NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

SPECIAL CLOSED SESSION MEETING AGENDA

Wednesday, November 5, 2025, 5:30 P.M.

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

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

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

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

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

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

AGENDA

CALL TO ORDER

APPROVAL OF THE AGENDA

SPECIAL CLOSED SESSION MEETING

PUBLIC COMMENT ON SPECIAL CLOSED SESSION 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. Public Employee Appointment (Government Code § 54957)
Title: City Attorney

ADJOURNMENT

NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING AGENDA

Wednesday, November 5, 2025, 6:00 P.M.

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

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

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

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

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

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

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

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

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AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE: Councilmember Walkingstick

1. **APPROVAL OF AGENDA**

2. **PRESENTATIONS**

A. Safe Streets Together Monterey County Campaign **PAGE 9**
Reference: Ariana Green, Transportation Agency for Monterey County Principal Planner, Safe Routes to School Program
Recommended Action: Receive a presentation.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

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

A. Report on Closed Session by City Attorney

B. Other

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

A. Written General Public Comment

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

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

A. Minutes of City Council October 15, 2025 Special and Regular Meetings **PAGE 10**
Reference: Sandra Kandell, City Clerk
Recommended Action: Approve the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

B. Minutes of the October 28, 2025 City Council Special Meeting **PAGE 16**
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 approval of a resolution establishing Council Policy 200-6M and 200-6N, and repealing Council Policies 200-6B, 200-6K, 200-6 **PAGE 18**
Reference: Rachel Gaither, Library Director
Recommended Action:

1. Approve a resolution establishing Council Policy 200-6M and 200-6N, and repealing Council Policies 200-6B, 200-6D, 200-6K.
2. Alternatively, discuss and take other action.

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

B. League of California Cities Voting Delegate and Alternate(s) Policy 000-029 **PAGE 50**
Reference: Sandra Kandell, City Clerk
Recommended Action:

1. Adopt a resolution amending City Council Policy 000-29 regarding League of California Cities Voting Delegate and Alternate(s);
2. Approve Policy 000-29 amending the selection of the League of California Cities Voting Delegate and Alternate(s);
3. Alternatively, discuss and take other action related to this item.

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

C. Allocation of available potable water from the Pacific Grove Local Water Project and the Pure Water Monterey Ground Water Replenishment Project **PAGE 56**
Reference: Jon Biggs, Community Development Director
Recommended Action: Staff recommends adoption of the attached resolution and notes that if changes to the allocation are desired or necessary in the future, staff can return to the City Council with a new resolution that assigns different amounts of water among the five categories.

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

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

A. Second Reading of Ordinance to Amend the Fiscal Year 25/26 Operating and Capital Improvement Budget **PAGE 61**
Reference: Matt Mogensen, City Manager
Recommended Action: Hold second reading and adopt an ordinance amending the operating and capital budget for the Fiscal Year 2025-26.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

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

A. Monterey-Salinas Transit Minutes for September 8, 2025 **PAGE 75**
Reference: Joe Amelio, Mayor Pro Tem
Recommended Action: Receive minutes.
CEQA:

B. Summary of Cal Cities Conference Attendance **PAGE 82**
Reference: Cynthia Garfield, Councilmember
Recommended Action: Receive the report.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

C. 2025 CalCities Annual Conference Report **PAGE 85**
Reference: Nick Smith, Mayor
Recommended Action: Receive the report.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

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

A. Approve an update to the Monterey Regional Storm Water Management Program (MRSWMP) Memorandum of Agreement (MOA) with Monterey One Water **PAGE 86**
Reference: George Fuerst, Environmental Program Manager

Recommended Action: 1. Approve the City of Pacific Grove to execute the 2025 Monterey Regional Stormwater Management Program (MRSWMP) Memorandum of Agreement (MOA) with Monterey One Water,
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

B. Police Department Building Roof Repairs **PAGE 124**

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

Recommended Action:

1. Authorize an agreement with Premo Roofing for the removal of the existing roof and the re-roofing of the Pacific Grove Police Department building, for an amount of $58,940.00 plus a 15% contingency.
2. Alternatively, discuss and take other action related to this item.

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

C. Fire Station Alerting System **PAGE 126**

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

Recommended Action:

1. Authorize an agreement with US Digital Designs by Honeywell International, Inc. for the purchase and installation of a new station alerting system in Fire Station 14, for an amount of $142,724.25.
2. Alternatively, discuss and take other action related to this item.

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

D. Contract Amendment No. 2 for Professional Services with Municipal Resource Group, LLC (MRG) **PAGE 138**

Reference: Matthew Mogensen, City Manager

Recommended Action:

1. Approve Amendment No. 2 to a Professional Services Agreement with Municipal Resource Group, LLC (MRG), increasing the current contract by $17,990.00 for a total not to exceed amount of $68,163.
2. Alternatively, discuss and take other action related to this item.

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

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

A. Architectural Review Board Meeting Minutes: September 9, 2025 **PAGE 262**

Reference: Anna Bornstein, Associate Planner

Recommended Action: Receive the minutes.

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

B. Beautification and Natural Resources Commission Meeting Minutes: March 18, April 15, May 20, July 15, August 19, September 16, 2025 **PAGE 266**
Reference: George Fuerst, Environmental Program Manager
Recommended Action: Receive the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

C. Diversity, Equity and Inclusion Minutes: August 11, 2025 **PAGE 286**
Reference: Sandra Kandell, City Clerk/DEI Coordinator
Recommended Action: Receive the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

D. Historic Resources Committee Meeting Minutes: May 28, June 25, July 23, and August 27, 2025 **PAGE 289**
Reference: Garrett McCown, Associate Planner
Recommended Action: Receive the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

REGULAR AGENDA

11. PUBLIC HEARINGS

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

A. Adoption of a Resolution Establishing Fees and Charges for Hearing Examiner Services, and Extending the Term of Water Entitlement Discounts through June 30, 2026 **PAGE 309**
Reference: Matthew Mogensen, City Manager
Recommended Action:

1. Adopt Resolution Establishing Fees and Charges for Hearing Examiner Services, and Extending the Term of Water Entitlement Discounts through June 30, 2026.
2. Take an alternative action.

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

12. **UNFINISHED AND ONGOING BUSINESS**

A. Historic Resources Inventory and Issue of Property Owner Consent **PAGE 315**
Reference: Brian Pierik, City Attorney
Recommended Action: Receive and file agenda report regarding Historic Resources Inventory and Issue of Property Owner Consent.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

B. Combining the Architectural Review Board and Historic Resources Committee
Reference: Jon Biggs, Community Development Director **PAGE 341**
Recommended Action: Review and provide direction to City Manager on whether to return with appropriate ordinance amendments combining the Architectural Review Board and Historic Resources Commission and start the public review process leading to a recommendation by the Planning Commission and consideration by the City Council.
CEQA: Categorical Exemption, CEQA Guidelines Section 15061(b)(3)

13. **NEW BUSINESS**

14. **FULL PRESENTATIONS**

A. Flock Camera Presentation by Brian Anderson, Commander

15. **CLOSED SESSION**

A. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation (Government Code §54956.9(d)(2))
Number of Cases: One Case

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: November 05, 2025

SUBJECT: Safe Streets Together Monterey County Campaign

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

RECOMMENDATION

Receive a presentation.

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: November 05, 2025

SUBJECT: Minutes of City Council October 15, 2025 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 10-15-25

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE
CITY COUNCIL
SPECIAL MEETING

Wednesday, October 15, 2025, 5:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

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

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

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

SPECIAL MEETING

PUBLIC COMMENT ON SPECIAL MEETING MATTERS
No public comment received.

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

DRAFT

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE
CITY COUNCIL
REGULAR MEETING

Wednesday, October 15, 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

DRAFT

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 Garfield, McDonnell, Poduri, and Walkingstick. Absent: Councilmember Rau.

PLEDGE OF ALLEGIANCE
Councilmember Garfield led the pledge of allegiance.

1. **APPROVAL OF AGENDA**
City Manager requested agenda items 11B and 15A be removed from Council's agenda stating 11B will return to Council in the future and 15A is no longer needed.

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

2. **PRESENTATIONS**

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

A. Report on Closed Session by City Attorney

Government Code Section 54957(A)
Discussion with Chief of Police regarding procedures to improve security in City owned buildings.

City Attorney Brian Pierik stated no reportable action taken.

B. Council and staff made general announcements.

4. **GENERAL PUBLIC COMMENT**
General public comment received from an unnamed speaker, Jane Haines, and Carol Marquart.

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 Rau absent, to approve the Consent Agenda.

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

   A. Minutes of the October 1, 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**

   A. Proposed Updates to City Council Policies 400-5 and 400-6
   Action: Approved Resolution No. 25-023 updating City Council Policies 400-5 and 400-6.
   CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

7. **ORDINANCES**

   A. Second Reading of an Ordinance Adopting the California Building Standards Code with Local Amendments
   Action: Held second reading and adopted Ordinance No. 25-019 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**

   A. Check Register and Core Fund Summary - September 2025
   Action: Received the Check Register and Core Fund Summary.
   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**

REGULAR AGENDA

11. **PUBLIC HEARINGS**

   A. Ordinance to Amend the Fiscal Year 25/26 Operating and Capital Improvement Budget
   Public comment received from Inge Lorentzen Daumer.

   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 Councilmember Poduri, Council voted 6-0-1, Councilmember Rau absent, to
   2. 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; and
   4. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

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

DRAFT

Section 15378

B. Proposed Revision to Chapter 2.16 of the City Ordinance regarding the Purchasing System and Procedures ***During the Approval of the Agenda, this item was removed from the agenda.***

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; and
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.
Public comment received from Inge Lorentzen Daumer and Lisa Ciani.

Action: Upon motion by Mayor Smith and seconded by Councilmember Walkingstick, the City Council voted 6-0-1, Councilmember Rau absent, to concur with staff's recommendations on (1) the allocations of the Pure Water Monterey Ground Water Replenishment Project and the City's Entitlement water and (2) an increase in the discount rate of the Entitlement Water from 30% to 60% and directed staff to return with resolutions memorializing these at a future meeting for City Council consideration.

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

14. **FULL PRESENTATIONS**

15. **CLOSED SESSION**

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 (b) PUBLIC EMPLOYEE APPOINTMENT ***During the Approval of the Agenda, this item was removed from the agenda.***
Title: City Attorney – Discussion of appointment process

DRAFT

ADJOURNMENT
Council adjourned the regular meeting at 7:01 p.m.

Respectfully Submitted,

Sandra Kandell
City Clerk

Approved by Mayor: _____Date_____

Attest by City Manager: _____Date_____

DRAFT

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Sandra Kandell, City Clerk/DEI Coordinator

MEETING DATE: November 05, 2025

SUBJECT: Minutes of the October 28, 2025 City Council Special Meeting

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

RECOMMENDATION

Approve the minutes.

Attachments

Draft Minutes 10-28-25

DRAFT MEETING MINUTES

CITY OF PACIFIC GROVE

CITY COUNCIL

AMENDED SPECIAL MEETING

~~Wednesday,~~Tuesday, October 28, 2025, 12:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

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

DRAFT

CALL TO ORDER
Mayor Smith called the meeting to order at 12:02 p.m. Present in Chamber: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Poduri, Rau, and Walkingstick.

SPECIAL MEETING

PUBLIC COMMENT ON SPECIAL MEETING MATTERS
Public comment received from Jane Haines and Inge Lorentzen Daumer.

A. Public Employee Appointment (Government Code § 54957)
Title: City Attorney

ADJOURNMENT
Council adjourned the special meeting at 12:06 p.m. A report out will occur at the next scheduled City Council meeting.

Respectfully Submitted,

Sandra Kandell
City Clerk

Approved by Mayor: _____Date_____

Attest by City Manager: _____Date_____

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Rachel Gaither, Library Director

MEETING DATE: November 05, 2025

SUBJECT: Proposed approval of a resolution establishing Council Policy 200-6M and 200-6N, and repealing Council Policies 200-6B, 200-6K, 200-6

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

RECOMMENDATION

1. Approve a resolution establishing Council Policy 200-6M and 200-6N, and repealing Council Policies 200-6B, 200-6D, 200-6K.
2. Alternatively, discuss and take other action.

DISCUSSION

Staff reviewed the City Council Library policies and identified opportunities to streamline content, remove outdated information, and align guidance with current regulations, technology, and contemporary library service standards. This review has resulted in a request to:

Establish two new policies:
- 200-6M, Collection Development Policy
- 200-6N, Library Rules of Conduct Policy

Repeal three existing policies:
- 200-6B, Library Material Selection
- 200-6D, Withdrawal of Materials
- 200-6K, Library Behavior

The two new policies are comprehensive, streamlined documents that consolidate and update the content of multiple existing policies into clear, consistent guidance. They are considered new because they have been entirely rewritten, merged from other policies, and refined to broaden and simplify the content for greater clarity and effectiveness. Relevant information from the three policies proposed for repeal have been incorporated into the new policies where appropriate.

These new policies will ensure that library operations are guided by up-to-date, consistent, and effective policy documents that better serve our city, staff, and community members.

Library Advisory Board Review

On September 2, 2025, the Library Advisory Board reviewed the newly proposed Collection

Development Policy and the Library Rules of Conduct Policy. They voted to recommend to City Council Liaison, Lori McDonnell, that City Council approve the new policies.

PROPOSED NEW POLICIES:

Collection Development Policy, 200-6M

This newly proposed policy streamlines all information related to collection development including incorporating the relevant information from the Library Materials Selection Policy, 200-6B and the Withdrawal of Materials Policy, 200-6D. and addressing modern day industry standards, including:

- Updated language addressing Collection selection, maintenance, deselection and reconsideration of materials.
- Updated references to other policies.
- Added language addressing local authors.
- Added language addressing artificial intelligence.
- Added language for appeals process.
- Added Request for Reconsideration Form.

The proposed Collection Development Policy, as written, has been pre-approved by the California State Library as being in compliance with the Freedom to Read Act (A.B. 1825, 2023-2024) requirements.

Library Rules of Conduct Policy, 200-6N

This newly proposed policy addresses all aspects of Library Conduct and incorporates relevant information from the outdated 200-6K, Library Behavior Policy. It expands beyond just behavior and defines conduct expectations that support the Library's mission to provide equitable access to materials, resources, and spaces, and establish consistent procedures for addressing violations of conduct ensuring fair enforcement, including:

- Updated language addressing juvenile supervision
- Added language addressing juvenile behavior
- Added language addressing enforcement, suspension, and appeals process.
- Added language addressing trespass.
- Added Behavior Policy Enforcement Guidelines.
- Added Notice of Library Suspension/Suspension Appeal Request Form.

The two new policies are comprehensive, streamlined documents that consolidate and update the content of multiple existing policies into clear, consistent guidance. They are considered new because they have been entirely rewritten, merged from other policies, and refined to broaden and simplify the content for greater clarity and effectiveness.

Proposed Repealed Policies:

- 200-6B, Library Material Selection
    - Relevant information incorporated into the newly proposed 200-6M
- 200-6D, Withdrawal of Materials
    - Relevant information incorporated into the newly proposed 200-6M
- 200-6K, Library Behavior
    - Relevant information incorporated into the newly proposed 200-6N

These actions will ensure that library operations are guided by up-to-date, consistent, effective, and streamlined policy documents that better serve our city, staff and community members.

OPTIONS

1. Approve a resolution establishing Council Policy 200-6M and 200-6N, and repealing Council Policies 200-6B, 200-6D, 200-6K.
2. Alternatively, discuss and take other action.

FINANCIAL IMPACT:

There is no fiscal impact. These policies provide overall guidance to staff and community members in the administration of the City of Pacific Grove's Public Library Collection Development and Library Rules of Conduct policies.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Proposed Resolution with Attachments

RESOLUTION NO. 25-xxx

RESOLUTION OF THE CITY OF PACIFIC GROVE CITY COUNCIL ESTABLISHING COLLECTION DEVELOPMENT POLICY, 200-6M AND LIBRARY RULES OF CONDUCT, 200-6N AND REPEALING THE LIBRARY MATERIALS SELECTION POLICY, 200-6B, WITHDRAWAL OF MATERIALS POLICY, 200-6D, AND THE LIBRARY BEHAVIOR POLICY, 200-6K.

FINDINGS

1. Currently, a Collection Development Policy and a Library Rules of Conduct Policy do not exist.

2. The purpose of the Collection Development Policy is to establish guiding principles for the selection, acquisition, evaluation, withdrawal and reconsideration of library materials and compliance with state legislative requirements.

3. The purpose of the Library Rules of Conduct Policy is to define behavioral expectations that support the Library's mission to provide equitable access to materials, resources, and spaces and establish consistent procedures for addressing violations of conduct and ensuring fair enforcement.

4. Relevant information from Library Material Selection, 200-6B and Withdrawal of Materials, 200-6D policies have been incorporated into the newly proposed Collection Development Policy, 200-6M.

5. Relevant information from Library Behavior, 200-6k has been incorporated into the newly proposed Library Rules of Conduct Policy, 200-6N.

6. City governance and Library operations will be more effective with a Collection Development Policy, 200-6M and a Library Rules of Conduct Policy, 200-6N and the repeal of the Library Materials Selection Policy, 200-6B, the Withdrawal of Materials Policy, 200-6D and the Library Behavior Policy, 200-6K.

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

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

2. The Council authorizes adoption of a Resolution to establish a Collection Development Policy, 200-6M and a Library Rules of Conduct Policy, 200-6N.

3. The Collection Development Policy, 200-6M and the Library Rules of Conduct Policy, 200-6N, are hereby approved as attached to this Resolution, which by this reference are incorporated as set forth in its entirety.

4. The Council repeals the existing policies of Library Material Selection, 200-6B, Withdrawal of Materials, 200-6D, and Library Behavior, 200-6K as attached to this Resolution, in their entirety.

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

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

AYES:

NOES:

ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:
DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

CITY OF PACIFIC GROVE, CALIFORNIA
COUNCIL POLICY

SUBJECT	POLICY NO.	EFF. DATE	PAGE
Collection Development	DRAFT		1 of 4

I. Mission:

The Pacific Grove Public Library (PGPL) is a dynamic civic resource that provides free and open access to information, materials, and services to all members of the community. We advance knowledge, foster creativity, encourage the exchange of ideas, enrich lives and build and strengthen community by providing opportunities for lifelong learning, discovery, and expression. We achieve this through our skilled and dedicated, staff, collections, programs, and physical and virtual spaces.

II. Purpose:

This document describes the purpose and nature of the PGPL's collection and gives guidance and direction to PGPL staff for collection development and maintenance.

III. Policy:

In order to fulfill its mission, PGPL will select, organize and make library material accessible in a variety of formats to meet the expressed, anticipated and lifelong learning needs and interests of the broad community it serves, with the values of equity, diversity, and inclusion in mind. PGPL will provide library material in English and Spanish, and additional languages that best respond to the current needs of PGPL's service areas. Selections are limited by budget constraints.

For the purposes of this policy, the term "library material" and "material" shall mean a broad range of information and publications in a variety of formats including, but not limited to books, documents, magazines, newspapers, pamphlets, and maps. videos on DVD and Blu-Ray, books on CD and downloadable e-books, audio books, videos, music and databases. Additionally, multimedia kits, educational toys or equipment, video games, household goods and small appliances, art prints, microform, and accessibility tools and devices. The library also provides unfettered access to the Internet. Selected Internet sites are linked to the library's website.

- PGPL's collection strives to meet the broad and diverse interests of the community and respects both PGPL's autonomy and their specific community needs.
- PGPL serves as a center for voluntary inquiry and the dissemination of information and ideas.
- Library material is provided for the interest, information, and enlightenment of all people, and should present diverse points of view in the collection as a whole.
- PGPL acknowledges the right of the public to receive access to a range of social,

political, aesthetic, moral, and other ideas and experiences.

IV. Collection Selection:

Professional staff select material by utilizing a combination of reviews, knowledge of the community, currency of information, popularity and demand.

Each selection is evaluated on its own merit taking into consideration budgetary and space limitations and its relation to the collection as a whole.

Materials will not be excluded because they may cause concern to some individuals. They will not be excluded solely because they contain political, religious, or moral views that may be controversial, nor because of language or depictions if they meet other selection criteria. Any restriction of a child's access to materials is the right and responsibility of the parent or guardian.

The PGPL supports the Library Bill of Rights, the Freedom to Read and the Freedom to View statements of the American Library Association, and this policy complies with California's Freedom to Read Act.

V. Collection Maintenance and Deselection:

Continuous evaluation of materials is necessary to maintain a current and appealing collection. Librarians shall regularly deselect material based on the currency of an item's content, the condition of the item, availability of other material on the subject, and the demonstrated interest from members of the public utilizing PGPL in the item. Deselected print materials are given to the Pacific Grove Library Friends and Foundation or recycled based on condition.

Electronic resources are retained or deselected based on the above criteria plus the following: use, utility to staff and customers, and cost per use.

VI. Suggestions for Additions to the Collection:

To assure the acquisitions of resources desired by PGPL users, customer suggestions are always considered for their addition to the collection. Purchase suggestions may be made in person or online (provided that an online method has been implemented by PGPL). Each suggestion shall be subject to the same selection criteria as other material pursuant to this Policy and shall not be automatically added to the PGPL's collection.

VII. Local Authors:

PGPL will not purchase a local author's work (self-published or otherwise) unless that work has been positively reviewed in a professional publication, or it has a particular value to PGPL's collection. PGPL will consider donations of self-published or traditionally published material written/created by local authors (i.e., authors from Pacific Grove, CA or the surrounding cities on the Monterey Peninsula) subject to review by PGPL librarians. If a local author chooses to donate their work to PGPL, one copy will be placed in the "Local Authors" collection. Donated materials become property of PGPL and are subject to the PGPL's Collection Development Policy.

VIII. Artificial Intelligence (A.I.) Generated Materials:

Due to quality concerns, ethical and copyright issues, and reader and author preferences, PGPL will not intentionally purchase content that is generated or narrated using Artificial Intelligence.

IX. Donations and Gifts:

The PGPL encourages donations of money or materials be made to the Pacific Grove Public Library's Friends and Foundation.

Gifts to PGPL's "Local History Collection" require approval by the Library Director or designee and will not be accepted without legal documentation (e.g., deed of gift agreement, legal document transferring ownership, or other official acknowledgement/documentation). Art gifts are governed by and subject to the Library Acceptance of Art Gifts Policy.

PGPL shall not be responsible for the appraisal of any donations or gifts for income tax or any other purpose.

X. Reconsideration of Library Materials:

PLPG's professional staff select library material in alignment with the PGPL's mission using established criteria. Requests for Reconsideration from members of the public to remove specific material from the collection are considered in alignment with this Collection Development Policy. A member of the public who is both a PGPL card holder and a Pacific Grove, California resident may complete and submit a Request for Reconsideration of Library Material Form if they believe an item does not align with this policy, which is provided in **Attachment 1** of this policy ("Request"). Only one title may be included per Request, and an individual can have one active Request at a time. Designated Professional Staff Selectors will review the Request and reply with a response, if requested, within 30 days of receipt. The item in question will remain on the shelf during the reconsideration process. PGPL reserves the right to decline a Request for a title that has already been reviewed.

The procedure for reconsideration of material is as follows:

1. The member of the public seeking reconsideration of library material may request from PGPL staff a Request for Reconsideration of Library Material Form. PGPL staff shall also provide a copy of this Collection Development Policy and the American Library Association's Library Bill of Rights. These are all available online, and all PGPL public service desks.

2. The member of the public seeking reconsideration must read, view, or listen to the entirety of the subject library material before requesting reconsideration of library material.

3. The member of the public may submit the Request for Reconsideration of Material form at any PGPL public service desk.

4. The request for reconsideration will be considered by a committee of Professional Collection Selectors, which membership thereof shall not include the Library Director ("Committee"). The Committee will evaluate the material based on the standards for selection in the Collection Development Policy and will reply with a response, if requested, within 30 days of receipt.

5. The requester may file a written notice of appeal within 30 days of Committee's decision to the Library Director:

   Library Director
   550 Central Ave
   Pacific Grove, CA 93950
   831.648.5760

6. The Library Director shall render his or her decision within 30 days of receipt of such written notice of appeal and such decision shall be final.

Pacific Grove
PUBLIC LIBRARY
550 Central Ave. Pacific Grove, CA 93950

REQUEST FOR RECONSIDERATION OF LIBRARY MATERIAL

Section X of PGPL's Collection Development Policy, in part, provides as follows:

> "PLPG's professional staff select library material in alignment with the PGPL's mission using established criteria. Requests for Reconsideration from members of the public to remove specific material from the collection are considered in alignment with this Collection Development Policy. A member of the public who is both a PGPL card holder and a Pacific Grove, California resident may complete and submit a Request for Reconsideration of Library Material Form if they believe an item does not align with this policy ("Request"). Only one title may be included per Request, and an individual can have one active Request at a time. Designated Professional Staff Selectors will review the Request and reply with a response, if requested, within 30 days of receipt. The item in question will remain on the shelf during the reconsideration process. PGPL reserves the right to decline a Request for a title that has already been reviewed."

The full procedure for reconsideration of any PGPL material, including appeals thereof, is provided in the attached Collection Development Policy.

Pacific Grove
PUBLIC LIBRARY

550 Central Ave. Pacific Grove, CA 93950

REQUEST FOR RECONSIDERATION OF LIBRARY MATERIAL FORM

Customers who would like the Library to reconsider a title's place in the collection are required to complete this form below. Please download a copy of this PDF for your records if you have filled it out in your browser.

Your Information

Date: _____

Name: _____

Address: _____

Telephone: _____

Email (optional): _____

Material for Consideration

Title: _____

Type of Material (Book, DVD, Magazine, Other): _____

Author/Producer/Publisher: _____

Did you read, view, or listen to the material in its entirety?

☐ Yes ☐ No

Have you read the Pacific Grove's Public Library's Collection Development Policy?

☐ Yes ☐ No

Continued on next page

Pacific Grove
PUBLIC LIBRARY
550 Central Ave. Pacific Grove, CA 93950

REQUEST FORM CONTINUED

Describe your concerns regarding this material. Please be specific and list page numbers or sections where applicable.

What action are you requesting the committee to consider?

CITY OF PACIFIC GROVE, CALIFORNIA COUNCIL POLICY

SUBJECT	POLICY NO.	EFF. DATE	PAGE
Library Rules of Conduct	DRAFT		1 of 5

I. Purpose

The Pacific Grove Public Library ("Library") serves the public and encourages people of all ages to visit the library. To ensure that all people who use and work at the Library can do so in a comfortable and safe environment, library users using the Library's facilities or services must comply with the Library Rules of Conduct.

Library staff are authorized to enforce the Rules of Conduct. Violation of these rules may result in removal from the Library and temporary or permanent suspension of library privileges.

II. Prohibited Activities

A. Interior and Exterior. The following activities are prohibited within the Library building and exterior Library areas:

1. Engaging in activity prohibited by local, state or federal law.

2. Interfering with library employees in the performance of their duties, or obstructing or intimidating library users of the library, or entering non-public areas without authorization (California Penal Code Section 602.1(b)).

3. Harassment of any kind, such as verbally abusing or harassing staff and/or user(s): repeated name-calling or other language that is harassing.

4. Damaging or misusing the library building, furniture, equipment, or materials.

5. Smoking, including the use of electronic and smoke-free cigarettes, inside any library facility or within 25 feet of the library building (See Chapter 11.24 PG Municipal Code.)

6. Leaving unattended bags or other items inside or outside the library.

7. Weapons of any kind are prohibited on Library property. The Library is not responsible for personal items that are lost, stolen or damaged in or on the grounds of the library. We reserve the right to search personal belongings to prevent loss of library materials in accordance with state law California Penal Code Section 490.5).

8. Camping or lodging on Library property.

9. Using equipment/areas/furniture other than for the intended purpose.

10. Blocking access, library entrance areas, aisles, or passages; interfering with the flow of pedestrian traffic.

11. Failure to comply with a staff request relating to compliance with Library rules of conduct and/or reasonable staff or security requests.

12. Trespassing or refusing to leave or returning to the building after being suspended pursuant to this policy.

13. Depositing bodily fluids on property, including library collections, equipment, furnishings, property enclosures, and maintained landscape.

14. Stalking or following Library user(s) and/or staff.

15. Theft or vandalism.

16. Intoxication.

17. Possession, use, under influence of, sale or intent to sell illegal substances.

18. Verbal or non-verbal threats of physical harm.

19. Sexual misconduct, including but not limited to, indecent exposure, sexual contact, sexual intercourse or lewd acts.

20. Displaying, in digital or print format, explicit images that could be considered harmful matter in potential view of minors. (CA Penal Code Section 313)

21. Physical assault, fighting or battery of staff and/or user(s).

B. Interior. The following activities are prohibited within the Library building:

1. Misuse of Library restrooms or water fountains (including bathing, shaving, and washing clothes).

2. Bringing in large items into Library buildings including, but not limited to, bedding, carts, bicycles, or luggage.

3. Monopolizing library space, seating, tables, stairways or equipment to the exclusion of other library users or staff, or obstructing aisles, stairs or doorways with body or personal belongings.

4. Eating and/or drinking in non-designated places of the Library (e.g., Children's Room, Laws Family Room and Library computers) without prior express Library staff permission. Non-alcoholic beverages are permitted but must be in a container with a lid or top. The Library reserves the right to ask anyone to relocate, remove, or dispose of food and drink.

5. Presenting strong pervasive odors, including odors caused by perfume or cologne.

6. Bringing animals into the Library building other than service animals defined by and adhering to the behavioral guidelines of the Americans with Disabilities Act, or animals that are a part of library programs.

7. Petitioning, soliciting, conducting surveys, or distributing/selling merchandise on library premises without the express permission of the Library Director and requisite licensing.

8. Disruptive, swear words, or abusive voices, language, gestures, or activities.

9. Audio, video, photographic, or any other recording of a library customer without their prior consent.

10. Failing to be fully clothed, including, but not limited to, wearing a shirt, pants, skirt, or shoes or being otherwise attired as to be disruptive to the library environment (infants & toddlers excluded).

11. Sleeping at computer terminals; lying on the floor or furniture.

12. Making any loud or unreasonable noise or other disruption, including disruptive use of personal communications or entertainment devices.

13. Adults using the Children or Teen areas outside a caregiver/professional/educator capacity.

III. Behavior and Supervision of Juveniles:

All juveniles in the Library must follow the Library Rules of Conduct and are expected to use the Library appropriately. Juveniles who do not follow these rules are subject to the same consequences as other library users, including being required to leave the Library or losing library privileges.

Library users age 8 and under may not be left unattended in the library and must be accompanied by someone 12 years or older. The Library is not responsible for juveniles who are left unattended in or on the grounds of the Library. If any juvenile under the age of 12 is left unattended when the library closes, staff will notify the Pacific Grove Police Department.

IV. Enforcement:

Library staff and/or local law enforcement officers are authorized to expel persons who, advised of the regulations above, fail to comply with them.

The Library reserves the right to restrict the use of its facilities or premises to persons who do not abide by the Library's Rules of Conduct. Failure to comply with the Library's Rules of Conduct may result in expulsion from the Library and suspension of Library privileges including access to activities, services, or facilities and/or in arrest and prosecution under California Penal Code Section 602.1(b).

Engaging in any of the above behaviors may result in one or more of the following consequences, depending on the severity of the violation:

- Initial warning and user may correct or leave. Staff must also reference posted Library Rules of Conduct Policy
- Library privileges suspended for one day.
- Library privileges suspended for seven days.
- Library privileges suspended for up to one year.

Depending on the severity, length of suspension that is greater than seven days may be determined at the discretion of professional staff based upon the matrix provided in **Attachment 1.**

However, to the extent that a violation occurs in an exterior Library area that members of the public are permitted to access, an individual shall not be suspended from access to such areas.

V. Suspension

When directing a user to leave the Library, staff will provide a Notice of Library Suspension. The form of such notice is provided in **Attachment 2**. Those elements of the posted Library Rules of Conduct policy the member has violated will be identified in the Notice of Library Suspension and a copy of these Rules of Conduct shall also be included.

If an individual's suspension is for a period of one (1) month or longer, the individual must attend a meeting with Library staff in order to review these Rules of Conduct. In the case of a minor (under the age of 18), a parent or guardian must attend the meeting with the minor. This meeting may be scheduled no earlier than one week before expiration of such individual's suspension.

VI. Appeals Process:

Suspended individuals may appeal a suspension to the City Manager within five working days of the Library user's receipt of the Notice of Library Suspension by submitting a written appeal to the City Manager utilizing form(s) provided by Library. The appeal request form shall be submitted as follows:

Requests to appeal a library suspension must be submitted to the Pacific Grove City Clerk's Office (300 Forest Ave., Pacific Grove, CA, 93950). A copy of your suspension letter must be attached to this form when submitting.

While the appeal is pending, and until a suspension period has expired, a suspended individual may not enter Library buildings unless otherwise specified in writing. Suspended individuals entering Library buildings prior to the identified date of return may be subject to arrest pursuant to California Penal Code Section 602.1(b) as trespassers as provided further in Section VII of

this policy.

An appeal determination will be made within 30 days of receipt thereof by the City Manager or their designee. Such determination shall be provided to the appellant by email or U.S. Mail as indicated by the appellant's communication preference. The City Manager's determination shall be final.

VII. Trespass:

If a suspended individual enters Library buildings before their return date, the Pacific Grove Police Department may be called, and the individual may be cited or arrested for trespass pursuant to California Penal Code Section 602.1(b). Such attempts to improperly re-enter PLPG buildings may result in an extension of the length of an individual's suspension. California Penal Code Section 602.1(b) provides as follows:

> Any person who intentionally interferes with any lawful business carried on by the employees of a public agency open to the public, by obstructing or intimidating those attempting to carry on business, or those persons there to transact business with the public agency, and who refuses to leave the premises of the public agency after being requested to leave by the office manager or a supervisor of the public agency, or by a peace officer acting at the request of the office manager or a supervisor of the public agency, is guilty of a misdemeanor, punishable by imprisonment in a county jail for up to 90 days, or by a fine of up to four hundred dollars ($400), or by both that imprisonment and fine.

Library Rules of Conduct Policy Enforcement Guidelines

This document is intended to ensure that conduct issues are dealt with in a consistent manner and guarantee that the Pacific Grove Public Library facility is safe and welcoming to all. Persons who violate the policy may receive a warning from staff and/or an opportunity to correct their behavior or leave the library. Any persons suspended from the library will also have their library computer access blocked until the end of their suspension period

Illegal activity, as well as any repeated violations of the Library Rules of Conduct Library Policy or other library policies may result in removal from the facility and/or suspension of library privileges. Longer suspensions may be given depending on the severity of the offense. In addition, where authorized by Federal, State or local law, violations of these guidelines may also result in arrest.

Behavior	First Offense	Second Offense	Third Offense
Level 1 - Minor			
Sleeping at computer terminals; lying on the floor or furniture OR Camping or lodging on property	Give warning, user may correct or leave	Give warning, user may correct or leave	7 days
Using equipment/areas/furniture other than for the intended purpose	Give warning, user may correct or leave	Give warning, user may correct or leave	7 days
Leaving unattended bags or other items inside or outside the library.	Give warning, user may correct or leave	Give warning, user may correct or leave	7 days
Presenting strong pervasive odors, including odors caused by perfume and cologne	Give warning and provide information on available resources if needed	Give warning, user may correct or leave	7 days
Bringing animals into the PGPL building other than service animals defined by and adhering to the behavioral guidelines of the Americans with Disabilities Act, or animals that are a part of library programs.	Give warning, user may return without pet	Give warning, user may return without pet	7 days
Bringing in large items including, but not limited to, bedding, carts, bicycles, or luggage OR Monopolizing library space, seating, tables, stairways or equipment to the exclusion of other library users or staff, or obstructing aisles, stairs or	Give warning, user may correct or leave	Give warning, user may correct or leave.	7 days

doorways with body or personal belongings.			
Smoking, including the use of electronic and smoke-free cigarettes, inside any library facility or within 25 feet of the library building (See Chapter 11.24 PG Municipal Code.)	Give warning, user may correct or leave	1 day	7 days
Petitioning, soliciting, conducting surveys, or distributing/selling merchandise on library premises without Director permission	Give warning, user may correct or leave	1 day	7 days
Blocking access, library entrance areas, aisles, or passages; interfering with the flow of pedestrian traffic	Give warning, user may correct or leave	1 day	7 days
Failing to be fully clothed, including, but not limited to, wearing a shirt, pants, skirt, or shoes or being otherwise attired as to be disruptive to the library environment. (Infants & toddlers excluded).	Give warning, user may correct or leave	1 day	7 days
Eating and/or drinking in non-designated places of the Library (e.g., Children's Room, Laws Family Room and Library computers) without prior express Library staff permission. Non-alcoholic beverages are permitted but must be in a container with a lid or top. The Library reserves the right to ask anyone to	Give warning, user may correct or leave	1 day	7 days

relocate, remove, or dispose of food and drink.			
Making any loud or unreasonable noise or other disruption, including disruptive use of personal communications or entertainment devices	Give warning, user may correct or leave	1 day	7 days
Failure to comply with a staff request relating to compliance with Library rules of conduct and/or reasonable staff or security requests	1 day	7 days	14 days
Misuse of Library restrooms or water fountains (including bathing, shaving, and washing clothes).	1 day	7 days	14 days
Audio, video, photographic, or any other recording of a library user without the user's prior consent.	1 day	7 days	14 days
Adults using the Children or Teen areas outside a caregiver/professional/educator capacity.	Give warning and direct adult to other areas in the building where seating is available. Brief browsing period can be accommodated by Librarian for adult readers or materials can be collected and delivered to user in adult designated areas.	7 days	1 month + (Depending on rate of recurrence)
Level 2 – Moderate			
Trespassing or refusing to leave or returning to the building after being suspended	Additional 14 days	Additional 1 month	Additional 2 months

Depositing bodily fluids on property, including library collections, equipment, furnishings, property enclosures, and maintained landscape.	14 days	1 month	2 months
Harassment of any kind, such as verbally abusing or harassing staff and/or user(s): repeated name-calling or other language that is harassing	1 month	3 months	6 months
Disruptive, swear words, or abusive voices, language, gestures, or activities	1 month	3 months	6 months
Stalking or following user(s) and/or staff	1 month	2 months	3+ months
Intoxication	1 month	2 months	3+ months
Theft or vandalism	1 + month (depending on severity/value of loss)	2 + months (depending on severity/value of loss)	3 + months (depending on severity/value of loss)
Level 3 – Severe			
Damaging or misusing the library building, furniture, equipment, or materials	3 months	6 months	1 years
Interfering with library employees in the performance of their duties, or obstructing or intimidating library users of the library, or entering non-public areas without authorization (California Penal Code Section 602.1(b))	3 months	6 months	1 years
Engaging in activity prohibited by local, state or federal law.	3+ months	6+ months	1+years

Displaying, in digital or print format, explicit images that could be considered *harmful matter* in potential view of minors. (CA Penal Code Section 313)	3+ months	6+ months	1+years
Possession, use, under influence of, sale or intent to sell illegal substances	3+ months	6+ months	1+years
Weapons of any kind are prohibited on Library property. The Library is not responsible for personal items that are lost, stolen or damaged in or on the grounds of the library. We reserve the right to search personal belongings to prevent loss of library materials in accordance with state law California Penal Code Section 490.5).	3+ months	6+ months	1+years
Verbal or non-verbal threat of physical harm	6 months	1 year	2 years
Physical assault, fighting or battery of staff and/or user(s)	6+ months	1+ years	2+ years
Sexual misconduct, including but not limited to, indecent exposure, sexual contact, sexual intercourse or lewd acts	6+ months	1+ years	2+ years

PACIFIC GROVE PUBLIC LIBRARY

NOTICE OF LIBRARY SUSPENSION

Name:_____

Date of Notice:_____

You are hereby given notice that, as of the above date, your library visitor privileges are suspended beginning on _____ and ending on _____. This suspension is based on your action(s), outlined below, which violate the Pacific Grove Public Library "Library Rules of Conduct" Policy.

[Describe the incident/violation(s) and cite to applicable rule of conduct]:

Terms of Suspension:

- This suspension will remain in effect from ____to ___, at which time your library usage and privileges will be reinstated. Suspensions longer than one month require a Re-Entry meeting.
- This suspension is a suspension from the Pacific Grove Public Library building. You may not enter, be present at, or access the Pacific Grove Public Library building(s), services, events, or library computers.
- You may not harass any library staff, regardless of the duration of your suspension. This includes, but not be limited to, harassment through in-person, phone, texts, and email communications.
- During the term of your suspension you may communicate with Library staff as indicated below only to schedule your re-entry meeting, and should do so for only that purpose and duration:
    - Re-Entry: Contact the Library Director no more than one week prior to the end of your suspension.
- Any customer who violates their suspension by entering Library building(s) while suspended will be asked to leave the building immediately and will be automatically suspended for two additional weeks and may be subject to citation for trespassing.

Appeals of Suspension:

You may appeal your suspension utilizing the appeal form attached to this Notice of Suspension. The appeal must be submitted within five (5) working days of the date of this Notice of Suspension and will be considered pursuant to the attached Library Rules of Conduct. The appeal of the suspension must also include a copy of this Notice of Suspension. The attached Library Rules of Conduct contains additional information relating to appeal procedures.

