feet.
- (3) Accessory structures not classified as R occupancies associated with existing non-sprinklered R-3 occupancies (one- or two-family dwellings) and less than one thousand five hundred (1500) square feet in total fire area with a clearance from the existing R-3 occupancy of not less than twenty (20) feet.

Sections 903.2.1.1, 903.2.1.2, 903.2.1.3, 903.2.1.4, 903.2.1.5, 903.2.3, 903.2.4, 903.2.4.1, 903.7.1, 903.7.3, 903.2.9, 903.2.9.1 and 903.2.9.2 of the CFC are amended as follows:

**FINDINGS; The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025.
Geographical 1, Climatic 1.**

The following Sections are amended by changing requirements to five hundred (500) square feet for fire sprinkler installation, as follows (the complete text of the section is not provided):

903.2.1.1 Group A-1. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.1.2 Group A-2. Change five thousand (5,000) square feet to five hundred (500) square feet.

903.2.1.3 Group A-3. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.1.4 Group A-4. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.1.5 Group A-5. Change one thousand (1,000) square feet to five hundred (500) square feet.

903.2.3 Group E. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.4 Group F-1. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.4.1 Group F-1. Change two thousand five hundred (2,500) square feet for

woodworking operations to five hundred (500) square feet.

903.2.7.1 Group M. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.7.3 Group M. Change twenty-four thousand (24,000) square feet to five hundred (500) square feet.

903.2.9 Group S-1. Change twelve thousand (12,000) square feet to five hundred (500) square feet.

903.2.9.1 Repair Garages. Change ten thousand (10,000) square feet (2 story buildings) and twelve thousand (12,000) square feet (1 story buildings) to five hundred (500) square feet.

903.2.9.2 Bulk storage of tires. Change twenty thousand (20,000) cubic feet to five hundred (500) square feet.

Section 903.2.8 of the CFC, first paragraph is deleted in its entirety and replaced with the following: Exceptions remain unchanged.

FINDINGS; The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025. Geographical 1, Climatic 1.

903.2.8 Group R. An automatic sprinkler system installed in accordance with Section 903.3 shall be provided in all buildings with a Group R fire area, including, but not limited to, one- and two-family dwellings, townhomes, and manufactured homes and mobile homes located outside of licensed mobile home parks hereafter constructed, moved into or relocated within the jurisdiction, including all additions to buildings already equipped with automatic fire sprinkler systems.

(Exceptions remain per 2025 California Fire Code)

Section 903.2.22 of the CFC is added to read as follows:

FINDINGS; No residential impacts, Climatic 1, Topographical

903.2.22 Change of use. Automatic fire sprinklers shall be installed when the occupancy changes from a single occupancy to a mixed-use occupancy which would require the installation of an occupancy separation, or when the occupancy changes from any type of occupancy to an Assembly use occupancy.

Sections 903.3.1.2, 903.3.1.2.1, 903.3.1.2.3, of the CFC are deleted in its entirety and replaced with the following:

FINDINGS; The changes or modifications relate to home hardening,

Climatic 1, Topographical

903.3.1.2 NFPA 13R sprinkler systems. Automatic sprinkler systems in Group R occupancies up to and including four stories in height shall be permitted to be installed throughout in accordance with NFPA 13R as amended in this Code.

903.3.1.2.1 Balconies and decks. Sprinkler protection shall be provided for exterior balconies, decks and ground floor patios of dwelling units where the building is of Type V construction, provided there is a roof or deck above. Sidewall sprinklers that are used to protect such areas shall be permitted to be located such that their deflectors are within 1 inch to 6 inches below the structural members and a maximum distance of fourteen (14) inches below the deck of the exterior balconies and decks that are constructed of open wood joist construction.

903.3.1.2.3 Attics. Where NFPA 13R sprinkler systems are installed, all attic areas shall be provided with sprinkler protection in accordance with NFPA 13.

903.3.1.2.4 Sprinkler control valves. Where NFPA 13R sprinkler systems are installed, sprinkler system control valves shall be installed in accordance with NFPA 13.

Sections 903.3.1.2, is amended to add section 903.1.2.4, 903.3.1.2.5, 903.1.2.6 and 903.3.1.2.7 to read as follows:

FINDINGS; The changes or modifications relate to home hardening, Climatic 1, Topographical

903.3.1.2.4 Sprinkler control valves. Where NFPA 13R sprinkler systems are installed, sprinkler system control valves shall be installed in accordance with NFPA 13.

903.3.1.2.5 Bathrooms. Automatic sprinklers shall be installed in all bathrooms, regardless of square footage.

903.3.1.2.6 Accessible storage areas. Automatic sprinklers shall be installed in all accessible storage areas.

903.3.1.2.7 Under-stair spaces. Automatic sprinklers shall be installed in all under-stair spaces including all under-stair closets.

Section 5704.2.9.6.1 is amended to add Section 5704.2.9.6.1.0 to read as follows:

FINDINGS: The changes or modifications relate to home hardening, Climatic 1, Topographical

5704.2.9.6.1.0 Outdoor storage containers and portable tanks. Storage of Class 1 and Class II liquids in above ground tanks outside of buildings is prohibited within the limits established by law as the limits of the jurisdiction in which storage is prohibited except as permitted by the zoning ordinance.

Exceptions:

1. For marine fueling operations, a maximum of 2000 gallons of diesel fuel may be stored and dispensed from an above ground tank as approved by the Fire Chief.
2. Storage tanks of 500-gallons maximum capacity may be used only in conjunction with emergency generators as approved by the Fire Chief.

Section 6104.2 of the CFC is deleted in its entirety and replaced with the following:

FINDINGS: The changes or modifications are substantially equivalent to changes or modifications that were previously filed by the governing body of the city or county and were in effect as of September 30, 2025. **Climatic 1, Topographical**

6104.2 Maximum capacity within established limits. For the protection of heavily populated or congested areas, storage of liquified petroleum gas shall not exceed an aggregate capacity in any one mercantile occupancy of 200 gallons (757 L) or 40 5-gallon LPG tanks within the jurisdiction unless approved by the Fire Code Official.

Exception: In all other occupancy classifications, the capacity limit shall not exceed 10 5-gallon LPG containers or as determined by the Fire Code Official.

Section D103.2 of the CFC is deleted in its entirety and replaced with the following:

FINDINGS: Not residential impact, . Climatic 1, Topographical

D103.2 Grade. Fire apparatus access roads shall not exceed fifteen (15) percent in grade with a maximum side slope of five (5) percent.

EXCEPTION: Grades steeper than fifteen (15) percent, if approved by the Fire Code Official, shall be paved with perpendicularly grooved concrete.

SECTION 3. REPEAL OF SECTION 18.32.010. Section 18.32.010 of the Pacific Grove Municipal Code is hereby repealed.

SECTION 4. This Ordinance shall take effect on January 1, 2026.

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:

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: Nicholas Cina, Finance Management Analyst
MEETING DATE: October 15, 2025
SUBJECT: Check Register and Core Fund Summary - September 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

In accordance with Article 23 of the City Charter, a report including the monthly receipts, disbursements, and fund balances is attached.

In addition, a detailed listing of the check register is on the city's website.

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 September 2025.

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

Check Register (By Detailed) - September 2025

Check Register (By Fund) - September 2025

Core Fund Summary and GF Revenue

Check Register - Summary by Detail - September 2025

Fund	Check Date	Name	Description	Amount
01 - General Fund	9/3/25	County Of Monterey	Ceqa Noe Gw Park Ad	\$ 50.00
			Library Phones 1990	222.06
		Verizon Business	Pd Cell Phones 5185	1,787.67
			Pd Data 371210040	567.07
			Pw Phones Aug	737.78
			Admin Data	72.87
			Library Data	76.02
			Cmo Phones Aug	89.39
			Pd Phones Aug	99.87
			Cdd Phones Aug	159.73
			Admin Phones Aug	212.21
			Pw Data	62.07
			Fd Phones Aug	63.26
			Rec Phones Aug	37.32
			It Phones Aug	40.88
	9/5/25	Aflac	Ded:5200 Aflac Prem	694.67
			Ded:5201 Aflac P/T	1,356.38
		Calif Law Enforcmen Calpers Health	Ded:3200 Ltd Pd	512.00
			Ded:128 Health Emp	556.45
			Ded:2072 Health	1,109.00
			Ded:129 Health	1,134.79
			Ded:3053 Health Fam	1,446.77
			Ded:2071 Health	1,462.50
			Ded:126 Health	1,475.23
			Ded:4304 Hlth Retro	(168.56)
			Ded:111 Health	1,633.65
			Ded:108 Health	1,918.93
			Ded:112 Health	2,225.80
			Ded:3051 Health Emp	2,225.80
			Ded:103 Health	3,041.10
			Ded:104 Health	3,041.10
			Ded:106 Health	3,690.25
			Ded:124 Health	4,425.69
			Ded:116 Health	506.85
			Ded:123 Health	5,673.95
			Ded:122 Health	11,348.00
			Ded:105 Health	7,906.86
			Ded:2073 Health Fam	8,331.00
		City Of Pacific Gro Eft	Ded:3301 Aflac Med	1,520.72
			Ded:*Fm Medicare	11,187.60
			Ded:*Sca State Tax	15,986.57
			Ded:*Ft Federal Tx	40,222.86
		Franchise Tax Board	Ded:7502 Wage Garn	1,368.78
		Pacific Grove City	Ded:7000 Assoc Dues	856.00
		Mass Mutual (457 Pl	Ded:3999 Roth Ira	1,348.00
			Ded:4000 Def Comp	11,611.60
		Mtry County Dept Of	Ded:0023 Garnish	463.07
			Ded:7203 Assoc Dues	40.00
		Pacific Grove Manag City Of Pacific Gro	Ded:1006 Work Comp	54.64
			Ded:1009 Work Comp	215.91
			Ded:1005 Work Comp	1,525.22
			Ded:1003 Work Comp	5,241.26
			Ded:1010 Work Comp	3,153.03
			Ded:7510 Pers Reimb	41.15
			Ded:200 Dentaleoer	271.59
			Ded:2103 Dental Fam	1,559.90
			Ded:2101 Dentaleoee	978.98
			Ded:2102 Dental+1Ee	1,022.08
			Ded:0005 Suta	136.47
		Pers	Ded:2003 Pers Other	173.96
			Ded:15 Pers-Retro	204.77
			Ded:0004 Surv Ben	86.49
			Ded:08 Pers Other	354.98
			Ded:0022 Pers Sp Ms	218.16
			Ded:0009 Pers Other	478.02

Check Register - Summary by Detail - September 2025

Fund	Check Date	Name	Description	Amount
			Ded:0018 Pers Sp Sf	\$ 494.16
			Ded:0019 Pers Rt Sf	(3.44)
			Ded:0025 Pers Rt Ms	22.83
			Ded:2000 Pers Empl	3,784.48
			Ded:0002 Pers	2,821.00
			Ded:2001 Pers	2,193.46
			Ded:0017 Pers Rg Sf	6,314.65
			Ded:07 Pers City	6,403.92
			Ded:0006 Pers City	6,702.50
			Ded:0011 Pers Er Sf	6,924.17
			Ded:0021 Pers Reg M	15,189.32
			Ded:0020 Pers Er M3	15,848.43
			Ded:01 Pers	9,578.43
			Ded:0019 Pers Rt Sf	3.44
			Ded:0025 Pers Rt Ms	(22.83)
			Ded:0004 Surv Ben	(86.49)
			Ded:2003 Pers Other	(173.96)
			Ded:15 Pers-Retro	(204.77)
			Ded:0022 Pers Sp Ms	(218.16)
			Ded:08 Pers Other	(354.98)
			Ded:0009 Pers Other	(478.02)
			Ded:0018 Pers Sp Sf	(494.16)
			Ded:2001 Pers	(2,193.46)
			Ded:0002 Pers	(2,821.00)
			Ded:2000 Pers Empl	(3,784.48)
			Ded:0017 Pers Rg Sf	(6,314.65)
			Ded:07 Pers City	(6,403.92)
			Ded:0006 Pers City	(6,702.50)
			Ded:0011 Pers Er Sf	(6,924.17)
			Ded:01 Pers	(9,578.43)
			Ded:0021 Pers Reg M	(15,189.32)
			Ded:0020 Pers Er M3	(15,848.43)
		Police Officers Ass	Ded:7204 Assoc Dues	8.00
			Ded:7205 Assoc Dues	654.61
		Legal Shield	Ded:6100 Legal Svc	31.75
		State Disability Ta	Ded:0026 Sdi	4,709.68
		Standard Insurance	Ded:3500 Life Ins	1,401.75
		Transamerica Empl	Ded:5202 Transameri	311.82
		Union Bank Of Calif	Ded:4005 Pars-457	826.20
		Vision Service Plan	Ded:2504 Vision Fam	228.48
			Ded:2503 Vision+1Ee	228.48
			Ded:2502 Visioneoe	205.84
			Ded:300 Visioneoe	59.76
		Pers	Gasb 68 Fees	700.00
	9/9/25	Total Security Solu	Relocation Of Exisi	7,142.77
		Us Bank	B Anderson Refund	(690.00)
			L Livian Stamps	11.70
			L Livian Empl Eve	13.25
			M Mogensen Mty Hera	18.00
			M Khasimi Website F	20.99
			D Delfino Summer Ev	21.12
			C Day Natl Nt Out F	646.24
			S Arriola Conf Fee	655.00
			M Khasimi Pw Printe	753.80
			L Livian Calpelra C	825.00
			M Khasimi Repair Su	882.58
			L Livian Subscripti	1,060.00
			M Khasimi Printr/Mo	1,070.62
			S Kandell Train/Con	1,079.88
			F Marsh Seminar/Web	1,180.00
			Pd 5084 Firearm Tra	1,490.30
			S Arriola Natl Nt O	29.57
			K Clark Staff Train	33.00
			D Gho Mty Newspaper	34.00
			D Delfino Seminar	35.00

Check Register - Summary by Detail - September 2025

Fund	Check Date	Name	Description	Amount
			M Mogensen Workshop	\$ 39.00
			D Delfino Train Amm	56.72
			D Gonzales Seminar	59.00
			Pd 5084 Cape Membrs	60.00
			K Clark Prgm Suppli	65.48
			S Arriola Cm Report	70.50
			D Gho Volunteer Foo	70.54
			S Hoffman Tlo Searc	75.00
			D Gonzales Fedex Ma	78.53
			M Mogensen Mty Chmb	85.00
			J Halabi Mty Chambe	85.00
			S Arriola Cc Dinner	101.94
			Pd 5084 Acdmy Recrt	132.19
			S Arriola Emp Event	134.35
			D Gho Mech Tools	151.95
			D Gho Chapter Dues	185.00
			F Marsh Misac Mbrsh	199.00
			Pd 5084 Lobby Signs	235.14
			K Clark Rec Supplie	265.89
			M Khasimi Softwre F	279.85
			S Arriola Job Posti	300.00
			L Livian Dh Mtg/Mea	432.63
			D Gho Training Food	443.04
			B Anderson Conf/Air	536.96
			M Khasimi Zoom Subs	702.15
			Pd 5092 Ntl Nt Out	1,709.68
			C Day Cpoa Training	1,895.00
	9/12/25	Pacific Gas & Elect	Forest 40 Ft E/O Lh	612.19
			17Th St & Laurel	645.12
			Fire Dept - 24%	665.77
			Forest & Central Dr	716.87
			Fire Dept - 24%	791.87
			550 Central Ave	794.70
			Chautauqua Hall	184.56
			Caledonia Pk Lights	0.04
			17 Mi Dr Ballpark	0.18
			Forest Centrl Spr	0.25
			117 Recreation Room	5.18
			Lovers Point	6.16
			17 Mi Dr Ballpark	7.84
			Berwick Park	8.13
			Platt Pk Sprnklr	9.26
			Caledonia Pk Lights	10.59
			Forest Centrl Spr	10.91
			168 16Th St	11.04
			17 Mi Dr Ballpark	11.39
			Corp Yard Sunset Dr	15.10
			Parking Lot Light	15.28
			Corp Yard Dm & 5Th	15.63
			300 16Th St.	17.77
			Lovers Point	23.90
			101 Ch -Cedd - 50%	24.77
			101 Ch -Fin - 50%	24.78
			1307 Forst Sinex Si	24.89
			Cor Melrose	24.99
			117 Recreation Room	20.87
			Grand Av & Pk Pl	22.08
			1307 Forst Pine Sig	26.69
			Phone Booth-Berwick	27.60
			Platt Pk Sprnklr	29.81
			Piedmont & Moreland	30.66
			Cor Melrose	61.41
			1307 Forst Sinex Si	63.27
			1307 Forst Pine Sig	66.84
			162 16Th Street	87.34

Check Register - Summary by Detail - September 2025

Fund	Check Date	Name	Description	Amount
			Oceanview & 17Th	\$ 87.40
			Chautauqua Hall	90.02
			Public Library	95.98
			City Council - 3%	98.98
			Recreation - 3%	98.98
			17 Mi Dr Ballpark	100.00
			City Council - 3%	83.22
			Recreation - 3%	83.22
			300 Forest Ave	84.20
			Fire Dept	142.08
			117 Community Ctr	143.03
			17Th St & Laurel	148.24
			Concession Stand	71.83
			165 Forest Ave	151.79
			Police Dept	161.90
			Beach Boat Storage	188.35
			Finance - 7%	194.19
			17 Mile Drive	195.10
			Finance - 7%	230.97
			117 Community Ctr	240.07
			Cedd - 9.5%	263.53
			City Manager - 9.5%	263.53
			Forest 40 Ft E/O Lh	288.18
			117 Community Ctr	311.50
			Cedd - 9.5%	313.45
			City Manager - 9.5%	313.45
			580 Pine Ave - Loan	1,046.81
			Police Dept - 43%	1,192.84
			Forest & Central Dr	1,327.92
			Police Dept - 43%	1,418.77
			Public Library	1,581.24
			620 Ocean View Pool	1,654.58
		Aloha Pool And Spa	Pool Supplies	1,043.61
		Amazon Capital Serv	Fin Desk Risers	373.62
			Lib Office Supplies	23.94
			Fin Office Supplies	20.13
			Cdd Office Supplies	38.22
			Cdd Office Supplies	41.50
			Pw Park Clean Up	84.00
			Pw Park Pest Contro	89.66
			Fin Desk Riser	186.81
			Fin Desk Riser	186.81
		American Supply Com	B&G Janitorial Supp	2,969.61
		At&T	Lighthouse Internet	112.35
		At&T Calnet 3	Library Internet 33	222.13
			Admin Phone 3242	2,108.11
			Pd Data Line 8120	1,057.31
		Atkinson, Andelson,	Legal Services	918.75
		Behavioral Analysis	Pd Backgrnd Psych	575.00
		Bound Tree Medical,	Fd Medical Supplies	1,330.35
		Bps Tactical, Inc.	Pd Vest Carriers	1,824.87
			Pd Vest & Carriers	2,082.51
		Ca Dept Of Industri	Ch Elevator Fees	675.00
		Ca Dept Of Justice	Cmo Background Cks	107.00
		Caltronics Business	Konica Copies Fy26	23.47
			Konica Copies Fy26	97.57
			Konica Copies Fy26	148.21
			Konica Copies Fy26	160.56
			Konica Copies Fy26	175.69
			Konica Copies Fy26	192.30
			Rec Konica Lease	17.45
		Carmel Pine Cone	Cc Amnd Bid Request	87.75
		Centralsquare Techn	Fin Training Servic	945.00
		Clint Box	Rfnd Cancel Class	45.00
		Code Publishing, In	Cc Muni Code Subscr	416.50

