



NOTICE OF MEETING

CITY OF PACIFIC GROVE

CITY COUNCIL

REGULAR MEETING AGENDA

Wednesday, March 4, 2026, 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:

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[Please click here for directions to dial into the meeting audio.](#)

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE: Councilmember Garfield

1. APPROVAL OF AGENDA

2. PRESENTATIONS

- A. Presentation recognizing the Pacific Grove 12U baseball team “Fifty Four’s” for their **PG 6** participation in the July 2026 Cooperstown New York baseball tournament and their tribute to the 54th coastal artillery regiment

Reference: Coach Charles Tope

Recommended Action: Receive 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. 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 11. Unfinished and Ongoing Business

- A. Minutes of the February 18, 2026 Special and Regular Meetings **PG 7**

Reference: Sandra Kandell, City Clerk

Recommended Action: Approve the minutes.

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

6. **RESOLUTIONS**

Items pulled from this section will be placed under 11. Unfinished and Ongoing Business or 12. New Business

7. **ORDINANCES**

Items pulled from this section will be placed under 10. Public Hearings

- A. Second Reading on Ordinance Adopting the Budget Amendment Request for the CalHome Reuse (Fund 36) Budget for Fiscal Year 2025-26 Budget **PG 15**

Reference: Phillip Anderson Housing Program Manager

Recommended Action: Hold second reading and adopt an ordinance that amends the FY25/26 budget for the CalHome Reuse (Fund 36) Budget for the Fiscal Year 2025-26 Budget

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

8. **REPORTS – INFORMATION ONLY**

Items pulled from this section will be placed under 11. Unfinished and Ongoing Business or 12. New Business

- A. Storefront Retail Commercial Cannabis Business Licensing Informational Update **PG 19**

Reference: Matthew Mogensen, City Manager

Recommended Action: City staff is requesting that the City Council receive this informational update on the City's storefront retail commercial cannabis licensing process.

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 11. Unfinished and Ongoing Business or 12. New Business

- A. Amendment #2 to Agreement with HdL for Cannabis Services **PG 23**

Reference: Joyce Halabi, Deputy City Manager

Recommended Action: Authorize an amendment to extend the term of the agreement with HdL Companies for Cannabis Services.

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

- B. City Hall Door Access Control Project **PG 25**

Reference: Joyce Halabi, Deputy City Manager

Recommended Action:

1. Authorize an agreement with Sentry Alarm Systems for the Door Access Control Project at City Hall in an amount not to exceed \$100,576.32.
2. Alternatively, discuss and take other action related to this item.

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

10. **MEETING MINUTES OF COMMISSIONS, BOARDS, AND COMMITTEES** *Items pulled from this section will be placed under 12. New Business*

A. Architectural Review Board Meeting Minutes: January 13, 2026 **PG 28**

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. Recreation Board Minutes September 25, 2025 **PG 33**

Reference: Katie Clark, Recreation Manager

Recommended Action: Receive the minutes.

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

REGULAR AGENDA

11. **PUBLIC HEARINGS**

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

A. Fiscal Year 2025-26 Mid-Year Budget Modifications and First Reading of an Ordinance amending the 2025-26 Budget **PG 36**

Reference: Fred Marsh, Administrative Services Director

Recommended Action:

1. Introduce and hold first reading of an Ordinance to Amend the Operating and Capital Projects Budget and Employee Position Allocations for the Fiscal Year (FY) 2025-26.
2. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

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

12. **UNFINISHED AND ONGOING BUSINESS**

- A. Status Update and Review of the 2025-2027 City Council Adopted Community Goals and Workplan **PG 52**

Reference: Matthew Mogensen, City Manager

Recommended Action:

1. Receive a status update for the 2025-2027 Community Goals and Workplan Matrix Quarterly Update.
2. Provide direction to staff as to any modifications desired to the 2025-2027 Community Goals and Workplan.

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

13. **NEW BUSINESS**

14. **FULL PRESENTATIONS**

- A. Monterey One Water: Informational Update on Capital Projects, Rate Study and Strategic Priorities **PG 62**

Reference: Paul A. Sciuto, Executive Officer

Recommended Action: Receive presentation.

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

15. **CLOSED SESSION**

ADJOURNMENT

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



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Staphany Arriola, Management Analyst (Confidential)
MEETING DATE: March 04, 2026
SUBJECT: Presentation recognizing the Pacific Grove 12U baseball team “Fifty Four’s” for their participation in the July 2026 Cooperstown New York baseball tournament and their tribute to the 54th coastal artillery regiment
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive 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: March 04, 2026
SUBJECT: Minutes of the February 18, 2026 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 2-18-26



DRAFT MEETING MINUTES

CITY COUNCIL

SPECIAL MEETING

Wednesday, February 18, 2026, 5:00 P.M.

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

Appearing Remotely Via Zoom:

Councilmember Poduri

28 North Franklin Street

Chicago, IL 60606

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. Appearing remotely: Councilmember Rau.

ACTION: Councilmember Rau appeared remotely pursuant to just cause under AB2449.

APPROVAL OF THE AGENDA

Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember Garfield, Council voted to approve the Special Meeting Agenda.

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

Ayes:	Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Poduri, Rau, and Walkingstick.
Noes:	None.
Absent:	None.

SPECIAL MEETING / PUBLIC COMMENT ON SPECIAL MEETING MATTERS

No public comment received.

- A. Conference with Real Property Negotiators (Government Code § 54956.8) Property: Point Pinos Grill, 79 Asilomar Blvd, Pacific Grove
Agency Negotiator(s): Matthew Mogensen, City Manager; Alex Lorca, City Attorney; Dan Gho, Public Works Director/Deputy City Manager; Fred Marsh, Administrative Services Director; Nick Cina, Management Analyst
Negotiating Party(ies): Jerry Regester & Gail
Grammatico Under negotiation: Price and terms of payment of lease.

- B. Conference with Labor Negotiators (Government Code Section 54957.6)
City Negotiators: Matthew Mogensen, City Manager, Fred Marsh, Administrative Services Director, Che Johnson, Esq. Liebert Cassidy Whitmore and Leticia Livian, Human Resources Director Employee Organization: General Employees Association, Management Employees Association, Unrepresented Management, Confidential Employees, and Unrepresented Department Heads

DRAFT



DRAFT MEETING MINUTES

CITY COUNCIL REGULAR MEETING

Wednesday, February 18, 2026, 6:00 P.M.

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

Appearing Remotely Via Zoom: Councilmember

Poduri 28 North Franklin Street

Chicago, IL 60606

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https://www.cityofpacificgrove.org/Zoom_CC

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Councilmember Rau led the pledge of allegiance.

ACTION: Councilmember Rau appeared remotely pursuant to just cause under AB2449.

1. APPROVAL OF AGENDA

Upon motion by Mayor Pro Tem Amelio and seconded by Councilmember McDonnell, Council voted to approve the Regular Meeting Agenda.

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

Ayes: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Poduri, Rau, and Walkingstick.

Noes: None.

Absent: None.

2. PRESENTATIONS

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

A. Report on Closed Session by City Attorney

Conference with Real Property Negotiators (Government Code § 54956.8)

Property: Point Pinos Grill, 79 Asilomar Blvd, Pacific Grove

Agency Negotiator(s): Matthew Mogensen, City Manager; Alex Lorca, City Attorney; Dan Gho, Public Works Director/Deputy City Manager; Fred Marsh, Administrative Services Director; Nick Cina, Management Analyst

Negotiating Party(ies): Jerry Regester & Gail

Grammatico Under negotiation: Price and terms of payment of lease.

City Attorney Alex Lorca reported no Council action was taken.

Conference with Labor Negotiators (Government Code Section 54957.6)
City Negotiators: Matthew Mogensen, City Manager, Fred Marsh, Administrative Services Director, Che Johnson, Esq. Liebert Cassidy Whitmore and Leticia Livian, Human Resources Director
Employee Organization: General Employees Association, Management Employees Association, Unrepresented Management, Confidential Employees, and Unrepresented Department Heads

City Attorney Alex Lorca reported no Council action was taken.

B. Council and staff made general announcements.

4. **GENERAL PUBLIC COMMENT**

General Public Comment received from Vince Tuminello, Nina Beety, Christie Italiano-Thomas, and Inge Lorentzen Daumer.

A. Written General Public Comment

CONSENT AGENDA

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

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

Ayes: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Poduri, Rau, and Walkingstick.
Noes: None.
Absent: None.

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

A. Minutes of the February 4, 2026 City Council Regular Meeting

Action: Approved the minutes.

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

6. **RESOLUTIONS**

A. Allowance of an Administrative Leave Bank for Experienced New Hires

Action: Approved Resolution No. 26-005 Approving the Allowance of an Administrative Leave Bank for Experienced New Hires.

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

7. **ORDINANCES**

8. **REPORTS – INFORMATION ONLY**

A. Monterey Salinas Transit Board of Directors Meeting Minutes: January 12, 2026

Action: Received the minutes.

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

Section 15378

- B. FY26 Q2 Quarterly Investment Report
Action: Received the report.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378
- C. Check Register, Purchase Order report, and Interim Financial Report - January 2026 / Q2
Action: Received the Check Register, Purchase Order Report, and Interim Financial Report.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

9. **REPORTS – REQUIRING ACTION**

- A. Pump Station 15.5 Replacement
Action: Awarded an agreement with Monterey Peninsula Engineering in an amount not to exceed \$197,500 plus a 15% contingency for the Pump Station 15.5 Rehabilitation Project.
CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class I, Existing Facilities
- B. PGUSD & City of Pacific Grove MOU for Expanded Learning Opportunities Program Summer Camp
Action: Approved the City of Pacific Grove to enter a Memorandum of Understanding with Pacific Grove Unified School District allowing Pacific Grove Recreation to operate the Expanded Learning Opportunities Program (ELOP) Summer Camp.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378
- C. Letter Supporting the Monterey Peninsula Water Management District's Request for Modifications to State Water Resources Cease-and-Desist Order WR 2016-0016
Action: Authorized City Manager to Submit Letter of Support for Modifications to the Cease-and-Desist Order WR 2016-0016.
CEQA: Categorical Exemption, CEQA Guidelines Section 15061(b)(3)

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

- A. Architectural Review Board Meeting Minutes: December 09, 2025
Action: Received the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378
- B. Recreation Board Minutes October 23, 2025
Action: Received the minutes.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

REGULAR AGENDA

11. **PUBLIC HEARINGS**

- A. Discussion and possible adoption of Resolution Calling And Giving Notice Of A Special Municipal Election To Be Held On June 2, 2026 For A Measure With A

Proposed Ordinance Increasing The Monthly Compensation And Permitting City Councilmembers And Mayor To Waive Any Or All Of Their Monthly Compensation; Requesting Consolidation with the County Of Monterey With The Statewide Direct Primary Election To Be Held On June 2, 2026; Directing The City Attorney To Prepare An Impartial Analysis Concerning Such Measure; Authorizing The Drafting Of Primary Arguments And Rebuttal Arguments Concerning Such Measure And Requesting The County Of Monterey To Conduct The Election

Public comment received from Bill Kampe, Vince Tuminello, Christie Italiano-Thomas, Carol Marquart, and Inge Lorentzen Daumer.