Re-Entry Procedure:

If your suspension is for a period of one (1) month or longer, you must request and attend a meeting with the Library Director prior to your return. The purpose of the meeting is to review the customer conduct guidelines, the Library's suspension process and for you to acknowledge that the behavior violation will not occur again. In the case of a minor (under the age of 18), a parent or guardian must attend the meeting with the minor. You may schedule a Re-entry meeting by contacting the Library Director at rgaither@cityofpacificgrove.org or (831) 648-5760.

Communication related to scheduling a Re-entry meeting will not constitute a violation of the suspension, provided that it does not occur more than one week before the end of the suspension term.

PACIFIC GROVE PUBLIC LIBRARY SUSPENSION APPEAL REQUEST FORM

☐ I want to appeal this suspension

Name:_____

Date of Notice of Suspension: _____

Phone Number: _(____)_____

Email Address: _____

Mailing Address: _____

City/State/Zip: _____

_____

How do you prefer to receive the determination of your appeal (Please check one box):

☐ Email

☐ US Mail

Reason for Appeal (Optional):

City of Pacific Grove

Council Policy

SUBJECT	POLICY NO.	EFF. DATE	PAGE
Library Materials Selection	200-6 (B)	Nov.18,1992	1 OF 2

Purpose:

It is the goal of the Pacific Grove Public Library to select, organize, and make accessible library materials in many formats to meet the expressed and anticipated needs and interests of the community it serves.

Policy:

To achieve this purpose these materials will:

- Meet the informational and recreational needs of the community
- Provide a variety of materials on matters of current interest
- Assist the individual to grow intellectually and culturally
- Reflect a broad range of opinions
- Provide insight into a wide range of human and social conditions and cultural heritages
- Support self-education and supplement formal education

Materials will not be excluded because they may cause concern to some individuals. They will not be excluded solely because they contain political, religious or moral views that may be controversial, nor because of language or frank sexual depictions if they meet other selection criteria. The Pacific Grove Library supports the Library Bill of Rights.

Selection Criteria and Procedures:

Under the direction of the Library Director, library materials are selected by professional librarians who use critical reviewing media, suggestions from patrons, and professional knowledge. Each proposed selection is evaluated on

its own merit and in relation to the collection as a whole, using some or all of the following criteria:

- Suitability of subject and style for the intended audience
- Current and future relevance to community needs
- Literary quality, artistic value or importance to its genre
- Popular demand by the public
- Importance of the author or artist
- Timeliness
- Cost
- Existing collection
- Availability of the material elsewhere
- Sustained interest

(Attachment, The Library Bill of Rights)

Adopted: November 18, 1992

Resolution No.: 6315

APPENDIX A

THE LIBRARY BILL OF RIGHTS

The American Library Association affirms that all libraries are forums for information and ideas, and that the following basic policies should guide their services.

1. Books and other library resources should be provided for the interest, information, and enlightenment of all people of the community the library serves. Materials should not be excluded because of the origin, background, or views of those contributing to their creation.

2. Libraries should provide materials and information presenting all points of view on current and historical issues. Materials should not be proscribed or removed because of partisan or doctrinal disapproval.

3. Libraries should challenge censorship in the fulfillment of their responsibility to provide information and enlightenment.

4. Libraries should cooperate with all persons and groups concerned with resisting abridgment of free expression and free access to ideas.

5. A person's right to use a library should not be denied or abridged because of origin, age, background, or views.

6. Libraries which make exhibit spaces and meeting rooms available to the public they serve should make such facilities available on an equitable bases, regardless of the beliefs or affiliations of individuals or groups requesting their use.

Adopted June 18, 1943. Amended February 2, 1961, June 27, 1967, and January 23, 1980, by the ALA Council.

City of Pacific Grove, California

City Council Policy

SUBJECT	POLICY NO.	EFF. DATE	PAGE
Withdrawal of Library Materials	200-6 (D)	Dec. 2, 1992	1 of 2

Purpose:

In order to keep the collections up-to-date, relieve congested shelves, and improve the appearance of the entire library, it is necessary to continually examine the collections on a systematic basis to determine if items should be withdrawn or stored.

Policy:

Recommendations for withdrawal will be done by professional staff members. Final decisions regarding disposition of candidates for withdrawal will be made by the Library Director.

It is acknowledged that, after all guidelines herein are followed, there is a subjective element in the weeding process.

It is recognized that through networking it is possible to borrow copies of items that may have been withdrawn.

Guidelines for withdrawal:

General considerations to be observed:

Circulation record, literary merit, obsolescence of factual content, physical condition, reader appeal, duplication of copies beyond period of demand, listing in standard bibliographies or indexes.

Specific criteria for weeding are outlined in the procedures appendix (Continuous Review, Evaluation, and Weeding [C.R.E.W.] Manual).

Disposition of withdrawn materials:

Storage on premises: Copies of seasonal popularity.

Discarded books may be traded or given to another library. An attempt is made to sell all other discarded items, either on the Library discard shelf or

to a rare book dealer, if appropriate. Revenues realized from the sale of these items is deposited in the City's General Fund. Surplus discards may, on the written authority of the Library Director, be given to the Friends of the Library for their sale(s).

Schedules and procedures for withdrawal:

- An attempt should be made to complete weeding all collections every 12 months.
- Weeding should be done as much as possible during hours the Library is closed.
- Prompt decisions should be made on the disposition of withdrawn materials.
- Consult the C.R.E.W. Manual for further procedures.

Library policy, 1982
Approved by Pacific Grove Library Board, July 14, 1992

Adopted: December 2, 1992

Resolution No.: 6320

CITY OF PACIFIC GROVE, CALIFORNIA
COUNCIL POLICY

SUBJECT	POLICY NO.	EFF. DATE	PAGE
Library Behavior	200-6(K)	May 4, 2011	1 of 1

Purpose
The Pacific Grove Public Library serves the general public and encourages people of all ages to visit the library. Those using the library and its resources have the right to expect a safe, comfortable environment that supports appropriate library services. These rules of conduct are established to provide such an environment.

Rules of Conduct
1. The violation of federal, state, or local laws is not permitted on library property, including:
    - Physical, verbal, or sexual harassment of patrons or staff
    - Threats of violence
    - Theft or vandalism of library or other persons' property

2. Smoking in the library or within 25 feet of the library building is not permitted

3. Disorderly conduct or disruptive behavior that interferes with the normal operation of the library or that disturbs patrons or staff is not permitted. Examples of this type of behavior include, but are not limited to, running, fighting, drunkenness, abusive or threatening language or behavior, and excessively loud conversations.

4. Library patrons shall abide by library rules and shall obey any reasonable direction give by a library staff member.

5. Tampering with library machines, technology systems, and computer hardware or software is prohibited.

6. No pets or animals of any kind, with the exception of service animals or animals being used as part of a library-sponsored program, will be allowed in the library.

7. Patrons shall leave the library at closing time.

8. Library computers may not be used for illegal or criminal activities. Nor may they be used to download or print obscene material.

9. Shoes and acceptable clothing shall be worn in the library at all times.

10. Eating and drinking, with the exception of bottled water, unless part of a program or reception, is not permitted in the library.

11. Bags larger than 20" by 14" by 8" could present a safety risk and may not be brought into the library

12. Children ages 8 and under may not be left unattended in the library and shall be accompanied by someone 12 years or older.

- Children ages 9 and up are allowed to use the library unaccompanied by an adult as long as their behavior is not disruptive to patrons or staff.
- Children under 12 left unattended at closing time will be transferred to the Police Department.

13. Computers in the Children's Room are reserved for children ages 18 and under. Adults with small children may use computers in the Children's Room with permission of the librarian in charge.

14. Personal appliances, such as laptop computers and MP3 players, may be used if the noise level is low and use does not interfere with others. Cell phone use is prohibited in the library and phones shall be turned off or switched to a non-audible signal. Texting is allowed if it does not disrupt the normal operation of the library.

15. No weapons may be brought into the library.

Adopted: March 15, 2000—Resolution No. 0-011
Amended: May 4, 2011—City Council approved amended policy 5-4-11

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

MEETING DATE: November 05, 2025

SUBJECT: League of California Cities Voting Delegate and Alternate(s) Policy 000-029

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

RECOMMENDATION

1. Adopt a resolution amending City Council Policy 000-29 regarding League of California Cities Voting Delegate and Alternate(s);
2. Approve Policy 000-29 amending the selection of the League of California Cities Voting Delegate and Alternate(s);
3. Alternatively, discuss and take other action related to this item.

DISCUSSION

Background

On June 7, 2023, the Council approved and adopted Policy 000-29. The policy was to formalize the process of selecting a voting delegate and up to two alternates to attend the League of California Cities Annual Conference and vote on behalf of the City, as no such policy had yet existed. During the conference business meeting, the authorized delegate from the City may represent the City's interests to vote on and approve League policy. If the selected voting delegate cannot attend, the designated alternate may exercise voting authority. Adopting Policy 000-29 ensured that the process was conducted consistently and transparently on an annual basis.

Prior to Policy 000-29, the Mayor was selected as the City's Voting Delegate with the Mayor Pro Tem as alternate to attend the League of California Cities Annual Conference and vote on behalf of the City of Pacific Grove. The policy amendment returns to both past practice and that of other cities. The Council may, of course, select a second alternate when needed.

All other aspects of the policy remain intact.

OPTIONS

1. Do not approve.
2. Provide alternate direction.

FINANCIAL IMPACT:

There is no fiscal impact to amend Policy 000-29. Funding for City Council conference attendance and travel is allocated within the adopted Fiscal Year budget.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Proposed Reso & Redlined Policy

RESOLUTION NO. 25-XXX

A RESOLUTION OF THE CITY OF PACIFIC GROVE CITY COUNCIL ESTABLISHING A LEAGUE OF CALIFORNIA CITIES VOTING DELEGATE AND ALTERNATE(S) POLICY

FINDINGS

1. League of California Cities Voting and Alternate Delegates Policy 000-29 was established on June 7, 2023.

2. Amending Policy 000-29 will still ensure that the process is conducted consistently and transparently on an annual basis.

3. City governance will be consistent with both past practice and that of other cities designating the Mayor as Voting Delegate and the Mayor Pro Tem as Alternate.

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

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

2. The Council authorizes adoption of a Resolution to amend City Council Policy 000-029 regarding the League of California Cities Voting Delegate and Alternate(s) process.

3. The Amended League of California Cities Voting and Delegate(s) Policy is hereby approved and attached hereto, designating the Mayor as Voting Delegate and the Mayor Pro Tem as Alternate.

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

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

AYES:
NOES:
ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:
DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

City of Pacific Grove
City Council Policy

Policy Governing	Policy No.	Effective Date	Page
League of California Cities Voting Delegate and Alternate(s)	000-29	June 7, 2023	1 of 1

PURPOSE:
To formalize an annual process for selecting a voting delegate and up to two alternates to attend the League of California Cities (LoCC or Cal Cities) Annual Conference, participate in the business meeting, and vote on behalf of the City. Cal Cities membership considers and acts on resolutions that establish Cal Cities policy. Designation must be done annually.

POLICY & PROCEDURE:

Preconference:

- The City Manager and City Clerk will annually receive the LoCC Designation of Voting Delegate and Alternates memo requesting action by an indicated deadline.

- The City Clerk will place the designating delegate/alternate(s) matter on the next City Council regular meeting.

- The City Council will ~~discuss,~~ designate~~,~~ and adopt by resolution the Mayor as voting delegate, the Mayor Pro Tem as alternate, and ~~up to two~~ one alternate when needed~~s~~. (Note: Voting Delegate/Alternate(s) must be registered to attend the conference.)

- The Mayor/Designee will complete and return the Voting Delegate form attaching the adopted resolution and return to the LoCC as instructed.

- The City Manager and City Clerk will annually receive LoCC resolutions that establish Cal Cities policy for City Council consideration by late summer.

- The City Clerk will place the consideration of the resolutions matter on the next City Council regular meeting.

- The City Council will discuss and direct the voting delegate/alternate(s) on how to act on the resolutions at the annual meeting.

Conference:

- At least one voter must be in possession of the voting delegate card. Voting delegates and alternate(s) must pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternate(s), but only between the voting delegate and alternates. If the voting delegate and alternate(s) find themselves unable to attend the Business Meeting, they may not transfer the voting card to another city official.

- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.

2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the Cal Cities Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.

4. **Signing Initiated Resolution Petitions**. Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.

6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.

7. **Resolving Disputes**. In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

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: November 05, 2025

SUBJECT: Allocation of available potable water from the Pacific Grove Local Water Project and the Pure Water Monterey Ground Water Replenishment Project.

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

RECOMMENDATION

Staff recommends adoption of the attached resolution and notes that if changes to the allocation are desired or necessary in the future, staff can return to the City Council with a new resolution that assigns different amounts of water among the five categories.

DISCUSSION

At its meeting of October 15, 2025, the City Council directed that staff return with a resolution that memorialized the assignment of potable water currently or nearly available for allocation. Chapter 11.68 of the Pacific Grove Municipal Code, Water Distribution Regulations, provides that the City Council may distribute available potable water by resolution.

There are two sources of potable water that are ready or nearly ready for allocation. These are the Pacific Grove Local Water Project (PGLWP), also referred to as entitlement water, and the Pure Water Monterey Ground Water Replenishment Project (PWM/GWR), which has an anticipated completion near the end of the 2025 calendar year.

The Monterey Peninsula Water Management District (MPWMD) adopted Ordinance No. 197, which allocated 32 acre-feet of water to the City of Pacific Grove in anticipation of the completion of the PWM/GWR at the end of 2025. The PGLWP generated 47.88 acre-feet of water, of which 11.5 acre-feet have been reserved for an affordable housing project. With this reserve and sales of this water to date, approximately 19.2551 acre-feet of water remain available for sale.
Attached for City Council consideration is a resolution that reflects the direction of the City Council and the allocation of available potable water from each of available or nearly available water sources.

OPTIONS

1. Adopt resolution recommended by staff.
2. Provide alternate allocations and amend resolution at meeting.
3. Decline to allocate available potable water.

FINANCIAL IMPACT:

A significant financial impact is not anticipated by the allocation of available potable water to the five categories identified in this report.

FOCUSED PRIORITY AREA: Community Development

Attachments

Attachment 1 Resolution for the Allocation of Available Potable Water

RESOLUTION N0. 25-0XX

A RESOLUTION OF THE COUNCIL OF THE CITY OF PACIFIC GROVE ALLOCATING AVAILABLE POTABLE WATER

1. In recognition of the need to manage its limited water resources, the City Council enacted Chapter 11.68 (Water Distribution Regulations) of the Pacific Grove Municipal Code in 2018.

2. A key purpose of these regulations was to promote immediate use of available potable water and inhibit water banking.

3. Chapter 11.68 of the Pacific Grove Municipal Code authorizes the City Council to distribute available water by resolution.

4. The City of Pacific Grove built and now operates its Local Water Project (PGLWP), also known as entitlement water, that produces recycled water which is used instead of potable water for landscape irrigation at the Pacific Grove Golf Links and the El Carmelo Cemetery; thus, freeing up potable water for use elsewhere in the City.

5. The Monterey Peninsula Water Management District (MPWMD) approved Ordinance No. 168 on January 27, 2016 to establish the City's water entitlement based on potable water saved by the PGLWP.

6. The State Water Resources Control Board (SWRCB) has confirmed the City can allocate 47.88 acre-feet of entitlement water to allow increased uses of water at existing service addresses within the City but provides terms and conditions limiting the sale and use. The entitlement water is available to use on most Cal-Am service addresses within the City but cannot be used on properties without access to a pre-existing water meter.

7. On May 15, 2019, the City Council adopted Resolution 19-014, which authorized the City Manager to sell 47.88 acre/ft (AF) of water entitlements to be distributed and used in accord with the Pacific Grove Municipal Code Chapter 11.68, and further to be sold and used in accord with terms and conditions set by the SWRCB letter dated April 19, 2019.

8. Pacific Grove City Council Resolution 19-014 created a reserve of 11.5 AF of water entitlements for affordable housing to be deducted from the 47.88 of entitlement water for sale.

9. To date, there is approximately 19.2551 AF of entitlement water remains available for sale.

10. On January 27, 2025, the Monterey Peninsula Water Management District (MPWMD) adopted Ordinance No. 197, which allocated 32 acre-feet of water to the City of Pacific Grove in anticipation of the completion of the Pure Water Monterey Ground Water Replenishment Project (PWM/GWR) at the end of 2025.

11. The California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq.,* "CEQA"), together with State Guidelines (14 California Code of Regulations §§ 15000, *et seq.,* the "CEQA Guidelines") require that certain projects be reviewed for environmental impacts.

12. The City Council finds that the allocation of water to various types of uses is categorically exempt and covered by the CEQA Guidelines Section 15061(b)(3).

13. On September 10, 2025, the City Council considered the recommendations of staff on the distribution of available potable water from the PGLWP and PWM/GWR projects among five categories and directed that staff return with a resolution documenting these allocations.

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

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

2. The City Council allocates available potable water from the PGLWP and PWM/GWR projects among five categories in the amounts indicated in the following table:

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

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

AYES:
NOES:
ABSENT:

APPROVED:

_____

NICK SMITH,
Mayor

ATTEST:DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN PIERIK, City Attorney

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:	November 05, 2025
SUBJECT:	Second Reading of 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

Hold second reading and adopt an ordinance amending the operating and capital budget for the Fiscal Year 2025-26.

DISCUSSION

There were no substantive changes between the first and second readings of the ordinance. The City Clerk caused a summary of the ordinance to be published on October 23, 2025.

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.

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

US DIGITAL DESIGNS
by Honeywell

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

Proposal:
CA_PGRV002 v2

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

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 FSAaaS Program: The cost of service and support beyond initial warranty period is included in the FSASaaS Program for a total of 5 years. The service and support includes Mobile Smart Phone Alerting App and Mapping Services. Please see the FSASaaS 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 cannnot 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 Subcontrators 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

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

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

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 Ccustomer 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 means 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 Claim**s.

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 Uninteruptable 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 updatres 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 OTHEWISE FORESEEABLE, FOR ANY LOST PROFITS OR REVENUE, SPECIAL, INCIDENTAL, INDEIRECT, CONSEQUETIAL, 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 much 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: Joe Amelio, Mayor Pro Tem
MEETING DATE: November 05, 2025
SUBJECT: Monterey-Salinas Transit Minutes for September 8, 2025
CEQA:

RECOMMENDATION
Receive the minutes.

Attachments

MST Minutes 9-8-25

MEETING OF THE MST BOARD OF DIRECTORS

Meeting Minutes
September 8, 2025
9:00 a.m. (Pacific)

Present:	Lorraine Worthy, Vice Chair	City of Gonzales
	Bob Delves	City of Carmel-by-the-Sea
	Kim Shirley	City of Del Rey Oaks
	Ariana Rodriguez	City of Greenfield
	Mike LeBarre	City of King
	Liesbeth Visscher	City of Marina
	Ed Smith	City of Monterey
	Joe Amelio	City of Pacific Grove
	Tony Barerra	City of Salinas
	Dave Pacheco	City of Seaside
	Fernando Cabrera	City of Soledad
	Luis Alejo	County of Monterey
Absent:	Mary Ann Carbone, Chair	City of Sand City
Counsel:	Michael D. Laredo	General Counsel, De Lay & Laredo
Staff:	Carl Sedoryk	General Manager/CEO
	Lisa Rheinheimer	Deputy CEO
	Kelly Halcon	Chief Human Resources Officer
	Michael Kohlman	Chief Information Officer
	Norman Tuitavuki	Chief Operating Officer
	Michelle Overmeyer	Director of Planning and Innovation
	Jeanette Alegar-Rocha	Deputy Secretary/Clerk to the Board
	Andrea Williams	Finance Manager
	Beronica Carriedo	C/S and Community Relations Supervisor
	Cristy Sugabo	Mobility Manager
	Christine Church	Compliance Officer
	Daniel Bruno	Scheduling Assistant
	Daniel Rodriguez	Customer Service Representative
	Danitza Lopez	Human Resources Assistant
	Emma Patel	Planning Manager
	Greg Burchell	Operations Supervisor
	Ikuyo Yoneda-Lopez	Marketing and Communications Manager

	Jacob Newman	Communications Specialist
	Jason Anderson	Drug and Alcohol Coordinator
	Jose Sanchez Barajas	Assistant Planner
	Kelly Soriano	Mobility Specialist
	Luiza Hatlestad	Mobility Specialist
	Marzette Henderson	Transportation Manager
	Paul Lopez	Facilities Manager
	Rolando Munoz	Mobility Specialist
	Scott Taylor	Information Technology Manager
	Steven Bruno	Purchasing Agent
	Susie Flores	Grants Analyst
	Ursulla Scardina	Communications Specialist
	Vince Dance	Project Management Coordinator
Public:	Willie Gray	MST Navigator Volunteer
	Katherine Tsou	Hanson Brigette
	Chris Duymich	AMBAG
	Javier Gomez	County of Monterey
	Jasmine Mejia-Cortes	County of Monterey
	Linda Gonzales	County of Monterey

1. CALL TO ORDER

1-1. Roll Call.

1-2. Pledge of Allegiance

Vice Chair Worthy called the meeting to order at 9:00 a.m. Roll call was taken and a quorum established. Director Ed Smith led the pledge of allegiance.

1-3. Highlights of the agenda. (Carl Sedoryk)

General Manager/CEO, Carl Sedoryk reviewed highlights of the Agenda.

2. CLOSED SESSION

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

2-1. Conference with Monterey-Salinas Transit and ATU Labor Contract – Gov. Code § 54957.6. (Michael Laredo, Kelly Halcon) (No Enclosure)

There were no public comments on item 2-1.

Michael Laredo, MST General Counsel, reported that the Board discussed closed session item 2-1 and the proposal is listed on the agenda as item 7-1 for the Board to take action.

3. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Willie Gray, MST Volunteer Navigator and member of the public shared a photo of an old Salinas transit bus with the Board.

4. CONSENT AGENDA

These items will be approved by a single motion. Anyone may request that an item be discussed and considered separately.

4-1. Financial Reports –July 2025 (Lori Lee) (Page 7)
   a) Accept Report of July 2025 Cash Flow
   b) Approve July 2025 Disbursements
   c) Accept report of July 2025 Treasury Transactions

4-2. Approve Minutes of the MST Board Meeting and Strategic Planning Workshop on August 11, 2025. (Jeanette Alegar-Rocha) (Page 21)

4-3. Receive Draft Minutes of the Measure Q Oversight Committee Meeting on August 18, 2025. (Jeanette Alegar-Rocha) (Page 27)

4-4. Adopt Resolution 2026-04 Recognizing Greg Burchell, Operations Supervisor as Employee of the Month for August 2025. (Marzette Henderson) (Page 31)

4-5. Adopt Resolution 2026-05 Recognizing Kelly Soriano, Mobility Specialist as Employee of the Month for September 2025. (Cristy Sugabo) (Page 33)

4-6. Receive Draft Minutes of the Mobility Advisory Committee Meeting on July 30, 2025. (Ruben Gomez) (Page 35)

4-7. Approve Amendment #1 to the Memorandum of Understanding (MOU) Among the Transportation Agency for Monterey County (TAMC), the City of Salinas, and MST Regarding Use of the Salinas Intermodal Transportation Center. (Michelle Overmeyer) (Page 39)

4-8. Approve List of Thirteen (13) MST-Owned Vehicles as Surplus Property and Direct Staff to Dispose the Vehicles Using the Most Economical Method Available. (Norman K. Tuitavuki) (Page 45)

4-9. Appoint Thomas De La Cruz to the Mobility Advisory Committee for a 3-Year Term.(Cristy Sugabo) (Page 47)

End of Consent Agenda

There were no public comments on the Consent Agenda.

Director Amelio arrived at 10:25 a.m.

Vice Chair Worthy abstained from item 4-2 as she was absent at the August 11, 2025 Board meeting and Strategic Planning Workshop.

On a motion by Director Alejo and seconded by Director Smith, the Board unanimously approved the Consent Agenda with Directors Carbone and LeBarre noted as absent.

5. RECOGNITIONS AND SPECIAL PRESENTATIONS

5-1. August 2025 Employee of the Month – Greg Burchell, Operations Supervisor. (Marzette Henderson)

5-2. September 2025 Employee of the Month – Kelly Soriano, Mobility Specialist. (Cristy Sugabo)

5-3. 25 Year Service Anniversary for Christopher Carbonell, Coach Operator. (Marzette Henderson)

5-4. Recognition of the MST Facilities Team for their Supreme Efforts Renovating the Rianda Operations Center. (Norman Tuitavuki/Carl Sedoryk)

6. PUBLIC HEARINGS

None.

7. ACTION ITEMS

7-1. Ratify the Collective Bargaining Agreement (CBA) between Amalgamated Transit Union Local 1225 (ATU) Employees and Monterey-Salinas Transit District (MST). (Michael Laredo, Kelly Halcon) (mailed separately)

There were no public comments item 7-1.

On a motion by Director Barrera and seconded by Director Amelio, the Board unanimously approved item 7-1 with Directors Carbone and LeBarre noted as absent.

Director LeBarre arrived at 10:52 a.m.

7-2. Receive Presentation on MST Land Utilization Study and Provide Direction to Staff. (Lisa Rheinheimer) (Page 51)

There were no public comments item 7-2.

The Board received a presentation on an MST Land Utilization Study and provided direction to staff.

Director Pacheco left the meeting at 11:14 a.m.

7-3. Authorize the General Manager/CEO or their Designee to Enter into a Five (5) Year Contract with De Lay and Laredo for General Counsel and Labor Negotiations, and a Five (5) Year Non-Exclusive Contract with Hanson Bridgett for Special Counsel Services, Both with the Option to Extend for Two (2) Additional One (1) Year Terms. (Kelly Halcon) (Page 97)

There were no public comments item 7-3.

On a motion by Director Barrera and seconded by Director Smith, the Board unanimously approved item 7-3 with Directors Carbone and Pacheco noted as absent.

8. REPORTS & INFORMATION ITEMS

The Board will receive and file these reports, which do not require action by the Board.

8-1. General Manager/CEO Monthly Report –July 2025 (Page 99)

8-2. Federal Legislative Advocacy Report – (Page 105)

8-3. State Legislative Advocacy Report – (Page 107)

8-4. Staff Trip Reports – (Pages 111-117)

8-5. Correspondence – (Page 119)

9. BOARD REPORTS, COMMENTS, AND REFERRALS

9-1. Reports on Meetings Attended by Board Members at MST Expense. (AB 1234)

9-2. Board Member Comments and Announcements.

Vice Chair Worthy announced that the General Manager/CEO evaluation is due on or before September 30, 2025 to the office of De Lay and Laredo.

Michael Laredo announced that he would send an electronic version of the General Manager/CEO evaluation packet to the Board.

9-3. Board Member Referrals for Future Agendas.

Director Rodriguez asked for an update on South County circulator ridership and the CEO reported that ridership statistics would be provided for quarter ending September 30, 2025, at the November 10th Board meeting.

10. ATTACHMENTS

10-1. The Monthly Report for July 2025 can be viewed online:
http://mst.org/about-mst/board-of-directors/board-meetings/

11. CLOSED SESSION

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

11-1. Review Incentive Pool for MSTEA and Confidential Unit and Provide Direction. (Carl Sedoryk) (Enclosure)

Michael Laredo, MST General Counsel, reported that the Board met and discussed closed session item 11-1. The Board provided direction to the General Manager. The item will be brought back for action at the next meeting.

11-2. Conference with Real Property Negotiators – Gov. Code § 54956.8
APN#s: 003-051-086, 003-051-087, and 003-051-072 in Salinas, CA
MST Negotiators: Carl Sedoryk, General Manager/CEO
Under Negotiation: Price and Terms

Michael Laredo, MST General Counsel, reported that the Board met and discussed closed session item 11-2. No reportable action was taken.

12. ADJOURN

With no further business to discuss, Vice Chair Worthy adjourned the meeting at 12:22 p.m. (Pacific).

Prepared by: _____
Jeanette Alegar-Rocha
Deputy Secretary/Clerk to the Board

Reviewed by: _____
Carl G. Sedoryk
General Manager/CEO

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Cynthia Garfield, Councilmember

MEETING DATE: November 05, 2025

SUBJECT: Summary of Cal Cities Conference Attendance

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

RECOMMENDATION

Receive the report.

DISCUSSION

Overview: The CalCities Conference provides elected representatives and staff an opportunity to meet with peers, hear success stories about common issues, learn about pending trends and legislation and understand diverse viewpoints. Of the sessions I attended, the following points stand out:

Reducing the Cost and Burden of General Plan Updates

The point from the consultant/experts and the cities who had made successful updates was this: unless your city has experienced really significant changes in values, concerns, demographics and character, use a scalpel not a hammer to update the plan in a way that makes it useful going forward. Their advise includes: do not start from scratch, use a simpler format, organize for greater usefulness.

The successful cities (Fountain Valley was notable for their input) used consultants to help city staff craft a plan, not to be the face of the effort. They created a General Plan Advisory Committee for outreach and synthesis that included a variety of stakeholders such as school district, planning commission, council, residents, business leaders.

The estimated cost for a new General Plan was 2-3.5 years and $1-$2 million.

Centralizing Communication to Boost Community Engagement

The participating cities all used a software called “With” to create a community-wide calendar. Redlands and Escondido offered great examples of how this calendar allowed them to bring together a variety of community groups and city departments into one system to let people know what’s happening in their city. They offered some groups (the Chamber, a music venue) with long stable ties to the city free access to add their own events. The host city also created guidelines for what kinds of groups can add to the calendar; for instance, any city sponsored event, or citizen-serving event. Of course, they created standards for applicants to meet to add their event.

The unified calendar also provides the ability to sort, add links (to agendas and packets or invitations) and AI can provide answers to queries such as “how to get a pothole fixed”. I have provided the City Manager with the information on this calendar and asked him to research and perhaps (if suitable) arrange a demonstration.

Small Cities: Building Connections and Sharing Solutions:

This session was a report out of challenges facing small cities that have the same mandates and issues as larger cities with far fewer resources. Some successful ideas put forth by the presenting cities (all of which were about twice Pacific Grove’s size) included: creating a concierge for businesses (much like what we have done with Ms. Halabi’s charge); using digital solutions as much as possible for permitting, planning; establishing a transfer tax; creating a non-profit community foundation; establishing a leadership group to bring together schools, churches, non-profits, service clubs, and using Yiftee to offer a “thank you” gift certificate that can be used at city businesses.

The presenting cities promoted the idea of creating a Small Cities Interest Group as part of CalCities.

Effective Parking Management:

The presenting city, Seal Beach has many similarities with Pacific Grove. They needed to balance parking downtown with coastal parking. They worked with a consulting firm, DIXON, who also presented her take on critical issues to address. Also noted that parking garages cost at least $55,000 per space to build, making that an expensive and perhaps ineffective solution to parking on the flat.

Parking in Seal Beach is part of the police department, but that is not always the best option. The officer presenting, Capt. Nichols, made some key points. The goal in parking enforcement should be to get compliance, not to raise money. It should be revenue neutral and conformed in a way that promotes turnover that benefits businesses since that makes room for new customers. They use lots of data to craft their policies and use license plate recognition that requires that a car be moved a distance away every two hours, not just to the next slot. His final point – if a visitor wont pay $1 to park, do you want them as customers? Seal Beach uses residential parking permits and guest passes to make sure residents are not inconvenienced by parking limitations and regulations in key areas.

Strengthening Local Governance

The presentation was hosted by the Cal-ICMA (Local Government Management Collaborative) and presented issues shared by many cities: a contentious political climate leading to high staff turnover and elected officials cutting their service short means a huge drop in continuity, long range vision and the ability to execute over time. The presenters emphasized what they have seen work well to create strong working relationships. Those include an emphasis on civility, problem solving rather than blaming, orientation for new council members, annual renewal and re-adoption of a code of conduct, reminder to citizens and council that toxic input contributes to the risk of hostile work environment claims, create training on good governance and periodic review of city government (council and staff) effectiveness such as a 360 review.

Summary:

The scheduled sessions, regional lunch and special interest group meetings provide an invaluable opportunity to see success stories and avoid problems that other cities have encountered. Networking, even briefly, with peers gives participants broader perspectives and new information. While webinars

and reports can provide useful information, the energy and interactive nature of a conference provides for greater synthesis of information to make it more useful for our city.

OPTIONS

FINANCIAL IMPACT:

FOCUSED PRIORITY AREA: Not Applicable.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Nick Smith, Mayor

MEETING DATE: November 05, 2025

SUBJECT: 2025 CalCities Annual Conference Report

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

RECOMMENDATION

Receive the report.

DISCUSSION

On October 8-10, I attended the 2025 CalCities Annual Conference in Long Beach, California.

During the conference, I attended sessions and lectures related to city governance and policy, including the following topics: municipal litigation, land use and CEQA issues, election law, and leadership topics.

The CalCities Conference is also a great opportunity to network with other local leaders from our region. To that end, I attended the Monterey Bay Division luncheon/meeting along with councilmembers from other Monterey Bay cities.

I was appointed the City's voting delegate; however, no issues were presented to the General Assembly for a vote.

OPTIONS

N/A

FINANCIAL IMPACT:

N/A

FOCUSED PRIORITY AREA: Not Applicable.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: George Fuerst, Environmental Program Manager

MEETING DATE: November 05, 2025

SUBJECT: Approve an update to the Monterey Regional Storm Water Management Program (MRSWMP) Memorandum of Agreement (MOA) with Monterey One Water

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

RECOMMENDATION

1. Approve the City of Pacific Grove to execute the 2025 Monterey Regional Stormwater Management Program (MRSWMP) Memorandum of Agreement (MOA) with Monterey One Water,
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

In January 2025, the MRSWMP Management Committee established an MOA Ad Hoc Committee to update the Memorandum of Agreement (MOA). The purpose of this update is to reflect current program membership, clarify administrative responsibilities, and prepare for the anticipated reissuance of the Municipal Separate Storm Sewer Systems (MS4) permit in 2026.

There are several key changes in the updated MOA, including a requirement for biannual invoicing of incurred expenses, revised cost-sharing formulas, updated limitations on indirect costs, and a process for budget amendments. Additional administrative revisions include updated bylaws and the incorporation of the Agency Procurement Policy.

The draft MOA was unanimously approved by the MRSWMP Management Committee on June 25, 2025. It is now being presented to each participating jurisdiction for formal adoption. Participating agencies include the cities of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Sand City, and Seaside, as well as the County of Monterey.

Adoption of the 2025 MOA supports compliance with the federal Clean Water Act (33 U.S.C.§ 1251 et seq.) and the State Water Resources Control Board's (SWRCB) National Pollutant Discharge Elimination System (NPDES) Phase II MS4 General Permit (Order No. 2013-0001-DWQ, as amended and anticipated to be reissued in 2026). Participation in the Monterey Regional Stormwater Management Program provides a legally recognized framework for cooperative regional stormwater management, which assists the City in meeting mandatory permit requirements related to pollutant discharge reduction, public outreach, monitoring, and reporting.

This action is consistent with the City of Pacific Grove's Storm Water Management and Discharge

Control Ordinance (PGMC Chapter 9.30)

OPTIONS

Do not authorize the MRSWMP MOA to be executed. Without participating in the regional storm water program, the City would not have the funding, expertise, or staff to independently manage a storm water program.

FINANCIAL IMPACT:

The City's financial obligation will continue to be determined through the MRSWMP's adopted annual budget and calculated using the population-based cost-sharing formula set forth in the MOA. For Fiscal Year 25/26, the City's expected cost-share is $62,727, which has been budgeted in the City's Wastewater Operations Budget, Fund 76.

FOCUSED PRIORITY AREA: Environmental Stewardship

Attachments

MRSWMP MOA

MRSWMP MOA Informational Memo

MONTEREY SEA
Stormwater Education Alliance
Carmel-by-the-Sea • County of Monterey • Del Rey Oaks
Monterey • Pacific Grove • Sand City • Seaside

Monterey Regional Stormwater Management Program

Memorandum of Agreement 2025

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MEMORANDUM OF AGREEMENT
MONTEREY REGIONAL STORMWATER MANAGEMENT PROGRAM

THIS Memorandum of Agreement ("AGREEMENT"), is made and entered into this _____ day of _____, 2025, by and between MONTEREY ONE WATER, hereinafter referred to as "AGENCY", a Joint Powers Authority (JPA) organized under the laws of the State of California, and the following public entities, each of which is hereinafter referred to as "PERMITTEE" or collectively as "PERMITTEES":

CITY OF CARMEL-BY-THE-SEA, a municipal corporation of the State of California;
CITY OF DEL REY OAKS, a municipal corporation of the State of California;
CITY OF MONTEREY, a municipal corporation of the State of California;
CITY OF PACIFIC GROVE, a municipal corporation of the State of California;
CITY OF SAND CITY, a municipal corporation of the State of California;
CITY OF SEASIDE, a municipal corporation of the State of California; and
COUNTY OF MONTEREY, a political subdivision of the State of California.

The AGENCY and the above-mentioned entities may also hereinafter be collectively referred to as "PARTIES" or individually as "PARTY," to form the Monterey Regional Stormwater Management Program (Program).

In addition, other organizations, including but not limited to non-traditional agencies (COORDINATING ENTITIES) that are not subject to similar National Pollutant Discharge Elimination System (NPDES) Phase 2 Municipal Separate Storm Sewer System (MS4) permits and include land parcels adjoining PERMITTEE areas that may impact shared watersheds, may coordinate with the Program and may provide contributions to the Program to help meet stormwater pollution reduction goals.

All participating PERMITTEES and COORDINATING ENTITIES shall be referred to herein collectively as PARTICIPATING ENTITIES.

RECITALS:

A. The Federal Clean Water Act (CWA) requires certain municipalities and industrial facilities to obtain an NPDES permit for the discharge of stormwater to navigable waters. NPDES permits also are required for any stormwater discharge which the Federal Environmental Protection Agency (EPA) or a state has determined contributes to a violation of a water quality standard or is a significant contributor of pollutants to surface waters.

B. The EPA has delegated authority to the California State Water Resources Control Board (SWRCB) to administer the NPDES permit process within California and, in turn, the SWRCB has delegated authority to the California Regional Quality Control Board - Central Coastal Basin (RWQCB) to administer the NPDES permit process within its region.

C. On December 8, 1999, the EPA promulgated Phase 2 stormwater regulations under authority of the Clean Water Act section 402(p)(6). These regulations require the SWRCB to issue NPDES stormwater permits to operators of Small MS4s, defined as entities with a population of under 100,000 people.

D. On April 30, 2003, the SWRCB adopted Water Quality Order No. 2003-005-DWQ, NPDES General Permit CAS000004 Waste Discharge Requirements (WDRs) for Storm Water Discharges from Small Municipal Separate Storm Sewer Systems (General Permit) to

comply with Clean Water Act section 402(p)(6).

E. In 2002, in anticipation of these requirements, the PERMITTEES entered into a Memorandum of Agreement (MOA) and subsequently formed the Program in order to achieve regional cooperation and efficiency among the PERMITTEES in the implementation of the NPDES MS4 regulations.

F. On February 5, 2013, the SWRCB adopted Water Quality Order No. 2013-0001-DWQ NPDES General Permit No. CAS000004 (Order), which modifies the previous General Permit, Order 2003-0005-DWQ. This Order establishes stormwater management program requirements and defines the minimum acceptable elements of municipal stormwater management programs, unless otherwise amended. Per Section J of the Small MS4 Permit, "This Order expires on July 1, 2018. If this Order is not reissued or replaced prior to the expiration date, it will be automatically continued in accordance with 40 CFR 122.6 and remain in full force and effect."

G. On August 1, 2024, the SWRCB released a public notice to solicit comments on the Informal Draft Small Municipal Stormwater Permit currently under development. The issuance of a Formal Draft, followed by the adoption of a new MS4 permit by the SWRCB is expected between 2025 and 2026.

H. In and for the mutual interest of the PERMITTEES, the PERMITTEES wish to continue to implement the Program by entering into this AGREEMENT for the purpose of cooperating to comply with NPDES permit requirements efficiently and economically.

NOW, THEREFORE, THE PARTIES HERETO AGREE, AS FOLLOWS:

Section 1. Monterey Regional Stormwater Management Program

1.01 The Program is intended to fulfill certain obligations of the PERMITTEES with regard to NPDES Phase 2 Storm Water permit requirements.

1.02 The Program is a collective effort and implementation of regional activities designed to benefit all PERMITTEES.

1.03 Each PERMITTEE shall implement individually its Community-Specific Program as required by its Small MS4 Permit.

1.04 PERMITTEES appoint AGENCY to serve as the Program Administrator for the Program and to provide the services set forth in Section 4 below and any other services under the direction of the Program Management Committee (MC, membership as defined in Section 2). AGENCY shall be responsible for selecting, retaining, assigning, or dismissing personnel to provide services on its behalf as called for in this MOA, in collaboration with the MC.

1.05 The AGENCY may withdraw as the Program Administrator upon the provision of ninety (90) days written notice to the MC. The MC may select a new Program Administrator upon the provision of a ninety-day (90) written notice to the AGENCY. In either event, the AGENCY shall issue invoices to each PERMITTEE for unreimbursed expenditures on behalf of the Program within forty-five (45) days of the 90-day period ending.