Check Register - Summary by Detail - September 2025

Fund	Check Date	Name	Description	Amount
		Comcast	Ch Internet 0085844	\$ 153.24
		Community Human Ser	Jpa Allocation Memb	(23,175.00)
			Jpa Allocation Memb	23,175.00
		Daniel M Deis	Pd Boot Reimbursemt	195.75
		Ddi Signs	Pd Media Background	1,635.00
		Elizabeth Nicknam	Rfnd Cancel Class	45.00
		Ewing Irrigation Pr	Irrigation Supplies	58.70
		At&T Mobility	Library Phones 1990	222.06
			Pd Cell Phones 5185	1,787.67
		Firsttwo, Inc.	Pd Le Resource	3,600.00
		Fitzgerald Brown	Boot Reimbursement	247.40
		Gachina Landscape M	Park Mowing Service	1,387.00
		Gardaworld	Sept Services Fees	98.53
		Granite Constructio	Street Hot Mix	945.42
		Granite Rock Compan	Refund Concrete	(2,345.41)
			Street Supplies	436.50
			Street Concrete Mix	2,132.04
		Harris & Associates	Contract Planning S	5,655.00
			Contract Planning S	7,697.50
		Hayward Lumber Comp	Lib Repair Supplies	88.59
			B&G Repair Supplies	3,834.35
		Heihachiro Takarabe	Pmt For Tai Chi Cla	84.00
		Hinderliter, De Lla	Cannabis Fee Study	2,100.00
		International Busin	Pd Cloud Services	58.34
		Kimball Midwest	B&G Stock Unit 58	2,049.11
			Stock /Repair Unit	239.91
			Mech Stock	266.04
		Secure Solutions	Pd Backgrounds	2,066.38
			Pd Backgrounds	2,032.88
			Pd Backgrounds	2,750.30
		Liebert Cassidy Whi	Legal Services	630.00
		Lisa Romero	Rfnd Cancel Class	45.00
		Hometek	Mem Bench Engraving	495.00
		Monterey Peace Offi	Mcpoa Range Mbrship	630.00
			Mcpoa Range Mbrship	560.00
		Mission Linen Suppl	Fire Dept Linen Uni	331.87
		Mission Uniform Ser	Linen / Uniform Cle	470.74
			Linen / Uniform Cle	126.66
			Linen / Uniform Cle	240.88
			Linen / Uniform Cle	470.73
			Linen / Uniform Cle	470.73
		Monterey Bay Pest C	Rodent Control For	135.00
			Rodent Control For	175.00
		Monterey Co. Busine	Cc Speaker Series	65.00
		Monterey County Ele	Cc Contract Svcs	404.27
		Monterey County Wee	Cc 2Nd Read Fire Zo	144.00
			Pub Notice Ord	144.00
			Notice Pub Hearing	144.00
			2Nd Read Cannibis O	144.00
			Cc Notice Public He	192.00
		Monterey Tire Servi	Pd Repairs Stock	280.95
		City Of Monterey	Fy26 Fire Services	286,394.00
		Andrea M. Moreland	Pd Backgrounds	2,136.80
		Napa Auto Parts	Club House Equipmt	22.01
			Club House Equipmt	(22.01)
			Fd Repair Unit 6414	(100.42)
			Fd Repair Unit 6414	100.42
		Noland, Hamerly, Et	Legal Services	6,664.00
		Odp Business Soluti	Fin Office Supplies	21.07
			Cdd Office Supplies	69.36
			Fin Office Supplies	109.46
			Cdd Office Supplies	114.88
			Cdd Office Supplies	117.67
		O'Reilly Auto Enter	B&G Repair Supplies	515.87
			Street Repair Suppl	339.34

Check Register - Summary by Detail - September 2025

Fund	Check Date	Name	Description	Amount
			Mech Credit Supplie	\$ (37.72)
			Pd Repair Supplies	670.00
			Fd Repair Supplies	5.04
		Pacific Gas & Elect	Rec Elec 0956-9	5,097.91
			Golf St Elec 3438-9	38.87
		Pacific Grove Hardw	Rec Office Supplies	29.01
			Lib Repair Supplies	33.81
			B&G Tools	38.22
			Fd Repair Supplies	15.49
			B&G Repair Supplies	1,445.79
			Mech Supplies	3.05
			Cdd Office Supplies	3.27
			Forestry Supplies	3.92
			Streets Supplies	230.00
			Pw Supplies	239.47
			Museum Repair Suppl	469.76
			B&G Repair Supplies	383.62
			Street Supplies	684.03
			Rec Supplies	181.40
			Lib Repair Supplies	137.29
			B&G Vehicle Repairs	114.63
			Pw Supplies	89.73
			Cdd Office Supplies	84.54
			Pd Repair Supplies	75.31
			Fd Repair Supplies	64.18
		Pacific West Water	Cdd Water Service	42.85
			Fin Water Service	42.85
		Parma	Parma Conf Registr	848.00
		Peninsula Welding &	Mech Supplies	68.48
		Primo Brands	Pd Water Service	352.46
		Regional Government	Payroll Advisory Se	302.50
		Dunnigan Psychologi	Pd Backgrounds	750.00
		Salinas Valley Pros	Pd Uniforms	1,790.35
			Pd Uniforms	1,614.44
			Pd Uniforms	1,825.28
			Pd Uniforms	1,825.28
		Lehr	New Patrol Vehicle	24,408.54
			Pd Vehicle Outfit	2,267.12
		Tom'S Site Services	Labor Day Services	4,770.05
		Verizon Business	Pd Port Access	74.69
		Vestis Services, Ll	Pd Linen Services	182.31
		Brian Whitson	Monthly Museum Jani	2,100.00
			Janitorial Services	380.00
		Aria Med	Pd Backgrounds	548.00
			Pd Background Medic	1,644.00
		Community Human Ser	Jpa Allocation Memb	23,175.00
		Napa Auto Parts	Club Hse Equipment	22.01
			Fd Repair Unit 6414	100.42
	9/15/25	Pers	Ppe8.16.25 Inclcred	20,778.22
	9/17/25	Ca Dept Of Conserva	Smip 2022 Apr - Jun	717.78
		Liebert Cassidy Whi	2025 Erc Membership	5,045.00
		Quadient Finance Us	Postage Aug	1,018.09
		Spc Of Monterey Co	Pd Animal Shelter	490.00
			Pd Animal Services	930.00
		The Pun Group, Llp	Audit, Acfr, Gann R	21,000.00
		Swift Car Wash	Pd Car Washes	320.00
	9/19/25	Aflac	Ded:5200 Aflac Prem	694.67
			Ded:5201 Aflac P/T	1,371.86
		Calpers Health	Ded:3053 Health Fam	1,446.77
			Ded:2072 Health	1,109.00
			Ded:129 Health	1,134.79
			Ded:116 Health	506.85
			Ded:128 Health Emp	556.45
			Ded:2071 Health	1,462.50
			Ded:126 Health	1,475.23

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Fund	Check Date	Name	Description	Amount
			Ded:2073 Health Fam	\$ 8,331.00
			Ded:105 Health	9,224.67
			Ded:122 Health	11,348.00
			Ded:108 Health	3,837.86
			Ded:111 Health	1,633.65
			Ded:104 Health	2,027.40
			Ded:112 Health	2,225.80
			Ded:3051 Health Emp	2,225.80
			Ded:4304 Hlth Retro	2,869.82
			Ded:106 Health	2,952.20
			Ded:103 Health	3,041.10
			Ded:123 Health	5,673.95
			Ded:124 Health	5,900.92
		City Of Pacific Gro	Ded:3301 Aflac Med	1,565.16
		Eft	Ded:*Sca State Tax	17,000.18
			Ded:*Ft Federal Tx	42,378.47
			Ded:*Fm Medicare	11,658.68
		Franchise Tax Board	Ded:7502 Wage Garn	1,368.78
		Pacific Grove City	Ded:7000 Assoc Dues	856.00
		Mass Mutual (457 Pl	Ded:4000 Def Comp	11,559.68
			Ded:3999 Roth Ira	1,673.00
		Mtry County Dept Of	Ded:0023 Garnish	439.99
		Pacific Grove Manag	Ded:7203 Assoc Dues	40.00
		City Of Pacific Gro	Ded:1006 Work Comp	54.64
			Ded:1009 Work Comp	220.46
			Ded:1003 Work Comp	6,253.84
			Ded:1010 Work Comp	3,178.04
			Ded:1005 Work Comp	1,523.74
			Ded:7510 Pers Reimb	56.58
			Ded:200 Dentaleoer	271.59
			Ded:2103 Dental Fam	1,559.90
			Ded:2101 Dentaleooo	978.98
			Ded:2102 Dental+1Ee	1,085.96
			Ded:0005 Suta	143.11
		Pers	Ded:2003 Pers Other	173.96
			Ded:0004 Surv Ben	92.07
			Ded:2000 Pers Empl	3,784.48
			Ded:07 Pers City	6,294.90
			Ded:0006 Pers City	6,879.63
			Ded:0017 Pers Rg Sf	7,175.52
			Ded:0000 Pers	15.02
			Ded:0002 Pers	2,685.05
			Ded:2001 Pers	2,193.46
			Ded:01 Pers	9,616.77
			Ded:0011 Pers Er Sf	8,385.44
			Ded:0021 Pers Reg M	15,243.18
			Ded:0020 Pers Er M3	15,963.79
			Ded:0009 Pers Other	701.15
			Ded:0018 Pers Sp Sf	749.18
			Ded:0022 Pers Sp Ms	299.45
			Ded:0019 Pers Rt Sf	316.89
			Ded:08 Pers Other	348.83
		Police Officers Ass	Ded:7205 Assoc Dues	654.61
		State Disability Ta	Ded:0026 Sdi	5,051.78
		Transamerica Empl	Ded:5202 Transameri	311.82
		Union Bank Of Calif	Ded:4005 Pars-457	819.90
		Vision Service Plan	Ded:2502 Visioneooo	205.84
			Ded:300 Visioneooer	59.76
			Ded:2504 Vision Fam	228.48
			Ded:2503 Vision+1Ee	242.76
		Pers	Sep 2025 Ual	395,585.00
	9/25/25		Ppe 8.30.25 & Adj	77,883.07
	9/26/25	California American	1025 Morse Dr	1,497.17
			620 Oceanview	1,546.44
			196 Oceanview	525.23

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Fund	Check Date	Name	Description	Amount
			1051 Oceanview	\$ 1,883.87
			616 Oceanview	2,007.23
			711 Oceanview	2,112.16
			707 Oceanview	2,203.35
			Caledonia Ave Irrig	2,348.23
			150 Forest Pk	2,378.25
			930 Sinex	2,443.32
			980 Piedmont	2,831.92
			230 17 Mile Dr	2,861.62
			863 Oceanview	3,564.37
			616 Oceanview	3,833.51
			391 Oceanvw	8,490.82
			643 Hydrants	44.54
			Mech 5%	52.66
			165 Forest Ave	61.55
			611 Central	61.55
			600 Pine Ave	61.55
			300 Forest Ave	61.55
			308 16Th St	83.68
			748 Lighthouse	83.68
			765 Lighthouse	83.68
			800 Lighthouse Ave	83.68
			792 Lighthouse	83.68
			582 Lighthouse Ave	83.68
			300 Forest Ave	525.23
			580 Pine Ave	651.06
			304 16Th St	888.49
			610 Oceanview St	1,001.39
			550 Central Ave	1,119.47
			2100 Sunset Dr	83.68
			840 Lighthouse	83.68
			850 Lighthouse	83.68
			882 Lighthouse	83.68
			106 7Th St	83.68
			304 16Th St	98.29
			139 Grand Ave	108.33
			300 Forest Ave	126.42
			611 Central Ave	147.59
			B & G 15%	157.99
			Sunset-Corpyard18%	189.59
			585 Laurel Ave	224.30
			130 Lighthouse Ave	224.30
			600 Pine Ave	340.82
			165 Forest Ave	350.14
			300 Forest Fire-50%	412.41
			300 Forest Fire-50%	412.41
			St Fund 50%	526.63
			100 Oceanview	531.62
			515 Junipero	639.07
		Accent Clean & Swee	Fy 25/26 Street Swe	18,810.00
		Amazon Capital Serv	Rec Progrm Supplies	2,097.44
			Pd Office Equipment	557.73
			Cmo Office Supplies	107.88
			Rec Office Supplies	119.08
			Rec Office Supplies	138.90
			Library Supplies	141.30
			Fin Cash Drawer	141.97
			Dept Head Training	122.06
			Rec Office Supplies	150.33
			Rec Program Supplie	162.26
			Pw Vacuum Supplies	207.56
			Dept Head Training	246.26
			Pw Office Supplies	205.38
			Elop Progrm Supplie	507.93
			Cmo Credit Office	(70.40)

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Fund	Check Date	Name	Description	Amount
			Elop Supplies Credi	\$ (38.23)
			Elop Supplies Credi	(25.06)
			Elop Supplies Credi	(17.47)
			Elop Supplies Credi	(16.38)
			Elop Supplies Credi	(16.37)
			Elop Supplies Credi	(15.28)
			Prgrm Supplies Cred	(4.88)
			Rec Program Supplie	9.20
			Rec Program Supplie	10.28
			Rec Prgrm Supplies	15.72
			Rec Prgrm Supplies	18.23
			Elop Progrm Supplie	19.62
			Pd Office Supplies	20.63
			Pw Office Supplies	21.58
			Pw Office Supplies	21.70
			Elop Supplies Credi	(46.94)
			B&G Volunteer Suppl	43.44
			Pd Monitor Mounts	43.68
			Pd Office Supplies	44.75
			Rec Office Supplies	25.01
			Rec Program Supplie	26.21
			Pd Binder Tabs	26.46
			Rec Program Supplie	27.92
			Rec Program Supplie	28.71
			Pw Office Supplies	29.48
			Rec Program Supplie	29.49
			Elop Progrm Supplie	31.42
			Pd Air Filter	32.64
			Library Supplies	46.86
			Rec Office Supplies	69.63
			Pw Office Supplies	78.56
			Pd Name Badges	37.03
			Rec Office Supplies	88.08
		Ambag	Annual Membership	4,607.10
		Arcpoint Labs Of Mo	Pre Employmt Screen	70.00
		Arlon Moore	Reimburse Boots	250.00
		Axon Enterprise, In	Axon License/Fees	25,038.84
		Baker & Taylor Comp	Books & Materials /	303.42
		Bills Plumbing, Dra	Backflow Testing	225.00
		Burke, Williams & S	City Atty Services	31,719.43
		Ca Dept Of Justice	Pd Livescans	486.00
			Cmo Background Chks	64.00
		Caltronics Business	Rec Konica Copier	394.96
			Konica Copies Fy26	77.02
			Konica Copies Fy26	132.42
			Konica Copies Fy26	175.49
			Konica Copies Fy26	404.05
			Konica Copies Fy26	418.99
			Konica Copies Fy26	2,518.23
		Centralsquare Techn	Finance Software Fy	5,211.10
		Comcast	Pw Internet 0194117	228.74
			Pd Internet 0387836	151.24
			Rec Internet 021497	99.21
			City Hall Tv 003903	14.08
		Cps Hr Consulting	Credit For Pd Exams	(70.00)
			Pd Testing Material	687.50
			Lib Testing Materia	890.75
			Lib Testing Materia	890.75
		Creekside Center Fo	Fy 26 Monarch Sanct	8,000.00
		Dianne Lyle	Pmt For Jazz Classe	105.00
		Doctors On Duty Med	Dmv Physical A Hert	150.00
		Dwan Elevator Co	Museum Elevator	3,222.29
		Engineered Fire Sys	Fd Plan Review Augu	742.50
		Ewing Irrigation Pr	B&G Irrigation Supp	55.02
		Fred Marsh	Mileage Reimburseme	399.09

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Fund	Check Date	Name	Description	Amount
		Fresh Coats Auto Bo	Pd Repair Unit 9	\$ 3,368.20
		Grainger	B&G Stock	1,680.68
		Granite Constructio	Streets Supplies	471.88
		Granite Rock Compan	Streets Supplies	598.91
		Hometek	Mem Bench Engraving	495.00
		International Code	Cdd Books Supplies	301.50
		Jd Repairs Inc	Fd Repairs Unit 641	3,247.07
			Fd Repairs Unit 641	871.42
			Fd Repairs Unit 641	1,809.36
		John Kenney	Reimb Safety Boots	149.58
		Language Line Servi	Pd Dictation Servic	32.77
		Liebert Cassidy Whi	Cmo Legal Services	242.50
			Cmo Legal Services	2,325.00
			Cmo Legal Services	3,686.00
			Cty Cncl Legal Svcs	1,358.00
			Cmo Legal Services	824.50
		Metal Specialties,	Deposit Rail Work	1,190.00
		Monterey Bay Pest C	Rodent Control For	135.00
			Rodent Control For	175.00
			Rodent Control For	180.00
			Rodent Control For	490.00
		Monterey County Dis	Pd Bac Costs	1,095.39
		Monterey County Wee	2Nd Rd Ord 25-007	144.00
			2N Rd Ord Cip Budge	144.00
		Monterey Sports Cen	Cm Fitness Assessmt	120.00
		Nicholas Smith	Per Diem Advance	170.00
		Odp Business Soluti	Pd Office Supplies	427.80
			Cty Cncl Office Sup	136.11
			Fin Office Supplies	91.75
			Cmo Office Supplies	79.53
		Pacific Products &	Streets Stock	1,218.34
		Pure Water	Pw Water Service	23.95
			Mech Water Service	23.95
			B&G Water Service	23.95
			Street Water Servic	23.95
		Quadient Inc	Postage Supplies	34.25
		Becks Shoes And Rep	B&G Boots	1,156.13
			Street Boots	227.51
		Rincon Consultants,	Rincon - Housing El	20,924.00
		Dunnigan Psychologi	Pd Psych Eval	650.00
			Pd Psych Eval Backg	1,000.00
		Safety-Kleen System	Mech Supplies	471.95
			B&G Supplies	471.95
			Streets Supplies	471.96
			Mech Supplies	81.77
			B&G Supplies	81.77
			Streets Supplies	81.77
		Same Day Shred	Cmo Confidntl Shred	50.00
		Sentry Alarm System	Lwp / Fd Monitoring	106.50
			Alarm Maint	685.85
		Spc Of Monterey Co	Pd Animal Services	3,380.00
		Stitch Witch	Pd Custom Patches	766.50
		Stryker Sales Llc	Heart Monitor For A	2,166.95
		Sturdy Oil Company	A/R Fuel July	2,580.48
			Pd Fuel August	1,741.90
			Ar Fuel August	4,819.72
			B&G Fuel August	807.77
			Street Fuel July	525.89
			B&G Fuel July	1,051.78
			Pd Fuel July	3,053.24
			Streets Fuel August	403.88
		Suburban Propane	Pw Propane August	49.75
			Mech Propane August	49.75
			B&G Propane August	49.76
			Street Propane Augu	49.76