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

1. Adopt a Resolution of the City Council Of The City Of Pacific Grove Calling And Giving Notice Of A Special Municipal Election To Be Held On June 2, 2026 For The Submission To The Voters Of The City Of Pacific Grove A Measure With A Proposed Ordinance Increasing The Monthly Compensation Of City Of Pacific Grove Councilmembers And The Pacific Grove Mayor And Permitting City Councilmembers And Mayor To Waive Any Or All Of Their Monthly Compensation; Requesting County Of Monterey To Consolidate The Special Election With The Statewide Direct Primary Election To Be Held On June 2, 2026; Directing The City Attorney To Prepare An Impartial Analysis Concerning Such Measure; Authorizing The Drafting Of Primary Arguments And Rebuttal Arguments Concerning Such Measure And Requesting The County Of Monterey To Conduct The Election (Resolution No. 26-006); and
2. Direct that the Resolution be submitted to the County of Monterey.

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

Ayes: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield, McDonnell, Poduri, Rau, and Walkingstick.

Noes: None.

Absent: None.

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

- B. Budget Amendment Request for the CalHome Reuse (Fund 36) Budget for Fiscal Year 2025-26 Budget
- No public comment received.

Action: Upon motion by Mayor Pro Tem Amelio and seconded by Mayor Smith, Council voted to introduce and hold first reading of an ordinance that amends the FY25/26 budget for the CalHome Reuse (Fund 36) Budget for the Fiscal Year 2025-26 Budget; and direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

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

Ayes: Mayor Smith, Mayor Pro Tem Amelio, Councilmembers Garfield,

McDonnell, Poduri, Rau, and Walkingstick.
Noes: None.
Absent: None.

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

12. **UNFINISHED AND ONGOING BUSINESS**
13. **NEW BUSINESS**
14. **FULL PRESENTATIONS**
15. **CLOSED SESSION**

ADJOURNMENT

Council adjourned the regular meeting at 7:00 p.m.

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: Phillip Anderson Housing Program Manager
MEETING DATE: March 04, 2026
SUBJECT: Second Reading on Ordinance Adopting the Budget Amendment Request for the CalHome Reuse (Fund 36) Budget for Fiscal Year 2025-26 Budget
CEQA: Categorical Exemption, CEQA Guidelines Section 15061(b)(3)

RECOMMENDATION

Hold second reading and adopt an ordinance that amends the FY25/26 budget for the CalHome Reuse (Fund 36) Budget for the Fiscal Year 2025-26 Budget

DISCUSSION

No substantive changes were made between the first and second readings of the ordinances. The City Clerk caused summaries of the ordinances to be published on February 26, 2026.

The City has an adopted CalHome Reuse loan program, Fund 36, that provides loans to qualified owner/homeowner(s) to rehabilitate and make their single-family dwellings safe. The City has received and processed an application for a loan from this program to rehabilitate an existing owner-occupied single-family dwelling in need of repairs that will make it safe and habitable. The owner of this property has been found to meet all qualifying criteria for this program. This rehabilitation project has been found to meet and comply with all the requirements of the CalHome Rehabilitation Loan Program. There are sufficient funds in the CalHome Reuse fund to support a transfer of \$199,000 from the reserves of this fund to the expenditure column. In June of 2025, the City Council approved the Fiscal Year 2025-26 Budget and an amendment to the CalHome Reuse budget is necessary because funds sufficient to cover the issuance of the loan were not allocated. Pursuant to the Pacific Grove City Charter Article 15, an amendment to the budget must be approved by ordinance. Staff is recommending an amendment to the Fiscal Year 2025-26 Budget to reflect an opportunity to rehabilitate and preserve housing for the fiscal year budget.

OPTIONS

1. Decline approval of the ordinance reflecting the requested budget amendment
2. Provide an alternative direction

FINANCIAL IMPACT:

The following reflects the requested amendment to the CalHome Reuse Budget: Fund 36

Beginning Expenditure Fund Balance \$24,000.00

Available Reserves \$273,086.00

Reserve Transfer \$199,000.00

Ending Reserve Balance \$74,086.00

Ending Expenditure Fund Balance \$223,000.00

FOCUSED PRIORITY AREA: Community Development

Attachments

26-XXX CalHome Reuse Funds Budget Amd Ord

ORDINANCE NO. 26-000

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE
AMENDING THE CALHOME REUSE EXPENDITURE BUDGET
FOR 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 expenditures to reflect updated information since the adoption of the Fiscal Year 2025-26 Budget.
3. Staff is recommending an amendment to the Fiscal Year 2025-26 Budget to reflect an opportunity to rehabilitate and preserve housing for the fiscal year budget.
4. The City has an adopted CalHome Reuse loan program, Fund 36, that provides loans to qualifying homeowners to rehabilitate and make their single-family dwellings safe.
5. The City has received an application for a loan from this program to rehabilitate an existing owner occupied single-family dwelling in need of repairs that will make it safe and habitable, and the owner of this property has been found to meet all qualifying criteria for this program.
6. This rehabilitation project has been found to meet and comply with all the requirements of the CalHome Rehabilitation Loan Program.
7. There are sufficient funds in the CalHome Reuse fund reserves to support this budget amendment.
8. The City Council has determined it is appropriate to amend the approved budget for FY 2025-26 to increase the CalHome Reuse Fund expenditure budget, allowing for issuance of a simple interest loan for a project that will rehabilitate and make safe an owner-occupied single-family dwelling.
9. Pursuant to Charter Article 15, an amendment of the budget must be approved by ordinance.
10. A summary of the Ordinance, approved by the City Attorney, was published on February XX, 2026.
11. 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.
12. 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 CITY 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 Fiscal Year 2025/26 expenditure budget for the CalHome Reuse Program, Fund 36, is hereby amended as follows:

Fund	Beginning Expenditure Fund Balance	Available Reserves	Reserve Transfer	Ending Expenditure Fund Balance
36	\$24,000	\$273,086	\$199,000	\$223,000

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 XXth day of February, 2026, by the following vote:

AYES:
NOES:
ABSENT:

APPROVED:

NICK SMITH, Mayor

ATTEST:
DATED:_____

SANDRA KANDELL, City Clerk APPROVED

AS TO FORM:

ALEX LORCA, 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: Matthew Mogensen, City Manager
MEETING DATE: March 04, 2026
SUBJECT: Storefront Retail Commercial Cannabis Business Licensing Informational Update
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

City staff is requesting that the City Council receive and file this informational update on the City's storefront retail commercial cannabis licensing process.

DISCUSSION

On June 18, 2025, the City Council approved the updated Cannabis Licensing Ordinance (PGMC Chapter 11.100), approved the cannabis administrative regulations, and adopted cannabis license application fees. All documents and materials can be found on the Storefront Retail Cannabis Business License webpage on the City's website.

The Ordinance provides that one (1) Storefront Retail Cannabis Business License may be issued within the limits of the City. The one license is to be awarded via a lottery if more than one application is received. The cannabis license application window for the Storefront Retail Commercial Cannabis Business License was open from September 15, 2025 to October 15, 2025. A total of 10 application packages were received and reviewed for consistency with the Cannabis Licensing Ordinance and administrative regulations.

Attached is a memorandum that is intended to address the process, history, questions that were raised during the application period and after, and the eligibility determination of the applications.

OPTIONS

This item is informational only and has not been agendized for action. Therefore, the only action is to receive the informational report.

FINANCIAL IMPACT:

There is no fiscal impact relating to this informational item.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

Cannabis Permitting Update Memo



MEMORANDUM

City of Pacific Grove

300 Forest Avenue, Pacific Grove, CA 93950

**SUBJECT: Storefront Retail Commercial Cannabis Business Licensing
Informational Update**

On June 18, 2025, the City Council held a public hearing and adopted the first reading of an amendment to the Cannabis Licensing Ordinance, approved the cannabis administrative regulations and adopted cannabis license application fees. The staff report package with supporting documents and a history of the development of the Storefront Commercial Cannabis Business License program can be [found here](#).

The cannabis license application window for the one Storefront Retail Commercial Cannabis Business License was open from September 15, 2025 to October 15, 2025. Throughout the application window, the City received and posted answers to "Frequently Asked Questions" regarding the City's licensing process, including questions regarding ownership of applicants. All of the FAQs and the City's responses can be viewed on the City's [Storefront Retail Commercial Cannabis Business License webpage](#). Questions regarding ownership are being highlighted in this memo because the City has continued to receive questions and comments on this specific concern. Specifically, the City received a question regarding whether multiple applications could be submitted for the same location by different entities "with no common ownership." The City responded yes. A follow up question was asked, asking if the individuals owning the different entities applying for a license at the same location could "have common ownership in other entities, a parent company or private contracts that constitute economic ownership?" The City responded that "there are no restrictions in the existing ordinance that would prohibit this."

A total of 10 application packages were received. Nine applications were submitted for 1157 Forest Avenue and 1 application submitted for 1169 Forest Avenue.

Shortly after the close of the application window on October 15, 2025, City staff received two letters from the property owner of 1169 Forest Avenue. The first letter, dated October 22, 2025, raised a concern that 8 of the 9 applications submitted for the property at 1157 Forest Avenue "appear to originate from one principal applicant utilizing multiple, separate legal entities" and requested that the City investigate this alleged "application stacking" and take corrective action. The second letter, sent on

October 31, 2025, states that "there is clearly nothing in Pacific Grove's Cannabis Ordinance that prohibits the stacking of applications by related parties," but makes other arguments for why "application stacking" should not be allowed and reiterates the request for an investigation and corrective action. City staff responded to the property owner on November 7, 2025, noting that the City was still in the process of reviewing all of the received applications for conformity with the City's regulations.

After review by HdL, who was brought on to conduct application review and later assist with inspections of the facility prior to opening, all 10 applications submittals were determined to meet the standards set out in the program and administrative rules. All applicants were notified on January 5, 2026 of their eligibility to move forward in the lottery phase of cannabis license process. Pursuant to PGMC Section 11.100.095, there was a ten day period from this date for any applicant to file an appeal with the city clerk of the "determinations regarding their or any other applicant's inclusion or exclusion from the lottery." No appeals were filed.