1.06 In the event that the AGENCY withdraws as the Program Administrator, or in the event that the MC wishes to select a new Program Administrator, another PERMITTEE may serve as a successor Program Administrator. Any PERMITTEE willing to serve as the successor Program Administrator may be nominated by another PERMITTEE. Selection of a Program Administrator must be by majority vote of the MC, and the newly selected Program Administrator shall provide the services set forth in Section 4 below and any other services under the direction of the MC.

Section 2. Management Committee

2.01 A Program MC is hereby created, consisting of representatives from each PERMITTEE, to provide for overall Small MS4 Permit Program coordination, review, and budget oversight.

2.02 The MC is the official management and oversight body of the Program. The MC shall direct and guide the Program and review and approve the Program Budget. The MC shall consider permit compliance, including benefit to a majority of the PERMITTEES, as a primary objective in approving Program tasks and corresponding budgets.

2.03 The voting membership of the MC shall comprise one voting representative from each PERMITTEE, designated as specified in EXHIBIT A. An alternative voting representative may be appointed by each PERMITTEE.

2.04 The MC adopts the Bylaws contained in EXHIBIT A for its governance and may, from time to time, revise these Bylaws by majority vote of the MC at a duly-noticed meeting with a quorum of PERMITTEES in attendance.

2.05 The Program Administrator shall periodically re-evaluate and make recommendations to the PERMITTEES concerning the adjustment of the cost-share allocations that each PERMITTEE shall pay for the implementation of Program obligations.

2.06 A quorum of the MC shall be achieved when voting representatives from at least fifty percent (50%) of the PERMITTEES are present at any MC meeting.

2.07 Meetings of the MC, including any closed sessions with the Program Attorney, shall be conducted in accordance with the Ralph M. Brown Act (Government Code Section 54950 et seq.), including the public posting of meeting agendas at least 72 hours in advance of the meeting.

2.08 The MC shall establish timelines and budgets for the completion of Program tasks.

2.09 The MC, through its Bylaws, may establish procedures for tracking, accounting for, and auditing the Program funds.

Section 3. Program Budget

3.01 A budget shall be adopted for each fiscal year by the MC. The fiscal year shall run from July 1 through June 30. The Budget shall be prepared by the Program Administrator and administered as described in EXHIBIT B.

3.02 The Program Administrator shall invoice PERMITTEES biannually for Program cost expenditures based upon the adopted budget for the fiscal year and the approved cost share allocation. The proportionate share of the Program Budget that each PERMITTEE shall pay shall be shown and specified in the adopted fiscal year budget.

3.03 The Program Administrator shall invoice PERMITTEES for expenses incurred no later than forty-five (45) days after the end of each biannual period.

3.04 Cost-sharing between PARTICIPATING ENTITIES shall be calculated utilizing formulas specific to the Budget Schedule Parameters laid out in EXHIBIT B.2, which include population-based computations, fixed fee contributions, and software usage rates, unless otherwise agreed to by the PARTICIPATING ENTITIES when the budget for each fiscal year is adopted, as described in EXHIBIT B.

3.05 PERMITTEES shall be responsible for reimbursing the Program Administrator for all costs incurred in connection with Program activities. The total annual amount paid by PERMITTEES to the Program Administrator shall not exceed the approved annual budgets. PERMITTEES shall not reimburse the Program Administrator for expenses exceeding the approved annual

budget of the Program, unless approved through the budget amendment process outlined in Subsection 3.06 and in EXHIBIT B.1.

3.06 The Program Administrator must submit a formal request to the MC for any anticipated expenditure that exceeds the limits of the adopted budget using the form included in EXHIBIT B.4. All budget amendment requests must include description of the proposed change, reason for the change, amount of the change, and estimated timeframe for expense to be incurred.

3.07 No budget amendment will be considered final or acted upon until it has received approval by majority vote of the MC.

3.08 The Program Administrator will evaluate all completed and proposed expenditures in order to reduce any budget amendments requested.

Section 4. Program Administrator's Roles & Responsibilities.

4.01 The Program Administrator shall be responsible for Program management, administration, and related duties as described in EXHIBIT D. The Program Administrator shall not be responsible for providing program management services related to individual PERMITTEES' Community-Specific Programs. Work assignments shall be delegated to the Program Administrator by the MC and not by individual PERMITTEES.

4.02 The Program Administrator shall be paid from Program Funds in accordance with the adopted Program Budget, for providing the services described hereunder. The Program Administrator shall be the treasurer of the Program funds and shall maintain Program funds in a separate designated account and shall not expend any funds except in accordance with the annual budget approved by the MC, or as otherwise directed by the MC.

4.03 The Program Administrator may request, as part of the annual Program Budget, reimbursement for reasonable and customary indirect costs incurred in providing the services described in this Section. Reimbursement to the Program Administrator shall be subject to MC review and approval as part of the Program Budget.

4.04 The MC must adhere to Program Administrator 's procurement policies, as laid out in EXHIBIT C. This includes but is not limited to: the Program Administrator shall issue formal Requests for Proposals for services estimated to cost $35,000 or more, and the Program Administrator shall issue Purchase Orders for purchases of $5,000 or more.

4.05 The Program Administrator, in collaboration with the MC, shall be responsible for selecting any consultant(s) or contractor(s) who are to be paid from Program funds ("Outside Contractors") and for reviewing and approving any contracts with Outside Contractors, including the scope(s) of work, schedules of performance, use of subcontractors, and compensation for such Outside Contractors. The selection of Outside Contractors shall conform to the Program Administrator's procurement policies.

4.06 The Program Administrator shall act in a reasonable amount of time to execute contracts with Outside Contractors that have been requested by the MC. The Program Administrator shall provide a copy of any contract executed on behalf of the Program to any PERMITTEE, person designated by any PERMITTEE, or the MC upon request. The Program Administrator, at its discretion, may delegate authority to execute agreements and contracts approved by the Management Committee to a designated employee. Notice of any such delegation of authority shall be provided to the MC.

4.07 The Program Administrator reserves the right to amend and update the procurement policy periodically and shall notify PERMITTEES of any changes in writing upon its adoption by the

Program Administrator.

Section 5. Additional Rights and Duties of the PARTIES

5.01 In addition to participation in the MC, the PERMITTEES accept and agree to perform the following duties:

1. Each will participate in MC meetings and other required meetings of the PERMITTEES.
2. Each will abide by the MC Code of Conduct specified in EXHIBIT A, Item 9.
3. Each will comply with the NPDES Permit conditions that apply within its jurisdictional boundaries.
4. Each will implement its jurisdiction's Community-Specific Program.
5. Each will provide certain agreed upon reports to the Program Administrator for purposes of reporting, on a joint basis, compliance with applicable provisions of the NPDES Permit and the status of Program implementation.
6. Each will address individually inter-agency issues, agreements, or other cooperative efforts.
7. Each will only be responsible for performing the duties listed above for and on behalf of its own jurisdiction.

5.02 This AGREEMENT does not restrict the PERMITTEES from the ability to individually (or collectively) request NPDES Permit modifications and/or initiate NPDES Permit appeals for permit provisions to the extent that a provision affects an individual party (or group of PERMITTEES); however, any such PERMITTEE (or PERMITTEES) shall provide a minimum of 30-days written advance notice of their action to the other PARTIES and allow them to comment upon or join in their action before proceeding.

Section 6. Term of AGREEMENT

6.01 This AGREEMENT shall commence on the date that the last Duly Authorized Representative of the PARTIES executes it and shall continue indefinitely in accordance with the provisions of Subsections 6.02, 6.03, and 6.04 below.

6.02 This AGREEMENT shall terminate upon expiration of the NPDES Phase 2 Storm Water Permit Order Number 2013-0001-DWQ that is issued to the PERMITTEES, unless the SWRCB issues a new NPDES General MS4 Permit or this term is extended by the PARTIES.

6.03 Upon issuance of a new NPDES General MS4 Permit by the SWRCB, this AGREEMENT shall be amended to terminate at the expiration of the new permit, unless this term is extended by the PARTIES.

6.04 Any PERMITTEE may terminate its participation in this AGREEMENT by giving the MC at least a thirty (30) day written notice. If a PERMITTEE terminates its participation, the terminating PERMITTEE will bear the full responsibility for its compliance with the NPDES Permit commencing on the date it terminates its participation, including its compliance with both Community-Specific and Program-wide responsibilities. Unless the termination is scheduled to be effective at the close of the fiscal year in which the notice is given, termination shall constitute forfeiture of all of the terminating PERMITTEE'S share of the Program Budget, for the fiscal year in which the termination occurred (both paid and obligated, but unpaid, amounts). In addition, unless notice of termination is provided at least ninety (90) days prior to the date established by the MC for approval of the budget for the succeeding fiscal year, termination shall constitute forfeiture of all of the terminating PERMITTEE'S share of any unexpended, unencumbered funds remaining from all previous fiscal years. The cost

allocations for the remaining PERMITTEES may be recalculated for the following fiscal year by the PARTIES without the withdrawing PERMITTEE'S participation.

Section 7. General Provisions

7.01 This AGREEMENT supersedes any prior agreement among the PARTIES regarding the Program but does not supersede any other agreements between any of the PARTIES.

7.02 This AGREEMENT may be amended only by written agreement of the PARTIES. All PARTIES agree to bring any proposed amendment to this AGREEMENT to their Council or Board, as applicable, within two (2) months following acceptance of the amendment by the MC.

7.03 In the event any provision of this AGREEMENT is determined to be void or unenforceable for any reason, such a determination shall not affect the remainder of this Agreement, which shall continue to be in force.

7.04 This AGREEMENT may be executed and delivered in any number of copies ("counterpart") by the PARTIES, including by means of electronic communique. When each PARTY has signed and delivered at least one (1) counterpart to the Program Administrator, each counterpart shall be deemed an original and, taken together, shall constitute one and the same AGREEMENT, which shall be binding and effective as to the PARTIES hereto.

7.05 No PARTY shall, by entering into this AGREEMENT, participating in the MC, or agreeing to serve as Program Administrator, assume or be deemed to assume responsibility for any other PARTY in complying with the requirements of the NPDES Permit. This AGREEMENT is intended solely for the convenience and benefit of the PARTIES hereto and shall not be deemed to be for the benefit of any third party and may not be enforced by any third party, including, but not limited to, the EPA, the SWRCB, and the RWQCB, or any person acting on their behalf or in their stead.

7.06 In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the PARTIES pursuant to Government Code Section 895.6, the PARTIES agree that all losses or liabilities incurred by a PARTY shall not be shared pro rata, but instead, the PARTIES agree that pursuant to the Government Code Section 895.4, each of the PARTIES hereto shall fully defend, indemnify, and hold harmless each of the other PARTIES from any claim, expense or cost, damage, or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying PARTY, its officers, agents, or employees, under or in connection with or arising from any work, authority, or action taken under this AGREEMENT, including but not limited to any non-compliance by a PARTY with its obligations under the Program NPDES Permit. No PARTY, nor any officer, Councilmember, Board Member, employee, or agent thereof shall be responsible for any damage or liability incurred by reason of the negligent acts or omissions or willful misconduct of the other PARTIES hereto, their officers, Councilmembers, Board Members, employees, or agents under or in connection with or arising from any work, authority, or actions taken under this AGREEMENT, including but not limited to any non-compliance by a PARTY with its obligations under the Program NPDES Permit.

7.07 In the event that suit shall be brought by any PARTY to this contract, the PARTIES agree that venue shall be exclusively vested in the state courts of the County of Monterey, or, if brought in federal court, in the United States District Court handling matters arising in Monterey County. Further, the prevailing PARTY or PARTIES shall be entitled to reasonable attorney fees and costs.

IN WITNESS WHEREOF, the PARTIES hereto have executed this AGREEMENT as of the dates shown below:

MONTEREY ONE WATER, a Joint Powers Authority and public agency of the State of California

Date: _____

By: _____
Chair, Board of Directors

By: _____
General Manager

APPROVED AS TO FORM:

By: _____
Legal Counsel

ATTEST:

Date: _____

By: _____

CITY OF CARMEL-BY-THE-SEA, a public entity of the State of California;
CITY OF DEL REY OAKS, a public entity of the State of California;
CITY OF MONTEREY, a public entity of the State of California;
CITY OF SAND CITY, a public entity of the State of California;
CITY OF SEASIDE, a public entity of the State of California;
CITY OF PACIFIC GROVE, a public entity of the State of California; and
COUNTY OF MONTEREY, a public entity of the State of California.

Date: _____

By: _____

APPROVED AS TO FORM:

By: _____
Legal Counsel

ATTEST:

Date: _____

By: _____

EXHIBIT A: MOA BYLAWS

A.1: MOA Bylaws

1. Management Committee Representation: Representation from each PERMITTEE will be designated formally by each jurisdiction's authorized agent, including but not limited to City Manager, City/County Administrator, Mayor, and Board Chair. This appointment shall be identified in writing to the MC using the template included in EXHIBIT A.2. Should a new representative and/or alternate be chosen by a PERMITTEE, they shall submit an amended Nomination Letter to the MC as soon as possible.
2. Selection of Officers: Each calendar year, the MC shall select a Chair and Vice Chair. The selection of the members to serve in this position shall be at the regularly scheduled January meeting and shall be based on nominations by the MC. Members of the MC may express their interest in serving as Chair or Vice Chair at the regularly scheduled December meeting. No member of the MC may serve as Chair or Vice Chair for more than two consecutive and complete one-year terms.
3. Voting: Each PERMITTEE shall have one vote, provided that any PERMITTEE can call for a weighted vote on any issue. Voting on all matters shall be on a voice vote, unless a roll call vote is requested by any PERMITTEE in attendance or is required pursuant to the Brown Act. The affirmative vote of at least that number of the voting members of the MC which collectively contribute at least fifty percent (50%) of the area-wide Program costs (a "Majority Vote"), is necessary to approve any financial measure brought before the MC.

   Weighting will be on a population basis, using the populations and numbers of votes shown in Table A. This table may be updated periodically by formal action of the MC. Amending the jurisdictional populations typically will occur when updated population figures are published by the U.S. Census Bureau or when other updated population figures are published and formally accepted by each of the PERMITTEES. If a weighted vote is called, each PERMITTEE will have the number of votes shown in the table below.

Table A: Populations and Votes for Use in Weighted Voting & Cost Share

PERMITTEE	2020 Census Population Within Area Covered by Stormwater Permit[1]	Number of Votes[2]
Carmel-by-the-Sea	3,220	2
Del Rey Oaks	1,592	1
Monterey City	30,212	15
Monterey County	55,339	28
Pacific Grove	15,090	8
Sand City	325	1
Seaside	32,366	16
Total	138,144	71

[1] The U.S. Census Bureau published updated population figures, based on the 2020 Census. U.S. Census Bureau, https://www.census.gov/

[2] One vote shall be provided for each 2,000-person increment of population, except that each PERMITTEE shall have a minimum of one vote, even if its population is less than 2,000.

4. Meeting Schedule: Meetings normally will be held at the Program Administrator's offices on the fourth (4th) Wednesday of each month at 09:30 am, unless changed by the MC.

5. Starting Time: Meetings will start promptly at the designated starting time. Any PARTY representative that knows they will be unable to attend or will be late will notify the Chairperson so as not to delay the start of the meeting.

6. Virtual Participation: Members may teleconference for "individual emergency" or "just cause". If a PERMITTEE is unable to attend in person, they must provide notice and reason as soon as possible to the Chair and/or Vice Chair for each meeting. A quorum of PERMITTEES must be present at a clearly identified single location within the MC's boundaries. The PERMITTEE participating remotely must join with both audio and visual input (with camera functionality enabled) and is not precluded from voting on agendized items. Virtual participation may be utilized a maximum of twice per calendar year.

   "Just cause" includes: (i) childcare/caregiving, (ii) contagious illness, (iii) physical or mental disability not accommodated by AGENCY, (iv) travel on business for City, State, or another public agency, and (v) PERMITTEE has immunocompromised family member.

   "Individual emergency" includes personal physical or family medical emergency that prevents attendance in person.

   The Member participating virtually must make a statement substantively similar to the following: "I am participating in today's meeting remotely under recent amendments to the Brown Act, due to [state reason – i.e. a contagious illness] that prevents me from participating in person. There [is/is not] someone 18 or older in the room with me. [Briefly describe relationship to any person in the room who is 18 years or older.]"

7. Future Members: If additional entities wish to join with the other PARTIES by entering into this AGREEMENT and participating in the Program, the PARTIES will determine an appropriate method of calculating a "buy-in" cost to be paid by the new entity wishing to become a member. This buy-in cost shall, at a minimum, include the amount the new entity would have paid if it had been a PARTY as of the first day of the current fiscal year with a pro-rata deduction, or another method deemed appropriate by the PARTIES. Membership fees will be reassessed for all PARTIES for the following fiscal year to ensure equitable division of Program costs.

8. Coordinating Entities: Coordinating entities are defined as Program Participants with no NPDES Stormwater Permit requirements. This category of participants has no vote-share in the Program, and fees will be assessed based on Schedule B costs (see EXHIBIT B.2 "Schedule Parameters").

9. Code of Conduct Policy:

   a. Purpose: This policy is established to encourage and maintain high standards of behavior by Program MC Members. This Code of Conduct applies to all MC Members and Alternates.

   b. MC Conduct with the Public: MC Members should:

      i. Study materials, comments, and information submitted by the staff, the public, and other interested parties prior to voting, to the extent reasonable.

      ii. Be polite, impartial, respectful, and without prejudice toward the public and fellow MC members.

      iii. Provide fair and equal treatment for all people and matters coming before the MC.

      iv. Listen courteously and attentively to public comments and all public discussions at

MC meetings.

v. Avoid body language that is defensive, disrespectful, or uninterested.

vi. Avoid interrupting speakers, including other MC Members, and any comments from MC Members should be directed through the Chair.

vii. Refrain from arguing with members of the public.

viii. Represent and work for the common good of the Program and not for any private interest.

c. Violation of Policy: A perceived violation of this policy by a Member should be referred to the MC Chair for evaluation and consideration of any appropriate action warranted. In the case of a perceived violation by the MC Chair, the matter should be referred to the Vice Chair for evaluation and consideration of any appropriate action warranted. Reports, complaints, or concerns of perceived violations should be shared by the MC Chair or Vice Chair with the entire MC. The MC Chair or Vice Chair will seek assistance from the AGENCY with regard to the process to address a report or complaint of a perceived violation. A violation of this policy may be addressed as follows:

i. Informal discussion with the MC Chair and/or Vice Chair

ii. Professional counseling/coaching for the individual MC Member, upon recommendation of a majority of the MC made at a duly-noticed meeting of the MC

d. Applicability: Any individual representing MRSWMP at public meetings, community events, and other engagement opportunities is expected to abide by these standards. This includes MC Representatives, Program Administrator staff, and Outside Contractors. Should an issue arise with the conduct of Program Administrator staff or Outside Contractors, the matter will be addressed according to the AGENCY's personnel procedures.

10. Legal Services: The MC may select an attorney or firm (Program Attorney) that is experienced with the Clean Water Act and Municipal Storm Water NPDES Permits to provide legal advice to the MC on all matters involving administration of the Program's NPDES Permit and such other matters upon which the MC may seek legal advice or request legal representation. The Program Attorney shall not be responsible for providing legal advice related to permit compliance to individual PARTIES. The Program Attorney may provide such services under separate contract with any PARTY or PARTIES but shall provide advance notification to all PARTIES before providing such services to identify and resolve possible issues of conflict of interest. The Program Administrator may assist in coordination of activities with the Program Attorney but shall not give direction to the Program Attorney without prior authorization from the MC.

A.2: MC Representative Nomination Letter Template

[Jurisdiction's Letterhead]

[Date]

Monterey Regional Stormwater Management Program (MRSWMP)
Management Committee Program Administrator

RE: Designation of MRSWMP Management Committee Representatives

I, [signatory's name], in my capacity as [signatory's job title] for the [jurisdiction], do hereby designate the following individuals as the designated representatives to serve on the MRSWMP's Management Committee (MC).

1. **Primary MC Representative:**
   Title:
   Department:
   Contact Information:

2. **Alternate MC Representative:**
   Title:
   Department:
   Contact Information:

3. **Legally Responsible Official (LRO):**
   Title:
   Department:
   Contact Information:

These representatives shall represent the [jurisdiction's] Community-Specific Stormwater Management Program on the MC to ensure compliance with the National Pollutant Discharge Elimination System (NPDES) Phase 2 Municipal Separate Storm Sewer System (MS4) permit requirements. They shall have the authority to act on behalf of the [jurisdiction] in all matters, including but not limited to participation in meetings, policy discussions, and decision-making processes pertaining to regional stormwater management efforts.

This designation shall remain in effect until amended or revoked in writing by the [signatory's job title].

Sincerely,

_____

[signatory's name]
[signatory's job title]
[jurisdiction]

We, the undersigned designated MC Representatives, do acknowledge receipt of the MRSWMP MC Code of Conduct and agree to abide by the conditions therein.

_____ _____

Primary Representative Alternate Representative

A.3: Chair & Vice Chair Roles & Responsibilities

1. The MC Chair and Vice Chair, upon selection by the MC as laid out in EXHIBIT A.1, Item 2, shall conduct monthly MC meetings. This includes but is not limited to: call to order, lead meeting and agendized content, call for public comment, facilitate questions from Members and the public, and adjourn meeting.

2. Rules of Order

    a. The Chair shall preside at all meetings of the Committee, ensuring that the meeting is conducted in an orderly manner. Items should be taken up in the order listed in the published agenda. However, when the circumstances warrant, the Chair may modify the order of business.

    b. In the absence of the Chair, the Vice Chair shall preside and exercise all the powers and duties of the Chair. If there is a quorum present, and both the Chair and the Vice Chair are absent, the MC Members present may agree upon a Member to preside and serve as temporary Chair.

    c. The Chair will recognize other MC Members who wish to speak.

    d. The Chair has the same right to make or second a motion or to debate as the other MC Members. The role of presiding officer does not need to be assigned to another Member while the Chair exercises these rights.

    e. The Chair may ask whether there is a motion and a second to bring a matter to a vote or may move or second a motion to bring a matter to a vote.

    f. Agenda items for a MRSWMP meeting are determined by the Chair in consultation with Program Administrator Support Staff.

3. Brown Act – MRSWMP MC is regulated by the Brown Act and must comply with open public meeting noticing and assembly requirements. Key sections include the following:

    a. A meeting is considered the congregation of a majority of members and shall be open to the public (including ADA accessibility needs).

    b. There are seven MRSWMP voting members; a quorum constitutes communication with a minimum of four members at one time.

    c. Agendas must be posted publicly at least 72 hours prior to the meeting time, to include a brief general description of each item to be discussed. Staff posts notices online on the Monterey SEA website, physically at the M1W Administration Office, and through bulk email notifications.

    d. MC leadership shall offer public comment opportunities on any item of interest to the public, before or during the consideration of the item within MRSWMP's jurisdiction.

    e. No communications between a majority of MC Members may be used to discuss, deliberate, or take action on any item within the subject matter jurisdiction of the MC outside of properly noticed meeting sessions.

    f. Program Administrator staff may engage in separate conversations with MRSWMP Members regarding MC business to answer questions or provide additional information.

4. Other Duties:
    a. Support generation of public meeting content – meet with Program Administrator Support Staff to suggest agenda items and to review meeting materials.
    b. Provide feedback – review and provide input on meeting packet materials, official correspondence, and other supporting documents on behalf of MRSWMP.

5. Annual Calendar (approximate dates – may be adjusted to accommodate schedules and holidays)
    a. Committee meetings: fourth Wednesday of each month
    b. In-person meeting agenda/minutes review with Program Administrator Support Staff: second Wednesday of each month
    c. Approval of draft meeting packets via email: third Wednesday of each month

    Meeting agendas and packets are not published until approval is received from the Chair and Vice Chair.

EXHIBIT B: BUDGET

B.1: Budget

Prior to the start of each fiscal year, the Program Administrator, under the direction of the MC, will prepare a Draft Budget and submit it to the MC for its review. The Draft Budget will include a proposed approach for the allocation of costs (cost-sharing) to each PERMITTEE. The Program Administrator will revise the Draft Budget to address concerns and comments from the MC, and the MC then will approve and adopt a Final Budget for the fiscal year. The Final Budget shall be presented to the AGENCY's Director of Finance by May of the preceding fiscal year for approval by the Program Administrator's Board of Directors.

The Program Administrator will establish a separate job-cost code in its accounting system, to which hours spent and out-of-pocket costs related directly to performing work as the Program Administrator and for services of the Program Administrator will be charged. The Program Administrator will send quarterly reports to the MC summarizing the work the Program Administrator has performed during that quarter, the total fiscal year expenditures to conduct Program tasks, and the portion of the cost allocated to each PERMITTEE. The portion of the cost allocated to the PERMITTEE will be calculated in accordance with the cost-sharing approach specified in the adopted Final Budget. The parameters for cost-sharing calculations are described in EXHIBIT B.2.

Direct and Indirect Costs: The costs for AGENCY's services as the Program Administrator will consist of both direct and indirect costs. Direct costs are costs which can be tracked through timecards, invoices, record-keeping systems, and other records that specifically allocate a cost to these services.

Indirect costs are all other costs incurred by AGENCY in order to perform its duties as the Program Administrator, with the percentage of allowable indirect costs tied to the Consumer Price Index Average for San Francisco[3]. Examples of the types of indirect costs that AGENCY is likely to incur are described in EXHIBIT B.3.

Budget Amendments: The Program Administrator and the PERMITTEES recognize that the budget will be based on estimated costs and that actual costs may differ from the budgeted amounts. The Program Administrator will evaluate all completed and proposed expenditures in order to reduce any budget amendments requested. If it appears that costs will exceed the budgeted amounts, the Program Administrator will notify the MC before incurring costs in excess of the budgeted amounts.

Should any anticipated expenditure exceed the limits of the adopted budget, the AGENCY must submit a formal request to incur costs in excess of the budgeted amounts, using the Budget Amendment Form in EXHIBIT B.4. All budget amendment requests shall include description of the proposed change, reason for the change, amount of the change, and estimated timeframe for expenses to be incurred.

If the MC determines, by way of majority vote at a duly-noticed Committee meeting, that it is appropriate to have the Program Administrator incur additional costs above the budgeted amounts, the AGENCY shall proceed to expend the approved funds. No budget amendment will be considered final or acted upon until it has received formal approval by the MC.

[3] US Bureau of Labor Statistics https://www.bls.gov/regions/west/ca_sanfrancisco_cmsa.htm

B.2: Schedule Parameters

The costs of Program activities are shared between each PERMITTEE to ensure equitable division of budget elements. Parameters for each Cost Share Schedule are split into the categories specified in Table B and determined according to the calculations below.

Table B: Cost Share Calculations

Cost Share Schedule	Basis of Calculation
A (total)	*Program Administrator Positions*
A-1	Fixed Fee Portion
A-2	Population-Based Portion
B	Population, Permitted Area
C	Number of Monitoring Locations
D	Regional Module Cost Discount
E	Reg. Subscription Cost Discount

1. Schedule A
    a. Program Administrator Support Staff salaries and benefits – one Full Time Equivalent staff member (a total of 2,080 working hours annually). Staff members receive an annual cost of living adjustment (between three percent (3%) and six percent (6%)) and may be eligible for five percent (5%) salary step increases each year, both of which will be included in budget estimates.
    b. A-1: Fixed fee for each PERMITTEE for the portion of Support Staff hours deemed to be equally beneficial to all PERMITTEES.
    c. A-2: Based on census populations for each PERMITTEE.

2. Schedule B
    a. Programs budget – including training session organization, conferences, travel, and PERMITTEE enrichment.
    b. Direct percentage of population share of individual PERMITTEE areas, including COORDINATING ENTITIES' portion of the population.
3. Schedule C
    a. Stormwater Monitoring Program costs – including volunteer recruitment, laboratory analysis fees, data analysis, and annual report preparation.
    b. Direct percentage of water quality monitoring locations within each jurisdiction.
4. Schedule D
    a. Program Effectiveness Assessment and Improvement Plan software cost.
    b. Calculation based on software module use by each PERMITTEE and the population within each jurisdiction.
5. Schedule E
    a. California Stormwater Quality Association (CASQA) membership.
    b. Calculation based on individual subscriber cost by population and division of PERMITTEE discounts through the regional subscription total.

B.3: Indirect Costs

Indirect costs are defined as cost items that cannot be identified specifically with a single cost objective in an economically feasible manner.

For the costs covered by this AGREEMENT, indirect costs will be charged at 10% of all other direct costs and will be updated, as deemed necessary, with Consumer Price Index adjustments for the San Francisco Region.

The following are the types of indirect costs expected to be incurred in conducting Program activities:

- Use of AGENCY electronic processing systems, including hardware/software for printers, modems, and financial and data processing. Costs include depreciation as well as internal and external maintenance, service agreements, software support, and payroll processing.
- The use of supplies and/or services that are not feasible or not cost-effective to segregate, such as disposables, shared office supplies, forms, paper, and postage.
- Purchasing services, including AGENCY staff time seeking bids, communicating with vendors, preparing requisitions, and issuing purchase orders.
- Use of existing office equipment (copiers, fax machines, scanners, computers) and their related repair, supplies, and maintenance.
- Centralized telephone system and use of AGENCY cellular phones.
- AGENCY Administration building costs (use, utilities, insurance).
- Administrative services including agency-wide training programs (such as safety, sexual harassment prevention), employee assistance programs, and general office support.
- Use of upper-level AGENCY staff for overall coordination, management, and support of stormwater permitting activities and Support Staff work performance.
- Utilization of Program Administrator Attorney to provide legal input on items pertaining to Program activities, at the request of the AGENCY or MC.

B.4: Budget Amendment Form

Monterey Regional Stormwater Management Program (MRSWMP)

Budget Amendment Form

Amendment No.	**Date:**
From: Program Administrator [support staff names], Monterey One Water	

Description: [Describe request]

List Any Attachments: [Please provide if any.]

Amendment Dollar Amount: Not to exceed [enter amount]

APPROVED BY:

MRSWMP Management Committee Chair	**Monterey One Water Program Administrator**
Date:	**Date:**
Signed:	**Signed:**

EXHIBIT C: AGENCY PROCUREMENT POLICY

Monterey One Water Procurement Policy

The PARTIES to the MRSWMP MOA shall abide by the AGENCY Procurement Policy with respect to general purchases and consultant services for Program activities.

Should the AGENCY Board of Directors adopt new thresholds for purchasing authority levels of approval or required processes, the Program Administrator shall notify the MC in writing as soon as possible.

Table C.1 and C.2 show the Procurement Policy cost ranges and associated requirements, as approved by the AGENCY Board of Directors July 1, 2017, and amended October 28, 2022.

Table C.1: Solicitation Types

Cost Range	Type of Solicitation
Less than $5,000	Informal; solicit one written quote
$5,000 - $35,000	Informal; solicit three (3) written quotes
Over $35,000	Advertise for Sealed Bids or issue a Request for Proposals/Qualifications

Table C.2: Authority Levels

Position	Authority Limit
Designated Employees	$11,000
Supervisor	$25,000
Manager/Director	$40,000
Director	$60,000
Assistant General Manager/Director of Finance	$80,000
General Manager	$135,000
Board of Directors	$135,001 or more

EXHIBIT D: DUTIES OF THE PROGRAM ADMINISTRATOR & PROGRAM ADMINISTRATOR SUPPORT STAFF

D.1: Duties of the Program Administrator

Program Administrator: The Program Administrator shall perform the following duties:

- Assist in the recruitment, management, supervision, and retention of Stormwater Program Administrator Support Staff.
- Provide assistance in financial oversight, to include basic Program accounting services and Program budget management, of Stormwater Program Administrator Support Staff.
- Provide overall coordination, management, and support of Program activities.

Program Administrator Support Staff: The Stormwater Program Administrator Support Staff shall perform the following duties:

- The Program Administrator Support Staff will be paid from Program funds in accordance with the adopted Program budget.
- Work assignments are given to the Program Administrator by the MC and not by individual PERMITTEES.
- The Program Administrator Support Staff are not responsible for providing program management services related to individual PERMITTEES' Community-Specific Programs.
- In conformance with the Brown Act, arrange for and facilitate meetings of the MC, including making meeting room arrangements, preparation and distribution of agenda materials and meeting notices, and preparation and distribution of meeting minutes.
- Advise the MC to ensure that the PERMITTEES are in conformance with Robert's Rules of Order and parliamentary processes for meetings and decision making.
- Permit compliance management, including maintaining and promulgating an up-to-date schedule of the activities to be conducted by the MC and its individual PERMITTEES. Anticipate plans, procedures, policies, and other items necessary to carry out the commitments and obligations under the Program and MS4 Permits; prepare and present same to the MC for their review, direction, and approval.
- Prepare the consolidated Regional Annual Report required by the Permit and other permit-related reports and documents.
- Coordinate with RWQCB and SWRCB on Phase 2 Small Municipal Storm Water permitting issues at the direction of the MC.
- As directed by the MC, prepare updates to the Program in conjunction with permit renewals and/or implementation by the SWRCB and/or the RWQCB of new permits or permit requirements.
- At the direction of the MC, manage budget preparation and execution on behalf of the PERMITTEES, including recordation of employee expenses and the proper apportionment to the PARTICIPATING ENTITIES.
- Work with Program Administrator accounting staff with regard to accounts payable, receivable, and invoicing, and review and process Outside Consultant invoices in a timely manner.
- At the direction of the MC, manage contracts with and manage the work of Outside Consultants to perform Program tasks, if deemed necessary and approved by the MC.

- Interact with additional Program Administrator staff, such as secretarial, clerical, accounting, and source control, to carry out the work of the Program Administrator Support Staff.
- Maintain documents and files both electronically and in hard copy in a logical and understandable manner.
- Arrange for training programs to be conducted to fulfill Program Best Management Practices requirements at the direction of the MC. Such work may involve contracting with training consultants or preparing and presenting the training using in-house resources.
- Maintain an up-to-date awareness and knowledge of State and Federal stormwater requirements and, as directed, California Marine Protected Area policies and requirements and Monterey Bay National Sanctuary programs and requirements. Keep the MC sufficiently briefed on programs, potential changes in regulations, grants, and other such matters so that the MC may provide direction and take timely action regarding these types of items.
- Participate in California Stormwater Quality Association (CASQA), SWRCB, and RWQCB activities such as meetings, programs, etc. when and if directed by the MC to do so.
- Prepare other documents such as correspondence to regulatory agencies and advocacy organizations for review, editing, and finalization by the MC. If so directed by the MC, participate in State task forces and other groups pertaining to Program matters.
- As needed, and if so directed by the MC, assist the Public Education and Public Outreach Program Coordinator with such activities as public education, public outreach events, storm drain stenciling, publicity, grant writing, water quality monitoring, and source tracking.
- Research and report on various topics of interest to the MC, at the direction of the MC.

Program Administrator Evaluations: At the end of each fiscal year, the full Management Committee (MC) shall conduct an annual performance evaluation of the AGENCY. This evaluation shall be carried out during an Ad Hoc Committee meeting, with the participation of the Program Administrator. Each MC Member shall assess independently the AGENCY's performance using the standardized evaluation template provided in EXHIBIT D.2. This process ensures transparency, accountability, and continuous improvement in the implementation of the AGREEMENT.

D.2: Program Administrator Evaluation Template

Agency: Monterey One Water, MRSWMP Program Administrator (Agency)

Support Staff Members:

Performance Feedback Period:

Evaluator: **Date of Discussion:**

COMPETENCY REVIEW

Please provide feedback on the Agency's performance relating to the following competencies and specify the appropriate Performance Standards value (defined in description below).

- Accuracy & Quality of Work
- Decision Making
- Innovation & Creativity
- Planning & Goal Setting
- Problem Solving
- Teamwork, Consultant Coordination
- Other

PROGRAM AREAS OF RESPONSIBILITY

Given the two major categories of Program Administrator responsibilities, summarize the efficacy of these elements:

Administration:

Outreach:

GOALS & EXPECTATIONS

Stormwater Permit Priorities:

Accomplishments:

Incomplete this year:

GOAL SETTING

Identify and list the most important goals that support the MRSWMP objectives for the next review cycle, and indicate how to evaluate goals for success:

SUMMARY OF OVERALL PERFORMANCE

Please summarize the overall performance of the Program Administrator and assign a Performance Standards value.

AGENCY COMMENTS

_____
_____
_____
_____
_____
_____
_____

PERFORMANCE STANDARDS

E = Exceeds Performance Expectations
Work can be described as consistently exceptional, regularly exceeding Program objectives, goals, and standards.

P = Performs Well
Strong performance and meets the Program's high expectations and standards. Can be relied upon to consistently perform quality work that furthers the Program's goals and objectives.

N = Not Meeting Expectations
Agency is not fully meeting all expectations of the job.

C = Corrective Action
Agency is not meeting performance expectations and needs to improve in order to retain the role of Program Administrator. A corrective action plan must accompany this document.

The Program Administrator has reviewed this document and discussed the contents with the Committee.

_____

Program Administrator Representative Signature Date

EXHIBIT E: DEFINITIONS

Definitions

Term	Definition
40 CFR 122.6	"States authorized to administer the NPDES program may continue either EPA or State-issued permits until the effective date of the new permits, if State law allows."
ADA	Americans with Disabilities Act
AGENCY	Monterey One Water, a JPA organized under California law
AGREEMENT	Memorandum of Agreement, as signed in 2025 between individual MS4 permit holders
Brown Act	Also, Ralph M. Brown Act. Government Code Section 54950 et seq., regulating the procedures of MC meetings to ensure public access and transparency
CASQA	California Stormwater Quality Association
Clean Water Act section 402(p)(6)	"Not later than October 1, 1993, the Administrator, in consultation with State and local officials, shall issue regulations (based on the results of the studies conducted under paragraph (5)) which designate stormwater discharges, other than those discharges described in paragraph (2), to be regulated to protect water quality and shall establish a comprehensive program to regulate such designated sources. The program shall, at a minimum, (A) establish priorities, (B) establish requirements for State stormwater management programs, and (C) establish expeditious deadlines. The program may include performance standards, guidelines, guidance, and management practices and treatment requirements, as appropriate."
Community-Specific Programs	Each permit-holding jurisdiction must implement stormwater management requirements specified in their respective MS4 permits. These programs are separate from regional coordination efforts and unique to each PERMITTEE.
COORDINATING ENTITIES	Non-traditional agencies that are not subject to similar permit requirements and include land parcels adjoining PERMITTEE areas that may impact shared watersheds
Counterpart	A copy of the signed MOA, whether that be shared electronically or in hard copy
CWA	Federal Clean Water Act
Duly Authorized Representative	An individual with the authority to enter into agreements on behalf of each jurisdiction
DWQ	State Water Resources Control Board Division of Water Quality
EPA	Federal Environmental Protection Agency
General Permit	Water Quality Order No. 2003-005- DWQ, NPDES General Permit CAS000004 WDRs for Storm Water Discharges from Small Municipal Separate Storm Sewer Systems, adopted April 30, 2003

Government Code Section 54950 et seq.	The Ralph M. Brown Act (Brown Act), pertaining to guidelines for public meetings to ensure public access and transparency
Government Code Section 810.8	"'Injury' means death, injury to a person, damage to or loss of property, or any other injury that a person may suffer to their person, reputation, character, feelings or estate, of such nature that it would be actionable if inflicted by a private person."
Government Code Section 895.4	"As part of any agreement, the public entities may provide for contribution or indemnification by any or all of the public entities that are parties to the agreement upon any liability arising out of the performance of the agreement."
Government Code Section 895.6	"Unless the public entities that are parties to an agreement otherwise provide in the agreement, if a public entity is held liable upon any judgment for damages caused by a negligent or wrongful act or omission occurring in the performance of the agreement and pays in excess of its pro rata share in satisfaction of such judgment, such public entity is entitled to contribution from each of the other public entities that are parties to the agreement. The pro rata share of each public entity is determined by dividing the total amount of the judgment by the number of public entities that are parties to the agreement. The right of contribution is limited to the amount paid in satisfaction of the judgment in excess of the pro rata share of the public entity so paying. No public entity may be compelled to make contribution beyond its own pro rata share of the entire judgment."
JPA	Joint Powers Authority
Management Committee	The official management and oversight body of MRSWMP
MOA	Memorandum of Agreement
MONTEREY ONE WATER	A JPA organized under the laws of the State of California
MRSWMP	Monterey Regional Storm Water Management Program
MS4	Municipal Separate Storm Sewer System
NPDES	National Pollutant Discharge Elimination System
Order	California Water Quality Order No. 2013-0001-DWQ NPDES General Permit No. CAS000004, adopted February 5, 2013
Outside Contractors	Any consultant(s) or contractor(s) to be paid from Program funds, who are selected by the Program Administrator to perform duties related to permit compliance activities
PARTY, or collectively as **PARTIES**	The AGENCY and PERMITTEES signing onto the 2025 MOA
PERMITTEE, or collectively as **PERMITTEES**	City of Carmel-by-the-Sea, a municipal corporation of California; City of Del Rey Oaks, a municipal corporation of California; City of Monterey, a municipal corporation of California; City of Pacific Grove, a municipal corporation of California; City of Sand City, a municipal corporation of California; City of Seaside, a municipal corporation of California; and County of Monterey, a political subdivision of California.