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Fund	Check Date	Name	Description	Amount
07 - Library Bldg & Equip Fund		Summit Uniforms	Pd Uniform Equip	\$ 142.19
		Susan Carter	Rfnd Zoning App Fee	215.00
		The Monterey County	Notice Cannabis Lic	178.63
		Tina Rau	Travel Advance	1,508.29
		Tope'S Tree Service	Contract Tree Servi	8,760.00
		Uline	Lib Office Equip	439.46
		V & V Manufacturing	Pd Chief Badge	193.30
		Verizon Business	Pd Port Access Sept	118.08
			Cdd Phone Sept	142.19
			Pw Data	62.07
			Fd Phone Sept	63.13
			Pw Phone Sept	674.26
			Admin Phone Sept	170.63
			Pd Data Sept	545.44
			Pd Phone Sept	99.93
			Asd Data	70.81
			Lib Data	76.02
			Cmo Phone Sept	89.83
			Rec Phone Sept	37.34
			It Phone Sept	45.16
		Vestis Services, LI	Pd Linen Services	182.31
			Pd Linen Services	182.31
		Watsonville Ford	Pd Repair Unit 5	253.93
			Pd Repair Unit 02	161.49
			Pd Repair Unit 02	111.79
			Mech Repair Unit 35	736.54
		Wells Fargo Vendor	Konica Lease Fy25/2	91.57
			Konica Lease Fy25/2	195.01
			Konica Lease Fy25/2	230.57
			Konica Lease Fy25/2	230.57
			Konica Lease Fy25/2	291.72
			Konica Lease Fy25/2	291.74
			Konica Lease Fy25/2	291.74
			Konica Lease Fy25/2	291.74
		Brian Whitson	Janitorial Services	380.00
		Swift Car Wash	Pd Car Washes Oct	320.00
	9/9/25	Us Bank	A Canales Local His	261.29
	9/12/25	Minuteman Press	Local History	91.29
	9/9/25	Us Bank	A Canales Book/Matl	99.00
	9/12/25	Amazon Capital Serv	Lib Books & Materia	19.69
			Lib Books & Materia	38.58
			Lib Books & Materia	17.26
			Lib Books & Materia	7.64
			Lib Books Credit	(25.07)
		Overdrive, Inc.	Lib Books & Materia	5.98
			Lib Books & Materia	8.97
	9/26/25	Amazon Capital Serv	Lib Books & Materia	32.51
			Lib Books & Materia	406.67
			Lib Books & Materia	114.76
			Lib Books & Materia	21.80
			Lib Books & Materia	17.69
		Baker & Taylor Comp	Books & Materials /	2,827.70
		Midwest Tape	Lib Books & Materia	49.15
		Wt Cox Information	Lib Books & Materia	2,688.74
	9/12/25	Pacific Gas & Elect	Forest Av Sunset Av	26.51
			Forest Ave Sunset A	50.86
			Forest Ave Sunset A	23.14
			19Th & Sunset Dr.	15.00
			Forest Av Sunset Av	66.63
	9/17/25		Pw Electric 4482-4	9,018.80
	9/19/25	Pers	Sep 2025 Ual	2,373.42
	9/26/25	California American	Cem 4%	42.13
		4Leaf	Fy 25/26 On-Call Tr	464.00
		Sturdy Oil Company	Gas Tax Fuel August	403.88
			Gas Tax Fuel July	525.89

Check Register - Summary by Detail - September 2025

Fund	Check Date	Name	Description	Amount	
24 - Stillwell Children'S Pool	9/12/25	American Supply Com	Pool Supplies	\$ 932.41	
		Pacific Grove Hardw	Pool Supplies	107.68	
	9/26/25	Amazon Capital Serv	Pool Supplies	17.57	
				Pool Supplies	19.36
25 - Recreation Donation Fund			Youth Equip Donatio	16.38	
			Youth Equip Donatio	652.30	
27 - Lighthouse Maint.& Impv.	9/9/25	Us Bank	D Gho Vlniteer Namet	153.38	
	9/12/25	Pacific Gas & Elect	Asilomar Blvd Pg Lh	69.74	
			Asilomar Blvd Pg Lh	148.88	
		Bella Terra Publish	Lighthouse Merch	109.20	
		Minuteman Press	Lighthouse Brochure	674.30	
		Pacific Grove Hardw	Lh Repair Supplies	140.35	
	Lh Repair Supplies		441.22		
	9/17/25	Kay Bonnell	Lighthouse Merch	412.50	
	9/26/25	California American	90 Asilomar Blvd	213.64	
		Amazon Capital Serv	Lighthse Gift Suppl	13.48	
			Lh Merch Bal Due	1.65	
			Lighthse Supplies	42.72	
			Lighthouse Supplies	34.92	
			Lighthse Supplies	32.76	
			Lighthse Merch	31.62	
			At&T Calnet 3	Lighthouse Phone	31.41
			Bella Terra Publish	Lighthouse Merch	68.80
				Lighthouse Merch	636.58
			Bill Wolfe	Lighthouse Audio Re	207.21
			Escarraga'S Luxury	Lighthse Cleaning	480.00
			Ghost Town Publicat	Lighthse Merch	293.50
			Ziga Media Ll	Lighthouse Merch	172.00
40 - Poetry Promotion Fund	9/9/25	Us Bank	R Gaither Poetry Pr	581.50	
	9/12/25	Amazon Capital Serv	Lib Poetry Supplies	42.70	
	9/26/25		Lib Poetry Promotio	10.37	
			Avery Burns	Poetry Promotion	100.00
		Leroy Knight Jr	Poetry Promotion	100.00	
42 - Pub Safety Aug Fund	9/12/25	Monterey County Eme	Dispatch Services &	128,832.00	
63 - Capital Improv Proj Fund	9/26/25	Joseph Kavanagh	Cip Sanctuary Fence	1,061.00	
70 - Emp Benefit Fund	9/5/25	Calpers Health	Sep2025 Ret & Chang	9,152.98	
	9/12/25	Claremont Behaviora	Eap Sept Services	648.15	
	9/26/25	Pars	Pars Fees July	389.89	
	9/19/25	Pers	Sep 2025 Ual	1,000.83	
71 - Workers Comp Fund	9/26/25	Faa Mike Monroney A	Medicare Claim	1,707.66	
	9/19/25	Pers	Sep 2025 Ual	890.00	
72 - Liability Ins Fund	9/12/25	Pacific Gas & Elect	Lwp Elec 0792-1	13,891.79	
74 - Local Water Project	9/26/25	California American	1313 Ocean View Bl	14,822.85	
		Perc Water Corporat	Lwp O&M Services Fy	57,459.61	
75 - Cemetery Fund	9/12/25	Pacific Gas & Elect	Cemetery - 1%	27.74	
			Crest & Ripple	15.02	
			Cemetery - 1%	32.99	
			Cemetery	41.47	
		Mission Uniform Ser	Linen / Uniform Cle	470.73	
		Pacific Grove Hardw	Cem Supplies	455.08	
	Cem Supplies		124.51		
	Sep 2025 Ual		4,105.92		
	9/19/25	Pers	Sep 2025 Ual	4,105.92	
	9/26/25	California American	1254 Delmontecem70%	442.23	
			Sewer 8%	84.26	
		C & N Tractors	Cem Repair Unit 70	663.70	
		Sturdy Oil Company	Cem Fuel August	202.61	
	Cem Fuel July		17.04		
	76 - Sewer Fund	9/12/25	Pacific Gas & Elect	Pump Station	27.67
				1996 Sunset Dr.	25.32
520 Ocean View Blvd				25.42	
Pump Russell Svc Ct				18.97	
Oceanview Blvd & 8T				8.59	
520 Ocean View Blvd				7.13	
Pump Sunset Arena				7.84	
Pump Russell Svc Ct				65.51	

Check Register - Summary by Detail - September 2025

Fund	Check Date	Name	Description	Amount
			17Th & Ocnvw	\$ 85.31
			Pump 17Th & Ocnvw	207.09
			Pump Sunset Arena	224.72
			471 Ocean View Bl.	164.58
			1996 Sunset Dr.	77.81
			Eardley Pump #1	80.27
			471 Ocean View Bl.	342.50
			Pump Sunset Arena	476.71
			360 Ocean View Blvd	500.63
			Eardley Pump #1	186.36
			O V 9Th Pump #2	1,028.83
		Kimball Midwest	Sewer Unit 44	183.28
		Mission Uniform Ser	Linen / Uniform Cle	470.73
		Monterey Peninsula	Emergency Sewer Wor	26,023.00
			Del Monte And Beach	57,327.00
		Pacific Gas & Elect	Pw Sewer Elec 5126-	1,918.00
			Pw Sewer Elec 4175-	45.00
		Pacific Grove Hardw	Sewer Supplies	7.84
		Pj Trucking Academy	Class B Training -	5,800.00
		Wallace Group	Scsmp 1, 6, 9 Cip24	4,421.00
			Scsmp 1, 6, 9 Cip24	11,638.41
	9/19/25	Pers	Sep 2025 Ual	12,774.67
	9/26/25	California American	263 Grove Acre Ave	1,427.62
			100 Oceanview	83.68
			1273 Crespi Pond 50	124.47
		Albion Environment	Sewer Monitor Oct	940.10
			Sewer Monitor Nov	459.97
		Bowman Consulting G	Consulting Pump Stn	1,270.00
		Neill Engineers Cor	Admin Engineering S	1,000.00
		Pure Water	Sewer Water Service	23.95
		Rincon Consultants,	Amendment #3 - Arch	741.00
		Safety-Kleen System	Sewer Supplies	471.96
			Sewer Supplies	81.78
		Sturdy Oil Company	Sewer Fuel August	625.28
			Sewer Fuel Cr July	(382.55)
		Suburban Propane	Sewer Propane Augus	49.76
77 - Golf Fund	9/12/25	Pacific Gas & Elect	1313 Ocean View Blv	50.90
			1313 Ocean View Blv	114.05
	9/26/25	California American	77 Asilomar	98.29
			1254 Delmontegolf30	442.23
			1273 Crespi Pond 50	124.47
			77 Asilomargolfhse	2,497.26
Grand Total				\$ 2,100,940.69

Check Register - Summary by Fund - September 2025

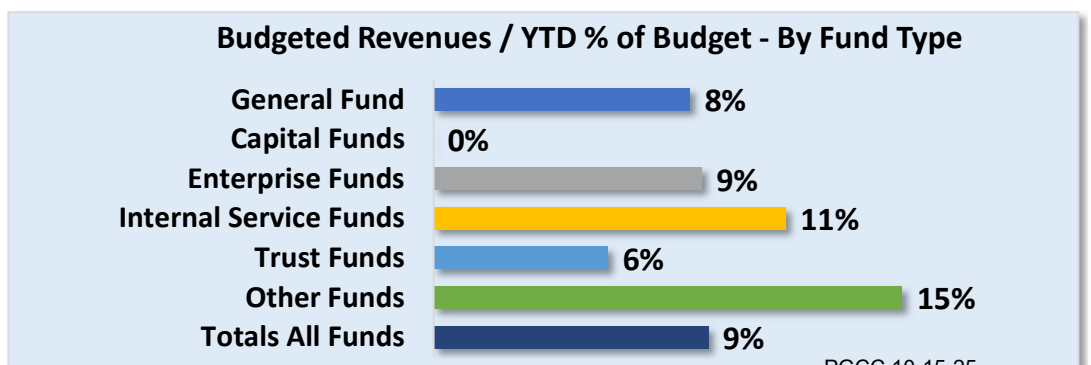
Fund	Amount
01 - General Fund Total	\$ 1,703,302.18
07 - Library Bldg & Equip Fund Total	352.58
11 - Library Book Fund Total	6,331.07
18 - Gas Tax Fund Total	13,010.26
24 - Stillwell Children'S Pool Total	1,077.02
25 - Recreation Donation Fund Total	668.68
27 - Lighthouse Maint.& Impv. Total	4,409.86
40 - Poetry Promotion Fund Total	834.57
42 - Pub Safety Aug Fund Total	128,832.00
63 - Capital Improv Proj Fund Total	1,061.00
70 - Emp Benefit Fund Total	10,191.02
71 - Workers Comp Fund Total	2,708.49
72 - Liability Ins Fund Total	890.00
74 - Local Water Project Total	86,174.25
75 - Cemetery Fund Total	6,683.30
76 - Sewer Fund Total	131,087.21
77 - Golf Fund Total	3,327.20
Grand Total	\$ 2,100,940.69



Revenues by Fund - FY 2025-26 (Unaudited)
Through September 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	\$ 32,729,400	\$ 2,797,849	9%	\$ 4,169,350	\$ (1,969,722)	\$ 15,480,866
Other Funds Included	1,027,610	19,024	2%	10,321	(110,640)	61,089
General Fund	33,757,010	2,816,873	8%	4,179,671	(2,080,362)	15,541,955
Capital Projects	\$ 506,682	\$ -	0%	\$ 217,587	(143,318)	2,244,375
Capital Funds	506,682	-	0%	217,587	(143,318)	2,244,375
Local Water Project	1,288,746	417,741	32%	566,041	263,641	(127,082)
Cemetery	580,902	87,633	15%	198,059	(267,207)	766,398
Sewer	4,099,809	-	0%	230,292	154,540	10,265,039
Golf	956,538	100,000	10%	109,033	(70,144)	881,890
Sewer Lateral Loans	3,908	-	0%	3,007	3,908	185,482
Enterprise Funds	6,929,903	605,374	9%	1,106,432	84,738	11,971,727
Employee Benefit	316,299	33,268	11%	66,059	3,599	65,661
Worker's Compensation	925,299	187,763	20%	169,728	8,351	614,952
Liability Insurance	753,944	7,690	1%	191,843	(128,223)	930,712
Internal Service Funds	1,995,542	228,721	11%	427,630	(116,273)	1,611,326
Library	13,141	-	0%	10,187	13,141	610,620
Cemetery	121,734	8,113	7%	56,050	121,734	2,411,891
Yount	8,000	-	0%	22,640	-	807,008
Trust Funds	142,875	8,113	6%	88,877	134,875	3,829,519
Library / Poetry	101,677	50,156	49%	55,267	14,277	332,397
Museum	8,073	-	0%	5,905	8,073	306,456
Public Safety	821,890	21,468	3%	108,265	(120,319)	458,245
Housing	48,956	9,290	19%	12,194	(107,927)	555,633
Streets	1,619,540	296,778	18%	145,684	(289,743)	1,656,268
Lighthouse	126,917	33,073	26%	37,366	(4,991)	219,181
Community Development/CDBG	41,957	3,760	9%	13,651	(241,444)	477,797
ARPA	-	-	0%	17,121	-	73,216
Downtown/Hospitality Districts	561,700	99,961	18%	163,436	-	58,804
Cable Franchise / Other	62,750	2,750	4%	73,587	(105,253)	265,021
Other Funds	3,393,460	517,236	15%	632,476	(847,327)	4,403,018
Totals All Funds	\$ 46,725,472	\$ 4,176,317	9%	\$ 6,652,673	\$ (2,967,667)	\$ 39,601,920

* Excludes Proposed Adjustments and Rollovers

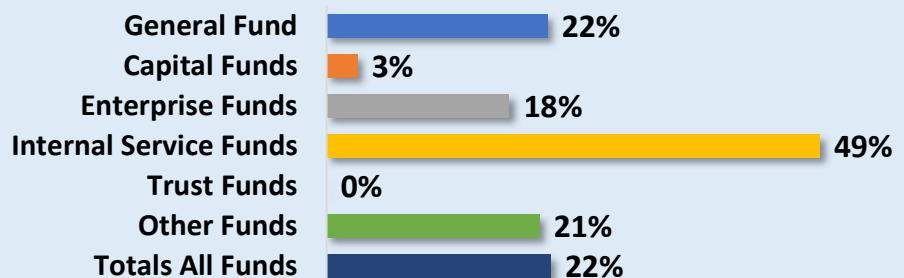




Expenses by Fund - FY 2025-26 (Unaudited)
Through September 2025

Fund	Expenses					
	Revised Budget	YTD	YTD % of Projected	Purchase Orders	YTD % with POs	Prior YTD
Main Fund - Fund 01	\$ 34,699,122	\$ 7,937,193	23%	\$ 3,150,443	32%	\$ 8,510,490
Other Funds Included	1,138,250	(2,985)	0%	-	0%	12,399
General Fund	35,837,372	7,934,208	22%	3,150,443	31%	8,522,889
Capital Projects	\$ 650,000	\$ 20,248	3%	\$ -	3%	\$ 7,125
Capital Funds	650,000	20,248	3%	-	3%	7,125
Local Water Project	1,025,105	180,379	18%	391,858	56%	705,974
Cemetery	848,109	190,517	22%	31,112	26%	174,002
Sewer	3,945,269	448,296	11%	1,618,197	52%	703,543
Golf	1,026,682	435,393	42%	29,150	45%	396,746
Sewer Lateral Loans	-	-	0%	-	0%	-
Enterprise Funds	6,845,165	1,254,585	18%	2,070,317	49%	1,980,265
Employee Benefit	312,700	65,287	21%	-	21%	132,755
Worker's Compensation	916,948	379,734	41%	-	41%	443,832
Liability Insurance	882,167	597,808	68%	5,446	68%	570,938
Internal Service Funds	2,111,815	1,042,829	49%	5,446	50%	1,147,525
Library	-	-	0%	-	0%	-
Cemetery	-	-	0%	-	0%	-
Yount	8,000	-	0%	-	0%	1,211
Trust Funds	8,000	-	0%	-	0%	1,211
Library / Poetry	87,400	19,004	22%	17,337	42%	6,945
Museum	-	21,307	200%	-	200%	33,768
Public Safety	942,209	315,543	33%	219,019	57%	170,913
Housing	156,883	27,673	18%	-	18%	27,869
Streets	1,909,283	96,427	5%	417,607	27%	62,167
Lighthouse	131,908	28,328	21%	-	21%	29,009
Community Development/CDBG	283,401	396,692	140%	39,000	154%	3,491
ARPA	-	-	0%	-	0%	33,209
Downtown/Hospitality Districts	561,700	-	0%	-	0%	40,375
Cable Franchise / Other	168,003	31	0%	-	0%	25
Other Funds	4,240,787	905,005	21%	692,963	38%	407,771
Totals All Funds	\$ 49,693,139	\$ 11,156,875	22%	\$ 5,919,169	34%	\$ 12,066,786