The City received further correspondence on January 8, 2026 from an attorney representing the property owner of 1169 Forest Avenue and the sole applicant for a license at that location, NUG Pacific Grove LLC, reiterating their prior statements that 8 of the applications submitted were coordinated and submitted by individuals and entities affiliated with a common entity and demanding corrective action. The City responded on January 15, 2026. Consistent with the responses provided in the FAQs posted during the application window, the City stated in its response that nothing in the City's licensing process prohibits the alleged affiliation with a common entity objected to in the letter.

While no further formal correspondence has been received by the City from NUG Pacific Grove LLC or the owner of 1169 Forest Avenue on this subject, the City has been receiving questions and comments about the licensing process in a similar vein from members of the public and the press. Therefore, City staff has put together this informational memo for the purpose of summarizing the history of questions and responses related to applicant ownership.

The next step in the cannabis licensing process is to conduct the lottery. City staff is still working on finalizing the details of the lottery.



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Joyce Halabi, Deputy City Manager
MEETING DATE: March 04, 2026
SUBJECT: Amendment #2 to Agreement with HdL for Cannabis Services
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Authorize an amendment to extend the term of the agreement with HdL Companies for Cannabis Services.

DISCUSSION

BACKGROUND

At the December 18, 2024 meeting, the City Council authorized an agreement with HdL Companies for cannabis business permitting and inspection services not to exceed \$24,000 for the following scope of work:

- Review and revise the application process and develop the procedures for a quality assurance pass/fail evaluation for the City to be sure only well qualified applicants are included in the lottery drawing to select the sole cannabis business operator.
- Develop cost-recovery fees for the initial application process.
- Conduct quality assurance application reviews to ensure all applicants meet state and federal regulations.
- Background checks.
- Site plan evaluations.
- Pre-license site visits.
- 40-hours of general subject matter expertise, which would be used in part to provide for reviewing and revising the application process as described in the first bullet above.

At the December 17, 2025 meeting, the City Council authorized Amendment #1 to the agreement. The amendment, authorized an additional \$26,000 to the total contract amount, increasing the contract amount from \$24,000 to \$50,000. Although this amendment increased the total contract amount, it did not create a fiscal impact to the City, as cannabis license fees were structured to fully offset all application processing and related costs. This amendment increased the total contract amount to reflect review of the actual number of applications received, rather than the original estimated volume.

CURRENT REQUEST

This request for Amendment #2 has no monetary impact or changes as it will solely increase the term of the agreement. The term of the original agreement is valid for one year, through February 20,

2025. This proposed amendment will extend the term through June 30, 2027.

A time extension is required to allow HdL to complete the approved scope of work in accordance with the timeline established in approved Application Procedures & Guidelines for a Storefront Retail Commercial Cannabis Business License. Under these guidelines, after the lottery occurs, the provisional licensee has twelve (12) months to obtain a Conditional Use Permit (CUP). HDL's approved scope of work includes items related to site plan evaluations and pre-license visits which cannot be completed until the CUP is secured. Therefore, the extension is necessary to allow the services to be performed in accordance with the required process.

NEXT STEPS

The City is in the process of finalizing the lottery details; additional details on the process will be released soon. Interested parties are encouraged to subscribe for notifications to the City's cannabis website at cityofpacificgrove.gov/cannabis to be notified of updates as they become available.

OPTIONS

1. Approve
2. Do not approve. Failure to authorize the amendment would result in the term of the agreement lapsing.

FINANCIAL IMPACT:

There is no fiscal impact associated with this action. This amendment request only modifies term of the agreement.

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: Joyce Halabi, Deputy City Manager
MEETING DATE: March 04, 2026
SUBJECT: City Hall Door Access Control Project
CEQA: Categorical Exemption, CEQA Guidelines Section 15301, Class I, Existing Facilities

RECOMMENDATION

1. Authorize an agreement with Sentry Alarm Systems for the Door Access Control Project at City Hall in an amount not to exceed \$100,576.32, over the five-year term of the agreement.
2. Alternatively, discuss and take other action related to this item.

DISCUSSION

As part of the approved FY25/26 budget, \$140,000 was allocated for the City Hall Door Access Control Project, which intends to enhance the safety of and security access to City Hall.

The City obtained a quote from Sentry Alarm Services for installation and five-year monitoring of a door access control system. The quote provides an initial base cost of \$36,676.32 for all facets of installation (providing equipment, installation, and labor) and annual monitoring costs of \$12,780, with a required 5-year term.

The scope of work covers all the required infrastructure, materials and labor to implement an access control system at 7 access points at City Hall, including materials, installation, and monitoring:

- Two (2), 8 door controllers
- 2 wi-fi module kits, 2 POE kits, and 2 cloud nodes
- 7 card readers with mobile credentials
- 7 recessed contacts
- 6, 25 pack high security cards
- 3 batteries
- 2 power supply
- Locking hardware, wiring, wire mold, and powering doors
- Programming, testing and end user training, and
- 1 year of data storage

The annual monitoring portion of the agreement covers:

- Ongoing system support
- Troubleshooting assistance
- Repair of system components and wiring (parts and labor), and

- Cloud data storage

The proposal allows for a Sentry-owned system rented to the City with a required 5- year monitoring term. Monthly monitoring costs are \$1,065 per month, with an annual monitoring cost of \$12,780. The total cost for installation and the five-year monitoring term is \$100,576.32.

At the end of the term, the City will revisit and reassess its options. If the City chooses to continue the rental, it could do so at the same fixed monthly rate listed.

In accordance with Pacific Grove Municipal Code Section 2.16.080 dispensation of bidding procedures can occur:

- (e) When supplies or equipment, such as communication systems, traffic signals, and parking meters, have been uniformly adopted in the city or otherwise standardized;

Sentry provides equipment, support and/or monitoring for critical building safety and security elements at various City facilities including, but not limited to, the Library, Fire Department, Youth Center, Community Center, Lighthouse, Museum, Chataqua Hall, Golf Course buildings, and Community Center. The systems range from fire suppression systems to fire alarms and burglary alarms. Sentry presently monitors and inspects these existing systems like the fire suppression systems at City Hall. Authorizing this agreement supports the standardization in place today and enhances efficiency and supports efforts across safety alerting and monitoring systems already in place. Sentry also provides similar services and rental agreements with various government agencies, including CalTrans and Oakland Housing Authority, to name a few.

Sentry has successfully provided these services to the City for years and is qualified to implement and monitor the door access control system for City Hall.

Staff is also recommending proceeding with the quote provided by Sentry because the rental model ensures the system is fully supported through the five-year service term. This is especially important given the technical nature of the system, which means that the City may not have the in-house staff with the technical expertise to promptly address and implement repairs to the system. Additionally, technology solutions evolve rapidly. This option allows for flexibility to expand the solution over time or upgrade as technology evolves.

The City previously initiated an RFQ and RFP processes in prior years, which were beyond the scope of the current proposal and at a higher cost.

Staff recommends authorization of an agreement with Sentry Alarm Systems.

OPTIONS

1. Approve Agreement
2. Do not approve agreement.

FINANCIAL IMPACT:

The City Hall Door Access Control Project was approved as an element of the FY25/26 budget as a capital outlay item in the Information Technology Department with a budget of \$140,000; there is sufficient funding to accommodate this agreement. A breakdown of the cost elements are provided below:

- Installation/Set-Up: \$36,676.32
- Annual Monitoring Costs: \$12,780*
- Total Costs for the 5-year term (including all installation, labor and five-years of

monitoring/support): \$100,576.32

**Required 5-year term*

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: Anna Bornstein, Associate Planner
MEETING DATE: March 04, 2026
SUBJECT: Architectural Review Board Meeting Minutes: January 13, 2026
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines
Section 15378

RECOMMENDATION

Receive the minutes.

Attachments

ARB Minutes 01.13.2026



NOTICE OF MEETING

CITY OF PACIFIC GROVE

ARCHITECTURAL REVIEW BOARD

MEETING MINUTES

Tuesday, January 13, 2026, 3:00 P.M.

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

1. **CALL TO ORDER & ROLL CALL**
Chair Brooks called the meeting to order at 3:00 pm. Also present in the chamber: Vice Chair Byrne, Member Boyle, Member Sublett
ABSENT: Secretary Huff
2. **APPROVAL OF THE AGENDA**
ACTION: Upon a motion by Vice Chair Byrne and seconded by Member Boyle, the Board voted to approve the agenda.

Motion carried 4-0-1, by the following roll call vote:

AYES: Chair Brooks, Vice Chair Byrne, Member Boyle, Member Sublett
NOES:
ABSENT: Secretary Huff
3. **BOARD AND STAFF ANNOUNCEMENTS (City-Related Items Only)**
Staff made announcements
4. **COUNCIL LIAISON ANNOUNCEMENTS**
Councilmember Rau made announcements
5. **GENERAL PUBLIC COMMENT**
 - A. Written General Public Comment
None

CONSENT AGENDA

6. **REPORTS FOR INFORMATION ONLY**
None.
7. **REPORTS REQUIRING ACTION**
 - A. Minutes of the December 9, 2025, Architectural Review Board Regular Meeting
Reference: Anna Bornstein, Associate Planner
Recommended Action: Approve the minutes of the December 9, 2025, Regular Meeting of the Architectural Review Board.
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines

- B. Architectural Design Change Permit (25-0342) for 859 Ocean View Blvd (APN 006-065-003-000) *During the Approval of the Consent Agenda, this item was moved to Public Hearings on the Regular Agenda as Item 8C.*

Zoning District/General Plan Designation: R-1/ Medium Density Residential (7.3 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Approve Architectural Design Change Permit (25-0342) subject to the recommended findings, conditions of approval, and Class 1 Categorical Exemption (CEQA Guidelines Section 15301, Existing Facilities).

Reference: Anna Bornstein, Associate Planner

- C. After-the-Fact Architectural Permit (25-0107) for 1283 Adobe Lane (APN 006-731-009). *During the Approval of the Consent Agenda, this item was moved to Public Hearings on the Regular Agenda as Item 8B.*

Zoning District/General Plan Designation: R-1/ Medium Density Residential (7.0 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Approve After-the-Fact Architectural Permit 25-0107 subject to the recommended findings, conditions of approval, and Class 1 Categorical Exemption (CEQA Guidelines Section 15301, Existing Facilities).

Reference: Anna Bornstein, Associate Planner

ACTION: Upon a motion by Vice Chair Byrne and seconded by Member Boyle, the Board voted to approve the consent agenda as amended to move Item 7B to 8C and 7C to 8B.