Program	Monterey Regional Storm Water Management Program
Program Administrator	Monterey One Water, a JPA organized under California law
Program Attorney	An attorney or firm selected by the MC that is experienced with the Clean Water Act and Municipal Storm Water NPDES Permits to provide legal advice to the Management Committee on all matters involving administration of the Program's NPDES Permit and such other matters upon which the Management Committee may seek legal advice or request legal representation
RWQCB	California Regional Quality Control Board - Central Coastal Basin
SWRCB	California State Water Resources Control Board
WDQ	Waste Discharge Requirements

Monterey Regional Stormwater Management Program (MRSWMP) Committee Informational Memo

TO: MRSWMP Management Committee (MC) Members
FROM: Erica Parker, MRSWMP Program Administrator Support Staff
DATE: July 1, 2025
SUBJECT: Summary of MRSWMP Draft Memorandum of Agreement Updates

BACKGROUND

The initial Memorandum of Agreement (MOA) signed by stormwater permit-holding jurisdictions was created in 2013. Population numbers were updated in 2020 following the publication of new census data. Other than permittee population numbers, the MOA has remained substantially the same since MRSWMP's inception.

DISCUSSION

Program Administrator Support Staff have worked to update the MOA, under the direction of Members, to reflect current Program membership, structure, and forthcoming stormwater permit reissuance.

Priority content that has been updated in this draft includes: updated program membership, language to specify MOA applicability upon the issuance of a new stormwater discharge permit, a member and staff Code of Conduct, and clarification on the roles of the Program Administrator and Program Administrator Support Staff.

PROCESS

An MOA Ad Hoc Committee was formed in January 2025, consisting of Chair Kevin Anderson, Member Michael Trapani, and Program Administrator staff Erica Parker and Yohana Vargas. This draft has been presented to and reviewed by the MOA Ad Hoc Committee over the last five months. Monterey One Water legal counsel reviewed the final draft in its current form as well.

During the regular June 25, 2025, MRSWMP MC meeting, the June MOA Final Draft was approved unanimously. Each member now shall present the final MOA draft to their respective approval authorities (i.e. City Council, Board of Supervisors).

Should any jurisdiction wish to make substantive edits, these must be provided to the MC within three months of MC approval of the final draft. Minor edits do not require approval by the MC, but if Support Staff determines that the changes proposed constitute sizeable modifications, the entire MC shall weigh in on whether to accept these edits. If no changes are requested or made, MC Members shall provide signed counterparts of the MOA to Support Staff, electronically or by hard copy.

Once all Member Entities have provided signatures of approval to the Program Administrator, the MOA shall be presented to the Monterey One Water Board of Directors for final approval. No additional action is required to adopt the agreement, and, at that point, it shall be deemed complete and executed.

Summary of Updates by Section:

1. MOA Content:
    a. Updated permittee list, agency name
    b. Language added re: new permit issuance
    c. Agency Procurement Policy included
    d. Program Administrator invoicing specified as biannual and for expenses incurred only
    e. Severability clause added
2. Exhibit A: Bylaws
    a. Management Committee (MC) representation process specified
    b. Clarification on virtual participation in meetings by MC Members
    c. Definition of Coordinating Entities added
    d. Code of Conduct included, specified application to all individuals acting on behalf of MRSWMP in any setting
    e. MC Representative Nomination Letter created
    f. Chair & Vice Chair Roles & Responsibilities added
3. Exhibit B: Budget
    a. Allowable indirect cost percentage tied to San Francisco Consumer Price Index
    b. Details on formulas to calculate cost-share for each budget schedule
    c. Budget Amendment Form created
4. Exhibit C: Agency Procurement Policy included
5. Exhibit D: Program Administrator Duties
    a. Program Manager wording changed to Program Administrator and Support Staff
    b. Program Administrator Evaluation Template added
6. Exhibit E: Definitions page added

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

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

MEETING DATE: November 05, 2025

SUBJECT: Police Department Building Roof Repairs

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

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RECOMMENDATION

1. Authorize an agreement with Premo Roofing for the removal of the existing roof and the re-roofing of the Pacific Grove Police Department building, for an amount of $58,940.00 plus a 15% contingency.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

The Pacific Grove Police Department, located at 580 Pine Avenue, provides full-service policing, 24/7, to the Pacific Grove community. The Police Department building is vital to the success of the department, as it houses 23 sworn officers and 11 non-sworn employees who together execute the daily tasks of the department. To ensure excellent service continues, it is crucial that employees have a suitable working environment that allows them to execute their tasks.

This project will address a known roof leak caused by the deterioration of the existing hot mop tar and rolled asphalt roofing, which is over 40 years old and beyond its serviceable life. While the roof has been temporarily patched, permanent repairs are essential to prevent further damage. The project will involve the installation of a new PVC membrane roof, ensuring long-term durability and avoiding more costly infrastructure repairs down the line.

The City's Public Works Department reviewed the scope of work and began to solicit quotes for the removal and replacement of the decades old roof. The City received 3 quotes:

Firm	Quote/Proposal
Premo Roofing	$58,940.00
Knox Roofing	$61,115.00
WeatherWeld	$66,808.00

The City is requesting that the City Council authorize an agreement with Premo Roofing for the removal of the existing roof and the re-roofing of the Pacific Grove Police Department building, for an amount of $58,940.00 plus a 15% contingency.

The City deviated from the typical Request for Proposals process as Public Works sought formal quotes for the project. The process utilized Pacific Grove Municipal Code section 2.16.080 (f), which allows for an exemption from formal bidding requirements in cases 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, and 2.16.080 (i), when reasonably necessary for the preservation or protection of public peace, health, safety or welfare of persons or property.

OPTIONS

Do not approve a contract for roof repairs at the Police Department.

FINANCIAL IMPACT:

The Police Building Roof Repair Project (CIP26-10) was approved in the FY25/26 CIP with a budget of $70,000 derived from the operating donations improvement (Fund 31).

FOCUSED PRIORITY AREA: Infrastructure

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

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

MEETING DATE: November 05, 2025

SUBJECT: Fire Station Alerting System

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

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RECOMMENDATION

1. Authorize an agreement with US Digital Designs by Honeywell International, Inc. for the purchase and installation of a new station alerting system in Fire Station 14, for an amount of $142,724.25.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

In October 2010, a contract was awarded to ComTech to replace the speaker system/station alerting systems in Fire Station 14, Pacific Grove's Station at 600 Pine Avenue. The systems are now about 15 years old and no longer reparable. As of 2022, ComTech no longer exists and many of the parts are no longer made and other companies that we have contacted are not familiar enough with the old ComTech system to guarantee their ability to fix the current issues.

The County of Monterey is currently in the process of upgrading their dispatching system from a two-tone paging system to an IP-based paging system. The new system will allow dispatchers to simultaneously dispatch units instead of one by one. This will result in faster dispatching times, which may reduce response times. The City's current station alerting system is not compatible with the new IP-based paging system.

Other benefits of replacing the current station alerting system include a mobile device app allowing customized alerting options. For example, the Fire Department can specify apparatus assignments for individual bedrooms to reduce excess dispatches. The new system will allow for automated text-to-speech, which will have the computer system speaking for parts of the dispatch, such as the address/location. Having a very clear and consistently dispatched address ensures crews will arrive at the correct location. In addition, the new speakers will project clear sound, so firefighters should not need to ask for clarification due to unclear/not understandable sound.

Monterey Fire obtained a quote for the installation of a new alerting system in Fire Station 14, in September of 2025 for a total of $142,724.25. Pacific Grove Municipal Code section 2.16.080 (g) allows for an exemption from formal bidding requirements in cases when the article can be purchased

more economically through the central purchasing authority of another governmental agency. This acquisition will be purchased from Honeywell International, Inc. by utilizing the NPPGOV contract #PS20350.

OPTIONS

Do not approve the agreement.

FINANCIAL IMPACT:

The project is being funded from the Fire Emergency Equipment Fund (Fund 12). The adopted 2025/26 Capital Improvement Program included $100,000 for a fire station alerting system upgrade. At the October 15, 2025, and subsequently at the November 5, 2025 (second read), City Council meeting, the City Council approved an ordinance to increase the project budget by $42,724.25, aligning the project budget with the received quote of $142,724.25, which will be derived from Fund 12, the Fire Emergency Equipment Fund.

FOCUSED PRIORITY AREA: Infrastructure

Attachments

Alerting System Proposal

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

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

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 FSAaaS Program: The cost of service and support beyond initial warranty period is included in the FSASaaS Program for a total of 5 years. The service and support includes Mobile Smart Phone Alerting App and Mapping Services. Please see the FSASaaS 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 cannnot 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 Subcontrators 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

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

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

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 Ccustomer 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 means 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 Claim**s.

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 Uninteruptable 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 updatres 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 OTHEWISE FORESEEABLE, FOR ANY LOST PROFITS OR REVENUE, SPECIAL, INCIDENTAL, INDEIRECT, CONSEQUETIAL, 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 much 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: Matthew Mogensen, City Manager

MEETING DATE: November 05, 2025

SUBJECT: Contract Amendment No. 2 for Professional Services with Municipal Resource Group, LLC (MRG)

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

RECOMMENDATION

1. Approve Amendment No. 2 to a Professional Services Agreement with Municipal Resource Group, LLC (MRG), increasing the current contract by $17,990.00 for a total not to exceed amount of $68,163.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

In late 2024, the City entered an agreement with MRG to conduct a comprehensive City-wide organizational and staffing level assessment. The scope of work included an initial city-wide organizational diagnostic followed by a deeper organizational and staffing level assessment of the Public Works Department. The primary purpose of the initial city-wide organizational diagnostic was to identify gaps in service and operational challenges at the department level so that future organizational and staffing level assessments for each City department could be prioritized. The City prioritized the Public Works Department as the first department to undergo the organizational and staffing level assessment. The purpose of the organizational and staffing level assessment for the Public Works Department was to provide the City with a snapshot of observations and recommendations regarding the department staffing needs, organizational structure, resource allocations, and service delivery models. The cost of the City-wide and Public Works Department Assessment was $39,773.

The Community Development Department was identified as the next department for a Phase 2 assessment. This department has high service demands and shares services with the Public Works Department in many service deliveries. The assessment also provided the City with a snapshot of observations and recommendations regarding the department staffing needs, organizational structure, resource allocations, and service delivery models. Completing this assessment was an additional $10,400, resulting in a total contract cost of $50,173.

The next Phase 2 assessment proposed is for the Information Technology Division. The purpose of the organizational diagnostic is to provide the City with a snapshot of observations and recommendations regarding the program staffing needs, organizational structure, resource allocations, and service

delivery models.

The primary objectives of this assessment include:

- Examine and explore the organizational and functional issues to assess program culture, levels of employee engagement, team effectiveness, role/goal clarity, and skillsets/competencies.
- Evaluate organizational structure, staffing levels, positions, functions, and contracted services in relation to the workload, and program efficiency and effectiveness.
- Evaluate service delivery methods and outcomes, and the policies, legislative requirements, and other influences that impact program operations.

MRG has a good baseline of information and knowledge about City operations following the previously described work completed. This reduces the cost for this I.T. Phase 2 assessment. Attached to this report is an Amendment No. 2 to the Professional Services Agreement with MRG, which includes an additional $17,990 and a total contract cost of $68,163.

OPTIONS

Provide alternative direction to the City Manager.

FINANCIAL IMPACT:

The existing Professional Services Agreement with Municipal Resource Group, LLC (MRG), including Amendment No. 1, has a total contract cost of $50,173. The work to date has included a city-wide organizational diagnostic and a deeper organizational and staffing level assessment of the Public Works and Community Development Departments. Approving Amendment No. 2 to this agreement will increase the total agreement cost by $17,990.00 for a total not to exceed agreement amount of $68,163. The additional $17,990.00 can be funding through existing budget allocation.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

MRG Professional Services Agreement

Professional Services Agreement with MRG for Organization wide Assessment and Public Works

Amendment No. 1

Amendment No. 2

Exhibit A to Amendment No. 2 Scope of Work

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CITY OF PACIFIC GROVE
PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICE AGREEMENT ("PSA") FOR NON-CONSTRUCTION PROJECTS ("Agreement"), is made and effective as of November 7, 2024, between the City of Pacific Grove ("City"), a municipal corporation and Municipal Resource Group, LLC (MRG) a limited liability company ("CONSULTANT"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

   This Agreement shall commence on November 7, 2024, and shall remain and continue in effect until the tasks described herein are completed, but in no event later than June 30, 2025, unless sooner terminated pursuant to the provisions of this Agreement.

2. SCOPE OF WORK

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

3. PERFORMANCE

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

4. CITY MANAGEMENT

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

5. PAYMENT

   a. The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above

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tasks. This amount shall not exceed Thirty-Nine Thousand Seventy Hundred Seventy Three dollars ($39,773.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

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

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

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

6. INSPECTION

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

7. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

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

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

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8. DEFAULT OF CONSULTANT

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

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

9. OWNERSHIP OF DOCUMENTS

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

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

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and other documents prepared by CONSULTANT in the course of providing the Services under this Agreement.

10. RECORD AUDIT

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

11. INDEMNIFICATION AND DEFENSE

Indemnity

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

Duty to defend

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

12. INSURANCE

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

13. INDEPENDENT CONSULTANT

a. CONSULTANT is and shall at all times remain as to City a wholly independent consultant and/or independent contractor. The personnel performing the Services under this Agreement on behalf of CONSULTANT shall at all times be under

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CONSULTANT's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees, or agents, except as set forth in this Agreement. CONSULTANT shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. CONSULTANT shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

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

14. LEGAL RESPONSIBILITIES

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

15. UNDUE INFLUENCE

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

16. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

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

17. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

a. All information gained by CONSULTANT in performance of this Agreement shall be considered confidential and shall not be released by CONSULTANT without City's prior written authorization. CONSULTANT, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless

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requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives City notice of such court order or subpoena.

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

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

18. DISCRIMINATION

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

19. NOTICES

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

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To City:	Matt Mogensen, City Manager City of Pacific Grove 300 Forest Avenue Pacific Grove, CA 93950 Attention: City Clerk
To CONSULTANT:	Andi Stanley, Business Manager MRG, LLC 8788 Elk Grove Blvd., Suite L Elk Grove, CA 95624

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

20. THIRD PARTY BENEFICIARIES

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

21. ASSIGNMENT

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

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

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22. LICENSES

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

23. GOVERNING LAW

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

24. ENTIRE AGREEMENT

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

25. DISPUTE RESOLUTION; ATTORNEY'S FEES

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

26. WORK SCHEDULED/TIME OF COMPLETION

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

27. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of CONSULTANT warrants and represents that they have the authority to execute this Agreement on behalf of the

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CONSULTANT and have the authority to bind CONSULTANT to the performance of its obligations hereunder.

28. INTERPRETATION OF CONFLICTING PROVISIONS

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

29. SEVERABILITY

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

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

CITY OF PACIFIC GROVE

By: Signed by: Matt Mogensen 80923D1285AA4B5...

Matt Mogensen, City Manager

Date: 11/20/2024

CONSULTANT

By: DocuSigned by: Mary Egan 392A99F14677436...

Mary Egan, CEO

Date: 11/6/2024

By: Signed by: Fred Marsh 73C9E1F7DA66479...

Fred Marsh, Administrative Services Department

Date: 11/20/2024

Approved As To Form: DocuSigned by: Brian A. Pierik 01871FB17BD8435...

City Attorney

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EXHIBIT A & B

Consultant Proposal Containing Detailed Scope of Work and Payment Schedule

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October 23, 2024

Matthew Mogensen
City Manager
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

Dear Mr. Mogensen:

Municipal Resource Group LLC (MRG) is pleased to submit this proposal to the City of Pacific Grove to provide a City-wide Organizational Diagnostic and an Organizational and Staffing Assessment of the Public Works Department. MRG Consultant Rick Otto has prepared a scope of work for your review.

MRG has built our practice around assisting clients in identifying core issues impacting performance and organizational health and developing effective strategies for removing these barriers. We consider these engagements an opportunity to work with staff to help them grow and develop, as well as provide staff with practical tools to continue building healthy and effective working relationships. We are "no surprises" consultants, and we work with leadership to define a path for redesign and to achieve desired realistic outcomes.

Out team has provided similar assessment services to client agencies including the cities of Clayton, Orinda, Buena Park, and Cupertino.

Sincerely,

Mary Egan

Mary Egan, CEO
MRG, LLC
916-261-7547
egan@solutions-mrg.com

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/4/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
AssuredPartners Design Professionals Insurance Services, LLC
3697 Mt. Diablo Blvd Suite 230
Lafayette CA 94549

License#: 6003745

CONTACT NAME: Shannon Campos
PHONE (A/C, No, Ext): 714-824-3910 **FAX (A/C, No):**
E-MAIL ADDRESS: CertsDesignPro@AssuredPartners.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Sentinel Insurance Company	11000
INSURER B : Underwriters at Lloyd's, London	32727
INSURER C : Hartford Casualty Insurance Company	29424
INSURER D : At-Bay Specialty Insurance Company	19607
INSURER E :	
INSURER F :	

INSURED
Municipal Resource Group, LLC (MRG)
PO BOX 561
Wilton CA 95693

MUNIRES-01

COVERAGES **CERTIFICATE NUMBER:** 245889857 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** CLAIMS-MADE X OCCUR X Contractual Liab Included GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT X LOC OTHER:	Y	Y	57SBAUZ2244	2/2/2024	2/2/2025	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG 	$ 2,000,000 $ 1,000,000 $ 10,000 $ 2,000,000 $ 4,000,000 $ 4,000,000 $
A	**AUTOMOBILE LIABILITY** ANY AUTO OWNED AUTOS ONLY SCHEDULED AUTOS X HIRED AUTOS ONLY X NON-OWNED AUTOS ONLY	Y	Y	57SBAUZ2244	2/2/2024	2/2/2025	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) 	$ 2,000,000 $ $ $ $
	UMBRELLA LIAB OCCUR **EXCESS LIAB** CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE 	$ $ $
C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	57WECAB10L8	2/1/2024	2/1/2025	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
B D	Professional Liability Cyber Liability			MPL505106424 AB661825003	2/5/2024 2/5/2024	2/5/2025 2/5/2025	Per Claim Aggregate Limit Per Claim/$2,000,000	$2,000,000 $2,000,000 Agg Lmt/$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Insured owns no company vehicles; therefore, hired/non-owned auto is the maximum coverage that applies. Professional services includes Management consulting and strategic planning services, and workplace investigations. An Insured extends to a natural person performing services or duties within the scope of their written agreement with an Insured Entity and for whom the Insured Entity is legally liable, but only while acting within the scope of such person's duties performed on behalf of the Insured Entity.
RE: All Operations of the Named Insured.
City of Pacific Grove and its officers, employees, agents and volunteers are named as an additional insured as respects general liability and auto liability as required per written contract. General Liability is Primary/Non-Contributory per policy form wording. Insurance coverage includes waiver of subrogation per the attached endorsement(s).
See Attached...

CERTIFICATE HOLDER

City of Pacific Grove
300 Forest Avenue
Pacific Grove CA 93950

CANCELLATION 30 Day Notice of Cancellation

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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AGENCY CUSTOMER ID: MUNIRES-01

LOC #:

ADDITIONAL REMARKS SCHEDULE

AGENCY AssuredPartners Design Professionals Insurance Services, LLC	**NAMED INSURED** Municipal Resource Group, LLC (MRG) PO BOX 561 Wilton CA 95693
POLICY NUMBER	
CARRIER / **NAIC CODE**	**EFFECTIVE DATE:**

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

SEVERABILITY OF INTERESTS
Separation of Insureds - Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:
a. As if each Named Insured were the only Named Insured; and
b. Separately to each insured against whom claim is made or suit is brought.

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Policy #: 57SBAUZ2244

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

This coverage is subject to all provisions in the **BUSINESS LIABILITY COVERAGE FORM** not expressly modified herein:

A. Amended Coverage:

Coverage is extended to "bodily injury" and "property damage" arising out of the use of a "hired auto" and "non-owned auto".

B. Paragraph B. EXCLUSIONS is amended as follows:

1. Exclusion **g. Aircraft, Auto or Watercraft** does not apply to a "hired auto" or a "non-owned auto".

2. Exclusion **e. Employers Liability** does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract".

3. Exclusion **f. Pollution** is replaced by the following:

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

(1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";

(2) Otherwise in the course of transit by or on behalf of the "insured"; or

(3) Being stored, disposed of, treated or processed in or upon the covered "auto".

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

(1) The "pollutants" escape, seep, migrate, or are discharged or released directly from an "auto" part designed by its manufacturer to hold, store, receive, or dispose of such "pollutants"; and

(2) The "bodily injury" and "property damage" does not arise out of the operation of any equipment listed in paragraphs **15.b.** and **15.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

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(2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage as a result of the maintenance or use of a covered "auto".

4. With respect to this coverage, the following additional exclusions apply:

a. Fellow employee

Coverage does not apply to "bodily injury" to any fellow "employee" of the "insured" arising out of the operation of an "auto" owned by the "insured" in the course of the fellow "employee's" employment.

b. Care, custody or control

Coverage does not apply to "property damage" involving property owned or transported by the "insured" or in the "insured's" care, custody or control.

C. With respect to "hired auto" and "non-owned auto" coverage, Paragraph **C. WHO IS AN INSURED** is deleted and replaced by the following:

The following are "insureds":

a. You.

b. Your "employee" while using with your permission:

(1) An "auto" you hire or borrow; or

(2) An "auto" you don't own, hire or borrow in your business or personal affairs; or

(3) An "auto" hired or rented by your "employee" on your behalf and at your direction.

c. Anyone else while using a "hired auto" or "non-owned auto" with your permission except:

(1) The owner or anyone else from whom you hire or borrow an "auto".

(2) Someone using an auto while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

(3) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from an "auto".

(4) A partner (if you are a partnership), or a member (if you are a limited liability company) for an "auto" owned by him or her or a member of his or her household.

d. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

D. With respect to the operation of a "hired auto" and "non-owned auto", the following additional conditions apply:

1. OTHER INSURANCE

a. Except for any liability assumed under an "insured contract" the insurance provided by this Coverage Form is excess over any other collectible insurance.

However, if your business is the selling, servicing, repairing, parking or storage of "autos", the insurance provided by this endorsement is primary when covered "bodily injury" or "property damage" arises out of the operation of a customer's "auto" by you or your "employee".

b. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

2. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

If the Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

E. The following definitions are added:

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS:

1. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent or borrow from any of your "employees", your partners (if you are a partnership), members (if you are a limited liability company),

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or your "executive officers" or members of their households.

This does not include a long-term leased "auto" that you insure as an owned "auto" under any other auto liability insurance policy or a temporary substitute for an "auto" you own that is out of service because of its breakdown, repair, servicing or destruction.

2. "Non-owned auto " means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes:

a. "Autos" owned by your "employees" your partners (if you are a partnership), members (if you are a limited liability company), or your "executive officers", or members of their households, but only while used in your business or your personal affairs.

b. Customer's "auto" that is in your care, custody or control for service.

QUICK REFERENCE
BUSINESS LIABILITY COVERAGE FORM
READ YOUR POLICY CAREFULLY

BUSINESS LIABILITY COVERAGE FORM	Beginning on Page
A. COVERAGES	**1**
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BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **C**. - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. - Liability And Medical Expenses Definitions.

A. COVERAGES

1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **D.** - Liability And Medical Expenses Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

b. This insurance applies:

(1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(b) The "bodily injury" or "property damage" occurs during the policy period; and

(c) Prior to the policy period, no insured listed under Paragraph **1.** of Section **C.** – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **C.** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

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(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

(1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:

(a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and

(b) You are not engaged in the business or occupation of providing such services.

(2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. MEDICAL EXPENSES

Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within three years of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:

(1) All expenses we incur.

(2) Up to $1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

(4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $500 a day because of time off from work.

(5) All costs taxed against the insured in the "suit".

(6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

(7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under **(1)** through **(7)** above will not reduce the limits of insurance.

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b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

(1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

(2) This insurance applies to such liability assumed by the insured;

(3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

(4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;

(5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(6) The indemnitee:

(a) Agrees in writing to:

(i) Cooperate with us in the investigation, settlement or defense of the "suit";

(ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(iii) Notify any other insurer whose coverage is available to the indemnitee; and

(iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(b) Provides us with written authorization to:

(i) Obtain records and other information related to the "suit"; and

(ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph **1.b.(b)** of Section **B.** – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

(1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or

(2) The conditions set forth above, or the terms of the agreement described in Paragraph **(6)** above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

(1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or

(2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

(1) "Bodily injury" or "property damage"; or

(2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

(a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

(i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and

(ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of **(1)** above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

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(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible;

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

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g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;

(5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or

(6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

(1) Legal, accounting or advertising services;

(2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;

(3) Supervisory, inspection, architectural or engineering activities;

(4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;

(5) Any health or therapeutic service treatment, advice or instruction;

(6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

(7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

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(8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting,demonstration or distribution of ophthalmic lenses and similar products;

(9) Any:

(a) Body piercing (not including ear piercing);

(b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and

(c) Similar services;

(10) Services in the practice of pharmacy; and

(11) Computer consulting, design or programming services, including web site design.

Paragraphs **(4)** and **(5)** of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph **1.e.** in Section **A.** - Coverages.

k. Damage To Property

"Property damage" to:

(1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section **D.** - Limits Of Insurance.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(3)** and **(4)** of this exclusion do not apply to the use of elevators.

Paragraphs **(3)**, **(4)**, **(5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs **(3)** and **(4)** of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

(1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;

(2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;

(3) Arising out of a criminal act committed by or at the direction of the insured;

(4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";

(5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

(6) Arising out of the wrong description of the price of goods, products or services;

(7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

(a) Copyright;

(b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

(8) Arising out of an offense committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web sites for others; or

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **a.**, **b.** and **c.** under the definition of "personal and advertising injury" in Section **G.** – Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

(9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

(10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;

(11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

(12) Arising out of:

(a) An "advertisement" for others on your web site;

(b) Placing a link to a web site of others on your web site;

(c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or

(d) Computer code, software or programming used to enable:

(i) Your web site; or

(ii) The presentation or functionality of an "advertisement" or other content on your web site;

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(13) Arising out of a violation of any anti-trust law;

(14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or

(15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Asbestos

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".

(2) Any damages, judgments, settlements, loss, costs or expenses that:

(a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning or Explosion

Exclusions **c.** through **h.** and **k.** through **o.** do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section **D.** - Liability And Medical Expenses Limits Of Insurance.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured
To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph **(d)** does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

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(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

(1) "Bodily injury" or "property damage" that occurred; or

(2) "Personal and advertising injury" arising out of an offense committed

before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs **a.** through **f.** below are additional insureds when you have agreed, in a written

contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section **F.** – Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs **(d)** or **(f)**; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

(1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

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(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

(1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

(a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or

(b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

(1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(a) In connection with your premises; or

(b) In the performance of your ongoing operations performed by you or on your behalf.

(2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

(a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

(1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

(a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

(1) Any other person or organization who is not an insured under Paragraphs **a.** through **e**. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(a) In the performance of your ongoing operations;

(b) In connection with your premises owned by or rented to you; or

(c) In connection with "your work" and included within the "products-completed operations hazard", but only if

(i) The written contract or written agreement requires you to provide such coverage to such additional insured; and

(ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section **D.** – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E.** – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.

b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to **2.a.** or **2.b** above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to **2.b.** above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or

b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

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If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph **3.** above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

(1) How, when and where the "occurrence" or offense took place;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs **a.** and **b.** apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

(1) You or any additional insured that is an individual;

(2) Any partner, if you or an additional insured is a partnership;

(3) Any manager, if you or an additional insured is a limited liability company;

(4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;

(5) Any trustee, if you or an additional insured is a trust; or

(6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

This Paragraph **f.** applies separately to you and any additional insured.

3. Financial Responsibility Laws

a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.

b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

(1) The statements in the Declarations are accurate and complete;

(2) Those statements are based upon representations you made to us; and

(3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **A.** – Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion **k.** of Section **A.** – Coverages.

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(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

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F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph **6.** (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section **C.**, Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

a. In the performance of your ongoing operations; or

b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) Any "occurrence" that takes place after you cease to lease that land; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision – Permits

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

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Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. The insurance afforded to the vendor is subject to the following additional exclusions:

(1) This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs **(d)** or **(f)**; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

a. Their financial control of you; or

b. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(1) In the performance of your ongoing operations for the additional insured(s); or

(2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section **D.** – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E.** – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

a. (1) Radio;

(2) Television;

(3) Billboard;

(4) Magazine;

(5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

a. Injury;

b. Sickness; or

c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

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a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above;

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in **a.** above;

(2) The activities of a person whose home is in the territory described in **a**. above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.

7. "Electronic data" means information, facts or programs:

a. Stored as or on;

b. Created or used on; or

c. Transmitted to or from

computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. Your fulfilling the terms of the contract or agreement.

12. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section **D.** – Liability and Medical Expenses Limits of Insurance.

b. A sidetrack agreement;

c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;

d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement; or

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

However, Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(1)** above and supervisory, inspection, architectural or engineering activities.

13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

14. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, on which are permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in **a.**, **b.**, **c.**, or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in **a.**, **b.**, **c.**, or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

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c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral, written or electronic publication of material that violates a person's right of privacy;

f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";

g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or

h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.

18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

19. "Products-completed operations hazard";

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

20. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.

As used in this definition, "electronic data" is not tangible property.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

23. "Volunteer worker" means a person who:

a. Is not your "employee";

b. Donates his or her work;

c. Acts at the direction of and within the scope of duties determined by you; and

d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

24. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

25. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

Policy Number: 57WECAB10L8 **Endorsement Number:**
Effective Date: 02/01/2024 Effective hour is the same as stated on the Information Page of the policy.
Named Insured and Address: Municipal Resource Group, LLC (MRG)
PO BOX 561
Wilton, CA 95693

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

Person or Organization	Job Description
Any person or organization from whom you are required by written contract or agreement to obtain this waiver of rights from us	

Countersigned by _____
Authorized Representative

Form WC 04 03 06 (1) Printed in U.S.A.

Policy Expiration Date: 02/01/2025

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INTRODUCING MRG

MRG was founded in 2009 by highly skilled and broadly experienced professionals. MRG has a team of professionals who work to address challenges for both public and private sector clients. Our 70 consultants have extensive experience in all aspects of Organizational Assessment & Development, Human Resources, including staffing and effectiveness analyses. Our team is experienced in working with elected officials, agency executives, managers, and staff.

Municipal Resource Group, LLC is an experienced, full-service consulting firm dedicated to assisting public sector agencies in attaining their strategic goals. MRG's consulting work focuses on the five practice areas listed below.

1 Governance, Evaluations, Strategic Planning
- Goal Setting
- Strategic Planning
- Executive Evaluations
- Governance Protocols & Manuals

2 Human Resource Services
- HR-On-Demand
- Classification / Comp
- Labor Relations
- Recruitments
- Performance Improvement

3 Investigations, Mediation, Conflict Resolution
- Workplace investigations
- Harassment
- Conflict resolution & mediation
- Government Ethics

4 Organizational Assessments & Development
- Organizational Assessments & Audits
- Employer of Choice
- Financial Management
- City Clerk Practice
- Project Management

5 Coaching, Leadership & Team Development
- Executive Coaching
- Manager & Supervisor Training
- Coaching for Promoted
- Retreats
- Team Building
- Performance Coaching

MRG's Consulting Philosophy

As a consulting firm, MRG brings talented consultants to assignments to meet clients' needs. MRG differentiates its work based on the following four principles.

Trusted Advisors

MRG prides itself on building long-term relationships with clients who turn to MRG for guidance and expertise. We work as "trusted advisors," working directly with the leadership of organizations to help them manage their complex organizations and adjust to change that is constantly knocking on the door.

Commitment to Public Service

We have also chosen to focus our work on local, regional, and state agencies that deliver public service to communities. We understand that our client's work is important and impactful, and our goal is to help organizations do that work with more grace, effectiveness, and efficiency.



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Partnership for Impact
As seasoned executive leaders ourselves, we have no interest in writing reports that sit on shelves or are not reality-based for action. MRG needs to work in a consultative partnership directly with management to ensure that organizational impact occurs. We see our role as true partners with the leadership team, working productively to help you find solutions for actionable impact in your organization.

Team of Management Practitioners + Executive Leadership Coach
Today's organizations require a robust understanding of people and teams, plus talented management and leadership. The key to an organization's success is the integration of control, which creates value (efficiency, effectiveness, empowerment), and leadership, which inspires change and a collective vision. By bringing a consultant team with management plus leadership coaching expertise, MRG can deliver tools, perspectives, and paradigms for the continued support of an organization's leadership team.

Strategic Organizational Development
Organizations are complex, multi-faceted organisms that take time and strategy to develop and shape. While employees are focused on delivering services, there is "care and feeding" of the organization, structure, and systems that need to be done to support the workforce, mold culture, and deliver services/mission. MRG brings deep organizational development and human resources experience to help organizations invest in their operations' strategic, hands-on development.

SCOPE OF WORK

City of Pacific Grove

City-wide Organizational Diagnostic and Organizational and Staffing Assessment of the Public Works Department

The City of Pacific Grove is interested in hiring a firm to conduct a comprehensive City-wide organizational and staffing level assessment. It is understood that this effort could be a multi-year project due to cost, time constraints, and impact to the organization. As such, the City has requested MRG to provide a proposal to conduct an initial city-wide organizational diagnostic followed by a deeper organizational and staffing level assessment of the Public Works Department. These two efforts would be Phase 1 and Phase 2 of a multi-phase approach to assessing the entire organization. The primary purpose of the initial city-wide organizational diagnostic is to identify gaps in service and operational challenges at the department level so that future organizational and staffing level assessments for each City department can be prioritized. The City prioritized the Public Works Department as the first department to undergo the organizational and staffing level assessment.

The purpose of the organizational and staffing level assessment for the Public Works Department is to provide the City with a snapshot of observations and recommendations

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regarding the department staffing needs, organizational structure, resource allocations, and service delivery models. The primary objectives of the assessment include:

- Examine and explore the organizational, functional, and cultural issues to assess department culture, levels of employee engagement, team effectiveness, role/goal clarity, and skillsets/competencies.
- Conduct a Functional Assessment, designed to determine the capability/competence of the function(s) within the department and to ensure alignment with best practices.
- Evaluate organizational structure, staffing levels, positions, functions, and contracted services in relation to the workload, and program efficiency and effectiveness.
- Evaluate service delivery methods and outcomes, and the policies, legislative requirements, and other influences that impact departmental operations.

WORK PLAN

MRG has developed the following work plan for the project to meet the City's needs. The scope of work is dependent upon the needs of the organization and may be modified as needed during the initial video conference:

PHASE 1 – Organizational Diagnostic

1. **Project Initiation / Launch:**
   - Initial video conference with major stakeholders including but not limited to City Manager and Human Resources Director.
   - Review project outcomes, process timing, expectations, define interview subjects, and set initial timeline.
   - Request, obtain and review numerous documents including but not limited to the department organizational charts, organizational accomplishments, historical budgetary and staffing level data, community surveys, and any other relevant reports and documents. Obtain anecdotal perspectives on issues and concerns that drive this request.
   - Conduct a kick-off meeting with the department heads introducing the project and discussing their role.

2. **Conduct Staff Interviews and Review Process**
   - Develop interview format and questions.
   - Conduct one-hour interviews via on-site and/or video conferencing with department heads and other key staff members in the City.
   - Anticipate conducting approximately 11 interviews.
   - Compile and analyze interview data and information.

3. **Prepare Initial Findings/Recommendations**
   - Compile data, perform analysis, prepare key initial findings summaries, and develop recommendations.

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4. **Conduct Mid-Project Update Meeting with the City Manager and Human Resources Director.**
   - Review initial findings/recommendations/best practices, conduct additional research and outreach as needed.

5. **Prepare final Report for Review**
   - Compile Report, review with City Manager, revise as necessary, prepare final Report, and deliver to City.
   - The Report will include high-level observations, preliminary findings, and recommendations.

PHASE 2 – Organizational and Staffing Level Assessment for the Public Works Department

6. **Phase 2 Launch:**
   - Initial video conference with major stakeholder including but not limited to City Manager and Public Works Director.
   - Review project outcomes, process timing, expectations, define interview subjects, and set initial timeline.
   - Request, obtain and review numerous documents including but not limited to the department organizational charts, job class information, department goals and objectives, organizational accomplishments, department projects and programs, historical workload data, historical budgetary and staffing level data, community surveys, and any other relevant reports and documents. Obtain anecdotal perspectives on issues and concerns that drive this request.

7. **Conduct Staff Interviews and Review Process**
   - Develop interview format and questions.
   - Conduct one-hour interviews via on-site and/or video conferencing with Public Works Department staff.
   - Anticipate conducting approximately 12 interviews.
   - Compile and analyze interview data and information.

8. **Conduct Benchmarking with Comparable Cities**
   - Conduct a comparison analysis of up to five (5) cities that will be mutually agreed upon by the City and MRG.

9. **Prepare Initial Findings/Recommendations**
   - Compile data, perform analysis, prepare key initial findings summaries, and develop recommendations.

10. **Conduct Mid-Project Update Meeting with the City Manager and Assistant City Managers.**

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- Review initial findings/recommendations/best practices, conduct additional research and outreach as needed.

11. Prepare final Report and Summary Level Draft PowerPoint Presentation for Review

- Compile Report and/or PowerPoint Presentation, review with City Manager and Assistant City Managers, revise as necessary, prepare final Report and/or PowerPoint, and deliver to City.
- The Report will include observations, preliminary findings, and recommendations. The report will also identify any issues outside the identified scope of work that may impact the office and require further analysis or actions on the part of the City. The draft report, which will include a summary and description of study methodology.

PROJECT FEES

MRG proposes an estimated not-to-exceed contract amount of $39,773, including expenses. The project will be invoice based on the milestones listed below. Based on the client's direction, many of the interviews can be conducted on-site unless remote interviews are feasible. All other work is intended to be completed remotely via email, teleconference, and video conference. Should the client and MRG mutually agree to conduct any other meetings or work activities on-site, travel expenses will be billed to the client at cost.

MILESTONES	COST
Task 1 - Launch & Project Coordination	$2,905
Task 2 - Organizational Diagnostic	$7,800
Task 3 - Public Works: Interviews, Research & Comparative Analysis	$10,400
Task 4 - Public Works: Findings, Recommendations, Report & Presentations	$15,668
Sub-total	**$36,773**
Travel Expenses (assumes 2 trips – interviews and Council presentation)	$3,000
TOTAL	**$39,773**

If additional services are requested or additional time needed (such as for assistance in implementation or professional development), those hours will be billed at $260 per hour after being approved by the City of Pacific Grove and MRG.

MRG PROJECT TEAM

MRG has chosen a consultant team with the experience and approach to conduct an objective and independent study.

Cathy Capriola is an MRG Vice President and has co-leadership over MRG's organizational assessment practice area.

Rick Otto is a Senior Consultant with expertise in organizational assessments and leadership development. Rick will be the lead consultant for this project.

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CEO	VICE PRESIDENT	SENIOR CONSULTANT
Mary Egan CEO Egan@solutions-mrg.com (916) 261-7547	Cathy Capriola Vice President CCapriola@solutions-mrg.com (916) 257-3287	Rick Otto Senior Consultant otto@citymanagement@gmail.com (714) 745-2852



RICK OTTO

As the former City Manager for the City of Orange, Rick Otto understands the many challenges today's local government executives face on a daily basis. Rick successfully navigated his organization through the pandemic, recessions, periods of political transition, local emergencies, and community tragedies. His compassionate, collaborative, and results-orientated leadership style allows him to create and foster a positive work environment and forge excellent working relationships with political leaders, labor associations, community groups, and fellow city managers.

Rick has over 32 years of local government experience working for small and medium-sized cities in Southern California. In addition to serving as the City Manager for Orange, a full-service city with an annual budget of $200 million and 750 employees, Rick also served as their Assistant City Manager, Community Development Director, and Economic Development Manager. Prior to his tenure in Orange, Rick worked for three contract cities in Los Angeles County: Rancho Palos Verdes, La Mirada and Temple City. Throughout his career, Rick has been involved in nearly every aspect of local government, including land use planning, historic preservation, citizen engagement, affordable housing, economic development, finance and budgeting, capital projects, information technology, labor negotiations, staff development, and public safety coordination. Rick brings his unique and diverse background to clients by specializing in Organizational Assessments, Operational Reviews, Executive Evaluations, Staff Development and Mentoring, Strategic Planning, Fiscal and Economic Development Analysis, and Land Use Entitlements.

In addition to his professional achievements, Rick earned a Bachelor of Arts in Public Administration and a Master of Public Policy and Administration, both from California State University, Long Beach. Rick is a frequent guest speaker for public policy and journalism classes at California State University, Fullerton, and Chapman University. He also has been a speaker for the American Planning Association. Finally, Rick is proud to have been a Disneyland Cast Member and still uses that customer-centric approach with his clients.



CATHY CAPRIOLA

Cathy Capriola is an experienced local government executive with 31 years managing cities in California with deep expertise in governance, human resources, public information, community engagement, finance, and information technology. As a Vice President with MRG, Cathy leads the firm's Coaching & Leadership Development practice area. As a management consultant, Cathy delivers organizational development and assessments, strategic advising, plus leadership/team development of managers and executives in local government and non-profits. Cathy has extensive experience facilitating large and multi-dimensional workshops and meetings.