Budgeted Expenses / YTD % of Budget By Fund Type

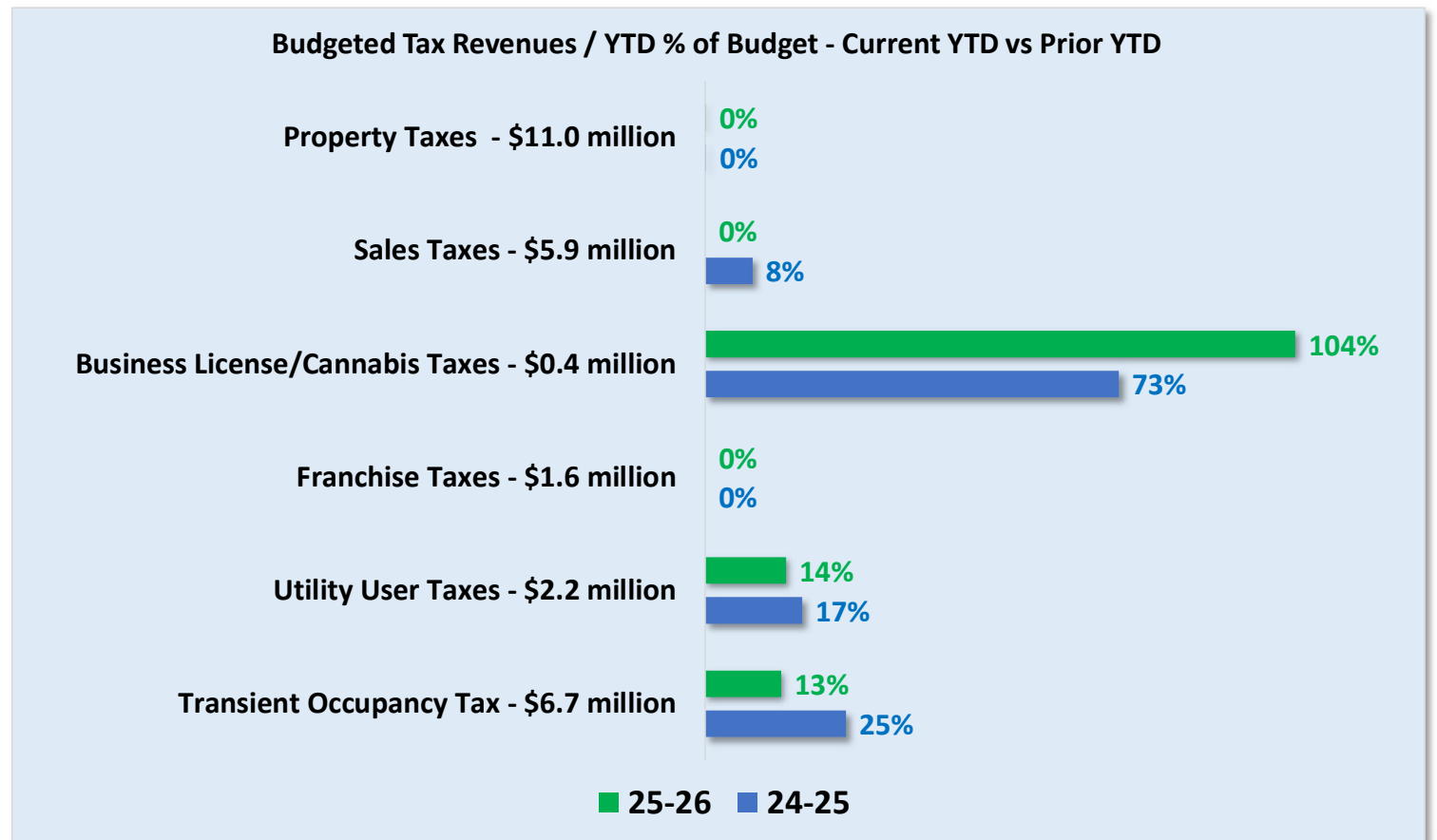




**General Fund Revenues - FY 2025-26 (Unaudited)
Through September 2025**

Revenue Account	Revised Budget	YTD Revenues	YTD % of Budget	Year End Projection	Prior YTD Revenues	Prior YTD % of PY Actual
Property Taxes	\$ 11,022,700	\$ 11,817	0%	11,022,700	15,519	0%
Sales Taxes	5,945,600	-	0%	5,945,600	530,124	8%
Business License/Cannabis Taxes	416,000	432,760	104%	416,000	217,467	73%
Franchise Taxes	1,603,400	-	0%	1,603,400	-	0%
Utility User Taxes	2,183,500	310,596	14%	2,183,500	416,252	17%
Transient Occupancy Tax	6,713,700	899,227	13%	6,713,700	1,719,734	25%
Litter Abatement	210,000	-	0%	210,000	-	0%
Construction Permits	932,200	335,134	36%	932,200	234,510	23%
Zoning Enforcement	206,000	118,144	57%	206,000	38,240	18%
Plan Check Fees	606,700	147,298	24%	606,700	160,226	29%
Parking Meters	351,200	74,841	21%	351,200	106,141	29%
Water Entitlements	287,600	42,756	15%	287,600	146,170	9%
Interest Earned	350,000	-	0%	350,000	111,694	21%
Investment Market Value Gain/Loss	-	-	0%	-	37,228	115%
Indirect Cost Reimbursement	578,600	-	0%	578,600	138,000	25%
Total Major Revenues	31,407,200	2,372,573	8%	31,407,200	3,871,305	12%
Total General Fund Revenues	33,757,010	2,816,873	8%	33,758,000	4,169,352	13%

FY 2023-24 Tax Revenues	Property Taxes	Sales Taxes	BL/Other	Franchise	Hotel Taxes	Utility
	10,135,764	5,975,031	697,772	1,635,968	6,730,240	2,118,068





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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Matt Mogensen, City Manager
MEETING DATE: October 15, 2025
SUBJECT: Ordinance to Amend the Fiscal Year 25/26 Operating and Capital Improvement Budget
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Request the City Attorney to read the title of the ordinance;
2. Motion to waive further reading of the ordinance;
3. Introduce and hold the first reading of an ordinance amending the operating and capital budget for the Fiscal Year 2025-26;
4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

DISCUSSION

The adopted 2025/26 Capital Improvement Program included \$100,000 for a fire station alerting system upgrade to bring the Pacific Grove station up to date and using the same compatible emergency dispatch alert system as the other stations that Monterey Fire staffs. The original estimate provided for the Pacific Grove budget was based on the costs for purchase and installation at the Monterey Fire Stations. Those prices were from late 2024 when the project was completed. The budget estimate was based on Fire Station 12 and Fire Station 13 since they had similar device counts and relative size. Those installations were \$90-100k each. Monterey Fire did not get a formal quote from US Digital Designs (USDD) since they did not have the drawings and layouts for Station 14. Once they were able to get the drawings they began the process of obtaining a formal quote in April of 2025. The formal quote also involved a walkthrough of the fire station. The updated quote received is \$142,724.25, which is \$42,724.25 more than approved in the 2025/25 CIP budget.

Since the original estimate in late 2024, there has been a price increase with USDD, due to cost increases for the components and labor costs. Below are examples of the increases that have been factored into the quote:

1. Voice alert license is 30% more (\$1,289 vs \$927)
2. G2 message remotes are 30% more (\$1,578 vs \$1,282)
3. G2 message signs have increased by 200% (\$2,700 vs \$945)
4. Omni Strobe equipment is 40% more expensive (\$1,417 vs \$1,035)

A majority of the cost increase (about \$20,000) was from the installation costs due to labor increases. After conducting the station walkthrough, USDD felt that there was additional labor (hours) required due to the specific layout and construction styles used at Station 14.

OPTIONS

Take an alternative action. This is not recommended as the alerting system is a critical infrastructure for the Fire Station that has a direct impact on response time of emergency services.

FINANCIAL IMPACT:

The project is being funded from the Fire Emergency Equipment Fund (Fund 12). There are adequate funds in Fund 12 to cover the updated cost of \$142,724.25.

FOCUSED PRIORITY AREA: Infrastructure

Attachments

Ordinance

Updated Quote

ORDINANCE NO. 25-xxx

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

FACTS

1. The City Council approved the Fiscal Year 2025-26 Budget on June 18, 2025.
2. It is customary to amend the budget to adjust revenues and expenditures to reflect updated information since the adoption of the Fiscal Year 2024-25 Budget.
3. The City Manager is recommending amendments to the Fiscal Year 2025-26 Budget to reflect the unanticipated changes in the pricing for CIP projects.
4. The Council has determined it is appropriate to amend the approved budget for FY 2025-26.
5. Pursuant to Charter Article 156, an amendment of the budget must be approved by ordinance.
6. A summary of the Ordinance, approved by the City Attorney, was published on _____.
7. In the enactment of this ordinance, the City followed the guidelines adopted by the State of California and published in the California Code of Regulations, Title 14, Section 15000, et seq.
8. Enactment of this ordinance action does not constitute a “project” as defined by California Environmental Quality Act (CEQA) Guidelines Section 15378 because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment.

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

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

SECTION 2: The expenditure budget for the Capital Projects - Fire Equipment Fund - Fire Station Alerting System is amended for this item from \$100,000 to a total amount of \$142,724.25.

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

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this
5th day of November, 2025, by the following

vote: AYES:

NOES:

ABSENT:

APPROVED:

NICK SMITH, Mayor

ATTEST:

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

BRIAN A. PIERIK, City Attorney

US DIGITAL DESIGNS
by Honeywell
1150 W Grove Pkwy St #110
Tempe, AZ 85283



Author: DWK
Date: 9/16/2025
Expires: 12/15/2025
Proposal: CA_PGRV002 v2

Quotation to:
City of Pacific Grove, CA
Pacific Grove Fire Department

Project:
G2 Fire Station Alerting System
One (1) Station System - FS14

Pricing pursuant to the Master Price Agreement entered into between League of Oregon Cities (LOC) and USDD, and made available to members of the National Purchasing Partners, LLC, dba Public Safety GPO, dba Law Enforcement GPO, and dba NPPgov - Contract #PS20350. More information available at: <https://nppgov.com/contract/honeywell/>

Pacific Grove Fire Department is a member: M-5726141

Paul Gyore
Principal Territory Manager
(602)-828-0287
(602)-687-1730
Paul.Gyore@honeywell.com
stationalerting.com

Installation by:
Tech Electric
Bob McCabe

This proposal is subject to corrections due to errors or omissions



Quote Submitted To:
City of Pacific Grove, CA
Pacific Grove Fire Department

Proposal:
CA_PGRV002 v2

STATION 14

USDD Design Referenced:
USDD.CA_PGRV.FS14.FSA.2025.09.02

STATION SYSTEM LICENSES

Part No.	Description	Quantity	US List Unit	Unit Price	Extended Price
G2-VA	G2 Voice Alert - Single Station License	1	\$ 1,433.25	\$ 1,289.93	\$ 1,289.93
G2-APP-DLA	G2 Mobile FSAS App	24	\$ 15.00	\$ 13.50	No Charge

STATION SYSTEM CONTROLLER

Part No.	Description	Quantity	US List Unit	Unit Price	Extended Price
ATX	G2 ATX Station Controller	1	\$ 23,272.50	\$ 20,945.25	\$ 20,945.25
UPS-STD	ATX UPS, Standard	1	\$ 1,017.64	\$ 915.88	\$ 915.88
UPS-WMB	Wall-Mount for UPS (Shelf/Bracket)	1	\$ 77.25	\$ 69.53	\$ 69.53

STATION SYSTEM PERIPHERAL COMPONENTS

Part No.	Description	Quantity	US List Unit	Unit Price	Extended Price
TV-R	G2 HDTV Remote	1	\$ 1,121.50	\$ 1,009.35	\$ 1,009.35
PB-B	Push Button, Standard (Black)	1	\$ 126.50	\$ 113.85	\$ 113.85
PB-R	Push Button, Emergency (Red)	1	\$ 126.50	\$ 113.85	\$ 113.85
MR-2	G2 Message Remote 2	3	\$ 1,753.75	\$ 1,578.38	\$ 4,735.14
USDD-LCD-SIGN	G2 LCD Message Sign	2	\$ 3,000.00	\$ 2,700.00	\$ 5,400.00
MS-MNT	MS Mount - Articulating	2	\$ 390.00	\$ 351.00	\$ 702.00
RR-2	G2 Room Remote 2	4	\$ 2,275.35	\$ 2,047.82	\$ 8,191.28
SPK-LED-FM	G2 Speaker - LED Illuminated, Flush Mount	14	\$ 374.00	\$ 336.60	\$ 4,712.40
SPK-LED-SM	G2 Speaker - LED Illuminated, Surface Mount (Metal Box)	13	\$ 374.00	\$ 336.60	\$ 4,375.80
SPK-OAS	G2 Speaker - OmniAlertStrobe	3	\$ 1,575.00	\$ 1,417.50	\$ 4,252.50
SPK-W-SM	Speaker - Appbay/Outdoor - Weatherized, Surface Mount	2	\$ 373.75	\$ 336.38	\$ 672.76
STR-2	G2 Strobe Light / Red LED	1	\$ 661.50	\$ 595.35	\$ 595.35

STATION SYSTEM SERVICES

Part No.	Description	Quantity	US List Unit	Unit Price	Extended Price
ST-INST	Station Installation by: Tech Electric	1	\$ 73,662.60	\$ 73,662.60	\$ 73,662.60
ST-SU	Station Configuration & Commissioning	1	\$ 2,750.00	\$ 2,475.00	\$ 2,475.00
ST-PM	Station Project Management	1	\$ 1,350.00	\$ 1,215.00	\$ 1,215.00
ST-ES	Station Engineering & Design Services	1	\$ 750.00	\$ 675.00	\$ 675.00

STATION SYSTEM WARRANTY & OPTIONAL RECURRING ANNUAL SUPPORT

Part No.	Description	Quantity	US List Unit	Unit Price	Extended Price
RS-1YR-STD	[STANDARD] 1st Year Warranty & Support - Included with Initial Purchase				
	Technical phone support Monday through Friday from 08:00 to 17:30 MST, excluding USDD holidays; Remote access support Monday through Friday from 08:00 to 17:30 MST, excluding USDD holidays;	1.0	\$ 6,454.99	\$ 5,809.49	No Charge

STATION 14

Equipment Only: \$ 58,094.87

System:	\$ 136,122.47
Shipping:	\$ 1,228.00
Warranty & Support:	\$ -
Estimated Tax:	\$ 5,373.78
Station Subtotal:	\$ 142,724.25

Warranty & Support Notes:

Customer must elect to choose any coverage they require beyond initial warranty period, or USDD will not be authorized to provide any service or support. Mobile Smart Phone Alerting App and Mapping Services only available to customer while under warranty or elected recurring annual support. Support Agreements subject to change if system design is modified. For additional details, please review current USDD Warranty Statement and Service Agreement. USDD cannot warrant nor support any system configuration that deviates from this specific proposal's documented station system design file number. USDD cannot warrant nor support any system not using USDD-approved UPS Battery Backup. USDD cannot warrant nor support any system not installed by G2 Trained & Certified Installation technician (installer). If customer intends to tie this system into any 3rd-party system or devices, USDD will be unable to warrant or support the sytem until we've had a chance to review documented engineering assumptions and approve system integrity, performance and reliability expectations.

For FSaaS Program: The cost of service and support beyond initial warranty period is included in the FSaaS Program for a total of 5 years. The service and support includes Mobile Smart Phone Alerting App and Mapping Services. Please see the FSaaS Subscription Agreement for more information concerning the service and support provided by USDD. USDD cannot warrant nor support any system not using USDD-approved UPS Battery Backup. USDD cannot warrant nor support any system not installed by G2 Trained & Certified Installation technician (installer). If customer intends to tie this system into any 3rd-party system or devices, USDD will be unable to warrant or support the sytem until we've had a chance to review documented engineering assumptions and approve system integrity, performance and reliability expectations.

Station System Installation Notes:

- 01 - Unless specifically detailed in this proposal, no installation by USDD or it's subcontractors is assumed or provided.
- 02 - Because these are mission-critical systems, USDD can only warrant and support systems installed by G2 Trained and Certified Contractors.
- 03 - USDD can source, qualify, train and certify Local Licensed Regional Subcontractors where needed.
- 04 - Installation warranted by installation contractor - G2 FSAS warranted, serviced and supported by USDD.
- 05 - Unless specifically detailed in this proposal, installation to be performed during normal working hours.
- 06 - Unless specifically detailed in this proposal, no permit fees or material charges have been included.
- 07 - Unless specifically detailed in this proposal, no removal or remediation has been assumed or included.
- 08 - Unless specifically detailed in this proposal, no bonds of any type (performance, bid) have been assumed,included or budgeted for in this proposal.
- 09 - USDD FSAS Equipment to be made available by owner to Installation Contractor prior to on-site arrival.
- 10 - Structural backing for system devices and other millwork (not specifically detailed) by others.
- 11 - If applicable, Gas Control Shutoff Valve Addendum (to USDD and installation contractor) must be signed prior to installation.
- 12 - All electrical power, including (but not limited to) raceway,conduit, backboxes, service panels, high-voltage wiring and fixtures by others.
- 13 - All communications pathway infrastructure (network, radio, etc.) by others unless specifically detailed in this proposal.
- 14 - USDD cannot warrant nor support any owner-furbished (3rd-Party) system or component we are required to integrate with. USDD cannot warrant nor support any system or component it has not proofed engineering for and has not specifically authorized for use within public safety environments.
- 15 - Any misuse, unauthorized modification, improper installation, excessive shock, attempted repair, accident, or improper or negligent use, storage, transportation, or handling by any party other than USDD shall render this limited warranty null, void and of no further effect

US DIGITAL DESIGNS
by Honeywell



Date: 9/16/2025
Expires: 12/15/2025

Quote Submitted To:
City of Pacific Grove, CA
Pacific Grove Fire Department

Proposal:
CA_PGRV002 v2

Section Totals

Unless Otherwise Noted, All Prices are \$USD

STATION 14 SYSTEM:	137,350.47
STATION 14 WARRANTY & SUPPORT:	-
STATION 14 ESTIMATED TAX:	5,373.78
Notes: One (1) Station System currently included in this proposal with installation by Tech Electric.	
US Digital Designs System Total:	\$ 142,724.25

(TBD By Customer) Customer must elect to choose any coverage they require beyond initial warranty period, or USDD will not be authorized to provide any service or support. Mobile Smart Phone Alerting App and Mapping Services only available to customer while under warranty or elected recurring annual support. Support Agreements subject to change if system design is modified. For additional details, please review current USDD Warranty Statement and Service Agreement

Dispatch or station level training is not included in this proposal. Contact your Regional Territory Manager to schedule additional training if needed

TERMS AND CONDITIONS OF HONEYWELL PRODUCT SALES

These terms and conditions of sale ("Terms and Conditions") are adopted effective January 1, 2023 (the "Terms and Conditions Effective Date"), and supersede all prior versions covering the sale of products and related services (collectively, "Products", as defined more specifically below) by Honeywell International Inc., through its US Digital Designs group ("Honeywell"). References to "Customer", "you", or "your" all pertain to the purchaser of Products. These Terms and Conditions, together with any separate agreement you may have with Honeywell that specifically references these Terms and Conditions (collectively, the "Agreement") set forth the entire agreement between the parties relating to your purchase of Honeywell Products. The Agreement may only be modified by an authorized representative of each party in a signed writing.

1. **ORDERS.** Orders (including any revised and follow-on orders) (each, an "Order") for Honeywell Products are non-cancelable, except as expressly set forth herein, and will be governed by the terms of the Agreement. All Orders are subject to acceptance by Honeywell and shall include the following information: purchase order number; customer's legal name and billing address; Customer's shipping address; and a list of the Products and quantities for each different type of Product Customer wishes to order. Honeywell's acknowledgment of its receipt of an Order shall not constitute acceptance of such Order.
 - 1.1 **No Returns.** Because of the nature of System and its Products, Honeywell cannot accept returns of Product for refund, credit, exchange or any other purpose. Notwithstanding, defective Products may be returned as provided for under Section 9.4 – Return Material Authorization Process. Customer must thoroughly assess its requirements and specifications prior to ordering.
2. **REMITTANCES.** All invoices shall be due and payable upon receipt in United States currency, free of exchange or any other charges, or as otherwise agreed in writing by Honeywell.
3. **QUOTE PRICING.** This proposal expires 30 days after its date. Prices are subject to correction for error. Prices, terms, conditions, and Product or Service specifications are subject to change without notice. Pricing is subject to immediate change upon announcement of Product discontinuance.
4. **PAYMENT.**
 - 4.1. **Invoicing & Payment.** Honeywell reserves the right to invoice Customer monthly for all materials delivered. Invoices are due thirty (30) days from the date of the invoice, unless prepayment is required in the quote. If the Customer becomes overdue in any progress payment, Honeywell shall be entitled to suspend further shipments, shall be entitled to interest at the annual rate of 18%, or the maximum amount allowed by law, and shall also be entitled to avail itself of any other legal or equitable remedies. Customer agrees that it will pay and/or reimburse Honeywell for any and all reasonable attorneys' fees and costs which are incurred by Honeywell in the collection of amounts due and payable hereunder.
 - 4.2. **Payment Disputes.** Any disputes must be provided to Honeywell as soon as possible and must be accompanied by detailed supporting information. Disputes as to invoices are deemed waived fifteen (15) days following the invoice date. In the event that any portion of an invoice is undisputed, such undisputed amount must be paid by no later than the invoice due date.
 - 4.3. **No Set Off.** Neither Customer nor any related entities (or representatives or agents thereof) shall attempt to set off or recoup any invoiced amounts or any portion thereof against other amounts that are due or may become due from Honeywell, its parent, affiliates, subsidiaries or other legal entities, business divisions, or units.
 - 4.4. **Credit Card Payments.** All Honeywell quotes are developed for the Customer with the understanding that any purchase of the Products listed thereon will facilitated using to Honeywell's standard Purchase Order and Invoice process. If Customer would rather seek to use a Credit Card for purchase, then said order would be subject to a 4% credit card surcharge.
5. **SURCHARGES.**
 - 5.1. For avoidance of doubt, Orders placed prior to the Terms and Conditions Effective Date which have not been delivered, including those on backlog or which requested delivery more than twelve (12) months from the date of Order, are subject to Surcharges.
 - 5.2. Honeywell will invoice Customer, and Buyer agrees to pay for any Surcharges pursuant to the standard payment terms in these Terms and Conditions. If a dispute arises with respect to Surcharges and that dispute remains open for more than fifteen (15) days, Honeywell may, in its sole discretion, withhold performance or future shipments, or combine any other rights and remedies under this Agreement or permitted by law, until the dispute is resolved. The terms of this Section shall prevail in the event of inconsistency with any other terms in these Terms and Conditions. Any Surcharges, as well as the timing, effectiveness, and method of determination thereof, will be separate from and in addition to any changes to pricing that are affected by any other provisions in these Terms and Conditions.
6. **CANCELLATION AND SUSPENSION.** Any Order resulting from this proposal is subject to cancellation or instructions to suspend work by the Customer only upon agreement to pay Honeywell for all work in progress, all inventoried or ordered project parts and materials, and all other costs incurred by Honeywell related to the Order.