Motion carried 4-0-1, by the following roll call vote:

AYES: Chair Brooks, Vice Chair Byrne, Member Boyle, Member Sublett

NOES:

ABSENT: Secretary Huff

REGULAR AGENDA

8. PUBLIC HEARINGS

- A. Architectural Permit (AP) and Tree Permit with Development (TDP) 25-0205 for 271 Crocker Ave (APN 006-391-003)

Zoning District/General Plan Designation: R-1-B-3 / Low Density Residential up to 4.4 du/ac

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Approve Architectural Permit / Tree Permit with Development 25-0205 subject to the recommended findings, conditions of approval, and Class 1 Categorical Exemption (CEQA Guidelines Section 15301, Existing Facilities).

Reference: Anna Bornstein, Associate Planner

Vice Chair Byrne recused herself.

Anna Bornstein, Associate Planner, provided the staff presentation.

Paul Simpson, AIA, provided the applicant presentation.

Inge Lorentzen Daume, Lisa Ciana, and Shane McMillian provided public comments.

ACTION: Upon a motion by Member Sublett and seconded by Member Boyle, the Board voted to approve the consent agenda as amended.

Motion carried 3-0-1-1, by the following roll call vote:

AYES: Chair Brooks, Member Boyle, Member Sublett

NOES:

RECUSED: Vice Chair Byrne

ABSENT: Secretary Huff

- B. After-the-Fact Architectural Permit (25-0107) for 1283 Adobe Lane (APN 006-731-009).

Previously Item 7C.

Zoning District/General Plan Designation: R-1/ Medium Density Residential (7.0 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Approve After-the-Fact Architectural Permit 25-0107 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

Inge Lorentzen Daumer provided public comments.

ACTION: Upon a motion by Vice Chair Byrne and seconded by Chair Brooks, the Board voted to approve After-the-Fact Architectural Permit 25-0107 subject to the recommended findings, conditions of approval, and Class 1 Categorical Exemption (CEQA Guidelines Section 15301, Existing Facilities).

Motion carried 4-0-1, by the following roll call vote:

AYES: Chair Brooks, Vice Chair Byrne, Member Boyle, Member Sublett

NOES:

ABSENT: Secretary Huff

- C. Architectural Design Change Permit (25-0342) for 859 Ocean View Blvd (APN 006-065-003-000). ***Previously Item 7B.***

Zoning District/General Plan Designation: R-1/ Medium Density Residential (7.3 du/ac)

Coastal Zone: No

Historic Resources Inventory: No

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

Recommended Action: Approve Architectural Design Change Permit (25-0342) 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

Hunter Porter Eldridge, AIA, provided the applicant presentation.

Lisa Ciani provided public comments.

Inge Lorentzen Daumer provided public comments.

ACTION: Upon a motion by Vice Chair Byrne and seconded by Member Boyle, the Board voted to approve Architectural Design Change Permit (25-0342), as amended, subject to the recommended findings, conditions of approval, and Class 1 Categorical Exemption (CEQA Guidelines Section 15301, Existing Facilities). The Board recommended the applicant consider pre-patinaed copper materials per Informational Bulletin #40 (Metals Pollution in Stormwater Runoff)

Motion carried 4-0-1, by the following roll call vote:

AYES: Chair Brooks, Vice Chair Byrne, Member Boyle, Member Sublett

NOES:

ABSENT: Secretary Huff

9. **CONTINUED AND ONGOING BUSINESS**

None

10. **NEW BUSINESS**

None

11. **PRESENTATIONS**

None

12. **NEXT MEETING** - February 10, 2026, at 3:00pm

13. **ADJOURNMENT** – 4:14 pm



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Katie Clark, Recreation Program Manager
MEETING DATE: March 04, 2026
SUBJECT: Recreation Board Minutes September 25, 2025
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines
Section 15378

RECOMMENDATION

Receive the minutes.

Attachments

Recreation Board Minutes September 25, 2025



Meeting Minutes

CITY OF PACIFIC GROVE RECREATION BOARD REGULAR MEETING AGENDA

Thursday, September 25, 2025, 4:00 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_RB

[Please click here for directions to dial into the meeting audio.](#)

AGENDA

1. **CALL TO ORDER**
The meeting was called to order at 4:02 pm by Ashley Gamble, Recreation Board Chair. A roll call was conducted with the following members present in person: White, Gamble, and O’Sullivan. Chair Tulley and Member Lehman absent.
2. **APPROVAL OF AGENDA**
Action: Upon motion by Member White, with a second by Member O’Sullivan, the Recreation Board voted 3-0-2 to approve the agenda. Chair Tulley and Member Lehman absent.
3. **BOARD AND STAFF ANNOUNCEMENTS (City-Related Items Only)**
Board Members - announcements received from Member O’Sullivan and Vice-Chair Gamble

City Staff - announcements received from Recreation Manager, Katie Clark
4. **COUNCIL LIAISON ANNOUNCEMENTS** – no announcements received
5. **GENERAL PUBLIC COMMENT** – no public comments were received
 - A. Written General Public Comment – no written public comments were received

6. **APPROVAL OF THE MINUTES**

A Recreation Board Draft Minutes June 26, 2025

· **Action:** Upon motion by Member White, with a second by Member O’Sullivan, the Recreation Board voted 3-0-2 to approve the June 26, 2025 Meeting Minutes. Chair Tulley and Member Lehman absent.

B Recreation Board Draft Minutes July 24, 2025

· **Action:** Upon motion by Member White, with a second by Member O’Sullivan, the Recreation Board voted 3-0-2 to approve the July 24, 2025 Meeting Minutes. Chair Tulley and Member Lehman absent.

7. **REGULAR AGENDA**

A 2025 Summer Programs Report

· **Action:** Report received.

B Continuation of Park Assessments

· **Action:** Upon motion by Member White, with a second by Member O’Sullivan, the Recreation Board voted 3-0-2 to assign the remaining 11 parks to individuals from the Rec Board, to complete the assessment and turn in by the October 23 deadline. Chair Tulley and Member Lehman absent.

Action: Vice Chair Gamble moved to amend the original motion, with a second by Member White.

Action: Upon motion by Member White, with a second by Member O’Sullivan, the Recreation Board voted 3-0-2 to assign the remaining 11 parks to individuals from the Rec Board, to complete the assessment and to be completed by November 20, 2025. Chair Tulley and Member Lehman absent.

8. **NEXT MEETING - October 23, 2025**

9. **ADJOURNMENT** - Meeting adjourned by Vice Chair Gable at 5:15 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.
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CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Jessica Medawar, Deputy Director of Finance
MEETING DATE: March 04, 2026
SUBJECT: Fiscal Year 2025-26 Mid-Year Budget Modifications and First Reading of an Ordinance amending the 2025-26 Budget
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Introduce and hold first reading of an Ordinance to Amend the Operating and Capital Projects Budget and Employee Position Allocations for the Fiscal Year (FY) 2025-26.
2. Direct that publication of the ordinance will be satisfied by publication of a summary approved by the City Attorney.

DISCUSSION

General Fund:

The Proposed Fiscal Year 25-26 budget was developed based on conservative growth in the current fiscal year. Year-to-date and projected revenues and expenses are included as an attachment to this report and are summarized below. The ending fund balance is projected to meet the General Fund reserve policy previously adopted by Council. However, the five year forecast in the adopted budget projected fund balance projects a decrease over each of the next three years through Fiscal Year 28-29 and possibly FY 29-30. Staff will update the five-year forecast as part of the preliminary budget to be presented to Council in May.

Line Item	Fiscal Year 2025-26
Beginning Fund Balance	\$16,484,000
Budgeted Revenues	32,759,000
Budgeted Operating Expenses	33,862,000
Budgeted Capital Outlay / Transfers	870,000
Projected Change Before Adjustments	(1,973,000)
Projected Revenue Changes	700,000
Proposed Expense Adjustments	294,000
Revised Projected Change	(1,567,000)
Projected Ending Fund Balance	\$14,917,000
Meets 25% General Fund Reserve Policy	Yes

General Fund revenues overall are expected to exceed the overall budget for the current fiscal year, with property and transient occupancy taxes projected to come in higher by \$200K and \$500K respectively over the original projections (a total of 2% of budgeted revenues). In preparing this mid-year report, the administrative services staff worked with the departments to identify proposed adjustments for the General Fund for Council to consider for adoption, as listed below:

Department	Proposed Adjustment
Fire	\$179,000
Public Works	115,000
Total Proposed Budget Adjustments – General Fund	\$294,000
% of Current Budget	< 1%

Explanations for Proposed Adjustments for General Fund:

Department	Explanations for Adjustments
Fire	Approximate 3% true up per year from Monterey, plus paramedic services
Public Works	Elevator repairs at Youth center

Other Funds:

In preparing this mid-year report, the administrative services staff worked with the departments to identify proposed adjustments to other funds for Council to consider for adoption, as listed below:

Fund / Fund Number	Proposed Adjustment	Projected Ending Reserves
08-Museum Improvement	\$24,000	\$174,000
12-Fire Emergency Equipment	13,000	87,000
18-Gas Tax Fund	111,000	111,000
30-Operating Grants	32,000	-
34-Cdbg Grant Fund	129,000	47,000
36-Calhome Reuse	33,000	240,000
40-Poetry Promotion	15,000	202,000
76-Sewer Fund	1,378,000	5,853,000
77-Golf Fund	(29,000)	826,000
78-Sewer Lateral Loans	30,000	137,000
Total Proposed Budget Adjustments – Other Funds	1,736,000	

Explanations for Proposed Adjustments for Other Funds:

Fund / Fund Number	Explanations for Adjustments
08-Museum Improvement	Flooring replacement
12-Fire Emergency Equipment	Washer/dryer electrical and set-up / Supplies
18-Gas Tax Fund	One-time increase for 4 leaf contract for special project management and speed surveys / Additional overtime
30-Operating Grants	Expend remaining PLHA funds for Housing administration costs
34-Cdbg Grant Fund	Update budget to reflect loans issued in FY25-26
36-Calhome Reuse	Additional pending rehabilitation loan
40-Poetry Promotion	Adjustment for contract expense
76-Sewer Fund	FY25-26 request for portion of funding for Street Rehab (\$350k), Sewer Force Main Replacement - Arena Ave (\$600k), Urban Diversion Station Repair and Recalibration (\$100k)
77-Golf Fund	Increase of \$3,500/month for 6 months for CourseCo to temporarily operate Golf Restaurant. Water expense adjusted to reflect new CourseCo lease terms. Bad Debt expense to write off revenue earned but not received from Golf Restaurant.
78-Sewer Lateral Loans	Budget set for 3 new sewer loans for each FY

Employee Position Allocation Table Adjustment

The current budget provides for an employee allocation plan for the Community Development Department (CDD) that includes two (2) full-time equivalent (FTE) associate planners and (1) principal planner. Currently, the positions are filled by two associate planners and one senior planner that is underfilling the principal planner allocation. Staff has analyzed the changing demands and needs of the department and determined that an adjustment to the position allocations for planners could be more efficient and save costs of outsourcing higher level work.