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Cathy retired from working inside local government after serving as the City Manager for the City of Sonoma for four years and served as the Assistant City Manager with City of Novato, Administrative Services Director with the City of Citrus Heights, and Deputy City Manager with the City of Davis.

Cathy's educational background includes a B.S. in Communication/Management from UC Davis and a Master's in Public and Private Management (MPPM) from Yale University.

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EXHIBIT C

INSURANCE REQUIREMENTS

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

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

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

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

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

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

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

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

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- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Other provisions or requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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CITY OF PACIFIC GROVE
PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICE AGREEMENT ("PSA") FOR NON-CONSTRUCTION PROJECTS ("Agreement"), is made and effective as of November 7, 2024, between the City of Pacific Grove ("City"), a municipal corporation and Municipal Resource Group, LLC (MRG) a limited liability company ("CONSULTANT"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

   This Agreement shall commence on November 7, 2024, and shall remain and continue in effect until the tasks described herein are completed, but in no event later than June 30, 2025, unless sooner terminated pursuant to the provisions of this Agreement.

2. SCOPE OF WORK

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

3. PERFORMANCE

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

4. CITY MANAGEMENT

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

5. PAYMENT

   a. The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above

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tasks. This amount shall not exceed Thirty-Nine Thousand Seventy Hundred Seventy Three dollars ($39,773.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

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

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

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

6. INSPECTION

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

7. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

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

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

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8. DEFAULT OF CONSULTANT

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

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

9. OWNERSHIP OF DOCUMENTS

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

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

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and other documents prepared by CONSULTANT in the course of providing the Services under this Agreement.

10. RECORD AUDIT

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

11. INDEMNIFICATION AND DEFENSE

Indemnity

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

Duty to defend

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

12. INSURANCE

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

13. INDEPENDENT CONSULTANT

a. CONSULTANT is and shall at all times remain as to City a wholly independent consultant and/or independent contractor. The personnel performing the Services under this Agreement on behalf of CONSULTANT shall at all times be under

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CONSULTANT's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees, or agents, except as set forth in this Agreement. CONSULTANT shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of City. CONSULTANT shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

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

14. LEGAL RESPONSIBILITIES

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

15. UNDUE INFLUENCE

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

16. NO BENEFIT TO ARISE TO CITY OFFICERS AND EMPLOYEES

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

17. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

a. All information gained by CONSULTANT in performance of this Agreement shall be considered confidential and shall not be released by CONSULTANT without City's prior written authorization. CONSULTANT, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless

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requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives City notice of such court order or subpoena.

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

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

18. DISCRIMINATION

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

19. NOTICES

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

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To City:	Matt Mogensen, City Manager City of Pacific Grove 300 Forest Avenue Pacific Grove, CA 93950 Attention: City Clerk
To CONSULTANT:	Andi Stanley, Business Manager MRG, LLC 8788 Elk Grove Blvd., Suite L Elk Grove, CA 95624

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

20. THIRD PARTY BENEFICIARIES

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

21. ASSIGNMENT

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

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

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22. LICENSES

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

23. GOVERNING LAW

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

24. ENTIRE AGREEMENT

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

25. DISPUTE RESOLUTION; ATTORNEY'S FEES

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

26. WORK SCHEDULED/TIME OF COMPLETION

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

27. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of CONSULTANT warrants and represents that they have the authority to execute this Agreement on behalf of the

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CONSULTANT and have the authority to bind CONSULTANT to the performance of its obligations hereunder.

28. INTERPRETATION OF CONFLICTING PROVISIONS

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

29. SEVERABILITY

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

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

CITY OF PACIFIC GROVE

By: Signed by: Matt Mogensen 80923D1285AA4B5...

Matt Mogensen, City Manager

Date: 11/20/2024

CONSULTANT

By: DocuSigned by: Mary Egan 392A99F14677436...

Mary Egan, CEO

Date: 11/6/2024

By: Signed by: Fred Marsh 73C9E1F7DA66479...

Fred Marsh, Administrative Services Department

Date: 11/20/2024

Approved As To Form: DocuSigned by: Brian A. Pierik 01871FB17BD8435...

City Attorney

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EXHIBIT A & B

Consultant Proposal Containing Detailed Scope of Work and Payment Schedule

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October 23, 2024

Matthew Mogensen
City Manager
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

Dear Mr. Mogensen:

Municipal Resource Group LLC (MRG) is pleased to submit this proposal to the City of Pacific Grove to provide a City-wide Organizational Diagnostic and an Organizational and Staffing Assessment of the Public Works Department. MRG Consultant Rick Otto has prepared a scope of work for your review.

MRG has built our practice around assisting clients in identifying core issues impacting performance and organizational health and developing effective strategies for removing these barriers. We consider these engagements an opportunity to work with staff to help them grow and develop, as well as provide staff with practical tools to continue building healthy and effective working relationships. We are "no surprises" consultants, and we work with leadership to define a path for redesign and to achieve desired realistic outcomes.

Out team has provided similar assessment services to client agencies including the cities of Clayton, Orinda, Buena Park, and Cupertino.

Sincerely,

Mary Egan

Mary Egan, CEO
MRG, LLC
916-261-7547
egan@solutions-mrg.com

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/4/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
AssuredPartners Design Professionals Insurance Services, LLC
3697 Mt. Diablo Blvd Suite 230
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INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Sentinel Insurance Company	11000
INSURER B : Underwriters at Lloyd's, London	32727
INSURER C : Hartford Casualty Insurance Company	29424
INSURER D : At-Bay Specialty Insurance Company	19607
INSURER E :	
INSURER F :	

INSURED
Municipal Resource Group, LLC (MRG)
PO BOX 561
Wilton CA 95693

MUNIRES-01

COVERAGES **CERTIFICATE NUMBER:** 245889857 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** CLAIMS-MADE X OCCUR X Contractual Liab Included GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT X LOC OTHER:	Y	Y	57SBAUZ2244	2/2/2024	2/2/2025	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG 	$ 2,000,000 $ 1,000,000 $ 10,000 $ 2,000,000 $ 4,000,000 $ 4,000,000 $
A	**AUTOMOBILE LIABILITY** ANY AUTO OWNED AUTOS ONLY SCHEDULED AUTOS X HIRED AUTOS ONLY X NON-OWNED AUTOS ONLY	Y	Y	57SBAUZ2244	2/2/2024	2/2/2025	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) 	$ 2,000,000 $ $ $ $
	UMBRELLA LIAB OCCUR **EXCESS LIAB** CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE 	$ $ $
C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	57WECAB10L8	2/1/2024	2/1/2025	X PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
B D	Professional Liability Cyber Liability			MPL505106424 AB661825003	2/5/2024 2/5/2024	2/5/2025 2/5/2025	Per Claim Aggregate Limit Per Claim/$2,000,000	$2,000,000 $2,000,000 Agg Lmt/$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Insured owns no company vehicles; therefore, hired/non-owned auto is the maximum coverage that applies. Professional services includes Management consulting and strategic planning services, and workplace investigations. An Insured extends to a natural person performing services or duties within the scope of their written agreement with an Insured Entity and for whom the Insured Entity is legally liable, but only while acting within the scope of such person's duties performed on behalf of the Insured Entity.
RE: All Operations of the Named Insured.
City of Pacific Grove and its officers, employees, agents and volunteers are named as an additional insured as respects general liability and auto liability as required per written contract. General Liability is Primary/Non-Contributory per policy form wording. Insurance coverage includes waiver of subrogation per the attached endorsement(s).
See Attached...

CERTIFICATE HOLDER

City of Pacific Grove
300 Forest Avenue
Pacific Grove CA 93950

CANCELLATION 30 Day Notice of Cancellation

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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AGENCY CUSTOMER ID: MUNIRES-01

LOC #:

ADDITIONAL REMARKS SCHEDULE

AGENCY AssuredPartners Design Professionals Insurance Services, LLC	**NAMED INSURED** Municipal Resource Group, LLC (MRG) PO BOX 561 Wilton CA 95693
POLICY NUMBER	
CARRIER / **NAIC CODE**	**EFFECTIVE DATE:**

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

SEVERABILITY OF INTERESTS
Separation of Insureds - Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:
a. As if each Named Insured were the only Named Insured; and
b. Separately to each insured against whom claim is made or suit is brought.

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Policy #: 57SBAUZ2244

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

This coverage is subject to all provisions in the **BUSINESS LIABILITY COVERAGE FORM** not expressly modified herein:

A. Amended Coverage:

Coverage is extended to "bodily injury" and "property damage" arising out of the use of a "hired auto" and "non-owned auto".

B. Paragraph B. EXCLUSIONS is amended as follows:

1. Exclusion **g. Aircraft, Auto or Watercraft** does not apply to a "hired auto" or a "non-owned auto".

2. Exclusion **e. Employers Liability** does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract".

3. Exclusion **f. Pollution** is replaced by the following:

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

(1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";

(2) Otherwise in the course of transit by or on behalf of the "insured"; or

(3) Being stored, disposed of, treated or processed in or upon the covered "auto".

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

(1) The "pollutants" escape, seep, migrate, or are discharged or released directly from an "auto" part designed by its manufacturer to hold, store, receive, or dispose of such "pollutants"; and

(2) The "bodily injury" and "property damage" does not arise out of the operation of any equipment listed in paragraphs **15.b.** and **15.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

(1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

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(2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage as a result of the maintenance or use of a covered "auto".

4. With respect to this coverage, the following additional exclusions apply:

a. Fellow employee

Coverage does not apply to "bodily injury" to any fellow "employee" of the "insured" arising out of the operation of an "auto" owned by the "insured" in the course of the fellow "employee's" employment.

b. Care, custody or control

Coverage does not apply to "property damage" involving property owned or transported by the "insured" or in the "insured's" care, custody or control.

C. With respect to "hired auto" and "non-owned auto" coverage, Paragraph **C. WHO IS AN INSURED** is deleted and replaced by the following:

The following are "insureds":

a. You.

b. Your "employee" while using with your permission:

(1) An "auto" you hire or borrow; or

(2) An "auto" you don't own, hire or borrow in your business or personal affairs; or

(3) An "auto" hired or rented by your "employee" on your behalf and at your direction.

c. Anyone else while using a "hired auto" or "non-owned auto" with your permission except:

(1) The owner or anyone else from whom you hire or borrow an "auto".

(2) Someone using an auto while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.

(3) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from an "auto".

(4) A partner (if you are a partnership), or a member (if you are a limited liability company) for an "auto" owned by him or her or a member of his or her household.

d. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

D. With respect to the operation of a "hired auto" and "non-owned auto", the following additional conditions apply:

1. OTHER INSURANCE

a. Except for any liability assumed under an "insured contract" the insurance provided by this Coverage Form is excess over any other collectible insurance.

However, if your business is the selling, servicing, repairing, parking or storage of "autos", the insurance provided by this endorsement is primary when covered "bodily injury" or "property damage" arises out of the operation of a customer's "auto" by you or your "employee".

b. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

2. TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

If the Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

E. The following definitions are added:

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS:

1. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent or borrow from any of your "employees", your partners (if you are a partnership), members (if you are a limited liability company),

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or your "executive officers" or members of their households.

This does not include a long-term leased "auto" that you insure as an owned "auto" under any other auto liability insurance policy or a temporary substitute for an "auto" you own that is out of service because of its breakdown, repair, servicing or destruction.

2. "Non-owned auto " means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes:

a. "Autos" owned by your "employees" your partners (if you are a partnership), members (if you are a limited liability company), or your "executive officers", or members of their households, but only while used in your business or your personal affairs.

b. Customer's "auto" that is in your care, custody or control for service.

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QUICK REFERENCE
BUSINESS LIABILITY COVERAGE FORM
READ YOUR POLICY CAREFULLY

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BUSINESS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section **C**. - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. - Liability And Medical Expenses Definitions.

A. COVERAGES

1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **D.** - Liability And Medical Expenses Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

b. This insurance applies:

(1) To "bodily injury" and "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(b) The "bodily injury" or "property damage" occurs during the policy period; and

(c) Prior to the policy period, no insured listed under Paragraph **1.** of Section **C.** – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **C.** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

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(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

(1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:

(a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and

(b) You are not engaged in the business or occupation of providing such services.

(2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2. MEDICAL EXPENSES

Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

(1) The accident takes place in the "coverage territory" and during the policy period;

(2) The expenses are incurred and reported to us within three years of the date of the accident; and

(3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:

(1) All expenses we incur.

(2) Up to $1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

(4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $500 a day because of time off from work.

(5) All costs taxed against the insured in the "suit".

(6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

(7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under **(1)** through **(7)** above will not reduce the limits of insurance.

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b. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

(1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

(2) This insurance applies to such liability assumed by the insured;

(3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

(4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;

(5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(6) The indemnitee:

(a) Agrees in writing to:

(i) Cooperate with us in the investigation, settlement or defense of the "suit";

(ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(iii) Notify any other insurer whose coverage is available to the indemnitee; and

(iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(b) Provides us with written authorization to:

(i) Obtain records and other information related to the "suit"; and

(ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph **1.b.(b)** of Section **B.** – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

(1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or

(2) The conditions set forth above, or the terms of the agreement described in Paragraph **(6)** above, are no longer met.

B. EXCLUSIONS

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

(1) "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; or

(2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

b. Contractual Liability

(1) "Bodily injury" or "property damage"; or

(2) "Personal and advertising injury"

for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

(a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

(i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and

(ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of **(1)** above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

(i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

(ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

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(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible;

(d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;

(5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment"; or

(6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

(1) Legal, accounting or advertising services;

(2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;

(3) Supervisory, inspection, architectural or engineering activities;

(4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;

(5) Any health or therapeutic service treatment, advice or instruction;

(6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

(7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

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(8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting,demonstration or distribution of ophthalmic lenses and similar products;

(9) Any:

(a) Body piercing (not including ear piercing);

(b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and

(c) Similar services;

(10) Services in the practice of pharmacy; and

(11) Computer consulting, design or programming services, including web site design.

Paragraphs **(4)** and **(5)** of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph **1.e.** in Section **A.** - Coverages.

k. Damage To Property

"Property damage" to:

(1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Section **D.** - Limits Of Insurance.

Paragraph **(2)** of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs **(3)** and **(4)** of this exclusion do not apply to the use of elevators.

Paragraphs **(3)**, **(4)**, **(5)** and **(6)** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs **(3)** and **(4)** of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at a job site.

Paragraph **(6)** of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

l. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

(1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;

(2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;

(3) Arising out of a criminal act committed by or at the direction of the insured;

(4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";

(5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

(6) Arising out of the wrong description of the price of goods, products or services;

(7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

However, this exclusion does not apply to infringement, in your "advertisement", of

(a) Copyright;

(b) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity; or

(c) Title of any literary or artistic work;

(8) Arising out of an offense committed by an insured whose business is:

(a) Advertising, broadcasting, publishing or telecasting;

(b) Designing or determining content of web sites for others; or

(c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **a.**, **b.** and **c.** under the definition of "personal and advertising injury" in Section **G.** – Liability And Medical Expenses Definitions.

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

(9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;

(10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;

(11) Arising out of the violation of a person's right of privacy created by any state or federal act.

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act;

(12) Arising out of:

(a) An "advertisement" for others on your web site;

(b) Placing a link to a web site of others on your web site;

(c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or

(d) Computer code, software or programming used to enable:

(i) Your web site; or

(ii) The presentation or functionality of an "advertisement" or other content on your web site;

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(13) Arising out of a violation of any anti-trust law;

(14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or

(15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

r. Employment-Related Practices

"Bodily injury" or "personal and advertising injury" to:

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to the person at whom any of the employment-related practices described in Paragraphs **(a)**, **(b)**, or **(c)** above is directed.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

s. Asbestos

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".

(2) Any damages, judgments, settlements, loss, costs or expenses that:

(a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard";

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard"; or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard".

t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning or Explosion

Exclusions **c.** through **h.** and **k.** through **o.** do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section **D.** - Liability And Medical Expenses Limits Of Insurance.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured
To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph **(1)(a)** above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(1)(a)** or **(b)** above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph **(d)** does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

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(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

(1) "Bodily injury" or "property damage" that occurred; or

(2) "Personal and advertising injury" arising out of an offense committed

before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs **a.** through **f.** below are additional insureds when you have agreed, in a written

contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section **F.** – Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs **(d)** or **(f)**; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

(1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

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(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

(1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

(a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or

(b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

(1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(a) In connection with your premises; or

(b) In the performance of your ongoing operations performed by you or on your behalf.

(2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

(a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

(1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

(a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

(1) Any other person or organization who is not an insured under Paragraphs **a.** through **e**. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(a) In the performance of your ongoing operations;

(b) In connection with your premises owned by or rented to you; or

(c) In connection with "your work" and included within the "products-completed operations hazard", but only if

(i) The written contract or written agreement requires you to provide such coverage to such additional insured; and

(ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section **D.** – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E.** – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.

b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to **2.a.** or **2.b** above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to **2.b.** above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or

b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

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If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph **3.** above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

(1) How, when and where the "occurrence" or offense took place;

(2) The names and addresses of any injured persons and witnesses; and

(3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

(1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs **a.** and **b.** apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

(1) You or any additional insured that is an individual;

(2) Any partner, if you or an additional insured is a partnership;

(3) Any manager, if you or an additional insured is a limited liability company;

(4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;

(5) Any trustee, if you or an additional insured is a trust; or

(6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

This Paragraph **f.** applies separately to you and any additional insured.

3. Financial Responsibility Laws

a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.

b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

(1) The statements in the Declarations are accurate and complete;

(2) Those statements are based upon representations you made to us; and

(3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **A.** – Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion **k.** of Section **A.** – Coverages.

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(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in **c.** below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs **(a)** and **(b)** do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph **6.** (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section **C.**, Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

a. In the performance of your ongoing operations; or

b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) Any "occurrence" that takes place after you cease to lease that land; or

(2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision – Permits

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

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Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or

(2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. The insurance afforded to the vendor is subject to the following additional exclusions:

(1) This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs **(d)** or **(f)**; or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

a. Their financial control of you; or

b. Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(1) In the performance of your ongoing operations for the additional insured(s); or

(2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section **C.** is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section **D.** – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section **E.** – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

a. (1) Radio;

(2) Television;

(3) Billboard;

(4) Magazine;

(5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

a. Injury;

b. Sickness; or

c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:

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a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in **a.** above;

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in **a.** above;

(2) The activities of a person whose home is in the territory described in **a**. above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.

7. "Electronic data" means information, facts or programs:

a. Stored as or on;

b. Created or used on; or

c. Transmitted to or from

computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

b. Your fulfilling the terms of the contract or agreement.

12. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section **D.** – Liability and Medical Expenses Limits of Insurance.

b. A sidetrack agreement;

c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;

d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement; or

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.

However, Paragraph **f.** does not include that part of any contract or agreement:

(1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(1)** above and supervisory, inspection, architectural or engineering activities.

13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

14. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, on which are permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in **a.**, **b.**, **c.**, or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in **a.**, **b.**, **c.**, or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

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c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral, written or electronic publication of material that violates a person's right of privacy;

f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";

g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or

h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.

18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

19. "Products-completed operations hazard";

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

20. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.

As used in this definition, "electronic data" is not tangible property.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

23. "Volunteer worker" means a person who:

a. Is not your "employee";

b. Donates his or her work;

c. Acts at the direction of and within the scope of duties determined by you; and

d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

24. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

25. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

Policy Number: 57WECAB10L8 **Endorsement Number:**
Effective Date: 02/01/2024 Effective hour is the same as stated on the Information Page of the policy.
Named Insured and Address: Municipal Resource Group, LLC (MRG)
PO BOX 561
Wilton, CA 95693

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2 % of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

Person or Organization	Job Description
Any person or organization from whom you are required by written contract or agreement to obtain this waiver of rights from us	

Countersigned by _____
Authorized Representative

Form WC 04 03 06 (1) Printed in U.S.A.

Policy Expiration Date: 02/01/2025

Docusign Envelope ID: 3B2CD410-2649-4D25-8854-605687FC0685

INTRODUCING MRG

MRG was founded in 2009 by highly skilled and broadly experienced professionals. MRG has a team of professionals who work to address challenges for both public and private sector clients. Our 70 consultants have extensive experience in all aspects of Organizational Assessment & Development, Human Resources, including staffing and effectiveness analyses. Our team is experienced in working with elected officials, agency executives, managers, and staff.

Municipal Resource Group, LLC is an experienced, full-service consulting firm dedicated to assisting public sector agencies in attaining their strategic goals. MRG's consulting work focuses on the five practice areas listed below.

1 Governance, Evaluations, Strategic Planning

- Goal Setting
- Strategic Planning
- Executive Evaluations
- Governance Protocols & Manuals

2 Human Resource Services

- HR-On-Demand
- Classification / Comp
- Labor Relations
- Recruitments
- Performance Improvement

3 Investigations, Mediation, Conflict Resolution

- Workplace investigations
- Harassment
- Conflict resolution & mediation
- Government Ethics

4 Organizational Assessments & Development

- Organizational Assessments & Audits
- Employer of Choice
- Financial Management
- City Clerk Practice
- Project Management

5 Coaching, Leadership & Team Development

- Executive Coaching
- Manager & Supervisor Training
- Coaching for Promoted
- Retreats
- Team Building
- Performance Coaching

MRG's Consulting Philosophy

As a consulting firm, MRG brings talented consultants to assignments to meet clients' needs. MRG differentiates its work based on the following four principles.

Trusted Advisors

MRG prides itself on building long-term relationships with clients who turn to MRG for guidance and expertise. We work as "trusted advisors," working directly with the leadership of organizations to help them manage their complex organizations and adjust to change that is constantly knocking on the door.

Commitment to Public Service

We have also chosen to focus our work on local, regional, and state agencies that deliver public service to communities. We understand that our client's work is important and impactful, and our goal is to help organizations do that work with more grace, effectiveness, and efficiency.



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Partnership for Impact
As seasoned executive leaders ourselves, we have no interest in writing reports that sit on shelves or are not reality-based for action. MRG needs to work in a consultative partnership directly with management to ensure that organizational impact occurs. We see our role as true partners with the leadership team, working productively to help you find solutions for actionable impact in your organization.

Team of Management Practitioners + Executive Leadership Coach
Today's organizations require a robust understanding of people and teams, plus talented management and leadership. The key to an organization's success is the integration of control, which creates value (efficiency, effectiveness, empowerment), and leadership, which inspires change and a collective vision. By bringing a consultant team with management plus leadership coaching expertise, MRG can deliver tools, perspectives, and paradigms for the continued support of an organization's leadership team.

Strategic Organizational Development
Organizations are complex, multi-faceted organisms that take time and strategy to develop and shape. While employees are focused on delivering services, there is "care and feeding" of the organization, structure, and systems that need to be done to support the workforce, mold culture, and deliver services/mission. MRG brings deep organizational development and human resources experience to help organizations invest in their operations' strategic, hands-on development.

SCOPE OF WORK

City of Pacific Grove

City-wide Organizational Diagnostic and Organizational and Staffing Assessment of the Public Works Department

The City of Pacific Grove is interested in hiring a firm to conduct a comprehensive City-wide organizational and staffing level assessment. It is understood that this effort could be a multi-year project due to cost, time constraints, and impact to the organization. As such, the City has requested MRG to provide a proposal to conduct an initial city-wide organizational diagnostic followed by a deeper organizational and staffing level assessment of the Public Works Department. These two efforts would be Phase 1 and Phase 2 of a multi-phase approach to assessing the entire organization. The primary purpose of the initial city-wide organizational diagnostic is to identify gaps in service and operational challenges at the department level so that future organizational and staffing level assessments for each City department can be prioritized. The City prioritized the Public Works Department as the first department to undergo the organizational and staffing level assessment.

The purpose of the organizational and staffing level assessment for the Public Works Department is to provide the City with a snapshot of observations and recommendations

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regarding the department staffing needs, organizational structure, resource allocations, and service delivery models. The primary objectives of the assessment include:

- Examine and explore the organizational, functional, and cultural issues to assess department culture, levels of employee engagement, team effectiveness, role/goal clarity, and skillsets/competencies.
- Conduct a Functional Assessment, designed to determine the capability/competence of the function(s) within the department and to ensure alignment with best practices.
- Evaluate organizational structure, staffing levels, positions, functions, and contracted services in relation to the workload, and program efficiency and effectiveness.
- Evaluate service delivery methods and outcomes, and the policies, legislative requirements, and other influences that impact departmental operations.

WORK PLAN

MRG has developed the following work plan for the project to meet the City's needs. The scope of work is dependent upon the needs of the organization and may be modified as needed during the initial video conference:

PHASE 1 – Organizational Diagnostic

1. **Project Initiation / Launch:**
   - Initial video conference with major stakeholders including but not limited to City Manager and Human Resources Director.
   - Review project outcomes, process timing, expectations, define interview subjects, and set initial timeline.
   - Request, obtain and review numerous documents including but not limited to the department organizational charts, organizational accomplishments, historical budgetary and staffing level data, community surveys, and any other relevant reports and documents. Obtain anecdotal perspectives on issues and concerns that drive this request.
   - Conduct a kick-off meeting with the department heads introducing the project and discussing their role.

2. **Conduct Staff Interviews and Review Process**
   - Develop interview format and questions.
   - Conduct one-hour interviews via on-site and/or video conferencing with department heads and other key staff members in the City.
   - Anticipate conducting approximately 11 interviews.
   - Compile and analyze interview data and information.

3. **Prepare Initial Findings/Recommendations**
   - Compile data, perform analysis, prepare key initial findings summaries, and develop recommendations.

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4. **Conduct Mid-Project Update Meeting with the City Manager and Human Resources Director.**
   - Review initial findings/recommendations/best practices, conduct additional research and outreach as needed.

5. **Prepare final Report for Review**
   - Compile Report, review with City Manager, revise as necessary, prepare final Report, and deliver to City.
   - The Report will include high-level observations, preliminary findings, and recommendations.

PHASE 2 – Organizational and Staffing Level Assessment for the Public Works Department

6. **Phase 2 Launch:**
   - Initial video conference with major stakeholder including but not limited to City Manager and Public Works Director.
   - Review project outcomes, process timing, expectations, define interview subjects, and set initial timeline.
   - Request, obtain and review numerous documents including but not limited to the department organizational charts, job class information, department goals and objectives, organizational accomplishments, department projects and programs, historical workload data, historical budgetary and staffing level data, community surveys, and any other relevant reports and documents. Obtain anecdotal perspectives on issues and concerns that drive this request.

7. **Conduct Staff Interviews and Review Process**
   - Develop interview format and questions.
   - Conduct one-hour interviews via on-site and/or video conferencing with Public Works Department staff.
   - Anticipate conducting approximately 12 interviews.
   - Compile and analyze interview data and information.

8. **Conduct Benchmarking with Comparable Cities**
   - Conduct a comparison analysis of up to five (5) cities that will be mutually agreed upon by the City and MRG.

9. **Prepare Initial Findings/Recommendations**
   - Compile data, perform analysis, prepare key initial findings summaries, and develop recommendations.

10. **Conduct Mid-Project Update Meeting with the City Manager and Assistant City Managers.**

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- Review initial findings/recommendations/best practices, conduct additional research and outreach as needed.

11. Prepare final Report and Summary Level Draft PowerPoint Presentation for Review

- Compile Report and/or PowerPoint Presentation, review with City Manager and Assistant City Managers, revise as necessary, prepare final Report and/or PowerPoint, and deliver to City.
- The Report will include observations, preliminary findings, and recommendations. The report will also identify any issues outside the identified scope of work that may impact the office and require further analysis or actions on the part of the City. The draft report, which will include a summary and description of study methodology.

PROJECT FEES

MRG proposes an estimated not-to-exceed contract amount of $39,773, including expenses. The project will be invoice based on the milestones listed below. Based on the client's direction, many of the interviews can be conducted on-site unless remote interviews are feasible. All other work is intended to be completed remotely via email, teleconference, and video conference. Should the client and MRG mutually agree to conduct any other meetings or work activities on-site, travel expenses will be billed to the client at cost.

MILESTONES	COST
Task 1 - Launch & Project Coordination	$2,905
Task 2 - Organizational Diagnostic	$7,800
Task 3 - Public Works: Interviews, Research & Comparative Analysis	$10,400
Task 4 - Public Works: Findings, Recommendations, Report & Presentations	$15,668
Sub-total	**$36,773**
Travel Expenses (assumes 2 trips – interviews and Council presentation)	$3,000
TOTAL	**$39,773**

If additional services are requested or additional time needed (such as for assistance in implementation or professional development), those hours will be billed at $260 per hour after being approved by the City of Pacific Grove and MRG.

MRG PROJECT TEAM

MRG has chosen a consultant team with the experience and approach to conduct an objective and independent study.

Cathy Capriola is an MRG Vice President and has co-leadership over MRG's organizational assessment practice area.

Rick Otto is a Senior Consultant with expertise in organizational assessments and leadership development. Rick will be the lead consultant for this project.

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CEO	VICE PRESIDENT	SENIOR CONSULTANT
Mary Egan CEO Egan@solutions-mrg.com (916) 261-7547	Cathy Capriola Vice President CCapriola@solutions-mrg.com (916) 257-3287	Rick Otto Senior Consultant otto@citymanagement@gmail.com (714) 745-2852



RICK OTTO

As the former City Manager for the City of Orange, Rick Otto understands the many challenges today's local government executives face on a daily basis. Rick successfully navigated his organization through the pandemic, recessions, periods of political transition, local emergencies, and community tragedies. His compassionate, collaborative, and results-orientated leadership style allows him to create and foster a positive work environment and forge excellent working relationships with political leaders, labor associations, community groups, and fellow city managers.

Rick has over 32 years of local government experience working for small and medium-sized cities in Southern California. In addition to serving as the City Manager for Orange, a full-service city with an annual budget of $200 million and 750 employees, Rick also served as their Assistant City Manager, Community Development Director, and Economic Development Manager. Prior to his tenure in Orange, Rick worked for three contract cities in Los Angeles County: Rancho Palos Verdes, La Mirada and Temple City. Throughout his career, Rick has been involved in nearly every aspect of local government, including land use planning, historic preservation, citizen engagement, affordable housing, economic development, finance and budgeting, capital projects, information technology, labor negotiations, staff development, and public safety coordination. Rick brings his unique and diverse background to clients by specializing in Organizational Assessments, Operational Reviews, Executive Evaluations, Staff Development and Mentoring, Strategic Planning, Fiscal and Economic Development Analysis, and Land Use Entitlements.

In addition to his professional achievements, Rick earned a Bachelor of Arts in Public Administration and a Master of Public Policy and Administration, both from California State University, Long Beach. Rick is a frequent guest speaker for public policy and journalism classes at California State University, Fullerton, and Chapman University. He also has been a speaker for the American Planning Association. Finally, Rick is proud to have been a Disneyland Cast Member and still uses that customer-centric approach with his clients.



CATHY CAPRIOLA

Cathy Capriola is an experienced local government executive with 31 years managing cities in California with deep expertise in governance, human resources, public information, community engagement, finance, and information technology. As a Vice President with MRG, Cathy leads the firm's Coaching & Leadership Development practice area. As a management consultant, Cathy delivers organizational development and assessments, strategic advising, plus leadership/team development of managers and executives in local government and non-profits. Cathy has extensive experience facilitating large and multi-dimensional workshops and meetings.

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Cathy retired from working inside local government after serving as the City Manager for the City of Sonoma for four years and served as the Assistant City Manager with City of Novato, Administrative Services Director with the City of Citrus Heights, and Deputy City Manager with the City of Davis.

Cathy's educational background includes a B.S. in Communication/Management from UC Davis and a Master's in Public and Private Management (MPPM) from Yale University.

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EXHIBIT C

INSURANCE REQUIREMENTS

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

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

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

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

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

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

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

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

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- Insureds under primary policies shall also be insureds under the umbrella or excess policies.

Other provisions or requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FIRST AMENDMENT TO CITY OF PACIFIC GROVE PROFESSIONAL SERVICES AGREEMENT WITH MUNICIPAL RESOURCE GROUP, LLC

This First Amendment to City of Pacific Grove Professional Services Agreement ("Agreement"), is made and effective as of January 27, 2025, between the City of Pacific Grove ("City"), a municipal corporation and Municipal Resource Group, LLC (MRG) a limited liability company ("CONSULTANT").

The City and Consultant hereby agree to the following terms:

1. On November 20, 2024, the City and Consultant entered into a City of Pacific Grove Agreement for Professional Services ("Agreement") to conduct a comprehensive City-wide organizational and staffing level assessment.

2. The Agreement provided Consultant agreed to the Scope of Work that was set Forth in Exhibit A to the agreement.

3. This First Amendment to the Agreement adds Task 5 to the Scope of Work and is described in Exhibit 1 to this First Amendment.

4. The Agreement provided Consultant agrees to the following in Section 5 a. of the agreement:

   "PAYMENT

   a. The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Thirty-Nine Thousand Seventy Hundred Seventy-Three dollars ($39,773.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

5. This First Amendment to the Agreement revises Section 5 a. to the not to exceed amount as follows:

   "PAYMENT

6. The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amended amount shall not exceed Fifty-thousand-one-hundred-seventy-three dollars ($50,173) for the total term of the Agreement unless additional payment is approved as provided in this Agreement. The not to exceed amount of $50,173 includes the $39,773 paid on the Agreement plus an additional $10,400 for the services described in Exhibit 1 to this Amendment for a total of $50,173.

7. Except as modified by this First Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, City and Consultant have executed this First Amendment as of the day and year written below.

CITY OF PACIFIC GROVE

By: _____
Nick Smith (Jan 30, 2025 11:32 PST)
Nick Smith, Mayor

Date: 01/30/2025

CONSULTANT

By: Mary Egan
Mary Egan (Jan 30, 2025 11:20 PST)
Mary Egan, CEO

Date: 01/30/2025

APPROVED AS TO FORM

By: Brian Pierik
Brian Pierik (Jan 30, 2025 11:29 PST)
Brian Pierik, City Attorney

Attachments:

Exhibit 1 Consultant December 19, 2024 Proposal Containing Detailed Amended Scope of Work and Amended Payment Schedule

EXHIBIT 1

Consultant December 19, 2024 Proposal Containing Detailed Amended Scope of Work and Amended Payment Schedule

December 19, 2024

Matthew Mogensen, City Manager
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

Dear Mr. Mogensen,

MRG is submitting an amendment estimate regarding the City's request to conduct the Community Development Department Assessment (Task 5, below). Consultant Rick Otto will build upon interviews that have already been conducted and add interviews for departmental staff. A separate report will be provided to assist the department with recommendations for improvements.

The original agreement included an estimated not-to-exceed contract amount of $39,773, which included 141 hours of professional consulting services. The City has requested an expanded scope of work to include additional interviews and analysis. The updated estimated not-to-exceed amount is $50,173, covering an additional 40 hours at $260.

MILESTONES	COST
Task 1 - Launch & Project Coordination	$2,905
Task 2 - Organizational Diagnostic	$7,800
Task 3 - Public Works: Interviews, Research & Comparative Analysis	$10,400
Task 4 - Public Works: Findings, Recommendations, Report & Presentations	$15,668
Task 5 - Community Development: Interviews, Comparative Analysis, Recommendations & Report	$10,400
Travel Expenses (assumes 2 trips – interviews and Council presentation)	$3,000
TOTAL	**$50,173**

We truly value your business and will continue to serve as the City's trusted advisor.

Sincerely,

Mary Egan

Mary Egan, CEO
MRG, LLC
916-261-7547
egan@solutions-mrg.com

First Amendment- Municipal Resources Group, LLC

Final Audit Report 2025-01-30

Created:	2025-01-23
By:	Staphany Arriola (sarriola@cityofpacificgrove.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAUzY3QwI-Lw36TtPWL5wEGfIkAeVdkSB0

"First Amendment- Municipal Resources Group, LLC" History

Document created by Staphany Arriola (sarriola@cityofpacificgrove.org)
2025-01-23 - 11:01:51 PM GMT

Document emailed to Mary Egan (contracts@solutions-mrg.com) for signature
2025-01-23 - 11:01:55 PM GMT

Email viewed by Mary Egan (contracts@solutions-mrg.com)
2025-01-23 - 11:02:34 PM GMT

Document e-signed by Mary Egan (contracts@solutions-mrg.com)
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Document emailed to Brian Pierik (bpierik@bwslaw.com) for signature
2025-01-30 - 7:20:48 PM GMT

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2025-01-30 - 7:28:27 PM GMT

Document e-signed by Brian Pierik (bpierik@bwslaw.com)
Signature Date: 2025-01-30 - 7:29:12 PM GMT - Time Source: server

Document emailed to Nick Smith (nsmith@cityofpacificgrove.org) for signature
2025-01-30 - 7:29:13 PM GMT

Email viewed by Nick Smith (nsmith@cityofpacificgrove.org)
2025-01-30 - 7:31:58 PM GMT

Document e-signed by Nick Smith (nsmith@cityofpacificgrove.org)
Signature Date: 2025-01-30 - 7:32:22 PM GMT - Time Source: server

Agreement completed.

2025-01-30 - 7:32:22 PM GMT

Adobe Acrobat Sign

SECOND AMENDMENT TO CITY OF PACIFIC GROVE PROFESSIONAL SERVICES AGREEMENT WITH MUNICIPAL RESOURCE GROUP, LLC

This First Amendment to City of Pacific Grove Professional Services Agreement ("Agreement"), is made and effective as of November 6, 2025, between the City of Pacific Grove ("City"), a municipal corporation and Municipal Resource Group, LLC (MRG) a limited liability company ("CONSULTANT").

The City and Consultant hereby agree to the following terms:

1. On November 20, 2024, the City and Consultant entered into a City of Pacific Grove Agreement for Professional Services ("Agreement") in the amount of $39,773, to conduct a comprehensive City-wide organizational and staffing level assessment. This scope of work has been completed.

2. On January 30, 2025, the City and Consultant entered into a First Amendment to the Professional Services Agreement in the amount of $10,440, to conduct an organizational and staffing level assessment of the Community Development Department, as described in Exhibit A to the First Amendment. This scope of work has been completed.

3. This Second Amendment to the Agreement adds the Scope of Work described in Exhibit A to this Second Amendment and will provide observations and recommendations regarding the program staffing needs, organizational structure, resource allocations, and service delivery models regarding the Information Technology Division.

4. This Second Amendment to the Agreement revises Section 5 a. to the not to exceed amount as follows:

   "PAYMENT

5. The City agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the Payment Schedule as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amended amount shall not exceed Sixty-Eight-Thousand-One-Hundred-Sixty-Three dollars ($68,163.00) for the total term of the Agreement unless additional payment is approved as provided in this Agreement. The not to exceed amount of $68,163 includes the $39,773 paid on the Agreement plus $10,400 for work performed under Amendment No. 1 to the agreement, plus an additional $17,990 for Amendment No. 2 for the services described in Exhibit A to this Amendment No. 2.

6. Except as modified by this Second Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, City and Consultant have executed this Second Amendment as of the day and year written below.

CITY OF PACIFIC GROVE	CONSULTANT
By:_____	By:_____
Nick Smith, Mayor	Consultant
Date: _____	Date: _____

APPROVED AS TO FORM

By:_____
Brian Pierik, City Attorney

Attachments:

Exhibit 1 Consultant October 13, 2025 Proposal Containing Detailed Amended Scope of Work and Amended Payment Schedule

EXHIBIT A

Consultant October 13, 2025 Proposal Containing Detailed Amended Scope of Work and Amended Payment Schedule

October 13, 2025

Matthew Mogensen, City Manager
City of Pacific Grove
300 Forest Avenue
Pacific Grove, CA 93950

Dear Mr. Mogensen:

On behalf of Municipal Resource Group (MRG), we are pleased to submit the attached revised scope of work for an **Organizational Diagnostic for the Information Technology program**.

As you know, MRG has been honored to partner with the City of Pacific Grove in conducting the City-wide organizational and staffing diagnostic, as well as deeper assessments of the Public Works and Community Development Departments. Building upon this foundation, we look forward to providing the City with a diagnostic review of the information technology program within the Administrative Services Department.

This Diagnostic will focus on organizational structure, staffing levels, resource allocation, and service delivery methods for the Information Technology program. The work plan is designed to ensure a collaborative process with City leadership and staff, resulting in practical findings and recommendations to guide future decisions. To further strengthen the review of the IT function, MRG will be partnering with SDI Presence, bringing specialized expertise in government technology services.

We appreciate the opportunity to continue serving the City and supporting its commitment to organizational effectiveness and excellence in service delivery. Please do not hesitate to reach out with any questions or clarifications regarding the proposed approach.

Sincerely,



Mary Egan, CEO
MRG, LLC
916-261-7547
egan@solutions-mrg.com

MRG – FIRM PROFILE

MRG was founded in 2009 by highly skilled and broadly experienced professionals. Municipal Resource Group, LLC is an experienced, full-service consulting firm dedicated to assisting public sector agencies in attaining their strategic goals. Our 60 consultants have extensive experience in all aspects of Executive Coaching, Governance, Organizational Assessment & Development, and Human Resources, including staffing and effectiveness analyses. Our team is experienced in working with elected officials, agency executives, managers, and staff. MRG's consulting work focuses on the five practice areas listed below.