7. **TAXES.** Honeywell's pricing excludes all taxes (including but not limited to sales, use, excise, value-added, and other similar taxes), tariffs and duties (including, but not limited to, amounts imposed upon the Product(s) or bill of material thereof under any Trade Act, including, but not limited to, the Trade Expansion Act, section 232 and the Trade Act of 1974, section 301) and charges (collectively "Taxes"). All Taxes of any kind levied by any federal, state, municipal or other governmental authority, which tax Honeywell is required to collect or pay with respect to the production, sale, or delivery of products sold to Customer, shall be the responsibility of and be invoiced to Customer, unless, at the time of Order placement, Customer furnishes Honeywell with a valid exemption certificate or other documentation sufficient to verify exemption from Taxes, including, but not limited to, a direct pay permit. Customer agrees to pay all such Taxes and further agrees to reimburse Honeywell for any such payments made by Honeywell.
8. **SHIPPING/DELIVERY/RISK OF LOSS.**
- 8.1. **Delivery Liability.** Delivery and shipment dates for Products are estimates only. Deliveries may be made in partial shipments. Honeywell and its affiliated entities are not liable, either directly or indirectly, for delays of carriers or delays in connection with any Force Majeure Event (as defined in Section 17 below), and the estimated delivery date shall be extended accordingly.
- 8.2. **Future Delivery and Repricing.** Honeywell will schedule delivery in accordance with its standard lead times unless the Order states a later delivery date or the parties otherwise agree in writing. Honeywell will accept Orders with a future ship date of up to eighteen (18) months from the date of the entry of the Order. Customer agrees that in the event an Order is scheduled to be delivered more than six (6) months from the date of the entry of the Order, Honeywell may, in its sole determination and at each six (6) month anniversary of the date of the entry of the Order, adjust the pricing of the Order to conform to the then-current prices of the Honeywell Products included in the Order. Honeywell will include any repricing in its final invoice related to the Order.
- 8.3. **Storage Fees.** If delivery takes place more than six (6) months from the date of the entry of the Order, Customer agrees to pay Honeywell a storage fee (the "Storage Fee"), as set forth in the quote, for each month after six (6) months from the date of the entry of the Order. Customer has not taken delivery of the Products in the Order. Honeywell will separately invoice any storage fees owed under this Section at the end of each month for which the storage fees are owed.
- 8.4. **Title & Risk of Loss.** Unless otherwise specifically detailed in this quote, delivery terms for Products (excluding software and services) are (i) EX Works (EXW Incoterms 2020) Honeywell's point of shipment ("Honeywell Dock") for all shipments (except that Honeywell is responsible for obtaining any export license), and (ii) F.O.B. Honeywell Dock for all domestic shipments. For shipments from a Honeywell Dock to a Buyer location within the same country, the import/export provisions of the INCOTERMS do not apply. Honeywell shall be responsible for obtaining insurance on each shipment to Customer for the full value of the shipment. Shipment shall be to a single point of delivery.
9. **LIMITED WARRANTY.** CUSTOMER'S EXCLUSIVE REMEDIES AND HONEYWELL'S SOLE LIABILITY AS TO ANY WARRANTY CLAIM ON ANY PRODUCT SOLD IN CONNECTION WITH THIS QUOTE IS AS SET FORTH IN THIS SECTION. SUCH REMEDIES ARE IN LIEU OF ANY OTHER LIABILITY OR OBLIGATION OF HONEYWELL, INCLUDING WITHOUT LIMITATION ANY LIABILITY OR OBLIGATION FOR DAMAGE, LOSS, OR INJURY (WHETHER DIRECT, INDIRECT, EXEMPLARY, SPECIAL, CONSEQUENTIAL, PUNITIVE OR INCIDENTAL) ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY, USE, OR PERFORMANCE OF THE PRODUCTS. CREDIT, REPAIR OR REPLACEMENT (AT HONEYWELL'S OPTION) IS THE SOLE REMEDY PROVIDED HEREUNDER. NO EXTENSION OF THIS WARRANTY WILL BE BINDING UPON HONEYWELL UNLESS SET FORTH IN WRITING AND SIGNED BY A HONEYWELL AUTHORIZED REPRESENTATIVE.
- 9.1. **Product Warranty Terms.** Subject to the terms, conditions and limitations contained herein, and unless Honeywell has otherwise provided an alternative written warranty (in which case the terms of such warranty will control), Honeywell warrants and guarantees its products will be free from defects in workmanship and materials (collectively, "Defects") for 12 months from Customer's the "Go Live Date" ("Warranty Period"). This limited warranty does not cover defects caused by normal wear and tear or maintenance. For purposes of subparagraph, "Go-Live Date" shall mean the date on which an authorized Honeywell technician has inspected and approved installations, confirmed that all connections and start-up configurations are properly working, and confirming the System can send and receive alerts through the configured communication pathways.
- 9.2. **Product Defects.** If a Defect with a Product arises and a valid claim is made within the Warranty Period, Customer shall initiate the RMA process as described below. Upon approval, Honeywell at its option, will either (1) repair the Product defect at no charge, using new parts or parts equivalent to new in performance and reliability or (2) exchange the Product with a Product that is new or equivalent to new in performance and reliability and is at least functionally equivalent to the original Product. Any replacement Product or part, including a user-installable part that has been installed in accordance with instructions provided by Honeywell, shall remain under warranty during the Warranty Period or for ninety (90) days from the date of repair, whichever is longer. When a Product or part is exchanged, any replacement item becomes the Customer's property and the replaced item becomes the property of Honeywell. Parts provided by Honeywell in fulfillment of its warranty obligation must be used in the same Honeywell Fire Station Alerting System for which the warranty claim is made.

9.3. Procedure for Warranty Claims.

9.3.1. Prior to making a Warranty claim, Customer is encouraged to review Honeywell's online help resources. Thereafter, to make a valid claim hereunder, Customer must contact Honeywell technical support and describe the problem or defect with specificity. The first such contact must occur during the Warranty Period. Honeywell's technical support contact information can be found on Honeywell's web site at <https://buildings.honeywell.com/us/en/brands/our-brands/usdd>. Customer must use its best efforts to assist in diagnosing defects, follow Honeywell's technical instructions, and fully cooperate in the diagnostic process. Failure to do so shall relieve Honeywell of any further obligation hereunder.

9.3.2. If a defect with the Hardware arises and Customer makes a valid Support Service Request within the Warranty Period, Customer shall initiate the RMA process as described below. Upon approval, Honeywell will cause shipment of a replacement Hardware component to Customer prior to the defective Hardware component being returned to Honeywell for repair. The replacement Hardware will be new or equivalent to new in performance and reliability and at least functionally equivalent to the original Hardware. When Hardware is exchanged, any replacement item becomes the Customer's property and the replaced item becomes the property of Honeywell. Replaced Hardware provided by Honeywell in fulfillment of the Support Services must be used in the System to which this Agreement applies.

9.4. Return Material Authorization Process. If a Customer makes a claim for an advanced replacement of a Hardware component during the Warranty Period, Customer must initiate an RMA request. As part of this RMA process, the Customer shall provide Honeywell with the Hardware, model, serial number, and a description of the Hardware's failure to initiate the RMA process. Upon Honeywell's issuance of the RMA, Honeywell will send the replacement Hardware, shipped postage paid, ground shipping, to the address provided by Customer. RMA requests approved between 12:00 a.m. and 2:00 p.m. Mountain Standard Time are shipped on the same business day. After 2:00 p.m. Mountain Standard Time, the replacement Hardware will be shipped on the next business day. All RMA requests are processed on the business day on which the request was received, excluding holidays. Included with the shipped package will be return shipment instructions and a pre-paid return shipping label for the Hardware that the Customer is returning. The original Hardware must be returned in the shipping box provided by Honeywell. No goods will be accepted for exchange or return without a pre-approved RMA number, nor will goods which have not been properly packaged in Honeywell's shipping box, as proper packaging ensures that goods are not damaged during the shipping process. The original Hardware must be shipped back within 10 days of receiving the replacement Hardware. Failure to return the original Hardware or failure to return the original Hardware in an appropriate manner will cause Customer to incur a replacement charge equal to full market value of the replacement Hardware.

9.5. No Fault Found. Customer understands that this fee is intended to discourage return of Products prior to proper troubleshooting or return because the product is "old." Product returns will not be allowed if, upon examination of the returned Product, it is determined that the Product was subjected to accident, misuse, neglect, alteration, improper installation, unauthorized repair, improper testing, or poor packaging upon return. In such event, Honeywell shall invoice Customer for the full market value of the replacement Product.

9.6. WARRANTY EXCLUSIONS & DISCLAIMERS.

9.6.1. Honeywell does not warrant that the operation of its Products or any related peripherals will be uninterrupted or error-free. Honeywell further does not warrant nor support any system configuration that deviates from this specific quote's documented station system design file number.

9.6.2. Honeywell does not warrant or support any system not installed by G2 Trained & Certified Installation technician (installer). If Customer intends to tie this system into any 3rd-party system or devices, Honeywell will be unable to warrant or support the Products unless Honeywell has had a chance to review documented engineering assumptions and approve system integrity, performance, and reliability expectations.

9.6.3. Honeywell is not responsible for damage arising from Customer's failure to follow instructions relating to the use of the Products. This Warranty does not apply to any Products, including the hardware or software, not used for its intended purpose.

9.6.4. Honeywell cannot warrant nor support any system not using Honeywell-approved Uninterruptable Power Supply Battery Backup. This Warranty does not apply to monitors or televisions manufactured by third parties. Repair or replacement of such components shall be subject exclusively to the manufacturer's warranty, if any. Recovery and reinstallation of hardware and user data (including passwords) are not covered under this Warranty.

9.6.5. This Warranty does not apply: (a) to consumable parts, such as batteries, unless damage has occurred due to a defect in materials or workmanship; (b) to cosmetic damage, including but not limited to scratches, dents and broken plastic on ports; (c) to damage caused by use with non-Honeywell products; (d) to damage caused by accident, abuse, misuse, flood, lightning, fire, earthquake or other external causes; (e) to damage caused by operating the Product outside the permitted or intended uses described by Honeywell; (f) to damage or failure caused by installation or service (including upgrades and expansions) performed by anyone who is not a representative of Honeywell or a Honeywell authorized installer or service provider; (g) to a Product or part that has been modified to alter functionality or capability without the written permission of Honeywell; (h) to Software (as defined below); (i) to any other damage caused by an event or action outside of Honeywell's control, including, without limitation, Customer's failure to apply required or recommended updates or patches to any Software or Product; or (h) if any serial number has been removed or defaced.

10. **LIMITATIONS OF LIABILITY.** TO THE EXTENT PERMITTED BY LAW, THE LIMITED WARRANTY IN SECTION 9 OF THESE TERMS AND CONDITIONS AND ANY OTHER REMEDIES SET FORTH ABOVE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, REMEDIES AND CONDITIONS, WHETHER ORAL OR WRITTEN, STATUTORY, EXPRESS OR IMPLIED. AS PERMITTED BY APPLICABLE LAW, **HONEYWELL SPECIFICALLY DISCLAIMS ANY AND ALL STATUTORY OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND WARRANTIES AGAINST HIDDEN OR LATENT DEFECTS.** If Honeywell cannot lawfully disclaim statutory or implied warranties, then to the extent permitted by law, all such warranties shall be limited in duration to the duration of this express Warranty and to repair or replacement service as determined by Honeywell in its sole discretion. No reseller, agent, or employee is authorized to make any modification, extension, or addition to this Warranty. If any term is held to be illegal or unenforceable, the legality or enforceability of the remaining terms shall not be affected or impaired.
- EXCEPT AS PROVIDED IN THE LIMITED WARRANTY IN SECTION 9 OF THESE TERMS AND CONDITIONS, AND TO THE EXTENT PERMITTED BY LAW, HONEYWELL IS NOT RESPONSIBLE FOR INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES RESULTING FROM ANY BREACH OF WARRANTY OR CONDITION, OR UNDER ANY OTHER LEGAL THEORY, INCLUDING BUT NOT LIMITED TO LOSS OF USE; LOSS OF REVENUE; LOSS OF THE USE OF MONEY; LOSS OF ANTICIPATED SAVINGS; LOSS OF GOODWILL; LOSS OF REPUTATION; AND LOSS OF, DAMAGE TO OR CORRUPTION OF DATA. HONEYWELL IS NOT RESPONSIBLE FOR ANY INDIRECT LOSS OR DAMAGE HOWSOEVER CAUSED, INCLUDING THE REPLACEMENT OF EQUIPMENT AND PROPERTY, ANY COSTS OF RECOVERING PROGRAMMING OR REPRODUCING ANY PROGRAM OR DATA STORED OR USED WITH HONEYWELL PRODUCTS, AND ANY FAILURE TO MAINTAIN THE CONFIDENTIALITY OF DATA STORED ON THE PRODUCT.
- L PRODUCT CLAIMS ARE LIMITED TO THOSE EXCLUSIVE REMEDIES SET FORTH IN THE LIMITED WARRANTY IN SECTION 9 OF THESE TERMS AND CONDITIONS. HONEYWELL'S AGGREGATE LIABILITY IN CONNECTION WITH THEREWITH SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCTS PAID BY CUSTOMER TO HONEYWELL FOR THE PRODUCTS GIVING RISE TO THE CLAIM. Honeywell disclaims any representation that it will be able to repair any Hardware under this Warranty or make a product exchange without risk to or loss of the programs or data stored thereon.
11. **SERVICE AGREEMENT.** The Product being purchased hereunder is not subject to any post-Warranty service agreement or maintenance program unless specifically contracted for between Honeywell and Customer. Honeywell offers a comprehensive post-Warranty Service Agreement at additional cost. Customer should contact Honeywell regarding its Service Agreement and costs associated therewith.
12. **SOFTWARE PRODUCTS.** All software Products delivered by Honeywell to Customer or for which Honeywell provides access, including, without limitation, Honeywell's mobile application software and Products with embedded software or firmware (collectively, "Software") are not sold and are licensed. At all times that Customer is in compliance with the terms of these Terms and Conditions and any other agreement between the parties, Customer shall have a non-exclusive, non-transferable, fully paid license to use the Software, but only in conjunction with the Products provided by Honeywell and Customer's fire station alerting system (the "License"). The terms of such Software License may be set forth in a separate software license agreement or end user license agreement provided by Honeywell with such Software. In no event shall Customer have any right to (or authorize or allow any third party to) distribute, sell, lend, rent, transfer, or convey the Software; grant any sublicense, lease, or other rights in the Software; decompile, disassemble, reverse engineer, or otherwise attempt to reconstruct, identify, or discover any source code, underlying user interface architecture or techniques, or algorithms of the Software by any means; or take any action that would cause the Software or any portion of it to be placed in the public domain. In the event of a conflict between the terms of any Software license terms provided upon download or purchase a purchase and these Terms and Conditions, the relevant Software license terms shall control solely with respect to such Software.
13. **INTELLECTUAL PROPERTY:** Customer hereby agrees and acknowledges that Honeywell owns all rights, title, and interest in and to the Intellectual Property (as defined below). Customer agrees to not remove, obscure, or alter Honeywell's or any third party's copyright notice, trademarks, or other proprietary rights notices affixed to or contained within or accessed in conjunction with or through Honeywell's Product (as defined below). Nothing herein shall be deemed to give, transfer, or convey to Customer any rights in the Intellectual Property other than the License, as set forth above. For purposes of this Section, "Intellectual Property" means any and all rights of Honeywell related to Honeywell's Products existing from time to time under patent law, copyright law, trade secret law, trademark law, unfair competition law, and any and all other proprietary rights, and any and all derivative works, work product, applications, renewals, extensions and restorations thereof, now or hereafter in force and effective worldwide.
14. **FIRST ARRIVING MOBILE APP.** If Customer wishes to use its First Arriving Mobile App ("First Arriving") with the System being acquired from Honeywell, Customer agrees to the following:
- 14.1 Customer acknowledges that it bears full responsibility for complying with applicable law and resultations, including all privacy requirements, and for providing any required notices and obtaining all required consents in order for Honeywell to transmit alert to First Arriving. Customer also acknowledges that Honeywell bears no responsibility for any service failure by First Arriving, nor is Honeywell responsible for supporting First Arriving's services or platform. Honeywell is offering to transmit alerts that are transmitted through its Honeywell service to First Arriving merely as a courtesy to Customer.

14.2 IN NO EVENT SHALL HONEYWELL BE LIABLE TO CUSTOMER FOR ANY CLAIMS, WHETHER ARISING FROM ANY INDEMNIFICATION OBLIGATION HONEYWELL MAY HAVE OR THAT ARISE FROM A BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), OPERATION OF LAW, OR OTHERWISE, AND EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF THE LIABILITY OR THE LIABILITY IS OTHERWISE FORESEEABLE, FOR ANY LOST PROFITS OR REVENUE, SPECIAL, INCIDENTAL, INDEIRECT, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY KIND (INCLUDING ALL DAMAGES DUE TO BUSINESS INTERRUPTION, LOSS OR CORRUPTION OF DATA, OR LOST USE OF ANY PROPERTY OR CAPITAL) THAT RELATE TO OR ARISE OUT OF HONEYWELL'S TRANSMISSION OF ALERTS TO FIRST ARRIVING. FURTHER HONEYWELL'S AGGREGATE LIABILITY IN CONNECTION WITH ITS TRANSMISSION OF ALERTS TO FIRST ARRIVING WILL BE LIMITED TO THE GREATER OF THE AMOUNT PAID BY CUSTOMER TO HONEYWELL IN ORDER FOR HONEYWELL TO TRANSMIT ALERTS TO FIRST ARRIVING OR \$100.

15 **REMOTE ACCESS TO THE SYSTEM.**

15.1 **Remote Access.** Honeywell requires remote network access to the Customer's Products through Secure Shell (SSH) to perform implementation and support tasks under this Agreement. To enable remote network access, the Customer will provide Honeywell support personnel VPN or similar remote network access to the Products for Honeywell support personnel ("**Customer Support**") to effectively troubleshoot critical or complex problems and to expedite resolution of such issues. Remote network access is also used to install core software upgrades and customized software. Honeywell will only access Customer's Products with the knowledge and consent of Customer. Honeywell will not access any other systems or data.