The proposed budget amendment includes reclassifying one FTE associate planner position to one FTE senior planner position. With the principal planner position being under filled at the senior planner level, the reallocation adjustment will result in one associate planner FTE and two senior planner FTE's in CDD. This change will allow CDD to address community goals, service improvements housing element programs, and other projects needed to be accomplished to meet mandates and better support the community. The change would also reduce consultant services costs.

In line with a Community Goal adopted by the City Council to review all permit processes to eliminate barriers to housing and economic development and coupled with the recently approved housing element, which contains numerous goals, policies, and programs to provide diverse, high quality housing choices appropriate for residents at all income levels, a staff member working at the senior planner level is needed. The staff member serving in this senior planner level will have the demonstrated ability to evaluate and develop improvements to all levels of the City's permit processes including developing a platform where planning applications can be submitted and paid for on-line, establishing a more timely and direct line between the point of project submittal and assignment of project to its manager, monitor the work load of the planning staff for efficiencies, assure compliance with laws regulating project processing timelines, introduce steps and provide training to achieve

efficient pre-analysis of projects so that the appropriate application and fees are submitted for development projects. The senior planner in this role will also, in conjunction with the director and housing division manager, be instrumental in achieving completion and compliance with the twenty (20) programs of the recently approved housing element that further housing opportunities in the City. Implementation of these programs require an intuitive and forward thinking staff member who can prepare the procedures, internal codes, and policies that will result in the varied elements that allow the City to make progress on the Housing Element programs and result in, but not be limited to, achieving the City's Regional Housing Needs Allocation (RHNA), preservation of affordable housing units, monitoring whether the sites in the housing site inventory can fulfill their identified housing potential, the redevelopment of a shopping center, zoning code amendments, identification of a preferred housing site, and providing guidance to citizens on accessory dwelling units (ADU's). It is also anticipated that the staff person serving in this capacity will support economic development efforts in the City and be a resource for those seeking to open or modify their commercial establishments.

OPTIONS

1. Make no adjustments
2. Provide alternative direction to staff

FINANCIAL IMPACT:

The proposed expenditure adjustments for the General Fund total \$294,000, which will be funded by additional projected revenues during the current fiscal year. The proposed expenditure adjustments for other funds total approximately \$1.74 million, which will be funded by existing reserves in the funds noted above. The financial impact of reallocating one Associate Planner to Senior Planner will cost approximately \$14,600 annually in salary and approximately \$4,394 in benefits and roll ups, all totaling approximately \$19,000 additional in staffing costs per year. However, as mentioned above, the reallocation of a planner from Associate to Senior Planner will allow for previously contracted work to be done in house saving consultant contract costs. The additional \$19,000 in staffing costs will be fully covered by the reduced expenses in consultant service fees.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

PPT

Ordinance

Mid Year Financial Update March 4, 2026



Background – General Fund Adopted Budget

- **Based on projected conservative growth in FY 2025-26**
- **Projected to meet 25% General Fund Reserve Policy previously adopted by Council for FY 25-26**
- **The Five Year forecast in the adopted budget through FY 29-30 projects fund balance will continue to drop over each of the remaining four years. This is consistent with what has been presented to Council since last June.**

Revised FY 25-26 Forecast (In Millions)

Line Item	Fiscal Year 2025-26
Beginning Fund Balance	\$16,484,000
Budgeted Revenues	32,759,000
Budgeted Operating Expenses	33,862,000
Budgeted Capital Outlay / Transfers	870,000
Projected Change Before Adjustments	(1,973,000)
Projected Revenue Changes	700,000
Proposed Expense Adjustments	294,000
Revised Projected Change	(1,567,000)
Projected Ending Fund Balance	\$14,917,000
Meets 25% General Fund Reserve Policy	Yes

Highlights of Revised FY 25-26 Forecast

- General Fund revenues overall are expected to exceed the overall budget for the current fiscal year, with property and transient occupancy taxes projected to come in higher by \$200K and \$500K respectively over the original projections

(Adjustments represent 2% of budgeted revenues).

Proposed Adjustments to General Fund Budget:

Proposed Budget Adjustment	Department	Amount
Approximate 3% true up per year from City of Monterey, plus paramedic services and Washer/dryer electrical and set-up	Fire	\$179,000
Elevator Repairs at Youth center	Public Works	115,000
Total Proposed Adjustments - General Fund (Represents < 1% of Adopted Budget)		\$294,000

Proposed Adjustments - Other Funds

Fund Name / Number	Explanation of Adjustments	Amount
08-Museum Improvement	Flooring replacement	\$24,000
12- Fire Emergency Equipment	Supplies	13,000
18-Gas Tax Fund	One-time increase for 4 leaf contract for special project management and speed surveys / Additional overtime	111,000
30-Operating Grants	Expend remaining PLHA funds for Housing administration costs	32,000
34-CDBG Grant Fund	Update budget to reflect loans issued in FY25-26	129,000
36-Calhome Reuse	Addl pending rehabilitation loan	33,000
40-Poetry Promotion	Adjustment for contract expense	15,000

Proposed Adjustments – Other Funds

Fund Name / Number	Explanation of Proposed Adjustment	Amount
76-Sewer Fund	FY25-26 request for portion of funding for Street Rehab (\$350k), Sewer Force Main. Replacement - Arena Ave (\$600k), Urban Diversion Station Repair and Recalibration (\$100k)	\$1,378,000
77-Golf Fund	Increase of \$3,500/month Course Co to temporarily operate Golf Restaurant. Water expense reflects new Course Co lease terms. Bad Debt expense to write off revenue from Restaurant.	(29,000)
78-Sewer Loans	Budget set for 3 new sewer loans	30,000
Total Adjustments		\$1,736,000

Recommendation

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

ORDINANCE NO. 26-xxx

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE
AMENDING THE OPERATING AND CAPITAL PROJECTS BUDGET AND EMPLOYEE
POSITION ALLOCATIONS 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 2025-26 Budget.
3. The City Manager is recommending amendments to the Fiscal Year 2025-26 Budget to reflect the City Council goals for the fiscal year budget.
4. The Council has determined it is appropriate to amend the approved budget for FY 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 General Fund is amended for the items listed below. Which by reference are incorporated as set forth in its entirety.

Proposed Budget Adjustment	Department	Amount
Approximate 3% true up per year from City of Monterey, plus paramedic services and Washer/dryer electrical and set-up	Fire	\$179,000
Elevator Repairs at Youth center	Public Works	115,000
Total Proposed Adjustments General Fund		\$294,000

SECTION 3: The expenditure budgets for funds other than the General Fund is amended for the items listed below. Which by reference are incorporated as set forth in its entirety.

Fund Name / Number	Explanation of Proposed Adjustment	Amount
08-Museum Improvement	Flooring replacement	\$24,000
12- Fire Emergency Equipment	Supplies	13,000
18-Gas Tax Fund	One-time increase for 4 leaf contract for special project management and speed surveys / Additional overtime	111,000
30-Operating Grants	Expend remaining PLHA funds for Housing administration costs	32,000
34-Cdbg Grant Fund	Update budget to reflect loans issued in FY25-26	129,000
36-Calhome Reuse	Addl pending rehabilitation loan	33,000
40-Poetry Promotion	Adjustment for contract expense	15,000
76-Sewer Fund	FY25-26 request for portion of funding for Street Rehab (\$350k), Sewer Force Main. Replacement - Arena Ave (\$600k), Urban Diversion Station Repair and Recalibration (\$100k)	1,378,000
77-Golf Fund	FY25-26 increase of \$3,500/month for 6 months Course Co to temporarily operate Golf Restaurant. Water expense adjusted to reflect new Course Co lease terms. Bad Debt expense to write off revenue earned but not received from Golf Restaurant.	(29,000)
78-Sewer Lateral Loans	Budget set for 3 new sewer loans for each FY	30,000
Total Proposed Adjustments – Other Funds		\$1,736,000

SECTION 4. The Employee Position Allocations approved for FY 2025-26 are amended for the Community Development Department to include the reallocation of one (1) full-time equivalent associate planner position to senior planner. This amendment will result in one (1) FTE associate planner, one (1) FTE senior planner, and one (1) FTE principal planner allocated for the Community Development Department. Which by reference are incorporated as set forth in its entirety.

SECTION 5. In accord with Article 15 of the City Charter, this ordinance shall become effective upon adoption hereof.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this
4th day of March, 2026, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

NICK SMITH, Mayor

ATTEST:

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

ALEX J. LORCA, 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: Matthew Mogensen, City Manager
MEETING DATE: March 04, 2026
SUBJECT: Status Update and Review of the 2025-2027 City Council Adopted Community Goals and Workplan
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

1. Receive a status update for the 2025-2027 Community Goals and Workplan Matrix Quarterly Update.
2. Provide direction to staff as to any modifications desired to the 2025-2027 Community Goals and Workplan.

DISCUSSION

City Council Policy 000-26 requires that following a general election all newly elected Councils will prepare a set of Council goals and accompanying strategies during the first quarter. These goals ideally build on prior Council's goals but reflect changing City priorities. The goals are considered above and beyond the Capital Improvement Program (CIP) projects and the normal day-to-day operations of maintaining the City, fulfilling mandates and providing services to residents, businesses and visitors.

The 2025-2027 Community Goals and Workplan was developed through a series of meetings with the City Council between February 26, 2025, and May 21, 2025. To develop the Community Goals and Workplan, the City Council considered the current challenges and opportunities facing the City and received input from the City's Boards, Commissions, and Committees (BCCs). From the baseline information and BCC input, the City Council developed four final focus areas each with a value policy statement that explained the intention behind each focus area. The City Council then approved the supporting tasks for each goal to be accomplished over the 2025/26 and 2026/27 fiscal years (see Attachment 1).

The City is now at the mid-point in the 2-year cycle of the Community Goals and Workplan. Every quarter staff updates the Community Goals and Workplan Matrix to track progress and report to the City Council (see Attachment 2). The targets established in the matrix were set based on the known workload, steps required to complete tasks, precursor tasks, budget availability and other information factors. These targets have been adjusted forward or back depending on changes in the initial factors. Supporting tasks that have been completed are noted in the Complete column in the Attachment with an "x". The notes section provides the target completion dates or current status.