SCOPE OF WORK

Organizational and Staffing Assessment of the Administrative Services Department

In late 2024, the City of Pacific Grove hired MRG to conduct a comprehensive City-wide organizational and staffing level diagnostic. The primary purpose of the City-wide organizational diagnostic was to identify gaps in service and operational challenges at the department level so that future organizational and staffing level assessments for each City department can be prioritized. The final diagnostic report included numerous findings and recommendations specific to each City department. At the request of the City, MRG subsequently conducted a deeper organizational assessment of the Public Works and Community Development Departments. These two efforts were completed in the Spring 2025.

The City is now requesting a proposal for a deeper organizational diagnostic of the Information Technology program within the Administrative Services Department. The IT program currently has three in-house staff positions (one vacant) and is responsible for providing all information technology services to City operations. The purpose of the organizational diagnostic is to provide the City with a snapshot of observations and recommendations regarding the program staffing needs, organizational structure, resource allocations, and service delivery models.

The primary objectives of the assessment include:

- Examine and explore the organizational and functional issues to assess program culture, levels of employee engagement, team effectiveness, role/goal clarity, and skillsets/competencies.
- Evaluate organizational structure, staffing levels, positions, functions, and contracted services in relation to the workload, and program efficiency and effectiveness.
- Evaluate service delivery methods and outcomes, and the policies, legislative requirements, and other influences that impact program operations.

As part of this engagement, MRG will be partnering with SDI Presence to assist with the review of the Information Technology function. SDI Presence is an IT consultancy and managed service provider that has a strong presence in the government services sector. A biography of Rick Otto, Project Lead for MRG, and Terry Hackelman, Project Lead for SDI Presence, is attached.

WORK PLAN

MRG has developed the following work plan for the project to meet the City's needs. The scope of work is dependent upon the needs of the organization and may be modified as needed during the initial video conference:

1. **Project Initiation / Launch:**
   - Initial video conference with major stakeholders including but not limited to City Manager, Deputy City Manager and the Administrative Services Director.
   - Review project outcomes, process timing, expectations, define interview subjects, and set initial timeline.
   - Request and obtain numerous documents including but not limited to the department organizational charts, organizational accomplishments, historical budgetary and staffing level data, community surveys, and any other relevant reports and documents. Obtain anecdotal perspectives on issues and concerns that drive this request.

2. **Conduct Data Analysis and Staff Interviews:**
   - Review and analyze obtained data.
   - Develop interview format and questions.
   - Conduct one-hour interviews via on-site and/or video conferencing with members of the IT program as well as other stakeholders in the City.
   - Anticipate conducting approximately eight interviews.
   - Compile and analyze interview data and information.

3. **Prepare Findings and Recommendations:**
   - Prepare key initial findings.

- Review initial findings with City Manager and designated staff. Refine findings based on feedback.
- Develop initial recommendations.
- Review initial recommendations with City Manager and designated staff. Refine recommendations based on feedback.

4. **Prepare Final Report:**
   - Compile Report and/or PowerPoint Presentation, review with City Manager and designated staff, revise as necessary, prepare final Report and/or PowerPoint, and deliver to City.
   - The Report will include observations, preliminary findings, and recommendations. The report will also identify any issues outside the identified scope of work that may impact the office and require further analysis or actions on the part of the City.

PROJECT FEES AND TIMELINE

MRG proposes an estimated not-to-exceed contract amount of $17,990, including expenses. The project will be invoiced upon completion of each milestone with associated travel expenses as described below. Based on the client's direction, many of the interviews can be conducted on-site unless it is determined that virtual interviews are feasible. All other work is intended to be completed remotely via email, teleconference, and video conference. Should the client and MRG mutually agree to conduct any other meetings or work activities on-site, travel expenses will be billed to the client at cost.

Milestones	Hours	Costs
Milestone #1 - Project Initiation / Launch	11	$ 3,080.00
Milestone #2 - Data Analysis and Staff Interviews	20	$ 5,470.00
Milestone #3 - Prepare Findings & Recommendations	24	$ 6,640.00
Milestone #4 - Prepare Final Report	7	$ 1,950.00
Travel Expenses		$ 850.00
TOTAL		$ 17,990.00

If additional services are requested or additional time needed (such as for assistance in implementation or professional development), those hours will be billed at $260 per hour for Information Technology support and $290 per hour for the Lead Consultant.

MRG CONSULTANTS

Rick Otto, Lead Consultant
(714) 745-2852
ottocitymanagement@gmail.com



As the former City Manager for the City of Orange, Rick Otto understands the many challenges today's local government executives face on a daily basis. Rick successfully navigated his organization through the pandemic, recessions, periods of political transition, local emergencies, and community tragedies. His compassionate, collaborative, and results-orientated leadership style allows him to create and foster a positive work environment and forge excellent working relationships with political leaders, labor associations, community groups, and fellow city managers.

Rick has over 32 years of local government experience working for small and medium-sized cities in Southern California. In addition to serving as the City Manager for Orange, a full-service city with an annual budget of $200 million and 750 employees, Rick also served as their Assistant City Manager, Community Development Director, and Economic Development Manager. Prior to his tenure in Orange, Rick worked for three contract cities in Los Angeles County: Rancho Palos Verdes, La Mirada and Temple City. Throughout his career, Rick has been involved in nearly every aspect of local government, including land use planning, historic preservation, citizen engagement, affordable housing, economic development, finance and budgeting, capital projects, information technology, labor negotiations, staff development, and public safety coordination. Rick brings his unique and diverse background to clients by specializing in Organizational Assessments, Operational Reviews, Executive Evaluations, Staff Development and Mentoring, Strategic Planning, Fiscal and Economic Development Analysis, and Land Use Entitlements.

A facilitator of governmental regionalization, Rick has chaired numerous regional committees including the Metro Cities Fire Authority, the Orange County Animal Control Taskforce, the Orange County City Manager's Solid Waste Committee, the North Orange County Cities Homelessness Coalition, and Orange County City Manager's Homelessness Task Force.

In addition to his professional achievements, Rick earned a Bachelor of Arts in Public Administration and a Master of Public Policy and Administration, both from California State University, Long Beach. Rick is a frequent guest speaker for public policy and journalism classes at California State University, Fullerton, and Chapman University. He also has been a speaker for the American Planning Association. Finally, Rick is proud to have been a Disneyland Cast Member and still uses that customer-centric approach with his clients.

Cathy Capriola, Project Director
(916) 257-3287
ccapriola@solutions-mrg.com



Cathy is an experienced local government leader with over 30 years of experience in the areas of general management, emergency management, organizational development, human resources, finance, information technology, and risk management. Cathy's key strengths are strategic planning, facilitation, team building, coaching, mentoring, and project management. As a developer of people and organizations, Cathy enjoys delivering best practices, new systems, and innovation. With a strategic entrepreneurial lens, Cathy has the ability to see enhanced levels of service delivery and to drive initiatives to help organizations reach the next level. As a coach, Cathy is able to help executives focus on their strengths and provide strategic and tactical assistance to navigate issues and problems.

SDI PRESENCE

SDI provides management consulting and advisory services focused exclusively on assisting public sector agencies enhance their use of technology. Since 1999, SDI's Advisory & Consulting practice has supported IT assessments, IT strategic plans, enterprise software procurements, and implementation projects for nearly 200 west coast clients. Our successful track record includes completing more than 100 IT Assessments and Strategic Plans for cities, counties, special districts, and State of California agencies.

SDI Presence LLC (SDI)

SDI is an IT consultancy and managed services provider (MSP) that leverages its strong team presence to advance our clients to a secure digital enterprise. With a **25+-year corporate resume**, SDI delivers strategic managed services, IT consulting, and hybrid infrastructure solutions to optimize our clients' technology environments. SDI is a certified Minority Business Enterprise (MBE), with a portfolio of clients that includes some of the nation's largest airports, utilities, commercial real estate portfolios, and government agencies.

SDI Snapshot:

- Headquartered in Chicago
- 25+ Years IT Consulting/Managed Services Experience
- 360+ Business Professionals
- 92% Customer Satisfaction Rating
- Continuously awarded the "Best Places to Work" Recognition since 2020
- Financial Stability:
  - 2023 Revenue - $85M
  - Backed by Private Equity Firm - Abry Partners with $5B under management
- Corporate Plus® Member of the National Minority Supplier Development Council (NMSDC)

SDI delivers a deep technical presence through a local delivery model to achieve customer confidence and success. SDI is headquartered in Chicago, Illinois with regional offices in Anaheim, Sacramento, and Los Angeles, California; Atlanta, Georgia; and Dallas Fort-Worth, Texas.

SDI's core services include:





Terry Hackelman - Senior Vice President / Subject Matter Expert
Mr. Hackelman is the SVP of State, Local, and Education West (SLED). He leads all of SDI's SLED West business, including all municipalities and related utilities in the Western states. Sales, business development, strategy and delivery of services are included in his responsibilities to client agencies. He has over 34 years of complex technology procurement and implementation success at state and local government including cities, counties, utilities, and special districts. In Manhattan Beach, he served as the IT Director as a full-services municipality. His extensive experience spans more than 50 California municipalities and includes many of the technologies used by municipalities and districts to manage finance, payroll, human resources, utility billing, assets computerized maintenance, permitting/inspection, e-Government, mobile applications, geographic information systems, documents, and more.

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Anna Bornstein, Associate Planner

MEETING DATE: November 05, 2025

SUBJECT: Architectural Review Board Meeting Minutes: September 9, 2025

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

RECOMMENDATION

Receive the minutes.

Attachments

ARB Minutes 09.09.2025

NOTICE OF MEETING

CITY OF PACIFIC GROVE

ARCHITECTURAL REVIEW BOARD MEETING MINUTES

REGULAR MEETING AGENDA

Tuesday, September 9, 2025, 3:00 P.M.

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

AGENDA

1. **CALL TO ORDER & ROLL CALL**

Secretary Huff called the meeting to order at 3:00 pm. Present in the chamber: Secretary Huff, Member Boyle and Member Sublett
ABSENT: Chair Brooks and Vice Chair Byrne

2. **APPROVAL OF THE AGENDA**

Upon a motion by Member Boyle and seconded by Member Sublett, the Board voted to approve the agenda.

Motion carried 3-0-2, by the following roll call vote:

AYES: Secretary Huff, Member Boyle, Member Sublett
NOES: None
ABSENT: Chair Brooks and Vice Chair Byrne

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

None.

4. **COUNCIL LIAISON ANNOUNCEMENTS**

None.

5. **GENERAL PUBLIC COMMENT**

Lisa Ciani provided general public comments
Inge Lorentzen Daumer provided general public comments

A.

Written General Public Comment
None

CONSENT AGENDA

6. REPORTS FOR INFORMATION ONLY

None

7. REPORTS REQUIRING ACTION

A. Minutes of the August 12, 2025, Architectural Review Board Regular Meeting

Reference: Anna Bornstein, Associate Planner

Recommended Action: Approve the minutes of the August 12, 2025, Regular Meeting of the Architectural Review Board.

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

ACTION: Upon a motion by Member Sublett, seconded by Member Boyle, the Board voted to approve the Consent Agenda

Motion carried 3-0-2, by the following roll call vote:

AYES: Secretary Huff, Member Boyle, Member Sublett
NOES: None
ABSENT: Chair Brooks and Vice Chair Byrne

REGULAR AGENDA

8. **PUBLIC HEARINGS**

A. Sign Permit (SP) 25-0118 for 1199 Forest Avenue Units 1-3 (APN 006-726-008-000).

Zoning District/General Plan Designation: C-FH / Forest Hill Commercial

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Consider Sign Permit 25-0118 subject to the recommended findings, conditions of approval, and Class 1 Categorical Exemption (CEQA Guidelines Section 15301, Existing Facilities).

Reference: Anna Bornstein, Associate Planner

Anna Bornstein, Associate Planner, provided the staff presentation
The applicant presentation was provided by Patricia Silva
No public comment was received

ACTION: Upon a motion by Member Boyle, seconded by Member Sublett, the Board voted to approve Sign Permit 25-0118 subject to the recommended findings, conditions of approval, and Class 1 Categorical Exemption (CEQA Guidelines Section 15301, Existing Facilities).

Motion carried 3-0-2, by the following roll call vote:

AYES: Secretary Huff, Member Boyle, Member Sublett
NOES: None
ABSENT: Chair Brooks and Vice Chair Byrne

9. **CONTINUED AND ONGOING BUSINESS**
None.

10. **NEW BUSINESS**
None.

11. **PRESENTATIONS**

A. BCC Recommendation Process Changes & Quarterly Reports

Zoning District/General Plan Designation: n/a

Coastal Zone: N/A

Historic Resources Inventory: N/A

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

Recommended Action: Receive report.

Reference: Aaron Campbell, Senior Planner

Inge Lorentzen Daumer provided public comment

12. **NEXT MEETING - October 14, 2025**

13. **ADJOURNMENT- 3:28 p.m.**

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: George Fuerst, Environmental Program Manager

MEETING DATE: November 05, 2025

SUBJECT: Beautification and Natural Resources Commission Meeting Minutes: March 18, April 15, May 20, July 15, August 19, September 16, 2025

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

RECOMMENDATION

Receive the minutes.

Attachments

BNRC Minutes

Minutes of the
BEAUTIFICATION AND NATURAL RESOURCES COMMISSION
Tuesday, 18 March 2025, 4:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

1. CALL TO ORDER: Chair Walkingstick called the meeting to order at 4PM. Commissioners Gorman, Wooten, Brisson, Giraudo, Lloyd and Dunn present. Staff: EPM George Fuerst and Amy Colony from DPW; Councilmember Lori McDonell.

2. AGENDA: Approved.

3. COMMISSIONER, SUBCOMMITTEE, and STAFF ANNOUNCEMENTS
Chair Walkingstick announced an upcoming COAST meeting, 10 April, from 5-7. She spoke to Policy 000-5 about establishing a direct line to City Council from the BCCs, a protocol in progress.
Commissioner Brisson gave an update on the seals: top count is 105 with 50-60 pregnant. Tourism is heavy. Seasonal fencing going up soon.
Vice Chair Gorman said that FWS has extended the comments period for listing the Monarchs as a threatened species to 19 May.
EPM Fuerst reported that Arbor Day is 27 April; there will be a tree planting/celebration similar to last year's with location and details TBD. Blue Strike's research contract in re climate change was approved by council and has 'hit the ground running.' As part of their outreach, they will host the first community workshop on 17 April.
4. COUNCIL LIAISON ANNOUNCEMENTS
Council liaison McDonell announced the district election map is nearly ready. Council is making progress with goals-setting. PG Cares is on the council's 19 March agenda.
5. GENERAL PUBLIC COMMENT
Lisa Ciani stated her hopes that the city will hire an urban forester by the summer and hold off on Title 12 decision until the forester is on board. She urged BNRC's support for coastal wildlife protection and to increase CSO time for enforcement, open space and habitat protection.
Nina Beattie reported that the Monterey Bay Aquarium will be conducting high-decibel geophysical surveys in the bay from March 24th to 26th that will 'maim and kill sea life.' She requested that BNRC contact the Monterey Bay Aquarium and ask them to halt these surveys.
Anthony Ciani called in about Crespi Pond: the biological study was completed 24 February but nothing has been done since. He suggested BNRC might ask the DPW to nudge this along. He also mentioned the possibility of archeological information there…perhaps a study of that?
6. APPROVAL OF MINUTES
With noted corrections, the February minutes were approved.
7. REGULAR AGENDA
A. A presentation on Sea Otters in Pacific Grove: A Fragile Treasure by Gena Bentall; Director, Senior Scientist at Sea Otter Savvy (SOS).
Ms. Bentali gave a brief history of her 501(c)(3) organization followed by a deep dive into otters' habits, their habitats and the ongoing threats to their population by human disturbance (even though some of that disturbance is from otter admirers seeking up-close viewing of them). She asked if PG would 'take the pledge' to protect sea otters. SOS's website is www.seaottersavvy.org and the pledge is at seaottersavvy.org/pledge

Public Comment (Ms. Bentali's responses are in parentheses)

Anthony Ciani addressed concerns about fishing line entanglement (discarded line and hooks also a threat). Lisa Ciani asked if the wildlife symposium will return again this year. (Not this year—very labor intensive—but hope to do it every two years.)
Commissioner Giraudo queried about issues related to kayakers. (Big concern, but SOS continues to work on educating kayakers, mainly through the local kayak rental agencies, signage and social media.) He asked if otters' level of exposure varies by location, making habituation hard to study. (Yes. Need more volunteers to do physical measurements.)
Commissioner Brisson noted the 'Respect the Nap' stickers—originated in 2015 and now updated—on rentals. (Vendors survey customers if they heeded the message. Hoping to be impactful.)
No apparent acute issues on otter population after Moss Landing fires; that area is being closely monitored. There is concern about accumulation of heavy metals in the otters' prey.
Other discussion included query about 'keeping-distance' laws for otters, such as in place for humpback protection (No. Complicated and enforcement is rare.) Might videos in re otter protection be made and distributed for placement in hotel rooms?

MSP, Brisson/Dunn: Recommend Mayor Smith take the Sea Otter Pledge.

B. Pacific Grove Harbor Seals Presentation – Kim Akeman
Ms. Akeman gave a comprehensive talk on the harbor seal colony at Hopkins Marine Station. These seals call this cove their permanent home, year-to-year.
Some general info:
The seals are not tagged but are recognized by their distinctive coats. Because they are nocturnal, they sleep ashore during the day. That vital sleep can be adversely affected by the hordes of 'pup-arazzi' wanting to view the creatures, thus creating threats to their essential rest. They are extremely sensitive to noise—loud cars, construction, dog-barking, etc.—and will clear (called 'flushing') the beach when afraid. They give birth on the beach, with the gulls as unofficial midwives (thus creating a concern that avian flu could be transmitted to the seals). Pupping season lasts about two months.
For seals in distress, contact Marine Mammal Center: 415.289. 7325.
Ms. Akeman offered thanks to the PG community and to her 'seal team,' then took questions. (Her answers are in parentheses.)

Public Comment
Several callers expressed their thanks to Ms. Akeman.
Anthony Ciani asked about haul-out sites. (There are 13 in these parts of the coast.)
Commissioners' Comments
How long do the seals vacate the beach when they flush? (Depends on the type of disturbance.)
Additional signage might be good idea.
Does the city have any kind of noise restrictions? (No nearby road work is allowed during pupping season.)
How can BNRC engage with non-city businesses/services to promote seal security?
Seals are good for PG businesses.
Perhaps a good idea for Ms. Akeman to give this presentation to the police department.

C. 2025 BNRC GOALS AND SUBCOMMITTEES
Chair Walkingstick reminded that subcommittees can consist of 1-3 members. She detailed the responsibilities of BNRC as an advisory committee to city council, that BNRC needs to follow the established structure in fulfilling our mission.

Public Comment

Lisa Ciani called in to ask for a coastal wildlife subcommittee. She also thanked the Chair for her overview.
Anthony Ciani opined that the city needs a coastal ranger for education and enforcement purposes.

Commissioners' Comments
Commissioner Lloyd suggested a feasibility analysis about capturing and reusing rainwater runoff. He also emphasized the importance of preserving the artwork on the NOAA building.
Commissioner Giraudo spoke to 'line of sight' models vs 'top-down' models. How can citizens become more engaged with the city, such as PG Cares proposes to do? He added that it's important to educate the public, especially around tree-cutting, road work, etc., to be mindful of when to schedule work so that it has minimal impact on wildlife.
Vice Chair Gorman liked the idea of making sea otter protection informational videos available through our local hotels. She also noted that, in re the tree canopy, PG has not yet met the 31% planted goal from last year, so another goal of hers is to establish more 'tree neighborhoods' and public space plantings.
Commissioner Wooten promoted the creation of a pest management plan.
Commissioner Dunn emphasized beautification, including Shop-Scape and litter control, as well as eliminating single-use plastics.
Commissioner Brisson agreed that wildlife and their habitats, open space, and pest management should be included, as well as bird boxes.
Chair Walkingstick addressed the Master Plan Revision of GWP, pest management, Shop-Scape (maybe reach out to the Chamber on this), creating an amphitheater, and involvement with COAST.
In summing up, the commissioners suggested these four BNRC goals for 2025:
Wildlife
Climate Action and Adaptation
Habitat
Educational Outreach and Awareness

The meeting was adjourned at 7:30 PM.

The next meeting will be on 15 April at 4 PM.

Respectfully submitted,
Marty Dunn, Recording Secretary

Minutes of the
BEAUTIFICATION AND NATURAL RESOURCES COMMISSION
Tuesday, 15 April 2025. 4:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

1. CALL TO ORDER: Chair Walkingstick called the meeting to order at 4PM. Commissioners Gorman, Wooten, Brisson, Lloyd and Dunn present; Commissioner Giraudo absent. Staff: EPM George Fuerst. Councilmember Lori McDonell.

2. AGENDA: Approved.

3. COMMISSIONER, SUBCOMMITTEE, and STAFF ANNOUNCEMENTS
Ms. Dunn spoke to the heavy flow into the bay of likely toxic debris from the Carl's Jr. fire. Are there tools available to prevent this in future? Mr. Lloyd announced the Perkins Park clean-up and BBQ on Saturday, 26 April, 9-12 at Sea Palm Avenue. Ms. Brisson is glad to see the fawn signage around town, and also acknowledged the seal signage as being very helpful. There are about 50 pups now. She continues to be in touch with the Chamber in re a wildlife protection tab on their website. Chair Walkingstick noted the recent COAST meeting, and also announced that she and Ms. Dunn will be staffing a table at a 26 April event for children at the PG Museum of Natural History.
Mr. Fuerst said that the fire debris was considered a hazardous waste spill, and that Monterey Fire and the department of health are required to report it to the state. PG's sewer system was able to capture most of the runoff in its system. The city is investing in a stormwater capture program, which includes testing outfalls. Arbor Day is 27 April, and the city will again host a tree-planting of larger cypress and pine at GW Park. Blue Strike will host its first workshop on the city's Climate Action Plan on 17 April. Mr. Lloyd asked Mr. Fuerst if the stormwater and water recycling information could be included in the LWP; Mr. Fuerst was happy to do that.
4. COUNCIL LIAISON ANNOUNCEMENTS
Councilmember McConnell confirmed that PG Cares' two initial projects have been approved by council. Deadline for input on parklet encroachment permits has been extended to 31 October. Council approved increasing the downtown decibel level to 80; the city attorney will present an ordinance to this effect, and that will trigger a full public hearing.
5. GENERAL PUBLIC COMMENT
Sally Moore spoke of landscape guides available from Monterey Water District. She also talked about the upcoming hiring of a city forester and updated tree ordinance. She noted that $3400 of tree fund money was spent on a sculpture at City Hall; she requested that money be returned to be used as originally intended.
Inge Lorentzen Daumer advised that council will receive an archeological resources report on 16 April. Anthony Ciani urged BNRC to become part of the coastal parks and management plans; consider agendizing this to make it so. Crespi Pond continues to be in poor condition.
Lisa Ciani wondered if the extension of the coastal trail at Esplanade Park might involve archeological resources.
6. APPROVAL OF MINUTES
With noted corrections, the March minutes were approved.
7. REGULAR AGENDA
A. Great Horned Owl Platform/Nest for Eagle Scout Project

Eagle Scout Malloch Lee made a comprehensive outline of his proposed GH Owl plan for GWP and "Rip" Van Winkle Park. The goal is to support/enhance the owl population, which will, as a

positive sidebar, help control the rodent population. The project should be completed at the latest by the end of July.
Motion: Recommend installation of owl platforms at GWP and RVW with the evaluation and suggestions of possible other locations within the given parks, from a biologist. Also, recommend PW be present and assist with installation of owl platforms and other activity associated with this project.
MSP: Wooten/Gorman; 5-0 approved.

B. "Dancing Monarchs" Art Donation Proposal
PG residents Jan and John Stewart propose donating this work of fused glass and metal by artist Peter Hazel to the city. Ms. Stewart gave information on this piece. It should be completed by fall of this year; the artist has indicated he would come for the installation.
Public Comment
Several callers expressed strong support for this gift, though questions about vulnerability to wind, vandalism and safety were shared. Tony Ciani suggested a committee work together to find potential locations.
Commissioners' Comments
Chair Walkingstick urged BNRC to do due diligence as per the city's Policy 900-3. Commissioners were enthusiastic about this proposal.
Motion #1: Recommend that city council accept this donation. MSP: Gorman/Walkingstick (5-0)
Motion #2: Recommend that BNRC form a subcommittee of the donors and representative(s) from DPW, city council and BNRC to research locations for this piece.
MSP: Gorman/Wooten (5-0)
(BNRC reps will be Chair Walkingstick and Ms. Dunn.)

C. 2025 BNRC GOALS AND SUBCOMMITTEES (Continued)
Chair Walkingstick gave a recap of this process, calling it an 'inspirational exercise.'
Public Comment
Lisa Ciani called in to give some history on the coastal wildlife subcommittee development and its recommendations from several years ago. She looks forward to BNRC's discussion on this topic.
Commissioners' Comments
Commissioner Lloyd withdrew his earlier suggestion about capturing and reusing rainwater runoff due to its cost. This could come back as a future agenda item, however. He voiced interest in wildlife protection and water concerns.
Commissioner Giraudo is on the habitat protection subcommittee.
Commissioner Wooten wants to work on an integrated pest management ordinance with 'some teeth in it' to present to council.
Commissioner Dunn is working (with the chair) on Shop-Scape. (Hoping to get the Chamber involved with this as well.) Plastics, especially the control of single-use plastics, is also on her list.
Commissioner Brisson chose wildlife and their habitats, deer fencing, integrated pest management, and continued association/outreach with COAST and the Chamber.
Vice Chair Gorman opted for establishing more 'tree neighborhoods' and public space plantings, education, and the GWP trail project.
Commissioner Lloyd suggested that our four main goals are rather like 'umbrellas' under which our various tasks fall.
Chair Walkingstick addressed pest management, Shop-Scape, monarch neighborhood meetings, and involvement with COAST.
In summing up, the commissioners suggested these four BNRC goals for 2025:
*Wildlife and Habitat Protection

*Shop-Scape
*Integrated Pest Management
*Educational Outreach and Awareness

D. Coastal Wildlife Protections
Public comments encouraged the mayor to take the Sea Otter Pledge, and also mentioned the huge positive difference the seal signage has made. Lisa Ciani asked about CSOs on bikes to help with enforcement of rules.
Commissioner Lloyd reminded that no bikes are allowed on the Perkins Park path.
Chair Walkingstick suggested that city should hire a wildlife point person who could help with enforcement and general public inquiries and reporting.
Motion #1: Recommend that commissioners and all city council members sign the Sea Otter Pledge. MSP: Brisson/Lloyd (5-0)
Motion #2: Recommend that city council visit harbor seal cove. MSP: Brisson/Walkingstick (5-0)
Subsequent discussion pertained to wildlife protection issues and concerns that the CSOs were not doing this work as originally proposed when the city hired them. It was again mentioned that perhaps PGPD could receive some wildlife education that would help them with the enforcement of wildlife rules. A motion was proposed that spurred the question about data: what do we know about need for more wildlife protection as shown by city data?
Motion: Recommend that the city consider hiring a wildlife conservation officer for animal-specific questions, issues and enforcement. MSP: Walkingstick/Brisson (4-2)

The meeting was adjourned at 6:30 PM.

The next meeting will be on 20 May at 4 PM.

Respectfully submitted,
Marty Dunn, Recording Secretary

Minutes of the
BEAUTIFICATION AND NATURAL RESOURCES COMMISSION
Tuesday, 20 May 2025. 4:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

1. CALL TO ORDER: Chair Walkingstick called the meeting to order at 4PM. Commissioners Gorman, Wooten, Brisson, Lloyd, Giraudo and Dunn present. Staff: EPM George Fuerst, Amy Colony. Councilmember Lori McDonnell.

2. AGENDA: Approved.

3. COMMISSIONER, SUBCOMMITTEE, and STAFF ANNOUNCEMENTS
Ms. Dunn asked for confirmation that gas leaf blowers are prohibited in town. Per Mr. Fuerst: yes; notify code enforcement if you see one in use. Ms. Brisson noted that the federal government is considering changing the definition of "harm' in the Endangered Species Act, and that could have negative consequences for wildlife. She is glad to see the fawn signage around town, and also acknowledged the seal signage as being very helpful. She reported there are about 73 pups now, up from 2024's total. Chair Walkingstick highlighted the recent city volunteer luncheon and thanked Ms. Colony for her wonderful efforts in that. The chair and Ms. Dunn participated in a science program at the PG Museum of Natural History. 50 cypress trees were planted in GWP on Arbor Day; KSBW did a spot on that event. The chair thanked Mr. Fuerst for all his efforts surrounding that day's happenings. There will be a GWP walk-through with Dan Gogh et al on 13 May; maintenance work is scheduled for mid-June.
Mr. Lloyd said about 60 volunteers showed up to weed and enjoy BBQ at the Perkins Park clean-up; he thanked Ms. Colony for her support of that. Mr. Giraudo spoke of the Historical Resources Commission meeting on 28 May @ 3PM. One of the agenda items is a discussion of the NOAA building at 1352 Lighthouse Avenue being designated as an historic building.
Staff news
Ms. Colony announced newly added hours for weeding at Perkins Park: Wednesdays from 10-2 and Saturdays from 11-1. Trashing will continue through the summer on the second Saturday morning of each month.The Monarch Sanctuary is looking for volunteers to help with landscaping work there; contact Ms. Colony for more information.
Mr. Fuerst reported that Good Old Days went very well. He especially thanked the outside agencies involved for their waste removal efforts. The owl perches' locations are set for GWP and 'Rip' Van Winkle parks, as per Audubon and project innovator Malloch Lee. Folks from Audubon, the city and BLOY volunteers met at Berwick Point. The area is now signed and cordoned off and eggs are laid! There is a Plan B if this does not work out. Mowing at GWP now underway.

4. COUNCIL LIAISON ANNOUNCEMENTS
Councilmember McDonnell confirmed that council received a five-year recap of Capital Improvement Projects (CIPs), and the 2025 and 2026 CIPs were received and will be part of budget talks going forward. The Local Coastal Plan (LCP) amendment that the city submitted to the Coastal Commission last December has been approved by them; council must now finalize that approval.

5. GENERAL PUBLIC COMMENT
Kim Akeman enthused about the 73 seal pups' arrival and thanked the city for the signage and lighting that 'really made a difference!' Molting season is on tap so there will be a high number

of the pinnipeds hauling out. Commissioner Giraudo inquired if any outreach can be done with car show organizers in re seal protection during events.
Lisa Ciani thanked the city, especially Mr. Fuerst, for help with the BLOYs; also kudos to Mr. Giraudo for the info on the Historical Resources meeting.

6. APPROVAL OF MINUTES
With noted correction of Councilmember McDonnell's name, the April minutes were approved.

7. REGULAR AGENDA
A. Presentation from Liese Murphee, Director of Education and Outreach, on the Natural History Museum's plans to update their garden.
Ms. Murphee gave a comprehensive talk and slide show on the museum's garden update, their outdoor education space and plans to continue to enhance the facility's outreach. There is a jade exhibit on tap.
Public Comment
Lisa Ciani expressed her appreciation for these efforts.
Commissioner Comments
Mr .Giraudo asked about the time frame for the new projects. Ms. Murphee said that will happen once they connect with the contractors. Mr. Lloyd wondered about rainfall collection on site; Ms. Murphee hopes to expand this option. Ms. Wooten gave kudos for all this and asked if there will be QR codes for plant IDs, etc. That is hoped for, according to Ms. Murphee, including plant names in the native Rumsen language. Mr. Giraudo asked about how to encourage and educate the community about the happenings at the museum; various PR tactics are always good.

B. Wildfire Safety Measure – Recommendation to Prohibit Open Flames on Public Property Natural Spaces
Mr. Fuerst shared sections of the municipal code that apply to this subject then presented a slide show. California fire code automatically applies to PG as well. All fire codes apply to all property in PG.
Commissioner Gorman stated the BNRC ask is for the city to amend the city code to prohibit all open fires in 11 specific sites (of 28 total parks/open spaces in town). Smoking is already prohibited. Only one grill remains on city property but picnic areas are still available. The chair noted that human ignitions of fire have tripled the length of wildfire season. 337% of US homes are in a Wildland Urban Interface (WUI). Ms. Gorman and the chair submitted some action ideas, which include BNRC to:
1) request regular fire-ready community events
2) recommend fire safety ordinances
Commissioner Dunn asked if that includes municipal fireworks. Answer: 'Could be.' Public displays require council approval, so perhaps raise this idea at that time. Comm. Lloyd agreed with no-fire areas but wants to preserve spots already in use for BBQs and celebrations. What of the GWP BBQ? A permit is required to use it, but that doesn't always happen. It's problematic, especially with its proximity to the Monarch Sanctuary. Maybe remove it altogether? Mr. Giraudo wondered how to notify public of changes. Signage and notifying Little Leagues and social media all useful ideas.

MOTION: Gorman/Dunn Recommend the City Council consider amending the fire code to prohibit the use of fires of any kind, or any source of open flame, in any public park designated as a Natural Area or Open Space. MSP 6—0.

MOTION: Walkingstick/Brisson Recommend removal of BBQ at George Washington Part and adding signage in the area. MSP 6-0.

C. BNRC Goals 2025 - Adopt Goals

Chair Walkingstick gave a recap of this process, saying this is not the 'end all and be all' on this subject.
Public Comment
Lisa Ciani wanted to clarify that the 100' perimeter trail was not the width of the trail. Answer: That is correct.
Commissioner Comments
There followed further discussion on the goals, followed by:

MOTION: Adopt the goals with new modifications. MSP. (See below.)

The meeting was adjourned at 5:45. The next meeting will be on 17 June 2025 at 4PM.

Respectfully submitted,
Marty Dunn, Secretary

Below is the full and amended list of BNRC Goals 2025.

BNRC Goals 2025
Mission Statement
The 2025 Beautification and Natural Resources Commission is dedicated to protecting and enhancing the city's natural beauty and ecological health through climate-conscious stewardship, wildlife preservation, and habitat protection and restoration. We engage the community through inclusive outreach and education, fostering a shared commitment to sustainability, environmental awareness, and the protection of Pacific Grove's unique natural resources for present and future generations.
1. Integrated Pest Management (IPM) Management Plan and Ordinance
(Brisson, Walkingstick, Wooten)
Recommend Council to adopt an ordinance implementing a comprehensive Integrated Pest Management Plan
1.1 Provide Council a comprehensive package justifying the adoption of a city ordinance to protect
humans, wildlife, pets and the environment from the impact of pesticides. An ordinance would formalize
and expand on the current city policy and would require consistency, compliance and transparency in
pesticide use.
1.1.1 Provide context in the form of documented research on the negative impact of pesticides, for example, the impact of exposure on predators, children and the bay.
1.1.2. Request documentation from the City of historical (2 years) pesticide application, purchase orders for herbicides, rodenticides, insecticides and other pesticides.
1.1.3. Provide information on IPM ordinances in other, similar, cities.
1.1.4. Provide information on alternative, effective pest control methods
1.1.5. Public outreach initiative
2. George Washington Park Perimeter Fire Break Rec Trail and Layered Map

(Gorman, Walkingstick)
2.1 Recommend to Council to construct decomposed granite (DG) forest perimeter walking trail that functions as a fire safety break — enhancing recreational opportunities that are ADA compatible, aligning with CalFire and new state law requirements, preserving forest health and biodiversity.
2.1.1 Present to City Council
2.1.2 Incorporate into new GWP Master Plan
2.1.3 Keep up to date on evolving forest safety regulations and adjust where applicable
(S.M.A.R.T. Goal break down)
Specific:
Recommend to Council to construct decomposed granite (DG) forest perimeter walking trail that functions as a fire safety break — enhancing recreational opportunities that are ADA compatible,
aligning with CalFire and new state law requirements, preserving forest health and biodiversity. This
would include reforesting efforts by planting 200 native trees and plants to protect and restore wildlife habitats and the forests' overall biodiversity.Measurable:
• Establish a 100 ft wide defensible space to control non-native invasive grasses and weeds and to reduce fire risk.
• Complete the trail all at once, or in phases, within the next 2 years.
• Preserve, prune (to provide 10 ft ground clearance to mitigate fire risk) and maintain all healthy trees in the trail corridor and plant 200 native trees throughout the park — with a 90% survival rate at the 1-year mark. Remove and replace any unsuccessful trees.
• Create educational signage about biodiversity, fire prevention, and include recreational mile-markers for users (using strategic sign placement and design that doesn't compete with the natural setting of the park).
Achievable:
The perimeter trail and tree planting could be completed in phases to match resource availability,
CEQA review, wildlife considerations, construction timetables, and funding.
Relevant:
• Addresses wildfire mitigation needs by permanently reducing tall invasive grasses in what is currently known as the "mow zone" (decomposed granite is natural in appearance, permeable, durable, and low maintenance).
• Increases outdoor recreation and accessibility.
• Increases beautification and curb appeal — blends seamlessly with the natural landscape.
• Supports long-term ecological health by enhancing habitat and biodiversity in the urban forest by offering more dedicated trails to protect native ground covers from trampling aligning with the GWP Master Plan.
Time-bound:
The project would be completed over a 24-month timeline (, beginning July 2025 and concluding by
July 2027, with quarterly progress updates provided.
3. Shop-Scape Program and Initiative
(Dunn, Walkingstick)
3.1. Shop-Scape, a BNRC, City of Pacific Grove and Chamber of Commerce initiative and program to
inspire business owners to lift business district aesthetic through soft-scape landscaping.
3.1.1 Grant program provided through City Façade Improvement Program
3.1.2 BNRC Guidance brochure
3.1.3 Chamber of Commerce outreach assistance

3.1.4 Utilize local and City volunteer resources
4. Monarch Sanctuary Neighborhood Meeting
(Brisson, Wooten, Walkingstick)
4.1. To provide the City and PG Natural History Museum support for the third annual, October 2025,
Monarch Sanctuary Neighborhood Meeting5. Deer Fencing Outreach, Education and Recommendations
(Brisson, Gorman)
5.1 Research wildlife friendly fencing and provide potential recommendations and outreach awareness information for the community.
5.1.1 Research wildlife friendly fencing & outreach strategies
5.1.2 Review City literature, information, and ordinances regarding fencing regulations and make recommendations
6. Wildlife Habitat Protection and Outreach
(Giraudo, Lloyd, Brisson)
Background: Building on the recent presentations to BNRC addressing fence guidelines and Harbor Seals, we have an opportunity to increase awareness, voluntary compliance amongst service providers, residents, and visitors leading to a reduction in human caused disruption and impact on wildlife habitat. The presentation findings indicate some habitat disruptions are due to lack of awareness of existing guidelines (fencing as one example) and activity in sensitive areas that impacts critical wildlife cycles (see the George Washington Park Biological Assessment and Harbor Seal environment study as examples).
Goal Objective Statement: Increase awareness and voluntary compliance of Pacific Grove's wildlife protection guidelines and regulations among residents, visitors, and service providers to protect area wildlife and wildlife habitat, with a primary focus on deer, harbor seals, and sea otters.
This goal encompasses several BNRC 2024 goals, including:
3.1 Initiate and engage in city and community partnerships that support our wildlife and their habitats
3.3 Recommend updates to wildlife and habitat protection as needed, especially along the coastal road and trail, and during sensitive breeding seasons
3.3 Promote public education of wildlife through city social media, signage, etc.
3.5 Review wildlife ordinances, code compliance and violations, and collaborate to with Police/CSOs to mitigate wildlife disturbances.
Measurements:
A reduction in observed human caused wildlife disruptions and severity in targeted populations by X amount in year 1 and a further reduction of X amount in year 2. To include:
No observed decline in harbor seal live birth rate attributed to human caused disturbances;
An observed reduction in the number of seal "beach flushing" events due to human caused disturbances;An observed reduction in the number of disruptive human interactions with sea otters that
could contribute to a reduction to the sea otter population.
The goal owners will provide quarterly updates to the BNRC on actions taken, outcomes, and learnings.
How: This may include communicating and highlighting when wildlife breeding seasons occur, wildlife sensitivity to noise disruptions, and other known/potential impacts to be avoided at different times of the year to increase voluntary compliance or adjustments to work schedules, traffic patterns, and public use of wildlife habitat. Primary targets would include various businesses and service agencies (fencing contractors, tree trimming companies, PGE, ATT, CalTrans, Monterey County, event organizers, See Monterey tourism, kayak rentals, etc.). Communication may take the form of memorandum, social media, BNRC contacts,

communicating requirements/guidelines during project planning, when issuing permits, at points of sale (fencing building materials as example), and establishing a City liaison to work with/advise service agencies when scheduling work in/near

Minutes of the
BEAUTIFICATION AND NATURAL RESOURCES COMMISSION
Tuesday, 15 July 2025, 4:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

1. CALL TO ORDER: Chair Walkingstick called the meeting to order at 4PM. Commissioners Gorman, Wooten, Brisson, Lloyd, Giraudo and Dunn present. Staff: EPM George Fuerst, Joyce Halabi, Amy Colony, and PG Police Chief Casey Day. Also present was Councilmember and BNRC liaison Lori McDonnell.