15.2. **Alternative to Network Access.** If the Customer elects not to provide remote network access to the Products, then Honeywell may not be able to perform some support functions. Customers that elect not to routinely provide network access may temporarily reinstate this access to allow Honeywell to perform the above services. The following services will not be performed without this access: Product software upgrades; Product software customization; Network troubleshooting assistance including packet capture and network monitoring on Honeywell devices; Detailed log analysis; Bulk updates to certain Product database tables; Troubleshooting that requires low-level system access or large file transfer.

15.3. **Timely Access.** Customers must ensure that remote access is available prior to notifying Honeywell of a support request. In the event that the Customer is unable to provide remote access, Honeywell will not be required to provide support outside those tasks that do not require remote access, and any corresponding resolution response times will not apply.

15.4. **Physical Security Tokens.** Honeywell has multiple software engineers that provide after-hours support and these engineers do not typically take security tokens from the Honeywell office. If the customer requires the use of physical security tokens, this may delay after hours service.

16. **GOVERNING LAW.** This proposal and any contract or agreement resulting therefrom will be governed by and construed according to the laws of the State of Arizona without regard to its conflicts of law principles.

17. **DISPUTE RESOLUTION/ARBITRATION.** Before either Honeywell or Customer initiate any dispute resolution process related to the Agreement, they must schedule an executive resolution conference to be held within thirty (30) days of receipt of the other party's written request. The conference must be attended by at least one executive from each party. At the conference, each party will present its view of the dispute in detail and the executives will enter into good faith negotiations in an attempt to resolve the dispute. If the dispute is not resolved within fifteen (15) days of the end of the conference or if one party refuses to attend the executive resolution conference, then Honeywell and Customer further agree that any remaining dispute between them arising out of or relating to this Agreement will be settled by litigation with jurisdiction being Maricopa County, Arizona.

18. **FORCE MAJEURE.** Except for Customer's duty to pay sums due hereunder, neither party will be liable to the other for any failure to meet its obligations due to any Force Majeure Event. As used herein, a "Force Majeure Event" is one that is beyond the reasonable control of the non-performing party and may include, but is not limited to: (a) delays or refusals to grant an export license or the suspension or revocation thereof, (b) embargoes, blockages, seizure or freeze of assets, or any other acts of any government that would limit a party's ability to perform the Contract, (c) fires, earthquakes, floods, tropical storms, hurricanes, tornadoes, severe weather conditions, or any other acts of God, (d) quarantines, pandemics, or regional medical crises, (e) labor strikes, lockouts, or pandemic worker shortages, (f) riots, strife, insurrection, civil disobedience, landowner disturbances, armed conflict, terrorism or war, declared or not (or impending threat of any of the foregoing, if such threat might reasonably be expected to cause injury to people or property), and (g) shortages or inability to obtain materials or components. The party unable to fulfill its obligations due to Force Majeure will promptly (i) Notify the other in writing of the reasons for its failure to fulfill its obligations and the effect of such failure; and (ii) Use all reasonable efforts to avoid or remove the cause and perform its obligations.

If a Force Majeure Event results in a delay, then the date of performance will be extended by the period of time that the non-performing party is actually delayed or for any other period as the parties may agree in writing. In the event that a Force Majeure Event is ongoing for a period of time which is sixty (60) days or longer, Honeywell may provide notice to Customer that it is cancelling its Order.

19. **ACCEPTANCE OF TERMS.** This proposal shall become a binding contract between the Customer and Honeywell when accepted in writing by the Customer. Without limiting the foregoing, issuance by Customer of a purchase order to Honeywell for any of the goods or services herein described shall constitute acceptance.

20. **SEVERABILITY.** In the event any provision or portion of a provision herein is determined to be illegal, invalid, or unenforceable, the validity and enforceability of the remaining provisions shall not be affected and, in lieu of such provision, a provision as similar in terms as may be legal, valid, and enforceable shall be added hereto.

21. **WAIVER.** The failure of either party to insist upon strict performance of any provision of these Terms and Conditions, or to exercise any right provided for herein, shall not be deemed to be a waiver for the future of such provision or right, and no waiver of any provision or right shall affect the right of the waiving party to enforce any provision or right herein.

22. **NO JOINT VENTURE.** The parties acknowledge that they are independent entities and nothing contained in these Terms and Conditions shall be construed to constitute either party hereto as the partner, joint venturer, employee, agent, servant, franchisee, or other representative of the other party hereto, and neither party has the right to bind or obligate the other, except as otherwise provided herein. Furthermore, nothing contained in these Terms and Conditions shall be construed to constitute Customer as an exclusive purchaser of the Products in any respect.

THIS QUOTE SUBJECT TO REVIEW FOR ERRORS AND OMISSIONS.



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: October 15, 2025
SUBJECT: Proposed Revision to Chapter 2.16 of the City Ordinance regarding the Purchasing System and Procedures
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Request the City Attorney to read the title of the ordinance;
2. Motion to waive further reading of the ordinance;
3. Introduce and hold the first reading of a revision to Chapter 2.16 of the City Ordinance regarding the Purchasing System and Procedures
4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.
5. Approve the Resolution establishing dollar limits for approval of contracts for specified employee classifications.

DISCUSSION

Staff is proposing a few minor changes to the City's current ordinance regarding its Purchasing System and Procedures, including:

- Defining the Purchasing Agent as the City Manager and/or his or her designees
- Increasing the amount when City Council authorization is required for a purchase from \$40,000 as of July 1, 2020 to \$50,000 as of July 1, 2025, based upon the changes in the Bay Area Consumer Price Index over the past five fiscal years (rounded up in accordance with the ordinance to the nearest \$5,000)
- Indicating that the price of bids, for projects involving the use of federal or state grant funds, cannot be reduced for purposes of evaluation by the amount of sales tax received by the City from the transaction.
- That written reports of all purchases made shall be provide to the Council in the form of a check register on a monthly basis.

In addition, staff has developed a Resolution for Council consideration that would establish dollar limits for approval of contracts for specified employee classifications.

OPTIONS

- Approve ordinance and resolution
- Provide alternate direction

FINANCIAL IMPACT:

There is no fiscal impact to the adoption of the resolution and proposed revisions to this ordinance.

FOCUSED PRIORITY AREA: Financial Sustainability

Attachments

Proposed Ordinance with Redline Changes

Clean Version of Proposed Changes

Purchasing Resolution

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING
CHAPTER 2.16 PURCHASING SYSTEM AND PROCEDURES**

FACTS

1. The City had previously adopted Chapter 2.16 regarding its purchasing system and procedures
2. Staff has proposed several changes to these purchasing procedures, which have been incorporated into a revised Chapter 2.16 for consideration by Council.
3. A summary of the ordinance, approved by the City Attorney, was published on _____.
4. 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.
5. 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 a revised Chapter 2.16 regarding its purchasing system and procedures, which is attached to this Ordinance

SECTION 3. This Ordinance shall become effective 30 days after the second reading of this Ordinance (“Effective Date”).

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

5th day of November, 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

Chapter 2.16

PURCHASING SYSTEM AND PROCEDURES

Sections:

2.16.010 Purchasing procedures by city manager.

The city manager is the city's purchasing agent, who can also designate these duties to the Administrative Services Department and other specified employees. He or she or their designees shall establish the procedures and forms to carry out such duty in accordance with the charter and this chapter. [Ord. 1405 N.S. § 2, 1984].

2.16.020 Applicability of chapter.

All purchases of and contracts for supplies, services, materials, equipment and public works by the city, or by an officer or employee thereof, shall be made only in accordance with and pursuant to the provisions of this chapter. [Ord. 1405 N.S. § 2, 1984].

2.16.030 Encumbrance of funds.

A purchase order for supplies, services, materials or equipment shall not be issued unless there exists an unencumbered appropriation in the fund against which the purchase is to be charged. [Ord. 1405 N.S. § 2, 1984].

2.16.040 Declaration of policy.

A centralized purchasing system for all departments is adopted in order:

- (a) To secure supplies, services, materials and equipment at the lowest possible cost commensurate with quality needed;
- (b) To exercise positive financial control over purchases;
- (c) To define authority for the purchasing function;
- (d) To assure the quality of purchases. [Ord. 1405 N.S. § 2, 1984].

2.16.050 Estimates of requirements.

Departments shall file detailed estimates of their requirements for supplies, services, materials and equipment in such manner, at such times, and for such future periods as the purchasing agent or their designees shall prescribe. For the remainder of this document, the purchasing agent or their designees shall be referred to as the "Agent." [Ord. 1405 N.S. § 2, 1984].

2.16.060 Requisitions.

All departments shall submit to the purchasing agent requests for supplies, services, materials and equipment in such manner, at such times, and on such requisition forms as the purchasing agent shall prescribe. [Ord. 1405 N.S. § 2, 1984].

2.16.070 Purchase orders.

All departments shall purchase supplies, services, materials and equipment only in such manner, at such times, and by such purchase order forms as the ~~purchasing agent~~Agent shall prescribe. Purchase orders shall be required for all expenditures. [Ord. 1405 N.S. § 2, 1984].

2.16.080 Bidding procedures – Dispensation when.

Purchase of supplies, services, materials and equipment shall be by quotation or bid procedures as set forth in this chapter. Such procedures may be dispensed with by the purchasing agent, in his or her sole discretion and judgment as to the best interest of the city, as follows:

- (a) When an emergency requires that an order be placed immediately with the nearest available source of supply;
- (b) When the amount involved is less than \$2,000;
- (c) When the supply, service, material or equipment can be obtained from only one vendor or supplier;
- (d) When a service, such as that available from an attorney, accountant, architect or specialized consultant, involves a specialized knowledge or personal skill;
- (e) When supplies or equipment, such as communication systems, traffic signals, and parking meters, have been uniformly adopted in the city or otherwise standardized;
- (f) When the supplies, equipment or materials are such that suitable technical or performance specifications are not ~~available~~available, and the city is unable to develop descriptive specifications;
- (g) When the article can be purchased more economically through the central purchasing authority of another governmental agency;
- (h) When specific used supplies, materials or equipment will best serve the city's needs; or
- (i) When reasonably necessary for the preservation or protection of public peace, health, safety or welfare of persons or property.

Provided, that even when procedures are dispensed with hereunder, council approval, by resolution, shall be required for purchases ~~in excess of more than~~ the maximum amount for which the ~~purchasing agent~~Agent is authorized, as specified in Article II of this chapter. [Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

2.16.090 Competitive negotiation.

As an alternative to the procedures set out in Articles II and III of this chapter, in the case of obtaining consulting and other specialized personal services, those services may be obtained by competitive negotiations. When this process is utilized, the best offer judged against proposal evaluation shall be accepted. Any offer exceeding the maximum amount for which the ~~purchasing agent is~~Agent is authorized, as specified in Article II of this chapter, shall require council approval by resolution prior to acceptance. [Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

2.16.100 Lowest responsible bidder – Determining.

For the purpose of this chapter, in addition to price, the “lowest responsible bidder” will be determined after the following factors have been considered:

- (a) The ability, capacity and skill of the bidder to perform the contract or provide the service required;
- (b) Whether the bidder has the facilities to perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- (c) The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- (d) The bidder's record or performance of previous contracts or services;
- (e) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- (f) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- (g) The quality, availability and adaptability of the supplies, equipment, materials or services to the particular use required;
- (h) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- (i) The number and scope of conditions attached to the bid.

In the event the lowest bidder is rejected, the ~~purchasing agent~~Agent or council, ~~as the case may be,~~ ~~shall~~ shall provide the lowest bidder with written explanation and/or findings regarding the rejection.

(j) In the case of a bid received from a bidder, a portion of whose sales tax is paid to the city, the ~~purchasing agent~~Agent shall calculate the actual cost to the city of accepting such bid. Said actual cost shall be the bid amount less sales tax revenue which would be received by the city were the city to accept such bid. Said actual cost shall be the price utilized by the city, in addition to the other factors set out in this section, in determining the lowest responsible bidder. This provision does not apply to any purchases involving the use of State or Federal grant funds, including pass through funds

(k) Local Business Preference :

(1) Local bidders must bid with the same specification as required of ~~nonlocal~~non-local bidders.

(2) Where competitive bidding is utilized for the purchase of supplies, equipment, materials or general services as specifically set forth in this section, the city shall grant preference to a local bidder who submits a quote or bid within five percent of the lowest responsible bidder and who is otherwise responsive and responsible to the invitation for bids.

(3) Where the lowest responsible bidder is not a local business, the purchasing officer shall provide the lowest responsible local business bidder, should one exist and its bid is within five percent of the lowest

responsible bidder, with notice and an opportunity to reduce its bid to match that of the lowest responsible bidder.

(4) Upon notice being provided pursuant to this section, the local business shall have two full business days to provide written notice to the purchasing officer of its desire to match the lowest bid.

(A) In the event the local business elects to match, the contract will be awarded to the local business.

(B) In the event the local business provided the opportunity to match does not opt to match the lowest responsible bid, the award of the contract shall be given to the lowest responsible bidder.

(5) In instances where a local business and a nonlocal business submit equivalent lowest responsible bids, the purchasing officer shall give preference to the local business.

(6) All notices required under this section may be made orally, in writing or electronically.

(7) The application of a local preference as set forth in this section shall only apply if factors such as quality, previous performance, and availability are equal among bidders.

(8) Local preference shall not apply to any procurement of public work, purchases procured under federal or state requirements, cooperative purchases with other agencies, or where prohibited by other specific directive.

(9) No Exemption From Local Sales Tax. The application of a local preference as set forth in this section shall not exempt any eligible local business to which a contract is executed or awarded from having to pay all applicable federal, state or local sales tax.

(10) Local Business Defined. For purposes of this section, a “local business” means a business enterprise including, but not limited to, a sole proprietor, partnership, or corporation which has the following:

(A) A valid business license issued from the city; and

(B) Has a place of business with a physical address located within the jurisdictional limits of the city at least six months prior to publication of the call for bids and has at least one full-time employee located at the city business address. [Ord. 21-030 § 2, 2021; Ord. 1828 N.S. § 1, 1992; Ord. 1405 N.S. § 2, 1984].

2.16.110 Surplus supplies and equipment.

All using departments shall submit to the ~~purchasing agent~~Agent, at such time and in such form as he or she shall prescribe, reports showing all supplies and equipment which are no longer ~~used~~used, or which have become obsolete or worn out. The ~~purchasing agent~~Agent shall have authority to sell all supplies and equipment which cannot be used by any ~~department~~department, or which have become unsuitable for city use, or to exchange the same for, or trade in the same on, new supplies and equipment. The ~~purchasing agent~~Agent shall utilize all appropriate means to realize maximum return possible on such sales, exchanges and trades. [Ord. 1405 N.S. § 2, 1984].

2.16.120 Inspection – Testing.

The ~~purchasing agent~~Agent shall inspect supplies and equipment delivered and contractual services performed, to determine their conformance with the specifications set forth in the order or contract. The

~~purchasing agent~~Agent shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications. [Ord. 1405 N.S. § 2, 1984].

2.16.130 Illegal contracts – Interest by city employee, officer.

(a) No officer or employee of the city shall be or become directly interested in any contract work, or business, or in the sale of any article, the expense, price or consideration of which is payable from the city treasury, nor shall such officer or employee receive any gratuity or advantage from any contract or person furnishing labor or material for same.

(b) Any contract with the city in which any officer or employee is or becomes interested may be declared void by the council.

(c) The following shall be exempt from the provisions of this section:

(1) Members of city volunteer and reserve organizations who are not also full- or part-time employees of the city;

(2) Members of city boards, commissions and committees.

(d) The provisions of this section shall not be construed ~~so-as-to~~ excuse compliance with state laws regulating conflicts of interest. [Ord. 1910 N.S. § 1, 1993; Ord. 1405 N.S. § 2, 1984].

2.16.140 Interference with bidding procedure by officer or employee.

No officer or employee of the city shall aid or assist a bidder in securing a contract to furnish labor, materials, supplies, equipment or services, at a higher price or rate than that proposed by any other bidder, or favor one bidder over another, or give or withhold information from any bidder not given or withheld from all other bidders, or willfully mislead any bidder in regard to the character of the materials or supplies called for, or knowingly accept materials, supplies or equipment of a quality inferior to that called for by the contract, or knowingly certify to a greater amount of labor performed or materials, supplies or equipment furnished, than has respectively been performed or received. [Ord. 1405 N.S. § 2, 1984].

2.16.150 Officer defined.

The term “officer” as used in PGMC [2.16.130](#) and [2.16.140](#) shall include the mayor, councilmembers, city clerk, city manager, city treasurer, city attorney, members of boards, commissions and committees, and assistants, if any, to the clerk, manager, treasurer and attorney. [Ord. 1405 N.S. § 2, 1984].

2.16.155 Exemption from Public Contract Code.¹

Except as provided in this code or pursuant to agreement approved by the city council, the city of Pacific Grove, as a charter city, is exempt from the provisions of the California Public Contract Code. [Ord. 02-26 § 1, 2002].

2.16.157 Optional purchasing procedures for special assessment districts.

When authorized by resolution, the city manager may delegate, or thereafter revoke, purchasing authority under this chapter to an agent selected by the advisory board for any district formed by the city and

operating in accord with California Streets and Highways Code [36500](#). Expenditure of assessment revenues on behalf of the city shall be in accordance with the BID program and budget approved by the city council, but such expenditures may be made without compliance with the city purchasing regulations required by this chapter. The city manager may authorize assessment revenues remitted to the city for that district to be deposited directly with the agent holding delegated purchasing authority pursuant to this section; ~~provided;~~~~provided~~ that the city council has approved the budget and an agreement with the agent regarding program deliverables. The delegated agent shall report to the city manager each receipt or expenditure made under this section. [Ord. 07-020 § 2, 2007].

Article II. Open Market Purchases

2.16.160 Authorized for purchases by the ~~purchasing agent~~Agent.

(a) Purchases of supplies, services, materials, equipment and contractual services, including public works, having an estimated market value under \$~~5035,000~~² may be made by the ~~purchasing agent~~Agent in the open market, as hereinafter described in this article, without observing the formal contract procedures prescribed in Articles III and IV of this chapter. ~~The City Manager may delegate to specified employees the authority to execute contracts up to the amount specified by Resolution.~~

(b) The purchase authority limit set forth in subsection (a) of this section shall be adjusted on July 1st of each fifth fiscal year, starting on July 1, 202~~50~~, by council resolution. The adjustment shall cause an increase or decrease to the purchase limit based upon the cumulative change in the Consumer Price Index (CPI) that occurred since the last adjustment, based upon the "CPI, All Urban Consumers, San Francisco-Oakland-San Jose area; base years 1982-1984 = 100," as published by the U.S. Department of Labor, or any comparable replacement or successor index. For ease of administration, the purchase authority limit set for each following five-year period shall be adjusted by rounding to the nearest \$5,000.

(c) A written report of all purchases ~~made under authority of this section in the form of a check register~~ shall be provided to council on a ~~monthly quarterly~~ basis.

(d) All purchases made under the authority of this section shall be accumulative per subject as per PGM C [2.16.420](#), Splitting projects. [Ord. 22-017 § 4, 2022; Ord. 21-019 § 2, 2021; Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

2.16.170 Quotations – Notice of invitation.

The ~~purchasing agent~~Agent shall invite quotations from prospective sellers, vendors, suppliers or contractors. [Ord. 1405 N.S. § 2, 1984].

2.16.180 Quotations – Submission in writing.

Written quotations shall be submitted to the ~~purchasing officer~~Agent who shall keep a record of all ~~open market~~~~open-market~~ quotations and orders for a period of two years after receipt of such quotations. [Ord. 1405 N.S. § 2, 1984].