Staff will present the status update to this Community Goals and Workplan at the City Council meeting and request feedback from the City Council as to any goals or supporting tasks that are no longer relevant.

Status Updates for Near Deliverable Workplan Tasks

Below is a status update summary of the Workplan Tasks that staff is currently pursuing and targeting for completion in the next couple of quarters. The list does not include those already completed (9 of 27 supporting tasks are complete after 2 of 8 quarters).

CAAP	Draft to be presented to Council in April.
George Washington Park Master Plan	BNRC to review in April.
Title 12 Update	BNRC to review in May.
Cost Recovery Assessments	Under review and will be presented in May.
Wildlife Protection Effort Assessment	Under review. CSO assigned to rec trail daily. Recreational Drones banned
Capital Replacement Funds	Presented to Council in November 2025, Initial Plan approved by Council at 11/19 council mtg.
Risk Management Evaluation Implementation	Evaluation complete. Implementing action plan.
Affordable Housing Preferred Site Selection	Discussion to come to Council in May.
Asset Management Database	New Assessments recently completed. Analyzing data that will be included in the database.
IT Business Continuity	IT assessment completed and a list of 6 and 12-month action items provided. Work to begin.
Enterprise Resource System RFP	RFP in development and planned to be released in March/April.
Staff Retention Plan	Under constant review. Additional staff recognition efforts planned.
Business License Process Review	DCM analyzed and made changes to the process that are more efficient and streamlined for businesses.
CD Permit process review and improvement	CD director analyzing all CD processes and planning for adjustments to improve services for applicants.
Sidewalk Policy Review and Update	Reviewing Policy 700-4. Sidewalk inventory to be completed through Risk Management Action Plan.

Additional City Council Directed Workplan Items

To shed light and provide a broader context on the workload and Council directed priorities underway by City staff, the list below has been compiled. These are workplan items that have been directed by the City Council but are not included in the Community Goals and Workplan.

PGGL Restaurant Lease	Lease is under negotiation with new vendor.
Council Stipend Measure	Council approved measure for June 26 ballot.
AI Policy	To be present in March/April.
Drone Ordinance	Recreation ban approved. Research and business permit code changes under review.

E-Bike Ordinance	Traffic Safety Commission to hold hearings and provide a recommendation to the City Council.
Polling regarding long-term finances	Results to be presented on 3/18 to the City Council.
Chautauqua Hall Improvements	Architect hired. Funding agreement in place.
Chautauqua Hall Usage Policy	Staff reviewing historic restrictions and context.
Chinese Pavilion	Staff and architect working on plan for the grounds and pavilion.
Sign Program on Coastal Trail	Staff to work on a program of updated signage on the coastal trail to better educate citizens on laws.
Dancing Monarch Sculpture	Obtaining quotes for installation. Needs CDP.
Crespi Pond Maintenance	IS/MND completed. Seeking a CDP. Then need permits from Water Resources and CDFW.
Lighthouse/Central/Congress Intersection	Report complete. On Council Agenda in April/May.
Recreation Program stats matrix	Staff evaluating and will be collecting data to present to Recreation Board.

Other Major Work Efforts in Process

There are other major work efforts underway. These efforts stem from prior City Council direction, state mandates, organizational efficiencies/improvements, and public safety/preparedness that are also currently prioritized. Below is a summary of those efforts.

Cannabis Permitting	Applications vetted and lottery to be announced soon.
Emergency Preparedness	EOC drills planned and staff training underway.
Public Information	Newsletter revamped. Social media greatly expanded.
Economic Development	DCM leading business engagement.
Organizational Assessment Action Plans	Pursuing recommendations from CD, PW, IT, and larger organizational study.
ATC	Waiting on developer submittals.
Parking Meter Retrofit	Developing option to use ParkMobile vs. coins operated.
Business License	Process analyzed and improvements made.
Records Digitization	Staff continues to digitize records.

OPTIONS

Discuss and take alternative action.

FINANCIAL IMPACT:

Any direct financial impacts associated with the Supporting Tasks of the Workplan have been allocated previously by the City Council through the budget or will require a future City Council budget allocation to complete. Any changes to the Goals and Workplan Supporting Tasks may require additional budget allocation.

FOCUSED PRIORITY AREA: Not Applicable.

Attachments

2025.27 Community Goals with Policy Statements

2025.26 Community Goals and Work Plan Matrix Final 5.22.25 - 2.25.26



City of Pacific Grove

2025-2027 Community Goals and Workplan

Financial Sustainability

Policy Value Statement: Pacific Grove manages the City's financial resources to ensure the long-term delivery of municipal services

Goal 1: Identify a program to reduce unfunded liabilities

- Develop a plan to reduce our long-term pension obligations
- Secure funding to repay the debt service for the water reclamation facility
- Develop options for a long-term storm drain infrastructure funding plan.

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

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

Goal 3: Identify and reduce expenditures and enhance revenues

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

Infrastructure

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

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

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

Goal 2: Invest in technology and workforce systems

- Develop RFP and select vendor for new Enterprise Resource System
- Develop a business continuity plan for IT infrastructure and electronic databases
- Develop a plan to develop and retain key staff members

Goal 3: Address critical physical infrastructure needs

- Develop a safe route to school plan and present to the City Council
- Create a downtown streetscape improvement plan
- Release a sewer master plan RFP

Environmental Stewardship

Policy Value Statement: Pacific Grove cares for and protects its natural resources and amenities

Goal 1: Complete Climate Action and Adaptation Efforts

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

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

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

Community Development

Policy Value Statement: Pacific Grove strategically implements programs to promote housing and economic opportunities

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

- Present findings and staff recommendations to City Council for direction regarding unpermitted ADUs
- Identify a preferred affordable housing project location

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

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

Policy Value Statements and Goals by Focus Area ADDITIONAL Milestone Tasks

- Initiate and complete an updated sewer rate study and present to the City Council
- Facilitate a Prop 218 rate setting process
- Evaluate existing services/programs to identify efficiencies and cost savings
- Provide cost and revenue analysis for the City Council's review when new or expanded programs and services are proposed
- Evaluate potential new revenue sources and present to the City Council
- Amend threshold from \$2,500 to \$40,000 for a CIP project, with projects under new threshold considered maintenance
- Develop an information technology master plan and present to the City Council
- Present the City Council a report on technological solutions with recommended prioritization that increase efficiency, reduce costs and improve service delivery
- Develop a safe route to school plan with funding options and present to the City Council
- Create a downtown streetscape improvement plan and present to the City Council
- Complete a sewer master plan update and present to the City Council
- Evaluate LCP Amendments needed to protect the coastline and wildlife and recommend a scope of work and present to the City Council for direction
- Evaluate the City's current and future water allocations and facilitate a City Council discussion on the prioritization of water credits
- Conduct outreach to the business community to identify barriers to economic development and provide a report to the City Council regarding the findings
- Review business license process and implement efficiency measures
- Evaluate timelines and permit processes for commercial and residential permits and implement efficiency measures where feasible
- Evaluate the City's BCC review process and recommend improvements to enhance efficiency, effectiveness and lower costs for housing and business development, to the City Council

2025/2026 Community Goals and Workplan Matrix												
PRIORITY AREA: 1. Fiscal Sustainability												
POLICY VALUE STATEMENT: Pacific Grove manages the City's financial resources to ensure the long-term delivery of municipal services												
Goal	Supporting Task	Lead Division/ Support	FY 2025/26				FY 2026/27				Complete	Notes
			Q1 9/30	Q2 12/31	Q3 3/30	Q4 6/30	Q1 9/30	Q2 12/31	Q3 3/30	Q4 6/30		
1.1 Identify a program to reduce unfunded liabilities	Develop a plan to reduce our long-term pension obligations	AS		x							x	Approved by Council at the 11/19 Council Mtg.
	Secure funding to repay the debt service for the water reclamation facility	PW, AS				x					x	Golf course agreement amendment approved. CourseCo to pay full water cost now
	Develop options to fund long-term storm drain infrastructure needs	PW, AS						x				In process with "New Revenue Sources" Task
1.2 Review and revise reserve policies to meet equipment and facility needs	Update the City Council Financial and Budgetary Policies to revise the City's reserve fund policies and present to the City Council	AS		x							x	Approved by Council at the 10/15 Council Mtg.
	Create Capital Replacement Funds to plan for regular maintenance and replacement of vehicles, facilities, equipment, infrastructure and park amenities, and present to the City Council	AS, PW, CM				x					x	Presented to Council in November 2025, Initial Plan approved by Council at 11/19 council mtg.
1.3 Identify and reduce expenditures and enhance revenues	Review low/no cost recovery programs for effectiveness and recommend improvements	All Depts				x						Reviewing Recreation Programs and CD Service fees currently
	Identify potential new revenue sources and present to the City Council	AS & CM lead		x							x	Identified as part of report to council on 11/19
	Implement risk management assessments findings and recommendations to reduce workers compensation and liability claim exposures	AS & CM			x							Evaluation complete. Implementing action plan
PRIORITY AREA: 2. Infrastructure												
POLICY VALUE STATEMENT: Pacific Grove prioritizes the provision of facility, human, and technology infrastructure that enhances the quality of life for residents and businesses												
Goal	Supporting Task	Lead Division/ Support	FY 2025/26 Quarter of				FY 2026/27 Quarter of				Complete	Notes
			Q1 9/30	Q2 12/31	Q3 3/30	Q4 6/30	Q1 9/30	Q2 12/31	Q3 3/30	Q4 6/30		
2.1 Complete a five-year capital improvement program to address the completion of priority public facility projects (sidewalks, streets, water, wastewater, parks)	Develop and present a 5-year CIP plan to the City Council	AS, PW		x							x	Presented to Council in November 2025, Initial Plan approved by Council at 11/19 council mtg.
	Develop a new asset management database	AS, PW			x							New Assessments recently completed. Analyzing Data that will be included in the database
	Present updates to City Council Policy 700-4 regarding sidewalk repairs and installation, to include a plan for City property and a sidewalk repair process for private property owners	PW, CD			x							Reviewing Policy 700-4. Sidewalk inventory to be completed through Risk Management Action Plan
2.2 Invest in technology and workforce systems	Develop RFP and select vendor for new Enterprise Resource System	AS						x				RFP in development and planned to be released in March/April
	Develop a business continuity plan for IT infrastructure and electronic databases	AS				x						IT assessment completed and a list of 6 and 12-month action items provided. Work to begin
	Develop a plan to develop and retain key staff members	CM										Developing programs to enhance and promote a positive work environment. Coordinated better communication with staff regarding the budget with Brownies and Budget, and Coffee and Calculations. Implemented an Employee Referral Program. Provide more learning opportunities with supervisory skills employment law training, Promoting participation in learning academies. Scheduled a department head retreat with leadership and team building opportunities. Developing an employee recognition program. Created City Manager Beacon recognition award. Certified the City as a family friendly employer.
						x						