2. AGENDA: Upon motion by Commissioner Gorman and seconded by Commissioner Brisson, the Commission voted 7-0 to approve the agenda.

3.COMMISSIONER, SUBCOMMITTEE, and STAFF ANNOUNCEMENTS
A. Commissioner Brisson and Chair Walkingstick made general announcements.
B. Mr. Fuerst announced that city forester John Kenney has been hired.

4. COUNCIL LIAISON ANNOUNCEMENTS
Councilmember McDonnell gave updates on the LCP, retail cannabis, map of city's fire hazards, and language program in re DEI.

5. GENERAL PUBLIC COMMENT
General public comment received from PG Deer Awareness' Carmelita García, PG Cares Mike Gibbs, Vince Tuminello, and Inge Lorentzen Daumer.

6. APPROVAL OF MINUTES
Upon motion by Commissioner Brisson and seconded by Commissioner Gorman, the Commission approved the April and May minutes with noted corrections

7. REGULAR AGENDA

A. Comprehensive presentation by Natalie Johnston, interpretive programs manager at the
Natural History Museum.

Public Comment received from Lisa Ciani .

Commissioner Comments
Commissioners Giraudo, Brisson, Lloyd and Gorman added their thanks and questions/ideas.

B. Deputy City Manager Halabi outlined some of PG's public outreach vehicles, including the city's public information team. She then introduced Chief Day. The

chief presented a summary of his employment history and emphasized the importance of public outreach and communication.

Public Comment received from Lisa Ciani and Inge Lorentzen Daumer.

Commissioner Comments
Chair Walkingstick and Commissioners Lloyd, Wooten, Giraudo, Brisson, and Gorman all
offered thanks and questions/ideas to the presenters.

The meeting was adjourned at 5:30. The next meeting will be on 19 August 2025 at 4PM.

Respectfully submitted,
Marty Dunn, Secretary

Minutes of the
BEAUTIFICATION AND NATURAL RESOURCES COMMISSION
Tuesday, 19 August 2025. 4:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

1. CALL TO ORDER: Chair Walkingstick called the meeting to order at 4PM. CommissionerGorman, Wooten, Brisson, Lloyd, Giraudo, and Dunn present. Staff: EPM George Fuerst, City Forester John Kenney. Councilmember Lori McDonnell.

2. AGENDA: Upon motion by Commissioner Wooten, seconded by Commissioner Brisson,
commissioners voted 7-0 to approve the agenda.

3. COMMISSIONER, SUBCOMMITTEE, and STAFF ANNOUNCEMENTS
Commissioners Lloyd, Brisson, Gorman and Chair Walkingstick made general announcements, including a call for volunteers to help with the Save Our Shores beach cleanup on
20 September.
EPM Fuerst introduced the city's new forester, John Kenney.

4. COUNCIL LIAISON ANNOUNCEMENTS
Councilmember McDonnell announced that there was a public forum in re the housing element and it will now go to the planning commission. She also shared updates on: the sale of cannabis in PG; DEI; upcoming recommendations to council from commissions, boards and committees; ARC/HCR; and council salaries.

5. GENERAL PUBLIC COMMENT
General comments received from Robin Aeschliman, Vicki Pearse, Lisa Ciani, and Anthony
Ciani.

6. APPROVAL OF MINUTES
Upon motion by Commissioner Lloyd, seconded by Commissioner Gorman, commissioners voted 7-0 to approve the minutes. Commissioner Brisson noted her displeasure with the new format of the minutes.

7. REGULAR AGENDA
A. Presentation from Natalie Johnston, Interpretive Programs Manager at the Natural History Museum. She gave a comprehensive report on the status of monarchs in general and of the Monarch Grove Sanctuary (MGS). Pesticides, including Roundup, and climate change have been shown to contribute to the steep decline in the monarchs' population since monitoring began in 1997. The MGS suffered a mass mortality (about 10%) in January of 2024. USGS analysis showed lethal levels of three common pesticides; perhaps this could be turned into an educational opportunity going forward.

Public Comment
Lisa Ciani and Inge Lorentzen Daumer expressed appreciation for this presentation.
.
Commissioner Comment
Each commissioner applauded Ms. Johnston's talk. Comments mentioned the need for more public outreach, including to nurseries and realtors.

B. Monarch Sanctuary Annual Report
EPM Fuerst presented the annual Creekside Report on the MGS as prepared by scientist Stuart Weiss. He noted that monarch counts began in 1997 and that the city instituted management plans for the sanctuary beginning in 2011. There will be a public walkthrough of MGS on Friday, 5 September, at 1PM.

Commissioner Comment
Commissioners Wooten, Giraudo, Gorman, and Brisson inquired about watering (MGS volunteers help with that), encouraging growth of volunteer pines, ground cover, and tree inventory at both MGS and GWP.
Mr. Fuerst pointed out that monarchs need the *structure* found in PG, which includes the fog, even more than they need nectar in this area. He also noted that parasites are another threat to the butterflies.

ACTION ITEM: Commissioner Giraudo motioned, and Chair Walkingstick seconded, that the BNRC receive and accept the report as presented and to forward it to DPW with the recommendation that it be executed with regard to the detail and timeline within the report. Motion carried 7-0.

C. Pests, Pesticides, and Abatement in PG
EPM Fuerst gave a detailed report addressing these areas, including a definition of terms. PG has an Integrated Pest Management program (IPM) with regard to dealing with insects, rodents, and gulls. The first rule is to use pesticide alternatives first, and to abide by existing county and state regulations. (Note: anticoagulants are not used here, nor are they allowed anywhere in the state.)

Public Comment
Inge Lorentzen Daumer, Kris Lindstrom, and Lisa Ciani called in with comments.

Commissioner Comment
Commissioners Wooten, Lloyd, Brisson, Giraudo, Gorman, and Dunn all commented, including asking about controls used at the municipal golf course, adding signage about ground squirrels at Lovers Point, and the use of electronic rat traps by individuals. Chair Walkingstick suggested using CSOs to help educate visitors at Lovers Point. She also shared this website as a great resource: ipm.ucanr.edu

ACTION ITEM: Moved by Commissioner Dunn and seconded by Commissioner Lloyd that BNRC support prioritizing the legal abatement of ground squirrels in

problem areas and adding temporary and permanent “Do not feed the animals” signage to promote public safety. Unanimously passed.

The meeting was adjourned at 7:08 PM.
The next meeting will be on 16 September 2025 at 4PM.

Respectfully submitted,
Marty Dunn, Secretary

Minutes of the
BEAUTIFICATION AND NATURAL RESOURCES COMMISSION
Tuesday, 16 September 4:00 P.M.
Council Chamber – City Hall – 300 Forest Avenue, Pacific Grove, CA

1.CALL TO ORDER: Vice-chair Gorman called the meeting to order at 4PM. Commissioners Wooten, Brisson, and Dunn present. Staff: EPM George Fuerst, Councilmember Lori McDonnell. Absent: Chair Walkingstick, Commissioners Lloyd and Giraudo.

2. AGENDA: Upon motion by Commissioner Brisson, seconded by Commissioner Wooten, commissioners voted 4-0 to approve the agenda.

3. COMMISSIONER, SUBCOMMITTEE, and STAFF ANNOUNCEMENTS
Commissioner Brisson reported on her meeting with COAST representative.

EPM Fuerst said Monarch Grove Sanctuary walk-through a success and that routine maintenance would begin there this week. MGS volunteers and PG Natural History Museum affiliates will introduce a door-knocking outreach campaign.

4. COUNCIL LIAISON ANNOUNCEMENTS
Councilmember McDonnell reported that the format for BCCs has been updated and that quarterly reports may be instituted from each group. The idea to combine the ARB and HRC was further discussed. Look for an improvement in traffic safety near the USPS. There will be a ballot measure in re councilmembers‘ pay raises.

5. GENERAL PUBLIC COMMENT
Sally Moore spoke, about the owner of 306 Crocker’s latest DPW denial to remove cypress trees.

6. APPROVAL OF MINUTES
Approval of the minutes was continued until the next meeting.

7. REGULAR AGENDA
A. Presentation from Shannon Connor Simpson, director of the Monterey Audubon Society. A highlight of their work involves the Pt. Pinos Seawatch in which migratory seabirds are counted. Dates for this year’s count are 1 November-15 December. They have partnerships with the City of PG, the PG Natural History Museum, Bay Net and the BLOY Monitoring Project. Collected data is housed online in ebird. Pt. Pinos seabirds will be featured on a planned interpretive sign at that site.
B. Public Comment
Lisa Ciani expressed appreciation for this presentation. Anthony Ciani wondered if a permit is required for the new sign.

Commissioner Comment

Commissioner Wooten also asked about the need for a permit for the sign, but Mr. Fuerst said it is a replacement sign so a permit may not be needed.

ACTION ITEM: Commissioner Wooten moved, and Commissioner Brisson seconded, that BNRC support and promote the permitting and installation of the interpretive sign. Passed 4-0.

The meeting was adjourned at 4:33 PM.
The next meeting will be on 21 October 2025 at 4PM.

Respectfully submitted,
Marty Dunn, Secretary

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: November 05, 2025

SUBJECT: Diversity, Equity and Inclusion Minutes: August 11, 2025

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

RECOMMENDATION

Receive the minutes.

Attachments

DEI Minutes

MEETING MINUTES

CITY OF PACIFIC GROVE

TASK FORCE ON DIVERSITY, EQUITY, AND INCLUSION

REGULAR MEETING

Monday, August 11, 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_DEI

1. **CALL TO ORDER / ROLL CALL**
Vice-Chair Fryberger called the meeting to order at 6:00 p.m. City Clerk/DEI Coordinator Kandell conducted roll call with the following Task Force members present in person: Vice-Chair Fryberger, Secretary Pye, Members Doneux and Rubin. Absent: Chair Bui.

2. **APPROVAL OF AGENDA**
Action: Upon motion by Vice-Chair Fryberger and seconded by Member Doneux, the Task Force voted 4-0-1, Chair Bui absent, to approve the agenda.

3. **PRESENTATIONS**
(None.)

4. **TASK FORCE AND STAFF ANNOUNCEMENTS (City-Related Items Only)**
Member Doneux makes announcement of items on cultural calendar for August and September.
No staff announcements.

5. **COUNCIL LIAISON ANNOUNCEMENTS**
(None.)

6. **GENERAL PUBLIC COMMENT**
No general public comment received.

7. **CONSENT AGENDA**
Action: Upon motion by Member Rubin and seconded by Member Doneux, the Task Force voted 4-0-1, Chair Bui absent, to approve the Consent Agenda.

A. Minutes of the May 12 and July 14, 2025 Task Force on Diversity, Equity and Inclusion Meetings

Action: Approved the minutes.

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

8. **REGULAR AGENDA**

A. Land Acknowledgment Subcommittee

Public comment received from Lisa Ciani, Kate Spencer, and Inge Lorentzen Daumer.

Action: Upon motion by Member Doneux and seconded by Member Rubin, the Task Force created a subcommittee comprising of Chair Bui and Secretary Pye to develop language for a Land and Ancestral Peoples Acknowledgment.

9. **NEXT MEETING:** ***September 8, 2025 at 6:00 p.m.***

10. **ADJOURNMENT**

The regular meeting was adjourned at 6:21 p.m.

Respectfully submitted,

Kimberly Pye

Kimberly Pye
Secretary

Approved by Chair:_____Date_____

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Garrett McCown, Associate Planner & RFP Coordinator

MEETING DATE: November 05, 2025

SUBJECT: Historic Resources Committee Meeting Minutes: May 28, June 25, July 23, and August 27, 2025

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

RECOMMENDATION

Receive the minutes.

Attachments

HRC Minutes 5.28.2025

HRC Minutes 6.25.2025

HRC Minutes 7.23.2025

HRC Minutes 8.27.2025

NOTICE OF MEETING

CITY OF PACIFIC GROVE

HISTORIC RESOURCES COMMITTEE
APPROVED MINUTES

REGULAR MEETING AGENDA

Wednesday, May 28, 2025, 3:00 P.M.

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

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

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

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

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

AGENDA

1. **CALL TO ORDER & ROLL CALL**

Chair Anton called the meeting to order at 3:00pm. Chair Anton conducted roll call with the following members present in the Chamber: Chair Anton, Vice Chair Greening, and committee members Collins.

2. **APPROVAL OF AGENDA**

ACTION: Upon motion by Vice Chair Greening and seconded by member Collins, the committee voted to pull item 8A (1352 Lighthouse Ave.) from the agenda and "continue to a date uncertain".

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee member Collins

NOES: None

ABSENT: None

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

NONE

4. **COUNCIL LIAISON ANNOUNCEMENTS**

NONE

5. **GENERAL PUBLIC COMMENT**

The following members of the public spoke:

Steve Hawk
Lora Lee Martin
Robert Fisher
Geva Arcanin
Mike Gibbs
Inge Lorentzen Daumer
Lisa Ciani
Louise Ramirez
Anthony Ciani

A. Written General Public Comment

The following members of the public submitted written comment:

Donna Foote
Charles H. Greene
Jane Haines
Lora Lee Martin
Nancy McDowell
Bill Peake
Mimi Sheridan
Stephanie Turcotte
Joseph Tardo
Geva Arcanin
Andree Brisson
Lisa Ciani
Inge Lorentzen Daumer
David A. Laws
Sam Farr
Vicki Pearse
Monika Romero
Jeff Rothal
Anthony Ciani

CONSENT AGENDA

6. REPORTS FOR INFORMATION ONLY

NONE

7. REPORTS REQUIRING ACTION

A. Minutes of the April 23, 2025, Historic Resources Committee Regular Meeting

Reference: Garrett McCown, Associate Planner

Recommended Action: Approve the minutes of the April 23, 2025, Historic Resources Committee Regular Meeting.

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

ACTION: Upon motion by member Collins and seconded by Vice Chair Greening, the committee voted to approve the consent agenda.

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee members Collins

NOES: None

ABSENT: None

REGULAR AGENDA

8. **PUBLIC HEARINGS**

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

Zoning District/General Plan Designation: O / Open Space Institutional

Coastal Zone: Yes

Historic Resources Inventory: No

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

Recommended Action: Staff recommends the Historic Resources Committee (HRC) find the subject property ineligible for the Historic Resources Inventory (HRI) based on the GSA Determination for Eligibility dated September 24, 2021, the Phase I Historic Resource Assessments provided by Historic Resource Associates dated September 22, 2022, and the Phase I Historic Resource Assessment provided by Chronicle Heritage dated April 17, 2025.

Reference: Jon Biggs, Community Development Director

This item was pulled from the agenda during the "Approval of the agenda (2.)" and continued to a date uncertain.

9. **CONTINUED AND ONGOING BUSINESS**

NONE

10. **NEW BUSINESS**

NONE

11. **PRESENTATIONS**

NONE

12. **NEXT MEETING - June 25, 2025**

13. **ADJOURNMENT**

3:24 pm

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

NOTICE OF MEETING

CITY OF PACIFIC GROVE

HISTORIC RESOURCES COMMITTEE
APPROVED MINUTES

REGULAR MEETING AGENDA

Wednesday, June 25, 2025, 3:00 P.M.

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

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

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

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

AGENDA

1. **CALL TO ORDER & ROLL CALL**

   Chair Anton called the meeting to order at 3:00pm. Chair Anton conducted roll call with the following members present in the Chamber: Chair Anton, Vice Chair Greening, and committee member Collins.

2. **APPROVAL OF AGENDA**

   ACTION: Upon motion by Vice Chair Greening and seconded by member Collins, the committee voted to approve the agenda as is.

   Motion carried 3-0, by the following vote:

   AYES: Chair Anton, Vice Chair Greening, and committee member Collins

   NOES: None

   ABSENT: None

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

   NONE

4. **COUNCIL LIAISON ANNOUNCEMENTS**

NONE

5. **GENERAL PUBLIC COMMENT**

NONE

A. Written General Public Comment

The following members of the public submitted comments:
Bill and Patricia Eastman
Tony Ciani

CONSENT AGENDA

6. REPORTS FOR INFORMATION ONLY

NONE

7. REPORTS REQUIRING ACTION

A. Minutes of the May 28, 2025, Historic Resources Committee Regular Meeting

Reference: Garrett McCown, Associate Planner

Recommended Action: Approve the minutes of the May 28, 2025, Historic Resources Committee Regular Meeting.

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

ACTION: Upon motion Vice Chair Greening and seconded by Member Collins, the committee voted to approve the consent agenda.

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee member Collins

NOES: None

ABSENT: None

REGULAR AGENDA

8. **PUBLIC HEARINGS**

A. Historic Determination (HD) 25-0101 for 304 Grove Acre Avenue (APN 006-402-004)

Zoning District/General Plan Designation: R-1-B-3/Low Density Residential 4.4 DU/ac

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff recommends the Historic Resources Committee (HRC) add 304 Grove Acre Avenue to the Historic Resources Inventory (HRI), based on the conclusions of the Phase 1 Historic Assessments (Clovis 2025 and Seavey 2025) confirming HRI eligibility.

Reference: Garrett McCown, Associate Planner

Associate Planner, Garrett McCown, presented staff report.

Property owner, Michael McCloud presented report.

Public Comment:

Lisa Ciani

Nader Sharifi

Inge Lorentzen Daumer

ACTION: Upon motion by member Vice Chair Greening and seconded by Member Collins, the committee voted to add 304 Grove Acre Avenue to the Historic Resources Inventory (HRI).

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee members Collins

NOES: None

ABSENT: None

9. **CONTINUED AND ONGOING BUSINESS**

NONE

10. **NEW BUSINESS**

NONE

11. **PRESENTATIONS**

NONE

12. **NEXT MEETING - July 23, 2025**

13. **ADJOURNMENT**

3:17 pm

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

NOTICE OF MEETING

CITY OF PACIFIC GROVE

HISTORIC RESOURCES COMMITTEE APPROVED MINUTES

REGULAR MEETING AGENDA

Wednesday, July 23, 2025, 3:00 P.M.

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

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AGENDA

1. **CALL TO ORDER & ROLL CALL**

   Chair Anton called the meeting to order at 3:00pm. Chair Anton conducted roll call with the following members present in the Chamber: Chair Anton, Vice Chair Greening, and committee member Collins.

2. **APPROVAL OF AGENDA**

   ACTION: Upon motion by member Collins and seconded by Vice Chair Greening, the committee voted to approve the agenda as is.

   Motion carried 3-0, by the following vote:

   AYES: Chair Anton, Vice Chair Greening, and committee member Collins

   NOES: None

   ABSENT: None

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

Senior Planner, Aaron Campbell made announcements.

4. **COUNCIL LIAISON ANNOUNCEMENTS**

Council member Rau made announcements.

5. **GENERAL PUBLIC COMMENT**

NONE

A. Written General Public Comment

NONE

CONSENT AGENDA

6. REPORTS FOR INFORMATION ONLY

NONE

7. REPORTS REQUIRING ACTION

A. Initial Historic Screening (IHS) 25-0146 for 1134 Ripple Avenue (APN 006-051-018-000)

Zoning District/General Plan Designation: R-1-H/ Medium Density Residential (7.3 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff requests that the Historic Resources Committee recommend an Initial Historic Screening Determination of ineligibility to the Community Development Director for the property located at 1134 Ripple Avenue. Based on the review of the City of Pacific Grove Historic Context Statement, property files, and the evaluation criteria listed in PGMC 23.76.025.

Reference: Garrett McCown, Associate Planner

Item pulled from consent agenda and put on regular agenda as item 8C.

B. Initial Historic Screening (IHS) 25-0131 for 1304 Funston Avenue (APN 007-564-044-000)

Zoning District/General Plan Designation: R-1/ Medium Density Residential (9.7 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff requests that the Historic Resources Committee recommend an Initial Historic Screening Determination of ineligibility to the Community Development Director for the property located at 1304 Funston Avenue. Based on the review of the City of Pacific Grove Historic Context Statement, property files, and the evaluation criteria listed in PGMC 23.76.025.

Reference: Garrett McCown, Associate Planner

C. Minutes of the June 25, 2025, Historic Resources Committee Regular Meeting

Reference: Garrett McCown, Associate Planner

Recommended Action: Approve the minutes of the June 25, 2025, Historic Resources Committee Regular Meeting.

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

Public Comment:

Inge Lorentzen Daumer

ACTION: Upon motion Vice Chair Greening and seconded by Member Collins, the committee voted to approve the consent agenda as amended. Item 7A, 1134 Ripple Ave., was pulled and added to the Regular Agenda as item 8C.

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee member Collins

NOES: None

ABSENT: None

REGULAR AGENDA

8. **PUBLIC HEARINGS**

A. Historic Determination (HD) 25-0159 for 273 Lighthouse Avenue (006-254-001-000)

Zoning District/General Plan Designation: R-2 / High Density Residential (21.8 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff recommends the Historic Resources Committee (HRC) add 273 Lighthouse Avenue to the Historic Resources Inventory (HRI), based on the conclusions of the Phase 1 Historic Assessment (Page & Turnbull, October 2023) confirming HRI eligibility.

Reference: Anna Bornstein, Associate Planner

Associate Planner, Anna Bornstein, presented staff report.

Public Comment:

Kent Seavey

Inge Lorentzen Daumer

Lisa Ciani

ACTION: Upon motion by member Vice Chair Greening and seconded by Member Collins, the committee voted to add 273 Lighthouse Avenue to the Historic Resources Inventory (HRI).

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee members Collins

NOES: None

ABSENT: None

B. Historic Determination (HD) 25-0127 for 139 7th Street (APN 006-205-009-000)

Zoning District/General Plan Designation: R-3-PGR/High Density Residential 19.8 DU/ac

Coastal Zone: No

Historic Resources Inventory: Yes

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

Recommended Action: Staff recommends the Historic Resources Committee (HRC) remove 139 7th Street from the Historic Resources Inventory (HRI), based on the conclusions of the Phase 1 Historic Assessment (Clovis, February 7, 2025) and peer reviews (LHPS, May 1, 2025 and Brunzell, May 12, 2025) confirming HRI ineligibility.

Reference: Garrett McCown, Associate Planner

Associate Planner, Garrett McCown, presented staff report.

Project Applicant, Anthony Lombardo, presented report.

Public Comment:
Kent Seavey
Anthony Ciani
Amber Long

ACTION: Upon motion by member Vice Chair Greening and seconded by Member Collins, the committee voted to remove 139 7th Street from the Historic Resources Inventory (HRI).

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee members Collins

NOES: None

ABSENT: None

C. Initial Historic Screening (IHS) 25-0146 for 1134 Ripple Avenue (APN 006-051-018-000)

Zoning District/General Plan Designation: R-1-H/ Medium Density Residential (7.3 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Staff requests that the Historic Resources Committee recommend an Initial Historic Screening Determination of ineligibility to the Community Development Director for the property located at 1134 Ripple Avenue. Based on the review of the City of Pacific Grove Historic Context Statement, property files, and the evaluation criteria listed in PGMC 23.76.025.

Reference: Garrett McCown, Associate Planner

Associate Planner, Garrett McCown, presented staff report.

Project applicant Eric Miller, presented report.

Public Comment:
Inge Lorentzen Daumer

Anthony Ciani

ACTION: Upon motion by member Vice Chair Greening and seconded by Member Collins, the committee voted and determined that 1134 Ripple Avenue is ineligible for the Historic Resources Inventory (HRI).

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee members Collins

NOES: None

ABSENT: None

9. **CONTINUED AND ONGOING BUSINESS**

NONE

10. **NEW BUSINESS**

NONE

11. **PRESENTATIONS**

NONE

12. **NEXT MEETING - August 27, 2025**

13. **ADJOURNMENT**

3:42 PM

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

NOTICE OF MEETING

CITY OF PACIFIC GROVE

HISTORIC RESOURCES COMMITTEE APPROVED MINUTES

REGULAR MEETING AGENDA

Wednesday, August 27, 2025, 3:00 P.M.

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

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AGENDA

1. **CALL TO ORDER & ROLL CALL**
Chair Anton called the meeting to order at 3:00pm. Chair Anton conducted roll call with the following members present in the Chamber: Chair Anton, Vice Chair Greening, and committee member Collins.

2. **APPROVAL OF AGENDA**
ACTION: Upon motion by Vice Chair Greening and seconded by member Collins, the committee voted to approve the agenda as is.

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee member Collins

NOES: None

ABSENT: None

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

None

4. **COUNCIL LIAISON ANNOUNCEMENTS**

Council Member Rau made announcements

5. **GENERAL PUBLIC COMMENT**

The following members of the public spoke:
Lisa Ciani
Inge Lorentzen Daumer
Anthony Ciani

A. Written General Public Comments
Reference: Garrett McCown, Associate Planner
Recommended Action: Receive Written Public Comments
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

The following members of the public submitted written comment:
Inge Lorentzen Daumer
Anthony Ciani

CONSENT AGENDA

6. REPORTS FOR INFORMATION ONLY

None

7. REPORTS REQUIRING ACTION

A. Minutes of the July 23 2025, Historic Resources Committee Regular Meeting
Reference: Garrett McCown, Associate Planner
Recommended Action: Approve the minutes of the July 23, 2025, Historic Resources Committee Regular Meeting.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

B. Initiate Historic Determination for 955 Crest Ave (APN: 006-062-007)
Zoning District/General Plan Designation: R-1/ Medium Density Residential (7.3 du/ac)
Coastal Zone: No
Historic Resources Inventory: No
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378
Recommended Action: Initiate the Historic Determination for 955 Crest Avenue (APN: 006-062-007) per Pacific Grove Municipal Code (PGMC) §23.76.030.
Reference: Anna Bornstein, Associate Planner

Public Comment:
Inge Lorentzen Daumer

ACTION: Upon motion member Collins and seconded by Vice Chair Greening, the committee voted to approve the consent agenda as is.

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee member Collins

NOES: None

ABSENT: None

REGULAR AGENDA

8. **PUBLIC HEARINGS**

A. Architectural Permit (AP) 25-0068 for 403 Central Ave (APN 006-187-003-000)
Zoning District/General Plan Designation: R-3-PGR
Coastal Zone: No
Historic Resources Inventory: Yes
CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class I, Existing Facilities
Recommended Action: Staff recommends the Historic Resources Committee approve Architectural Permit (AP) 25-0068, subject to the findings, recommended conditions, and Class 1 and Class 31 CEQA categorical exemptions.
Reference: Aaron Campbell, Senior Planner

Senior Planner, Aaron Campbell, presented staff report.

Project applicant Hunter Eldridge, presented report.

Public Comment:
Inge Lorentzen Daumer
Anthony Ciani
Lisa Ciani

ACTION: Upon motion by member Collins and seconded by Vice Chair Greening, the committee voted to approve AP 25-0068 with the condition to differentiate the siding from the original historic property and the new additions.

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee members Collins

NOES: None

ABSENT: None

B. Historic Determination (HD) 25-0150 for 115 Forest Avenue (APN 006-157-020-000)

Zoning District/General Plan Designation: R-3-PGR/High Density Residential 19.8 DU/ac

Coastal Zone: Yes

Historic Resources Inventory: Yes

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

Recommended Action: Staff recommends the Historic Resources Committee (HRC) remove 115 Forest Avenue from the Historic Resources Inventory (HRI), based on the Phase 1 Historic Assessment (PAST Consultants, LLC, 2025) findings, and its conclusion confirming HRI ineligibility.

Reference: Garrett McCown, Associate Planner

Associate Planner, Garrett McCown, presented staff report.

Project historian Seth Bergstein and owner Jill Kamler presented reports.

Public Comment:

Charles Machado

Anthony Ciani

Inge Lorentzen Daumer

ACTION: Upon motion by member Vice Chair Greening and seconded by member Collins, the committee voted to remove 115 Forest Avenue from the Historic Resources Inventory (HRI) and potentially include the property on the Neighborhood Character List.

Motion carried 3-0, by the following vote:

AYES: Chair Anton, Vice Chair Greening, and committee members Collins

NOES: None

ABSENT: None

9. **CONTINUED AND ONGOING BUSINESS**

None

10. **NEW BUSINESS**

None

11. **PRESENTATIONS**

None

12. **NEXT MEETING - September 24, 2025**

13. **ADJOURNMENT**

4:08 pm

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

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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

FROM: Matthew Mogensen, City Manager

MEETING DATE: November 05, 2025

SUBJECT: Adoption of a Resolution Establishing Fees and Charges for Hearing Examiner Services, and Extending the Term of Water Entitlement Discounts through June 30, 2026

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

RECOMMENDATION

1. Adopt a Resolution Establishing Fees and Charges for Hearing Examiner Services, and Extending the Term of Water Entitlement Discounts through June 30, 2026.
2. Take an alternative action.

DISCUSSION

On September 4, 2024, the City Council approved Resolution No. 24-038, which established fees for citywide services as documented in the FY 2024-25 Master Fee Schedule, which has been updated through Resolution No. 25-011, amending the FY 2025-26 Master Fee Schedule.

Establishing Hearing Officer Fees

On September 17, 2025, the City Council approved an Ordinance restructuring the City's code enforcement framework and authorized the hiring of a professional hearing officer. The Pacific Grove Police Department has maintained a contract with the vendor Turbo Data since 2017 to facilitate the issuance, processing and collection of parking tickets. Turbo Data has also been the point on the intake of appeals. Turbo Data provides additional services that include professional hearing examiner services for all administrative citation appeals. These services include a professional hearing officer review of appeals and the decision on whether they should be upheld or not.

Turbo Data's fee for processing appeals includes:

- Hearing Examiner Services - Parking Citation Hearings - per hearing $40.00
- Hearing Examiner Services - Administrative Citation Hearings - per hearing $50.00

Included in the attached Resolution Establishing Fees and Charges for Hearing Examiner Services, and Extending the Term of Water Entitlement Discounts through June 30, 2026, are fees in the amounts described above to achieve full cost recovery of the professional hearing officer services. Once adopted, these fees will be required for an appellate to pay in order to appeal a violation. If the appellant is successful in their appeal, the City will refund the appeal processing fee that was paid by the appellant.

Entitlement Water Discount
On October 15, 2025, the City Council discussed the status of the remaining "Entitlement Water" that has been available for sale since the completion of the Pacific Grove Local Water Project (PGLWP). The PGLWP generated 47.88 acre-feet of water, of which approximately 19.2551 acre-feet of water remain available for sale.

The City is also expecting to receive a new allocation of 32-acre feet from Monterey Peninsula Water Management District (MPWMD). This new allocation will be from the expansion of the Pure Water Monterey Ground Water Replenishment Project (PWM/GWR).

City Council direction on October 15, 2025, was to return with an updated Resolution that memorializes the assignment of potable water currently or nearly available for allocation, as provided for in Chapter 11.68 of the Pacific Grove Municipal Code, Water Distribution Regulations. In addition, the City Council indicated support to further lower the cost for residents that wish to purchase Entitlement Water. Within the current fee schedule, the cost per acre-foot of Water Entitlement Rights is $26,225 for every .10 of an acre-feet of new water needed for a project. The City Council has previously decided to include a 30% discount on this cost. This discount has been extended for a number of years. To further lower the costs, the City Council directed staff to return with a Fee Schedule revision that discounts the Water Entitlement Rights further to 60%.

Included in the attached Resolution Establishing Fees and Charges for Hearing Examiner Services, and Extending the Term of Water Entitlement Discounts through June 30, 2026, is the provision of a 60% discount on Water Entitlement Rights through June 30, 2026. This discount can be extended through the Master Fee Schedule annual update should that be desired.

OPTIONS
Do not adopt the resolution and provide staff with alternative direction. Note that if the Professional Hearing Examiner fees are not established, the costs of this service will be paid by the City and a budget amendment may be necessary.

FINANCIAL IMPACT:
There currently is no cost for appeals regarding parking violations and other administrative citations. The dollar level of these citations are set at a rate that is far less than the costs to process appeals that are filed. A good majority of parking tickets especially are appealed because there is no cost to the appellant. As a result, it costs the City more to issue a citation generally than the penalty for the violation. Utilizing a Professional Hearing Examiner and establishing a pass-through fee for the services mitigates the costs to the City in issuing citations.

The Master Fee Schedule establishes Water Entitlement Rights at $26,225 for every .10 of an acre-feet of new water needed for a project. For the last several years, the Master Fee Schedule has also included a 30% discount (approximately $7,867.50) to incentivize the sale of the City's Entitlement Water and to assist with the high costs of the water rights for residents and businesses. Despite this discount, the City still holds approximately 19.3-acre feet of water for sale. With new sources of water coming online, the value of the City's Entitlement Water will be less. The further discount of the Water Entitlement Rights to 60% will result in a $15,735 savings per .10 acre-foot of annual water entitlement needs for residential project proponents.

FOCUSED PRIORITY AREA: Financial Sustainability

Attachments

Resolution Adopted Master Fee Schedule Revisions

RESOLUTION NO. 25-XXX

ESTABLISHING FEES AND CHARGES FOR HEARING EXAMINER SERVICES, AND EXTENDING THE TERM OF WATER ENTITLEMENT DISCOUNTS THROUGH JUNE 30, 2026

FINDINGS

1. The City of Pacific Grove (City) is authorized to establish and update fees for services provided that the amount of each fee complies with one of the exceptions from the definition of "tax" set forth in Proposition 26 (California Constitution Article XIII C, Section 1(e)) ("Prop 26"), summarized below, and;

2. Consistent with the requirements of Prop 26, Pacific Grove Municipal Code (PGMC) Chapter 6.02 documents the parameters by which the City establishes the amounts of fees for service, and;

3. On September 4, 2024, the City Council approved Resolution No. 24-038, which established fees for citywide services as documented in the FY 2024-25 Master Fee Schedule, which has been updated through Resolution No. 25-011, amending the FY 2025-26 Master Fee Schedule, and;

4. The City determined that further amendments to the FY 2025-26 Master Fee Schedule are warranted, as set forth in this resolution, to establish fees for administrative hearing services based on the costs to the City in contracting for those services, and to extend the term for the water entitlement discounts, and;

5. The fees to be established and updated in accordance with this resolution are exempt from the definition of "tax" under Proposition 26 based on exemption numbers (1), (2), (3), and (6):

   > "(1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
   > (2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
   > (3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
   > ***
   > (6) A charge imposed as a condition of property development."

6. Based on a Notice of a Public Hearing published in accordance with PGMC Chapter 6.02 and relevant California Government Code sections, the City Council held a public hearing on November 5, 2025 regarding the changes to the Master Fee Schedule described in this resolution, and;

7. The City Council desires to adopt the fees described in this resolution and incorporate them into the City's Master Fee Schedule for FY 2025-26, and;

8. The Action proposed by this Resolution does not constitute a "Project" as that term is defined under California Environmental Quality Act (CEQA), CEQA Guideline section 15378.

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

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

2. After receiving a report and holding a public hearing on the proposed fees and fee discount described in this resolution:

   a. The City Council approves the establishment of Administrative Hearing Officer Fees, as follows:

   - Hearing Examiner Services - Parking Citation Hearings - per hearing - $40.00
   - Hearing Examiner Services - Administrative Citation Hearings - per hearing -$50.00

   b. The City Council approves the amendment to the discount for Water Entitlement Rights, and sets the amount of the discounted fee as authorized by PGMC Section 11.68.040, as follows:

   - 60% Discount Expires June 30, 2026

3. Per Government Code 66017, fee changes that relate to community development services shall be effective 60 days following final action by the City Council on the resolution. In the case of reductions, the reductions can be implemented on November 5, 2025, on a case-by-case basis, by decision of the City Manager consistent with the procedures and criteria set forth in PGMC Chapter 11.68.

4. Approved changes shall be effective upon adoption on November 5, 2025.

5. The fee amendments set forth in this resolution will be incorporated into the Master Fee Schedule and shall also be posted on the City's website and available at the Library.

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

AYES:
NOES:
ABSENT:

APPROVED:

_____
NICK SMITH, Mayor

ATTEST:
DATED:_____

_____
SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

_____
BRIAN A. PIERIK, City Attorney

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

AGENDA REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Brian Pierik, City Attorney
MEETING DATE:	November 05, 2025
SUBJECT:	Historic Resources Inventory and Issue of Property Owner Consent
CEQA:	Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive and file agenda report regarding Historic Resources Inventory and Issue of Property Owner Consent.

DISCUSSION

A. Background

On September 17, 2025, an Agenda Report was presented to the City Council from Councilmember Cynthia Garfield (Attachment 1) entitled: "Responsibilities and Authority of the Historic Resources Committee."

The Discussion in the September 17, 2025 Agenda Report refers to two matters: (1) the composition of the Historic Resources Committee and (2) the inclusion in the Historic Resources Inventory and property consent.

The text of the Agenda Report on the matter of the Historic Resources Inventory and property consent reads as follows:

> 2. Inclusion in the Historic Resources Inventory may add or subtract value from a property and should be disclosed to a property's buyer upon sale as being pertinent to the value of the property. To include a property on the Inventory without the owner's consent can add complications, cost and negatively impact the value of that property. Perhaps, in practice, property owners are consulted, or notified but this section says that the owner has no say.
>
> **"Inclusion on the Inventory is based on the criteria listed in Municipal Code Section 23.76.025 and is not limited to a specific year of construction. ~~The consent of the property owner is not required for inclusion on the Inventory.~~ The Pacific Grove Historic Context Statement, Guidelines for Historic Assessment, and Historic Resources Inventory can be found on the City's Historic Resources webpage: Historic Resources"**

The City Attorneys Office was requested at the Council meeting on September 17, 2025 to review the

issue of property owner consent in the context of inclusion of the property in the Historic Resources Inventory.

B. Pacific Grove Municipal Code Chapter 23.76 (Historic Preservation)

Pacific Grove Municipal Code ("PGMC") Chapter 23.76 (Historic Preservation) is Attachment 2 to this Agenda Report.
PGMC Section 23.76.025 includes the Evaluation criteria to be utilized by the City to assess a historic property's inclusion in the National and/or California Register and local resources inventory.

PGMC Section 23.76.030 (Historic resources inventory historic determination – Additions and deletions) provides as follows:

> "Properties **may** be added to or deleted from the historic resources inventory either by initiation of the historic resources committee or by submittal of a historic determination application by the property owner. The historic resources committee shall determine, following hearing, whether or not the property should be added or deleted based on the criteria listed in PGMC 23.76.025 and documented in a department of parks and recreation (DPR) 523 form or equivalent document.
>
> Deletions proposed for removal due to loss of integrity must demonstrate the loss of integrity was not the result of any illegal act or willful neglect by the owner or agent of the owner." (Emphasis added)

As noted, properties **may** be added or deleted from the City's historic resources inventory. However, there is no requirement for the City to include a property in the historic resources inventory based on satisfaction of the evaluation criteria.

C. Review of Issue of Property Owner Consent

The language quoted above from the September 17, 2025 Agenda Report appears to have come from the City website regarding the Historic Resources Committee. There is no provision if the City Municipal Code on whether property owner consent is, or is not, required for inclusion of their property in the Historic Resources Inventory. As explained below, we have concluded that the City may include a property in the Historic Resources Inventory without property owner consent.

California law requires owner consent for a property to be listed as State historical resource. (See, e.g., Public Resources Code section 5024.1(f)(4).) Federal law similarly requires owner consent for inclusion of a property on the National Register or designation as a National Historic Landmark. (See 54 USC section 302105(b).) However, no California or federal law imposes the consent requirement on cities, nor prohibits California cities from including properties on local inventories without property owner consent.

As noted above, the City's Municipal Code contains no provision that either requires owner consent or states that consent is not required. Although the City's website for the HRC states that owner consent is not required for inclusion of a property in the inventory, this statement is without textual support in the City's Municipal Code. This statement on the website has no force of law.

No California or federal case of which we are aware has addressed the specific issue of whether a city may include a property within its inventory of historic properties without the consent of the property owner. However, several cases have concluded that cities have the general authority, pursuant to their constitutional police power, to enact ordinances that regulate the use of architectural styles as a means

of historic preservation, irrespective of owner consent. (See generally California Land Use & Planning Law, supra, Chapter 9 Other Development Regulations, Historic Preservation, p. 210, citing Bohannan v. City of San Diego (1973) 30 Cal.App.3d 416, 423.)

Moreover, land use restrictions on historic properties are no different, from an analytic perspective, from any other zoning controls that limit property uses, size and design. Such zoning restrictions have been upheld in dozens of cases. (See generally California Land Use & Planning Law, supra, Chapter 1 Local Land Use Authority, Police Power, pp. 1-4.)

In rejecting a property owner's "takings" challenge to a city's imposition of development restrictions on one of the city's most prominent historic structures, the Grand Central RR Station, the United States Supreme Court "made clear that local regulation of landmarks and historic districts falls within the scope of permissible government objectives", and that the city's law was constitutionally valid because "it provided the owners with a reasonable beneficial use of their property, while fostering an important governmental purpose." (California Land Use & Planning Law, Chapter 9 Other Development Regulations, Historic Preservation, p. 210, citing Penn Central Transportation Company v. City of New York (1978) 438 U.S. 104, 131.)

D. City of Palo Alto

While there is no law that requires property owner consent for inclusion on a city's historic resources inventory, we found in our research that the Palo Alto City Council recently exercised its discretion to not include property in its historic inventory without express property owner consent.

The City of Palo Alto addressed the issue of property owner consent at length in 2023 and 2024 and there was substantial opposition by many property owners who might be impacted by inclusion on the City's historic inventory.