2.16.190 Quotations – Number required.

Open market purchases shall be based, wherever reasonably possible, on at least three written quotations. [Ord. 1405 N.S. § 2, 1984].

2.16.200 Quotations – Rejection.

The **purchasing-agentAgent**, in his or her sole discretion, may reject:

- (a) Any quotation that fails to meet the quotation requirements in any respect; or
- (b) All quotations for any reason whatsoever and may invite new quotations. [Ord. 1405 N.S. § 2, 1984].

2.16.210 Award of purchase orders.

Purchase orders shall be awarded by the **purchasing-agentAgent** to the person submitting the lowest responsible quotation except if two or more quotations are received for the same total amount or unit price, quality and service being equal, and further, if in the sole discretion of the purchasing officer the public interest will not permit the delay of inviting new quotations, then the **purchasing-agentAgent** may accept the one he or she chooses or accept the lowest quotation made by negotiation with the persons submitting the tie quotations. [Ord. 1405 N.S. § 2, 1984].

Article III. Purchases in Amounts over the **Purchasing AgentAgent's Authorization**

2.16.220 Formal contract procedure.

Except as otherwise provided herein, purchases and contracts for supplies, services and equipment of estimated market value greater than the maximum amount for which the **purchasing-agentAgent** is authorized, as specified in Article II of this chapter, shall be by contract, approved by the council by resolution or motion, with the lowest responsible bidder pursuant to the procedure prescribed in this article except when such procedures may be dispensed with as defined in Article I of this chapter or as otherwise provided by law. Standard contracts may be used when approved by city attorney and council by resolution or motion. Contracts shall be provided to council prior to approval. Standard contracts may be incorporated by reference into an agenda report with specification of the parties, **termterms**, scope of work, price, and contingencies to extend the term and/or increase the price. (The procedures prescribed in Article IV of this chapter shall be observed in the case of all public works projects, as defined in Article IV of this chapter, involving expenditures greater than the maximum amount for which the **purchasing agentAgent** is authorized, as specified in Article II of this chapter.) [Ord. 22-017 § 4, 2022; Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

2.16.230 Notice inviting bids.

Notice inviting bids shall include a general description of the article(s) to be purchased, shall state where bid blanks and specifications may be secured, and the time and place for opening bids. [Ord. 1405 N.S. § 2, 1984].

2.16.240 Published notice.

Notice inviting bids shall be published at least 10 days before the date of opening of the bids. Notice shall be published once in an official newspaper of the city. [Ord. 1405 N.S. § 2, 1984].

2.16.250 Bidders' list.

The **purchasing-agentAgent** shall also solicit sealed bids from all prospective suppliers known to the **purchasing-agentAgent** as responsible vendors dealing in the product to be purchased. [Ord. 1405 N.S. § 2, 1984].

2.16.260 Bidders' security.

When deemed necessary bidders' security may be prescribed in the notice and solicitation for bids.

Bidders shall be entitled to return of bid security; ~~provided;~~~~provided~~ that a successful bidder shall forfeit his or her bid security upon refusal or failure to execute the contract within 15 calendar days after notice of award of contract has been mailed, unless the city is responsible for the delay. The council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the city to the difference between the low bid and the second lowest bid; the surplus, if any, shall be returned to the lowest bidder. [Ord. 1405 N.S. § 2, 1984].

2.16.270 Bid opening procedure.

Sealed bids shall be submitted to the ~~purchasing agent~~Agent and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the notice. A tabulation of all bids received shall be open for public inspection during regular hours for a period of not less than two years after the bid opening. [Ord. 1405 N.S. § 2, 1984].

2.16.280 Rejection of bids.

The council may reject any and all bids presented and may, in its discretion, readvertise for other bids. [Ord. 1405 N.S. § 2, 1984].

2.16.290 Open market purchase.

After rejecting bids the council may determine and declare by a vote of at least five of its members that the supplies, services, materials or equipment may be purchased at a lower price in the open market, and after adoption of a resolution to that effect, it may direct the ~~purchasing agent~~Agent to so purchase. [Ord. 1405 N.S. § 2, 1984].

2.16.300 Tie bids.

If two or more bids received are for the same total amount or unit price, quality and service being equal and if the public interest will not permit the delay of readvertising for bids, the council shall determine the successful bidder by drawing of lots. [Ord. 1405 N.S. § 2, 1984].

2.16.310 Performance bonds.

The city shall have authority to require a performance bond before entering a contract in such amount as it shall find reasonably necessary to protect the best interest of the city. If the city requires a performance bond, the form and amount of the bond shall be described in the notice of solicitation inviting bids. [Ord. 1405 N.S. § 2, 1984].

Article IV. Public Works Contracts

2.16.320 Written contract.

Every project involving an expenditure greater than the maximum amount for which the ~~purchasing agent~~**Agent** is authorized, as specified in Article II of this chapter, for the erection, improvement or repair of public buildings and works, in all sewer and street work, and in furnishing materials or supplies for same shall be let by written contract, approved by the council by resolution, with the lowest responsible bidder in accordance with the procedures prescribed in this article. PGMC 2.16.080 notwithstanding, dispensation of bid procedures for projects described in this section shall be made only as allowed in this article. [Ord. 14-005 § 2, 2014; Ord. 1667 N.S. § 1, 1989; Ord. 1405 N.S. § 2, 1984].

2.16.330 Notice inviting bids.

Notices inviting bids shall be published once in an official newspaper of the city at least 10 days before the date of opening the bids. In addition to the published notice, the ~~purchasing agent~~**Agent** may solicit bids from prospective vendors and contractors by direct mail requests, by notice on official city bulletin boards, or by any other means advantageous to the city. Notices inviting bids shall include a general description of the contractual services to be purchased and shall state where bid blanks and written specifications may be secured, and shall designate the date, time and place for opening bids. [Ord. 1405 N.S. § 2, 1984].

2.16.340 Bidders' security.

When deemed necessary, bidders' security may be prescribed in the public notice inviting bids. Bidders shall be entitled to return of bid security; ~~provided~~**provided** that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute the contract within 15 calendar days after the notice of award of contract has been mailed, unless the city is responsible for the delay. The council, on refusal or failure of the successful bidder to execute the contract, may award it to the next lowest responsible bidder. The amount of the lowest bidder's security shall be applied by the city to the contract price differential between the lowest bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder. [Ord. 1405 N.S. § 2, 1984].

2.16.350 Bid opening procedure.

Sealed bids submitted to the city shall be identified as bids on the envelope, and shall be opened in public on the date, at the time and place stated in the public notices. [Ord. 1405 N.S. § 2, 1984].

2.16.360 Tabulation of bids.

All bids received shall be tabulated and after consultation with the appropriate department head shall be forwarded to the council with a recommendation as to the best and lowest bid. A tabulation of all bids received shall be available for public inspection for not less than two years after the bid opening. [Ord. 1405 N.S. § 2, 1984].

2.16.370 Tie bids.

If two or more bids received are for the same amount, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the council shall determine the successful bidder by ~~drawing of~~ drawing lots. [Ord. 1405 N.S. § 2, 1984].

2.16.380 Acceptance or rejection of bids.

The council, in its discretion, when it is in the best interests of the city to do so, may waive any informalities or minor irregularities in any bid process, and may reject any or all bids. [Ord. 1405 N.S. § 2, 1984].

2.16.390 Work by day labor.

If all bids are rejected or no bids are received the council may readvertise or may, by an affirmative vote of at least five of its members, declare and determine that in its opinion the work in question may be more economically or satisfactorily performed by day labor, by either city employees or others, and after adoption of a resolution to that effect, may proceed to have the same done in the manner stated. [Ord. 1405 N.S. § 2, 1984].

2.16.400 Emergencies – Contracts let without bids.

Public works contracts governed by this article may be let without advertising for bids if such work shall be deemed by the council to be of urgent necessity for the preservation of life, health or property, and shall be authorized by resolution passed by an affirmative vote of at least five of its members and containing a declaration of the facts constituting such urgency. [Ord. 1405 N.S. § 2, 1984].

2.16.410 Performance bonds.

The council, before entering into a contract governed by this article, may require a performance bond or other adequate security guaranteeing performance, in an amount as it shall find reasonably necessary to protect the best interests of the city. Form of acceptable security shall be described in the notice inviting bids. [Ord. 1405 N.S. § 2, 1984].

2.16.420 Splitting projects.

No undertaking involving amounts ~~in excess of more than~~ the maximum amount for which the ~~purchasing agent~~Agent is authorized, as specified in Article II of this chapter, shall be split into parts for the purpose of avoiding the provisions and restrictions of this article. [Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

¹
— Editor's Note: As adopted by Ord. 02-26, this section was designated as PGMC 2.16.160. It was editorially amended to PGMC 2.16.155 due to the earlier codification of PGMC 2.16.160.

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²
— By operation of PGMC 2.16.160(b) the purchase authority limit referenced in this subsection (a) was adjusted to \$40,000 for the period beginning July 1, 2020, and ending June 30, 2025.

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Chapter 2.16

PURCHASING SYSTEM AND PROCEDURES

Sections:

2.16.010 Purchasing procedures by city manager.

The city manager is the city's purchasing agent, who can also designate these duties to the Administrative Services Department and other specified employees. He or she or their designees shall establish the procedures and forms to carry out such duty in accordance with the charter and this chapter. [Ord. 1405 N.S. § 2, 1984].

2.16.020 Applicability of chapter.

All purchases of and contracts for supplies, services, materials, equipment and public works by the city, or by an officer or employee thereof, shall be made only in accordance with and pursuant to the provisions of this chapter. [Ord. 1405 N.S. § 2, 1984].

2.16.030 Encumbrance of funds.

A purchase order for supplies, services, materials or equipment shall not be issued unless there exists an unencumbered appropriation in the fund against which the purchase is to be charged. [Ord. 1405 N.S. § 2, 1984].

2.16.040 Declaration of policy.

A centralized purchasing system for all departments is adopted in order:

- (a) To secure supplies, services, materials and equipment at the lowest possible cost commensurate with quality needed;
- (b) To exercise positive financial control over purchases;
- (c) To define authority for the purchasing function;
- (d) To assure the quality of purchases. [Ord. 1405 N.S. § 2, 1984].

2.16.050 Estimates of requirements.

Departments shall file detailed estimates of their requirements for supplies, services, materials and equipment in such manner, at such times, and for such future periods as the purchasing agent or their designees shall prescribe. For the remainder of this document, the purchasing agent or their designees shall be referred to as the "Agent". [Ord. 1405 N.S. § 2, 1984].

2.16.060 Requisitions.

All departments shall submit to the Agent requests for supplies, services, materials and equipment in such manner, at such times, and on such requisition forms as the Agent shall prescribe. [Ord. 1405 N.S. § 2, 1984].

2.16.070 Purchase orders.

All departments shall purchase supplies, services, materials and equipment only in such manner, at such times, and by such purchase order forms as the Agent shall prescribe. Purchase orders shall be required for all expenditures. [Ord. 1405 N.S. § 2, 1984].

2.16.080 Bidding procedures – Dispensation when.

Purchase of supplies, services, materials and equipment shall be by quotation or bid procedures as set forth in this chapter. Such procedures may be dispensed with by the purchasing agent, in his or her sole discretion and judgment as to the best interest of the city, as follows:

- (a) When an emergency requires that an order be placed immediately with the nearest available source of supply;
- (b) When the amount involved is less than \$2,000;
- (c) When the supply, service, material or equipment can be obtained from only one vendor or supplier;
- (d) When a service, such as that available from an attorney, accountant, architect or specialized consultant, involves a specialized knowledge or personal skill;
- (e) When supplies or equipment, such as communication systems, traffic signals, and parking meters, have been uniformly adopted in the city or otherwise standardized;
- (f) When the supplies, equipment or materials are such that suitable technical or performance specifications are not available, and the city is unable to develop descriptive specifications;
- (g) When the article can be purchased more economically through the central purchasing authority of another governmental agency;
- (h) When specific used supplies, materials or equipment will best serve the city's needs; or
- (i) When reasonably necessary for the preservation or protection of public peace, health, safety or welfare of persons or property.

Provided, that even when procedures are dispensed with hereunder, council approval, by resolution, shall be required for purchases more than the maximum amount for which the Agent is authorized, as specified in Article II of this chapter. [Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

2.16.090 Competitive negotiation.

As an alternative to the procedures set out in Articles II and III of this chapter, in the case of obtaining consulting and other specialized personal services, those services may be obtained by competitive negotiations. When this process is utilized, the best offer judged against proposal evaluation shall be accepted. Any offer exceeding the maximum amount for which the Agent is authorized, as specified in Article II of this chapter, shall require council approval by resolution prior to acceptance. [Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

2.16.100 Lowest responsible bidder – Determining.

For the purpose of this chapter, in addition to price, the “lowest responsible bidder” will be determined after the following factors have been considered:

- (a) The ability, capacity and skill of the bidder to perform the contract or provide the service required;
- (b) Whether the bidder has the facilities to perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- (c) The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- (d) The bidder’s record or performance of previous contracts or services;
- (e) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- (f) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- (g) The quality, availability and adaptability of the supplies, equipment, materials or services to the particular use required;
- (h) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- (i) The number and scope of conditions attached to the bid.

In the event the lowest bidder is rejected, the Agent or council shall provide the lowest bidder with written explanation and/or findings regarding the rejection.

(j) In the case of a bid received from a bidder, a portion of whose sales tax is paid to the city, the Agent shall calculate the actual cost to the city of accepting such bid. Said actual cost shall be the bid amount less sales tax revenue which would be received by the city were the city to accept such bid. Said actual cost shall be the price utilized by the city, in addition to the other factors set out in this section, in determining the lowest responsible bidder. This provision does not apply to any purchases involving the use of State or Federal grant funds, including pass through funds

(k) Local Business Preference (1) Local bidders must bid with the same specification as required of non-local bidders.

(2) Where competitive bidding is utilized for the purchase of supplies, equipment, materials or general services as specifically set forth in this section, the city shall grant preference to a local bidder who submits a quote or bid within five percent of the lowest responsible bidder and who is otherwise responsive and responsible to the invitation for bids.

(3) Where the lowest responsible bidder is not a local business, the purchasing officer shall provide the lowest responsible local business bidder, should one exist and its bid is within five percent of the lowest responsible bidder, with notice and an opportunity to reduce its bid to match that of the lowest responsible bidder.

(4) Upon notice being provided pursuant to this section, the local business shall have two full business days to provide written notice to the purchasing officer of its desire to match the lowest bid.

(A) In the event the local business elects to match, the contract will be awarded to the local business.

(B) In the event the local business provided the opportunity to match does not opt to match the lowest responsible bid, the award of the contract shall be given to the lowest responsible bidder.

(5) In instances where a local business and a nonlocal business submit equivalent lowest responsible bids, the purchasing officer shall give preference to the local business.

(6) All notices required under this section may be made orally, in writing or electronically.

(7) The application of a local preference as set forth in this section shall only apply if factors such as quality, previous performance, and availability are equal among bidders.

(8) Local preference shall not apply to any procurement of public work, purchases procured under federal or state requirements, cooperative purchases with other agencies, or where prohibited by other specific directive.

(9) No Exemption From Local Sales Tax. The application of a local preference as set forth in this section shall not exempt any eligible local business to which a contract is executed or awarded from having to pay all applicable federal, state or local sales tax.

(10) Local Business Defined. For purposes of this section, a “local business” means a business enterprise including, but not limited to, a sole proprietor, partnership, or corporation which has the following:

(A) A valid business license issued from the city; and

(B) Has a place of business with a physical address located within the jurisdictional limits of the city at least six months prior to publication of the call for bids and has at least one full-time employee located at the city business address. [Ord. 21-030 § 2, 2021; Ord. 1828 N.S. § 1, 1992; Ord. 1405 N.S. § 2, 1984].

2.16.110 Surplus supplies and equipment.

All using departments shall submit to the Agent, at such time and in such form as he or she shall prescribe, reports showing all supplies and equipment which are no longer used, or which have become obsolete or worn out. The Agent shall have authority to sell all supplies and equipment which cannot be used by any department, or which have become unsuitable for city use, or to exchange the same for, or trade in the same on, new supplies and equipment. The Agent shall utilize all appropriate means to realize maximum return possible on such sales, exchanges and trades. [Ord. 1405 N.S. § 2, 1984].

2.16.120 Inspection – Testing.

The Agent shall inspect supplies and equipment delivered and contractual services performed, to determine their conformance with the specifications set forth in the order or contract. The Agent shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications. [Ord. 1405 N.S. § 2, 1984].

2.16.130 Illegal contracts – Interest by city employee, officer.

(a) No officer or employee of the city shall be or become directly interested in any contract work, or business, or in the sale of any article, the expense, price or consideration of which is payable from the city treasury, nor shall such officer or employee receive any gratuity or advantage from any contract or person furnishing labor or material for same.

(b) Any contract with the city in which any officer or employee is or becomes interested may be declared void by the council.

(c) The following shall be exempt from the provisions of this section:

(1) Members of city volunteer and reserve organizations who are not also full or part-time employees of the city;

(2) Members of city boards, commissions and committees.

(d) The provisions of this section shall not be construed to excuse compliance with state laws regulating conflicts of interest. [Ord. 1910 N.S. § 1, 1993; Ord. 1405 N.S. § 2, 1984].

2.16.140 Interference with bidding procedure by officer or employee.

No officer or employee of the city shall aid or assist a bidder in securing a contract to furnish labor, materials, supplies, equipment or services, at a higher price or rate than that proposed by any other bidder, or favor one bidder over another, or give or withhold information from any bidder not given or withheld from all other bidders, or willfully mislead any bidder in regard to the character of the materials or supplies called for, or knowingly accept materials, supplies or equipment of a quality inferior to that called for by the contract, or knowingly certify to a greater amount of labor performed or materials, supplies or equipment furnished, than has respectively been performed or received. [Ord. 1405 N.S. § 2, 1984].

2.16.150 Officer defined.

The term “officer” as used in PGMC [2.16.130](#) and [2.16.140](#) shall include the mayor, councilmembers, city clerk, city manager, city treasurer, city attorney, members of boards, commissions and committees, and assistants, if any, to the clerk, manager, treasurer and attorney. [Ord. 1405 N.S. § 2, 1984].

2.16.155 Exemption from Public Contract Code.¹

Except as provided in this code or pursuant to agreement approved by the city council, the city of Pacific Grove, as a charter city, is exempt from the provisions of the California Public Contract Code. [Ord. 02-26 § 1, 2002].

2.16.157 Optional purchasing procedures for special assessment districts.

When authorized by resolution, the city manager may delegate, or thereafter revoke, purchasing authority under this chapter to an agent selected by the advisory board for any district formed by the city and operating in accord with California Streets and Highways Code [36500](#). Expenditure of assessment revenues on behalf of the city shall be in accordance with the BID program and budget approved by the city council, but such expenditures may be made without compliance with the city purchasing regulations required by this chapter. The city manager may authorize assessment revenues remitted to

the city for that district to be deposited directly with the agent holding delegated purchasing authority pursuant to this section; provided that the city council has approved the budget and an agreement with the agent regarding program deliverables. The delegated agent shall report to the city manager each receipt or expenditure made under this section. [Ord. 07-020 § 2, 2007].

Article II. Open Market Purchases

2.16.160 Authorized for purchases by the Agent.

(a) Purchases of supplies, services, materials, equipment and contractual services, including public works, having an estimated market value under \$50,000 may be made by the Agent in the open market, as hereinafter described in this article, without observing the formal contract procedures prescribed in Articles III and IV of this chapter. The City Manager may delegate to specified employees the authority to execute contracts up to the amount specified by Resolution.