2.3 Address critical physical infrastructure needs	Develop a safe route to school plan and present to the City Council	PW					x					Sidewalk infills continue. Pine Ave improvements complete
	Create a downtown streetscape improvement plan	PW, CD, CM					x					To begin
	Release a sewer master plan RFP	PW								x		To begin
PRIORITY AREA: 3. Environmental Stewardship												
POLICY VALUE STATEMENT: Pacific Grove cares for and protects its natural resources and amenities												
Goal	Supporting Task	Lead Division/ Support	FY 2025/26 Quarter of				FY 2026/27 Quarter of				Complete	Notes
			Q1 9/30	Q2 12/31	Q3 3/30	Q4 6/30	Q1 9/30	Q2 12/31	Q3 3/30	Q4 6/30		
3.1 Complete Climate Action and Adaptation Efforts	Present a Climate Action and Adaptation Plan to the City Council for approval	PW			x							Draft to be presented to Council in April
	Provide fire safety inspection services for residents living near George Washington Park and in High Fire Severity Zones	Fire		x							x	Monterey Fire completed annual process
	Complete a George Washington Park Master Plan	PW, CD				x						On target for Q 4 Presntation to BNRC, Council Q1 of FY 26-27
3.2 Protect and Preserve the Natural Resources of Pacific Grove	Complete the comprehensive update to Title 12 of the municipal code; revisions to focus on replanting compliance and tree appeal process; to be presented to the City Council for approval	PW			x							Q3 FY 25-26
	Assess Wildlife Protection efforts in the City that can be achieved, within available resources and present feasible measures to the City Council for consideration	PD, PW				x						Under review. CSO assigned to trail daily. Recreational Drones banned
PRIORITY AREA: 4. Community Development												
POLICY VALUE STATEMENT: Pacific Grove strategically implements programs to promote housing and economic opportunities												
Goal	Supporting Task	Lead Division/ Support	FY 2025/26 Quarter of				FY 2026/27 Quarter of				Complete	Notes
			Q1 9/30	Q2 12/31	Q3 3/30	Q4 6/30	Q1 9/30	Q2 12/31	Q3 3/30	Q4 6/30		
4.1 Explore options for an affordable housing project and partner opportunities	Present findings and staff recommendations to City Council for direction regarding unpermitted ADUs	CD			x							Researching options
	Identify a preferred affordable housing project location	CD				x						Discussion to come to Council in May.
4.2 Review all Permit processes to eliminate barriers to housing and economic development	Evaluate the City's current and future water allocations and facilitate a City Council discussion on the prioritization of water credits	CD, CM		x							x	Complete - Allocations Adopted by City Council October 25'
	Review business license process and implement efficiency measures	CD, CM		x							x	DCM assessing and making adjustments to improve the processing of business licenses
	Evaluate timelines and permit processes for commercial and residential permits and implement efficiency measures where feasible	CD, PW, PD				x						CD director analyzing all CD processes and planning for adjustments to improve services for applicants
A.S. = Administrative Services	P.D. = Police Department											
C.D = Community Development	FIRE = Fire											
C.M. = City Manager	LIB. = Library											
P.W. = Public Works	REC = Recreation											



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

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Staphany Arriola, Management Analyst (Confidential)
MEETING DATE: March 04, 2026
SUBJECT: Monterey One Water: Informational Update on Capital Projects, Rate Study and Strategic Priorities
CEQA: Does not constitute a Project per California Environmental Quality Act Guidelines Section 15378

RECOMMENDATION

Receive presentation.

Attachments

M1W PPT

INFORMATIONAL UPDATE:

Capital Projects, Rate Study, and Strategic Priorities

Paul A. Sciuto, Executive Officer



OUR ROLE

Mission

Working together for
safe, resilient water
solutions that benefit
our community and
environment