The City of Palo Alto decided not to designate property as historic if the property owner did not consent. Of the 160 properties studied there were 147 determined to be eligible. There were several hearings before the City's Historic Resources Board. However, the City Council decided on April 22, 2024 to advance just 13 private properties due to the property owners opposition. See City Council Agenda Report for Item 12 (Attachment 2).

According to the Minutes for Item 12 considered at the April 22, 2024 City Council meeting:

> "12. Addition of 16 properties to the City's Historic Resources Inventory based on Owner interest. CEQA Status: Pursuant to Public Resources Code Section 21065, the Historic Designation of Properties is not a Project Subject to Environmental Review.
>
> MOTION: Council Member Burt moved, seconded by Council Member Veenker to:
>
> 1. Adopt the attached record of land use action (Attachment A) to add 16 properties meeting specified criteria to the City's Historic Resources Inventory, based on expressed owner interest; and,
>
> 2. Direct staff to continue outreach to eligible property owners among the properties discussed in this report and to place future additions to the Historic Resources Inventory with expressed owner interest on the Consent Calendar; and,
>
> 3. Direct staff to study the possibility of a process for removing the properties as shown as

potentially eligible in the parcel reports and return to Council with evaluations on any alternatives.

MOTION PASSED: 6-0-1, Lauing absent"

E. Conclusion

As noted, property owner consent for inclusion in the City of Pacific Grove Historic Resources Inventory is not legally required. However, the City may exercise its discretion in determining whether to include a property in the Historic Resources Inventory based on the lack of property owner consent.

OPTIONS

None.

FINANCIAL IMPACT:

There is no fiscal impact.

FOCUSED PRIORITY AREA: Community Development

Attachments

1. Agenda Report for September 17, 2025
2. PGMC Chapter 23.76 (Historic Preservation)
3. Palo Alto City Council Meeting Agenda Report, Item 12, April 22, 2024

Agenda No. 13 A

CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM:
MEETING DATE: September 17, 2025
SUBJECT: Responsibilities and Authority of the Historic Resources Committee
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION
Direct staff to bring back to council a conceptual model that addresses two areas of concern discussed below.

DISCUSSION
Background
As part of the discussion about merging the Historic Resources Committee and Architectural Review Board, it is a good time to review the responsibilities and authorities of the HRC. Two stand out as needing Council review as to appropriateness. Suggested corrections are marked as cross outs and alternative wording is included in red.

1. The power to appoint citizens to Boards and Commissions belongs to the Mayor. Currently, the charter of the Historic Resources Committee hands that authority to a community organization, the Heritage Society. Changing this to allow the Heritage Society to nominate potential member(s) for the Mayor's appointment is consistent with two other BCC's practices.

> **"The Historic Resources Committee consists of five members appointed to staggered terms of two years who demonstrate interest and knowledge of historic preservation and cultural resources. One of the members shall be a licensed architect with preservation experience, landscaping architect, engineer, or architectural historian, or be a licensed general contractor with preservation experience. ~~, and one shall be a representative of the Pacific Grove Heritage Society (Heritage Society shall appoint its member).~~ The Heritage Society may nominate a member for one of the seats on the Committee."**

2. Inclusion in the Historic Resources Inventory may add or subtract value from a property and should be disclosed to a property's buyer upon sale as being pertinent to the value of the property. To include a property on the Inventory without the owner's consent can add complications, cost and negatively impact the value of that property. Perhaps, in practice, property owners are consulted, or notified but this section says that the owner has no say.

> **"Inclusion on the Inventory is based on the criteria listed in Municipal Code Section 23.76.025 and is not limited to a specific year of construction. ~~The consent of the property owner is not required for inclusion on the Inventory.~~ The Pacific Grove Historic Context Statement, Guidelines for Historic Assessment, and Historic Resources Inventory can be found on the City's Historic Resources webpage:**

Historic Resources"

ENVIRONMENTAL REVIEW
None.

OPTIONS

1. Leave one or more of the areas of concern as they stand
2. Provide alternative intent and wording

FINANCIAL IMPACT:
There is no fiscal impact.

GOAL ALIGNMENT: Not Applicable.

Attachments

Written public comment
Written public comment
Written public comment
Written public comment
Written public comment
Written public comment
Written public comment
Written public comment
Written public comment
Written public comment

Chapter 23.76
HISTORIC PRESERVATION

Sections:

23.76.010 Purpose.

23.76.020 Definitions.

23.76.021 Historic resources committee.

23.76.025 Evaluation criteria.

23.76.030 Historic resources inventory historic determination – Additions and deletions.

23.76.040 State Historic Building Code.

23.76.050 Ordinary maintenance and repair.

23.76.060 Incentive – Exceptions to land use regulations – Historic preservation permit.

23.76.070 Unsafe or dangerous conditions.

23.76.080 Additions and alterations.

23.76.090 Demolitions.

23.76.100 Relocation.

23.76.110 Minimum maintenance.

23.76.120 *Repealed.*

23.76.130 Enforcement and penalties.

* Prior ordinance history: Ords. 1948 N.S., 2003 N.S., and 96-13.

23.76.010 Purpose.

The protection, enhancement, perpetuation and use of structures and neighborhoods of historical and architectural significance located within the city are of cultural and aesthetic benefit to the community.

The economic, cultural and aesthetic standing of the city will be enhanced by respecting the city's heritage. The purposes of this chapter are to:

(a) Preserve, protect, enhance and perpetuate those historic structures and neighborhoods which contribute to the cultural and aesthetic heritage of Pacific Grove;

(b) Further the city's goals of rehabilitating the existing housing stock and protecting the affordable housing supply through preservation and adaptive reuse of historic buildings;

(c) Foster civic pride in the beauty and accomplishments of the past;

(d) Preserve buildings significantly identified with people or events of historical and cultural importance to Pacific Grove's past;

(e) Enrich the dimensions of human life by serving aesthetic as well as material needs and fostering knowledge of the living heritage of the past;

(f) Enhance the visual and aesthetic character, diversity and interest of the city by maintaining the existing scale and the eclectic styles of buildings and their settings;

(g) Control the demolition of historic structures in order to preserve, to the greatest extent feasible, the diverse qualities that define the character of the community of Pacific Grove and that reflect the distinct phases of its cultural and architectural history;

(h) Enhance property values and increase economic and financial benefits to the city, its inhabitants, and property owners;

(i) Protect and enhance the city's attraction to tourists and visitors, thereby stimulating business;

(j) Conserve valuable material and energy resources by ongoing use and maintenance of the existing built environment. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.020 Definitions.

Throughout this chapter, the following definitions shall apply:

"Addition" means expansion of the size of a historic building by construction physically connected with the existing structure.

"Alteration" means any exterior change or modification to a structure which alters 50 percent or less of the total lateral length of the exterior walls, including porches and other projections, within a 24-month

period. However, if the proposed modification alters more than 25 percent of the surface of all exterior walls facing a public street or streets, this shall constitute a demolition; see the definition of "demolition" in this section.

Exception: "maintenance and repair" as defined in this section. Painting is also exempt.

"Demolition" means an act or process which destroys a building, or a major portion of a building, or impairs its structural integrity. Demolition includes:

(a) Destruction of the entire building;

(b) "Partial demolition" means all changes to the exterior of a building, including but not limited to moving or removing windows, doorways, walls, or other structural features, if such changes alter more than 25 percent of the surface of all exterior walls facing a public street or streets, and/or if these changes alter more than 50 percent of the total lateral length of the exterior walls, including porches and other projections of the building, within a 24-month period.

Exception: "maintenance and repair" as defined in this section.

"Historic resources committee" means a committee created to perform certain duties hereunder, as more particularly set out at PGMC 23.76.021.

"Historic resources inventory" means the list of structures determined to be of architectural and/or historical significance consistent with the city's historic context statement adopted by the city of Pacific Grove in accordance with this chapter.

"Integrity" means the authenticity of a property's historic identity, evidenced by the survival of physical characteristics that existed during the property's historic period including location, design, setting, materials, workmanship, feeling and association.

"Maintenance and repair" means the act or process of conserving or repairing a structure without modifying the form, detail, or type of material. "Maintenance and repair" includes the placement of a concrete foundation for buildings and structures listed on the city's historic resources inventory.

"Reconstruction" means the process of reproducing by new construction the exact form and detail of a vanished structure, or part thereof, as it appeared during a specific period of time.

"Rehabilitation" means the process of returning a property to a state of utility through repair or alteration which makes possible an efficient contemporary use while preserving those portions or features of the property that are significant to its historical, architectural, and cultural values.

“Relocation” means any change in the location of a structure on its site or to another site.

“Restoration” means the process of returning a building to a documented prior condition. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.021 Historic resources committee.

(a) The historic resources committee shall consist of five members having a demonstrated interest in and knowledge of historic preservation and the cultural resources of Pacific Grove. At least four members shall be residents registered to vote in the city of Pacific Grove. One of the members shall be a licensed architect with preservation experience, landscape architect, engineer, or architectural historian, or be a licensed general contractor with preservation experience, and one shall be a representative of the heritage society. A member not registered to vote in the city of Pacific Grove shall have demonstrated architectural or general contractor experience in the city of Pacific Grove.

(b) The mayor, with approval of the council, shall appoint all members; provided, that the heritage society shall appoint its member. Terms of all members shall be two years. Three of the committee members shall be appointed for terms ending on January 31st in even-numbered years and four shall be appointed for terms ending on January 31st in odd-numbered years.

(c) The committee shall select one of the membership to be chairperson for a one-year term, to commence at the first meeting in February.

(d) All meetings shall be open to the public and shall be held at a time and place determined to facilitate public convenience and involvement.

(e) The committee shall meet no less frequently than once a month.

(f) Powers and duties of the committee shall be as follows:

(1) Determination of additions and deletions from the historic resources inventory, per PGMC 23.76.030;

(2) Architectural and historic permits for structures listed on the historic resources inventory per PGMC 23.70.070;

(3) Other duties as set out in this chapter or as directed by the city council.

(g) An affirmative vote of a majority of the total members of the historic resources committee shall be required for any action by the committee. [Ord. 24-001 § 2, 2024; Ord. 17-023 § 2, 2017; Ord. 02-30 § 13, 2002; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.025 Evaluation criteria.

The following criteria shall be utilized to assess a historic property's inclusion in the National and/or California Register and local city historic resources inventory as required in this chapter:

(a) Whether the structure has significant character, interest or value as part of the development, heritage or cultural characteristics of the city of Pacific Grove, the state of California, or the United States;

(b) Whether it is the site of a significant historic event;

(c) Whether it is strongly identified with a person who, or an organization which, significantly contributed to the culture, history or development of the city of Pacific Grove;

(d) Whether it is a particularly good example of a period or style;

(e) Whether it is one of the few remaining examples in the city of Pacific Grove possessing distinguishing characteristics of an architectural type or specimen;

(f) Whether it is a notable work of an architect or master builder whose individual work has significantly influenced the development of the city of Pacific Grove;

(g) Whether it embodies elements of architectural design, detail, materials or craftsmanship that represent a significant architectural innovation;

(h) Whether it has singular physical characteristics uniquely representing an established and familiar visual feature of a neighborhood, community, or of the city of Pacific Grove;

(i) Whether a resource with historical or cultural significance retains historic integrity. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.030 Historic resources inventory historic determination – Additions and deletions.

Properties may be added to or deleted from the historic resources inventory either by initiation of the historic resources committee or by submittal of a historic determination application by the property owner. The historic resources committee shall determine, following hearing, whether or not the property should be added or deleted based on the criteria listed in PGMC 23.76.025 and documented in a department of parks and recreation (DPR) 523 form or equivalent document.

Deletions proposed for removal due to loss of integrity must demonstrate the loss of integrity was not the result of any illegal act or willful neglect by the owner or agent of the owner. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.040 State Historic Building Code.

The California State Historic Building Code (SHBC) provides alternative building regulations for the rehabilitation, preservation, restoration or relocation of structures designated as cultural resources. As required by state law, the SHBC shall be used for buildings on the historic resources inventory in the city's building permit procedure. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.050 Ordinary maintenance and repair.

Nothing in this chapter shall be construed to prevent ordinary maintenance and repair of a building on the historic resources inventory. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.060 Incentive – Exceptions to land use regulations – Historic preservation permit.

Following notice of hearing (10 days' published and posted), the historic resources committee may grant a historic preservation permit for an exception to zoning district regulations when such exception is necessary to permit the preservation or restoration of, or improvements to, a building listed on the historic resources inventory. Such exceptions may include, but not be limited to, parking, yards, height and coverage regulations. Such exceptions shall not include approval of uses not otherwise allowed by the zoning district regulations. In considering an application for such exception, the historic resources committee shall be directed and guided by the list of purposes found in PGMC 23.76.010 and by PGMC 23.04.010. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.070 Unsafe or dangerous conditions.

None of the provisions of this chapter shall be construed to prevent construction, alteration, demolition or relocation necessary to correct the unsafe or dangerous conditions, as defined in applicable building codes, of any structure, feature, or part thereof, when such condition has been declared unsafe or dangerous by the chief building inspector, where such unsafe or dangerous condition cannot be rectified through the use of the State Historic Building Code, and where the proposed measures have been declared necessary by such official to correct the said condition. However, only such work as is necessary to correct the unsafe or dangerous condition may be performed and only after obtaining any required building permit. In the event any structure or other feature is damaged by fire or other calamity, the chief building inspector may specify, prior to any required review by the historic resources committee, or the appropriate review authority pursuant to Chapter 23.70 PGMC (Community Development Permit Review Authorities and Procedures), the amount of repair necessary to correct an unsafe condition. Such determination shall be made in conformance with the provisions of Public Resources Code Section 5028. [Ord. 17-023 § 2, 2017; Ord. 11-001 § 6, 2011; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.080 Additions and alterations.

The following shall apply to additions and alterations made to historic structures in the city of Pacific Grove:

(a) No person shall carry out or cause to be carried out on a building listed in the city of Pacific Grove historic resources inventory any addition to, or exterior alteration of, any such building without first obtaining approval by the appropriate review authority pursuant to Chapter 23.70 PGMC (Community Development Permit Review Authorities and Procedures). This provision applies to changes not requiring building permits as well as to changes requiring a building permit. Without limitation, examples of proposed exterior changes that must be approved before they are carried out include: changing the profile of the building; closing or changing the dimensions of existing window or door openings; adding windows or doors; changing window or door framing materials without using in-kind or matching materials with staff determination pursuant to PGMC 23.70.020 (Counter review and determination); changing the type of roof or exterior wall materials and/or trim materials.

(b) In reviewing applications for additions to, or exterior alteration of, historic buildings, the appropriate review authority shall consider the criteria listed in PGMC 23.76.025 and shall be guided by the Secretary of the Interior's "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings" and the Architectural Review Guidelines, in particular Appendix I – Working with Buildings on the Historic Resources Inventory, of the city of Pacific Grove or succeeding document(s). [Ord. 17-023 § 2, 2017; Ord. 11-001 § 6, 2011; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.090 Demolitions.

The following shall apply to demolitions of historic structures in the city of Pacific Grove:

(a) Any person desiring to demolish a building listed on the Pacific Grove historic resources inventory shall file an application for a historic demolition permit with the community development department.

Exceptions: Single-story detached garages, sheds, or other accessory buildings with no identified historic, cultural or architectural value, as determined by the community development director, shall be exempt from this requirement.

(b) Following 10 days' posting and notice of hearing, the historic resources committee shall hold a public hearing to consider the application. The following information shall be provided to the historic resources committee:

(1) The chief building inspector shall provide an evaluation of the stability of the building proposed for demolition;

(2) Any other information deemed necessary by the historic resources committee to evaluate the application.

(c) Following the public hearing, the historic resources committee shall take one of the following actions:

(1) Approve the permit;

(2) Approve the permit subject to a waiting period of up to 180 days to consider documentation, relocation or other alternatives to demolition, after which waiting period the permit is deemed approved.

(A) During the waiting period, the applicant shall advertise the proposed demolition in a paper of general circulation in the city of Pacific Grove at least once during the first 30 days following the action by the historic resources committee. Such advertisement shall include the address at which the structure proposed for demolition is located, information as to how arrangements can be made for relocation and the date after which a demolition permit may be issued. Evidence of this publication must be submitted to the community development director prior to issuance of a demolition permit.

(B) During the waiting period, the historic resources committee may investigate and suggest preservation measures or documentation such as photographing the building, preparing measured drawings and gathering related historical data;

(3) Deny the permit;

(4) Approve the relocation (within the city of Pacific Grove) of the building as an alternative to demolition.

(d) The historic resources committee shall consider the criteria listed in PGMC 23.76.025 in determining which of the actions listed in subsection (c) of this section applies.

(e) Findings.

(1) Prior to approval or modified approval, the historic resources committee shall find that:

(A) The proposed action is consistent with the purposes of historic preservation as set forth in PGMC 23.76.010 and in the historic preservation element of the general plan; or

(B) The applicant has demonstrated that the action proposed is necessary to correct an unsafe or dangerous condition on the property; or

(C) There are no reasonable alternatives to the demolition at the time of the hearing.

(2) Prior to denial, the historic resources committee shall find that:

(A) The proposed action is not consistent with the purposes of historic preservation as set forth in PGMC 23.76.010 and in the historic preservation element of the general plan; or

(B) There are reasonable alternatives to the demolition at the time of the hearing. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.100 Relocation.

Relocating a structure off site within the city of Pacific Grove may be permitted following the same procedural guidelines described in PGMC 23.76.090 including the filing of an application for relocation. Relocating a structure on site may be permitted following the procedures in PGMC 23.70.040. [Ord. 17-023 § 2, 2017; Ord. 11-001 § 6, 2011; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.110 Minimum maintenance.

(a) Minimum maintenance is necessary to prevent an owner, or other person having legal custody and control over a property, from facilitating the demolition of a historic resource by neglecting it. All buildings listed on the historic resources inventory shall be kept in a state of good repair consistent with all other state and city codes so as to preserve them against decay and deterioration.

(b) The community and economic development director may direct the property owner to maintain the historic property in a manner designed to prevent vandalism and destruction if such property is not occupied. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

23.76.120 Appeals and call-ups.

Repealed by Ord. 17-023. [Ord. 11-001 § 6, 2011; Ord. 01-25 § 1, 2001; Ord. 97-40 § 1, 1997; Ord. 97-23 § 1, 1997].

23.76.130 Enforcement and penalties.

(a) It shall be the duty of the community and economic development director, or the community and economic development director’s delegate, to administer and enforce the provisions of this chapter.

(b) It is unlawful for a person or entity to alter or demolish or cause to be altered or demolished any building or portion thereof in violation of any of the provisions of this chapter.

(c) Any person or entity who alters or demolishes a building or causes an alteration or demolition in violation of the provisions of this chapter may be liable civilly in a sum equal to the replacement value of the building in kind, or an amount set at the discretion of the court.

(d) The city attorney may maintain an action for injunctive relief to restrain or correct a violation, or cause, where possible, the complete or partial restoration, reconstruction or replacement in kind of any building or site demolished, altered or partially demolished, or allowed to fall below minimum maintenance standards in violation of this chapter.

(e) A lot which is the site of alteration or demolition of a historic structure in violation of this chapter shall not be developed in excess of the floor area ratio, or the dwelling unit density, of the altered or demolished structure for a period of five years from the unlawful alteration or demolition. A person or entity may be relieved of the penalties provided in this subsection if, as to an unlawful alteration, the person or entity restores the original distinguishing qualities and character of the building destroyed or altered. Such restoration must be undertaken pursuant to a valid building permit issued after a recommendation by the architectural review board, and a finding by the city council that the proposed work will effect adequate restoration and can be done with a substantial degree of success.

(f) The remedies provided in subsections (b) through (e) of this section are not exclusive. [Ord. 17-023 § 2, 2017; Ord. 01-25 § 1, 2001; Ord. 97-23 § 1, 1997].

The Pacific Grove Municipal Code is current through Ordinance 25-017, passed September 17, 2025.

Disclaimer: The City Clerk’s office has the official version of the Pacific Grove Municipal Code. Users should contact the City Clerk’s office for ordinances passed subsequent to the ordinance cited above.

City Website: https://www.cityofpacificgrove.org/
City Telephone: (831) 648-3100

Codification services provided by General Code

CITY OF PALO ALTO
CITY COUNCIL
Special Meeting
Monday, April 22, 2024
Council Chambers & Hybrid
5:30 PM

Agenda Item

12. Addition of 16 properties to the City's Historic Resources Inventory based on Owner interest. CEQA Status: Pursuant to Public Resources Code Section 21065, the Historic Designation of Properties is not a Project Subject to Environmental Review. *Public Comments, Presentation*

City Council
Staff Report

From: City Manager
Report Type: ACTION ITEMS
Lead Department: Planning and Development Services

Meeting Date: April 22, 2024
Report #:2402-2684

TITLE
Addition of 16 properties to the City's Historic Resources Inventory based on Owner interest. CEQA Status: Pursuant to Public Resources Code Section 21065, the Historic Designation of Properties is not a Project Subject to Environmental Review.

RECOMMENDATION
Staff recommends the City Council:

1. Adopt the attached record of land use action (Attachment A) to add 16 properties meeting specified criteria to the City's Historic Resources Inventory, based on expressed owner interest.
2. Direct staff to continue outreach to eligible property owners among the properties discussed in this report and to place future additions to the Historic Resources Inventory with expressed owner interest on the Consent Calendar.

EXECUTIVE SUMMARY
In early 2022, the Council directed staff to review 167 properties throughout the City that were previously identified as being eligible for the National Register of Historic Places (NRHP) and California Register of Historical Resources (CRHR); 147[1] of those properties were found to still exist and retain their historic significance and integrity[2]. Staff discovered one of the 147 properties had been placed on the Historical Resources Inventory (HRI) by Council action in 2014.

[1] Link to consultant's list and HRB hearing dates of 147 properties in the 2023 survey the HRB reviewed: https://www.cityofpaloalto.org/files/assets/public/v/2/planning-amp-development-services/historic-preservation/historic-inventory/property-groupings-for-hrb-hearings-hyperlinked-rev12052023.pdf

[2] Link to 2023 Reconnaissance Survey Report: https://www.cityofpaloalto.org/files/f6745b3d-6148-4678-99b3-3c7dd712743b/2023-Reconn-Survey-Report_2023-09-28_RevisedDraft.pdf

Through an extensive public engagement process with outreach and hearings before the City's Historic Resources Board (HRB), 83 of the 146 property owners objected to their property being listed on the inventory. Based in part on this feedback, the HRB decided not to recommend nomination over a property owner's objection. Accordingly, the HRB recommended the City Council list 63 properties on the City historic resources inventory.

However, the HRB and staff have not heard from all the 63 property owners despite sending multiple certified mailed notices to these owners. Three of the properties are City-owned and discussed later in this report. Another eleven property owners have affirmatively requested their property be listed on the City's historic resources inventory. The remaining property owners (and some are in trusts) may be unaware of the HRB recommendation, still considering options, or ambivalent to being listed.

The attached record of land use action advances 16 properties for local listing on the City's HRI. Staff further recommends that Council authorize continued engagement to owners of the remaining 47 properties. Properties for which the owners affirmatively express an interest in being listed will be transmitted to the Council on the Consent Calendar.

BACKGROUND

The City of Palo Alto's historic preservation program began in 1979 with a historic resources survey[3] that looked at pre-1940 buildings located primarily north of Oregon Expressway. The survey identified the major styles of early Palo Alto and resulted in the local Historic Resources Inventory (HRI) with a list of hundreds of individual properties. The survey identified potential historic districts such as Professorville and Ramona Street Architectural District.

Between 1997 and 2001 another survey was prepared that built upon the 1979 survey and covered all properties within the city limits that were built prior to 1947. The survey addressed properties in relation to the national criteria for listing. Identified properties[4] were placed in two categories: 1) those that appear National Register of Historic Places It is these 165 properties that are the subject of this report and associated with Council's direction on March 21, 2022 to advance Comprehensive Plan Program L-7.1.1, which in summary, encourages the City to update and maintain its local HRI.

[3] 1979 survey report https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/1979-inventory-and-report.pdf

[4] Link to list of properties identified in the 1997-2001 historic survey: https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/agendas-minutes/historic-resources-board/2022/2001-survey-list-of-291-properties-evaluated-for-nrhp-resulting-in-165-nrhp-eligible-properties.pdf

DISCUSSION

Staff engaged a historic consultant and worked with the HRB to evaluate the 165 properties in accordance with state and federal criteria and local codes. Staff, with the HRB, supported an extensive outreach effort to notify all properties that continued to meet eligibility criteria. Similar to an attempt at the turn of the century to list historic resources on the City's inventory, this effort too was met with opposition from property owners opposed to listing. Over 55% of the eligible property owners expressed their objection citing concerns over impacts to property values, ability to make changes to their property or structures, and a lack of incentives, among other concerns.

While the Council has the authority to list all eligible properties on the local registry, staff and the HRB do not recommend advancing any properties over a property owner's objection. Moreover, staff is concerned that the City has not heard from most of the other property owners remaining on the list. This may be because property owners are unaware of the potential for nomination despite extensive outreach and certified mailing, or, less likely, because owners are ambivalent to nomination. Accordingly, staff has drafted a record of land use action that forwards properties for listing from owners that have affirmatively expressed interest in being listed on the inventory. This differs from the HRB's recommendation, which supported listing all the remaining 63 properties that did not object to listing.

Staff seeks Council's support to continue outreach to the remaining 47 properties in an effort to determine their affirmative interest in nomination. If more property owners elect to proceed, staff would return to the Council in the next few months with a new record of land use action and present that to the Council on the Consent Calendar.

Properties Proposed for Nomination

The following is a summary of the properties proposed for nomination, the address, the local criterion met for designation, and a brief description supporting the recommendation:

1. **731 Emerson Street**[5] is recommended for placement on the HRI as a Category 2 resource, under local Criterion 2 (*The structure or is particularly representative of an architectural style or way of life important to the city, state, or nation*), and Criterion 5 (*The architect or building was important*). Built in 1896, it is significant as an early and notable example of the Queen Anne style that was built by important local builder H.L. Upham.

[5] Link to nomination form and evaluation for 731 Emerson: https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/emersonst_731.pdf

2. **243-245 Webster Street**[6] is recommended for placement on the HRI as a Category 2 resource, under local Criterion 2. Built in 1904, it is significant as a property that embodies the distinct characteristics of the Eastern Shingle style.

3. **330 Cowper Street**[7] is recommended for placement on the HRI as a Category 2 resource, under local Criterion 1 (*The structure or site is identified with the lives of historic people or with important events in the city, state or nation*). Built in 1904, with a period of significance 1930-1948, it is significant as a residence lived in by a notable Black family who were both active in the Black community of Palo Alto during a period of significant growth; and were rare Black residents in the city at a time when de jure and de facto segregation limited the ability of Blacks to reside within Palo Alto. 330 Cowper Street was constructed prior to the adoption of restrictive covenants (based on race and religion) and was located outside of the previously established small zone along Fife Avenue where Black families were allowed to rent property.

4. **541 E Crescent Drive**[8] is recommended for placement on the HRI as a Category 2 resource, under local Criteria 2 and 5, and Criterion 6 (*The structure or site contains elements demonstrating outstanding attention to architectural design, detail, materials or craftsmanship.*) Built in 1928, it is a significant example of a Tudor Revival style building and a notable example of the work of significant local architect Charles K. Sumner. It is also an exemplar of craftsmanship by important local builder H.H. Dabinett. The building appears to retain a high level of integrity.

5. **421 California Avenue**[9] is recommended for placement on the HRI as a Category 2 resource, under local Criteria 2 and 5. Built in 1929, it is significant as a notable example of a commercial building in the Spanish Colonial Revival style, and a rare example of the style in brick designed by prolific Palo Alto architect Birge Clark. Despite alterations to the facade including removal of

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[6] Link to nomination form and evaluation for 243-245 Webster:
https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/websterstreet_243.pdf

[7] Link to nomination form and evaluation for 330 Cowper:
https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/cowperstreet_330.pdf

[8] Link to nomination form and evaluation for 541 E Crescent:
https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/ecrescentdr_541.pdf

[9] Link to nomination form and evaluation for 421 California:
https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/californiaave_421.pdf

original wrought iron features, the building retains significance as a unique work by important local architect Birge Clark.

6. **1401 Edgewood Drive**[10] is recommended for placement on the HRI as a Category 2 resource, under local Criteria 1, 2, and 5. Built in 1938 with a period of significance 1938-1960, it is significant for both its association with local Palo Alto resident Merritt C. Speidel and for its Colonial Revival design by David Clark and Walter Stromquist. The building was constructed for Speidel, who owned and operated a Palo Alto-based chain of eight newspapers that were published across the nation. Speidel lived with his family at the subject building until his death in 1960. Speidel's personal residence is associated with his professional accomplishments as no other known location reflects that history. The building is a rare Colonial Revival design to come out of the office of prolific local architect Birge Clark, and was designed by his successors, David Clark and Walter Stromquist.

7. **1474 Edgewood Drive**[11] is recommended for placement on the HRI as a Category 2 resource, under local Criteria 2 and 5. Built in 1935, 1474 Edgewood Drive is significant for its Spanish Colonial Revival style as designed by Birge Clark, who was one of Palo Alto's most significant and prolific local architects.

8. **2340 Tasso Street**[12] is recommended for placement on the HRI as a Category 2 resource, under local Criteria 2 and 5. Built in 1933, it is significant as a property that embodies the distinct characteristics of the French Norman and Storybook subtypes of the Period Revival style and is one of the earliest known Palo Alto residences designed by the prominent local builder-contractor William F. Klay.

9. **311 El Carmelo Avenue**[13] is recommended for placement on the HRI as a Category 2 resource, under local Criteria 2. Built in 1894, it is significant as a good and rare example of an

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[10] Link to nomination form and evaluation for 1401 Edgewood: https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/edgewooddrive_1401.pdf

[11] Link to nomination form and evaluation for 1474 Edgewood: https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/edgewooddrive_1474.pdf

[12] Link to nomination form and evaluation for 2430 Tasso: https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/tassostreet_2340.pdf

[13] Link to nomination form and evaluation for 311 El Carmelo Ave: https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/elcarmeloavenue_311.pdf

early house type that was likely adapted from pattern book designs to incorporate two separate entrances, and that demonstrates characteristics of the Queen Anne style.

10. **541 Bryant Street**[14] is recommended for placement on the HRI as a Category 2 resource, under local Criteria 2, 5, and 6. Built in 1946, it is significant as an early example of a professional office building in downtown Palo Alto at a time when such buildings were rare, and as an early and successful example of the courtyard office building in Palo Alto that demonstrates Midcentury Modern design. In addition, the building is a good example in the career of Leslie I. Nichols, demonstrating his transition to Modern styles in the post-World War II period.

11. **437 Kipling Street**[15] is recommended for placement on the HRI as a Category 2 resource, under local Criteria 1, 2 and 4 (*The structure or site is connected with a business or use which was once common but is now rare*). Built in 1902 with a period of significance 1902-1947, it is significant for its use as a boarding house with a converted dress shop on the first floor. It is also a unique building type that combines stylistic elements of Queen Anne, Foursquare, and Colonial Revival.

12. **1275 Dana Avenue**[16] is recommended for placement on the HRI as a Category 1 resource, under local Criteria 5 and 6. Built in 1935 with a period of significance 1935-1936, it is significant for its unique architectural design, high integrity and retention of character, and as the work of important local architects and builders W.F. Klay and H.H. Dabinett. It is also significant as the residence of San Francisco architect Charles H. Sawyer, who designed an addition in 1936 and occupied the residence through 1950.

13. **832 Kipling Street**[17] is recommended for placement on the HRI as a Category 2 resource under local Criterion 2. Built in 1893, it is significant as a distinctive and stately example of the Queen Anne style.

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[14] Link to nomination form and evaluation: https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/bryantstreet_541.pdf

[15] Link to nomination form and evaluation https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/kiplingst_437.pdf

[16] Link to nomination memo and evaluation for 1275 Dana: https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/danaave_1275.pdf

[17] Link to nomination memo and evaluation for 832 Kipling: https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/kiplingst_832.pdf

The following City properties were reviewed by staff from Administrative Services, Community Services, and Utilities prior to the HRB nominations hearings; staff did not identify any impediments to City operations or uses:

1. NW of Palo Alto Avenue & Hale Street (**Cistern and Pump House**): recommended for placement on the HRI as a Category 2 resource[18] under local Criteria 1 and 2. Built in 1924, it is an important part of the Palo Alto municipal water system that was developed from wells beginning in 1887. The subject building is significant as one of only two remaining early Palo Alto decorated utility structures and as an important part of the Palo Alto municipal water system that was developed from well sources beginning in 1887. The Cistern and Pump House also represents an important Northern California building typology that emerged from the City Beautiful Movement. It was designed to express pride in civic and public infrastructure.

2. **201 Alma Street** (the water tower property): recommended for placement on the HRI as a Category 1 resource[19] under local Criterion 1, Criterion 4 (The structure or site is connected with a business or use which was once common but is now rare) and Criterion 5. Built in 1910 with a period of significance 1910-1962, it is significant as a distinctive example of a decorated municipal building that embodies the design principles of the City Beautiful movement. It is an early example of reinforced concrete construction and is significant for its design by important local builder Maurice Couchot. It also is associated with early municipal water retention planning in Palo Alto.

When Council recently reviewed a park dedication ordinance for this site, Council recommended staff endeavor to place the site on the National Register of Historic Places; staff estimates the cost for consultant assistance on the task would be approximately $16,000. Additionally, staff is targeting the May 9 HRB meeting to enable a discussion with CSD staff about naming the park after an important person associated with Palo Alto Utilities, Fred Eyerly.

3. **2601 East Bayshore Road** (The Federal Telegraph Company – Marsh Station): recommended for placement on the HRI as a Category 1 resource[20], under local Criteria 1, 4, and 5. Built in 1921 and with a period of significance 1921 - 1977, the former Federal Telegraph Company – Marsh Station is significant for its remarkable contributions to the field of radio communications that impacted the field nationally and were significant to the American war

[18] Link to HRE for pump and cistern https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/cistern-and-pump-house.pdf

[19] Link to HRE for Water Tower site https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/almast_201.pdf

[20] Link to HRE for ITT site: https://www.cityofpaloalto.org/files/assets/public/v/1/planning-amp-development-services/historic-preservation/historic-inventory/EastBayshoreRoad_2601.pdf

effort in World War II. The company, which was originally founded in 1909 in Palo Alto as the Poulsen Wireless Telephone & Telegraph Company, was a pioneer in continuous wave transmission and long-distance transmission. Marsh Station was the hub of all West Coast wired communication (telegraph and telephone, and later ship-to-shore radio transmission) when it was completed in 1921, and led the world in how many channels of communication could be used simultaneously. While alterations have been made to the property with the removal of several structures, the site's significant association with national communication history remain legible through the presence of its main surviving building within the vast open marshland and the various concrete anchorage blocks that remain scattered throughout the site and once supported a 626-foot-tall radio tower (present from 1921-1960).

The HRB discussed this nomination on January 25, 2024. The question is whether listing on the local inventory helps create opportunities for its reuse, so that if it is demolished in the future there is some plan to do interpretive work preserving and highlighting the history conveyed on the site so that the public could understand the significance of the site.

POLICY IMPLICATIONS

Nominating properties for listing on a historic inventory can be controversial for any jurisdiction. While historic resources do benefit from certain zoning and building code incentives, it may not be as meaningful for homeowners who have already improved or simply plan to maintain their homes.[21]

Communities that have an incentive program that reduces property taxes in exchange for the preservation and maintenance of designated historic resources, such as a Mills Act program, are likely to see more voluntary requests for listing. Reduced property taxes, however, in places like Palo Alto with high property values, may also impact revenue to the Palo Alto Unified School District. The HRB has long championed a Mills Act program for Palo Alto. The City has only one Mills Act contract but has not expanded this program. Expansion would require direction from the Council and would need to be balanced to other Council and department priority objectives.

Communities that preserve historic resources create a sense of place and identity and can foster community pride as it celebrates its connection to the past. Robust preservation efforts can support economic development and support environmental sustainability through rehabilitation and reduced waste from construction.

[21] Preservation incentives webpage: https://www.cityofpaloalto.org/Departments/Planning-Development-Services/Historic-Preservation/Preservation-Incentives

FISCAL/RESOURCE IMPACT

There is no significant fiscal or resource impact associated with the recommendation in this report; all expenses have been previously accounted for in the department budget.

STAKEHOLDER ENGAGEMENT

The City maintained a project website; provided certified mailing to property owners with eligible historic resources; held a community meeting in April and again in October 2023 followed by several evening public hearings before the HRB. Notice of this hearing was published in the Daily Post on April 12, 2024, at least ten days in advance of the meeting.

NEXT STEPS

Based on the recommendation in this report, staff would continue to engage property owners whose properties are eligible for listing but who have not affirmatively expressed an interest in listing for the next two months. Afterwards, if there are any additional properties identified for listing, staff would advance that to the Council on the consent calendar.

For properties that are listed as part of the Council's action, they would have six months to reconsider and request their property not be listed on the inventory. After that time period, properties would be included in the inventory.

As an alternative to the recommendation in this report, the Council could decide to direct staff to return with a record of land use action to nominate all 63 properties recommended by the HRB. If so directed, staff recommends rescheduling the item for a future public hearing.

ENVIRONMENTAL REVIEW

Historic designation of properties is not a project under the California Environmental Quality Act (CEQA) and CEQA Guidelines per Section 21065. Court cases have established that historic resources do not need to be on a register to be protected under the California Environmental Quality Act (CEQA) when a discretionary permit or approval is required. CEQA may, therefore, require reviewing a project for potential historic status even if it is not on the local historic inventory. This means that the City's Historic Ordinance, local inventory, and procedures alone will not make clear the requirements that a property may be subject to, especially pursuant to CEQA.

ATTACHMENTS

Attachment A: Record of Land Use Action with Exhibit for April 22 2024 Inventory Update
Attachment B: List of 147 Properties Eligible for HRI in the 2023 Survey Report (one property is already listed on the local HRI)
Attachment C: List of 14 Properties Removed from Eligibility in Survey Report

APPROVED BY: Jonathan Lait, Planning and Development Services Director

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:	November 05, 2025
SUBJECT:	Combining the Architectural Review Board and Historic Resources Committee.
CEQA:	Categorical Exemption, CEQA Guidelines Section 15061(b)(3)

RECOMMENDATION
Review and provide direction to City Manager on whether to return with appropriate ordinance amendments combining the Architectural Review Board and Historic Resources Commission and start the public review process leading to a recommendation by the Planning Commission and consideration by the City Council.

DISCUSSION
At its meeting of August 20, 2025, the City Council indicated its support for consolidating the Architectural Review Board (ARB) and the Historic Resources Committee (HRC) into one Commission, referred to in the agenda report as the Architectural and Historic Resource Commission (AHRC). However, before moving forward with drafting the ordinances and starting the hearing process that would affect this, the City Council asked staff to return at a future meeting so the membership of the new commission and its duties could be confirmed.

The intent of this agenda item is to obtain City Council confirmation that staff has correctly captured the membership criteria for the AHRC and inform the City Council of the type of projects and applications this commission will be considering.

COMMISSION MEMBERSHIP
As noted at August 20, 2025 City Council meeting, staff's concept for the make-up of the Commission included membership with a blend of backgrounds in the construction and design of buildings along with historic preservation experience.

Following is staff's recommendation of the membership criteria for the AHRC.

- The Commission shall be made up of seven voting members who are residents of Pacific Grove, appointed by the Mayor, and confirmed by the City Council.
- Not less than two shall have experience in the construction trades such as a contractor, carpenter, or construction estimator. (2)
- Not less than two shall have experience in the building design trades such as an architect, landscape architect, designer, or structural engineer. (2)
- One member shall be nominated by the Pacific Grove Heritage Society from its membership, who shall be appointed by the Mayor and confirmed by the City Council. In instances where the

Pacific Grove Heritage Society is unable to appoint one of its members, the Mayor shall have the discretion to appoint a person with demonstrated historic preservation experience or if such a person is not available, another resident of the city who has demonstrated an interest for serving on the Commission. (1)

- Two residents of Pacific Grove that have demonstrated an interest in serving on the Commission. (2)

DUTIES OF THE COMMISSION

The Architectural and Historic Resource Commission (AHRC) would be responsible for doing the work currently performed by the ARB and HRC, which covers architectural design and the aesthetics of new structures and additions or alterations to existing structures along with the preservation of historic structures and the evaluation of projects involving a historic structure for compliance with historic preservation guidelines, policies, and regulations.

The range of applications and projects the AHRC will consider include:

- Architectural permits for new construction and major alterations to all structures, including those listed on the historic resource inventory (HRI).
- Historic determinations (additions to and deletions from HRI).
- Historic preservation permits (exceptions to site development standards for properties on the HRI).
- Historic demolition permits.
- Historic relocation permits.
- Initial historic screenings.
- Sign permits not subject to staff approval.

OPTIONS

1. Review and provide feedback and direction to staff.
2. Decline to move forward with the ordinance amendment process that will combine the ARB and HRC.

FINANCIAL IMPACT:

It is not anticipated that the review of the AHRC membership and duties will result in a significant financial impact.

FOCUSED PRIORITY AREA: Community Development