(b) The purchase authority limit set forth in subsection (a) of this section shall be adjusted on July 1st of each fifth fiscal year, starting on July 1, 2025, by council resolution. The adjustment shall cause an increase or decrease to the purchase limit based upon the cumulative change in the Consumer Price Index (CPI) that occurred since the last adjustment, based upon the "CPI, All Urban Consumers, San Francisco-Oakland-San Jose area; base years 1982-1984 = 100," as published by the U.S. Department of Labor, or any comparable replacement or successor index. For ease of administration, the purchase authority limit set for each following five-year period shall be adjusted by rounding to the nearest \$5,000.

(c) A written report of all purchases in the form of a check register shall be provided to council on a monthly basis.

(d) All purchases made under the authority of this section shall be accumulative per subject as per PGMC [2.16.420](#), Splitting projects. [Ord. 22-017 § 4, 2022; Ord. 21-019 § 2, 2021; Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

2.16.170 Quotations – Notice of invitation.

The Agent shall invite quotations from prospective sellers, vendors, suppliers or contractors. [Ord. 1405 N.S. § 2, 1984].

2.16.180 Quotations – Submission in writing.

Written quotations shall be submitted to the Agent who shall keep a record of all open-market quotations and orders for a period of two years after receipt of such quotations. [Ord. 1405 N.S. § 2, 1984].

2.16.190 Quotations – Number required.

Open market purchases shall be based, wherever reasonably possible, on at least three written quotations. [Ord. 1405 N.S. § 2, 1984].

2.16.200 Quotations – Rejection.

The Agent, in his or her sole discretion, may reject:

(a) Any quotation that fails to meet the quotation requirements in any respect; or

(b) All quotations for any reason whatsoever and may invite new quotations. [Ord. 1405 N.S. § 2, 1984].

2.16.210 Award of purchase orders.

Purchase orders shall be awarded by the Agent to the person submitting the lowest responsible quotation except if two or more quotations are received for the same total amount or unit price, quality and service being equal, and further, if in the sole discretion of the purchasing officer the public interest will not permit the delay of inviting new quotations, then the Agent may accept the one he or she chooses or accept the lowest quotation made by negotiation with the persons submitting the tie quotations. [Ord. 1405 N.S. § 2, 1984].

Article III. Purchases in Amounts over the Agent's Authorization

2.16.220 Formal contract procedure.

Except as otherwise provided herein, purchases and contracts for supplies, services and equipment of estimated market value greater than the maximum amount for which the Agent is authorized, as specified in Article II of this chapter, shall be by contract, approved by the council by resolution or motion, with the lowest responsible bidder pursuant to the procedure prescribed in this article except when such procedures may be dispensed with as defined in Article I of this chapter or as otherwise provided by law. Standard contracts may be used when approved by city attorney and council by resolution or motion. Contracts shall be provided to council prior to approval. Standard contracts may be incorporated by reference into an agenda report with specification of the parties, terms, scope of work, price, and contingencies to extend the term and/or increase the price. (The procedures prescribed in Article IV of this chapter shall be observed in the case of all public works projects, as defined in Article IV of this chapter, involving expenditures greater than the maximum amount for which the Agent is authorized, as specified in Article II of this chapter.) [Ord. 22-017 § 4, 2022; Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

2.16.230 Notice inviting bids.

Notice inviting bids shall include a general description of the article(s) to be purchased, shall state where bid blanks and specifications may be secured, and the time and place for opening bids. [Ord. 1405 N.S. § 2, 1984].

2.16.240 Published notice.

Notice inviting bids shall be published at least 10 days before the date of opening of the bids. Notice shall be published once in an official newspaper of the city. [Ord. 1405 N.S. § 2, 1984].

2.16.250 Bidders' list.

The Agent shall also solicit sealed bids from all prospective suppliers known to the Agent as responsible vendors dealing in the product to be purchased. [Ord. 1405 N.S. § 2, 1984].

2.16.260 Bidders' security.

When deemed necessary bidders' security may be prescribed in the notice and solicitation for bids. Bidders shall be entitled to return of bid security; provided that a successful bidder shall forfeit his or her bid security upon refusal or failure to execute the contract within 15 calendar days after notice of award

of contract has been mailed, unless the city is responsible for the delay. The council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the city to the difference between the low bid and the second lowest bid; the surplus, if any, shall be returned to the lowest bidder. [Ord. 1405 N.S. § 2, 1984].

2.16.270 Bid opening procedure.

Sealed bids shall be submitted to the Agent and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the notice. A tabulation of all bids received shall be open for public inspection during regular hours for a period of not less than two years after the bid opening. [Ord. 1405 N.S. § 2, 1984].

2.16.280 Rejection of bids.

The council may reject any and all bids presented and may, in its discretion, readvertise for other bids. [Ord. 1405 N.S. § 2, 1984].

2.16.290 Open market purchase.

After rejecting bids, the council may determine and declare by a vote of at least five of its members that the supplies, services, materials or equipment may be purchased at a lower price in the open market, and after adoption of a resolution to that effect, it may direct the Agent to so purchase. [Ord. 1405 N.S. § 2, 1984].

2.16.300 Tie bids.

If two or more bids received are for the same total amount or unit price, quality and service being equal and if the public interest will not permit the delay of readvertising for bids, the council shall determine the successful bidder by drawing of lots. [Ord. 1405 N.S. § 2, 1984].

2.16.310 Performance bonds.

The city shall have authority to require a performance bond before entering a contract in such amount as it shall find reasonably necessary to protect the best interest of the city. If the city requires a performance bond, the form and amount of the bond shall be described in the notice of solicitation inviting bids. [Ord. 1405 N.S. § 2, 1984].

Article IV. Public Works Contracts

2.16.320 Written contract.

Every project involving an expenditure greater than the maximum amount for which the Agent is authorized, as specified in Article II of this chapter, for the erection, improvement or repair of public buildings and works, in all sewer and street work, and in furnishing materials or supplies for same shall be let by written contract, approved by the council by resolution, with the lowest responsible bidder in accordance with the procedures prescribed in this article. PGMC[2.16.080](#) notwithstanding, dispensation of bid procedures for projects described in this section shall be made only as allowed in this article. [Ord. 14-005 § 2, 2014; Ord. 1667 N.S. § 1, 1989; Ord. 1405 N.S. § 2, 1984].

2.16.330 Notice inviting bids.

Notices inviting bids shall be published once in an official newspaper of the city at least 10 days before the date of opening the bids. In addition to the published notice, the Agent may solicit bids from prospective vendors and contractors by direct mail requests, by notice on official city bulletin boards, or by any other means advantageous to the city. Notices inviting bids shall include a general description of the contractual services to be purchased and shall state where bid blanks and written specifications may be secured, and shall designate the date, time and place for opening bids. [Ord. 1405 N.S. § 2, 1984].

2.16.340 Bidders' security.

When deemed necessary, bidders' security may be prescribed in the public notice inviting bids. Bidders shall be entitled to return of bid security; provided that a successful bidder shall forfeit his or her bid security upon his or her refusal or failure to execute the contract within 15 calendar days after the notice of award of contract has been mailed, unless the city is responsible for the delay. The council, on refusal or failure of the successful bidder to execute the contract, may award it to the next lowest responsible bidder. The amount of the lowest bidder's security shall be applied by the city to the contract price differential between the lowest bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder. [Ord. 1405 N.S. § 2, 1984].

2.16.350 Bid opening procedure.

Sealed bids submitted to the city shall be identified as bids on the envelope, and shall be opened in public on the date, at the time and place stated in the public notices. [Ord. 1405 N.S. § 2, 1984].

2.16.360 Tabulation of bids.

All bids received shall be tabulated and after consultation with the appropriate department head shall be forwarded to the council with a recommendation as to the best and lowest bid. A tabulation of all bids received shall be available for public inspection for not less than two years after the bid opening. [Ord. 1405 N.S. § 2, 1984].

2.16.370 Tie bids.

If two or more bids received are for the same amount, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the council shall determine the successful bidder by drawing lots. [Ord. 1405 N.S. § 2, 1984].

2.16.380 Acceptance or rejection of bids.

The council, in its discretion, when it is in the best interests of the city to do so, may waive any informalities or minor irregularities in any bid process, and may reject any or all bids. [Ord. 1405 N.S. § 2, 1984].

2.16.390 Work by day labor.

If all bids are rejected or no bids are received the council may readvertise or may, by an affirmative vote of at least five of its members, declare and determine that in its opinion the work in question may be more economically or satisfactorily performed by day labor, by either city employees or others, and after

adoption of a resolution to that effect, may proceed to have the same done in the manner stated. [Ord. 1405 N.S. § 2, 1984].

2.16.400 Emergencies – Contracts let without bids.

Public works contracts governed by this article may be let without advertising for bids if such work shall be deemed by the council to be of urgent necessity for the preservation of life, health or property, and shall be authorized by resolution passed by an affirmative vote of at least five of its members and containing a declaration of the facts constituting such urgency. [Ord. 1405 N.S. § 2, 1984].

2.16.410 Performance bonds.

The council, before entering into a contract governed by this article, may require a performance bond or other adequate security guaranteeing performance, in an amount as it shall find reasonably necessary to protect the best interests of the city. Form of acceptable security shall be described in the notice inviting bids. [Ord. 1405 N.S. § 2, 1984].

2.16.420 Splitting projects.

No undertaking involving amounts more than the maximum amount for which the Agent is authorized, as specified in Article II of this chapter, shall be split into parts for the purpose of avoiding the provisions and restrictions of this article. [Ord. 14-005 § 2, 2014; Ord. 1405 N.S. § 2, 1984].

RESOLUTION NO. 25-

**RESOLUTION OF THE CITY OF PACIFIC GROVE ESTABLISHING
DOLLAR LIMITS FOR APPROVAL OF CONTRACTS FOR SPECIFIED
EMPLOYEE CLASSIFICATIONS**

FINDINGS

1. The City is revising Chapter 2.16 of the City Ordinance regarding its Purchasing System to allow for the designation of these duties from the City Manager to specified employees
2. It is necessary to establish dollar approval limits for contracts for these specified employees and for use of petty cash

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

1. That the use of petty cash as reimbursement to employees for minor expenses that are either incurred or purchased for City business is increased from \$25 to \$50 per transaction.
2. That the following classifications are authorized to execute contracts up to the amounts listed below. Note that the limits are a cumulative amount for each fiscal year of a contract:

Position Title	Contract Approval Limit
City Manager	\$50,000
Deputy City Manager, Administrative Services Director, Public Works Director	\$30,000
Other Department Directors	\$15,000
Senior Program Manager/Deputy Directors	\$8,000
Other Designated Employees	\$2,000

3. This Resolution shall take effect upon the approval of the second reading of the proposed changes to Chapter 2.16 of the City Ordinance on November 5, 2025.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
this 15th day of October 2025, by the following vote:

AYES:

NOES:

ABSENT:



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Jon Biggs, Community Development Director
MEETING DATE: October 15, 2025
SUBJECT: Discussion on the Allocation of Available Potable Water.
CEQA: Categorical Exemption, CEQA Guidelines Section 15061(b)(3)

RECOMMENDATION

Receive report, discuss, and provide direction to staff.

DISCUSSION

Introduction

One of the City Council's current goals is an evaluation of the City's current and future water allocations and facilitation of a City Council discussion on prioritizing water credits. This is timely given that it is expected that the Pure Water Monterey Ground Water Replenishment Project (PWM/GWR) project will be issued operational permits soon, and its allocation of water ready for use in the city.

Potable Water Available

The PWM/GWR project is an advanced water recycling project jointly developed by the Monterey Peninsula Water Management District (MPWMD) and Monterey One Water (M1W). The approved PWM/GWR project has an operational capacity of 5.0 million gallons per day (5.0 mgd). The MPWMD is authorized to allocate some of this water to Monterey Peninsula Jurisdictions within its service area. Pacific Grove has been allocated 32-acre feet of water (AFY) from the PWM/GWR project by the district. Ordinance No. 197 of the MPWMD, which authorized the district to allocate this water, notes that the district anticipates that this additional water supply will be on-line by the fourth quarter of 2025. While the MPWMD is responsible for allocating water to municipalities, it is up to the city to determine how that water is used. Chapter 11.68 of the Pacific Grove Municipal Code, Water Distribution Regulations, provides that the City Council may distribute potable water by resolution.

In addition to the PWM/GWR allocation, the City of Pacific Grove has water available for sale from the Pacific Grove Local Water Project (PGLWP), also referred to as entitlement water. This project, which began operation in January 2018, produces recycled water that replaces potable water previously used for landscaping at the Pacific Grove Golf Links and the El Carmelo Cemetery. This project generated 47.88-acre feet of water. The City Council has adopted two resolutions authorizing the City Manager to sell this water. The adopted FY 25-26 Fee schedule reflects a price of \$262,250 per AFY or \$26,225 per 0.10 AFY. In authorizing the sale of this entitlement water, the City Council also directed the City Manager to apply a 30% discount on the price of the water. With this discount, the cost for this water is \$183,575 per AFY or \$18,357.5 for 0.10 AFY.

The City Council, in addition to authorizing the sale of the PGLWP water, also directed the City Manager to create a reserve of 11.5 AFY for affordable housing. With the Deduction of the affordable housing allocation, the amount of water available for sale at the start of this effort was 36.38 AFY (47.88-11.5). The sale of this entitlement water appears to have started in 2019, and sales have been on-going since then. To date, there is approximately 19.2551 AFY of the entitlement water (this is minus the affordable housing allocation) for sale (Note – This number may change as staff is reconciling the water accounting).

Finally, there are some small amounts of water accounted for in the MPWMD monthly report. The MPWMD report of August 2025 notes there is 0.019 AFY of water from the Paralta & Pre-Paralta Water plus an additional 0.002 AFY in the public credits category. Given the small amount of these allocations, staff have not aggregated them into the tally of total water available to allocate.

The tally of water available to allocate is 51.2551 AFY (PWM/GWR - 32 AFY + PGLWP – 19.2551 AFY). This amount does not include the 11.5 AFY allocated from the PGLWP for affordable housing.

Acre-Foot, Water Credit, and Fixture Count:

An acre-foot is a unit of volume commonly used to measure large-scale water resources in agriculture as well as municipal water supplies. One acre-foot is the amount of water it takes to cover one acre of land to a depth of one foot. If 1 acre is 43,560 square feet, then 1 acre-foot is 43,560 cubic feet of water (or 325,851 gallons).

Fixture count refers to items such as sinks, toilets, bathtubs, showers, and other similar fixtures. The MPWMD assigns a factor to each fixture in a residential dwelling based on its water usage. For commercial properties, water usage is typically calculated based on other factors such as square footage, number of restaurant seats, etc.

A water credit refers to the total amount of water allocated to a parcel or required to support a plan. Staff will use the fixture unit counts for residential projects and the other appropriate factors for commercial or municipal projects when evaluating the water demand for a project.

Draft Housing Element

As the City Council is aware, the Draft Housing Element Update is nearing completion and will be scheduled for consideration by the Planning Commission at its meeting in November and consideration by the City Council at its meeting in December. This update of the City's Housing Element covers the planning period of June 30, 2023, through December 15, 2031 (called the 6th Cycle Housing Element update). Pacific Grove's share of the regional housing need was allocated by the Association of Monterey Bay Area Governments (AMBAG) and based on recent growth trends, income distribution, and capacity for future growth. Pacific Grove's share of regional future housing needs is 1,125 total units (Commonly referred to as the RHNA). The RHNA units are distributed among four income categories, very low, low, moderate, and above moderate.

The following two tables from the Draft Housing Element list the number of RHNA housing units distributed across the four income categories. The first table (Table 2-1) shows the total number of housing units identified in the RHNA and provides for a buffer (The State of California Office of Housing and Community Development, HCD, has found the Pacific Grove Draft Housing Element statutorily compliant with the inclusion of this buffer, which will provide the City with the capacity to address potential net loss issues over the planning period).

The second table (Table 2-2) accounts for approved but not constructed housing units and the estimated

number of ADU's, by income category, that could be constructed over the planning period. In accounting for this, it also keeps a tally of the remaining RHNA by each income category.

Table 2-1 Pacific Grove Needs for 2023-2031

Income Category	Number of Units	Units Plus 20% Buffer	Percent of Total Units
Very Low (30 to 50% of AMI)	362	434	34%
Low (51 to 80% of AMI)	237	284	22%
Moderate (81% to 120% of AMI)	142	170	13%
Above Moderate (> 120% of AMI)	384	384	30%
Total	1,125	1,272	

Table 2-2 Progress Towards Meeting RHNA

Income Category	RHNA Allocation Plus 20% Buffer	Pending and Approved	Estimated ADUs	Remaining RHNA
Very Low (30 to 50% of AMI)	362	0	67	295
Low (51 to 80% of AMI)	237	1	67	169
Moderate (81% to 120% of AMI)	142	0	68	74
Above Moderate (> 120% of AMI)	384	9	22	353
Total	1,125	10	224	891

A Technical Memorandum from the MPWMD, dated June 1, 2023, provides a summary of the water supply requirements for the RHNA assigned to each jurisdiction within its service area. The projected water demand to meet the RHNA is based on water use factors based on the income levels for each of the four categories. The projected water demand for Pacific Grove's RHNA is 130 AFY.

Discussion

As noted earlier, the purpose of this agenda item is to facilitate the City Council's discussion on prioritizing water credits. The water available to the city can be allocated among several uses, including residential (single-family and multi-family), affordable housing (including some ADU's – Draft Housing Element includes estimated ADU counts in the very-low-, low-, and moderate-income categories), commercial, and municipal. The City Council may also wish to allocate some water to an unallocated reserve so that it can address unanticipated water demands in the future.

To help the City Council with its discussion, staff is providing the following table, which includes staff's recommendations for the amount of each allocation that can be attributed to one of the four use categories and includes a line for an unallocated reserve:

	Staff Recommendation	City Council Direction
PWM/GWR - 32 AFY		
Residential	0	
Affordable Housing	23 AFY	

Commercial	6 AFY	
Municipal	3 AFY	
Unallocated Reserve	0	
Total -	32 AFY	
PGLWP – 19.2551		
Residential	15 AFY	
Affordable Housing	0	
Commercial	0	
Municipal	0	
Unallocated Reserve	4.2551 AFY	
Total -	19.2551 AFY	

These recommendations are based on staff's anticipated demand for water by category with an eye towards supporting economic opportunities that can enhance the City's revenue stream.

Other Considerations

Considering the PWM/GWR project water will be low cost, or at least much lower than the current city price, the City Council may consider further discounting the price of the PGLWP water as an incentive to help support economic activity in some of the City's business districts such as Downtown and Forest Hill. This coupled with the allocation of PWM/GWR water could be incentives to encourage businesses and improvements to buildings/properties that could accommodate a wider variety of uses at a site.

Staff suggests an increase in the discount for entitlement water from 30% to 60%.

Conclusion

In conclusion, staff is requesting that the City Council provide direction on:

1. The allocation/assignment of water to various use categories.
2. Whether there should be an increase in the discount on entitlement water and if so, should that discount increase from 30% to 60%?

Based on the feedback provided by the City Council, staff will return at a future meeting with a resolution that reflects the assignment of available water among the various uses and should the City Council direct, include any further discounts on the entitlement water sales price. With these in place, staff will be able to appropriately guide and plan for the allocation of water as projects, in their varied forms, come forward for city consideration.

OPTIONS

1. Receive report, discuss, and provide direction to staff.
2. Decline consideration of this agenda item.
3. Refer to staff for further information and clarifications and continue to a future City Council meeting.

FINANCIAL IMPACT:

It is not anticipated that a discussion on this agenda item and providing direction to staff will result in a significant financial impact.