Water & Energy

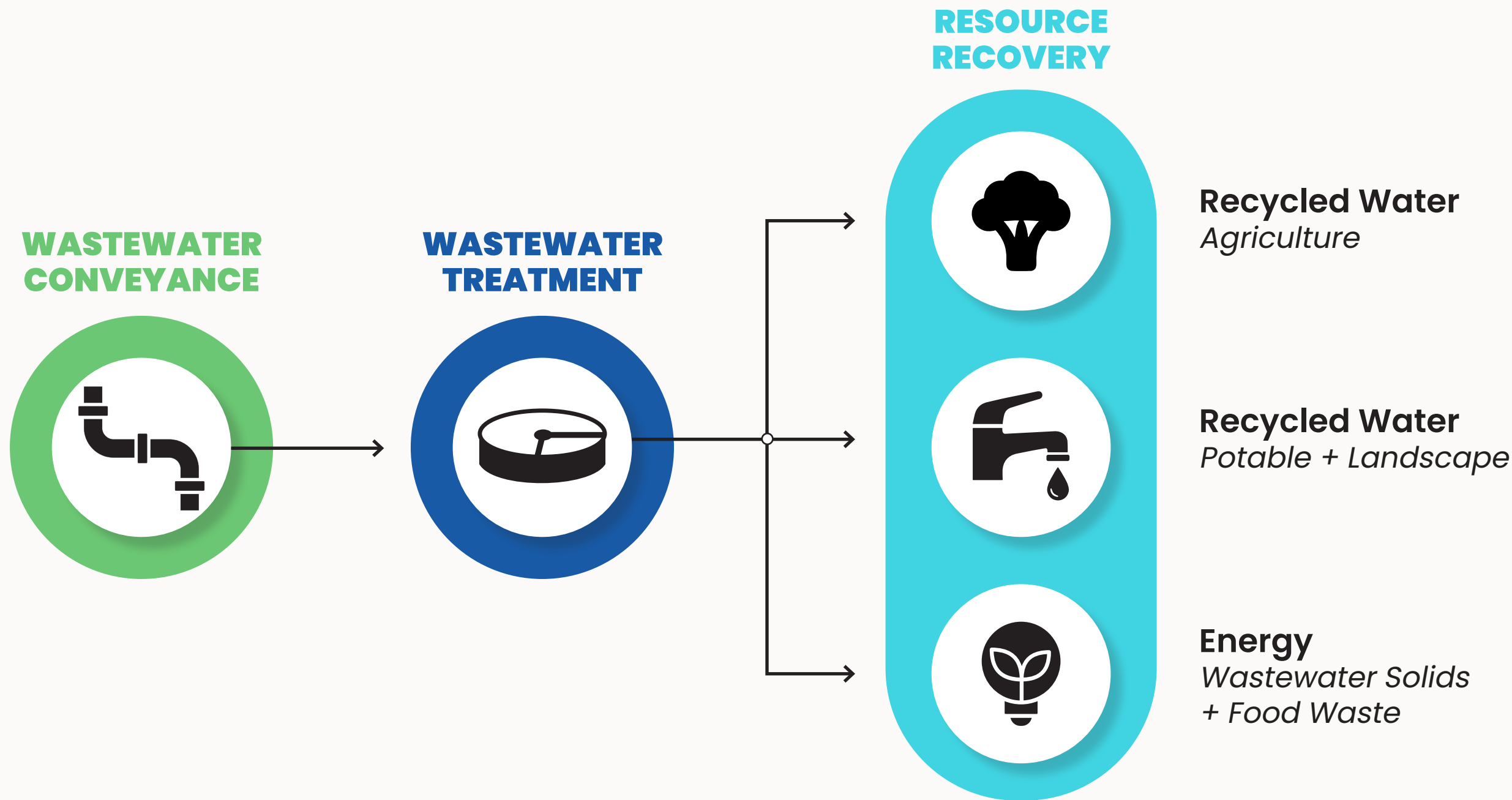
Community

Employer of Choice

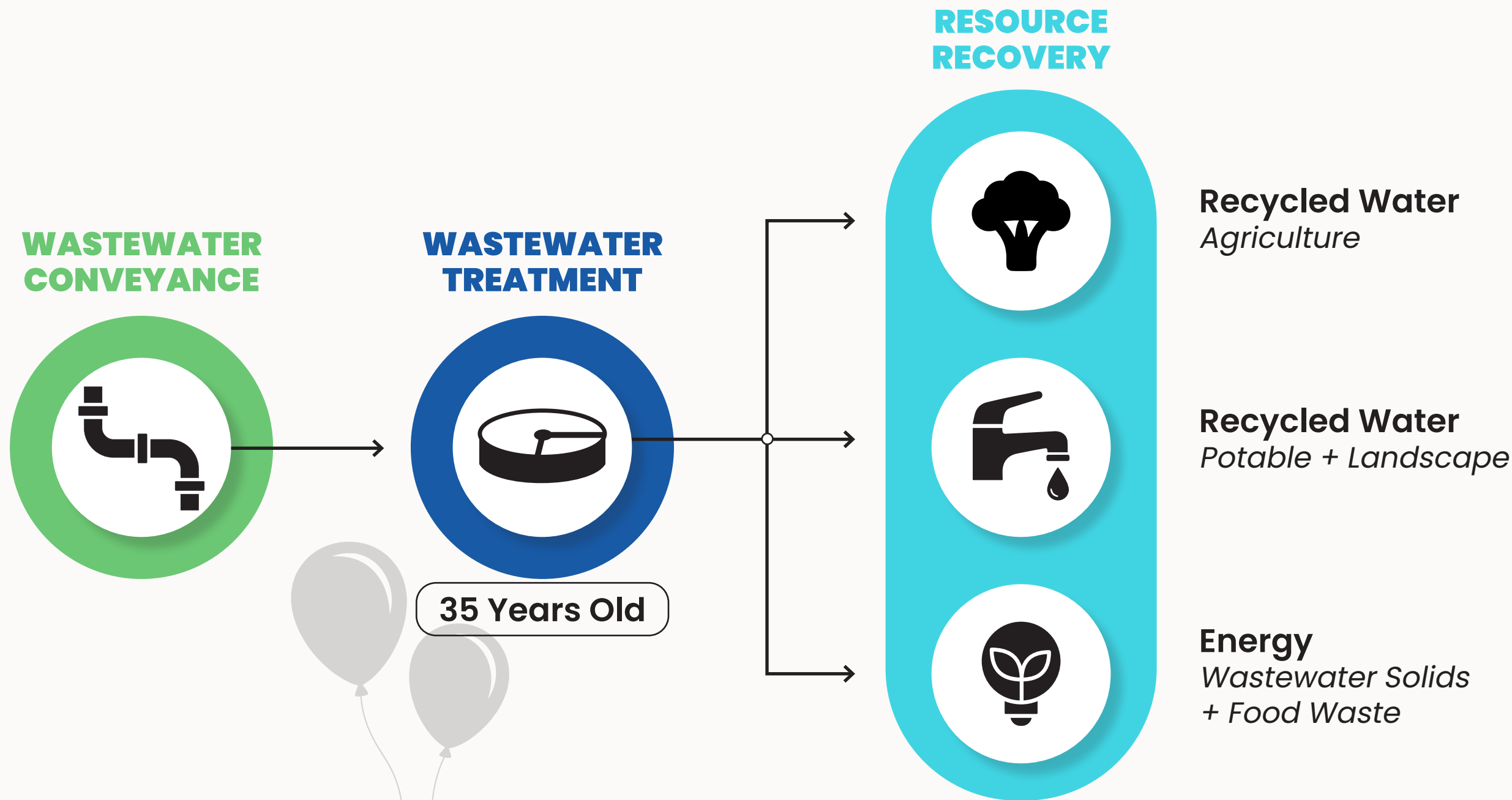
Technology

Industry Policy & Position

SERVICES & FACILITIES



SERVICES & FACILITIES



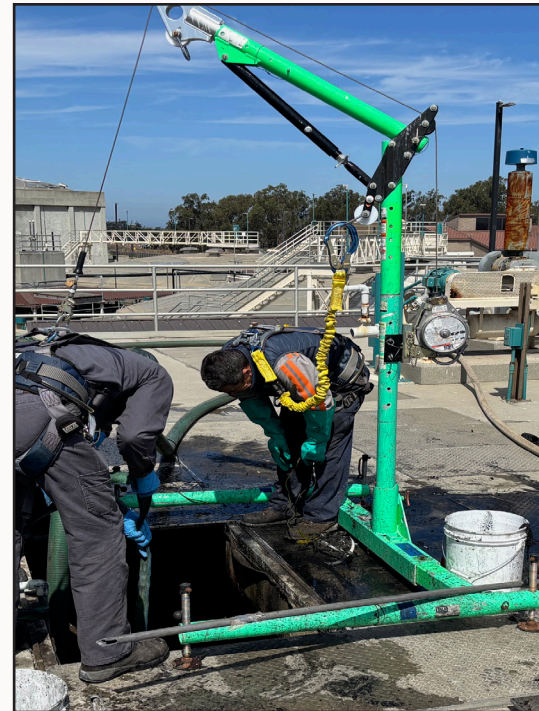
PUBLIC WORKS IN ACTION

PUMP STATION UPGRADE



Example:
*Rebuild of two coastal
pump stations (new pumps,
electrical, instrumentation)*

TREATMENT PLANT MAINTENANCE



Example:
*Cleaning and inspection of
treatment steps*

REPLACEMENT & EFFICIENCIES



Example:
*New instrumentation
for power generation*

WHAT'S IN THE WORKS

Current Priorities

Electrical Reliability

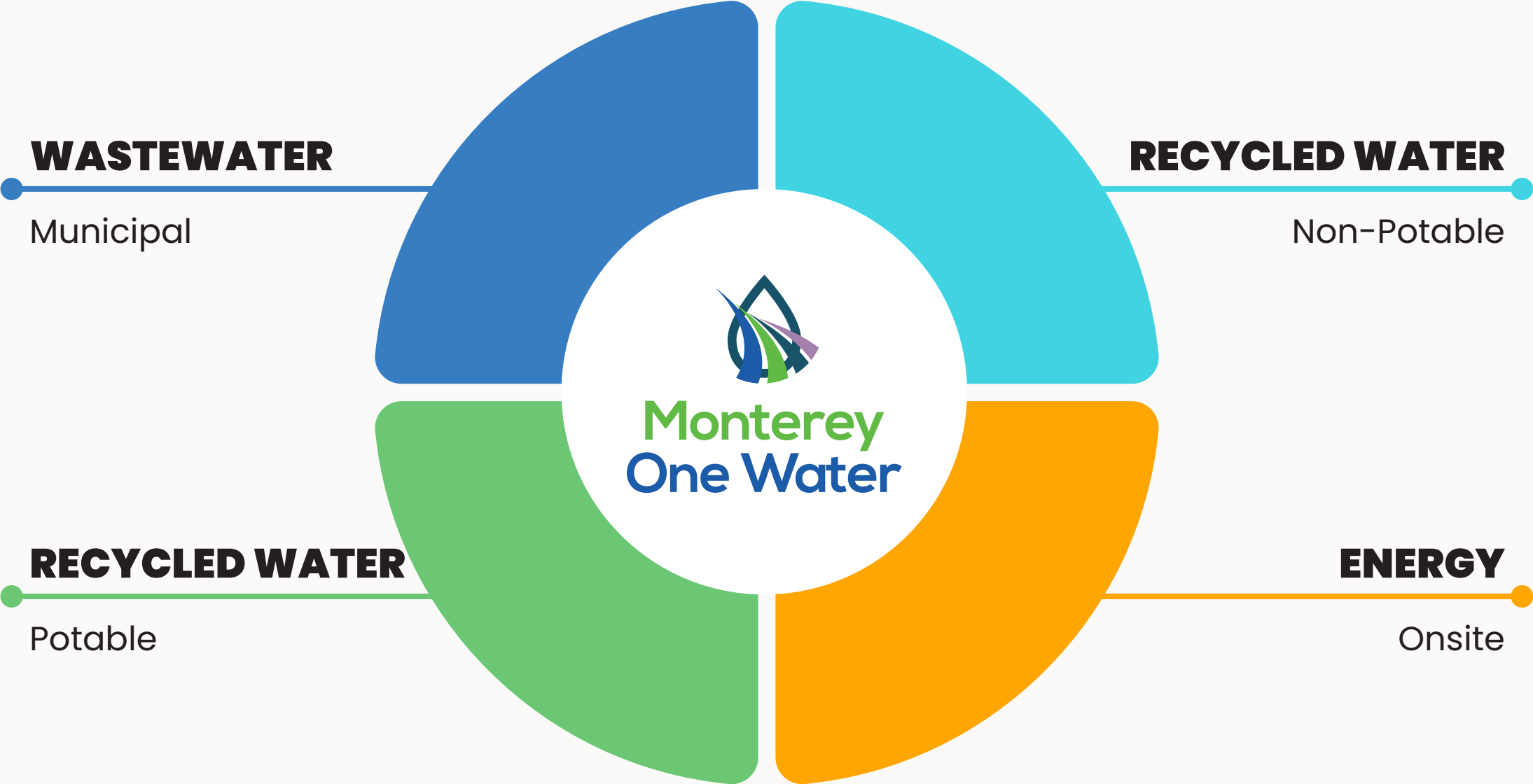
Treatment Master Plan

Biosolids Management



CUSTOMER GROUPS

Funding “Bank Accounts”



SUPPORTING OUR PRIORITIES

Wastewater Rate Study

WHAT DRIVES RATES?

Reliable Service • Rising Costs (chemicals/power) • Capital Projects

REVENUE NEEDS

Projects revenue needs based
on O&M and capital needs



RATE MODEL

Cost of service requirements
spread over rate structure

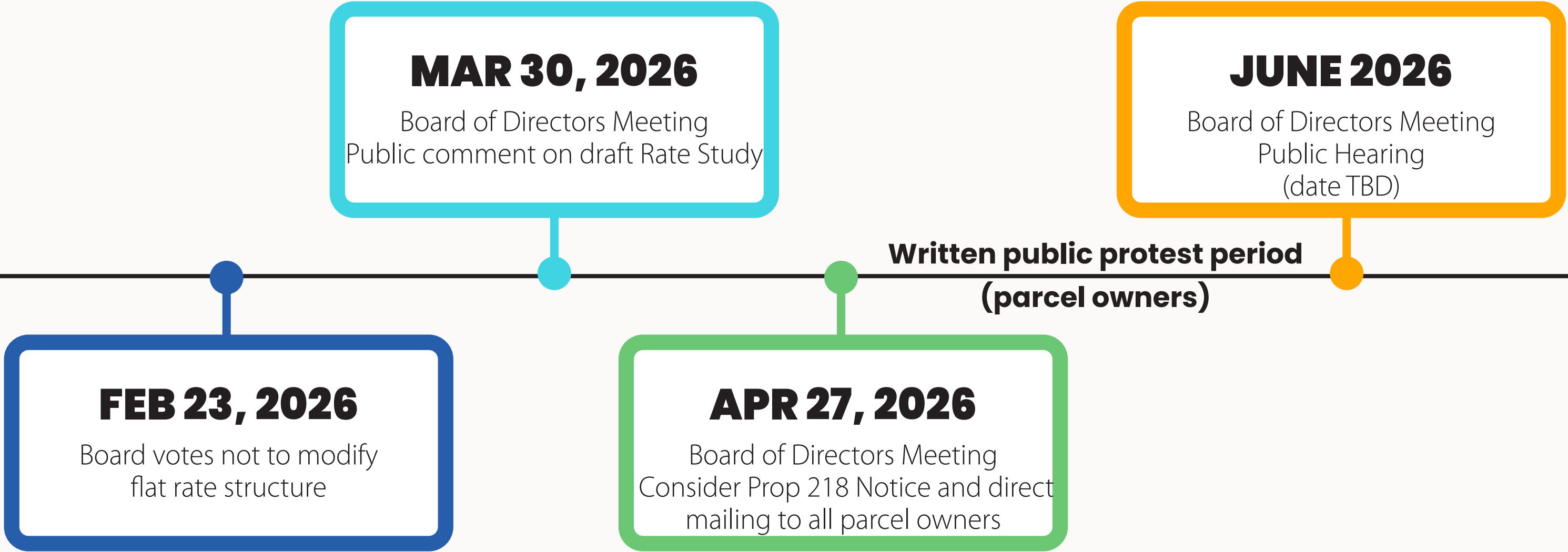


RATE SCHEDULE

Monthly rate(s)
over set period



PUBLIC RATE SETTING



MONTEREY ONE WATER

BIG FUTURE ... WE'RE READY

Community Driven • Proven Record • Experienced Team



MONTEREY ONE WATER

PURE WATER MONTEREY



EXPANSION PROJECT

Expanded Facility Size:
7.6 million gallons per day

US EPA WIFIA Loan:
\$21 million

Grant Funding:
\$42 million

THANK YOU

Paul A. Sciuto
Executive Officer
info@my1water.org